



**THE EFFECTIVENESS OF SOCIAL MEDIA MARKETING STRATEGIES AMONG  
MICROBREWERIES: A PERCEPTUAL ANALYSIS**

by

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**Signed**

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**Date**

## **ABSTRACT**

Craft beer has taken a large interest within the liquor market in South Africa, hence there are microbreweries targeting this niche market and the competition is on the rise. The craft beer market is unique and requires different marketing to mass-produced beer, social media marketing has been on the rise and suits the user demographics of the craft beer drinker. With this study, the researcher will analyse the perceptions of the micro-brewers as to whether they perceive social media marketing techniques to be successful.

The data collection methods used in this research study were unstructured interviews one-one-one with the microbrewery owner, questionnaires which were distributed to the microbrewery employees for feedback and various case studies. The types of data analysis that has been utilized in this study are thematic analysis, content analysis and framework analysis - charts will be utilized to create a visual representation of the data as well as mapping and interpretation.

The recommendations for the microbrewery provided by the researcher were the following:

- Adopt a social media marketing strategy plan
- Have a dedicated employee focusing on content creation and management of social media applications
- Microbrewery owners to gain a deeper understanding of social media and acquire the skills to be able to market effectively
- Make use of multiple social media applications
- Staff should be more involved and have an understanding of the business social media footprint

The findings will assist brewers who are not yet informed of social media marketing and assist those who will enter the market in the future. This research will also assist future procedures and decisions with planning and implementing more superior marketing strategies with a focus on social media.

The study found that microbreweries have a positive perception of social media marketing and that the major benefit of it is low costs. The research also concluded that Facebook is the most effective social media platform and that microbreweries prefer social media marketing in comparison to traditional marketing strategies.

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## GLOSSARY

Microbrewery	A small company that makes beer, usually using traditional methods, and often has a restaurant where its beer is served
Macro brewery	A large national or international brewery that produces and distributes a sizeable amount of beer
Social media strategy	A set of tools that can be used for promoting social issues as well as for the purpose of selling
Marketing strategy	A road map for marketing activities of a business for a specified future period of time

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## **CHAPTER ONE: STUDY BACKGROUND**

### **1.1. Introduction**

South Africa has the biggest beer market on the continent of Africa with regards to volume sales and has a population of beer drinkers. Statistics prove that beer is the number one beverage choice in South Africa with 48% of the documented alcohol consumption per capita being beer (De Trez, 2016: 72). Due to the fact that the microbreweries segment remains much undeveloped among the South African beer market, there is not much evidence of validated research to precisely enumerate the number of microbreweries in the country and what forms of marketing they make use of (De Trez, 2016: 42). Since craft beer is an up and coming market this industry needs to find their target audience and market accordingly compared to Macro breweries.

The question of the evolution of marketing and adoption of new marketing strategies and platforms like social media is an important consideration knowing that a large part of South Africans have access to Facebook and overall 97% of students are active on various social media platforms (Duffet & Wakeham, 2016: 21).

When companies start-up a business their initial objective is to make a sustainable profit and create successful and continuous growth, hence there are various strategies that are implemented when aiming to reach the objectives set out at the beginning which is usually to make a profit.

Social media marketing has provided microbreweries with new opportunities to connect social interfaces on the internet, these companies can effortlessly share and access information and have an increased personal and interactive relationship with their consumers (Hajli, 2013: 1). Examples of social media platforms include forums, business blogs, online communities and social networking such as Facebook, Twitter, and LinkedIn amongst others.

## **1.2. Background to the study**

This study is motivated by the latest up and coming market in South Africa which is microbreweries producing and distributing craft beer and how these microbreweries can utilize the latest up and coming marketing technique which is social media marketing in order to reach their target audience and gain market share.

There is a significant increase in the use of social media platforms for business and personal purposes. There is also an increase in microbreweries development within South Africa and they require effective marketing strategies to create growth and success, to overcome and challenge competitive markets and increase in innovation within the economy (Githaiga, Namusonge & Kihoro, 2016: 18).

Social media marketing provides enterprises with a cost-effective marketing tool and with the proper knowledge it can be a powerful technique (Alharbie, 2015: 873). This study aims at filling the gap where business owners are not fully informed about the benefits of social media and by analyzing their perceptions there is an opportunity to change the way they think and feel about social media marketing. Through research it has been found that not many studies have been conducted on how informed microbrewery owners are on social media marketing and what their perceptions are, and very little is understood or practiced in this area (Alford & Page, 2015: 1), hence this study is important and significant as it aims at researching and recommending microbrewery owners to adopt a social media marketing strategy as a mechanism to create success.

The findings are beneficial to microbreweries as from the perception analysis they will be able to realize and practice the significance of using social media marketing strategies as part of the journey of becoming a successful and sustainable business.

## **1.3. Problem statement**

There exists a lack of social media usage in microbreweries due to entrepreneurs not fully understanding the benefits of using social media as a platform and in certain instances they are scared to take the risk even though it is a low-cost marketing tool.

Entrepreneurs and microbrews are highly recommended and motivated to make use of social media platforms as it has an extremely positive impact, it requires a relatively small budget and takes care of customer interaction, perceptions and allows feedback from the public (Shabbir, 2016: 1).

According to Shabbir (2016: 5), there has not been much research done on the use of social media as a marketing tool in microbreweries and how it increases the success rates. Utilizing social media marketing is indeed effective. There is a gap in the research that needs to be filled by analyzing perceptions of microbreweries and how social media can positively affect their businesses and target audience.

Hence the problem statement is that microbreweries struggle to utilize social media strategies and have no motivation for going into it, this is because of the lack of knowledge and understanding of these tactics and major opportunities are missed (Cox, 2012: 86). Globalization has transformed the marketing field from traditional marketing to social media marketing because of its numerous roles in reaching more consumers at the lowest cost. The failure of social media marketing to channels to yield significant returns on investment is attributed to many reasons including lack of interactive engagement between the customer and the brand (Olotewo, 2016: 15).

#### **1.4. Purpose of the study**

Craft beer has taken a large interest within the liquor market in South Africa, hence there are microbreweries targeting this niche market and the competition is on the rise. Marketing is a vital part of these microbreweries as they need to secure their spot in the market and create brand loyal craft beer customers.

The craft beer market is unique and requires different marketing to mass-produced beer. Social media marketing has been on the rise. With this study the researcher has analyzed the perceptions of the microbreweries as to whether they perceive social media marketing techniques to be successful.

The findings will assist brewers who are not yet informed of social media marketing and assist those who will enter the market in the future. This research also assists future procedures and decisions with planning and implementing more superior marketing strategies with a focus on social media. The microbreweries will become more informed and knowledgeable on the effectiveness of social media marketing and why it is a requirement in their microbrewery.

### **1.5. Aim of the study**

This study aims at gaining insight into the perception of how effective social media as a marketing strategy by microbreweries could be.

### **1.6. Objectives**

1. To evaluate the perception of whether social media marketing strategies are effective.
2. To analyze which social media platforms are perceived to be most effective for marketing microbreweries.
3. To assess how microbreweries implement social media into their overall marketing strategy.
4. To ascertain how social media marketing strategies can be utilized in creating a sustainable microbrewery.

### **1.7. Research questions**

This research study aims to answer the following questions:

1. Do microbreweries perceive social media to be a successful tool for marketing their craft beers?
2. Do social media marketing strategies create successful microbreweries in the mind of its employees?
3. Which social media marketing platforms are perceived as most effective?

## **1.8. Limitations of the research**

1. A small sample can lead to a lack of generalization as the researcher was initially concerned that the respondents involved in the data collection of this study would not be enough. The researcher was, however, able to reach the objectives and answer the research questions with the respondents involved.
2. A limitation existed that the results may not be accurate due to invalid answers in the open-ended questionnaire. The researcher's requirements were that the results are believable, consistent and applicable. The researcher made use of 41 questionnaires out of a total of 62 that were distributed. The 41 assisted the researcher in concluding the findings.

## **1.9. Ethical consideration**

Ethical considerations in research refer to the guidelines or moralities that oversee the conduct of behavior in research (Wilson, 2006: 19).

The researcher explained what the research and what its purpose is in detail to the participant and bring the message across that it is highly confidential and anonymous regarding non-disclosures of partaker's names and details without consent. Before any interviews or surveys were conducted there was prior consent between the researcher and the participant in writing form (signed by partaker), steps were also taken to ensure fairness and welfare of all partakers and to protect their dignity, including those that are affected directly or indirectly by the research that is taking place.

Ethics are a crucial part of the research process, researchers must defend research participants by developing a relationship based on trust with them, researchers need to encourage the integrity of research, lead against delinquency and indecency that might replicate on their organization and handle new, difficult challenges (Israel & Hay, 2006: 101).

### **1.10. Research design and methodology**

This research study takes a critical approach to research because it interprets various realities both influenced by social factors and by society, in order to come to an understanding and conclusion of perceptions, hence qualitative methods are utilized during this research and quantitative methods are used on a lower scale. The methods of gathering data that has been used relating to the critical approach are unstructured interviews, questionnaires and journals/case studies.

A critical approach in research aims to bring out change and improve the studies context, this can be accomplished through a dialectic dialogue between the researcher and the participants (Elshafie, 2013: 9).

According to Wilson (2006: 5), there are three main types of qualitative research, namely exploratory research, new product development, and creative development research, and the main form of quantitative data collection are surveys.

This research study focuses on a qualitative approach with a focus on exploratory design as it aims at understanding human behavior and perceptions and the reasons that justify the behavior. Questions such as why and how are answered. The researcher has come to the conclusion of whether microbreweries perceive social media marketing strategies to be effective and how microbreweries can make use of this strategy to build sustainable and successful businesses. The qualitative research method that used in this study is composed of case studies, open-ended questionnaires and one-on-one guided interviews to gain an understanding of why microbreweries perceive social media marketing as successful or not.

According to Golafshani (2003: 7) "qualitative research refers to any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification", hence this study will focus on more result orientated data and opinions rather than statistical data.

Exploratory methods have been adopted in this research study as there is a large focus on a problem and opportunities the writer has looked for factors or variables that might be found of relevance to the research (Costello & Osborne, 2005: 3). Descriptive methods are also looked at

and implemented due to the fact that questions such as who, what, where, how and when are asked in order to gain findings (Wilson, 2006: 8). The writer will provide a valid representation of factors and variables that are relevant to the research questions.

Unstructured interviews were conducted with 5 Microbrewery owners with the assistance of an interview guide. Once this was completed an open-ended questionnaire was compiled based on the results and was distributed to 62 employees within Microbreweries to be completed. A total of 41 out of 64 open-ended questionnaires were included in the results due to invalid answers.

### **1.11. Research instruments**

1.11.1. Unstructured Interview - these interviews were conducted with business owners of microbreweries (new and existing). A set of approximately ten lead questions was used as an interview guide and was created and used to gain an understanding of how they perceive social media marketing strategies and its effectiveness and how they currently utilize it.

1.11.2. Open-ended questionnaire – an open-ended questionnaire was developed based on the results of the unstructured interviews with the Microbrewery owners and was distributed to 62 employees for further research. These interviews with microbrewery owners were recorded and later analyzed and summarized with the important factors and findings to be utilized when coming to the summarization and conclusion.

1.11.3. Case studies – case studies from the internet has been analyzed and utilized through the course of this study. This provided the researcher with a deeper understanding of the objectives and allow the researcher to provide accurate results.

### **1.12. Sample frame**

According to Wilson (2006: 14), the collection of a sample is significant to the accurateness with which the data that is collected reflects the authenticity of the actions, consciousness, and opinions of the target market.

The sampling methods used for this research study is non-probability purposive sampling method which refers to samples where an objective process of selection is used, ensuring in every associate of the population of interest has a known likelihood of being chosen (Wilson, 2006: 14).

The researcher purposefully gathered the contact details of approximately 5 Microbrewery owners within Cape Town that have met the requirements of being a Microbrewer to include in the study. Purposive sampling involves selecting certain units or cases, based on a precise point rather than a random selection (Teddlie & Yu, 2007: 77), hence the focus with this study has selected data based on similarities in the data rather than a random selection, the researcher has sampled to accomplish representativeness or comparability and the writer utilized this to choose a purposive sample that represents a broader group of cases as closely as possible (Teddlie & Yu, 2007: 79). Micro-enterprise owners that were interviewed was referrals from industry players and networks as well as the internet and social media to locate prospective micro business owners.

The population in research refers to the total group of the populace from whom the researcher desires to attain information (McDaniel & Gates, 2008: 79).

The population of the study is owners and staff of microbreweries in Cape Town.

### **1.13. Data capture and analysis**

Data analysis is a crucial part of conducting research as it puts everything into perspective. Data analysis involves validation, editing and computer data entry (Wilson, 2006: 37).

The steps that were followed while analyzing the qualitative data were: (cleaning and summarizing the data and becoming familiar with it), identify a framework (this will be exploratory guided), use the framework for descriptive analysis (arrange all the data into various categories), (Box, Hunter & Hunter, 1978: 2).

The types of data analysis that has been utilized in this study are:

1. Thematic analysis - all data gathered and summarized that are significant and associated with the research questions will be used in answering the questions. The researcher will

examine patterns found between microbrewery owners and find similarities and differences.

2. Content analysis - all verbal communication from the interviews with microbrewery owners will be classified and summarized.
3. Framework analysis - charts will be utilized to create a visual representation of the data as well as mapping and interpretation.

These data collection methods are relevant because a summarization of the data and sample measures were made by the use of various graphic analysis.

NVIVO has been used to organize, analyze and find significant insights when summarizing the findings from the guided interviews.

## **1.14. Findings**

During the data collection and data analysis process the researcher was able to determine what the major themes of the research were. Major themes refer to a recurring topic, idea or subject which appears in the collected data (Salmon, 2017: 72). These major themes were derived from the research objectives and provided the researcher with a summary of focus points. The findings are discussed according to the four themes that emerged from the data analysis:

1.14.1. **Theme 1:** Perception of the effectiveness of social media marketing among microbreweries.

The microbrewery owners all make use of social media strategies and perceive it as a large and successful part of their business. These perceptions are made up of various factors across microbreweries which include the level of interaction with their customers, the fact that it is a large part of their marketing strategy from the start-up of their business. It allows small businesses with a marketing opportunity and it allows these microbreweries to understand who their customers are and to reach them directly.

It is very clear that the bulk of the microbrewery employees responses indicated that they believe social media marketing is cost-effective. The researcher can, therefore, conclude that the most effective benefit in using social media as a marketing tool in microbreweries is cost.

The researcher can conclude that social media marketing is perceived to be effective within microbreweries in Cape Town due to a range of factors as discussed. The unstructured interviews, open-ended questionnaires and case studies provided the same evidence which allowed the researcher to confidently conclude that the perception is positive.

1.14.2. **Theme 2:** The benefits of social media marketing among microbreweries.

While analysing the benefits of social media marketing within microbreweries the unstructured interviews prove that the major benefit is cost. Social media marketing provides microbreweries with a cost-effective tool for marketing their craft beer

While analysing the benefits of social media marketing within microbreweries the unstructured interviews, open-ended questionnaires and case studies prove that the major benefit is cost. Social media marketing provides microbreweries with a cost-effective tool for marketing their craft beer, as well as the fact that there is a benefit of communication and understanding of their consumers, the fact the breweries are able to target a specific audience and the level of interaction on the social media applications.

1.14.3. **Theme 3:** The most effective social media marketing platform among microbreweries.

When analysing the results the researcher has concluded that Facebook is most effective when it comes to marketing on social media platforms according to the interviews conducted.

It is apparent that 54.8% of the total microbrewery employees prefer Facebook as a social media marketing tool. The researcher was able to determine that Facebook is the most effective social media marketing application.

Facebook is the most effective social media platform for microbreweries to market their craft beers on. The evidence is clear from the unstructured interviews, open-ended questionnaires and the

case studies which provided a worldwide overview. Facebook is the most effective and most interactive social media marketing platform.

#### 1.14.4. **Theme 4:** Social media marketing vs traditional marketing within microbreweries.

Although both strategies (social media and traditional marketing strategies) have their own benefits it is clear that social media marketing outweighs traditional marketing as the benefits are more effective and are exactly what the microbreweries need to market their brewery successfully and keep operating costs low.

While conducting the study with regards to social media marketing vs traditional marketing strategies the researcher was concerned that there will be no clean-cut answers to the dilemma of social media marketing vs traditional marketing strategies due to microbreweries making use of both. This was due to respondents making use of traditional marketing strategies as well and believing in the benefits they provide. While analysing the collected data, however, the researcher came to the conclusion that social media marketing is the preferred strategy as presented in the unstructured interviews and case studies.

#### 1.15. **Chapter summary**

The purpose of the study and the core research objectives were presented in Chapter One. The research design and methodology that were used were introduced together with the research instrument used and the sample frame of participants. Information on how the data was collected and analyzed was also discussed before providing an overview of the findings.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1. Introduction**

According to Green (2015: 19), academic work on social media marketing specifically in the craft beer industry is undeveloped. There is hardly evident research with regards to the relationship of microbreweries and their use of social media in promotions, advertising, consumer engagement, and branding. There is a need to expand this literature as craft beer popularity is growing at a rapid rate and it is evident that microbreweries are competing against each other in a saturated market (Green 2015: 29).

Marketing a niche product offering for a business that may not have a large budget differs from the traditional marketing of mass-produced beer. There are aspects that microbreweries should focus on in order to market themselves successfully. According to Lahnalampi (2016: 6), in order for microbreweries to market in a unique way the microbrewery would need to place emphasis on the following:

- A great story behind them that makes them unique.
- The brewery must be innovative.
- The microbrewery should stay local and stay close to its neighbourhood.

Social media is a web-based form of online marketing that allows businesses and individuals to create a profile or business page and connect and engage with various consumers and people around the world. The very powerful results of social media should not be underestimated as it can bring a story to consumers that is seen in a personal and loyal context (Lahnalampi 2016: 10).

Social media as part of an effective marketing strategy is among one of the best marketing opportunities currently available to microbreweries in order to connect and engage with current and prospective consumers. This fairly new form of marketing has evidence of winning the trust and loyalty of consumers and engaging with them at a deeper level when compared to traditional marketing strategies.

Because the craft beer brewery segment remains much undeveloped among the South African beer market, not much official research has been carried out to enumerate the effectiveness of social media (De Trez 2016: 45). Almost no theoretical work occurs with regards to the relationship between the craft beer segment and their use of social media in branding, promotions, advertising and marketing (Green 2015: 12).

Within this chapter the researcher will take a more detailed look into microbreweries and their development in South Africa, the various marketing strategies currently used by microbreweries and social media as an effective marketing tool for microbreweries, this will provide a more detailed discussion around microbreweries around the perception of social media marketing.

This research can attract attention to social media actions by microbreweries in South Africa, an area in research that is indeed lacking (Smith, Farrish, McCarrol & Huseman 2017: 112). This is predominantly significant given that micro businesses are a fundamental focus of South Africa's National Development Plan. Microbreweries can also be perceived as a means of building up the economy and reducing unemployment.

## **2.2. Microbreweries and their development in South Africa**

Microbreweries are classified as small businesses in South Africa as they are generally smaller in size and are privately owned. The small business sector in South Africa has the ability to assist in job creation and opportunities as well as economic growth. The dynamic small business industry across Africa can make a vital contribution. Not only can microbreweries assist in creating employment opportunities but also in decreasing the concentration in South Africa's commonly oligopolistic industrialized organizations (Luiz nd: 98).

Small businesses can be classified as privately owned corporations, partnerships, or sole proprietorships that have fewer employees than a regular-sized business. Microbreweries belong to The Brewers Association who defines a craft brewer as a small and independent brewer (SEDA, 2016, p. 25).

According to SEDA (2016: 5), small businesses in South Africa play an imperative role in the economy and the development thereof. These businesses are major drivers of innovation,

creating job opportunities, decreasing unemployment rates and is a key driver of the economy's growth. The South African government recognizes the significance of this business segment. This is very important to the government and they have even developed a department for small business development which was established in 2014. This department aims at enabling the promotion and progress of small businesses (SEDA, 2016, p. 41).

The acknowledgement of microbreweries as small businesses and their involvement and contribution to the economy has expanded to South Africa. The latest reports ordered by the Department of Trade and Industry indicates that divergence of the South African liquor industry by the augmented occurrence of competitors will permit the promotion of microbreweries (Green 2015: 78-79).

The craft beer industry is categorized into four focal segments:

- **Microbrewery:** a microbrewery produces less than 15,000 barrels per annum and wholesales 75% of their produced craft beer offsite.
- **Brewpubs:** sell 25% or more of their craft beer on site with a large emphasis on valuable food production as well.
- **Regional craft breweries:** produce 15,000- 6,000,000 barrels and seems to accentuate traditional as well as artisan craft beers.
- **Contract craft breweries:** employs another brewer to produce its beer and takes care of the sales and marketing of theirs.

(Smith, Farrish, Mccarrol & Huseman 2017: 10-114)

According to Collins (2014: 37), the history of craft beer and microbreweries in South Africa began to change by the late 1970s. Even though it has come a long way since then it continues to grow and become a vital part of the South African small business industry. The traditions and styles experienced and shared across the world are similar and rapid growth has been experienced globally. Thus being said, imported and local craft beers continue to compete well within the South African market. The superiority of craft beer from microbreweries has developed over the years, empowering a broader distribution, creating popularity and admiration of craft beer and choice. Up until the early 1980s the widespread image of craft beer was merely that of a mass-produced product with a minute or no character, tradition or culture (Collins 2014: 63-69).

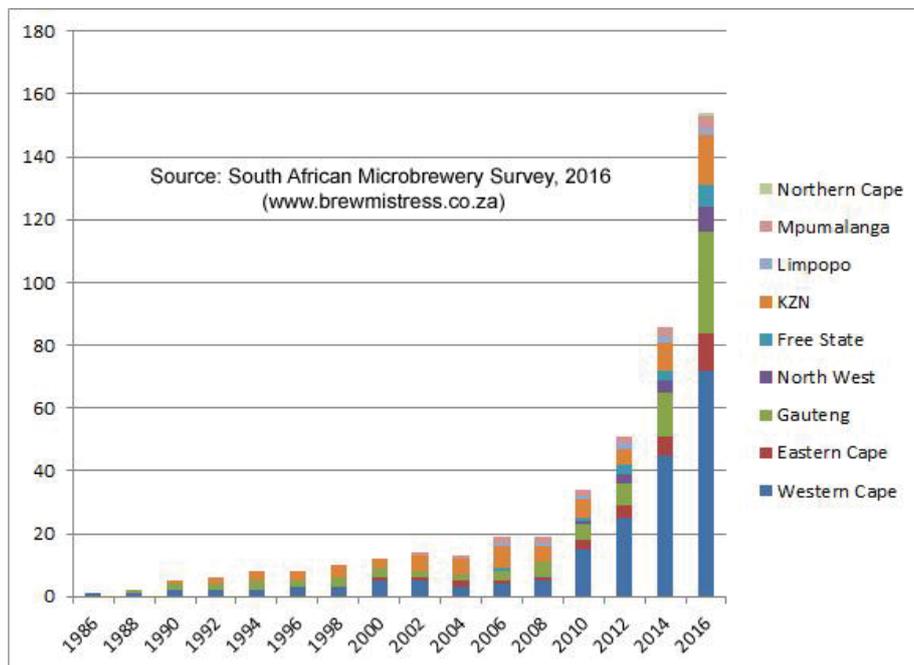
Microbreweries have prospered in founding high levels of excellence, regularity, and revolution expending the interest of craft beer consumers. As well as producing the most divergent brewing culture in the world. There is an incredible advantage for craft beer drinkers and microbreweries over the next few years and the future, as the industry becomes increasingly exciting. There has never been a better time or place to drink craft beer in South Africa than right now. (Bleier, Callahan & Farmer 2013: 24-25).

Craft breweries and their consumers have transformed beer markets globally over recent decades. Ending a century of incorporation and resulting in the dominance of a few global corporations and the homogenization of craft beer (Garavaglia & Swinnen 2017: 74-75). These microbreweries have started off very small and inaccessible but eventually transformed a global industry in a short period of time.

The development and evolution of microbreweries were initiated by numerous factors, including demand-side aspects such as a demand for premium craft beer. Supply-side aspects such as a need for an increase in producers of beer and craft beer, and the part played by innovators, customer establishments, the distribution of information and awareness via networks, and emergent capital and technology markets. (Garavaglia & Swinnen 2017: 23).

South Africa has the large beer drinking market has a strong population of beer drinkers. Statistics prove that beer is the number one beverage choice in South Africa with 48% of the documented alcohol consumption per capita being beer (De Trez 2016: 98). There is not much evidence of validated research to precisely compute the number of microbreweries in the country and what forms of marketing they make use of (De Trez 2016: 42). Since craft beer is an up and coming market this industry should aim at establishing their target audience and market accordingly.

According to Cabras & Higgins, (2016: 100) the super-premium craft beer market in South Africa could make up as much as 18 million litres by 2018 to give it a 2.1% share of the total premium and light market. When analysing the number of microbreweries in South Africa from 1986 to 2016 rapid growth has taken place (Cabras & Higgins, 2016: 100). Figure 2.1 depicting growth:

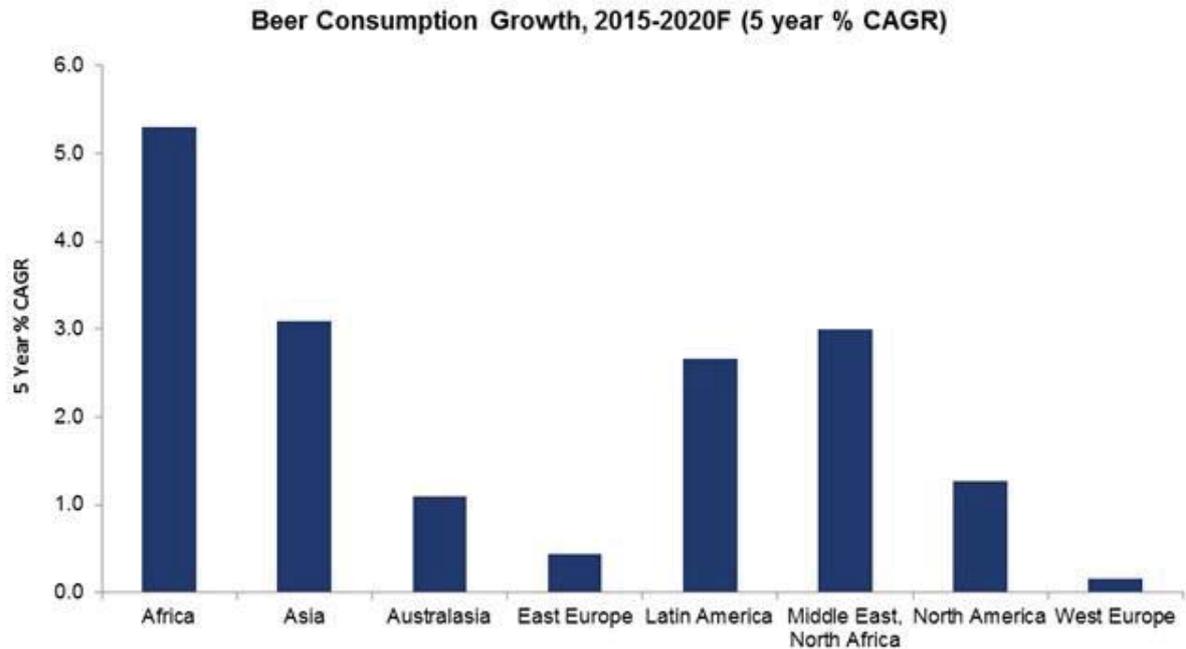


**Figure 2.1: South African Microbrewery growth per province**

The Brewmistress, 2016.

With the enthusiasm around craft beer increasing at a national level, established microbreweries will need to develop their production capability. This is in order to tap into the various opportunities arising within South Africa, hence progressively fluctuating to mainstream beer. Likewise, strategic partnerships are also probable to be formed, developing a new range of conventional beers and targeting a niche demand.

Because microbreweries are expanding all across the world specifically around Africa, microbreweries need to compete against each other and at all times be ahead of their competitors. Social media marketing will allow microbreweries to achieve competitive advantage in a very competitive market.



**Figure 2.2: beer consumption growth across the world**

Brewers Association, 2013

It is evident that there are more microbreweries to be developed in the next few years. It is vital that microbreweries have innovative and value-adding marketing strategies, thus which social media can play a role.

### **2.3. Marketing strategies currently used by microbreweries**

Craft beer is extremely popular and it's the industry is absolutely thriving. According to Lahnalampi (2016: 56-57), It is by no means yet an inundated market but aggressive competition does exist. Crafting beer is an art as well as a technical process. The beer and its taste obviously have to be of good quality but marketing craft beer correctly is equally important (Lahnalampi 2016: 72). The question then becomes how are microbreweries currently marketing their craft beer and how exactly does social media play a role?

When referring to the word marketing, it refers to a vital tool in communicating to consumers whether they are current or a prospect customer. In order to understand marketing and how to effectively implement it, the four P's can be used to classify:

- **Product:** product development/ brand management/ features/ benefits/ packaging & after sales.
- **Place:** channel management/ retail location/ retail image & logistics.
- **Promotion:** communications mix/ integrated marketing/ marketing communications.
- **Price:** costs/ profits/ liquidity/ competitiveness/ value & incentives.

(Egan 2007: 10)

Because microbreweries are smaller and very different to larger macro breweries their marketing strategy would need to be specifically targeted, as they are competing in a differentiated market. In marketing terms microbreweries focus more on the target communication compared to macro breweries which focus on mass communication. This can be explained in Table 2.1:

**Table 2.1: targeted communications VS mass communications**

	Targeted communications	Mass communications
Reach big audience		Fast
• Speed	Slow	Low
• Cost per customer	Low	
Influence on individual		
• Attention to value	High	Low
• Selective perception	Relatively lower	High
• Comprehension	High	Moderate
Feedback		
• Direction	Two-way	One way
• Speed of feedback	High	Low
• Measuring effectiveness	Accurate	Difficult

Egan 2007: 10

As Table 2.1 depicts targeted communication is the type of marketing strategy generally utilized by microbreweries. This is a direct form of marketing hence social media can be perceived as an effective marketing tool in this regard. The information is directed to reach the customer almost

immediately. The cost of this form of marketing is low, feedback is speedy and microbreweries are able to measure effectiveness.

The bulk of the academic literature on craft beer marketing suggests that major beer brands spend extensively on marketing and advertising. According to Green (2015: 53), large companies that offer craft beer tend to go big on the marketing side of things. This is attributed to economies of scale which these corporations operate in and they tend to focus on brand-related attributes rather than product specifications. Microbreweries place a focus on product attributes because they could potentially only have one brand and not many brands as larger craft beer companies would. Microbreweries whether large or small, engage heavily with direct consumer communication. They relying on beer festivals as a means of allowing attendees to taste their beer and share in the experience. This offline marketing technique includes festivals, guilds, tap rooms and brewpubs where information and awareness of the craft beer products are shared (Green 2015: 62).

There are techniques and marketing communications channels that microbreweries utilize that differ from those of macro brewers with enormous marketing budgets. Microbreweries should start a discussion about their craft beer and employ grassroots marketing tactics. This means microbreweries will target their efforts to smaller groups with the hope that the group will spread the message to a much larger audience (Vellar 2012: 7). The channels where microbreweries market their craft beer are the same places where they intermingle and interact with their consumers. Seeing as microbreweries do not own multimillion budgets, they are required to be more creative than macro breweries and need to think outside of the box to reach their consumer (Lahnalampi 2016: 13-17).

The various marketing communication channels in which microbreweries market their products in South Africa can be split up into three groups. These will be discussed in Table 2.2:

**Table: 2.2: advantages and disadvantages of marketing communication channels**

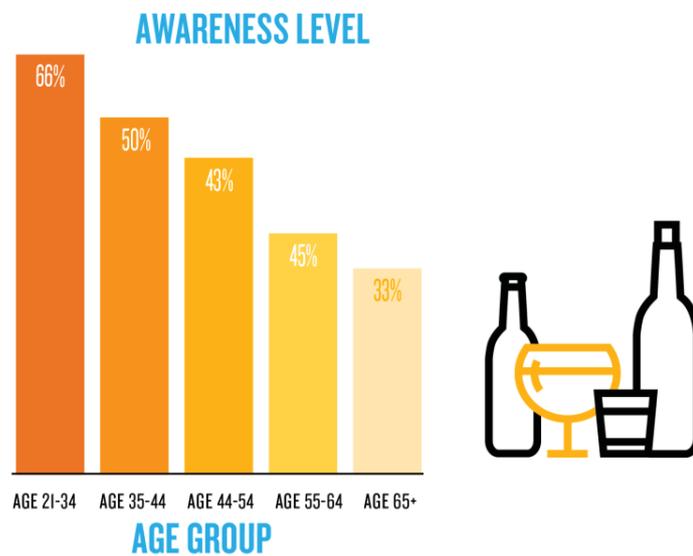
	Advantages	Disadvantages
Bars/ Restaurants	<ul style="list-style-type: none"> <li>• Building relationships with staff can create loyalty</li> <li>• Direct feedback on their craft beer</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of competitor craft beers</li> </ul>
Festivals/ Expos	<ul style="list-style-type: none"> <li>• Attracts a crowd and is on the rise</li> <li>• Targeted audience</li> </ul>	<ul style="list-style-type: none"> <li>• High costs</li> </ul>
Liquor stores	<ul style="list-style-type: none"> <li>• Craft beer is sold to the retailer and not the consumer</li> <li>• Sales can be tracked</li> </ul>	<ul style="list-style-type: none"> <li>• High number of choice available</li> <li>• Mark-up costs</li> </ul>

(Lahnalampi 2016: 37-41).

The assessment of the literature on social media used by small businesses for marketing purposes is an unmistakable distinction to the literature on the use of social media marketing utilized by microbreweries, which is limited. The bulk of the understanding of social media used by microbreweries comes from social media analysts and professionals. Most of the literature involves industry-based comprehensions. It is apparent that in the craft beer industry, there is a momentous prominence on using social media initially. This is to avoid the significant cost barriers of conventional mass media marketing and secondly, as a resource to engage with consumers on a personal level in comparison to large companies (Green 2015: 61-63).

In order for microbreweries to market effectively to its consumer whether traditionally or through social media marketing strategies, microbreweries believe that they have to be informed on who their target market is. So that they can market directly to the demographics of the customer they are targeting. If the average craft beer drinker is between the ages of 30-40-year-old males, marketing to males between the ages of 18-28 could be unsuccessful. Figure 2.3 depicts the average age of craft beer drinkers with the most awareness in South Africa and it is clear that the target market is males and females between the ages of 21-34.

## CRAFT BEER TERM AWARENESS BY AGE GROUP



**Figure 2.3: Craft beer awareness by age group statistics**

Nielsen, 2017

There is an agreement in marketing literature that marketing whether traditional and/or social media marketing strategies is essential for rapid and constant growth. However, making use of traditional views in marketing as the point of initial reference marketing research with relation to microbreweries is often terminated as being unconventional, non-strategic and non-comprehensive. Regardless of the fact that marketing within microbreweries is challenging because of the lack of resources, small size, and nonexistence of marketing experts. This has resulted in a dip and lack of interest in marketing literature when it comes to microbreweries and their marketing strategies (Johanna 2017: 25).

There is a growing interest in examining microbrewery marketing strategies and the idea that textbook marketing strategies cannot and should not be functional for microbreweries. The idea is grounded on the acknowledgement that microbreweries do engage in marketing, even if the method and plan are not completely understood (Kaupa 2015: 65). Microbreweries are caught up by numerous restrictions while developing their marketing strategies, specifically, financial boundaries, absence of marketing knowledge and microbrewery size. Microbreweries do utilize marketing strategies and are able to produce sales through this. This alone highlights the

necessity to understand the marketing practiced by microbreweries and where and how social media can play a role (Kaupa 2015: 65).

Craft beer breweries focus on the below tools as a way to competitively market themselves in the craft beer industry:

- **They keep customers enthusiastic:** consumers all around the world easily become bored whether it be work, love of life in general, the trick is to keep them from becoming bored and to remain fresh and exciting to its customers. Social media marketing will likely be effective in this regard as it is innovative and there are always new upgrades and information being posted to keep consumers interested.
- **Staying true to their brand:** if they have a story behind their name, for example, the microbrewery might have been a dream of the owner's dad and the owner has made the dad's dream come true, once consumers know this story and are drawn to it, the microbrewery will stick to it and not chase away loyal customers.
- **Understanding the various segments of the market:** microbreweries segment markets so that customers are more easily targeted with advertising and marketing programs.

(Ulwick 2005: 62)

With regards to a study completed on microbreweries, 60% of microbreweries have the perception that social media has the ability to inform customers about new craft beers, promotions, etc. While 40% believe there is still a potential risk when not following or implementing traditional marketing tools (Aspasia & Ourania 2014: 76-89).

According to Lahnalampi (2016:49), the importance of marketing strategies specifically social media should not be ignored and underestimated by microbreweries and the investment in the building of the brand should take preference over fancy equipment and systems as this is what will sell the brand.

#### **2.4. Social media as an effective marketing tool for microbreweries**

Social media is a web-based form of online marketing that allows businesses and individuals to create a profile or business page and connect and engage with various consumers and people around the world.

According to Green (2015: 57-59), the current literature available and many industry-based articles suggest that microbreweries can better utilize social media platforms as part of their marketing strategy. There is little to no research available on the use of social media by microbreweries, and it is an area of research that is lacking, hence there is a gap that needs to be filled with this research study.

According to Green (2015: 76), the main aim of advertising alcoholic beverages, specifically craft beer is to attract positive word-of-mouth which is an extremely strong tool that microbreweries rely on. Microbreweries experience fear of social media as they do not fully understand what it is about and how it can benefit their business (Schenck & English 2001: 247). They lack the marketing expertise and skills required to market a successful microbrewery through various marketing channels specifically social media.

The research on craft beer marketing through social media is largely concerned with its negative effects, predominantly because of marketing beer to minors and young adults. The negative effects of beer advertising find that the central purpose of alcohol advertising on social media is to attract constructive word-of-mouth through customer responses (Green 2015: 12).

Academic work on the use of social media by microbreweries is underdeveloped. At the present time of writing, practically no academic work exists on the relationship between the microbrewery segment and their utilization of social media in the overall marketing and communications plan. Expanding the literature search to include social media use by microbreweries is imperative. There is a lack of research on craft beer and social media use and the researcher explores the literature on microbreweries and social media effectiveness.

There are gaps in the literature because not many research studies have been carried out when it comes to social media as a marketing tool for microbreweries. It has been found that social media is a fundamental part of successful marketing. In present times, social media has

transformed into the most effective and successful tool for microbreweries and has evidence in improving business practices and the overall accomplishments of the business. Traditional marketing strategies deliver content, where social media marketing promotes engagement and users are able to participate (Shabbir 2016: 3).

Because the craft beer brewery segment remains much undeveloped among the worldwide beer market, not much official research has been carried out to enumerate the effectiveness of social media marketing among microbrewery's (De Trez 2016: 45). Almost no theoretical work occurs on the relationship between the craft beer segment and their use of social media in branding, promotions, advertising and marketing (Green 2015: 12).

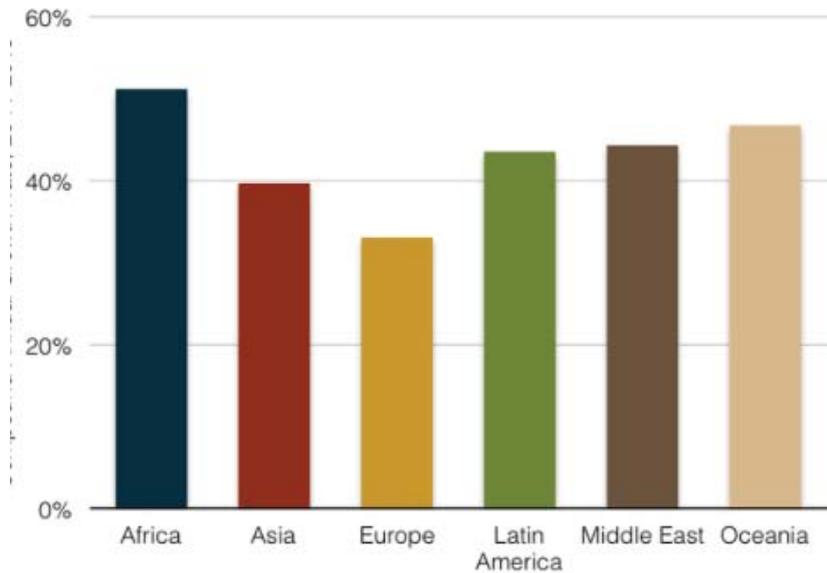
Social media channels and its user's initiate the bulk of communication that takes place through the social media channels in question. The writer provides broader detail with regards to these channels further in this study. As the name suggests, social media refers to media channels that aid social communication between various individuals (Bothma & Gopaul 2015: 225).

This global phenomenon that is referred to as social media marketing has changed the way businesses market themselves and will forever change the way people communicate and interact. It is a fundamental reinvention that incorporates the creation, distribution, consumption, and sharing of communications content (Macy & Thompson 2011: 21). The transformation that is being observed is possibly the most momentous since the origination of the printing press for the widespread circulation of information and facts.

According to Evans (2010: 8) optimizing social media marketing efforts encompasses everything from making sure profiles have the right keywords to guaranteeing the content being posted targets the ideal consumers.

The internet has confirmed to be the fastest emergent phenomena in modern history. Reflecting a growth rate of more than 500% since 2000. The internet is now accessible to more than 3.04 billion people or 42.3% of the world's total population. This also represents a growth rate of 3.8% increase versus 7.9% over 2012 (Bothma & Gopaul 2015: 1) and this continues to grow at a drastic rate going into 2018.

Figure 2.4 demonstrates exactly how powerful the internet and social media is and how it and its user base has grown across the world, specifically in Africa between the year 2000 - 2014:



**Figure 2.4: social media user growth across the world**

Bothma & Gopaul, 2015

According to research done by the Pew Centre, the demographics of social media users worldwide are as follows:

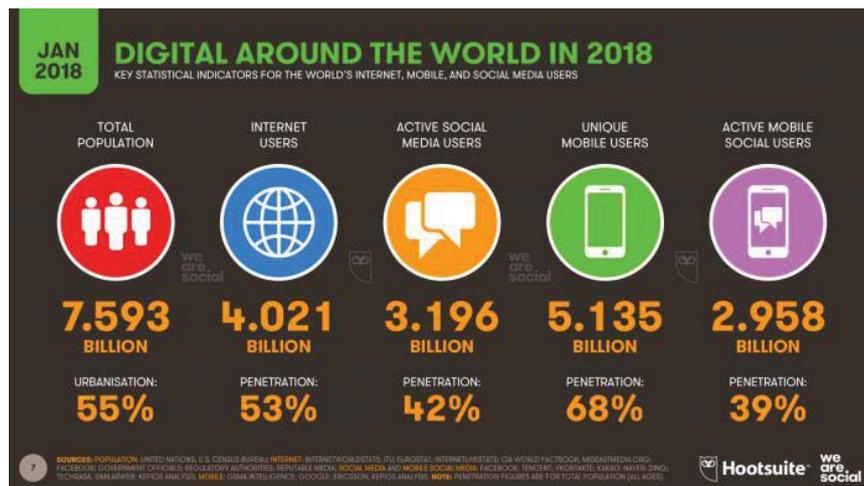
- 86% are women and 87% of men are active on social media.
- 97% of users with a degree or higher education access the internet.
- The bulk of social media users (97%) are between the ages of 18-29, this is very informative as graph number 4 as depicted earlier in this research had the same result that 18-29-year-olds drink craft beer, this is useful to microbreweries as this age falls in their target market and they are able to segment their market.

(Bothma & Gopaul 2015: 9)

The development of new information and communication technologies and innovation, particularly the Internet and social media marketing platforms has changed market dynamics completely.

Threatening the competitive locations of microbreweries and enhancing the influence of consumers. The Internet and social media channels have altered customer consumption behaviours by providing customers with innovative ways of searching for, evaluating, selecting, and buying craft beer. These progress influence how microbreweries function and affect marketing practices by offering marketers and microbreweries with new trials and varieties (Bothma & Gopaul 2015: 7).

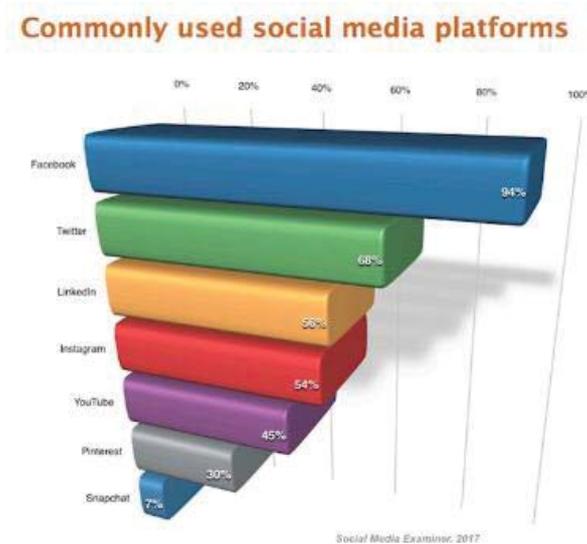
Social media and the internet have taken over the traditional way of thinking and marketing and microbreweries have the most valuable marketing tool available. If understood and implemented correctly microbreweries can become very competitive in a saturated and growing market. To understand the effects of social media marketing and how the internet has blown up over the past decade the researcher provides Figure 2.5:



**Figure 2.5: digital statistics around the world in 2018**

Chaffey, 2018

According to Aspasia & Ourania (2014: 76-89), Facebook, Twitter, LinkedIn, and YouTube are the top four platforms used by small business.



**Figure 2.6: the most commonly used social media platforms**

Marketingprofs, 2017.

As it is clearly depicted the four main social network sites that the writer focuses on in this research study is amongst the largest forms of social networks in South Africa with Facebook coming in at 94% usage, Twitter coming in at 68% usage and LinkedIn coming in at 56%.

The various social media platforms that the researcher focuses on are explained:

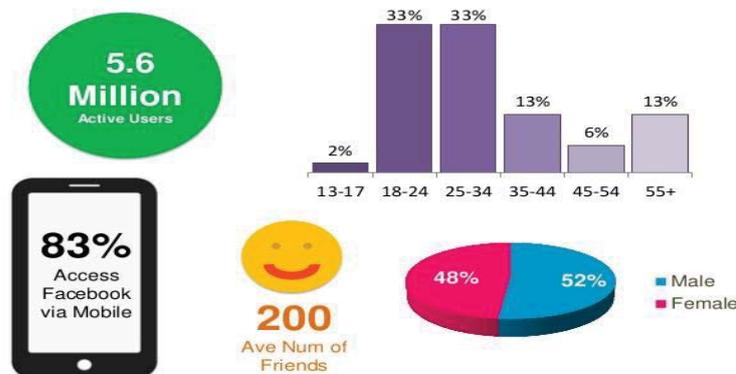
- **Facebook:** The introduction and intensification of the social network application Facebook has been one of the most significant social developments of the decade. Although it only became active in 2006, Facebook reports already serving one billion periodic active operators in 2012 (Feyter, De Couck, Stough, Vigna & Du Bois 2013: 30). Facebook services are available in 70 languages, making Facebook a worldwide social network application. An assumption cannot be made that all readers are acquainted with Facebook and the facilities available to its users and participants. Individuals/users can create a Facebook account on the website called Facebook.com, a simple process. After providing some personal information and general information the new user chooses a password and gets account access in less than a minute (Feyter, De Couck, Stough, Vigna & Du Bois 2013: 27-29).

- **Twitter:** online news and social network application where individuals interconnect in short instant messages called tweets (Williams, Terras & Warwick 2013: 13). Twitter is a social networking site that depends on micro-blogging for communication. It permits people to blog in short bursts, a practice also known as microblogging and is known as one of the most popular social networking sites on the internet.
- **LinkedIn:** referred to as the world's largest professional network with more than 175 million subscribers. LinkedIn connects operators through requested acquaintances, permitting the distribution of information, ideas and investigation results within a network of other academics and professionals (Chaffey 2018: 24). There are five main advantageous to LinkedIn apart from the jobs listed:
  - The capability to be recognized and improve personal brands
  - The skill to find others and make imperative connections
  - The opportunity to acquire and share knowledge
  - The capacity to connect with various group members
  - The chance to show you are plugged in to present technology and innovations

(Chaffey 2018: 24)

With Facebook having the maximum daily active users in comparison to other social media sites, it is significant to recognize how information could possibly perform and what attributes to make use of to optimize the extent of content. There is a 10.7% average post reach vs page like and 26.8% average remunerated post reach vs total reach. Facebook is a respectable social network site for opportunities with an enormous possible reach (Chaffey 2018: 8).

## South African Stats



### Figure 2.7: South African Facebook statistics

Slideshare.net, 2018.

When looking at the benefits of social media marketing it is understandable why new microbreweries would place a large focus on this strategy. Benefits include a low-cost speedy reach, strong relationships are formed and it gives businesses an opportunity to engage with customers. Without having a one-way dialogue that traditional marketing results in (Snyman & Visser 2014: 3).

Green (2015: 109), argues that social media marketing is advantageous to microbreweries. This is because it decreases the barriers for involvement in the marketplace and it was also found that through further engagement on social media platforms, microbreweries might observe the opinions of their consumers.

According to Bothma & Gopaul (2015: 237-240) the benefits of interacting on social media networks are as follows:

- **Building trust:** trust provides a solid foundation on which to build fundamental business relationships and engage with customers on a deeper level. Microbreweries will be able to tell their story and market themselves to consumers in a way that will attract them.
- **Image and brand building:** Microbreweries Are able to build a brand on social media networks and can constantly add information and content to build on that initial brand image. Consumers are likely to remember what they see on social media networks in comparison to billboards and print marketing.
- **Marketing and promotions:** social media, in essence, is a business tool for microbreweries to market their craft beers. In their social communication and engagement, they will want to include content about their various events, expos, and promotions. Social media allows these microbreweries to do so and monitor the feedback and interaction between users.
- **Customer interaction:** social networks such as Facebook, Twitter, and LinkedIn sets the scene for a unique consumer experience, which is what customers want and enjoy. These networks will allow microbreweries to search for their target consumers and allows customers to search for their favourite craft beer brands.

(Bothma & Gopaul 2015: 237-240)

Social media marketing is not only one of the most inexpensive methods of marketing craft beer but it is also one of the most operational and established ways to market craft beer online. Facebook has over 3 million promoters worldwide, while Twitter has 130 000 advertisers on its platform. This provides a brief impression of how widespread social media marketing essentially is (Makela, Vinh & Quang 2016: 51-52).

The more supporters on a Facebook, Twitter or LinkedIn page the more curiosity there is for the craft beer businesses. The foremost purpose of social media marketing is to promote and showcase your microbrewery and craft beer, not mainly for selling. The concentration ought to be on the information of the social media page and at the same time focus on how the users can benefit from it. Engagers can be requested to drop comments while utilizing an application or request them to post a video. The users can aid in the advancement of the site by social encouragement marketing. Consumers will talk to friends and family about the craft beer, post about the craft beer or compliment the craft beer. By doing this the additional engagers will become acquainted and familiar with the craft beer and could possibly even contemplate purchasing it (Neti 2011: 34).

The power of social media as a marketing tool is not to be undervalued. Social media conveys your story and brand image to numerous amounts of people than you could possibly engage with every day. Social media assists in showcasing your description at a scale unsurpassed while still connecting with attracted consumer's one-to-one (Lahnalampi 2016: 70).

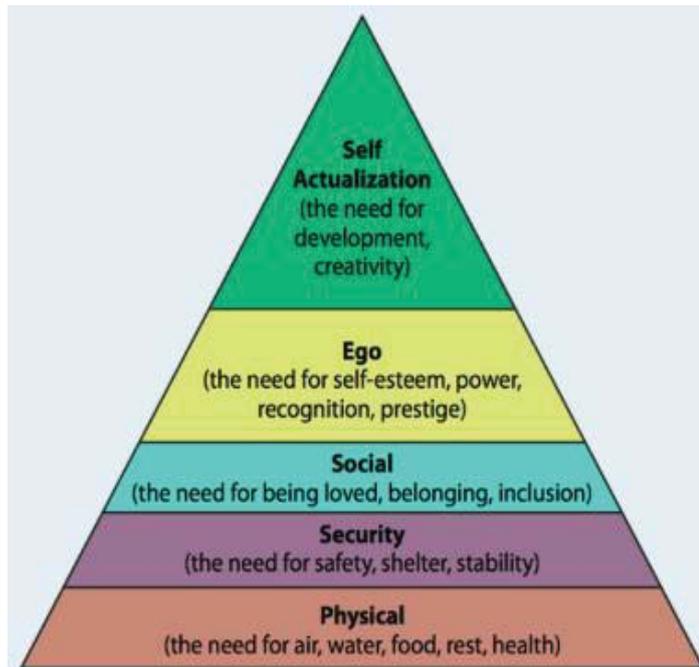
While social media marketing is extremely effective in reaching customers and provides a platform for microbreweries to market themselves it is vital that the theory of traditional marketing strategies are not ignored. The basis of traditional marketing strategies should still be used and practiced. This will allow the microbrewery to fully understand who their customers are, how to target them and how to make sure they have a competitive advantage. Figure 2.8 will showcase exactly which traditional marketing aspects to focus on when using social media as a marketing strategy:



**Figure 2.8: traditional marketing aspects required when creating a social media marketing strategy**  
Bothma & Gopaul, 2015

Before microbreweries can distinguish the positioning, segmentation and target market there should be an understanding of the needs of their customers. Even though microbreweries are marketing to a differentiated consumer the basis for customer needs are quite similar. It is vital that the microbrewery understands their needs and behaviours before taking part in various marketing tactics whether through social media and traditional marketing techniques understanding your consumer remains important.

Figure 2.9 assists in identifying the needs of craft beer drinkers:



**Figure 2.9: Maslow’s hierarchy of needs**

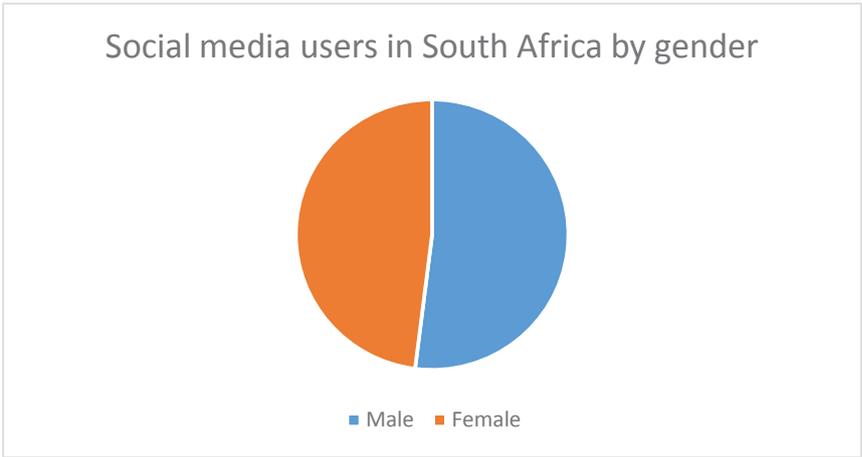
Statt, 1997

It can be argued that craft beer satisfies more than one of the five needs depicted in Maslow’s hierarchy of needs. It is the opinion of the researcher that the needs satisfied through craft beer would be ego. Craft beer makes them feel better about themselves especially if the brand of craft beer has a status perception around it. Social needs will also be satisfied as an individual is generally inclined to have a craft beer in a social environment and becomes more socially acceptable in the company when consuming an alcoholic beverage. Lastly, physical needs can also be satisfied due to the beverage being a drink and can quench thirst. Once the needs have been established the microbrewery will then be able to classify their consumer into various segments and then decide how to create a social media strategy around this.

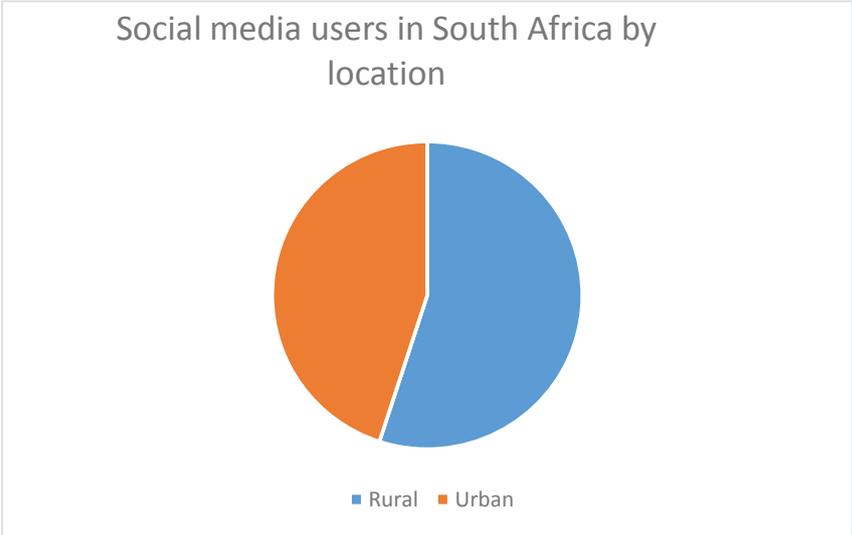
As established in Figure 2.8, the traditional marketing strategies that could assist microbreweries in successfully using social media as a marketing tool is to segment and position their offering. The researcher explains:

**Segmentation and establishing a target market:** segmentation refers to classifying various customer into various segments based on their demographics. Microbreweries will be able to

segment their customers into segments by demographics (gender, age) and geodemographic which focuses on location. Lifestyle segmentation should also be analysed and this is based on values, attitudes and consumer behaviours (Egan 2007: 152-153).



**Figure 2.10: social media users in South Africa based on gender**  
Bothma & Gopaul, 2015



**Figure 2.11: social media users in South Africa by location**  
Bothma & Gopaul, 2015

**Positioning:** Positioning provides differentiating factors of the brand from other alternate brands in the market. Brand positioning may be supposed as a development intended at generating differences between brands (Janiszewska & Insch 2012: 11). Various microbreweries could position themselves in the craft beer market as premium and based on taste, price, background and status.

Before creating a sustainable social media strategy microbreweries will need to traditionally do the following:

- Set an overall strategy.
- Conduct intensive market research.
- Build end-to-end got to market strategies.
- Create brand positioning and messaging.
- Launch on social media sites.

(Macy & Thompson 2011: 62)

In order for microbreweries to be successful by making use of social media marketing strategies, there are steps that need to be followed and adhered to (Bothma & Gopaul 2015: 249-250).

These steps are discussed in detail:

- **Listen:** microbreweries should listen to and get a feel for conversations that are taking place in a social or formal setting about their craft beer and company. This will also allow microbreweries to track their competition and find innovative ways to become more attractive in the market. Microbreweries can do this by attending various events and building solid relationships with key individuals.
- **Set social media goals and objectives:** the objectives that will be created will be based on the microbreweries initial objectives and will be lengthened as to incorporate their marketing goals into the existing objectives as well. During this process, the microbrewery should also extensively outline their target market as they play a vital role in reaching goals and objectives.
- **Develop a plan:** during the plan setting stage of the social media strategy, the microbrewery should identify all social media channels. An example would be Facebook

and Twitter which the microbrewery will be guaranteed to use. In addition to this the core message, linkages, and budgets should be set here too.

- **Develop content:** once the plan has been developed, content and information will need to be developed. In the case of microbreweries, it may be advantageous to employ a content or marketing specialist to create good solid content for your social media platforms as a cost rather than posting content that will not really grab the audience's attention. It is important to create content that is suited to your segmented individuals and target market.
- **Engage users:** once the audience has engaged with the content posted on the various social media sites the microbrewery must encourage the audience to become ambassadors for their craft beer and be open to all feedback whether positive or negative
- **Measure:** microbreweries will need to ascertain whether their social media marketing strategies are worth the effort that has gone into creating the content. This will allow microbreweries to either create new content or re-evaluate their target audience.

(Bothma & Gopaul 2015: 249-250)

## 2.5. Chapter summary

In conclusion, the writer has discussed various topics in this specific research study and it is clear to see that there are gaps in the literature when it comes to microbreweries and social media. The complete results of this study aim at filling that gap by providing solid research via literature and research mechanics so that a link between microbreweries and social media does exist.

The overall perception of social media by microbreweries is that of a 50/50 trust level. Microbreweries are aware of that fact that social media is a low cost effective marketing tool that can really benefit their business. However, there is a lack of trust in this regard as well as a lack of marketing expertise within these microbreweries resulting in not having any solid social media plan or content.

Social media platforms are effective strategies for microbreweries as they allow them to fully engage with their consumers, and are able to measure the interest in their craft beer brands. It is low cost as these microbreweries do not necessarily have large budgets and provide variety and choice.

The largest growing social network in the world and South Africa is Facebook. The researcher has come to the conclusion that Facebook, Twitter, and WhatsApp could possibly be the most effective social media platforms for microbreweries and their craft beer.

During this research study, it was also found that traditional marketing strategies to a certain extent play a part even in the social media marketing strategy. It is vital that the microbrewery fully understands its consumer and is able to segment between markets and know who their target audience is.

In the next chapter, the research design and methodology used in this study has been explained in detail.

## **CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

### **3.1. Introduction**

This chapter presents the discussion on the research methodology within this study. Research methodology refers to the specific procedures or methods used to recognize, select, process, and examine information about the topic in question (Kumar, 2011: 34). The researcher will aim at discussing the subjects, sampling techniques, research instruments, procedures of gathering findings and statistical methods to be used for data analysis and interpretation.

With the below research design and methodologies implemented, the researcher aims at gaining insight into the perception of how effective social media as a marketing strategy by microbreweries could be as well as reaching the objectives:

1. To evaluate the perception of whether social media marketing strategies are effective.
2. To analyse which social media platforms are perceived to be most effective for marketing microbreweries.
3. Assess how microbreweries implement social media into their overall marketing strategy.
4. Ascertain how social media marketing strategies can be utilized in creating a sustainable microbrewery.

### **3.2. Population, research sample and sampling methods**

#### **3.2.1. Population**

A research population is a large collection of individuals or subjects that is the core focus of a query. It is for the benefit of the population that research studies are done (Kumar, 2011: 90). The population of this study was five existing microbreweries, their owners and their employees across Cape Town, namely Atlantic Storm Brewery, Ukhmaba Beerworx, Drifter Brewery, Craftsman & Co and Ekhaya Brewery. Additional information about these microbreweries are discussed in detail later in this study.

**Eligibility criteria:**

1. Microbrewery owners should be a South African citizen.
2. They should produce craft beer only.
3. They should be trading for at least 6 months.
4. They should have at least five employees working for their brewery.
5. They must have provided the researcher with ethics approval, meaning the form provided by the researcher before the unstructured interviews should be well understood and signed.

**3.2.2. Research sample and methods**

A sample is a subsection of the population nominated to participate in the study, it is a fraction of the whole (Mouton, 2001: 117). In this research study, a subset of 5 microbrewery owners was selected and 41 microbrewery employees out of the entire population of 55 microbrewery employees. The 55 microbrewery employees was obtained through the microbreweries as they all worked for the owners of these microbreweries. The researcher discussed this in detail with the microbrewery owner and requested permission before included them in the study. Out of the 55 microbrewery employees included, 41 respondent's questionnaire data was included in the results.

**3.2.2.1. Non-probability sampling**

A core characteristic of *non-probability sampling* techniques is that *samples* are nominated based on the particular judgment of the researcher, rather than a random selection (Mouton, 2001: 201). The researcher adopted a non-probability sampling method for this research study as the participants were already chosen and decided upon before the research commenced. The 5 microbrewery owners were selected due to existing relationships, the researcher knew the participants on a personal level due to mutual connections and it was expected that all of their employees would also be included in the population of this research study. The non-probability sampling technique could have limited the generalizability of the findings.

#### **3.2.2.2. Convenience sample**

A convenience sample encompassing 5 microbrewery owners were selected for this study, their employees were automatically included in the initial request and agreed to be part of the study. According to Mouton (2001: 178), a convenience sample refers to the use of readily accessible participants in a study. The participants of this research study were readily accessible to the researcher due to relationships being existent and the participants meeting the eligibility criteria. Obtaining the participants was an easy task for the researcher as a relationship existed either through a mutual friend or business network, however, the risk of bias for the microbrewery employees existed because not all members of the targeted population had an equal chance at being included in the sample.

#### **3.2.2.3. Sample size**

Before conducting this research study the researcher was aware that the larger the sample the more representative it was going to be. Initially, the researcher intended using a larger sample of approximately 100 participants, however, because of the nature of the research being exploratory the writer could reach a conclusion with the actually selected population. In this study, a convenience sample of 46 respondent's results was used which included the 5 microbrewery owners via unstructured interviews and 41 of their employees via questionnaires.

#### **3.2.2.4. Sampling rationale**

The selected population and participants that took part in this study were chosen by the researcher according to the following reasons:

1. There was an existing relationship through mutual friends and business partnerships between the main participants and the researcher, this created loyalty and trust.
2. It was economical to include participants that requested to be a part of this study as no fees were requested.

3. The sample size selected was able to provide the researcher with accurate feedback and allowed the researcher to analyse the information due to the research design being exploratory.
4. The participants only traded in craft beer which provided the researcher with clearer results as the findings were only from a craft beer point-of-view and not mass produced.

### 3.3. Research design

#### 3.3.1. Quantitative vs qualitative techniques

According to Kumar (2011: 111) Quantitative and qualitative research methodologies differ both in their underpinning philosophy and, to some extent, in the methods, models, and procedures used.

**Table 3.1: Qualitative vs quantitative research methods**

Qualitative research	Quantitative research
Inductive	Deductive
Subjective	Objective
Impressionistic	Conclusive
Holistic, interdependent system	Independent and dependent variables
Purposeful, key informants	Random, probabalistic sample
Not focused on generalization	Focused on generalization
Aims at understanding, new perspectives	Aims at truth, scientific acceptance
Case studies, content and pattern analysis	Statistical analysis
Focus on words	Focus on numbers
Probing	Counting

(Kumar, 2011: 67)

In order to reach the objectives of this research study and analysing Table 3.1, a qualitative research paradigm was followed which included the use of unstructured interviews, open-ended questionnaires, and existing research. The main characteristic of qualitative research is that it is generally suitable for smaller samples, while its conclusions are not measurable and quantifiable

(Walliman, 2011: 449). Qualitative research involves any kind of research that produces findings by means other than statistical procedures or other forms of quantification (Golafshani 2003: 7), therefore this study focuses on result-orientated data and opinions rather than statistical data. The qualitative research conducted empowered the researcher to interpret data from great participation in real life experiences (Williams, 2007: 10).

While conducting this study the researcher answered questions such as why and how and focused on the perceptions of the participants (Jacob, 1987: 413). The qualitative research methods that have been utilized in this study are existing case studies, open-ended questionnaires, and one-on-one unstructured guided interviews. These methods were chosen with the aim of understanding why microbreweries perceive social media marketing as successful or unsuccessful. This will be explained in detail during the course of this chapter.

### **3.3.2. Exploratory research design**

Exploratory research is defined as research used to investigate a problem which is not clearly defined. It is conducted to gain a better understanding of the existing problem (Berman, 2011: 36-37).

In this study, an exploratory method was nominated in order to analyse and understand the behaviours and preferences of microbrewery owners and its employees. This research was guided by three research questions:

Q1: Do microbreweries perceive social media to be a successful tool for marketing their craft beers?

Q2: Do social media marketing strategies create successful microbreweries in the mind of its employees?

Q3: Which social media marketing platforms are perceived as most effective?

Exploratory research was conducted to gain a better understanding of an existing problem within the craft beer industry as stated:

“The problem of the lack of social media usage in microbreweries is due to entrepreneurs not fully understanding the benefits of using social media as a platform. In certain cases they are scared to take the risk even though it is a low-cost marketing tool” (Shabbir, 2016: 1).

The researcher chose to follow an exploratory method due to these advantages:

1. This provided the researcher with a lot of flexibility and the writer was able to adapt to changes such as breweries closing down.
2. This form of research design assisted the researcher in understanding the topic from the beginning and whether it was worth researching.
3. It allowed the researcher to understand the problem and which factors caused the problem as stated above.
4. It was a low-cost method of research which was suitable for the writer.
5. Because there were not much research studies done before, the researcher was able to come to a solid conclusion very easily.

The research methods used to collect data and information around the topic in question were a combination of qualitative research methods. These methods are unstructured interviews with microbrewery owners, open-ended questionnaires with microbrewery employees and case studies focusing on existing research. These methods were conducted in an exploratory setting as the researcher placed a focus on the research problem which was not clearly defined. The data collection methods as previously stated will be discussed in detail during this research study.

With the research design, the researcher ascertained whether the perception around social media marketing strategies within microbreweries were positive or negative. The researcher will also be able to determine and understand whether social media marketing strategies and the use of it within microbreweries plays a part in the success of the brewery or not. Lastly, the researcher has come to the conclusion of whether social media marketing strategies are more cost effective than traditional marketing strategies.

The formulation of the research objectives can pose a limitation on the research methodology as it might not match the feedback provided during the interviews (Mouton, 2001: 181).

### **3.4. Data collection**

According to Paradis, Obrien, Nimmon, Bandiera, and Martimianakis (2016: 2), Data collection refers to the process of gathering and measuring information on targeted variables in a research study, which enables the writer to answer relevant questions and evaluate outcomes.

#### **3.4.1. Unstructured interviews**

Unstructured interview refers to an interview where the questions are not prearranged. These non-directive interviews are considered to be the opposite of a structured interview which focuses on a set amount of standardized questions (Walliman, 2011: 201-203).

The researcher experienced the below advantages during conducting the unstructured interviews:

1. Unstructured interviews appeared to be more comfortable and flexible as it made the participant feel at ease and like a conversation was taking place.
2. The communication gap was broken as the interviewer was not constantly looking at her interview guide.
3. It proved to be valid and accurate as the researcher was able to draw out major similarities in the collected data.

The researcher made use of an interview guide while performing research on the participants.

The questions used as a guide during these interviews are listed:

Q1: Do you make use of social media as a marketing tool?

Q2: Which social media platforms do you use and how long have you been using them?

Q3: Which traditional marketing strategies do you currently make use of?

Q4: What are your personal thoughts on social media marketing?

Q5: Do you prefer traditional marketing strategies or social media marketing strategies, and why?

Q6: What is your preferred social media platform?

Q7: In your opinion, do you think social media adds to the success of your business?

Q8: Do you think social media marketing is cost-effective?

Q9: Will you make use of social media marketing going forward?

Q10: Are you willing to adapt and implement a social media marketing plan?

### **3.4.2. Open-ended questionnaires**

Open-ended questionnaires are designed to encourage and establish a full, meaningful answer using the subject's own knowledge and feelings (Walliman, 2011: 201-203). The researcher made use of this method to form a conclusion regarding the participant's perceptions.

The researcher experienced the following advantages during conducting the open-ended questions:

1. The researcher was able to obtain an idea of the respondent's feelings and emotions and was therefore able to understand the perceptions of the participant.
2. The questionnaire included more information which allowed the researcher to fully understand and analyse the data.

The researcher distributed this questionnaire to participants:

*Faculty of Business and Management Sciences*

Research study feedback questionnaire

Topic: The effectiveness of Social Media marketing strategies among Microbreweries

**Please give your feedback on the above topic by answering the below questions:**

Q1: What is your understanding of social media marketing?

.....

Q2: In your understanding, which social media platforms does the brewery you work for make use of?

.....

Q3: In your opinion, do you believe social media makes the brewery you work for successful?

.....

Q4: Do you think using social media marketing is cost-effective?

.....

Q5: Would you recommend social media marketing to other microbreweries, and why?

.....

Q6: Which form of social media marketing do you prefer? (Facebook/Instagram etc.)

.....

Thank you for your participation,

### **3.4.3. Case studies**

According to Walliman (2011: 201-203) case studies refer to a research method involving an up-close, in-depth, and detailed examination of a research topic/study and all factors that relate to the subject. The researcher made use of various case studies found in journals and articles which provided existing and in-depth research into this research study and provided further detail to the data that was collected via participants.

The researcher experienced the following advantages during the case study research:

1. The researcher was able to conduct an in-depth analysis of existing data in comparison to the data that was collected during this study.
2. The researcher was comfortable with the findings and analysis of the collected data as the writer was able to compare the findings with research that currently exists.

### **3.4.4. List of respondents**

The 5 microbrewery's that the writer focuses on in this research study was chosen due to existing relationships and the researcher did not make use of a random sampling technique. Full details of the microbrewery owners were disclosed and will be listed. The microbrewery employees who completed the open-ended questionnaires remained anonymous as agreed upon between the researcher and the microbrewery owner beforehand. These individuals' demographics were not analysed in this study and can be classified as males and females between the ages of 27-45.

**Table 3.2: List of respondents**

<u>Microbrewery</u>	<u>Craft beer only?</u>	<u>No of employees</u>	<u>Contact details</u>
Atlantic Storm	Yes	19	Not to be disclosed
Craftsman & co	Yes	11	Not to be disclosed
Ekhaya Brewery	Yes	14	Not to be disclosed
Ukhamba Beerworx	Yes	8	Not to be disclosed
Drifter brewery	Yes	10	Not to be disclosed

From the list of respondents in Table 3.2, all five microbrewery owners were included in this research study. With regards to the 62 employees, the researcher made use of 41 questionnaires in the findings.

### **3.5. Data capturing and editing**

#### **3.5.1. Data capturing**

Data capturing refers to the capture function within the research methodology process (Jones and Hidirolou, 2013: 210). According to Jones & Hidirolou (2013: 40), data capturing is the conversion of data and information collected from participants into electronic media. During this study, the researcher made use of a heads down mode when entering and capturing the collected data and information. This meant that there was no error detection which occurred during the time of entry, and the writer verified the completed questionnaires by re-keying and comparing the two keyed copies of the same questionnaire.

The writer relied mainly on digital recording equipment to capture the feedback of the interviewees, the recordings proved to be successful during the categorizing function and data analysis. The researcher downloaded each voice recording and transformed it into file formats for ease of playback quality. The next step was to transcribe the interviews whereby those transcriptions became a data source for analysis. As a supporting function, the writer created unstructured notes to support the voice recordings as an additional source of data. The questionnaires which were distributed to microbrewery employees were scanned into an

electronic device and saved into folders which were classified per brewery and per similarities found, hard copies were also kept in files categorized in the same way.

The data gathering techniques used in this research study will be summarized in Table 3.3. The writer classified the research questions by calling them “R1, R2 and R3” and classified the unstructured interview questions and questionnaire questions by calling them “E1 – E15” for the purposes of this study.

**Table 3.3: data gathering techniques and instruments**

<b>Data gathering technique and instruments</b>			
Techniques	Research question	Participants	Documentation
1. Unstructured interviews	R1, R2, R3	Microbrewery owners	Digital voice recordings
2. Observations	R1, R2, R3	Microbrewery owners	Digital voice recordings
3. Questionnaires	R2	Microbrewery employees	Documentation
4. Content analysis of documents (case studies)	R1, R2, R3	Journals, documents, websites	Documentation

The data capturing process that the writer followed will be summarized in Table 3.4:

**Table 3.4: data capturing summary**

Research questions		Source of Data					
		Observation	Field notes	Participant diaries	Document reviews	Informal interviews	Interview questions relative to research questions
R1, R2 & R3	Instrument	Digital voice recordings + unstructured notes	Journals	Questionnaires	Websites, Journals, Publications	Digital voice recordings + unstructured notes	E1-E15
	Trust-worthiness	Yes	Yes	Yes		Yes	
	Conducted by	Researcher					
	When conducted	July 2018-October 2018			June 2018-November 2018		

### 3.5.2. Data editing

According to Sutton & Austin (2015: 83-84), data editing can be defined as the process which involves the review and adjustment of collected data and information. The aim is to control the quality of the data collected. During the data editing process, the researcher intended to ensure that all questionnaires and voice recordings were complete before making use of the information for the purpose of this study. The voice recordings provided the researcher with adequate information, however not all of the questionnaires distributed could be used for this study due to being incomplete, 21 questionnaires were eliminated.

During the data adjustment stage the researcher made use of a manual data adjustment function which was controlled by the researcher. The researcher made notes on what to exclude while listening to the voice recordings such as irrelevant answers which did not particularly relate to the research questions, this was then excluded from the final data to be used. In terms of the questionnaires any incomplete or incorrectly answered questionnaires were removed from the results and findings, notes were made on those documents with reasons as to why it cannot be used.

In various forms of research and collecting data errors occur. Errors during the beginning stages of data capturing can be as a result of respondents, interviewers or inactive voice recognition (Igwenagu, 2016: 201). The data were reviewed and analysed in order to interpret any errors in the research for editing before the conclusions were made. There were no evident significant errors within the collected data that would directly have an impact on the research and the validity of the findings.

### **3.6. Data analysis**

During the data analysis the writer has clarified the analysis of the data and information collected. The main categories and themes that emerged from the data has offered a discursive analysis and interpretation of the findings.

Qualitative data analysis is the arrangement and understanding of philological (or visual) material. This is to create statements about dimensions and structures of meaning-making in the data and what is represented and found in it. Qualitative data analysis can also be applied to determine and describe problems in the field or structures and procedures in schedules and practices (Flick, 2014: 27-36).

Data analysis involves:

- Inference - the utilization of reasoning to reach an assumption based on evidence.
- A public technique or procedure - revealing their study design in some way.

- Comparison as a central process – identification of configurations or aspects that are comparable or different.
- Determined to avoid errors, false conclusions and misleading inferences.

(Welman, Kruger and Mitchell, 2005: 67-72)

The types of data analysis that have been utilized in this study are:

1. Thematic analysis - all data gathered and summarized that are significant and associated to the research questions has been used in answering the questions. The researcher has examined patterns found between microbrewery owners and find similarities and differences.
2. Content analysis - all verbal communication from the interviews with microbrewery owners has been classified and summarized.
3. Framework analysis - charts has been utilized to create a visual representation of the data as well as mapping and interpretation.

**Table 3.5: data sets analysed in this study**

<b>Instrument</b>	<b>Purpose</b>	<b>Contribution to answering research questions</b>
<b>Unstructured interviews: voice recordings</b>	To identify and describe errors and misunderstandings	How/when misunderstandings occur
	To record verbal interactions	Determine other factors that contribute to misunderstandings
	To generate small sections of data for the database to be analysed	
	To help identify and compile questions for the questionnaires	
<b>Questionnaire</b>	To form an idea of the kinds of errors made	How misunderstandings are negotiated and addressed

The researcher followed the below steps when conducting data analysis for the collected information:

1. **Preparation of the data:** the writer transcribed all the collected data through unstructured interviews and questionnaires by creating written notes of exact factors to be included in the data analysis.
2. **Defining the unit or theme of analysis:** during this stage, the researcher classified all similarities found in the collected data into themes. The writer grouped similarities by category in order to create a less complicated data analysis.
3. **Developing categories and coding scheme:** the coding scheme for the data analysis was created by developing sub-categories as well as coding schemes for the analysis. The writer made use of the primary data and theories on similar topics.
4. **Coding all the text:** the researcher provided codes to all collected data by using the sub-categories previously created and provided each category with a code for better analysis and presentation.
5. **Assessing the consistency of coding employed:** after coding in the previous stage, the validity and reliability of the data has been checked.
6. **Presentation of results:** lastly, the researcher presented the results under each theme and category previously implemented. The results were presented through words, sentences, graphs, matrices and conceptual frameworks.

### 3.7. Chapter summary

This chapter begins with an introduction and then aims at describing the research design employed in this study. The population and sample study are also discussed before progressing to the discussion of the research methodology. In collecting data, case studies and library sources were used. For field research, the qualitative methods that were chosen were unstructured interviews and open-ended questionnaires. The data and information that were collected were then analysed and discussed before the results were displayed.

Chapter Four will outline and discuss the data and information gathered from the participants of this study.

## **CHAPTER FOUR: RESEARCH FINDINGS**

### **4.1. Introduction**

The aim of the research findings chapter is to summarize the collected data and the statistical treatment, and/or mechanics, of analysis (Kulkarni, 2016: 57). The researcher will reveal the answers to the research questions and reflect the design that was put forward in Chapter 3.

This chapter discusses the data analysis and findings from 5 unstructured interviews and 41 open-ended questionnaires completed by microbrewery owners and their employees. This took place in the Cape Town area, South Africa during 2018.

The aim of this study was to gain insight into the perception of how effective social media as a marketing strategy by microbreweries could be.

The objectives of this study were to:

1. To evaluate the perception of whether social media marketing strategies are effective.
2. To analyse which social media platforms are perceived to be most effective for marketing microbreweries.
3. To assess how microbreweries implement social media into their overall marketing strategy.
4. To ascertain how social media marketing strategies can be utilized in creating a sustainable microbrewery.

The findings to be discussed in this chapter will have a focus on the research objectives.

A total of 5 unstructured interviews were performed with microbrewery owners during July-October 2018. This was done via voice recordings and the common themes (mutual and most common findings in the data collected) were used as major findings within this chapter.

Following the unstructured interviews, the researcher distributed open-ended questionnaires to employees within the breweries. The employees remained anonymous as per discretion and request of the microbrewery owners and a total of 41 out of 62 questionnaires were used for the research results. The remaining 21 questionnaires were not used due to inaccurate answers and incomplete questionnaires. Common themes within these questionnaires were used for analysing in this chapter.

## **4.2. Demographic analysis**

Before conducting this research study the researcher was aware that the larger the sample the more representative it was going to be. Initially the researcher intended using a larger sample of approximately 100 participants, however, because of the nature of the research being exploratory the writer could reach a conclusion with the actual selected population. In this study a convenience sample of 46 respondents results were used, this was made up of a combination of microbrewery owners and their employees.

### **4.2.1. Atlantic Storm Brewery**

Atlantic storm is a microbrewery based in Kommetjie, Cape Town, South Africa since 2011. The brewery is dedicated to producing quality craft beer that experiments with exciting and unique flavors.

The owner of Atlantic storm is a 41 year old male with a financial diploma from Stellenbosch University. He has a passion for growing small businesses and developed a desire for craft beer as he can be creative and experimental while producing a product at the same time.

The social media platforms that Atlantic storm are currently very active on are Facebook, Twitter and Instagram. WhatsApp is purely used for communication between the brewery and its customers.

Social media user ID's:

- Facebook: Atlantic Storm Brewery

- Twitter: [@AtlanticStormZA](#)
- Instagram: atlantic\_storm\_brewery

#### **4.2.2. Craftsman & co Brewery**

Craftsman & co are creators and distributors of premium, South African, craft beer products since 2013. This breweries craft beer is produced and distributed at a smaller scale compared to competitor breweries. A large focus for Craftsman & co is distributing craft beer into the market as well. They focus on providing a platform for independent craft beer producers in South African to bring their products to market.

The owner of Craftsman & co is a 35 year old male with an IT diploma from the Cape Peninsula University of Technology. He has worked in hospitality for most of his career and at the age of 29 discovered a passion for beer, specifically craft beer and decided to test out the market.

The social media platforms that Craftsman & co currently partakes in is Facebook, Instagram and LinkedIn.

Social media user ID's:

Facebook: Craftsman & co

Instagram: @Craftsman&co

LinkedIn: Craftsman & co

#### **4.2.3. Ekhaya Brewery**

Ekhaya brewery is a Cape Town brewery that has grown during 2017-2018 and now supplies craft beer, specifically Jwarha Lager to restaurants and liquor stores all over Cape Town.

The owner of Ekhaya Brewery is a 32 year old male with a quantity surveying degree from UCT. The owner enrolled himself in a craft beer workshop in 2016 after a visit to Beer House in Long Street. One class was all it took for him to realize that his future career lay in beer making as

opposed to property development. This was when the owner went and bought a home-brewing kit.

The social media platforms that Ekhaya Brewery uses for marketing his craft beer are Facebook and Twitter.

User ID's:

- Facebook: Ekhaya Brewery
- Twitter: @ekhayaza

#### **4.2.4. Ukhamba Beerworx**

Ukhamba Beerworx is based in Woodstock, Cape Town. The owner has a passion for full flavour beers and takes pride in its very loyal customers.

The owner of Ukhamba Beerworx is a 38 year old male from Transkei. The craft beer passion began years back while the owner was working as a bartender in a craft beer centric bar. During that time he got into home brewing and he soon realized that while tinkering with beer is the most fun, exact measuring leads to continued success in brewing. With this, the idea of going commercial was born and soon after that Ukhamba Beerworx became alive

Ukhamba Beerworx promotes the craft beer on Facebook, Instagram and Twitter.

User ID's:

Facebook: Ukhamba Beerworx

Instagram: @ukhamba\_beerworx

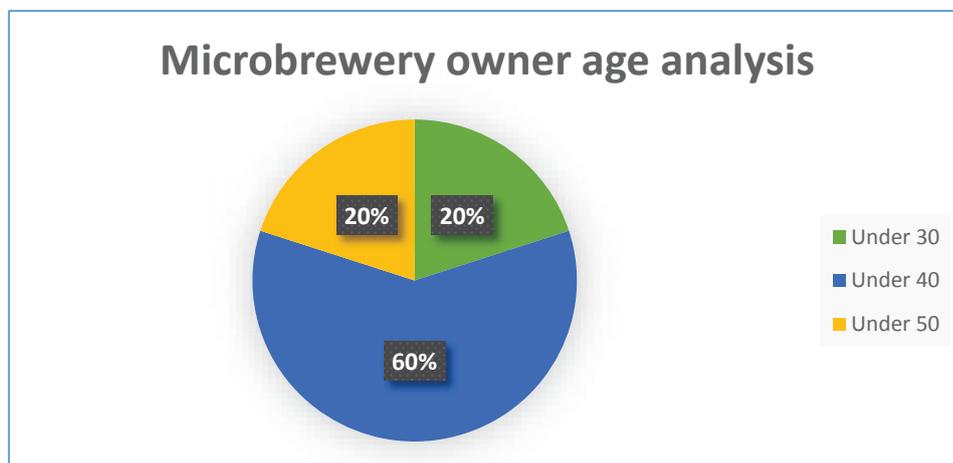
Twitter: [@UkhambaBeerworx](#)

#### **4.2.5. Drifter Brewery**

Drifter brewery was started in 2015. The brewery is a nautical-themed brewery based in Cape Town, South Africa. The name comes from a 43-foot sailing yacht that the owner inherited from his parents.

The owner of Drifter Brewery is a 28 year old male, he has always has a passion for beer and the production thereof since graduating from high school. At the age of 24 he decided that he would like to distribute and started experimenting with brewing beer at home.

Drifter brewery makes use of Facebook, Twitter, Youtube and Instagram for marketing purposes. Drifter brewery has requested that his account information should not be disclosed.



**Figure 4.1: Microbrewery owner age analysis**

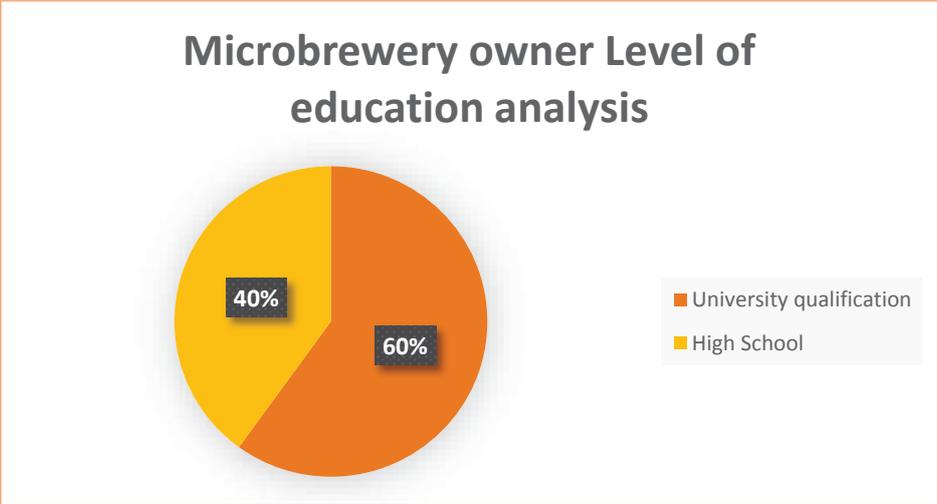
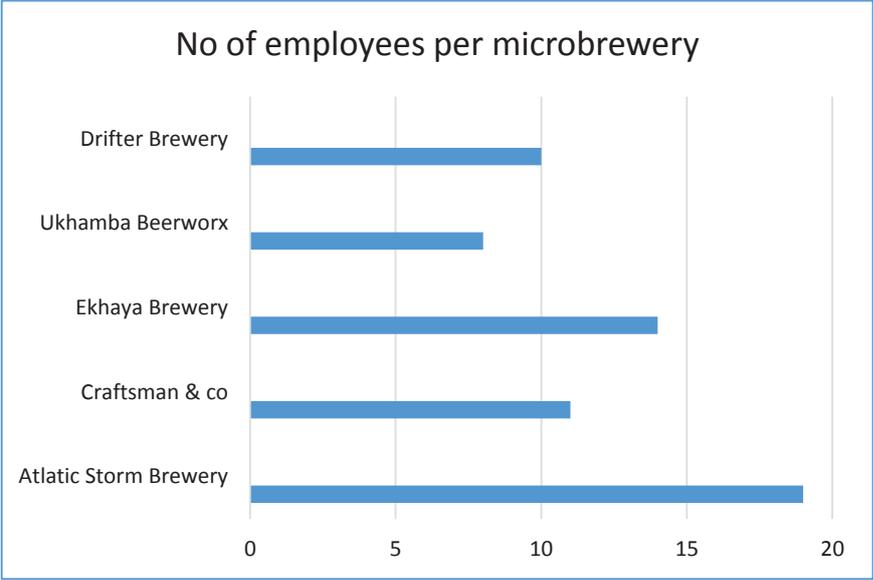


Figure 4.2: Microbrewery owner Level of education analysis

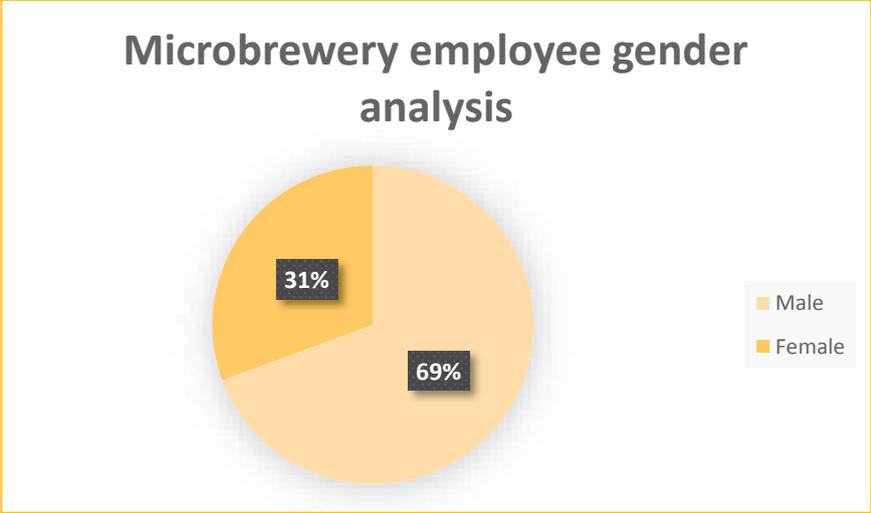


Figure 4.3: microbrewery no of trading years



**Figure 4.4: No of employees per microbrewery**

The following data was the only information that the researcher was allowed to request from the craft brewery employees.



**Figure 4.5: microbrewery employee gender analysis**

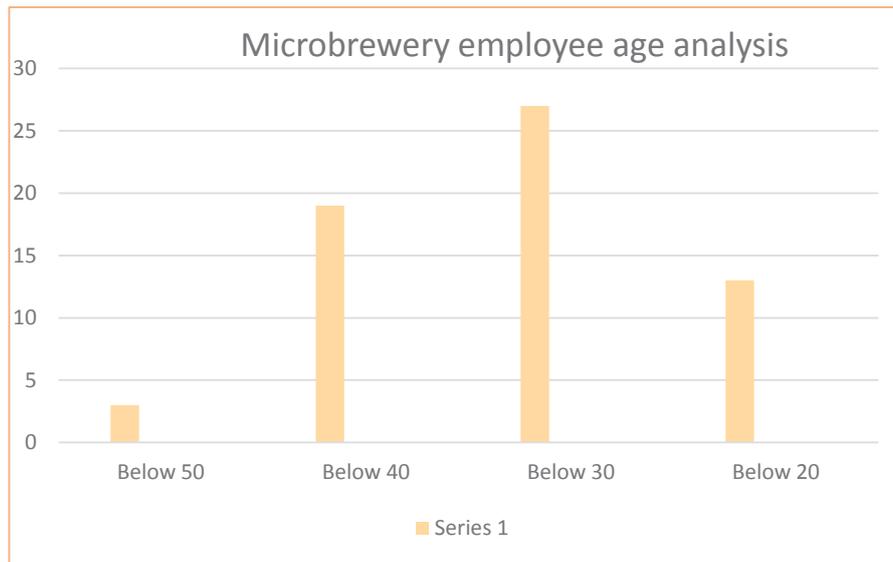


Figure 4.6: microbrewery employee age analysis

### 4.3. Presentation of findings

In this section the researcher will describe and analyse each data collection method and present the results obtained from the respondents. The data collection process was conducted with craft brewery owners across Cape Town at their respective breweries, this took place during June-November 2018.

The findings discussed in this chapter is a representation of the following aims and objectives as set out by the researcher:

**Aim:**

This study aims at gaining insight into the perception of how effective social media as a marketing strategy by microbreweries could be.

**Objectives:**

1. To evaluate the perception of whether social media marketing strategies are effective.

2. To analyse which social media platforms are perceived to be most effective for marketing microbreweries.
3. Assess how microbreweries implement social media into their overall marketing strategy.
4. Ascertain how social media marketing strategies can be utilized in creating a sustainable microbrewery.

#### **4.3.1. Data collection methods summary**

##### **Unstructured interviews:**

Unstructured interviews refer to an interview where the questions are not prearranged. These non-directive interviews are considered to be the opposite of a structured interview which focuses on a set amount of standardized questions (Walliman, 2011: 201-203). These unstructured interviews were conducted with the craft brewery owners during July-October 2018. Voice recordings were used during the interviews and analysed to record major themes found within the data.

##### **Open-ended questionnaires:**

Open-ended questionnaires are designed to encourage and establish a full, meaningful answer using the subject's own knowledge and feelings (Walliman, 2011: 201-203). The researcher made use of this method to form a conclusion regarding the participant's perceptions. These open-ended questionnaires were distributed to the craft brewery employees during July-October 2018. The craft brewery owners requested that employees remain anonymous throughout the research study. Major similarities and findings were recorded and presented in the below findings.

##### **Case studies:**

According to Walliman (2011: 201-203) case studies refer to a research method involving an up-close, in-depth, and detailed examination of a research topic/study and all factors that relate to the subject. The researcher made use of various case studies found in journals and articles, which provided existing and in-depth research into this study and provided further detail to the data that was collected via participants. This research was conducted by the researcher during June-

November 2018. Major findings that had a relation or significance to this study were recorded and presented in the findings.

#### **4.3.2. Research questions**

While conducting the data collection process and presenting the findings the researcher had the aim of answering the following research questions:

1. Do microbreweries perceive social media to be a successful tool for marketing their craft beers?
2. Do social media marketing strategies create successful microbreweries in the mind of its employees?
3. Which social media marketing platforms are perceived as most effective?

#### **4.3.3. Findings**

The presentation of findings is guided by the interpretation of transcripts, using the method of discourse analysis. The findings will be categorized and explained per data collection method and major themes will be summarized. These themes are the most significant points found in the study in line with the research questions and objectives.

Below is an analysis of how the craft brewery owners and employees were identified in the presentation of findings. Each craft brewery was given a code from C1-C5 as listed in Table 4.1. In order to identify the employees the researcher has coded each employee from E0-E41. Please note that the numbers used for coding may differ from the number of employees as per Table 4.4 due to 21 questionnaires not being used as part of the findings due to limitations. Table 4.1 provides an indication of which craft brewery they work for.

#### **Table 4.1: participant codes**

The major themes are presented in relation to the broader context of this study, which is the perception around the effectiveness of social media marketing. Direct quotations from the transcripts obtained via the unstructured interviews and open-ended questionnaires will be provided as evidence. Certain quotations will appear in more than one major theme as they were found relevant for use in various themes.

#### 4.3.3.1. Unstructured interviews

<b><u>Microbrewery</u></b>				
Atlantic Storm	Craftsman & co	Ekahaya Brewery	Ukhamba Beerworx	Drifter Brewery
C1	C2	C3	C4	C5
<b><u>Microbrewery employees</u></b>				
Atlantic Storm	Craftsman & co	Ekahaya Brewery	Ukhamba Beerworx	Drifter Brewery
E0-9	E10-E17	E18-E27	E28-E34	E35-E41

10 primary questions were used in the interview guide.

#### **Q1: Do you make use of social media as a marketing tool?**

##### **Response:**

C1: “yes I make use of social media to market my brewery, I mostly use Facebook to post about new stores selling my beer, to promote new products and details about my product offering”.

C2: “my craft brewery is very active on social media, it assists me in notifying people out there about where I’ll be doing beer tastings and trading at markets”.

C3: “yes, it is very much a part of my marketing strategy and I try to post and interact with my social media audience on a daily basis”.

C4: “yes I make use of social media as a marketing tool”.

C5: “yes definitely, specifically to post about competitions the brewery is running, to update users on craft beer activity and events we are taking part in”.

**Q2: Which social media platforms do you use and how long have you been using them?**

**Response:**

C1: “My craft brewery is very active on Facebook since we started up which is about 4 years, as well as Twitter on a lower scale”.

C2: “Facebook since 2015, Instagram since 2017 and LinkedIn since 2017 but I am not as active on LinkedIn as I should be”.

C3: “I make use of Facebook for approximately 1.5 years and Twitter for 8 months”.

C4: “The social media platforms I have been making use of for the past 2 years are Facebook, Instagram which I’m still getting use to and Twitter”.

C5: “Facebook, Twitter, Instagram and LinkedIn for business purposes”.

**Q3: Which traditional marketing strategies do you currently make use of?**

**Response:**

C1: “the traditional marketing strategies I use are taking part in events for brand acknowledgement, table talkers in restaurants advertising my craft beers or promotions currently running and brand associations with beer houses”.

C2: “I do not make use of many traditional marketing strategies, however I am very active in markets where I sell and market my craft beer and the craft beer I distribute, in certain cases the market managers will print flyers with my logo on but at no cost to my business”.

C3: “mainly posters and flyers. I use these as I do a large amount of marketing in the middle class townships and in many cases this is the only way to reach them. By using these tools I also ensure that I have maximum coverage through social media and traditional marketing”.

C4: “I rely heavily on word-of-mouth and interaction at events as part of my traditional marketing strategy, these are low cost as well, but I cannot track my engagement”.

C5: “Off the top of my head, I do not make use of any traditional marketing strategies”.

#### **Q4: What are your personal thoughts on social media marketing?**

##### **Response:**

C1: “I am a huge advocate for social media marketing and will continue to be, I recommend that all businesses specifically small business use it as a primary marketing tool”.

C2: “social media allows you to gain the target audience that you want to, this is such a big thing as you almost know the in’s and the outs of your customer, I think it is brilliant”.

C3: “my personal thoughts are that social media marketing is very effective as it allows you to interact with your customers on a more personal level, it is a quick and easy tool and very cost effective”.

C4: “I think it has allowed small businesses with an opportunity to market their companies from the get go due to it being cost effective and user friendly. I perceive that it adds to the success of my business and I become excited to post as I know I can track my customer’s interaction”.

C5: “I am impressed by the way social media has grown and the benefits it has brought my craft brewery”.

#### **Q5: Do you prefer traditional marketing strategies or social media marketing strategies, and why?**

##### **Response:**

C1: "I prefer social media because of costs. Traditional marketing can become costly and may not bring me the same amount of traction that social media marketing does".

C2: "social media is my bet as traditional marketing is just too expensive, I am not convinced that the money you spend on traditional tools are as effective as social media marketing benefits".

C3: "I prefer both marketing tools for various reasons, however if I had to choose it would be social media marketing because it provides me with a low cost platform to market my craft beer".

C4: "I believe both are very important and effective in their own way but I would say social media would be my preference due to the ability to track my customer interaction and it is easy to post from any location".

C5: "definitely social media marketing tools".

#### **Q6: What is your preferred social media platform?**

##### **Response:**

C1: "I target a specific audience so I would say Facebook has to be my favorite as it allows me to do so".

C2: "I have always been most active on Facebook, and I am familiar with how it works and what I need to post, it is my preferred social media platform".

C3: "Twitter due to the level of interaction and feeds that allow me to interact with my customers on an on-going basis".

C4: "Definitely Facebook, this is where I reach most of my customers, it is user-friendly and I can track my customer likes and comments and whether it is negative or positive".

C5: “My craft brewery prefers Facebook”.

**Q7: In your opinion, do you think social media adds to the success of your business?**

**Response:**

C1: “to a certain extent yes, I have invested lots of time into understanding social media and believe it adds to the success of my brewery specifically my customer loyalty”.

C2: “yes, it was the best way to spread the word about my craft brewery”.

C3: “definitely, I have had many sales and event proposals due to my interaction on social media”.

C4: “yes, I have put a lot of hard work into my craft brewery myself but I think social media plays a large part of that success”.

C5: “I agree it adds to my success”.

**Q8: Do you think social media marketing is cost effective?**

**Response:**

C1: “yes I think so, in comparison to the traditional marketing I do”.

C2: yes, which is why I make use of it as my marketing strategy, I cannot afford to pay much more for marketing, and do not want to either”.

C3: “very cost effective, I do all my posts in house”.

C4: "in my opinion it is 50% cost effective. The content and graphics can also be costly when a graphic designer needs to create it".

C5: "this far, it hasn't cost me much".

**Q9: Will you make use of social media marketing going forward?**

**Response:**

C1: "yes! And continue competing against main stream beer".

C2: "definitely".

C3: "I will continue to make use of social media going forward and will continue to look for ways at improving my social media footprint".

C4: "I will make use of a social media plan going forward and become even more active and competitive".

C5: "I will continue to make use of the platforms I am currently using".

**Q10: Are you willing to adapt and implement a social media marketing plan?**

**Response:**

C1: "I would like to partner with various other craft breweries and adapt a marketing plan together including social media brand collaborations".

C2: "If the resources are available to my craft brewery then why not".

C3: "If it doesn't cost too much then yes I'm in".

C4: "I am looking to do a full marketing plan in 2020 (next year), social media implementation will be a big part of that plan".

C5: "yes".

### **Summary of results**

The microbrewery owners all make use of social media strategies and perceive it as a large and successful part of their business. These perceptions are made up of various factors across microbreweries which include the level of interaction with their customers, the fact that it is a large part of their marketing strategy from the start-up of their business. It allows small businesses with a marketing opportunity and it allows these microbreweries to understand who their customers are and to reach them directly.

While analysing the benefits of social media marketing within microbreweries the unstructured interviews prove that the major benefit is costs. Social media marketing provides microbreweries with a cost effective tool for marketing their craft beer

When analysing the results the researcher has concluded that Facebook is most effective when it comes to marketing on social media platforms according to the interviews conducted.

Although both strategies (social media and traditional marketing strategies) have their own benefits it is clear that social media marketing outweighs traditional marketing as the benefits are more effective and is exactly what the microbreweries need to market their brewery successfully and keep operating costs low.

#### **4.3.3.2. Open-ended questionnaires**

The researcher found that with the microbrewery employees not as much feedback and detail was provided as with the microbrewery owners. The researcher was however able to come to the

conclusion that microbrewery employees do perceive social media to be effective within the microbrewery they work for.

The responses to the open-ended questionnaire were recorded in table format per microbrewery. The most common answer which emerged from the findings has been recorded per microbrewery and are presented in Table 4.2 – Table 4.5.

**Table 4.2: Atlantic Storm Brewery open-ended questionnaire feedback**

<p>Q1: What is your understanding of social media marketing?          Answer: Advertising your business online.</p>
<p>Q2: In your understanding, which social media platforms does the brewery you work for make use of?          Answer: Facebook, Twitter and Instagram.</p>
<p>Q3: In your opinion, do you believe social media makes the brewery you work for successful?          Answer: 8 respondents said yes (70%) &amp; 2 respondents said no (30%).          Why: Because it is an effective marketing tool and the company is very active on social media.</p>
<p>Q4: Do you think using social media marketing is cost effective?          Answer: all 10 respondents said yes (100%).          Why: Besides data costs there are not many costs involved.</p>
<p>Q5: Would you recommend social media marketing to other microbreweries, and why?          Answer: 5 respondents said yes (50%), 2 respondents said no (20%) and 3 respondents said not sure (30%).          Why: Because it is cost effective and easy to use as a marketing tool.</p>
<p>Q6: Which form of social media marketing do you prefer? (Facebook/Instagram etc.)          Answer: 7 respondents prefer Facebook (70%), 3 respondents prefer Instagram (30%).</p>

**Table 4.3: Craftsman & co open-ended questionnaire feedback**

<p>Q1: What is your understanding of social media marketing?          Answer: creating a Facebook page and marketing your business on that page.</p>
<p>Q2: In your understanding, which social media platforms does the brewery you work for make use of?          Answer: Craftsman &amp; co website, Facebook and Instagram.</p>
<p>Q3: In your opinion, do you believe social media makes the brewery you work for successful?          Answer: 5 respondents said yes (62.50%), 2 respondents said no (25%), 1 respondent said not sure (12.50%).</p>
<p>Q4: Do you think using social media marketing is cost effective?          Answer: 7 respondents said yes (87.50%), 1 respondent said not sure (12.50%).</p>
<p>Q5: Would you recommend social media marketing to other microbreweries, and why?          Answer: 1 respondent said yes (12.50%), 7 respondents said not sure (87.50%).</p>

Why: Because most customers are active on social media the microbreweries will get a large reach by interacting on social media platforms.

Q6: Which form of social media marketing do you prefer? (Facebook/Instagram etc.)

Answer: 6 respondents said Instagram (75%) and 2 respondents said Facebook (25%).

**Table 4.4: Ekhaya Brewery open-ended questionnaire feedback**

<p>Q1: What is your understanding of social media marketing?</p> <p>Answer: using social media as a form of marketing for your business and having the public follow your pages.</p>
<p>Q2: In your understanding, which social media platforms does the brewery you work for make use of?</p> <p>Answer: Mostly Facebook and Twitter.</p>
<p>Q3: In your opinion, do you believe social media makes the brewery you work for successful?</p> <p>Answer: 10 respondents said yes (100%).</p> <p>Why: We interact with the company we work on social media and love their posts and communication online.</p>
<p>Q4: Do you think using social media marketing is cost effective?</p> <p>Answer: 2 respondents said yes (20%), 7 respondents said no (70%) and 1 respondent said not sure (10%).</p> <p>Why: No marketing costs involved.</p>
<p>Q5: Would you recommend social media marketing to other microbreweries, and why?</p> <p>Answer: 8 respondents said yes (80%) and 2 respondents said no (20%).</p> <p>Why: We see the positive comments on various business social media pages and believe it is a positive and effective form of marketing.</p>
<p>Q6: Which form of social media marketing do you prefer? (Facebook/Instagram etc.)</p> <p>Answer: 7 respondents said Facebook (70%) and 3 respondents said Twitter (30%).</p>

**Table 4.5: Ukhamba Beerworx open-ended questionnaire feedback**

<p>Q1: What is your understanding of social media marketing?</p> <p>Answer: Marketing our craft beers on various social media platforms.</p>
<p>Q2: In your understanding, which social media platforms does the brewery you work for make use of?</p> <p>Answer: Facebook, Instagram and Twitter.</p>
<p>Q3: In your opinion, do you believe social media makes the brewery you work for successful?</p> <p>Answer: 7 respondents said yes (100%).</p>
<p>Q4: Do you think using social media marketing is cost effective?</p> <p>Answer: 7 respondents said yes (100%).</p>
<p>Q5: Would you recommend social media marketing to other microbreweries, and why?</p> <p>Answer: 5 respondents said yes (71.40%) and 2 respondents said not sure (28.57%).</p> <p>Why: It is an easy to use and inexpensive way to market your business and its products.</p>
<p>Q6: Which form of social media marketing do you prefer? (Facebook/Instagram etc.)</p> <p>Answer: 5 respondents said Twitter (71.24%) and 2 respondents said Facebook (28.57%).</p>

**Table 4.6: Drifter Brewery open-ended questionnaire feedback**

Q1: What is your understanding of social media marketing? Answer: Promoting Drifter brewery on the internet.
Q2: In your understanding, which social media platforms does the brewery you work for make use of? Answer: Facebook, Twitter, Instagram and YouTube.
Q3: In your opinion, do you believe social media makes the brewery you work for successful? Answer: 4 respondents said yes (57.14%), 2 respondents said no (28.57%) and 1 respondent said not sure (14.28%).
Q4: Do you think using social media marketing is cost effective? Answer: 5 respondents said yes (71.42%), 1 respondent said no (14.28%) and 1 respondent said not sure (14.28%).
Q5: Would you recommend social media marketing to other microbreweries, and why? Answer: 4 respondents said yes (57.14%), 3 respondents said no (42.85%). Why: Social media has taken over and everyone is active on it whether young or old, businesses could reach much more people through social media.
Q6: Which form of social media marketing do you prefer? (Facebook/Instagram etc.) Answer: 1 respondent said YouTube (14.28%), 1 respondent said Twitter (14.28%) and 5 respondents said Facebook (71.42%).

## Summary of results

As the findings suggest employees do perceive social media to be an effective part of the microbrewery's success.

It is very clear that the bulk of the employees responses indicated that they believe social media marketing is cost effective. The researcher can therefore conclude that the most effective benefit in using social media as a marketing tool in microbreweries is costs.

It is apparent that 54.8% of the total microbrewery employees prefer Facebook as a social media marketing tool. The researcher was able to determine that Facebook is the most effective social media marketing application.

#### 4.3.3.3. Case studies

While conducting the discourse analysis the following major themes came up with regards to the unstructured interviews and open-ended questionnaires:

1. The discourse of the perception around the effectiveness of social media marketing among microbreweries.
2. The discourse around the benefits of social media marketing among microbreweries.
3. The discourse of the most effective social media marketing platform among microbreweries.
4. The discourse of social media marketing vs traditional marketing within microbreweries.

The discourses (major themes) found in the results formed the basic focus for the case study research. The researcher made use of the following resources for information and journal articles:

- Sage publications
  - Society for the study of symbolic interactionism (journal website)
  - Qualitative sociology review (journal website)
  - QualPage (research assistance website)
  - Association for qualitative research (marketing research agency providing content online)
- ❖ While conducting case study research with regards to perceptions around social media marketing among microbreweries the researcher can present the following findings.

A study completed on microbreweries in 2014 proved that 60% of microbreweries have the perception that social media has the ability to inform customers about new craft beers, promotions etc., while 40% believe there is still a potential risk when not following or implementing traditional marketing tools (Aspasia & Ourania 2014: 76-89).

The overall perception of social media by microbreweries is that of a 50/50 trust level. Microbreweries are aware of that fact that social media is a low cost effective marketing tool that can really benefit their business. However, there is a lack of trust in this regard as well as a lack

of marketing expertise within these microbreweries resulting in not having any solid social media plan or content.

Social media as part of an effective marketing strategy is among one of the best marketing opportunities currently available to microbreweries in order to connect and engage with current and prospective consumers. This fairly new form of marketing has evidence of winning the trust and loyalty of consumers and engaging with them at a deeper level when compared to traditional marketing strategies, even though the perception of social media by microbreweries are not where they should be and they do not put hundred percent trust in it.

Microbreweries are taking note of the various social media platforms and opportunities that social media presents (Neti 2011: 1). Microbreweries are competing in a fast growing and competitive market, hence they cannot afford to have no presence and engagement on these social media channels. It is imperative that microbreweries understand how social media as part of their marketing strategy can benefit their business.

According to the case study research it is clear that there is a positive perception around social media marketing within microbreweries. There is a limitation with the lack of trust within these microbreweries and the researcher felt the need to focus on it, as the perception of the lack of trust is what needs to be transformed.

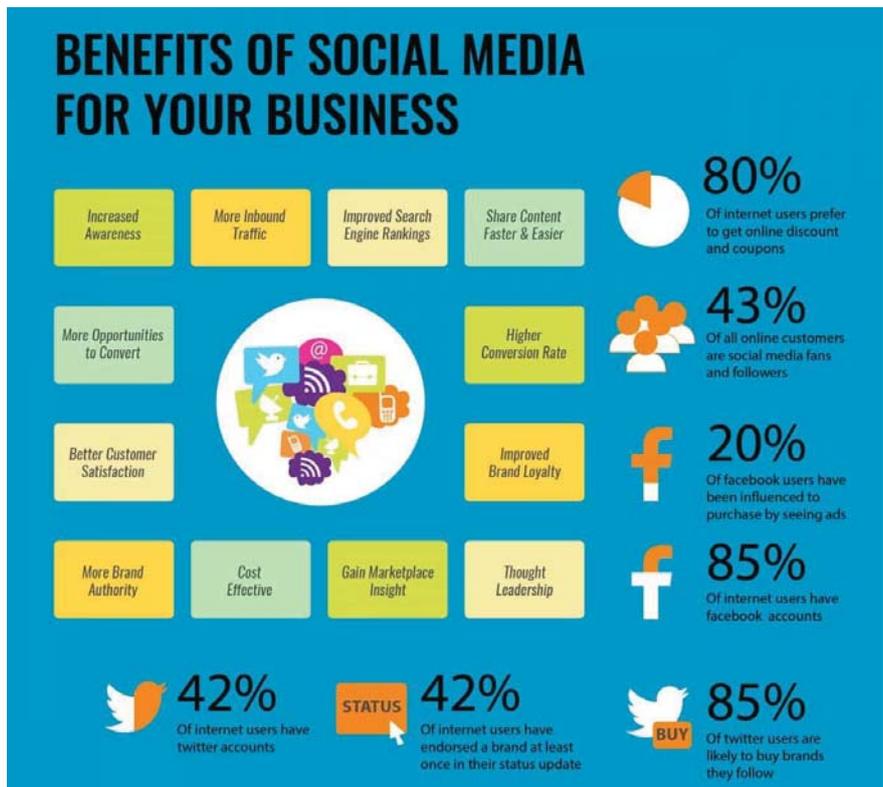
- ❖ While conducting case study research with regards to the benefits of social media marketing among microbreweries the researcher can present the following findings.

When looking at the benefits of social media marketing it is understandable why new microbreweries would place a large focus on this strategy. Benefits include a low cost speedy reach, strong relationships are formed and it gives businesses an opportunity to engage with customers. Without having a one way dialogue that traditional marketing results in (Neti 2011: 19). Green (2015: 109), argues that social media marketing is advantageous to microbreweries. This is because it decreases the barriers for involvement in the marketplace and it was also found that through further engagement on social media platforms, microbreweries might observe the opinions of their consumers.

According to Bothma & Gopaul (2015: 237-240) the benefits of interacting on social media networks are as follows:

- **Building trust:** trust provides a solid foundation on which to build fundamental business relationships and engage with customers on a deeper level. Microbreweries will be able to tell their story and market themselves to consumers in a way that will attract them.
- **Image and brand building:** Microbreweries are able to build a brand on social media networks and can constantly add information and content to build on that initial brand image. Consumers are likely to remember what they see on social media networks in comparison to billboards and print marketing.
- **Marketing and promotions:** social media in essence is a business tool for microbreweries to market their craft beers. In their social communication and engagement they will want to include content about their various events, expos and promotions. Social media allows these microbreweries to do so and monitor the feedback and interaction between users.
- **Customer interaction:** social networks such as Facebook, Twitter, WhatsApp and LinkedIn sets the scene for a unique consumer experience, which is what customers want and enjoy. These networks will allow microbreweries to search for their target consumers and allows customers to search for their favourite craft beer brands.

Figure 4.7 may not be specific to microbreweries but it is a representation of how beneficial social media marketing is.



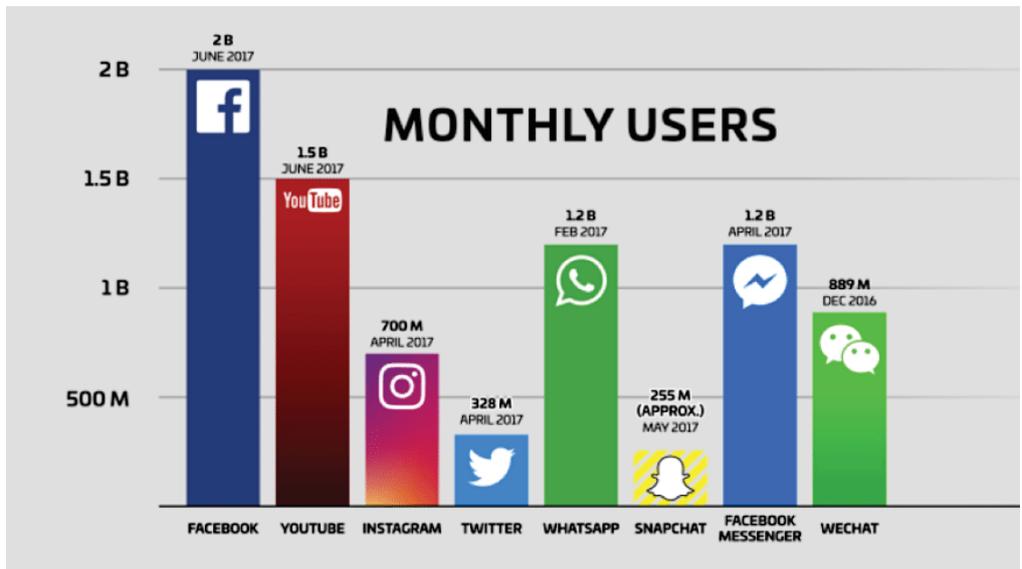
**Figure 4.7: the benefits of social media marketing for a business**  
(Green, 2014)

The findings from Figure 4.7 prove that social media marketing is indeed beneficial with many benefits for microbreweries.

- ❖ While conducting case study research with regards to the most effective social media marketing platform among microbreweries the researcher can present the findings.

The largest growing social network in the world and South Africa is Facebook. The researcher has come to the conclusion that Facebook and Twitter could possibly be the most effective social media platforms for microbreweries and their craft beer.

Figure 4.8 represents the various social media marketing applications and their effectiveness. This picture also calls out Facebook as being the largest and most effective social media marketing application.



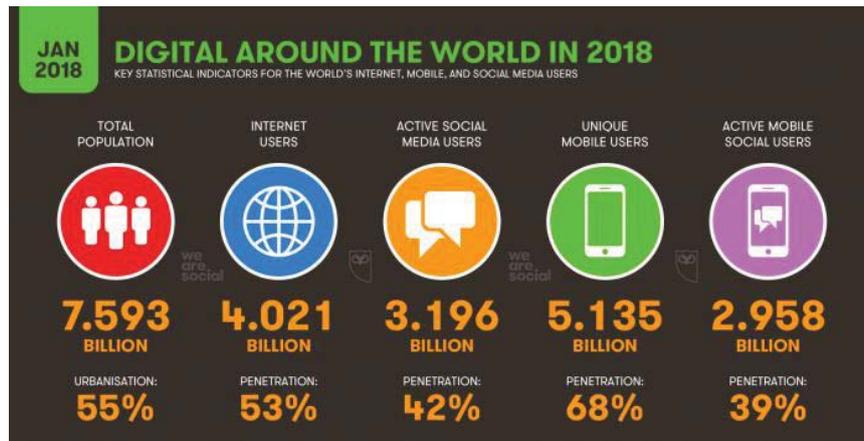
**Figure 4.8: monthly users of social media applications:**

(Alhabash & Ma, 2017)

Facebook is the most popular social media marketing platform. Facebook’s mission is to give people the power to share and make the world more open and connected. Founded in 2004, the platform has over a billion active daily users and over 1.65 billion monthly active users, with a majority of users accessing it via mobile devices (Alhabash & Ma, 2017: 34). The findings prove that the most effective social media platform is Facebook. Microbreweries have an opportunity to leverage from it and take on an effective social media marketing strategy that is fairly inexpensive and has an array of benefits.

- ❖ While conducting case study research with regards to social media marketing vs traditional marketing within microbreweries the researcher can present the these findings.

Social media and the internet have taken over the traditional way of thinking and marketing and microbreweries have the most valuable marketing tool available. If understood and implemented correctly microbreweries can become very competitive in a saturated and growing market. To understand the effects of social media marketing and how the internet has blown up over the past decade Figure 4.9 is provided:



**Figure 4.9: digital statistics around the world in 2018**

Chaffey, 2018

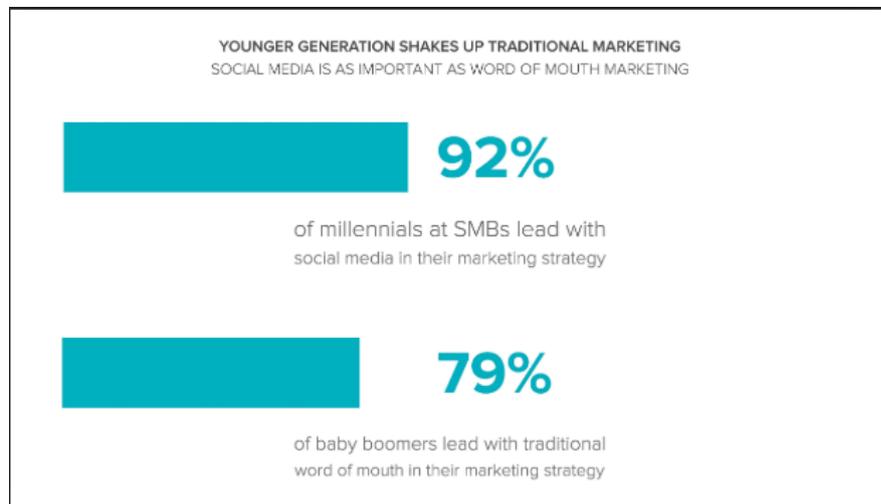
Figure 4.9 is a representation of how the internet and social media has grown, this is the reason for the confusion on whether to implement a social media or traditional marketing strategy.

When looking at the benefits of social media marketing it is understandable why new microbreweries would place a large focus on this strategy. Benefits include a low cost speedy reach, strong relationships are formed and it gives businesses an opportunity to engage with customers, without having a one way dialogue that traditional marketing results in (Alhabash & Ma, 2017: 7-9).

While social media marketing is extremely effective in reaching customers and provides a platform for microbreweries to market themselves it is vital that the theory of traditional marketing strategies is not ignored. The basis of traditional marketing strategies should still be used and practiced. This will allow the microbrewery to fully understand who their customers are, how to target them and how to make sure they have a competitive advantage.

While it can be said that traditional marketing techniques should not be ignored, it is evident that social media marketing has grown tremendously. If craft breweries are not active on social media they will not reach their target audience and will lose out on an effective marketing strategy.

Figure 4.10 indicates that the millennial lead with social media in their marketing strategies in comparison to traditional marketing.



**Figure 4.10: Social media marketing VS traditional marketing**

Chaffey, 2018

Amongst other benefits are the communication and understanding of their consumers, the fact the breweries are able to target a specific audience and the level of interaction on the social media applications.

Although both strategies (social media and traditional marketing strategies) have their own benefits it is clear that social media marketing outweighs traditional marketing as the benefits are more effective and is exactly what the microbreweries need to market their brewery successfully and keep operating costs low.

### Summary of findings

The researcher can conclude that social media marketing is perceived to be effective within microbreweries in Cape Town due to a range of factors as discussed. The unstructured interviews, open-ended questionnaires and case studies provided the same evidence which allowed the researcher to confidently conclude that the perception is positive.

While analysing the benefits of social media marketing within microbreweries the unstructured interviews, open-ended questionnaires and case studies prove that the major benefit is costs. Social media marketing provides microbreweries with a cost effective tool for marketing their craft beer, as well as the fact that there is a benefit of communication and understanding of their consumers, the fact the breweries are able to target a specific audience and the level of interaction on the social media applications.

Facebook is the most effective social media platform for microbreweries to market their craft beers on. The evidence is clear from the unstructured interviews, open-ended questionnaires and the case studies which provided a worldwide overview. Facebook is the most effective and most interactive social media marketing platform.

While conducting the study with regards to social media marketing vs traditional marketing strategies the researcher was concerned that there will be no clean cut answers to the dilemma of social media marketing vs traditional marketing strategies due to microbreweries making use of both. This was due to respondents making use of traditional marketing strategies as well and believing in the benefits they provide. While analysing the collected data however, the researcher came to the conclusion that social media marketing is the preferred strategy as presented in the unstructured interviews and case studies.

#### **4.4. Chapter summary**

In this chapter the researcher presented and analysed the data collected from five craft brewery owners and forty one craft brewery employees. The findings discussed were based on data collection methods and major themes. These themes appeared from the study as they were recognized as similarities as well as patterns during the interview discussions and open-ended questionnaires. The findings were based on the audio recorded responses of the craft brewery owners including field notes taken by the researcher. The open-ended questionnaires were also analysed and categorized into major themes which corresponded to the audio recordings. The four major themes that emerged from the findings were analysed and discussed. These themes were:

1. The perception around the effectiveness of social media marketing among microbreweries.
2. The benefits of social media marketing among microbreweries.
3. The most effective social media marketing platform among microbreweries.
4. Social media marketing vs traditional marketing within microbreweries.

The problem statement as indicated in chapter one revealed that the problem of the lack of social media usage in microbreweries is due to entrepreneurs not fully understanding the benefits of using social media as a platform and in certain cases they are scared to take the risk even though it is a low cost marketing tool. Microbreweries are motivated to make use of social media platforms as it has an extremely positive impact. It requires minimum budget and takes care of customer interaction.

The findings proved that social media marketing is indeed effective and the research therefore strongly recommends microbreweries to make use of social media as a marketing tool due to numerous benefits.

The presentation of findings proved that there is a positive perception around the effectiveness of social media marketing within microbreweries. The benefits of social media marketing include primarily costs. Social media marketing provides microbreweries with a cost effective tool for marketing their craft beer. Amongst other benefits are the communication and understanding of their consumers, as well as the fact that breweries are able to target a specific audience and the level of interaction on the social media applications. The most perceived effective social media application is Facebook and microbreweries prefer social media marketing tools in comparison to traditional marketing.

Chapter five will focus on a further discussion around findings and conclusion as well as recommendations.

## **CHAPTER FIVE: DISCUSSION, RECCOMENDATIONS & CONCLUSION**

### **5.1. Introduction**

Based on the results obtained in Chapter 4, a discussion of the findings is presented and discussed in this chapter. All research questions will be answered subsequently and the achievement of research objectives are determined and analysed.

The aim of this chapter is also to present the conclusions drawn from the results through the analysis of the unstructured interviews, open-ended questionnaires and case study research. Lastly the researcher focuses on recommendations for further research.

### **5.2. Overview of the research study**

This study was an exploratory and qualitative study. The researcher adopted a perception based approach to achieve the objectives of the study as well as to answer the research questions. According to Partos et al. (2016) perception refers to a “mode of apprehending reality and understanding through the senses, thus allowing judgment of figure, form, language, behavior, and action”. Unstructured interviews were conducted with 5 microbrewery owners and open-ended questionnaires were distributed to 62 microbrewery employees who were purposively selected as participants by their employer. The unstructured interviews were conducted in English and tape recorded. In addition the researcher made written field notes for enhanced analysis.

Major themes and categories that emerged from the information were amplified with literature including case studies from the internet which provided a more extensive focus on the objectives and research questions.

The findings and recommendations described and analyzed are centered and focused on the perceptions and understandings of the 46 respondents included in the results. The 46 respondents were made up of 5 microbrewery owner’s whereby the researcher conducted unstructured interviews and 41 microbrewery employees who completed open-ended questionnaires. 41 Out of a total of 62 questionnaires that were distributed were used in this study, 21 were eliminated due to being incomplete. The focus also includes research questions, objectives and major themes emerging from the data analysis.

### 5.3. Objectives

The researcher aimed at reaching the following objectives during the data collection process:

1. To evaluate the perception of whether social media marketing strategies are effective.
2. To analyze which social media platforms are perceived to be most effective for marketing microbreweries.
3. To assess how microbreweries implement social media into their overall marketing strategy.
4. To ascertain how social media marketing strategies can be utilized in creating a sustainable microbrewery.

### 5.4. Research questions

The researcher aimed at answering the research questions below during the data collection process.

1. Do microbreweries perceive social media to be a successful tool for marketing their craft beers?
2. Do social media marketing strategies create successful microbreweries in the mind of its employees?
3. Which social media marketing platforms are perceived as most effective?

### 5.5. Summary of the data

During the data collection and data analysis process the researcher was able to determine what the major themes of the research were. Major themes refer to a recurring topic, idea or subject which appears in the collected data (Salmon, 2017: 25). These major themes were derived from the research objectives and research questions and provided the researcher with a summary of focus points. The findings are discussed according to the four themes that emerged from the data analysis:

**Theme 1:** Perception around the effectiveness of social media marketing among microbreweries.

**Theme 2:** The benefits of social media marketing among microbreweries.

**Theme 3:** The most effective social media marketing platform among microbreweries.

**Theme 4:** Social media marketing vs traditional marketing within microbreweries.

## **5.6. Results and discussion**

During this section the researcher discusses the findings with the aim of addressing the objectives and answering the research questions by discussing the major themes derived from the data. Each major theme will be listed individually and the results discussion will follow and be analyzed per data collection method (unstructured interviews, open-ended questionnaires' and case studies), thereafter a summary will follow.

### **5.6.1. Theme 1: perception around the effectiveness of social media marketing among microbreweries**

#### **5.6.1.1. Unstructured interviews**

During the unstructured interview process it was very easy for the researcher to come to the conclusion that the perception around social media usage in microbreweries is very positive. All 5 microbrewery owners who were interviewed make use of various social media applications to market their craft beer and it was a very well understood topic for the owners, hence they were able to answer all the researchers' questions. Within the data collected the researcher found that this positive perception of social media marketing is mostly driven by the level of interaction with their craft beer customers and the fact that it is a large part of their marketing strategy from the startup of their business. Social media marketing also allows small businesses with a marketing opportunity which is cost effective and it allows these microbreweries to understand who their consumers are and provides them with the ability to reach them directly.

#### **5.6.1.2. Open-ended questionnaires**

When analyzing the questionnaires completed by the microbrewery employees, it was evident that the employees had a good understanding of social media and what applications their employer markets on. The results as discussed in the previous chapter suggests that employees do in fact find social media marketing effective and the overall perception is very positive. This

was driven by the employees pointing out that social media marketing is cost-effective and the fact that the bulk of the feedback suggested that these employees would recommend social media marketing to microbreweries.

#### **5.6.1.3. Case studies**

The research collected from case studies suggest that microbreweries are indeed aware of the fact that social media has numerous benefits which could enhance their brand awareness and sales. However, there seems to be a lack of social media expertise within microbreweries which means there is not a set social media plan put in place.

As the researcher analysed the case study research even further, she found that social media as part of an effective marketing strategy, is among one of the best and most effective marketing techniques currently available to microbreweries. The microbreweries are able to connect with their customers on a more targeted level and even though the perception of social media by microbreweries is positive, it is not where it should be. Social media marketing has made an enormous impact and will continue to do so.

According to the case study research it is clear that there is a limitation with the lack of trust within these microbreweries and the researcher felt the need to focus on it and recommend that microbreweries take interest in this by understanding social media marketing on an increased level.

### **5.6.2. Theme 2: the benefits of social media marketing among microbreweries**

#### **5.6.2.1. Unstructured interviews**

While conducting the unstructured interviews with the microbrewery owners it was apparent that the owners felt there were numerous benefits by using social media as a marketing tool. While the benefits included customer interaction, customer direct targeting and ease of use, the major benefit that stood out and came up in these interviews numerous times were cost. Social media marketing provides microbreweries with a cost effective tool for marketing their craft beer.

### **5.6.2.2. Open-ended questionnaires**

During the analysis of the open-ended questionnaires the results proved that microbrewery employees believe there are benefits to social media marketing. The question around costs were very positive and more than 80% of respondents answered that social media marketing is cost effective. The researcher therefore concluded that the most effective benefit in using social media as a marketing tool in microbreweries is costs.

### **5.6.2.3. Case studies**

The researcher found many sources which provided context to social media marketing and its benefits. This is understandable as it is a fast growing marketing tool that has provided success to many businesses. The case studies analysed by the researcher suggests that the social media marketing benefits include a very low costs, quick access to audience, strong relationships are formed and it gives businesses an opportunity to engage with customers (Neti 2011: 19). This proves to be very similar to the data analysed from the unstructured interviews.

According to Bothma & Gopaul (2015: 237-240) the benefits of interacting on social media networks are as follows:

- Building trust with customers.
- Users can easily create a brand Image and build their brand.
- Marketing and promotions can easily be marketed on social media platform.
- High levels of customer interaction are provided.

The findings from the case studies prove that social media marketing is indeed beneficial with many benefits for microbreweries (with the major benefit being that it is cost effective).

### **5.6.3. Theme 3: the most effective social media marketing platform among microbreweries**

#### **5.6.3.1. Unstructured interviews**

The five microbrewery owners gave context into which social media platforms they market their craft beers on. It was evident that from all the applications they make use of, all five owners make use of Facebook. The social media platforms that are used by these microbreweries are Facebook, Instagram, Twitter and YouTube. The researcher has concluded that Facebook is most effective when it comes to marketing on social media platforms.

#### **5.6.3.2. Open-ended questionnaires**

Within the open-ended questionnaire, the researcher included a question around which social media platform has the most benefits and is the preferred platform in comparison to alternative applications. The results indicated that Facebook is preferred. 54.8% Of the total microbrewery employees prefer Facebook as a social media marketing tool. 35% Prefer Twitter due to its instant interaction and 10% prefer Instagram due to the application being more visual. The researcher was able to determine that Facebook is the most effective social media marketing application.

#### **5.6.3.3. Case studies**

The case studies prove that the largest growing social network in the world and South Africa is Facebook, with Twitter in second place. Facebook is one of the most popular applications and one in every 4 people have a Facebook account (Green, 2014: 17). According to Green (2014: 75), Facebook is the largest social media site around with more than two billion people using it monthly worldwide.

The findings prove that the most effective social media platform is Facebook. Microbreweries have an opportunity to leverage from it and take on an effective social media marketing strategy that is fairly inexpensive and has an array of benefits.

#### **5.6.4. Theme 4: social media marketing vs traditional marketing within microbreweries**

##### **5.6.4.1. Unstructured interviews**

The researcher explains that when the question around traditional vs social media came up the respondents were not negative with regards to traditional marketing and provided feedback which proposes that they do believe that traditional marketing is effective. The five microbrewery owners understand traditional marketing and three of them make use of traditional marketing tools. The two owners that don't make use of traditional marketing believes in its power but cannot afford to spend capital on traditional marketing techniques.

The researcher then posed the question around which marketing strategy the microbrewery owners prefer (social media or traditional marketing tools) and it was clear that 100% of the owners advised they prefer social media marketing. The response was due to costs and it being an easy way of marketing to customers.

Although both strategies (social media and traditional marketing strategies) have their own benefits it is clear that social media marketing outweighs traditional marketing as the benefits are more effective and is exactly what the microbreweries need to market their brewery successfully and keep operating costs low.

##### **5.6.4.2. Case studies**

Social media and the internet have taken over the traditional way of thinking and marketing and microbreweries have the most valuable marketing tool available. If understood and implemented correctly microbreweries can become very competitive in a saturated and growing market (Chaffey, 2018: 11).

The internet suggest that while social media marketing is extremely effective in reaching customers and provides a platform for microbreweries to market themselves it is vital that the theory of traditional marketing strategies is not ignored. It is still fairly important that microbreweries partake in promotions, competitions and believe in the power of word-of-mouth.

While it can be said that traditional marketing techniques should not be ignored, it is evident that social media marketing has grown tremendously.

Although both strategies (social media and traditional marketing strategies) have their own benefits it is clear that social media marketing outweighs traditional marketing as the benefits are more effective and is exactly what the microbreweries need to market their brewery successfully and keep operating costs low.

#### **5.6.5. Summary of findings**

The researcher can conclude that social media marketing is perceived to be effective within microbreweries in Cape Town due to a range of factors as discussed. The unstructured interviews, open-ended questionnaires and case studies provided the same evidence which allowed the researcher to confidently conclude that the perception is positive.

While analysing the benefits of social media marketing within microbreweries the unstructured interviews, open-ended questionnaires and case studies prove that the major benefit is low costs. Social media marketing provides microbreweries with a cost effective tool for marketing their craft beer, as well as the fact that there is a benefit of communication and understanding of their consumers. In addition, the breweries are able to target a specific audience and the level of interaction on the social media applications.

Facebook is the most effective social media platform for microbreweries to market their craft beers on. The evidence is clear from the unstructured interviews, open-ended questionnaires and the case studies which provided a worldwide overview. Facebook is the most effective and most interactive social media marketing platform.

While conducting the study with regards to social media marketing vs traditional marketing strategies the researcher was concerned that there will be no clean cut answers to the preference between social media marketing vs traditional marketing strategies due to microbreweries making use of both. This was due to respondents making use of traditional marketing strategies as well and believing in the benefits they provide. While analysing the collected data however, the researcher came to the conclusion that social media marketing is the preferred strategy as presented in the unstructured interviews and case studies.

## 5.7. Recommendations

While conducting the various data collection methods as discussed in chapter 4 and analyzing the results the researcher is able to make the following recommendations to microbreweries:

### **Adopt a social media marketing strategy plan:**

There is a need for microbrewery owners to adapt to a social media marketing plan as it is evident that they are posting on these various social media applications without a set plan in place. This plan will relieve some pressure on the breweries as they can follow a schedule of when to post and interact on social media. This plan will also set out exactly what content should be posted and when the best time is to post that content. Overall the social media marketing strategy will be more focused and established creating more powerful content and interaction for better results.

### **Have a dedicated employee focusing on content creation and management of social media applications:**

While the owner of the microbrewery is able to post and interact on social media it is imperative that a higher focus is placed on this interaction as the microbrewery owners have a large portfolio to take care of. When a dedicated person takes care of the breweries social media management it will be evident that there is more control and focus on the information the brewery is putting out there.

### **Microbrewery owners to gain a deeper understanding of social media and acquire the skills to be able to market effectively:**

Just as traditional marketing strategies require skills, so does social media marketing even though it is easy to post and share. The microbrewery owners need to ensure that they understand how to reach and target their consumers, as well as inherit the skills needed to post effective content. This is imperative as there are many competitors also making use of social media and these microbreweries need to ensure that they are providing the most effective content with a differentiating factor.

### **Make use of multiple social media applications:**

As the research suggests Facebook is the most popular form of social media marketing. Although Facebook is most popular it is important for microbreweries to be active on various social media platforms so as to reach a larger target audience. Individuals that are not active on Facebook might be active on alternative applications, hence it is imperative to be active on all social media platforms. The suggested social media applications are Instagram, Twitter, YouTube, and LinkedIn.

### **Staff should be more involved and have an understanding of the business social media footprint:**

The researcher recommends that staff be more involved in the social media marketing process. If not fully involved the employees should at least be aware of the social media applications their employer markets on and be active on these social media pages. This is imperative for various reasons such as word-of-mouth (the employees can share with family and friends), the employees could possibly have excellent content that they would like to share and overall communication within the microbrewery. The selected staff who will be responsible for the microbreweries social media pages should be enrolled on a social media marketing course where they are taught how to execute a social media marketing plan and to keep up with trends and innovations specifically in the craft beer space.

## **5.8. Limitations**

According to Atieno (2009: 101), limitations are influences, shortcomings or conditions that the researcher is unable to control. There were three limitations which were identified in the study. Due to the use of non-probability sampling the results could lead to sampling bias, however the generalizability is reduced because there are 5 microbreweries included.

### **5.8.1. Respondent's effect**

Because the data was collected via unstructured interviews and the participants knew the researcher, the participants could possibly have withdrawn some of their personal in-depth experience.

### **5.8.2. Incomplete open-ended questionnaires**

The open-ended questionnaires were distributed to microbrewery employees. Certain employees were not interested in participating and provided incomplete answers, only 41 out of 62 questionnaires were completed and therefore included in the findings of this study. The researcher was able to come to a conclusion with regards to the objectives and research questions.

### **5.8.3. Interview setting**

Certain interview settings were found to be unsuitable because of various interferences. There were interruptions during the interviews (noise and knocks on the door) since these interviews were conducted at the participant's workplace during work hours.

## **5.9. Recommendations for further research**

In light of the findings of the study, the following are recommended as future research subjects:

1. The benefits of social media marketing in craft breweries VS mass produced beer.
2. How to implement a successful social media marketing strategy within craft breweries: a step by step analysis.
3. Social media as a marketing tool: a focus on craft beer brands and product awareness.
4. Impact of social media marketing on consumer craft beer buying behavior.
5. How to become a social media marketing expert: a focus on skills, logistics, and content.

#### **5.10. Chapter summary**

The objectives of this research study were identified and the findings of the data collected discussed. This study on social media marketing within microbreweries found that microbrewery owners and employees have a positive perception of social media marketing and that it has many benefits with the major benefit being that it is cost effective. The researcher could also conclude that Facebook is the most effective social media platform and that microbreweries prefer social media marketing in comparison to traditional marketing strategies.

It is hoped that this research contributes to a better understanding of social media marketing and assists microbreweries to recognize the benefits of integrating social media into their marketing plans.

It is also anticipated that the personal opinions and experiences within the research findings could contribute to microbreweries implementing a social media marketing strategy effectively.

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Mbali, K. (2018) Interviewed by Sandi Goodwin for “The effectiveness of Social Media marketing strategies among Microbreweries: A perceptual analysis”. 14 October

## Appendix A: Research authorization letter



Postgraduate studies and research  
Graduate School of Business Management  
Business & Management Sciences Faculty  
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### To whom it may concern

**Re: Introductory letter for the collection of research data**

Sandi Goodwin is registered for the MTech: Business Administration degree at CPUT with student number 209038853. The thesis is titled “The effectiveness of Social Media Marketing Strategies: a focus on Micro enterprises.”, and aims at gaining insight into the use of social media in micro enterprises, why it is vital in creating a successful marketing strategy and how it can be utilized in creating a sustainable business. The main supervisor for this research is Dr Michael Twum-Darko.

In order to meet the requirements of the University’s Higher Degrees Committee (HDC) the student must get consent to collect data from organizations which they have identified as potential sources of data. In this case the student will issue a questionnaire to gather relevant data.

If you agree to this, you are requested to complete the attached form (an electronic version will be made available to you if you so desire) and print it on your organisation’s letterhead.

For further clarification on this matter please contact either the supervisor(s) identified above, or the Departmental Research Committee Secretary at 021 460 3833.

Regards



**Dr. Michael Twum-Darko**

Postgraduate Studies and Research  
Graduate Centre for Management  
Faculty of Business and Management Sciences

*Date: 16 March 2018*

## Appendix B: Open-ended questionnaire



### *Faculty of Business and Management Sciences*

#### Research study feedback questionnaire

Topic: The effectiveness of Social Media marketing strategies among Microbreweries

**Please give your feedback on the above topic by answering the below questions:**

Q1: What is your understanding of social media marketing?

.....  
.....  
.....

Q2: In your understanding, which social media platforms does the brewery you work for make use of?

.....  
.....

Q3: In your opinion, do you believe social media makes the brewery you work for successful?

.....  
.....

Q4: Do you think using social media marketing is cost effective?

.....  
.....

Q5: Would you recommend social media marketing to other microbreweries, and why?

.....  
.....

Q6: Which form of social media marketing do you prefer? (Facebook/Instagram ect)

.....  
.....

Thank you for your participation,