



**SOCIAL MEDIA AS A MARKETING COMMUNICATION STRATEGY AMONG  
INDEPENDENT FOOD RETAILERS IN THE CITY OF CAPE TOWN**

**By**

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A handwritten signature in blue ink, consisting of a large, stylized 'S' followed by the name 'Santos' in a cursive script.

**Signed**

**15 July 2020**

**Date**

## ABSTRACT

Independent food retailers face ongoing challenges to protect the viability of their stores as retail groups and franchise operations expand their footprint into areas previously dominated by the independent retailers. Unlike the corporate retail chains and franchise stores, which have resources at their disposal for marketing purposes, independent retailers are regarded as being resource scarce. It is possible that independent food retailers might be spending energy and financial resources to promote their businesses, whereas the opposite might be true. The objective of this study was to ascertain whether independent food retailers trading in the greater City of Cape Town area actively promote their stores, with particular focus on their relationship with social media as a communication channel to achieve this end.

Current literature suggests that social media has become an essential communication contact point between businesses and consumers alike. Consumers use platforms such as Facebook, Twitter, Instagram and WhatsApp to connect with friends and voice their views and opinions on individuals or businesses as perceived by them. There are a growing number of studies that have investigated the use of social media and social network platforms by small and medium businesses as a resource. However, currently there is a lack of available literature that focuses specifically on the use of social media by independent food retailers. This exploratory study therefore fills in the gap by investigating the extent to which these retailers use this medium as a marketing communication strategy. It also interrogates the enabling factors, the motivation to engage this medium, as well as the elements that retard the adoption and application of this channel as a promotional resource. Secondary data was collected through a review of the current literature investigating the adoption and use of social media as a promotional resource among small and medium businesses, including retailers. Primary data was collected using a semi-structured in-depth interview approach of a non-probability judgemental selected sample of eleven respondent retailers regarded as key informants capable of addressing the research questions.

Facebook was found to be the predominant platform of choice and application among the respondents with minimal activity recorded on other platforms. The cost effectiveness, reach and accessibility of social media as a customer contact was found to enable the adoption and use of this medium as communication channel. The converse is true with regard to the perceived risk associated with social media engagement. Restricted resources relating to human, financial and technical capacity were found to influence the level of adoption negatively and use of social media as a communication channel as well. Notwithstanding these challenges, respondents were motivated to engage social media by the possibility of raising the visibility of their stores as individual brands. Building relationships with customers as a consequence of engaging them on social network platforms was an important

consideration among the respondents, as this raised the possibility of benefiting through improved sales performance.

This study provided confirmation that independent retailers do engage in online communication. It was able to describe the conditions that influence the adoption and application of this medium as a communication channel. It was able to illustrate the linkages behind some of the results with human behaviour models, such as the diffusion of innovation, technology acceptance model, and the theory of reasoned action. This study not only advances the understanding of the relationship independent food retailers have with social media as a communication strategy, it also makes recommendations that might be beneficial to other retailers in similar circumstances as well as direction for expanded future research.

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*“Valeu a pena? Tudo vale a pena  
se a alma não é pequena  
Quem quer passar além do Bojador  
Tem que passar além da dor.”*

From Mar Português by Fernando Pessoa

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## **LIST OF ABBREVIATIONS**

COVID-19	Novel coronavirus
DOI	Diffusion of innovation
IGA	Independent Grocers Alliance
SMME	Small and medium enterprise
TAM	Technology acceptance model
TOE	Technology, organisation and environment model
UMS	Unitrade Management services

## CLARIFICATION OF KEY TERMS AND CONCEPTS

<b>Term</b>	<b>Explanation</b>
Cross-sectional design	Information is collected only once from the sample of the population in this type of research design (Malhotra & Birks, 2007:74).
e-Commerce	The buying and selling of goods and services via an electronic medium such as the internet (Riviera, 2018).
Ethics	Ethics is described as guidelines that regulate behaviour of individuals and institutions during the course of interaction with others in a manner that promotes fair and honest conduct for the good of society. Therefore marketing research ethics might be regarded as the principals and guidelines that regulate the marketing research profession. For example, the Human Sciences Research Council of South Africa endeavours to uphold and respect the principals of respect and protection with regard to participants in research, act in a manner that is transparent, maintain scientific and academic professionalism and remains accountable for its actions (Parasuraman et al., 2007:45; Wiid & Diggines, 2013:21; HSRC, 2019).
Independent food retailer	Retailers that are not associated with a franchise group, and which are independently owned and specialise in fresh food products, and edible and non-edible groceries (Jackson & Longlands, 2011:5).
Omnichannel retailing	Retailers enable customers to engage with them through different channels to complete a particular transaction such as shopping online and collecting at the store or buying at the store and arranging a product return online (Bishop, 2016).
Social media	Social media is a collection of internet based applications that forms the conduit through which users engage, create and exchange content, enabled through the advancements made in Web 2.0 (Constantinides, 2008:1-28; Kaplan & Haenlein, 2010:61).
Social network platforms	Web-based services that enable individuals to build public profiles within a defined group of people who have similar interests and views and communicate with their connections within these communities (Boyd & Ellison, 2007).
Supermarket	Large format grocery store offering a wide range of perishables, cold beverages, grocery products, fresh departments such as bakery, butchery, deli, fruit and vegetables and hot foods sections. They also offer a wide range of general merchandise or non-food products. These stores are larger than grocery stores, but smaller than hypermarkets (Berman & Evans, 2013:149-155).
Paradigm	Perspectives and beliefs regarding values, knowledge and nature (Schwand, 1989:379-407).

# CHAPTER 1

## INTRODUCTION AND BACKGROUND TO THE STUDY

### 1.1 Introduction

The advances of the internet in the 1990s have convinced observers that this medium presents a channel through which relationships can be managed effectively. Speed, time and convenience are important to customers who use new technologies to source information on new market trends, products and services. Companies have noted the growing number of consumers and time spent on social network platforms, and views this as a way of connecting and creating relationships with new customers. The huge number of active users on Facebook will attest to this (Mortleman, 2011:8-11; Kemp, 2020a; Ntshingila, 2020). Further to this is the rate at which consumers have adopted the mobile cellular device as the main internet connection device in their food shopping or to get information on prevailing promotions, flyers and coupons, or to look for recipes. This suggests that retailers have to adapt the way in which they engage with their customers (Mangold & Faulds, 2009:357-365; Michaelidou et al., 2011:1154; Ahmad et al., 2018:6-17). Studies by Rootman (2016:220) and Bae and Zamrudi (2018:806) found a positive connection between the use of social media tools by South African food retailers and Indonesian retailers, and creating a positive brand image, which impacted customer buying behaviour.

Social media is constantly evolving and becoming an important element of the communications process with communities, companies and consumers as a result of its interactive nature, which allows users to create content and share it with others. It highlights the transition from merely collecting information and consuming it to creating and adding to the information available on platforms that allow it (Kaplan & Haenlein, 2010:59-68; Campbell et al., 2011:87; Edosomwan et al., 2011:79-91; Abeysinghe & Alsobhi, 2013:267; He et al., 2017:153; Kemp, 2018). This interactive nature is illustrated by the findings of Ramanathan et al. (2017:118), which pointed to the effect of social media reviews by customers as an indicator of customer satisfaction and suggested that retailers connect with their customers directly through social media and attending to their problems rather than placing emphasis on sales promotions exclusively. Social media is technically easy to use, cost effective and accessible to a large variety of customers, which presents an opportunity to small and medium companies who might not have financial and technical resources for traditional marketing programmes (Kaplan & Haenlein, 2010:59-68; Zeiller & Schauer, 2011; Stockdale et al., 2012:1-14, Gujral et al., 2016:19; Bae & Zamrudi, 2018:851-869; Ntshingila, 2020).

This exploratory study seeks to assess the extent to which independent retailers have adopted social media as a marketing communications strategy; the factors that influence its adoption; and to identify elements that impede its application as a business resource. This

will be achieved through the analysis of data extracted from in-depth interviews conducted from a convenient sample of independent food retailers trading in the greater City of Cape Town area. This chapter introduces the research statement and the background details that inform it. The related research questions with the corresponding objectives are listed as well as the research design and methodology strategy used to gain insights posed by the questions and objectives as well as the mechanism used to analyse the resulting data. The significance and the value proposal of this research are also discussed.

## **1.2 Background to the study**

The introduction of smaller format stores by the retail chain groups, which include convenience and forecourt stores that have extended trading hours, as well as a range of value-added services such as cellular products, third party payments and financial services, are some of the changes that have taken place in the South African food retail industry over the last few years (Mantshantsha, 2013; Das Nair & Chisoro, 2015:1; Malgas et al., 2017:3-4). These groups are also opening stores in townships, peri-urban and rural areas that were previously exclusively served by the independent retailers (Durham, 2011:33-35; Makhitha, 2016:258-266). Additionally, there has been a growth of online retail in South Africa, which was estimated at \$3.34 billion across eight categories, which include fashion, electronics, furniture, toys and travel. This is being accelerated by high mobile penetration and expansion of online presence by traditional retailers seeking to offer a multichannel shopping solution (Kemp, 2018; Smith, 2018). The adoption of social media platforms as communication touchpoints by these groups with consumers is further proof of the changes taking place in this industry.

### **1.2.1 Economic factors**

The wider range offering at relatively cheaper prices gained through economies of scale and sourcing strategies by the larger supermarkets have given consumers more options when choosing which store to go to for their daily convenience shopping. The wider choice of stores has contributed toward the increased competition experienced by independent food retailers (Noel & Basker, 2013:1; Das Nair & Chisoro, 2015:1). South African retail sales were up 0.9% year on year for December 2016, which is down from the December 2015 growth of 4.3% (Loos, 2017; Naidoo, 2018b). This is well below the consumer price index of 6.8% for December 2016 (Bennett & Govender, 2017:3). A prolonged period of this type of trend would hinder the profitability of these stores, which suggests that strategies to regain sales growth should be considered. This difficult business environment is reflected by the recent closure of the Stuttafords department store and the offer of a retrenchment package by Pick n Pay to 10% of their staff in 2017 (Nodada, 2017).



South African consumers have also come under pressure with further increases in utility and transport costs, which have meant that consumers have less money available to spend. The cost of fuel has a direct impact on the grocery shopping behaviour of consumers, as shown by Ailawadi et al. (2011:18-35), which indicated that consumers became more price conscious and searched across store formats for value (Norton & Rawlinson, 2016:17). Consumers reduced the number of shopping trips, and the volume and value of the purchases. The shopping was consolidated, which meant that the large format stores benefited from the “one stop shop” at the cost of the smaller grocery stores (Grewal et al., 2012:1; Noel & Basker, 2013:1-2). It was found that consumers purchased down from national brands to private labels in order to save on an estimated 20% – 30% price difference. Independent grocery retailers generally do not have access to private label products, which might further prejudice their competitiveness (Ailawadi et al., 2011:18-35; Makhitha; 2017:72-84; Masojada, 2018a). A study by Uusitalo (2001:214-225) showed that consumers associated the smaller convenience stores with higher prices due to the perception that these stores were not able to compete with the larger supermarkets.

### **1.2.2 The independent retailer**

It is within this competitive retail sector that the independent food retailers trade. The department of trade and Industry defines independent retailers as part of the medium, small and micro enterprises who employ fewer than 250 staff and have an annual turnover below R80 million per year (Zulu, 2019:110-111). In this instance, the respondent retailers achieve between R7 million and R15 million turnover per year with an average staff compliment of 20. Independent food retailers are usually managed by the owner and, generally, have less financial capacity or the ability to conduct promotional programmes (Daniels et al., 2011:2; Schmidt et al., 2017:23). In some instances, these retailers join buying groups in order gain from the negotiating power of these groups and benefit through supplier generated promotions that they can use to create in-store activity and, therefore generate extra sales through this tactic (Daniels et al., 2011; Durkin et al., 2013:723; IGA, 2018; UMS, 2019).

In many cases, the wholesale partner produces promotional leaflets that the retailer can distribute to their customers through a service provider, or hand to customers as they enter the store. On the other hand, larger independent supermarkets have reached a volume threshold that enables them to use print media such as the community and regional daily newspapers, as well as local radio station spots to promote their businesses. Social media is an inexpensive platform that can be added to the traditional advertising approach as an additional customer touchpoint. This can prove an attractive option to those retailers that do not have the resources to carry out other forms of promotional activities (Harris et al., 2008; Acheampong et al., 2016:13; He et al., 2017:149-160).

### **1.2.3 Marketing communication**

There is a growth of available literature which investigates the adoption and use of social media platforms by small business as a strategy to market their businesses. The results reveal that being competitive, building relationships with customers, networking and business growth were found to be motivating factors for their use (Durkin et al., 2013:716-736; Chache, 2015:38-59; Rootman, 2016:215; Crammond et al., 2018:314; Ndiege, 2019:1-12). Other studies highlighted technical capabilities, restricted resources and negative perceptions of their usefulness as barriers to the use of social media platforms (Michaelidou et al., 2011:1153-1159; Jagongo & Kinyua, 2013:213-227; Grimmer et al., 2017:54-63; Tuten & Perotti, 2019-13). Further studies found that social media had a positive effect on the profitability of businesses (Gbadeyan and Mensah, 2016:84-99), and the channel was seen as technically accessible and cost effective. Facebook was found to be the strongest social media platform in attracting and keeping customers in the retail sector (Culnan et al., 2010:243-259; Acheampong et al., 2016:1-16).

Research into small and medium enterprises have revealed varying motivations for using social media platforms as a channel through which they can promote themselves. Most agreed that this medium presented growth potential that could be extracted from the promotional and networking opportunities offered by connecting directly with customers through this cost-effective communication channel (Durkin et al., 2013:725; Chache, 2015:38-59; Acheampong et al., 2016:1-16; Gbadeyan & Mensah, 2016:84-99; Ramanathan et al., 2017:105-123; Bae & Zamrudi, 2018:851-869). Facebook and Twitter were identified as the most popular platforms to use for the abovementioned purpose (Carter, 2014:4-6; Windsor, 2015; Goldstuck & Du Plessis, 2016).

Notwithstanding the above, uncertainty regarding the efficacy of social media as an effective communication channel is largely due to a lack of technical capacity, understanding and support from management. The result has been restricted use of social media marketing communications (Jagongo & Kinyua, 2013:213-227; McEndoo, 2016). At the time of this writing, no studies addressed the use of social media as a communication strategy by independent food retailers in South Africa. An objective of this study was to investigate how independent food retailers integrate social media as a marketing communication strategy. Retailers who do not utilise any social media platform to market their businesses might lose an opportunity to connect with consumers who do use social network sites as information sources to facilitate buying decisions. A clearer understanding of the preferred social media channels, which are used as elements of a broader strategy to promote their businesses by these retailers, has been gained through this study.

### 1.3 Problem statement

A small number of retail groups dominate the South African retail market, such as Shoprite, Pick n Pay, Spar, Woolworths and Massmart, which make up about 50% of the market share (PMA, 2017). Independent food retailers within the convenience segment of the retail trade, face ongoing challenges in protecting the viability of their businesses in the face of continued growth by the franchise-branded competitors and the encroachment into this segment by the large format stores (Durham, 2011:33-35; Das Nair & Chisoro, 2015:1-8; Makhitha, 2016:258-266; Makhitha, 2017:72-84). A study that investigated the competitive challenges facing independent retailers in Soweto, Johannesburg, found that competition from the major retailers opening up in malls in the townships, as well as new competition in the form of foreign traders who use pricing strategies as a means to gain market share, had a negative impact on the viability of the independent retailers. Although the focus of this study is the application of social media as a communication strategy, it is worth noting that other factors affecting their competitiveness highlighted by this study included high stock costs, rental, management capacity and suitable locations (Makhitha, 2016:258-266). These findings are consistent with results of studies by Chiliya et al. (2009:70-79) and Das Nair and Dube (2015:1-35).

Unlike the major groups, which have multifaceted marketing strategies (Shoprite Holdings, 2019; Pick n Pay, 2019; Woolworths, 2020) which include a presence in the different social network sites and use social media as a communication channel, little is known whether independent food retailers use this medium to promote their businesses. It is possible that on the one hand, a lack of social media integration as an element of the marketing communication mix might be evident, whereas reality might reflect an active use of social media as a communication contact point between retailers and the communities they serve. Studies investigating small businesses and their relationship with social media are published with regularity. Ainin et al. (2015:570-588); Oji et al. (2017:1-12); Bae and Zamrudi (2018:856-869); and Shaltoni et al. (2018:282-284) have investigated factors influencing the adoption of social media as a communication channel, whereas others have conducted enquiries into the extent and mode of social media adoption (Harris & Rae, 2009:24-31; McCann & Barlow, 2015:273-287; Taiminen & Karjaluo, 2015:633-651; Barnard et al. 2017:65-78).

He et al. (2017:149-160) conducted a case study survey which investigated the adoption of social media for business purposes by 27 small enterprises in a mid-sized US city. Michaelidou et al. (2011) revealed in a similar study that business-to-business small to medium enterprises (SMEs) in the United Kingdom (UK) adopted this medium with brand building as the objective. He et al. (2014:225-250) further investigated the use of social

media platforms as a means to enhance community relationships and social responsibility by 32 small pizzerias, whilst Dahnil et al. (2014:119-126) looked at causes that affect the adoption of social media marketing by SMEs. Beier and Wagner (2016:3-7) investigated the barriers preventing the adoption of social media amongst 68 Swizz small and medium businesses which revealed that only 33% of these adopted this channel for business. Further studies have investigated the impact the use of this medium has had on small businesses that have adopted it as a marketing channel (Jagongo & Kinyua, 2013:213-227; Gujral et al., 2016:14-25; Ahmad et al., 2018:6-17; Ndiege, 2019:1-12; Ntshingila, 2020).

From a South African perspective, a study considered the use of social media by four female entrepreneurs for networking purposes, which revealed that social media acumen was necessary in order to avoid making mistakes that might affect their businesses negatively (Chache, 2015:38-59). Researchers such as Chiliya et al. (2009:70-79); Badenhorst-Weiss and Cilliers (2014:1-7); Das Nair and Dube (2015:7-8); and Makhitha (2016:72-84) have investigated different aspects of independent retailers of South Africa such as the competitive advantage of small retailers in Soweto, barriers to entry as a result of existing agreements by the large groups, supplier relationships affecting competitiveness as well as the impact of marketing strategies on profitability. The only studies found to be similar to this study were conducted by Rootman (2016:212-224) and Jordon (2018) where the former assessed the impact social media tools had on brand image and buying behaviour in the South African retail industry from a consumer perspective, and the latter investigated the use of social media marketing strategies by small retailers in the southwestern region of the United States.

At this stage, no study has focused on the use of social media as an element of the marketing communication strategy by independent food retailers in South Africa. Given the importance ascribed to these entrepreneurs in terms of employment creation and the food supply chain function they provide, it is important to understand how these retailers are adapting to the digitization of communication (Kongolo, 2010:2288-2295; Makhitha, 2016:258; Goko, 2017). This study investigates the use of social media as a marketing communication strategy by independent food retailers, establishes the enabling factors that facilitate the promotion of such stores, and clarifies the obstacles that inhibit it.

#### **1.4 Research objectives**

- To assess the extent to which social network platforms are being used as a marketing communication strategy by independent food retailers in the City of Cape Town.
- To obtain an understanding of the perceptions held by independent retailers regarding the efficacy of social media marketing.

- To reveal the factors that enable the use of social media as a promotion channel through which independent food retailers can communicate their marketing strategies.
- To analyse and identify the barriers that prevents the usage of social media as a marketing communication channel among independent food retailers.
- To ascertain the factors that motivates the use of social media as a marketing communication strategy among independent food retailers.

### **1.5 Research questions**

The purpose and objectives of this study answers the following research questions.

- What are the considerations that determine the extent to which social media is being used as a marketing communication strategy by independent food retailers in the City of Cape Town?
- What are the factors that enable the use of social media as a promotion channel through which independent food retailers can communicate their marketing strategy?
- What are the perspectives held by independent retailers regarding the efficacy of social media marketing?
- What are the barriers that prevent independent food retailers from engaging in social media as a marketing communication channel?
- What are the factors motivating independent food retailers to use social media as a marketing communication strategy?

### **1.6 Research design and methodology**

In order to achieve its objectives, the inductive interpretivist philosophy was selected for this study as the most suitable approach to gather rich detail and complex perspectives as experienced by the respondents and their relationship with social media as a communication strategy. The objective of the interpretivist philosophy is to understand and interpret meanings in human behaviour instead of generalising and predicting cause and effect (Carson et al., 2001:5; Phothongsunan, 2010:1-4; Edirisingha, 2012). In this regard, the inductive approach realised detailed information that relates to the realities as experienced by independent food retailers with regard to social media as a marketing communication strategy through a conversation type research instrument. This qualitative research design was the chosen methodology based on its ability to answer the research questions suitably (Njie & Asimiran, 2014:35). This methodology highlights the method of discovering how social meaning is constructed and assigns importance to the part played by the researcher

and the topic. Snape and Spencer (2003:6-7) noted that qualitative research endeavours to understand how people interact with phenomena within their own environment, as observed by the researcher through various means such as interviews, discussions, field notes, pictures, recordings and personal notes which establishes themes and patterns through an inductive data analysis process (Denzin & Lincoln, 2005:3; Creswell, 2007:37).

In this instance, the qualitative perspective assisted in gaining insight into how the independent convenience retailer within the greater Cape Town views social media as a marketing communication strategy, the barriers that inhibit its use as well as factors that enable it. The exploratory research strategy undertaken in this study endeavoured to gain further information regarding the South African food retail industry and its operational makeup, with particular reference to the use of social media as a marketing communication channel by independent food retailers. The in-depth interview was the primary data collection technique, which entailed a detailed interview to explore the perspective of independent food retailers with regard to their adoption and use of social media platforms as part of their marketing communication strategy. This was achieved by using a semi-structured interview that enabled the researcher to cover all the points contained therein, and provided for prompts to explore themes that emerged during the interview (Boyce & Neale, 2006:5; Cohen & Crabtree, 2006). These interviews were then transcribed and coded using ATLAS.ti (version 8) software.

In the current study, a non-probability judgemental sample design facilitated an understanding of the experiences of the chosen group or individuals. The target population of the study was independent food retailers, which in most instances were run by the owners, who were thought to be the most suitable as these information-rich individuals would provide good insight in responding to the research questions (Hammiche & Maiza, 2006:359; Tongco, 2007:151; Palys, 2008:697-698). There was no set cap on the number of participants to provide the required information to answer the research questions, but the sample size was regarded as sufficient or attained saturation point when the interviews added no new data and the number of respondents ended on eleven (Seidler, 1974; Marshall, 1996:523). This type of sample, however, will not be generalised to a larger group as the experiences are unique to the respondents of the study (Devers & Frankel, 2000:263-271; Wilson, 2006:197-197; Creswell, 2007:73-81; Wiid & Diggins, 2013:180-191).

## **1.7 Delineation of research**

As the focus of the study is the use of social media as part of the marketing communication strategy, other components of the marketing mix such as product, price and place were not

considered (Simon & Goes, 2011). Therefore, independent convenience food retailers that were not connected to any franchise brands or owned by the supermarket chains within the municipal boundaries of the City Cape Town were the target population.

The nature of exploratory studies is that they have generally smaller samples and the locality and characteristics of the study means that the results will be particular to the reality of the respondents and cannot be generalised to the larger community (Malhotra & Birks, 2007:728; Valos et al., 2016:35; He et al., 2017:158; Hair et al., 2017:374; Ndiege, 2019:9).

As the participation in the study was voluntary, it is possible that retailers who declined to participate for their own reasons might have denied the study additional meaningful data. Notwithstanding, the saturation strategy in the sample, which monitored the addition of fresh data being added to the study, might have offset this limitation (Creswell, 2007:73-81).

The study illustrates the relationship that independent retailers have with social media as a communication strategy. This excludes websites, which in many instances are gateways to the social network platforms, thereby raising the possibility of missing important interaction at this point. The results are specific to the social network platforms that the respondents engaged and interacted with and might not be applicable to other social network platforms not covered in the study.

## **1.8 Significance of research**

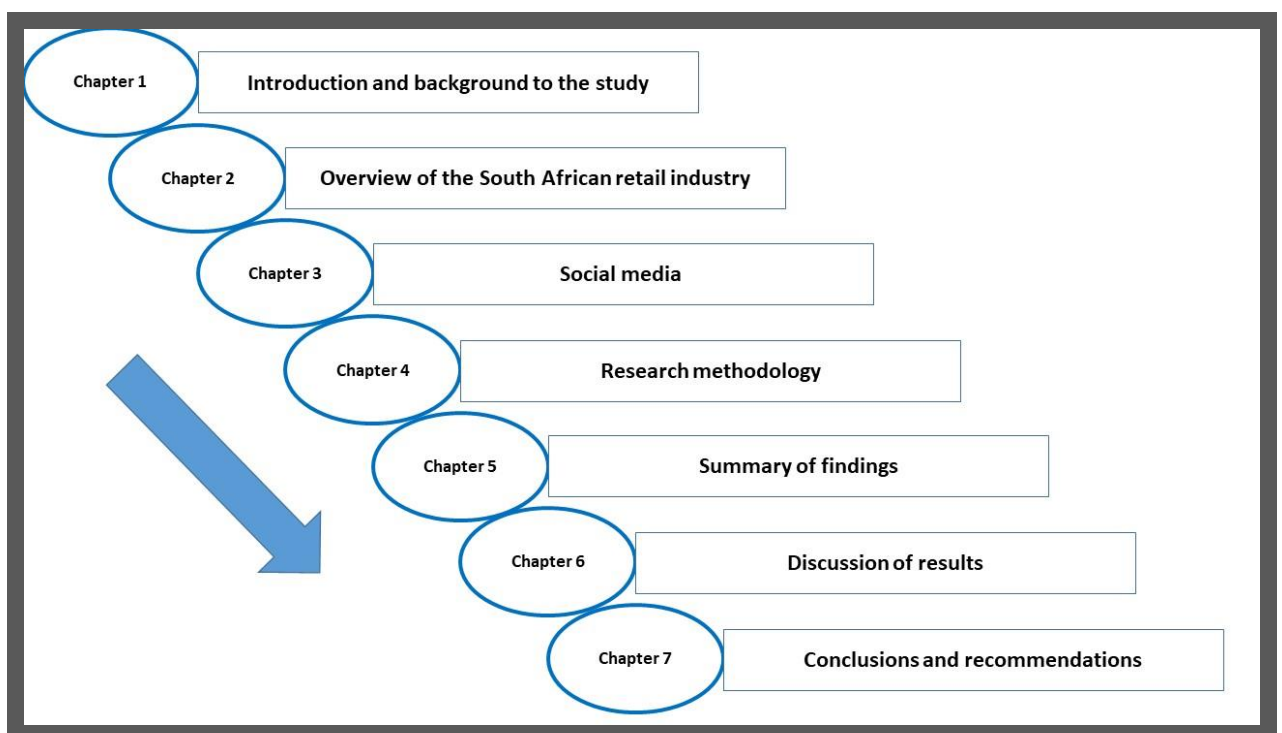
Early literature addressing the development and use of social media as a resource focused on their application by large businesses (Culnan, 2010:243-259). There has however been a growth of studies concentrating on the use of social media by small and medium businesses. Whereas there are studies within a South African context (Dlodo & Dhurup, 2010:164-180; Rootman, 2016:212-224), none of these address the engagement of this medium as a promotional channel among independent food retailers. The current study contributes to the growing body of literature looking at the adoption and use of social network platforms by small and mediums businesses with particular focus on independent food retailers. The results illustrate that cost effectiveness, expanded reach and the accessibility of Facebook due to its ease of use, contributed towards its dominance as the platform of choice.

The study also highlights factors that negatively influence the adoption of this medium such as the perceived risk of engaging with it, and human and technical capacity. The possibility of raising brand awareness, forging relationships with customers and improved sales performance are all factors motivating retailers to engage social media as a customer contact

point. The study makes recommendations arising from the extracted results that might be beneficial to other retailers in similar situation. This includes taking available resources into consideration as part of the process in putting together a considered strategy that includes a multi-platform approach offering engaging and topical content that promotes interaction. This study can form a foundation from which further research can be carried out to include franchise retailers, informal traders and retailers in other cities.

## 1.9 Thesis flow

This study has a seven-chapter presentation structure. Figure 1.1 illustrates the layout and flow of the study.



**Figure 1.1:** Study flow

- Chapter 1 introduces the study and summarises the detail to follow in the other chapters. Specific to this chapter are the background to the study, problem statement, research questions and research objectives.
- Chapter 2: The literature review is divided into two chapters. Chapter 2 discusses retail as a concept incorporating the different models, international retail, and the South African retail environment with a focus on the independent retailer. The chapter considers current and future trends in the industry and ends with online developments impacting the industry.



- Chapter 3: The second half of the literature review considers the development and growth of social media and social network platforms. A detailed investigation of specific social network platforms is conducted with regard to their application as a business resource.
- Chapter 4 lays the foundation for the research strategy and methodology used.
- Chapter 5 presents the results of the analysis of the information collected from the interviews, which is presented together with the data extracted from various websites and social network platforms used by the respondents.
- Chapter 6: The data generated from the study is examined and compared with similar studies in available literature with regard to inferences to their similarities and differences.
- Chapter 7: Conclusions from the key findings are presented. Contributions to current knowledge are noted, and managerial implications, limitations and recommendations for future research are suggested. This chapter encapsulates the study.

## **1.10 Summary**

This chapter sets the study in motion and describes the order in which steps were taken to realise the objectives set by the research questions. The background to the study informs the problem statement. Thereafter a literature review considers the food retail sector with a focus on the development and growth of this industry segment and its use of social media as a communication channel. The research design and methodology is described and justified with regard to the significance of the study. This is done by describing the gap in current knowledge with regard to the relationship that independent retailers have with social media as components of their marketing communication strategy, as well as the theoretical and practical contribution made by this study.

## CHAPTER 2

### THE RETAIL ENVIRONMENT

#### 2.1 Introduction

The process of selling goods in small volumes to consumers for own consumption is regarded as the traditional retail model (Oxford English Dictionary, 2019). Retailers link manufacturers and consumers in the last step of the supply chain through activities that add value to products or services such as providing variety, reducing bulk packs and keeping stock, which enables consumers to purchase these for own use (Ogden & Ogden, 2005:6-8). Different forms and channels of retailing have developed which include direct selling of products such as Avon cosmetics, door-to-door sales and online retailing by companies such as Amazon (Levy & Weitz, 2012:6-7; Dunne et al., 2014:4-5). A key element of this description is the sale of goods, which implies the transfer of ownership and possession.

In the digital economy, the rental concept is becoming more prevalent, by which the possession of goods is transferred but not ownership. An example of this is e-books. Another development is the hybrid product with which a service can be linked such as a customer who buys paint at a store might be offered the purchase of a painting service from another vendor. In light of these developments, the traditional notion of retail can be amended to encompass the temporary or permanent transfer of goods and services to individuals for own use or consumption (Kowalkiewicz et al., 2017).

Retail has evolved due to the direct impact of technology. Advanced point of sale systems, accessibility to the internet, and the growth of social media have changed the way the retailer and customer interact. Competitors that do not exist today might be challenging for market share tomorrow as a result of disruptive technologies, for example Uber. Big data enables retailers to improve efficiencies, track trends and predict consumer behaviour. The internet and the growth of social media platforms have changed the way contact is made between the retailer and the customer. Social media has moved the communication narrative away from the company towards the consumer. New retail models have developed as a result of technologies. e-Commerce has become an additional distribution network for traditional retailers whereas once exclusively online retailers have introduced physical stores. The omnichannel environment has created a deluge of information, which has forced retailers to channel this into a coordinated seamless contact with customers that blends the physical and online experience (Grewal et al., 2017:1-6; Kowalkiewicz et al., 2017; Deloitte, 2018:5; Wells, 2018).

This chapter commences with a brief introduction to retail and retailers, and provides insight into the classification of different formats by means of distinguishable characteristics and finally by type of ownership. It proceeds with an introduction to the South African retail industry with an overview of the main groups within it, and looks at independent retailers including the informal retail segment. The traditional supply chain is illustrated and competitor dynamics are discussed; reference to marketing programmes employed by rivals is made. The digitalization of retail with the corresponding developments such as the growth of e-commerce and the trends towards omnichannel retailing are considered. This chapter ends with a brief look at the future of retail.

## **2.2 Retailing**

Consumers shop at a particular retailer because that store offers the required solutions. This might entail shopping online or a visit to a specialist retailer for a particular item. A discounter might be sought if value is the key motivation. Different types of retailers survive because they meet customer needs better than their competitors (Levy & Weitz, 2012:30). Given this situation, traditional retailers are adapting to the new rules of retail brought about by the technology-enabled disruption that has empowered customers to shop at their convenience via the channel of their choice. Amazon's position in the top 10 ranking among the world's retailers in the 2018 Deloitte Global retail report is testament to this trend as this previously exclusively online player gained physical distribution capacity through its acquisition of Whole Foods in 2016 (Deloitte, 2018:5-6). Retailers not adapting to this evolving competitive environment will close their doors like Sears in the US and Stuttafords in South Africa (Kumwenda-Mtambo & Strydom, 2017; Thomas, 2018).

### **2.2.1 Classification**

Retailers are typically classified by the product assortment and services offered to consumers. Four basic classifications are noted, namely type of merchandise and services, variety and assortment, level of service and lastly price. Stores are also categorised into type of ownership such as independent retailer, corporate chain store or franchise model. The size of the store also has a bearing on the above factors. Generally, independent retailers are single store operations and tend to be smaller with lower sales levels. One-stop shopping is typically offered by three types of retailers, namely supermarkets, supercentres and club stores which are usually operated by retail chains (Levy & Weitz, 2012; Hanner et al., 2015:22-24; Maican & Orth, 2017:397-438; Hosken et al., 2018:5). Retailers might also be divided into two major purchase modes that might be affected through physical stores or online retail, although the difference between the two is blurring as omnichannel shopping becomes the norm (Deloitte, 2018:5; Von Briel, 2018:217-229).

**Table 2.1:** Global retailer rankings 2017

Rank	Retailer	Country	Sales 2017 (\$ M)	Format	Country #	Sales growth in 2017	Ranking movement in 2017
1	Walmart	US	500 343	Hypermarket Supercentre Superstore	29	0.3%	↔
2	Costco Wholesale Corp.	US	129 025	Cash n Carry Wholesale club	12	8.7%	↔
3	The Kroger Company	US	118 982	Supermarket	1	3.2%	↔
4	Amazon.com	US	118 573	Online retailer	14	25.3%	2 ↑
5	Schwartz Group	Germany	111 766	Discount store	30	7.4%	1 ↓
6	The Home Depot	US	100 904	Home improvement	4	6.7%	1 ↑
7	Walgreens Boots Alliance, Inc.	US	99 115	Drug Store Pharmacy	10	2.1%	2 ↓
8	Aldi Group	Germany	98 287	Discount store	18	7.7%	↔
9	CVS Health Corporation	US	79 398	Drug store Pharmacy	3	-2.1%	1 ↑
10	Tesco	UK	73 961	Hypermarket Supercentre Superstore	8	2.8%	1 ↑
South African Retailers							
86	Shoprite Holdings Ltd	SA	11 294	Hypermarket Supermarket	15	9%	12 ↑
140	The Spar Group Ltd	SA	7 252	Supermarket	12	16%	16 ↑
160	Pick n Pay Stores Ltd	SA	6 225	Hypermarket Supermarket	7	15%	16 ↑
179	Woolworths Ltd	SA	5 332	Department store	14	8%	12 ↑

**Source:** Adapted from Deloitte (2019:13-17)

Table 2.1 gives an indication of the size and scope of operations among the top ten retailers in 2017. Walmart still dominates with sales vastly superior to the second retailer. Amazon.com, which is not a traditional retailer, has raced up the rankings to number four with the highest growth amongst this group. This is largely due to a 33% growth in the American region aided by the acquisition of Wholefoods. Retailers are adapting to these changes by spending billions on technology to improve their online capabilities and through acquisitions such as Walmart and JD.com. The average growth for the top 250 retailers in

2017 was 5.7%, with an average net profit of 2.3%, which is 0.9% down on the previous year. From a South African perspective, Shoprite Holdings is the largest group with stores in 15 countries. Spar has shown good growth through the acquisition of the Irish and Swiss Spar businesses whereas Woolworths has dedicated a lot of effort to its online presence (Moir & Susman, 2016; Deloitte, 2018:5-24; Deloitte, 2019:13-17; Hankinson, 2019).

### 2.2.1.1 Supermarkets

Conventional supermarkets are large self-service food stores that sell groceries, fresh meat, fruit and vegetables, bakery products, perishables and non-edible general merchandise, for example Shoprite, Checkers, Pick n Pay and others in the South African context. Figure 2.1 below shows that supermarkets and hypermarkets still dominate the grocery retail market in the United States of America (US). In contrast, limited assortment or extreme value food stores only carry about 2 000 stock keeping units (SKUs). Aldi and Save-a-Lot are examples of these in the United States (US), whereas U-Save is an example of this model in South Africa (Levy & Weitz, 2012:35; Shoprite Holdings, 2019).

### 2.2.1.2 Supercentres and hypermarkets

Walmart is the clearest example of a supercentre retailer with 2700 stores across the United States. This format is usually around 185 000 square feet in which a supermarket and full line discount store are operated. Hypermarkets are also large at about 100 000 to 300 000 square feet under roof with a smaller range offering. Although similar in size, hypermarkets carry a higher proportion of fresh food products whereas supercentres focus on non-foods and dry groceries. Carrefour is an international example while Pick n Pay operates 20 hypermarkets in South Africa (Levy & Weitz, 2012:38; Pick n Pay, 2019).

**Table 2.2:** Characteristics of food retailers

	<b>Conventional supermarkets</b>	<b>Limited assortment supermarket</b>	<b>Supercentre</b>	<b>Warehouse club</b>	<b>Convenience store</b>
Percentage food	70 - 80	80 - 90	34 - 40	60	90
Size (Sq. meter)	3 250 - 3 700	900 - 1000	15 000 - 18 000	9 200 - 14 000	280 - 450
SKUs	30 - 40	1 - 1.5	100 - 150	20	2 - 3
Variety	Average	Narrow	Broad	Broad	Narrow
Assortment	Average	Shallow	Deep	Shallow	Shallow
Ambience	Pleasant	Minimal	Average	Minimal	Average
Service	Modest	Limited	Limited	Limited	Limited
Prices	Average	Lowest	Low	Low	High
Gross margin %	20 - 22	12 - 12	15 - 18	12 - 15	25 - 30

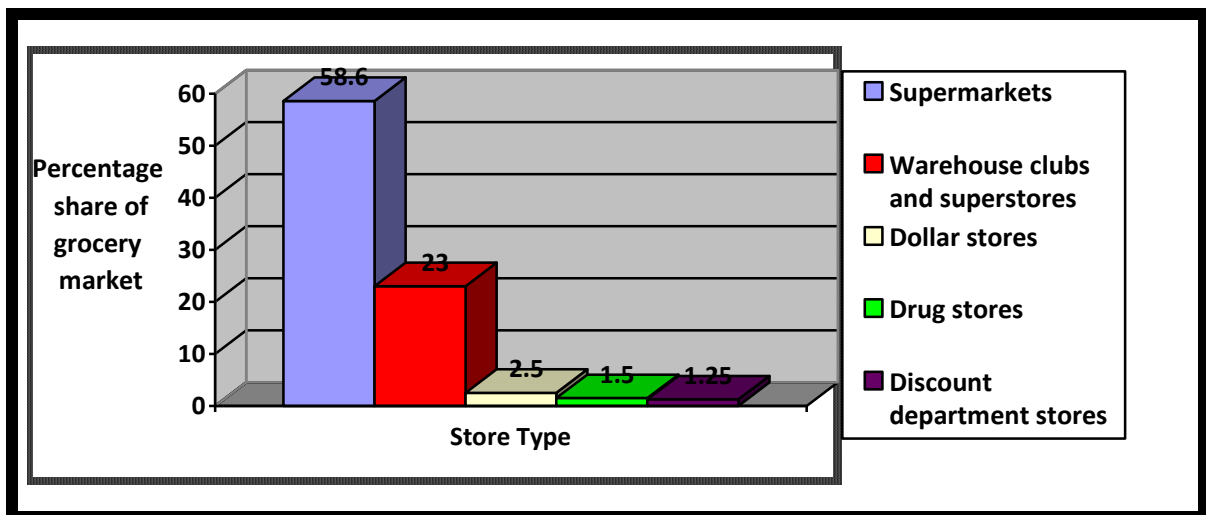
**Source:** Adapted from Levy and Weitz (2012:35)

### 2.2.1.3 Warehouse clubs

Low cost locations, economical store design with restricted customer service and limited range enable warehouse clubs such as Costco and Sam's Club in the United States to offer low prices. Large pack sizes attractive to larger families and opportunistic purchasing of discontinued products at reduced cost allow them to clear these at low prices (Levy & Weitz, 2012:39-40).

### 2.2.1.4 Convenience stores

These stores are conveniently located, which facilitates quick purchases. Being smaller than supermarkets, the range is limited and pricing usually higher than the larger stores. The figure below indicates that convenience stores have a small share of the grocery retail market in the US. BP's Wild Bean Café and 711 offer hot food and hot meals to go as a strategy to fight off competition from larger format stores. Top selling categories in these stores are non-alcoholic beverages, cigarettes and snacks. Most purchases are for immediate consumption. Convenient stores in South Africa such as KwikSpar and OK Foods offer value added services such third party payments, bookings and airtime purchases (Ogden & Ogden, 2005:105; Levy & Weitz, 2012:40; OK Foods, 2020a; Spar, 2020).



**Figure 2.1:** Grocery market share in the United States in 2018, by store type  
**Source:** Adapted from Statista (2019)

### 2.2.1.5 Department stores

Customer service, large variety of products organised into clear departments and a pleasant shopping environment attract customers to stores like Macy's, JC Penny and Sears. This format store has experienced shrinking market share since the 1980s and has tried to regain lost sales by developing exclusive products, building their brands through marketing

campaigns and growing their online presence. South Africa's most notable department store, Stuttafords went into liquidation in 2017 (Levy & Weitz, 2012:41; Kumwenda-Mtambo & Strydom, 2017).

#### **2.2.1.6 E-tailing**

The development of the internet has enabled the growth of electronic or online retailing through which consumers are able to view, choose and purchase products and services through online retailers such as Amazon and Takealot. A further development of this type of retailing is m-tailing or m-commerce where customers use mobile devices to purchase products and services. The total value of online retailing or e-commerce was estimated at \$3.43 trillion in 2019, while purchases through mobile devices grew to 50% during the same period (Dunne et al., 2014:6-7; Kemp, 2020a)

### **2.2.2 Stores by type of ownership**

Stores are classified by the products and services offered in the previous section, whereas this section categorises retailers from the perspective of ownership.

#### **2.2.2.1 Independents**

Low barriers to entry make this retail format an attractive option for entrepreneurs with limited capital resources. In most instances, these retailers are owner-managed, which means that there is direct contact between the owner and customer, which promotes relationship building. Small retailers can react quickly to changing customer needs (Srichookiat & Teerasak, 2017:446-462; Kelso, 2018). In contrast to corporate chains who have a broad management base, independents have to rely on their own management capabilities. As most independents do not belong to any larger chains, retailers often join co-operatives and buying groups such as the Independent Grocers Alliance (IGA) in America and Unitrade Management Services (UMS) in South Africa as a way of improving their competitiveness by linking themselves to these groups that have volume capacity, distribution efficiency and financial resources that they would otherwise not have (W&R Seta, 2011). It is important to note that UMS has a working relationship with IGA. Small independent retailers trading in the townships of South Africa (also known as spaza shops) are an important part of the retail sector as they serve the communities around them and act as a channel through which small suppliers can be part of the supply chain. These traders emerged as a result of the political system that sectioned off areas for particular segments of the population, thus creating opportunities for entrepreneurs to serve their communities in these areas (Ogden & Ogden,

2005:90-91; Levy & Weitz, 2012:51; Das Nair & Chisoro, 2015:11-15; Goko, 2017; Makhitha, 2017:72-84).

#### **2.2.2.2 Corporate retail chains**

A retailer operating multiple retail stores under a common ownership with a central office from which strategy is devised and management decisions are taken can be considered a corporate retail chain. These groups derive competitive advantage through lower costs as a consequence of benefiting from economies of scale. In the South African context, examples include Shoprite, Pick n Pay and Woolworths to name a few (Ogden & Ogden, 2005:92; Levy & Weitz, 2012:52; Shoprite Holdings, 2019; Pick n Pay, 2019; Woolworths Holdings, 2019).

#### **2.2.2.3 Franchising**

A franchisee is allowed to operate a retail store under the brand and model designed and developed by the franchisor. The franchisor has an obligation to support the franchisee through training, product development and advertising. In return, the retailer must operate the outlet according to the procedures and standards prescribed by the franchisor. The member also pays the franchisor a percentage of sales as a royalty for the management and marketing support received. This format tries to garner the advantages of centralised management of corporate chain stores with the flexibility and independence of owner-managed stores. In the South African food retail sector, Spar, OK Franchise Division, Pick n Pay Express and Cambridge are the most prominent groups (Levy & Weitz, 2012:52-53; Pick n Pay, 2019; Shoprite Holdings, 2019; Massmart, 2020; OK Foods, 2020a; Spar, 2020).

### **2.3 The South African retail industry**

South Africa has the largest and most sophisticated retail sector in Sub-Saharan Africa. The wholesale and retail sectors together contributed 9% to the economy in 2016 and employed 21% of the working population (Geller & Ntloedibe, 2017; Malgas et al., 2017:1-13). Sales in this sector showed 5.3% year on year growth for December, 2017 although the fourth quarter of 2017 showed only 2.2% growth versus the previous year, as shown by the year on year retail sales figures released by Statistics South Africa. Sales for food and beverages shrunk by 2.7% year on year for the three months ending August 2018 (Naidoo, 2018a; Naidoo, 2018b). GDP grew by 1.3% in 2017, up from .06% the previous year. A big contributor to this contraction was the reduced output in the construction and trade sectors (Manamela et al., 2018:8).

The South African retail industry has been forced to adapt to the changing environment as demographics shift, consumers become more sophisticated, and routes to the market



increase. The evolving needs of the baby boomer generation, who have placed an emphasis on health and vitality, will require products tailored for their needs. Generation Y forms part of a diverse multicultural group with a variety of interests and tastes that also have to be catered for by retailers that have eco-friendly practices and consider the input from consumers (Dugal et al., 2015:2-10).

### **2.3.1 Developing trends in retail**

The mass distribution tactics of the 1980s have changed to customer-specific offerings, which have been possible through advances made in internet and mobile communications, which have enabled consumers to be connectable to anyone from anywhere when sharing with friends or social contacts, as well as transacting. This connectivity has given the consumer control through strength afforded by association; by enabling consumers to choose how they react to marketing communications by retailers; and how they connect with others through filters in social networks. The use of social media platforms by consumers has taken away some of the control of the communication direction away from retailers and forced them to become participants rather than directing the flow of information in a medium that places emphasis on quick response to communication (Windsor, 2015; Brown, 2017).

The changes in the environment have resulted in new trends that are triggered by new drivers that define the way consumers make shopping decisions. Retailers will have to understand and appreciate factors that affect customer loyalty such as store atmosphere, which encompass tangible and intangible variables. Store appeal is determined by the attractiveness of the store and the promotional displays and promotions coordinating all sales efforts that seek to increase sales and visit frequency; by store accessibility in terms of location relative to the target customer; by the convenience of the transaction; and by store satisfaction as dictated by the level of customer fulfilment, which is determined by whether expectations are exceeded or not. These have a direct impact on loyalty, which affects the level to which a customer will return to the store, expand the shopping basket or recommend the store to friends (de Ruyter, 1998:501-502; Grewal et al., 2012:1; Dhurup et al., 2015:195-1299; Kowalkiewicz, 2017; Masojada, 2018a; Masojada, 2018b).

The retail chain groups have taken note of the growth in e-commerce, which is projected to reach R53-billion by 2018, driven by the penetration of smartphones, which should account for an estimated 65% growth in online purchases. This has prompted the retail groups to create online presence to meet the needs of the mobile consumer shopper (Bremmen, 2016; Smith, 2017). Omnichannel retailing, which describes the merging of the physical and digital into a total shopping experience, is becoming important as a concept (Prinsloo, 2015).

Retailers have needed to adapt in order to cope with difficult trading conditions experienced as a result of the spread of the COVID-19 virus (Ntshingila, 2020; Sandberg et al., 2020). French retailer Carrefour has introduced a subscription e-commerce service that allows customers to order baskets of customisable essential items for a maximum of five Euros per day (Thakker, 2020). They have also offered free deliveries to medical staff. Woolworths of Australia rotate their cashiers more often to reduce physical interaction time. Customers pack their own bags to limit contact. They have also created special delivery hubs at identified stores to deliver to vulnerable customers (Thakker, 2020).

Spar International of Poland allows customers to place orders and collect them when they are ready. The Austrian operation has introduced voucher payment systems to reduce contact. Tesco UK have introduced separate entrances and exits, one-way aisles, restricting the customer numbers in the stores at a given time as well as offering online order baskets limited to 80 lines for delivery. Chinese online retailers have offered psychological assistance through their applications, installed vending machines at residential buildings in Beijing, and have also completed their first drone deliveries. UK online retailers have reviewed their ranges in order to free up delivery slots. Additionally, they have purchased test kits for frontline staff and have created virtual queues to access their sites (KPMG, 2020; Thakker, 2020).

In the South African context, retailers have implemented several measures to ensure the safety of the staff and customers as reflected in international practices, and mandated by government requirements (KPMG, 2020). These include using hand sanitisers and sanitary wipes for trolleys and baskets at the entrances. The number of customers in a store at any given time is being limited. Customers are being asked to maintain a minimum distance from each other to adhere to social distancing criteria. It is possible that independent retailers might have to follow the changes implemented by the corporate and franchise retailers with regard to the above. Online shopping with deliveries is being offered by most retailers. Spar have installed Perspex screens in some of their stores, whereas Pick n Pay have offered dedicated shopping slots for pensioners (Dipa, 2020).

### **2.3.2 Evolving retail formats**

The rapid changes that have characterised this industry present challenges and opportunities for the participants. Retailers that have spotted trends early have been able to adapt and adopt strategies to survive in an ever-changing environment. The Global powers of retailing 2017 report (Deloitte 2018:5-11) suggest that the key trends for 2017 are an ability to understand and meet customer needs:

- Customer preferences are changing from a volume purchases culture to a quality and shareable personal experience that defines their character and values. This indicates that retailers are catering to individuals rather than masses.
- Changing formats. The traditional retail model is becoming increasingly difficult to spot as non-traditional competitors develop models to serve customers such as pop-up retailers like subscription model Dollar Shave Club, Trunk Club, a personalised clothing delivery service, and flash-sale strategies by Vipshop online retailer in China. Conventional retailers have been losing market share to these alternative formats that are projected to increase their market share 30.4% to 44.9% by 2022 (Wells, 2017a). This means that retailers have to reinvent themselves in order to stay relevant by meeting the on-demand mindset. The results of this can be seen through the introduction of one hour deliveries by Amazon-Fresh, home deliveries in large cities, and click and collect in more remote areas.
- Changing expectations are being driven by advancing technologies such as artificial intelligence, virtual reality and robotics. An example of this is the virtual reality department store created by EBay with Myer of Australia.

From a South African perspective, the risks that retailers face are:

- New entrants with similar products that compete purely on price, quality or distribution efficiencies.
- The effect that mobile commerce has had on customer expectations of retailers to reduce delivery time.
- The use of social media as a product review portal by customers that might affect the brand and reputation of retailers.
- The threat of security breaches and cyber-attacks that might compromise the personal information of customers. This has been a limiting factor for e-commerce in South Africa (Kowalkiewicz, 2017).

### **2.3.3 Omnichannel and modern retailing**

Retail is being driven forward by technological advancements that offer both the retailer and the consumer benefits. Consumers are able to make purchase decisions more easily through the use of mobile applications that enhance their shopping experience. Retailers also benefit from lower contact costs with customers through efficiencies, which translate to a more profitable operation. Retailers that are able to offer a complete shopping experience across

multichannels by coordinating technologies, services and process to meet customer value and quality perspectives will remain competitive (Grewal et al., 2017:2; Wallace & Smith, 2017; Deloitte, 2018; Faulds et al., 2018:33-338).

Although retailers regard omnichannel retailing as an important trend, few have been able to implement it effectively due to deficiencies in capacity, lack of meaningful investment, disconnected technology, stock information and poor execution (Helgeson & Mauerer, 2015). This can be overcome by monitoring customer behaviour, providing relevant retail information and putting structures in place that promotes omnichannel selling (Kreuger, 2015).

Developments in digital technology prompted retail organisations such as Sears to invest heavily in digital business formats in an attempt to maintain competitive advantage. This strategic thinking came at the cost of the core physical business, which resulted in losing 75% in stock value. Other organisations have adopted online formats but have not streamlined it to the way consumers behave, which results in customer frustration. Best practice in this field is still being developed but the ability to develop strategy around the fusion of the physical and the digital will result in competitive advantage. Examples of the fusion of the physical with the digital is the growing number of pure play online retailers such as E-trade, TD Ameritade and Amazon, which invested in physical stores (Rigby & Tager, 2014, Wells, 2017a).

Research conducted in this field revealed that companies which succeeded in fusing physical and the digital business were able to do so by building a strategy around the fusing of the two models to gain a competitive edge, as in the case of the Commonwealth Bank of Australia. It went from the worst rated bank in customer satisfaction to the highest with an 80% growth in shares from 2006 to 2014 as a result of developing digital innovations around customer satisfaction (Rigby & Tager, 2014). Another trait of these companies is that of adding links and strengthening these connections in the customer experience, such as Nike with their Nike ID customization programme and synchronization of workout data with the Ipod Nano and computers. The ability to get teams of digital specialists to be part of every step of the product development process has resulted in far more integrated innovations and solutions. Buy-in is needed by executives who explore opportunities presented by technological advancements and upskill themselves in their use. This is illustrated by the example of Burberry, which targeted millennials by communicating with them through digital innovations such as Tweettalk (Rigby & Tager, 2014).

Omnichannel grocery retail sales surpassed the \$1 trillion mark in the United States in 2017, having grown by 2.6% on the previous year's sales. In-store purchases still make up about US \$413 billion, although online sales grew by \$216 billion in the previous three years. A

study by Nielsen and Rakuten found that click and collect purchases made up 48% of online grocery sales from 18% in 2016 (Dumont, 2018). Consumers tend to buy dry and non-perishable groceries online and go to physical stores for products like meat, fresh produce and dairy. This suggests that retailers can focus on non-perishable products online while highlighting the physical shopping experience. Additional sales can be generated from click and collect customers through clever product placement of fresh products not normally purchased online (Dumont, 2018).

## **2.4 The South African retail market structure**

The South African food retail landscape is dominated by six groups, which collectively accounted for an estimated R491 billion of the R939-billion in sales (at current pricing) during 2016 as reported in their respective integrated financial reports and retail trade sales, released by Statistics South Africa, respectively (Geller & Ntloedibe, 2017:1-17; Naidoo, 2018b). Sales distribution through retail channels indicated that 64% of food was sold through hypermarkets and supermarkets, 28.9% by independent retailers and speciality stores, whilst convenience stores accounted for 4.5% and 2.7% through other channels (Marketline, 2015). Competition in the retail industry is fierce due to low product differentiation and negligible switching costs to the consumer, which has given rise to a host of loyalty programmes by retailers in an attempt to retain customer loyalty.

This industry has grown partly through investment in procurement processes, and logistics and distribution centres needed to handle products that are perishable and in many instances, require refrigeration in order to maintain the cold chain. This has enabled large groups to offer products at competitive prices through efficiencies and economies of scale as well as acting as channels through which producers and manufacturers get their products to market (Das Nair & Chisoro, 2015:3-11; Das Nair & Dube, 2015:5; Masojada, 2018b). The saturated nature of the South African market and the need to show continuous growth has resulted in the major retail groups setting up operations throughout Africa. Shoprite was the forerunner when they opened their first store in Malawi in 2001 (Seoka, 2009:24). This trend is not exclusively an outward flow of foreign direct investment in the region by South African supermarket groups, but also inward, as when Walmart gained access to the South African market by acquiring a share of Massmart (Das Nair & Chisoro, 2015:4-11). Retailers have also extended their store mix and developed multichannel strategies, which include online shopping platforms as a way of remaining competitive. Internet penetration and the associated convenience of online shopping have contributed towards growth in this shopping medium (Brown, 2017; Geller & Ntloedibe, 2017:2; Winchester, 2017; Dumont, 2018).

### 2.4.1 Retail sector sales

The table below illustrates the structure and sales value contributed by the various retail formats for 2015 and 2016. It also suggests that approximately 64% of sales are channelled through the discounters, supermarkets, hypermarkets and grocery retailers. These figures are consistent with those reflected in Marketline (2015). One such retail format is the convenience stores operated as forecourt stores operated to a large degree by retail chains, such as Woolworths Foodstops at Engen fuel stations, and Pick n Pay Express at BP stations. It also includes independently owned and operated superettes, which are regarded as part of the formal retail sector. Although referred to as part of the informal retail sector, spaza shops form an important part of the retail sector, given their value contribution of \$7.5 billion towards the retail sales total. This segment of the market is also undergoing rapid change and increasing competition from the formal retailers expanding into the townships, and the growing number of foreign-owned spaza shops that buy cooperatively to gain price advantage (Makhitha, 2016:258-266; Geller & Ntloedibe, 2017:9; Makhitha, 2017:72-84).

**Table 2.3:** South African retail sector sales

Format	Sales for 2015 in US \$ Bn	Sales for 2016 in US \$ Bn	Forecasted average annual % growth 2015-2020
Convenience stores	1.7	2	1.8%
Discounters	0.4	0.5	4.6%
Hypermarkets	1.8	2	2.5%
Supermarkets	16.5	17.8	3.7%
Traditional grocery retailers	12.9	14	2.4%
Independent small grocers	7	7.5	0.4%
Grocery retailers	34.8	37.8	2.9%

**Source:** Adapted from Geller and Ntloedibe (2017:2)

### 2.4.2 South African retail groups

The table below highlights the main store types of the top six retail groups in South Africa. All of the other groups offer convenience or forecourt format stores, with the exception of Clicks, which in most instances competes directly with independent retailers. The online store has become an important platform for all the corporate stores. Pick n Pay's platform has shown consecutive growth in excess of 30% for 2018 and 2019, whereas Woolworths reflected 28% growth on theirs in 2019. Checkers launched their Sixty60 offering in 2019, promising delivery within 60 minutes of placing orders (Clicks Group, 2019; Massmart, 2020; Checkers, 2020a; Spar, 2020; Woolworths Holdings, 2019).

**Table 2.4:** Top six South African retail groups

Brand	Format	Sales 2019	Footprint
Shoprite/ Checkers	Hypermarkets Supermarket Pharmacy Liquor stores Franchise (OK Foods)	+3.6% to R150.4 billion	2 464 stores across 15 countries
Pick n Pay	Hypermarkets Supermarkets chemists Liquor stores Franchise (PnP Family) Pick n Pay Clothing	R86.3 billion and 7.5% growth on 2019	1 795 stores across 7 countries
Spar	SuperSpar Spar KwikSpar Tops Spar Express	R101 billion and 5.9% growth on 2018	SA 2 349 Ireland and UK 1 360 Switzerland 322 stores
Massmart	Wholesale (Makro, Game) Masscash (Cash n Carry, Franchise)	5.9% growth on 2018 to R93.7 billion	436 stores in 13 African countries
Woolworths	Department store	R78.2 billion in 2019	1 576 stores in 14 countries including Australia and New Zealand
Clicks	Supermarket Pharmacy Musica (entertainment)	9.7% growth to R23.1 billion in 2019	Health and beauty focus with 600 stores with 459 pharmacies

**Source:** Clicks Group (2019); Pick n Pay (2019); Shoprite Holdings (2019); Woolworths Holdings (2019); Massmart (2020); Spar (2020)

### 2.4.3 Independent retailers

The rate at which food retail groups are growing suggests that independent food retailers are in danger of disappearing from the South African retail landscape. Das Nair and Chisoro (2015:11-15) argue that this will not be the case and posit that the Independent food retail market is growing, and made up 30% of the total market at the time of publication. As confirmation of this, the combined value of trade for this segment was reported as being worth R70.5 billion for the period up to end March 2017 (Wellington & Tobin, 2016:3-11; Goko, 2017; Makhitha, 2017:73). The indications that buying cooperatives have been growing support this idea as independent retailers channel their purchases through these groups in order to gain from the deals negotiated for these retailers. Given that buying groups derive most of their income in rebates achieved through large sales volumes and need these bulk sales to survive, there is an incentive to offer services such as credit support, human resources assistance and training, information technology backup and marketing support to independents in the form of knock and drop, store specific promotions and competitions to increase sales through increased transactions (Das Nair & Chisoro, 2015:14; Das Nair & Dube, 2015:7).

These stores are usually run by the owners with a low cost structure, which enables them to react and adapt quickly to changing competitor environment. These retailers are usually

located in the urban, township and central business districts of cities, and service the area directly around the stores with products specific to the customer profile supporting them. The current state of the economy and the need for convenience by time-poor consumers means that people are shopping closer to where they live. This is an opportunity for smaller retailers to grow, as evidenced by the 13% growth in sales in this segment up to March 2017 (Goko, 2017; Masojada, 2018a).

For the purpose of this study, an independent food retailer will refer to a formal retail operation sometimes called a convenience store or superette whose primary purpose is to sell perishable and non-perishable groceries, as well as a limited range of other convenience items. Independent retailers generally fall within the small to medium and micro business segment as defined by the South African Department of Trade and Industry. These businesses usually have a staff compliment of less than 250 and an average annual sales level below R300 million (W&RSETA, 2011:2). Spazas or informal retailers are categorised in the same segment as small independent grocers by most researchers and commentators and will therefore be reported as such (Makhitha, 2016:258-266; Geller & Ntloedibe, 2017:1-17; Goko, 2017).

#### **2.4.3.1 Importance of independent retailers**

Small and medium businesses play an important part in the economy by creating employment opportunities. It is estimated that 22.5% of consumer spend is channelled through informal and independent retailers. A growth of 9% in customer numbers in 2016 over the previous year is similar to the results by Nielsen, which indicated a 13% growth in sales for the period ending March 2017 (Goko, 2017). These entrepreneurs are an important contributor towards the economic development of the country through job creation and poverty alleviation. SMMEs make up approximately 91% of businesses and contribute towards employment in the country and 51% to 57% towards gross domestic product (Kongolo, 2010:2288-2295; Makhitha, 2016:258). Independent retailers also form an important alternative conduit to market for local suppliers who might not meet the quality, consistency and standards requirements demanded by formal supermarket groups, whereas independent retailers have lower entry barriers from which these suppliers can grow and build capacity. Independent retailing is another mode of entry into the supermarket industry other than the chain group supermarket or franchise model (Das Nair & Dube, 2015:3-12).



### **2.4.3.2 Challenges**

Given the competitive environment in which the independent retailer trades, there are a few challenges that influence the performance of these traders.

#### **Finance**

As most independent retailers are owner run, they tend to lack capacity in various areas such as finance. Smaller retailers tend to be financially restricted and do not have the financial capacity to invest in inventory or conduct meaningful marketing campaigns. Some join buying groups as a way of overcoming this challenge, as the group has access to volume discounts. They also have the knowledge capacity to conduct promotional campaigns on behalf of the members who in many instances feel that they are deficient in the skills needed to develop their businesses (Das Nair & Chisoro, 2015:12-15; Makhitha, 2016:264; Grimmer et al., 2017:19; Srichookiat & Teerasak, 2017:446-462; UMS, 2019).

#### **Competition**

As the retail groups expand their footprint in areas previously dominated by the small independent retailer and the spaza owner, these businesses have felt the impact that these groups who have vast resources at their disposal can have. This is confirmed by various submissions to the Grocery Retail Inquiry in 2017 (Gedye, 2017) which described the negative impact the groups had on the existing retailers after opening in these areas. Foreign traders setting up shop in the townships and other areas have added to the pressure on traditional retailers as the new competitors buy cooperatively to gain additional discounts and sell their products at low prices, thereby forcing the existing retailers out of the market (Badenhorst-Weiss et al., 2014:366-376; Makhitha, 2016:262; Goko, 2017).

#### **Location**

The cost of rental was cited as a major challenge by retailers in a study by Makhitha (2016:258-266), which looked at challenges that impact small independent retailer performance in Soweto, Johannesburg, South Africa. This affected their competitiveness, as the cost of space increased the inventory cost. Independent retailers have not been afforded the same opportunity to set up stores in shopping centres due to exclusive lease agreement that the major retailers have with property developers. Smaller retailers are also given shorter leases by shopping centres, which reduces competitiveness as their rentals are escalated more frequently. Others have been forced out of centres to make way for branded stores (Gedye, 2017).

The impact of the novel coronavirus (COVID-19) pandemic will become clearer as the situation develops. However, landlords have needed to deal with tenants on a case-by-case basis as non-essential retailers have been forced to close by governments. This has affected the remaining retailers who have experienced lower traffic as a result of reduced consumer spending capacity. Retail sales in 2019 grew by an average 1.4% on the previous year, which had reflected a 2.6% growth. The negative sentiment and reduced buying capacity means that household spending is forecasted to decline by 1.36% from a pre-coronavirus projection of 2.1%. This will necessitate discussion between landlords and tenants with regard to alternative arrangements for outstanding rental (E-SEK, 2020; Fitch Solutions, 2020; West, 2020). It is possible that the respondent retailers of this study might have to engage their landlords where applicable to find a mutually beneficial arrangement that addresses possible negative effects of the COVID-19 pandemic on their businesses.

#### **2.4.4 Informal retail**

Spazas or small home-based grocery stores evolved out of necessity through a lack of availability of grocery outlets in poorer communities due to political interference by the apartheid government; the distance to the formal retailers; and as a means of survival and an entry point to the labour market for people who would otherwise be excluded (Goko, 2017; Masojada, 2017). This segment of the market is regarded as being informal as the activities of these entrepreneurs go unrecorded. Most have adopted a survivalist approach and therefore act as micro-enterprises, with sales levels that averaged below R5000.00 per month in 2002. Ligthelm (2005:199-214) states that only 6.2% of the spaza retailers started their businesses because they saw a profit opportunity, while 52.1% started their spazas out of necessity due to unemployment. These stores are mostly family run, selling a small range limited to daily necessities from which most of their income is derived.

Although the failure rate for start-ups is high which might be due to a lack of business acumen and the survivalist outlook adopted by many owners, it has been reported that 40% of spazas have been in business for longer than four years. This can be attributed to three factors, namely extended family assistance in providing start-up capital; physical location of the business, which in most instances is part of the home, hence, situated within the community; and informal agreements that afford spaza owners an equal share of the market (Ligthelm, 2005:199-214; Ligthelm, 2008:367-382). Previous studies have indicated possible price fixing by established traders which reduced barriers to entry as well as enabling the survivalist spaza owners to carry on trading (Charman et al., 2012). Over the last few years, however, the number of foreign owned spazas has grown, with detrimental consequences for the local traders who struggle to compete with the pricing strategies adopted by these traders. The latter work in cooperative networks that enable them to buy at lower cost, thereby outpricing the incumbent traders (Wellington & Tobin, 2016:9). Research by

Charman et al. (2012) revealed that the Somali traders were generally cheaper than the South African traders, which might be attributable to the cooperative buying strategy and pricing basic items such as bread at low margins. The average price differential was large enough to result in previously profitable spaza stores going out of business due to poor competitiveness. This aspect was investigated as a possible cause for the xenophobic attacks on foreign traders in Cape Town and East Rand townships during 2008 (Ndweni, 2013:8-12).

In a follow up of a similar study conducted by Petersen in 2015, it was found that the ownership ratio had changed from 50% to 82% foreign ownership between 2011 and 2015. The number of spaza stores had also declined from 177 to 152. The varying business models utilised by these retailers included group buying and trading in illicit tobacco (Petersen & Charman, 2018:1-23). A further threat to these traders has been the increase in the number of formal retailers opening stores in townships traditionally served by the spaza traders. Sales figures for this sector fluctuate according the source and rarely does one see constant figures. These vary from R46 billion to R176 billion for 2016 (Goko, 2017; Masojada, 2017; Petersen & Charman, 2018:1-23). Notwithstanding this situation, the formal retail and wholesale sector is cognisant of the value of this sector and are trying to extract value from it by developing procurement, delivery and payment systems for the informal township retailers. Sales in this sector showed a 9% growth in customer count and a 13.4% increase in sales for 2016 (Das Nair & Chisoro, 2015:3-12; Goko, 2017; Masojada, 2017; Petersen & Charman, 2018:1-23).

#### **2.4.5 e-Commerce as an additional retail channel**

e-Commerce has been referred to as marketing, buying and selling of products or services at an agreed value that is executed through payment via an electronic medium such as the internet. The parties to these transactions can be business-to-business such as services; business-to-customer (B2C) which is the most common, such as buying a pen from Takealot.com; customer-to-business; and customer-to-customer through individual direct transactions. e-Commerce made its appearance in the 1960s via electronic data exchange (EDI) on value-added networks. Its growth was commensurate with the development and availability of internet access and received further impetus through the rise of social media and social media platforms (Turban et al., 2008:43; Niranjnamurthy et al., 2013; Riviera, 2015).

The total value of the global consumer goods (B2C) ecommerce market was estimated at \$3.43 trillion in 2019, having shown a grown of 18% growth on the previous year. Food and personal care was estimated at \$168 billion, reflecting a growth of 13% for the same period

(Kemp, 2020). South Africans spent \$228 million on food and personal care online in 2018 and grew purchases to \$268 million in 2019, of which 33% were purchases via mobile devices. Although it has shown rapid growth in the last few years, e-commerce still only contributes approximately 2% of total retail sales (Kemp, 2020).

#### **2.4.6 Acceleration factors and trends**

Mobile penetration or the use of mobile phones to access the internet as well as the convenience afforded by it have been enabling factors towards the growth of e-commerce as consumers begin to benefit from the technological advancements that drive this interactive and fast moving environment (McCallum, 2017; Smith, 2017; Dahan, 2018; Kemp 2018).

Online shopping platforms that are user friendly and easy to navigate will enhance the shopping experience and promote repeat visits. Online shopping allows customers more options to get the best deals by comparing different offers. The instant gratification aspect of online shopping has helped accelerate its growth. Mobile shopping applications that facilitate easier ordering processes with same or next day delivery will become the norm. Online retailers are now offering different delivery options with costs link to the speed. Others are offering the click and collect option for those want their goods in a hurry. Payment gateways such as PayU offer alternative methods to make payments that are regarded as safe and secure and suit the needs of consumers (EMB, 2017; Vantage, 2017; Booysen; 2018; Dahan, 2018; Swartz, 2018; Thakker, 2018).

Social network platforms such as Facebook boast an average of 2.45 billion monthly active users. YouTube is second with 1.5 billion users. These platforms provide opportunities for businesses to promote and extend their reach further than they would otherwise be able to. Given that 20 million South Africans use Facebook on a monthly basis, it is reasonable to expect that companies will use platforms such as this one to promote their products or services (Kemp, 2020a, Kemp, 2020b).

#### **2.4.7 World events influencing online shopping**

World events such as the spread of the COVID-19 coronavirus have had a substantial influence on online sales and threaten to affect this form of retailing in the near future (Ntshingila, 2020; Sandberg et al., 2020). The immediate effect has been a spike in cleaning and health products. Globally, online sales have increased 52% in February compared to the same period last year and the number of online shoppers has grown by 8.8% since the coronavirus started. Online retailers were however expecting to be affected as consumer confidence might be impacted, which ultimately influences sales (Crets, 2020).

## **2.5 Multichannel to omnichannel retailing**

Advances in technology have driven shifts in the way consumers interact with brands from physical contact to the internet and online platforms. A consequence of these changes being experienced in the retail environment is the reduction of entry barriers, which has enabled smaller players to compete. The ability to access markets not restricted by geographic boundaries is facilitated by the digitalisation of retail via the internet, which is enabled by worldwide delivery capability and international banking facilitating cross border payments. The expansion of formats has increased channel options available during the purchase process over and above the traditional channels such as stores, catalogues and internet, to mobile phones, tablets and internet-connected television sets (Heitz-Spahn, 2013:570). In order to mitigate the effects of disruptive trends that created online platforms such as Booking.com and TripAdvisor competing with traditional models, retailers have had to adopt multichannel strategies through planning, implementing, coordinating and controlling of interactive contact points that result in improved customer value by getting, keeping and growing customers (Neslin et al., 2006:96; Hagel et al., 2015; Verhoef et al., 2015).

## **2.6 Multi versus omnichannel retailing**

Scholars vary in their description and application of multichannel and omnichannel retailing. Beck and Rygl (2015:174) differentiate between the two by the degree of interaction and integration of the channels, both from the customer and retailer perspective. In the multichannel case, the customer cannot access all the channels seamlessly and the retailer cannot link information between them, whereas in omnichannel retailing, the retailer can link the data across the different channels such as the physical shop, catalogue, telesales, online and mobile shopping platforms. Likewise, the customer can return an item regardless of which channel was used to make the purchase.

Neslin et al. (2006:96) define multichannel retailing as the coordination and integration of all the channels in order to attract and keep customers by offering value. These channels are regarded as interaction points, which facilitate two-way communication. Whereas this definition views it from a customer management perspective, Verhoef et al. (2015:176) take a retailer/brand perspective in their description of this concept in which the objective is to give the customer an optimal experience across the channels and customer touchpoints by ensuring performance through the synergistic management of these.

A characteristic of the multichannel phase is that customers might research in one channel such as a website, social media platform, interactive television set, tablet, PCs or smart phone, and then shop in another. Omnichannel retailing involves seamless and

interchangeable use of multiple channels whose boundary lines become blurred during the search and purchase process (Prinsloo, 2015:2; Verhoef et al., 2015:176).

The table below illustrates the main differences between multichannel and omnichannel management.

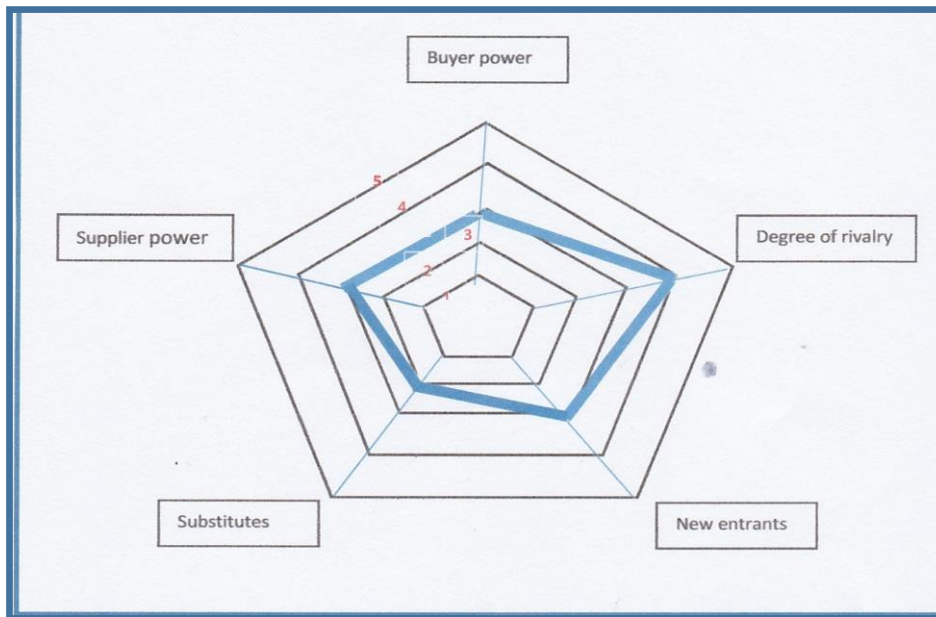
**Table 2.5:** Multichannel versus omnichannel management

	<b>Multichannel management</b>	<b>Omnichannel management</b>
Channel focus	Interactive channels only.	Interactive and mass communication channels.
Channel scope	Retail channels: store, online website, direct marketing (catalogue).	Retail channels: store, online website, direct marketing, mobile channels (i.e., smart phones, tablets, apps), social media, customer touchpoints (incl. mass communication channels: TV, radio, print, customer-to-customer, etc.).
Separation of channels	Separate channels with no overlap.	Integrated channels providing seamless retail experiences.
Brand versus channel customer relationship focus	Customer – retail channel focus.	Customer – retail channel – brand focus.
Channel management	Per channel.	Cross-channel.
Objectives	Channel objectives (i.e., sales per channel; experience per channel).	Cross-channel objectives (i.e., overall retail customer experience, total sales over channels).

**Source:** Verhoef et al. (2015:176)

## 2.7 Competition

Competition, which is the toughest challenge that small retailers contend with can be described as an environment in which rivals sharing a common customer or customers try to generate income and profit by selling quality products and services at a reasonable price (Scarborough, 2011:89-90; Cattani et al., 2017:66). Factors such as the growing dominance of large retail chains, expanding range and availability of products, modernization of logistics as well as the growth in internet sales, all contribute towards a competitive retail environment (Grimmer et al., 2017).



**Figure 2.2:** Porter's Five Forces Competitive Analysis of the food industry of South Africa for 2014  
**Source:** Marketline (2015)

The model in Figure 2.2 looks at the extent to which the five elements described were affected by the prevailing conditions in the South African retail industry in 2014. The **degree of rivalry** within the food retail industry in South Africa is strong (4) due to a large number of suppliers vying for the same business, low product differentiation, minimal customer switching costs and a turbulent environment has forced the players to offer competitive pricing in order to secure customer loyalty. The **buyers** in this instance are the consumers who on their own have insignificant influence but as a consumer collective might influence the fortunes of suppliers (retailers), some of whom have introduced incentive schemes to retain their customers whose buying power is rated as moderate (3) in this model. **Supplier** contracts and relationships maintains the stability in the supply chain whilst backward and forward integration as well as the increase in house brand products affects the strength or weakness of suppliers which are rated as moderate (3). The barriers to entry would depend on which segment of the market a newcomer would engage. In the case of large format stores, the groups benefit from economies of scale, which the smaller retailers cannot match. Changing consumers' preferences and trends might create potential entrants who might want to satisfy the need for organic products. There is a lack of strong substitutes for food retail which means that the threat of substitutes is regarded as weak (2) (Marketline, 2015).

### 2.7.1 The smaller retailer competitive environment

The strategic management decisions of small businesses are to a large degree dictated by the market. This is because these small entrepreneurs are unable to influence the market in which they operate and are generally price takers due to challenges such as lack of sales volume, restricted resources and limited customer base (Curran & Blackburn, 2001). This reality is reflected by Ligthelm (2008:367-382) who noted that small businesses had

experienced a 47% decline in sales as a result of the introduction of shopping malls in Soweto. Small businesses can however be competitive by being able to react quickly to changing customer needs and providing superior customer service, as well as by constantly innovating (Badenhorst-Weiss & Cilliers, 2014:4; Grimmer et al., 2017). A longitudinal study by Ligthelm (2010:131-153) from 2007 to 2009 identified predictors of survival for Sowetan small businesses as being the ability to offer similar products, superior product quality and customer service as well as competitive prices versus those of the retailers in the malls.

Recognising the point of difference that consumers look for when choosing a product or service will lead to gaining a competitive advantage. Notwithstanding this, a study by Nkosi et al. (2013:1-10) revealed that most Soweto entrepreneurs did not refer to competitive advantage as an important factor for success which might be a result of their understanding of the term rather than an absence of strategic thinking. The ability to sustain a competitive advantage depends on whether the retailers can develop core competencies that are not easily copied such as lowering the running costs through effective operations which lead to price leadership; being innovative in the product offering, which results in enhancing the product benefits and consumer experience; and developing relationships with customers by understanding their needs and wants, which should translate into increased sales (Badenhorst-Weiss et al., 2014:368).

### **2.7.2 Evolving competition**

Particular attention has been given to the competitive effect national retailers have had on independents since opening in areas such as Soweto (Ligthelm 2010:131-153). This has cancelled out two key competitive advantages smaller retailers enjoyed in the past, namely proximity to the community they serve and extended trading hours. Retail corporate chains have added smaller format stores to their offering, such as the Pick n Pay Local and Express stores and Woolworths Food Stops in the Engen forecourts, which present consumers with additional store options from which to do their daily or emergency shopping. This scenario not only represents traditional competitive trends but also can be seen in the evolvement of competition through the rapid development of the internet and the growing accessibility of it while mobile through smartphones, which has resulted in the introduction of new competitors into this retail space. The growth of e-commerce or online shopping is testimony to this. Whilst online retailers such as Amazon.com have been dominant in this space, they have struggled to succeed in online grocery sales. It is not surprising then that they acquired Wholefoods as a strategy to combine a virtual and physical presence in order to create a network of contact points that will facilitate the growth of food and perishable product sales. In this context, the world-leading retailer Walmart is creating collection points at 1000 sites with the objective of doubling this within the following year to enable shoppers purchasing on their online platform to “click and collect”. This strategy has resulted in a 40% growth in



online sales in the last financial period (Wells, 2017b). The South African context is similar, as traditional retailers such as Pick n Pay have been actively promoting their online platforms with a delivery service as a facilitator of its growth. Others such as Woolworths, Clicks and Makro offer similar services.

## **2.8 Marketing communications of retailers**

The promotional mix includes all the tools used to create and build customer relationships through the persuasive communication of promised value beneficial to the consumer (Kotler & Armstrong, 2011:408). Competitors in the retail industry in general use this to protect market share and grow business. Mass media tools such as TV advertising are still used extensively along with radio and print media. Advancements made in technology and the accessibility of the internet as well as the penetration of mobile access through smart devices will precipitate a continuous shift from non-digital to digital media, such as company web pages with links to social media platforms that are geared to interact with the consumer in a way that fuses the physical and electronic store (Rigby & Tager, 2014; Myburgh, 2017:6-38; Van der Haar, 2018).

### **2.8.1 Advertising Spend**

Although TV has a high production cost, high quality production facilitates its use as a channel to promote a company brand through a medium that uses sound and visual imagery. Whereas television advertising dropped by 3.2% in 2017 from the previous record year in the UK, radio grew 5% for the same market. Inflationary pressure and political uncertainty were listed as contributing factors. In the South African instance, television still commands the biggest share of advertising spend, with 55% of the R40.9 billion for 2016. This medium was steady with marginal growth to R22.9 billion in 2018 from R22.06 billion in the previous year. Although the South African television market is a mature one, the growing middle class will create new opportunities for advertisers (Myburgh, 2017:35-38; Dovey et al., 2018:49). Radio reflected a similar trend with a positive growth of 5.6% going to R6.9 billion from R7.3 billion for the period ending in July 2018.

Print has a 20% share and is showing indications of losing ground to other media as confirmed by the reduction in advertising in this medium for the period ending in January 2018, which was 1% down of the previous year (Dovey et al., 2018:49). Newspapers and magazines are the most popular as the former covers specific areas, which makes targeting particular retail markets easier. They can also carry pre-printed inserts paid for by advertisers. The volume of competitor inserts however, might create clutter and the short life span of newspapers makes them unsuitable for certain products. On the other hand, national retail chains use magazines as an alternative print medium, which offers high quality production (Levy & Weitz, 2012:416; Bratt, 2018). Retail and FMCG related categories have

secured 46 and 50% of above the line advertising spending for 2017 and 2018 respectively (Dovey et al., 2018:49).

## 2.8.2 Top South African spenders

Shoprite Holding Ltd maintained the top spot for the second year running for the period ending in January 2018. Clientele Life, Unilever South Africa, Outsurance and Coca Cola South Africa make up the top five advertisers. Pick n Pay and Massmart are the only other food related supermarkets in this top ten. The table below lists the top advertisers in South Africa for the period February 2016 to January 2017 versus February 2017 to January 2018.

**Table 2.6:** Top spenders on advertising in South Africa up to January 2018

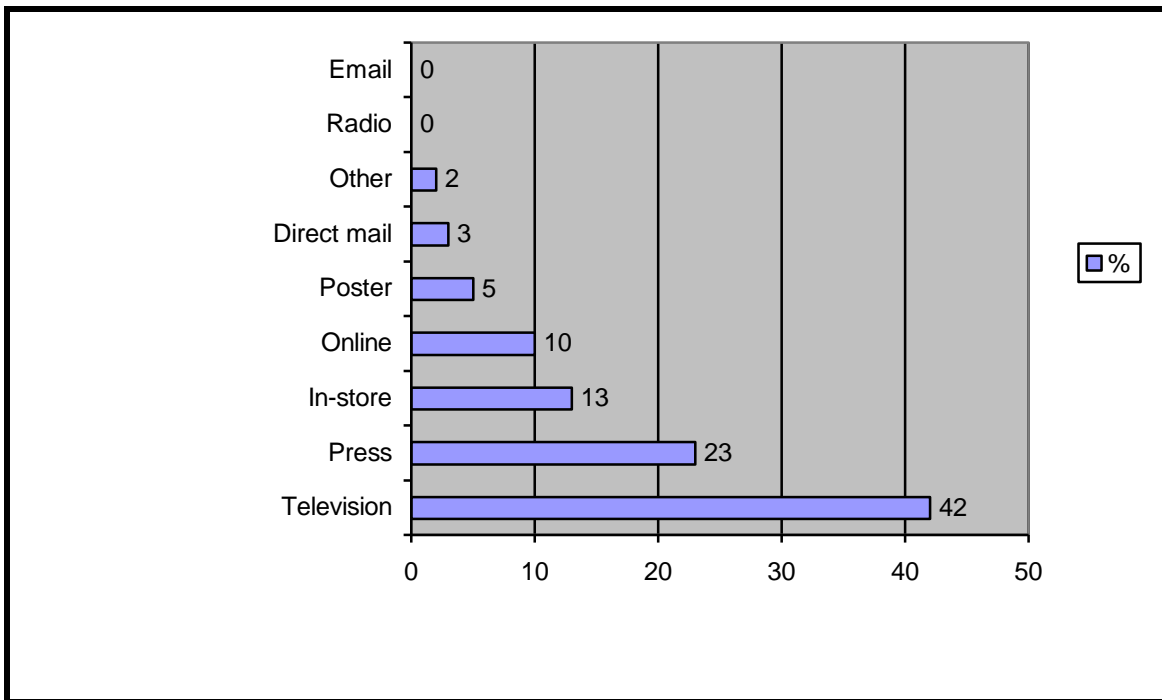
Advertiser	Feb 2016 to Jan 2017 R	Feb 2017 to Jan 2018 R	Movement rank
Shoprite Holding Ltd	1 479 551 827	1 420 782 834	-----
Clientele Life	1 136 053 121	1 417 916 076	↑ 1
Unilever South Africa	1 435 146 104	918 049 156	↓ 1
Outsurance	697 967 950	606 641 089	↑ 2
Coca Cola South Africa	540 831 389	614 080 345	↑ 5
Pick n Pay	632 702 663	600 217 679	↓ 1
Vodacom Communications	604 555 341	567 634 720	↑ 1
Massmart	509 068 539	539 818 319	↑ 1
SAB Miller	797 747 805	538 962 674	↓ 5

**Source:** Adapted from Bratt (2018)

## 2.8.3 Online communication

Digital advertising in South Africa grew by 13% to \$1.37 billion in 2019. Of this total, \$33.9 million was spent on social media advertising. This growth is driven by consumers going online via smartphones. On the global scale, revenue from online advertising overtook television in 2016. In the South African context, television still commands the biggest share of advertising spend. Retailers are increasingly using their websites as online brand touchpoints with customers. This point of engagement usually offers information regarding the company as well as links to other interactive pages that might show current promotions, competitions, store locator assistance or links to social media platforms such as Facebook, YouTube and Twitter. The interactive nature of social media in which consumers can voice their opinions through reviews and comments on products and services offered by

companies, which means that retailers need to monitor the feedback and respond if necessary, especially if the comments are negative. About 66% of online spend goes to paid search. Google use a cost per click model, which is popular with advertisers as it is transparent. Social media in particular is driving advertising spending growth, with Facebook reaching 32% of South African users (Kaplan & Haenlein, 2010; PWC, 2016:11; Levy & Weitz, 2012:408-411; Myburgh, 2017:35-38; Van der Haar, 2018; Kemp, 2020b).



**Figure 2.3:** Advertising media: first awareness  
**Source:** Adapted from Kemp (2018)

The figure above illustrates the channel that first introduced internet users to a product or service that they subsequently bought. The figures support to a large degree the visibility and reach that television and print have as a result of the large communication spend in these channels, which translates into product introduction to consumers and subsequent purchase. Traditional media such as television and print still generate the most product awareness (Kemp, 2018).

#### 2.8.4 Retail groups

South African retail chains use traditional mass media channels such as TV, radio and print. The print media comprise newspapers, magazines, catalogues and knock and drop leaflets. Shoprite was the top spender for the first eight months in 2016 at R872.5 million. Pick n Pay came in at second with R422.6 million. Massmart, Spar and New Clicks spent R337.7million, R309.3 and R133.5 million respectively (Furlonger & Maggs, 2016:32). As more consumers go online to search for information about products and services, companies are investing in their digital presence through their web pages. These have links that take visitors to different

areas of the website whether it is the specials page or the online shopping platform. Retailers such as Pick n Pay, Woolworths and Makro have invested heavily in their online stores. Pick n Pay grew their online platform by 23% in the 2018 financial year (Pick n Pay, 2019).

Social network platforms such as Facebook are being used by all the groups as an engagement medium with customers. Twitter, YouTube and Instagram are also being used in varying degrees. The loyalty card, which works on a points or cash back system, has gained traction with retailers as a way to cement a relationship with their customers, thereby securing loyalty and customer retention. Pick n Pay launched the Smart Shopper card, Clicks has their ClubCard, Woolworths introduced the WRewards card and other retailers have their iterations of it. Loyalty programmes serve as an additional mechanism to communicate with and promote to a receptive audience (Durham, 2011; Pick n Pay, 2019; Woolworths Holdings, 2019; Clicks, 2020).

The table below illustrates the channels of communication employed by the retail chains and franchise groups to engage with their customers. This point of contact might vary from the traditional mass media channels or the online platforms such as social media or the business website (Woolworths Holdings, 2019; Shoprite Holdings, 2019; Clicks, 2020; Massmart, 2020; Spar, 2020).

**Table 2.7:** Retailer channels of communication

Brand	Advertising and promotion						Social media				Website	Online shopping
	TV	Radio	O/door	Leaflet	Press	Loyalty card	Facebook	Twitter	Instagram	YouTube		
Pick n Pay	√	√	√	√	√	√	√	√	√	√	√	√
Shoprite	√	√	√	√	√		√	√	√	√	√	
Checkers	√	√	√	√	√	√	√	√	√	√	√	√
Spar	√	√	√	√	√	√	√	√	√	√	√	
Woolworths	√	√	√	√	√	√	√	√	√	√	√	√
Clicks	√	√	√	√	√	√	√	√	√	√	√	√

**Source:** Woolworths Holdings (2019); Shoprite Holdings (2019); Clicks (2020); Massmart (2020); Spar (2020)

### 2.8.5 Independent retailers

In contrast to the marketing arsenal available to retail groups, independent retailers have fewer options open to them due to constraints such as finance, human resources and technical capacity, highlighted by different studies as inhibitors of competitive activity (Jones et al., 2015:615; Taiminen & Karjaluoto, 2015:643; Srichookiat & Teerasak, 2017:446-462). A study by Chiliya et al. (2009:74-78) revealed that independent retailers in Mdantsane relied

on word of mouth as the main form of promotion mainly because they indicated that they did not have the necessary funds to implement extensive marketing programmes. A study by Gujral et al. (2016:14-25), which looked at the marketing mix implementation and online marketing as business strategies for cafés in South Africa, found that promotion was not regarded as an essential element of the marketing mix by the respondents as they felt that their product, price and place were effective.

This might be because the results suggested that these traders did not have the knowledge to use cost-effective promotional platforms. This is consistent with a study by Chiliya et al. (2009:70-79) in which traders were found to be deficient in marketing knowledge and needed training in this area. Recommendations were that educational institutions make resources available to empower these traders through training. Notwithstanding this, event marketing was seen as a popular mechanism to advertise their businesses. Online marketing was also used to achieve objectives through platforms such as the Café website and social media platforms such as Facebook, Twitter and Instagram. However, no formal structures were in place to track the efficiency of the online activities, such as Google Analytics, which can track traffic on websites and their engagement characteristics.

#### **2.8.5.1 Strategic options**

In many instances, independent retailers join buying groups to benefit from the volume discounts afforded to them through the volume capacity of these groups without losing their independence. A study by Chiliya et al. (2009:70-79) revealed that retailers in Mdanstane considered price as a key element in the marketing strategy with 67% of the respondents offering discounts to customers. This viewpoint is supported by the results of Badenhorst-Weiss and Cilliers (2014:366-376) amongst traders in Soweto and the study on cafés by Gujral et al. (2016). In some cases, buying groups such as Foodzone, The Buying Exchange Group and Unitrade Management Services (UMS) assist with producing leaflets that can be distributed by retailers (Das Nair & Chisoro, 2015:11-12; Unitrade, 2018;). A visit to the UMS website gives an indication of the services offered to the independents that belong to their buying group. The retailer benefits through the volume capacity of UMS and the marketing expertise at their disposal to generate traffic into the stores and drive sales volume. Brands within the UMS stable include Powertrade, which is focused on bulk sales through its cash n carry model, whereas Foodtown and Best Buy follow a more conventional supermarket offering. Members have access to products carrying the Unity brand, which is the private label exclusive to UMS members.

#### **2.8.5.2 Promotional tactics**

After the period in the early 2000s during which the growth of formal retailers forced out many independents, the entrance of foreign traders has resulted in a new group of stronger

and more successful retailers. This might be the result of traders embracing technology and management operations systems. In many cases, traditional South African stores are being taken over by younger and better-educated operators than their parents, and who have the business acumen to achieve better results and higher profit expectations (Charman et al., 2012; Wellington & Tobin, 2016:9; Thome, 2018b).

Independent retailers in Kwazulu Natal embraced the Bonsella loyalty scheme administered by Retail Edge (Pty) Ltd as a way to maintain patronage and loyalty of their customers by offering them giveaways and the opportunity to win prizes when purchasing promotional items. Overland Cash & Carry, an independent retailer based in Klerksdorp, uses leaflets and broadsheets to advertise as they feel the customer can see the image of the products. They also use SMS marketing which is an effective date-specific promotional tool. Signage and good point of sale are regarded as tools that attract customers. In-store competitions are also used to generate excitement (Breitenbach, 2018; Thome, 2018a; Thome, 2018b).

Independent supermarkets such as Elite Foodtown have their own Facebook page, which they use to promote ongoing specials (Elite Foodtown Supermarket, 2020). Shield Buying & Distribution, which is part of the Massmart group, is a competitor to UMS as they offer similar support and marketing services to independent retailers such as bulk buying, information systems, and operational and marketing support. Brands include Shield Cash & Carry, Powersave Cash & Carry, Multisave Supermarkets, Saverite Supermarkets and Build 'n Save hardware (Massmart, 2020). A study investigating the impact of relationship marketing practices by independent retailers in Soweto by Makhitha (2017:645-673) reflected a positive connection between relationship marketing and improved business performance.

## **2.9 The future of retail**

Customer needs are dynamic. It is this constant that drives the need for convenience, value, recognition, status and social connection. New channels, technologies and platforms empower customers to dictate the changes being experienced in retail. In order to delight the customer through a pleasant shopping experience by being tuned to their customer's needs, retailers will create an augmented reality retail, which enables shoppers to try out products before they purchase these in the physical store through smart mirrors technology as well as online platforms. Even though needs still determine customer purchase decisions, the fast pace with which the retail environment is changing means that this step in the retailer-customer engagement is being influenced by factors that will change the way we shop. The omnichannel environment saturates the consumer with information regarding products and services. Technology has enabled retailers to target customers more effectively whilst it has enabled customers to make informed decisions regarding consumption. A simple purchase can provide a multitude of information that can give the retailer insight into consumer

behaviour, thereby improving the offers targeted at customers and resulting in increased purchases (Grewal et al., 2017:1-6; Horne, 2018; Mattin, 2018:25-28; Ntshingila, 2020).

### **2.9.1 Technology**

More informed purchase decisions are possible through technologies that might include mobile applications, scan and go technologies, self-checkouts and Q Vision. Self-checkout allows customers to serve themselves without cashier assistance while Q Vision assists retailers to assess until throughput efficiencies. Virtual and augmented reality are affecting the way customers engage with products such as virtual fashion and applications that allow sampling of different components on a car (Deloitte, 2018; Horne, 2018). The increased use of artificial intelligence (AI) applications, such as Siri on the Apple phone and query-based response systems such as Macy's on Call, might have positive effects on customer shopping. AI technologies extend to driverless cars, drones and robots. These are being used to increase options and improve efficiencies. Smartphones allow customers to shop and pay through a retail app such as Amazon Go. Alibaba's supermarket Hema enables customers with the mobile application to order products and have these delivered within 30 minutes in a three-kilometre radius of a distribution point. Technological improvements might result in better service received by customers and enhanced targeted offerings that might assist in the profitability of a company (Grewal et al., 2017:1-6; Inmam & Nikolova, 2017:7-28; Horne, 2018; Mattin, 2018:5-28).

### **2.9.2 Visual display**

The barrage of product offerings exposed to consumers means that retailers need to consider the placement of products for maximum sales potential. Khan (2017:29-42) suggests reduced product assortments, minimised information volume, placing category or use-related products together and considering the position thereof to distinguish it from other products. Nordfalt et al. (2014) revealed that products, which had been vertically merchandised in a supermarket shelf module, had better sales than those merchandised horizontally. In addition to the placement strategy on the web or on the shelf, product packaging and its visual elements are equally important to sales potential (Grewal et al., 2017:1-6; Khan, 2017:29-42). Krishna et al. (2017:43-54) suggest that products and packaging have three levels comprising the inner core, namely the product; the intermediate level which refers to the product container such as a wrapper for chocolate; and the outer level, which is what the customer sees when engaging with the product. These authors recognise the importance of these levels and the effect they have on the way customers interact with products. Some packaging invites tactile examination while others such as perfume create exclusivity perceptions (Grewal et al., 2017).

### **2.9.3 Consumption and engagement**

Historically, retailers have managed their relationship with customers, whereas at this stage of retail development, control has swung completely in the consumers' favour, because they can determine the selling space and which vendors are permitted to compete within it. This type of relationship is regarded as customer-managed, in contrast with customer relationship management, which is characteristic of a situation in which the retailer controls the relationship. This changing aspect of the engagement suggests that retailers might have to move data to a platform that allows customers to manage these (Kowalkiewicz et al., 2017). Companies can differentiate themselves by offering products that offer value and create a superior shopping experience. The elements that influence this include service, shop atmosphere, range, price and outside factors such as outside influence and reason for shopping (Verhoef et al., 2009:32).

Transparency is becoming the measure of how companies are regarded in relation to how they treat their staff and the ethics linked to this. An example of this might be retraining staff in other spheres that will enable them to continue supporting themselves in the event of redundancy or as a result of automation. Customers will want to interact and support brands that have a culture in which the well-being of the staff is valued (Mattin, 2018:25-28). Grewal et al. (2017) propose a customer engagement model, which includes consciousness. This suggests companies aspire to higher purposes, which values centre the mission of the company. This implies strong leadership that permeates a culture of teamwork geared towards stakeholder orientation. Social media can be an additional way to enhance the customer experience that might lead to greater engagement. The built-in desire to connect with other people and share information, and the capacity to render appropriate information that promotes lively discussions, promote social media engagement by customers. The role of signage, store layout and merchandising as well as the service provided by staff are three elements regarded as key to the type of experience a customer encounters in food retailers (Wansink, 2017:65-78).

### **2.9.4 Big data collection and usage**

The advances in computing capabilities and access to analytical systems has allowed retailers to sort data from various sources such as point of sale systems, loyalty programmes and data from mobile apps into meaningful information that can be used to understand customer behaviour. In consequence, consumer data will become more important as analytics grow in sophistication, which will enable retailers to make decisions that enhance profitability as result of quick reactions to observed market shifts. Research has facilitated interpretation of connections between the external variables such as price, location, range



assortment, services and dependent variables such as increased sales and profitability to brand switching. Retailers can use this data to enhance prices and grow sales. They might, however, be prevented from extracting value from this opportunity due to a lack of funds, human talent to conduct analytic modelling, and infrastructure, so that they might not be able to take action on the information generated (Bradlow et al., 2017:76-96; Grewal et al., 2017:1-6; World Economic Forum, 2017).

#### **2.9.5. Proactive retailers**

Proactive retailers have the ability to offer product solutions to customers before they become conscious of the need for it. This is an important capability as Retail 5.0 is based on the assumption that needs or wants can be satisfied instantly. This is made possible by the availability of computer power that uses real time data analytics to predict purchase trends and ensure product availability. Examples of this type of application could be the use of 360 degree cameras that help track consumption such as a hotel minibar as well as the use of radio frequency identity tags (Kowalkiewicz et al., 2017).

#### **2.9.6. The device as a customer**

Consumers are increasingly relying on technology to collect information from smart devices that present shopping options to the consumer, thereby enhancing convenience. This might extend to automated shopping and replenishment. This disruptive trend suggests that smart devices such as smart washing machines will be able to reorder supplies from retailers based on established preferences by owners. Behavioural economics might become irrelevant in an environment in which algorithms determine purchases, which might give rise to a business to thing management model. Amazon and IBM sell self-replenishing devices, which offer integration with manufacturers. This means that the point of sale can be anywhere. A device tracking the training regime of a runner might be able to plan the replacement of running shoes (Grewal et al., 2017:1-6; Kowalkiewicz et al., 2017; Horne, 2018).

#### **2.9.7 The frictionless retail experience**

A study revealed that 70% of customers would be happy to recommend a brand that afforded them a simple engagement supported by seamless communications across all the channels (Schneider, 2015). Stumbling blocks that hinder seamless shopping experiences come in the form of ineffective payment systems, poor service, inadequate parking and lack of synergy between the physical and e-store for product solutions. These points of friction should be identified and solutions found that enhance the shopping experience. In the modern

shopping environment, this might come in the form of a mechanical assistant that carries the shopping for the customer or using augmented reality to help visualise a project end result such as a room makeover (Rigby, 2016; Kowalkiewicz et al., 2017).

### **2.9.8 Customised products**

Consumers will be able to create and consume the products they produce as a result of the growing accessibility of 3D printers. The possible variety will also expand and ultimately evolve into 4D printing of products that can react to stimulants. This type of technology addresses the demand for instant products customised to the customer's specifications. The opportunity in this instance would be the sale of ingredients used in the printing process. Similarly, designs or recipes for home-created goods might be sold as products (Mitchell-Keller, 2015; Kowalkiewicz et al., 2017).

### **2.9.9 Extreme personalization**

54% of customers expect to receive a discount within 24 hours of sharing information with brands, and 71% are unhappy with impersonal shopping experiences. As customers share their personal information with trusted retailers, the opportunity presents itself to customise the retail experience to the individual. An example of this is Inside Tracker, an evidence-based tool that provides optimal diet plans to elite athletes following a review of input data such as blood tests. A further example is the Knorr company, which is able to offer personalised solutions to customers such as recipes based on the latter's Twitter feed (Vienneau, 2017; Mattin, 2018:25-28).

### **2.9.10 Loss prevention**

As technology advances, the current loss prevention techniques will become outdated, making way for new methods that reduce the opportunity for theft of physical products as well as digital assets through cybercrime. Amazon Go, the physical store of this business records a product as sold when a person walks out of the store with it. This negates the need for cashiers and solves the potential shrinkage problem (Mitchell-Keller, 2015; Kowalkiewicz et al., 2017).

## **2.10 Summary**

The chapter started by introducing retailing as a concept and followed with an overview of the current status of world retail, including an explanation of different formats by size, range, price and ownership. A brief description of the trends taking place in the South African retail industry was highlighted along with an overview of the key players in this sector such as

Shoprite Checkers and Pick n Pay, as well as the smaller independent retailers and informal traders.

The evolution of retail as a result of technological advancements such as the internet has triggered further disruptions in the supply chain as e-commerce has shown significant growth in the last few years and is projected to accelerate this trend. This has forced traditional retailers to review their strategies and supplement the physical store with an online presence as an additional customer contact and sales channel. The fact that Amazon has gone from tenth to fourth position in the Deloitte global retailer ranking report between 2015 and 2017 is testimony to this trend. e-Commerce contributed 16% of the total global retail market during 2019, which was an 18% increase on the previous year. Omnichannel retailing came about as a result of the fusion between the physical store and the online platform, which necessitates a coordinated multichannel strategy that synchronises technologies, services and processes to create a seamless shopping experience for the customer.

An illustration of the competitive nature of the South African retail market was described, which includes challenges and adaptations undertaken by smaller retailers to remain competitive. Retail marketing and communication strategies have also transitioned from traditional channels such as TV, radio, print and outside media to include digital channels such as company websites, and social media platforms such as Facebook, Twitter, YouTube and Instagram. This has impacted on the way retailers and consumers interact.

The chapter ended with an outline of the future of retail and the elements that affect it as a result of the technological advancements being experienced in this sector. This included big data collection and usage, technology, consumption and engagement and extreme personalisation. The following chapter looks at social media and its use as a communication strategy.

## **CHAPTER 3**

### **SOCIAL MEDIA**

#### **3.1 Introduction**

Social media and social network platforms have become an important alternative communication channel for businesses. Technological developments on the internet and the accessibility it affords have increased the consumers' reliance on this medium as a source of information (Bae & Zamrudi, 2018:851-869). Users can contact and network with friends and family and express their views and feelings by publishing or posting content on these platforms (Alawan et al., 2017:1177-1190; Ndiege, 2019:1-12). The trend towards mobile devices has been accelerated by the proliferation of smart phones and the reduction of connectivity costs. The advent of social media platforms has enabled individuals and groups to connect and interact with others. The ability to create content and share it amongst friends and communities means that communication opportunities present themselves through the different social network platforms (Agarwal & Yiliyasi, 2010:1-15).

The previous chapter considered retail and the evolution thereof as a consequence of technological developments, which has seen a metamorphosis of retail models and distribution channels as well as the progression of communication from the traditional to the internet and social media channels. This chapter looks at the development and growth of social media and social network platforms. The use of these platforms is examined as an element of marketing communication strategies and the factors that impact their adoption and implementation with reference to retail and small to medium businesses.

#### **3.2 Social media background and development**

Authors vary in their definitions of social media. Some see it from a technology perspective, whilst others view social media with regard to its functionality and type (Fischer & Reuber, 2011:357-371). Ryan and Jones (2012:152) refer to social media as an all-inclusive appellation for web-based applications and services that allow users to connect with others in order to engage in social interaction, whilst Kaplan and Haenlein (2010:59-68) describe social media as internet-based software that allows users to create content and share it with other users. It highlights the transition from merely collecting information and consuming it to creating and adding to the information available on platforms that allow it (Campbell et al., 2011:87; Edosomwan et al., 2011:9-91; Abeyasinghe & Alsobhi, 2013:267; Filo et al., 2015:167). Social media reflects a culture of participation in which a belief exists that people are free to interact with others, organisations and companies. It affords access to places that allow users to share from simple comments to reviews, ratings, and building on content posted by others with their own perspectives (Tuten & Solomon, 2015:6-7; Alawan et al.,

2017:1177-1190). This is in contrast to the early days of the internet when coded content was publicised by individuals through a web browser. At that point, recipients could only read the information (Beier & Wagner, 2016:3). Early communication followed the same thinking as mass media, which was designed to communicate with the masses. The big shift between Web 1.0 and Web 2.0 is that the latter facilitated the availability of new technologies that enabled users to share created content that was not coded.

Although the terms social media and social networks are used closely and sometimes synonymously, the former describes the different types of media content created by end users and made available to all. In order to meet the requirements as set out by the Organisation for Economic Cooperation and Development (Vickery & Wunsch-Vincent, 2007:8-12), user-generated content needs to be published in a publicly accessible website or on a social network site that is reachable by a particular group of people. The created content must reflect creative effort and be the work of non-professionals (Kaplan & Haenlein, 2010:61). Social networks are applications that facilitate the creation and maintenance of profiles by site members who share personal information and content with other members who have access to it such as Facebook (Kaplan & Haenlein, 2010:63; Tuten & Solomon, 2015:9). Social media platforms are not restricted to social networking tools such as Instagram, Twitter or Facebook. There are professional networking sites such as LinkedIn, video sharing as in YouTube and business communities such as Amazon (Agarwal & Yiliyasi, 2010:1-15). Further to the above description of social networks, Agarwal and Yiliyasi (2010:1-15) have created a table in which social network sites are categorised in terms of functionality. This is not too dissimilar to the one created by Tuten and Solomon (2015:9-12) in which social network sites have been categorised into zones. They add that accessibility, continuity, immediacy and usability have contributed to the creation of the phenomenon of the participatory web or citizen journalism.

Among the numerous social media platforms, Facebook has proved the most popular, with over 2.16 billion monthly visitors (Patricios & Goldstuck, 2017; Kemp, 2018). Users are profile-based, and can share interests and personal experiences with family and network contacts. Whereas Facebook can accommodate most media, YouTube is principally a video sharing platform. Twitter has become the leading microblogging site, which allows users to compose messages within a 280-character limit. Instagram, the photo-sharing platform, noted that 2.2 million South Africans accessed it regularly in 2019 (Kemp, 2020b). The varying characteristics of the different platforms attract an equally diverse selection of users who create content and have their own personal motivation for engaging these channels.

There is an increasing body of literature which has investigated the business and marketing opportunities posed by social media (Dlodo & Dhurup, 2010:164-180; Beier & Wagner, 2016:3-7; Barnard et al., 2017:65-78; Dolan et al., 2016; Ndiege, 2019:1-12) as well as the

factors that influence its adoption (Dlodo & Dhurup, 2010:164-180; Dahnil et al., 2014:119-126; Ainin et al., 2015:570-588). The interactive nature and ubiquitousness of social media has made it a key element of the communication strategies of companies as they diversify from traditional media (Fisher & Rueber, 2011:357-371). The motivation for its use is varied with objectives such as sales growth (Andzulis et al., 2012:305-316), brand building, providing information or strengthening customer relationships. The extent of embracing of social media platforms as communication conduits and the degree of success in their implementation might be influenced by internal factors and characteristics of businesses such as resources, knowledge capacity and attitude (Dlodo & Dhurup, 2010; Fischer & Rueber, 2011:357-371; Ainin et al., 2015:570-588; Felix et al., 2017:120; Bae & Zamrudi, 2018:867; Shaltoni et al., 2018:272-284; Ndiege, 2019:1-12).

**Table 3.1:** Social media sites grouped under categories based on functionalities.

<b>Category</b>	<b>Social media sites</b>
Blogs	Wordpress, Blogger, Blogcatalog, Mybloglog
Media sharing	Flickr, Vimeo, Photobucket, YouTube, Multiply, Justin.TV, Ustream, Instagram
Micro blogging	Twitter, SixApart
Social bookmarking	StumbleUpon
Social friendship network	Facebook, LinkedIn, Pinterest, Friendfeed, Bebo, Orkut, LinkedIn, Patientslikeme, Dailystrength
Social news	Digg, Reddit
Wikis	Wikipedia, Wikiversity, Scholarpedia, Ganfyd, AskDrWiki

**Source:** Adapted from Stokes (2017)

### **3.3 Zones of social media**

In order to simplify the organising of social media channels, Tuten and Solomon (2015:9-12) categorise these into four zones, namely social community, social publishing, social entertainment and social commerce.

#### **3.3.1 Social community**

Social community networks build on relationships based on common interests and activities people participate in with others. Social communities usually have two-way and multiway communication as participants collaborate, share and converse. Typical channels that fall into this zone are social networking sites, message boards and forums. These sites host participants who have created profiles and interact with other users who might be friends, fans or connections and share content by posting information on their profiles that is visible to others or by messaging directly to contacts. An example of this type of interaction was found in studies by He et al. (2017:153) and Ahmad et al. (2018:11) which looked at the adoption of social media by small to medium businesses in a mid-size American city and similar businesses in the United Arab Emirates respectively. Pinterest, Instagram and LinkedIn are examples of social network sites. Other forums are similar to these but have

discussion as the primary purpose. Content is posted for comment and opinion and members are invited to contribute towards the discussion (Tuten & Solomon, 2015:9). Forums can be a valuable asset as they give organisations an opportunity to get closer to their customers through discussions and providing advice in specialist topics. Companies can address negative experiences and reviews by providing responses to critics (Ryan & Jones, 2012:152-160).

### 3.3.2 Social commerce

This description suggests the use of social media platforms as a channel through which the opportunity to buy and sell products and services online is exploited. These channels are designed to influence consumer-buying decisions by means of ratings and reviews of products or services. The discussion element makes rating sites similar to forums although the primary focus is to rate products, services, travelling, etc. e-Commerce companies such as Amazon have an integrated rating system. Uber, the ride hailing service, has a 5 star rating service that assesses their drivers' performance (Lenzo, 2016). Examples of review and rating sites are TripAdvisor, VideoGenie, YouTube and Facebook. A worldwide Pwc retail study, which surveyed in excess of 24 000 online shoppers in 29 countries, found that that online and social media such as Twitter and Facebook were influencing purchasing decisions (Brown, 2017). Groupon is an example of a deal site through which consumers are able to access the best deals (Harris & Rae, 2009:24; Tuten & Solomon, 2015:11). Social commerce is projected to reach \$165 billion by 2021 as platforms move towards a socially integrated omnichannel (Kemp, 2018). Ntshingila (2020) reports that over 160 million businesses use Instagram, WhatsApp or Facebook to sell their products every month.

**Table 3.2:** Social media zones and channel vehicles

Channel	Purpose	Zone	Zone	Purpose	Channel
Twitter Facebook LinkedIn Google Plus	Sharing Socializing Conversing	Social Community	Social Publishing	Editorial Commercial User-generated	Blogs: Blogger Technorati Media Sites: YouTube Picasa Slideshare
Facebook Living social Groupon TripAdvisor Payment	CRM/Service Retailing/Sales Human Resources	Social Commerce	Social Entertainment	Games Music Art	Come2Play SecondLife MySpace Zynga uGame
<b>Channel</b>	<b>Purpose</b>	<b>Zone</b>	<b>Zone</b>	<b>Purpose</b>	<b>Channel</b>

**Source:** Adapted from Tuten and Solomon (2015:8-11)

### **3.3.3 Social entertainment**

Social games are the most advanced channel in the social entertainment zone whose primary focus is play and enjoyment. Players are able to interact with members of their network as well as post status updates on online profiles, which include gaming achievements. MySpace regards itself as a social entertainment service by virtue of the value of the network of the musicians and bands the site offers (Tuten & Solomon, 2015:11-12). Notwithstanding the above statement, Qwerty Digital (2017) indicates that Facebook and YouTube are the most used platforms with 49% and 47% popularity respectively. Globally, the usage statistics of these platforms are similar to those of South Africa. While YouTube only offers video at this stage, Facebook offers other media such as music and images (Kemp, 2017; Qwerty Digital, 2017; Kemp, 2018).

### **3.3.4 Social publishing**

Social publishing sites such as blogs, micro-sharing, media sharing and social bookmarking sites assist in spreading content to audiences. This could include video, audio, text and graphics, which might be maintained by individuals, journalists, media providers or organisations. Blogs operate mostly as an online personal diary. Twitter is the most well-known of the micro sharing sites; its posts are limited to 2200 characters. Media sharing sites feature audio and video content as well as photos, which are publicly available and searchable. YouTube is the largest video sharing channel while Instagram and Flickr are photo-sharing sites. SlideShare and Scribd are examples of channels used for presentations and documents whereas Diigo and Digg are social bookmarking services by sharing links to other sites (Tuten & Solomon, 2015:10; Kemp, 2017; Qwerty Digital, 2017; Kemp 2018).

## **3.4 Types of social interactions**

More than four billion people use the internet on a daily basis for various reasons. This might include communicating with friends, playing games, researching products or looking for romantic interaction (Qwerty Digital, 2017; Kemp, 2018). The interactive nature of social media means that it is used as an information-gathering instrument, which gives businesses the opportunity to learn about their customers. Kozinets (1999:255-256) suggests that the motivation and desired result of the engagement can facilitate interaction-based segmentation in order to increase the chances of beneficial customer engagement.

**Informational mode:** This interaction is characterised by communication that is designed to achieve particular objectives, which are short term in nature without any prospect of building online relationships.



**Relational mode:** People with strong relational motivation are more social and focused on long-term personal benefit through community involvement by regular contributions towards newsletters or assisting with queries. Facebook is the optimal example of this type of interaction as users are able to share information with friends via posts on the platform and receive feedback through “likes, shares and comments” (Boyd & Ellison, 2007:218; Edosomwan et al., 2011:79-91). Several studies found that Facebook was the preferred platform of small and medium businesses to create a relationship between themselves and their customers (Kormin & Baharun, 2016:3; Brown, 2017; He et al., 2017:152-155; Ahmad et al., 2018:6-17).

**Recreational mode:** The description of this mode suggests the drive towards emotionless communication, which is mainly short term in nature for personal gain. An example of this would be discussions in chat rooms that remain at a superficial level.

**Transformational mode:** Consumers who communicate in the transformational mode have long-term social objectives. They are usually concerned about consumption trends and use their organisational skills to pursue positive change. An example of this would be consumer groups appearing in online communities. It is necessary for businesses to understand the different modes of interaction and select those that suit their businesses best (Kozinets, 1999:255-256; Jones et al., 2015:611-632).

### **3.5 Social network sites**

Having started as a peer-to-peer communication utility via news groups and chat rooms amongst the scientific community, the internet has developed communities as a result of websites, social media platforms and groups of people within these who interact with others sharing similar interests. The ease with which people can publish comments and opinions on products, services or companies through these channel is an example of the impact the internet has had on business. As consumers gained control of the discussions relating to brands, companies or their products, organisations have had to manage this process openly as a way of preventing negative feedback in the event of an unfavourable review (Tuten & Perotti, 2019:5-13). Walmart is an example of getting it wrong when they had to stop early blogging efforts, as consumers did not regard them as authentic. General Motors however, was able to convert critics into fans by addressing their concerns through factory visits designed to answer comments raised (Harris & Rae, 2009:24-31). Cisco was successful in developing goodwill with customers by putting the technical support function online, which resulted in customers offering solutions to posted queries. Amazon customers are encouraged to review products purchased from them. Highlighting similar products purchased by others has resulted in increased product sales such as books that would otherwise not have sold (Harris & Rae, 2009:24-31). The Royal British Legion was able to increase the amount of visits to its website and attracted a younger demographic through a

campaign to display a poppy on a customer Facebook profile (Goad & Mooney, 2008:6). A study by Harris and Rae (2009:24-31) found that the pre-emptive driver of online collaboration and advocacy was a culture of trust. In this instance, Ecademy business network, Facebook, SecondLife, Blogs and their own forum were the channels used to network with others. The interviewees noted that these platforms affected their businesses positively by expanding their networks, generating new leads and growing sales. This was cost effective for their limited marketing budgets. The open nature of social media platforms means that brands will have to communicate transparently in an increasingly critical environment in an effort to regain and maintain integrity amidst growing misinformation and fake news. Consumers are expected to play a growing role in the development of products and brands (Kemp, 2018; Tuten & Perotti, 2019:5-13).

The influence and importance of social media in retail is growing as consumers use these platforms to search for and research products. A large percentage of the online traffic at South African retailer Woolworths started on their social media platforms. This suggests that the value of social commerce came about as a result of social media platforms becoming contact points between businesses and consumers, as the latter expressed and shared their opinions on products and services with friends. The result of these interactions is a socially integrated omnichannel business vehicle that is expected to be worth US \$165 billion by 2021 (Brown, 2017; Kemp, 2018; Ndiege, 2019:1-12; Grange et al., 2020:1-14).

### **3.5.1 Facebook**

Facebook was launched in 2004, initially as a closed community platform restricted to Harvard students, but later opened to high school students and eventually to all those above thirteen years old. This platform allows users to create profile pages as a way of sharing information with friends. Boyd and Ellison (2007:218); Edosomwan et al. (2011:79-91); and Tuten and Solomon (2015:9-12) view this network site as a social utility that makes real time and delayed interactions possible. Multimedia formats can be shared such as images, video, music, games and applications. Globally, Facebook has the highest monthly traffic at 2.5 billion users, of which 58% are between the ages of 18 to 34 and 44% females respectively. 88% of visitors globally access this channel via mobile devices. South Africa has 20 million active users, which makes it the largest platform in terms of numbers. Of these, 98% access this platform via mobile devices. The growth of Facebook users in South Africa might have been boosted by the introduction of Facebook Lite, which is a stripped down version of the platform and a more cost-effective data option for mobile network operators and users. This version of Facebook was the fifth most downloaded app from the Google Playstore in 2017 (Patricios & Goldstuck, 2017; Kemp, 2018; Kemp, 2020b).

Facebook makes it possible for millions of daily users to communicate with network contacts and share personal views and interests on their personal profiles (Myers, 2020).

Organisations view the extensive reach and customer focus of Facebook as a factor in using it as an additional or other medium to engage with customers. Dugal et al. (2015) reported in a worldwide PwC retail survey that social media platforms such as Facebook had the power to influence purchases. The open nature of this platform means that competing businesses can monitor what others are doing. A further motivation for its use is the prospect of becoming part of the user-initiated discussions or becoming the orchestrator of communication with a view to engagement (Fournier & Avery. 2011:194; Barnard et al., 2017:65-78; Brown, 2017; Kemp, 2018). Facebook also presents challenges to businesses in handling customer complaints published on the platform. This might necessitate constant monitoring which could put restricted resources of smaller businesses under strain (Dlodo & Dhurup, 2010:173; Webster, 2018). Notwithstanding the above challenges, Patricios and Goldstuck (2017) revealed in “The South African social media landscape 2018” that Facebook was being used by 97% of the brands were using Facebook. This platform enjoyed 20% of global digital advertising spend in 2019 (Kemp, 2020a).

### **3.5.2 YouTube**

This video sharing social network platform was launched in 2005. Users are able to upload videos, view and comment on posted content. Personal profiles can be created similar to other social network platforms such as Facebook, which include who they subscribe to, favourite videos and comments. User generated videos tend to get more comments than professionally produced material. A study of the community culture looked at user behaviour, which encompasses participation motivation and the need to promote oneself (Kruitbosch & Nack, 2008:7-10) as well as the content. Most videos tend to be video blogs (vlogs), music videos, live content and informational videos which might offer product or service reviews, demonstrations or unboxing of new products (Pace, 2008:213-226; Blythe & Cairns, 2009:1467-1476). With an estimated 1.5 billion users in 2017, this platform is expected to grow social TV programming through YouTube Red, live broadcast and YouTube TV. Although mobile is still key, there was a 70% growth in living room viewing in 2017 (Kemp, 2018; YouTube, 2018; Duffett et al., 2019:1-24).

### **3.5.3 Twitter**

Twitter is a microblogging platform, which enables users to publish or tweet, reply to or forward posts about any topic they wish to within the 280-character restriction as well as follow others to receive their tweets. Tweets might include links to news stories, blogs or pictures and show up in the followers’ stream. Research into Twitter has investigated behaviour on the platform (Boyd et al., 2010:1-10). In this context, brand-related tweets or posts refer to queries, opinions or comments regarding brands as revealed by a study by Jansen et al. (2009:2169-2188), which found that 19% of posts referenced brands. When messages are fed through platforms such as a Facebook profile, a wider audience can be

reached. Dell targeted Twitter followers to sell off clearance items. Brands selling electronics target Twitter users as they are regarded as early adopters of technology, and seen as educated and receptive to this type of advertising (Harris & Rae, 2009:24-31). A study into the influence social media tools have on buying behaviour in the South African food retail market by Rootman (2016:212-224), suggested that social media platforms including Twitter be used to build a positive brand image or for targeted marketing at focused audiences such as products aimed at male customers. A worldwide PwC retail survey indicated that Twitter was able to influence purchases. This platform can also be used as a communication platform to keep communities informed during times of crisis, as used by the Air Asia CEO when one of their planes crashed in December 2014 (Dugal et al., 2015; Einhorn, 2015).

This platform was launched in October 2006 and has grown to 330 million visitors globally and 7.7 million in South Africa on a monthly basis (Kemp, 2018). Although the growth of Twitter has stuttered on a world basis, this social network channel appears to be the preferred platform to engage in public dialogue in South Africa (Goldstuck & Du Plessis, 2016; Patricios & Goldstuck, 2017).

### 3.5.4 Instagram

Instagram, the photo-sharing platform, allows users to share images and videos either privately or publicly on the service as well as via other social networks such as Facebook. Video features have been enhanced with broadened advertiser options. Globally, this platform has 250 million users daily (Kemp, 2018). Instagram grew to 3.9 million users in South Africa whilst YouTube grew to 8.74 million users (Patricios & Goldstuck, 2017; Kemp, 2018).

Table 3.3 below illustrates the extent to which digital use has pervaded the lives of humanity with 59% of the world's population using the internet, 49% are active social media users, with 99% connecting via mobile devices (Kemp, 2020).

**Table 3.3:** Digital use around the world in 2020

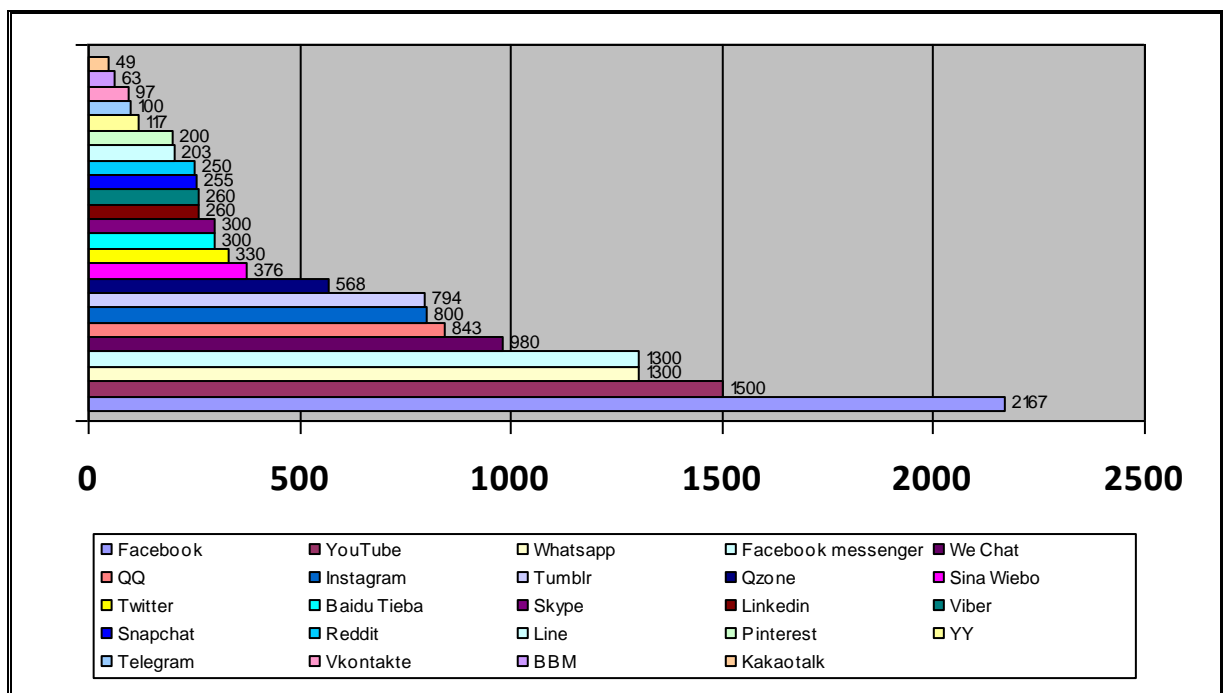
<b>Total population</b>	<b>Internet users</b>	<b>Active social media users</b>	<b>Unique mobile users</b>	<b>Active mobile social users</b>
7.75 billion	4.54 billion	3.8 billion	5.19 billion	3.75 billion
55% Urbanisation	59% Penetration	49% Penetration	67% Penetration	99% Penetration

**Source:** Adapted from Kemp (2020)

### 3.5.5 Messenger platforms

Mobile instant messaging applications such as WhatsApp, Viber and Line allow users to send and receive images, video, audio and location-based messages to individuals and groups of friends who share the same proprietary software. WhatsApp in particular is an information-rich application, which informs users when their contacts are online, if they are

composing messages and when last they sent a message. The application also has delivery notification as part of the software (Church & de Oliveira, 2013:352-361; Oghuma et al., 2015:658-677). Kemp (2018) predicts that brands will have to take note of the time consumers are spending on messenger and engage with them on this platform in a non-intrusive manner. WhatsApp with 1.3 billion, Facebook Messenger 1.3 billion, WeChat 980 million and QQ 843 million users respectively pushed these messenger platforms collectively to over 4.4 billion users in 2017. In the South African context, WhatsApp had 49% of active users versus 46% of Facebook in 2018 (Kemp, 2018). Figure 3.2 illustrates the usage comparison between social media and mobile instant messaging platforms in 2017.



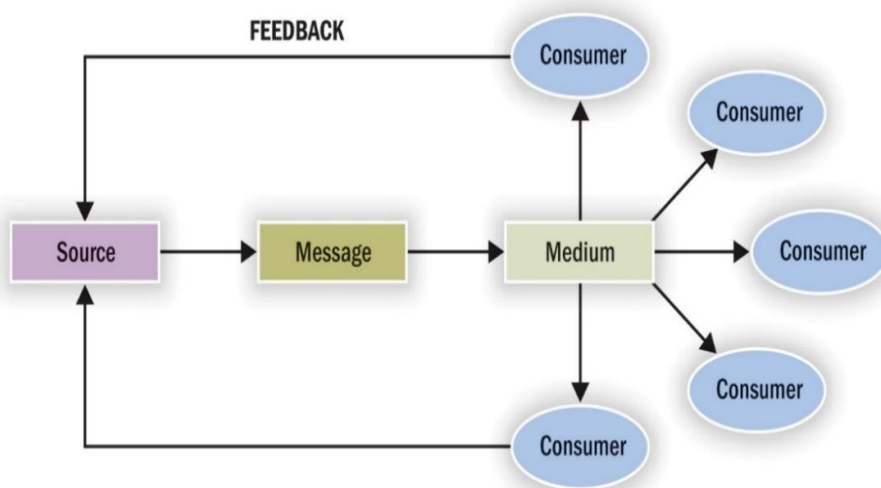
**Figure 3.1:** Monthly active users of global social media platforms in millions  
**Source:** Adapted from Kemp (2018)

### 3.6 Social media as an element of marketing communication

The elements used to generate positive sentiment towards a company and its products are referred to as the company's marketing communications programme which includes advertising, sales promotion, public relations and direct marketing (Kotler & Armstrong, 1991:422-423). In the context of the retail industry, advertising and promotions are used extensively as a tool to create loyalty and generate extra sales through increased purchases. Retail groups can raise the barriers to entry by increasing the advertising spend which might make it difficult for new entrants to gain market share as these might not have the financial capacity to match the incumbent groups' advertising spend. The advertising tools used are amongst others, leaflet distribution, newspaper, TV, radio and social media channels (Das Nair & Chisoro, 2015:14).

With the advent of the internet and the development of social media, companies have lost control of the conversation as these social media platforms have empowered consumers through the availability of product information with which they can evaluate and discuss with other consumers, who in their view are more credible than the company. The consumer has become part of the communication process by generating content relating to products and services and sharing these on social media platforms, which is essentially the modern electronic word of mouth medium that spreads quickly to a potentially large audience. While this might be true, one merely needs to visit the website of any of the major retailers and others to see the social media link which is used as an additional communication channel to engage with their customers (Mangold & Faulds, 2009:359; Shoprite Holdings, 2019; Checkers, 2020b; Pick n Pay, 2020).

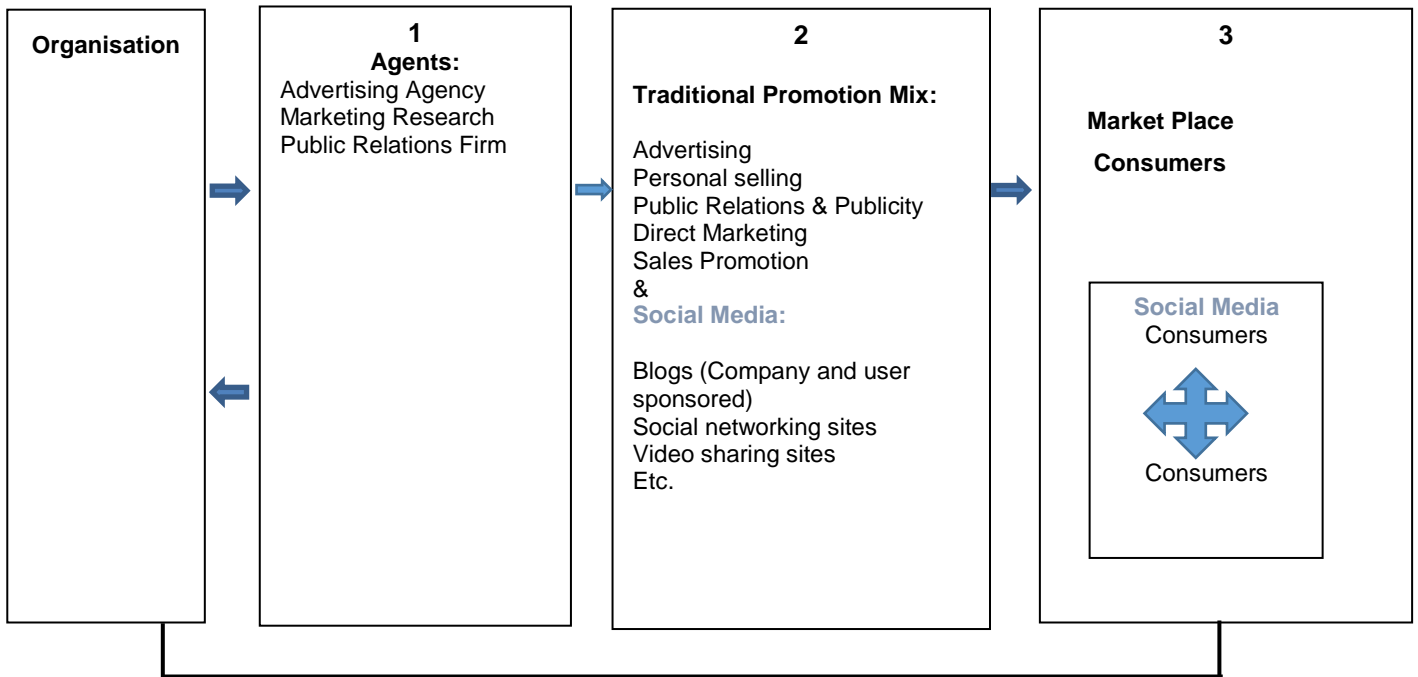
Stockdale et al. (2012:1-14) are of the opinion that smaller businesses should maintain their presence on social media as it allows interaction with customers in real time. It builds a better understanding of the customer and it gives the business a competitive advantage.



**Figure 3.2:** Traditional communication model  
**Source:** Adapted from Hoffman and Novak (1996)

Mangold and Faulds (2009:359) propose that social media be regarded as a hybrid part of a company’s integrated marketing communications strategy as it makes it possible for the company to interact with its customers and facilitates communication among them as well as directly back to the company. Later studies support this sentiment (Barnard et al., 2017:65-78; Dolan et al., 2017:2-19; Ahmad et al., 2018:6-17). The figures show how the communication process has changed from the traditional to the modern (see Figure 3.2), which includes social media. Figure 3.2 illustrates the traditional communication model in which the organisation has control of detail within the message, the medium, and the timing

of the dissemination of the information. The only communication outside this model was word-of-mouth transmission between individuals.



**Figure 3.3:** The new communications paradigm  
**Source:** Adapted from Li and Bernoff (2008)

In the era of social media, organisations still use the traditional communication mix. However, the control of the communication process has been eroded due to experiential product information being generated by consumers in the marketplace through platforms that are beyond the control of organisation, as illustrated in Figure 5, block 3, which depicts consumers sharing information amongst each other. Consumers have turned to social media for affirmation and confirmation of product or services and away from organisations, as members of social circles are regarded as being more credible than the companies. Marketing managers must appreciate the impact this type of individual communication might have on their marketing communications strategies as the internet has given the consumer power that they had not possessed previously. Recent literature suggests that businesses are using social media platforms as contact points with customers as a way to build relationships with customers, share meaningful content and enhance the brand profile (Mangold & Faulds, 2009:359-360; Dolan et al., 2017:2-19; Ahmad et al., 2018:6-17).

The evolution of social media through advances in technology, which facilitate accessibility to this medium means that social media, is playing an increasingly important role in marketing communications with other organisations, communities and consumers largely due to its interactive and collaborative nature that enables quick and efficient information collection. The ubiquitous nature of social media has influenced the way in which we communicate and share information. This financially and technically accessible medium allows users to

generate content that is shared with many through the use of technologies and applications related to social media such as social networks, blogs, podcasts, etc. (Kaplan & Haenlein, 2010:59-68; Kietzmann et al., 2011:241-251; Prohaska, 2011:63-64; Kemp, 2018).

This presents an opportune channel for SMEs who generally do not have the capacity to use traditional media (Kaplan & Haenlein, 2010:59-68; Zeiller & Schauer, 2011; Stockdale et al., 2012:1-14; Ahmad et al., 2018:6-17). Notwithstanding this, businesses need to plan the implementation of social media strategies in order to ensure their measurability, which would otherwise not be possible. These strategies would include the motivation for their use and how they connect with business goals as well as the resources required for implementation (Stockdale et al., 2012:1-14; He et al., 2017:149-160; Ndiege, 2019:1-12).

### **3.6.1 Evolution as a communication medium**

Research looking at the use of social media by businesses has focused mainly on large companies, as highlighted in a study of 500 companies which revealed that 46%% of these utilised Facebook in 2010 as a brand communication aid (Culnan et al., 2010:243-259). The implied deficit in the understanding of the strategic use of social media by small businesses and the corresponding challenges surrounding its adoption is being addressed by recent studies (Durkin et al., 2013;716-734; Dahnil et al., 2014; He et al., 2017:149-160; Beier & Wagner, 2016:3-7; Oji et al., 2017:1-12; Ahmad et al., 2018:6-17; Shaltoni et al., 2018:272-284). Although social media has become a platform used by businesses to sell products and services as well as a means to manage relationships with customers, the studies listed above explored the factors that influence the decision to adopt this channel by small businesses.

Large businesses such as Dell, Domino's Pizza and Starbucks were early adopters of social media as a means to retain and increase customer loyalty, grow sales volume and enhance brand awareness through improved customer satisfaction. Dholakia and Durham (2010:26) found that customers who become Facebook friends of a retailer increased their visit frequency and propagated positive word of mouth. Due to restricted resources, small businesses often rely on this type of promotion to get new customers. He et al. (2014:225-250) found that small pizzerias became creative in responding to customer needs which enabled them to serve their communities. This highlights the difference between small business and their larger counterparts, which have significantly higher financial and human resources to manage social media. This can be attributed to the ownership type, resources, culture and business orientation. Among the social media platforms, Facebook and Twitter are the most popular to share specials and interface with customers. However, Weinberg and Pehlivan (2011:275-282) propose that certain platforms are better suited for certain strategies than others. In this instance, Facebook is the most effective for attracting and keeping customers in retail (Brown, 2017).



### 3.6.2 Considerations before implementing a social media strategy

Companies have been cognisant of the time consumers spend on social media platforms (Mortleman, 2011:8-11) as evidenced by the number of active users on Facebook in 2016 (Goldstuck, 2016; Kemp, 2018). Hall (2010:56) is of the opinion that having a Facebook page and a Twitter account are not regarded as having a social media strategy. Culnan et al. (2010:46) and Brown (2017) support this view and argue that effective social media implementation is based on three elements: the company must make a considered decision before adopting, generate enough participants that become a community who engage with the company on a regular basis, and lastly they should have systems in place that enable them to benefit from the knowledge provided by their customers. He et al. (2017:149-160) concur that although there is a growing prevalence and affordability of social media which provide small businesses who have restricted resources with an opportunity to promote to and engage with customers, formulating a plan that considers the factors discussed above and which includes resources in order to avoid negative effects to the business, precede its adoption. Consideration should also be given to managing and updating the content on sites, which takes time and effort. Knowledge of the platforms and the norms that dictate practices are necessary in order to avoid risks described earlier. Addressing customer concerns quickly might result in increased sales. They further suggest that metrics be formulated to assess the effectiveness of social media use.

Although organisations have adopted the use of social media, integrating it into the marketing communications strategy has been difficult because of the potential loss of control over the brand message (Winer, 2009; Zarkada & Polydorou, 2013). A study by Oji et al. (2017:8) which investigated the challenges preventing small restaurants in the Cape Metropole from adopting social media as a marketing communication medium, found that although the respondents understood the popularity and the potential opportunity presented by social media platforms, the lack of knowledge capacity to utilise them as promotional channels hindered their implementation. There seems to be a lack of understanding why organisations use social media even though it is acknowledged as an effective means to build relationships with customers (Kormin & Baharun, 2016:1-8; Kemp, 2018; Ahmad et al., 2018:6-17; Ndiege, 2019:1-12). The guiding frameworks available to marketers were designed for an era before social media was adopted as the default means of getting information on products, services and market trends (Abeyasinghe & Alsobhi, 2013:267).

To be successful on social media requires time, effort and planning. Johnston (2011:83) suggests following the seven Ps (perceive, purpose, people, platform, policy and procedure, and participation) for an effective online strategy. Queensberry (2016) suggests going back to marketing basics by doing an audit of the current situation with regard to companies and

industry, listening to target audiences, linking marketing goals to social media performance indicators and producing content that engages the target customer. In creating content marketing strategy, the brand manager of the past has become a publisher whose task is to build relationships with the target audience by presenting entertainment and information that will appeal to the customers. Organisations need to plan the resources to facilitate cooperation between departments in order to ensure continuous flow of professional and user-generated content that users can comment on and share across all types of devices (Jackson & Longlands, 2011).

### **3.6.3 Motivation for implementation of social media as a communication medium**

Global internet users were estimated at four billion in January 2018, of which 3.75 billion accessed it via mobile devices. Social media users for the corresponding period were set at 3.196 billion. Given that this represents a 42% penetration of the total global population, it is not surprising the effect it has had on how we use and consume information. The advancements in the functionality of social media and the cross pollination of e-commerce and social media into social commerce has changed the way business and customers interact. The consequent migration to social media as a conduit to further enquiry suggests that businesses should create a presence in this medium (Qwerty Digital, 2017; Kemp, 2018; Grange et al., 2020:-14).

Research by Jones (2015:611-632) revealed that growing a business, creating awareness of a brand, generating loyalty and driving sales were some of the motivations for using social media as part of a combined marketing programme. A study by He et al. (2017:154) which endeavoured to identify the factors that influenced decisions regarding the adoption of social media found that adopters perceived social media platforms such as Facebook as being a simple and cost-effective way to grow their businesses by promoting products and services on the internet. Findings by Ahmad et al. (2018:10-15) into the use of social media by small and medium enterprises in the United Arab Emirates indicated that enhancing brand visibility, expanding existing markets, building relationships by interacting and sharing information with communities and enhancing brand visibility were regarded as important motivators for its implementation. Facebook and Twitter were found to have a positive effect on small businesses in Kenya by improving communication between owners and customers (Ndiege, 2019:1-12). In a similar study in Kenya as well, both platforms were shown to have the most users among small businesses and found to be popular media to share information among different classes. Although these platforms created awareness, which aided in tracking customer experience, a combination of traditional communication channels and social media was needed in order to attract a cross-section of customers (Kimani, 2014).

### 3.7 Factors influencing the adoption of social media as a communication strategy

Available literature suggests that small businesses have inherent factors that affect and influence the level with which they adopt the use of social media and related technologies as communication channels (Dlodo & Dhurup, 2010:164-180; Karjaluoto & Huhtamaki, 2010:17-38; Taimenin & Karjaluoto, 2015:633-651). Personal characteristics such as age, educational level, attitude and the willingness to try this medium also played a role. Peer pressure and the prevailing business conditions also influenced whether small business owners adopted social media (He et al., 2017:154). Owners who were satisfied with their current performance were found to be less likely to use this channel for business purposes. The adoption decision support model developed by He et al. (2017:154-155) as a result of this study is based on the factors discussed above.

**Table 3.4:** Studies focusing on the factors affecting adoption of social media by small businesses

Author	Topic	Location	Methodology	Findings
Dlodo and Dhurup, 2010	Investigation of the factors contributing towards the non-adoption of e-marketing by small businesses in the Vaal Triangle.	Vaal triangle, South Africa	Quantitative method using structured questionnaires among 168 randomly selected small businesses in the Vaal triangle between August and November 2008.	The study highlighted five key barriers preventing the adoption of electronic marketing namely: Cost of implementation of electronic marketing (resources); Lack of information; Knowledge capacity; Lack of government incentive; and Security threat. The study suggested that support programmes by industry players be implemented to promote and develop capacity of SMEs in e-marketing.
Dahnil et al., 2014	An appraisal of the available literature relating to components that influence the adoption of social media marketing by small businesses.		Literature review	This paper considered social media as a subset of marketing, which utilises social media applications to carry out traditional marketing. It highlighted five factors that impacted the adoption of social media by small businesses, namely: End-users as enablers to adoption by forcing businesses to use channels in which their customers are active. Management influence, personnel capacity and resources are regarded as elements of the organisational factor. Opportunity cost, trust and compatibility were considered as part of technology barriers. Environmental factors such as innovation and competition have been instrumental in its adoption.
Ainin et al., 2015	Investigated the factors that influence the adoption and use of social		Dual method Interviews and questionnaire survey	Cost effectiveness, interactivity, trust and compatibility were found to be influencing factors associated with Facebook usage. The SMEs in this study were found to have benefited financially by reducing costs, improved customer relations and ease of access to information. Further benefits included increased sales, more

	media			sales enquiries and sales volumes.
Oji et al., 2017	Established the factors that prevent the use of social media for marketing purposes among restaurants in the Cape metropole.	Cape Town	A quantitative study using a purposive sample of 100 restaurants within the Cape metropole.	The results indicated that internet accessibility was a restricting influence in the adoption of social media by the participating respondents. Respondents also lacked an appreciation of the capabilities of social media. 22% of the respondents were not familiar with social media platforms. 15.9% of respondents indicated a lack of interest in social media.
Bae and Zamrudi, 2018	Challenges of social media marketing and effective strategies to engage more customers.	Jakarta, Indonesia	Mixed method study, which included a review of the literature regarding social media marketing as well as quantitative and qualitative methods.	Growing social media culture in Indonesia. Customers' use of social media as a source of information. Relational aspects of social media strong (affirmation, participation, affiliation). Financial incentive in discounts and vouchers on social media. Business: Direct contact with consumer with opportunity to grow brand through meaningful online experience. Challenges: Lack of clarity regarding success metrics Inter-departmental coordination Limited resources Alignment of different retail platforms (physical, online).
Shaltoni et al., 2018	This study examines the key factors that determine the organisational inclination towards adopting electronic marketing.	Europe	Cross-sectional survey of 135 European SMEs. The concepts were measured using multi-item pointers to record the underlying theoretical domains following a thorough literature review.	The findings indicated that electronic marketing orientation in SMEs was determined by internal elements such as management beliefs, initiation and implementation activities. The results also suggested that businesses would have a stronger inclination towards electronic marketing if it was perceived to be easier than existing methods. Competitive and customer pressure were also regarded as factors that affected its orientation.
Ndiege, 2019	Strategic positioning for small to medium businesses in Kenya through social media technology	Kenya	Qualitative research design whose respondents were purposefully selected using data saturation criteria.	The results of this study suggest that small to medium businesses adopted social media applications as a result of environmental forces such as competitor activity, customers communicating through this medium and the compatibility of existing business infrastructure. Respondents revealed that the use of social media technologies generated benefits such as creating leads, getting new customers, increasing sales and improved customer interaction. The challenges associated with its use were listed as time restraints, converting data into useful information and managing reputational threats emerging out of customer feedback.

The above table summarises several studies that concentrated on the elements affecting the implementation of social media as a communication channel by small and medium businesses. Early adopters of social media as an element of total marketing strategy were mostly large companies such as Dell, Domino's Pizza and Starbucks who viewed this medium as a channel through which they could extract value. A few of the desired outcomes of this chosen strategy were increasing sales, retaining and gaining customer loyalty, generating brand visibility and developing a reputation through improved customer satisfaction (Culnan et al., 2010:243-259; Kormin et al., 2016:1-8; Ahmad et al., 2018:6-17). Firm size had an influence in the adoption of social media as small firms were seen as slow adopters whilst large companies usually have the resources and knowledge capacity to adopt new channels and instruments (Barnes et al., 2012:687-711). It can be argued though that inhibiting factors might contribute to the adoption and implementation of social media as a communication channel. Small businesses are usually more flexible and quicker to change due to their minimal organisational makeup. Karjaluoto and Huhtmaki (2010:17-38) suggest that factors fall into three groups: organisational, resources and environmental.

Social media enables multiperson conversation, which makes it a suitable channel for businesses wanting to sell, advertise and market their brands and services at an affordable cost (Derham et al., 2011). A study by Ainin et al. (2015:570-588) investigated the factors that facilitate the use of Facebook and the resulting business financial and non-financial performance. Various studies looked at how SMEs used Facebook and the desired outcomes of its use. These objectives might have been to increase sales, communicate with customers, advertise products or innovate through technology (Kormin & Baharun, 2016:3-6; He et al., 2017:152-155; Ahmad et al., 2018:6-17)

### **3.7.1 Organisational factors**

This is a business-specific consideration as the owner-manager has influence in deciding whether social media is adopted as a communication channel. This usually stems from the attitude towards it as a consequence of the knowledge and skills possessed by the owner in this area (Michaelidou et al., 2011:1153-1159). The findings of a study in Ireland by Durkin et al. (2013:716-734) which looked at social media adoption by small and medium enterprises, were consistent with the view that resource-challenged businesses operate organically and informally and are often built on personal relationships. Often, specialist knowledge required to engage social media is lacking within a business, which necessitates external support as evidenced from case companies in the same study that had an appreciation of social media engagement but not the skills required to do so effectively. This is consonant with the finding that attitude and capacity to manage social media platforms by small business owners are factors curtailing their use (Kanchanatane et al., 2014:139-144). The study in Thailand by

Kanchanatane et al. (2014:139-144) affirmed attitude as a factor and added that compatibility and perceived utility could be elements that might hinder small businesses from implementing e-marketing. This is further affirmed by the study into social media adoption by restaurants in the Cape Metropole, which revealed that awareness of these platforms does not necessarily translate into effective implementation (Oji et al., 2017:8). A study by Taiminen and Karjaluoto (2015:633-651) found that owners with adequate information technology (IT) knowledge were able to use IT solutions that facilitated the attainment of objectives. This might be the result of discernible benefits that can be extracted through the use of a technically accessible medium.

### **3.7.2 Compatibility**

Company age, innovativeness and location were found to have an impact on adoption of Twitter in a study among SME managers in the UK, USA and Australia. Zeiller and Schauer (2011) revealed that small businesses would use social media if it provided topical content that was pertinent. The degree to which new technologies are embraced by companies is determined by the level of compatibility with existing values, practices and needs (Shaltoni et al., 2018:272-284; Ndiege, 2019:1-12). An example of this can be seen where the adoption of radio frequency identification technologies in the South African retail sector was dependent on a flexible IT infrastructure. Stakeholders also have an influence on whether companies venture online. e-Marketing cannot be pursued effectively if not all the stakeholders are coordinated to use the same platform (Lee & Cheung, 2004:388). Some businesses are engaged in niche markets and the owners might feel that word of mouth affirmation is sufficient to promote the business and therefore forego the opportunity to advertise online (Taylor & Murphy, 2004:285). A study by He et al. (2017:149-160) revealed that while some respondents embraced social media as a marketing channel, non-adaptors reported that the effort needed to keep it updated exceeded the benefits. Others indicated that they were happy with their loyal customer base.

### **3.7.3 Cost effectiveness**

Studies have found a strong association between cost and the assumption and use of technology (Dlodo & Dhurup, 2010:170). The combination of cost efficiencies, ease of participation and low IT skill requirements makes social media suitable as a communication channel (Kaplan & Haenlein, 2010:59-58; Derham et al., 2011). A study by Johnston and Wright (2004:228) which investigated barriers to implementing internet systems found that infrastructure installation costs, substantial financial commitments and lack of cash as being inhibitors to adoption. Speed, reach and lower cost were regarded as important benefits provided by social media as an element of the integrated marketing communications planning for services marketers in a study by Valos et al. (2016:9-40). The cost effectiveness

of social media as a marketing channel was a common thread in other studies (Dyachkov, 2016:35-35; He et al., 2017:154; Ahmad et al., 2018:6-17).

#### **3.7.4 Trust**

Two types of organisational trust suitable in this context are described by McKnight et al. (1998:473-490). The perceived normality of a situation engenders the belief of expected success whereas structural norms such as contracts, guarantees and regulations assure credence. Informational trust can be added to this construct where users believe that the information emanating from social network platforms such as Facebook is reliable, accurate and credible. Another is relationship trust, a consequence of an important resource characteristic of small businesses which is the personal contact network developed to continue and grow the bond between the business and the customer base. The confidence and loyalty within these relationships reduce uncertainty, which fosters the potential for good business. The arrival of social media platforms, however, has made this process more detached and impersonal which presents opportunities and challenges in keeping and developing the personal contact network through these channels without face to face engagement (McGowan & Durkin, 2002:716-734; Durkin et al., 2013:713-734. e-Marketing was seen as a security threat by 23% of the respondents in a study by Dlodlo and Dhurup (2010:164-180) which looked at e-marketing adoption by small businesses in the Vaal triangle in South Africa.

Influencing factors affecting the adoption of social media by halaal small and medium businesses in Malaysia was the focus of a study, which used social media adoption models, developed from the theory of technology acceptance model and adding variables such as the perceived usefulness, perceived ease of use and perceived trust. The results indicated that although all three variables had an influence, perceived usefulness was the highest factor whereas perceived trust was the lowest. A survey of 1000 British consumers following the Cambridge Analytica scandal, in which personal data of tens of millions of Facebook users was sold to this data analysis business, found that only 17% of social media users trust companies with their personal data. The resulting fallout of this type of incident might affect how consumers view and interact with companies on social media platforms and ultimately their marketing efforts (Ahamat et al., 2017:338-348; Johansson, 2018).

#### **3.7.5 Interactivity**

The level of interaction between people and technology is determined to a large degree by the design of information systems. The interactive nature of social media platforms such as

Facebook is a key attribute that enables consumers to respond to communication posted by organisations. Facebook was chosen as a platform to reach potential customers due to the interactive nature of this platform by a small machinery equipment supplier in a study by Bocconcelli et al. (2017:693-709). Some businesses have difficulty with the prospect of diluted control of communication as customers can dictate the tone of engagement, which has as a basis a multiway communication rather than the traditional one-way communication of TV, radio and print. Notwithstanding these issues, this platform presents itself as an ideal low cost interactive medium for marketing purposes (Barnard et al., 2017:65-78; Ndiege, 2019:1-12).

### **3.7.6 Acceptance of new technology as a factor of social media adoption**

One of the stated objectives of this study is to ascertain the factors that motivate the use of social media as a communication strategy among the respondent retailers. Hence, it is plausible that the principles of several theoretical models, which test human behaviour, are relevant. These include the technology acceptance model (Davis et al., 1989); diffusion of innovation (Rogers, 1995); technology, organisational and environment theories (TOE) (Tornatsky & Fleischer, 1990); and the theory of reasoned action (Ajzen & Fishbein, 1980). While this list is not an exhaustive one, each of these has elements relevant to the current study.

#### **3.7.6.1 Technology acceptance model**

The technology acceptance model was devised as a framework to explain the behaviour associated with new technology (Davis et al., 1989:983). Two important linkages were used as predictors to the use of new technology, namely perceived usefulness (PU) and perceived ease of use (PEU). This model has been used by academics researching the acceptance and uptake of social media as a communication channel by businesses. Singh and Srivastava (2019:43-61) used this model to explain the acceptance and use of social media for travel purposes by Indian holiday travellers from which it was revealed that perceived usefulness and perceived ease of use were found to be important predictors for the adoption of this channel. Pentina et al. (2012:65-82) used the technology acceptance model as a basis to explore the adoption of social network platforms as marketing channels among small and medium businesses in the Midwest by adding the role of social influence. The study found that social network marketing was shown to affect the intention to adopt new technology. Further studies using this model as a basis to test the acceptance of social media include Alshurideh et al. (2019:414-418), which included additional elements of the expanded model to include perceived playfulness and intention to use social networks; and



Gavino et al. (2019:469-494) who concluded that PU and PEU were not important predictors for personal use of social network platforms by Latino/Hispanic entrepreneurs.

Two of the objectives of the current study are to identify factors that enable the adoption and use of social media as well as the barriers that impede its use. The prevalence of social media (Kemp, 2020a) might suggest that this medium is accessible to most people through its ease of use. Given that small businesses have restricted resources, a channel that is easy to use might promote its adoption and use (Grimmer et al., 2018:7-26). The degree to which consumers use social network platforms as a source of information on products, businesses and people might create a perception among retailers that this medium might be a useful communication channel through which to interact with customers.

### **3.7.6.2 Theory of reasoned action**

The theory of reasoned action, which was formulated by Ajzen and Fishbein (1980), has social psychology as its genesis in that psychologists tried to explain how attitude affects behaviour. This model suggested three conceptual elements including behavioural intention, attitude and subjective norm. It explains human behaviour with regard to decision-making processes when considering the adoption or use of new technology. Akman (2017:35-39) used the extended theory of reasoned action with two external variables including perceived level of awareness and perceived reliability/enjoyment as the basis to test the adoption of social media for commercial purposes. The results supported the predictive power of the theory of reasoned action and external elements for the actual behaviour of individuals in adopting social network platforms for commercial purposes. Nistor (2019:127-136) combined the technology acceptance model (Davis et al., 1989:982-1003) and the theory of reasoned action (Ajzen & Fishbein, 1980) to create an extended technology acceptance model that considers the influence of social network platforms on the acceptance of technology by individuals. Thus this model considers the effect that social influence might have and the corresponding pressure it might exert on individuals to adopt and use social media or related technologies. It is possible that the results of the current study might align with some of the elements of this model and reflect similar results as found by Turan and Kara (2018:273-291). Their study reviewed factors influencing the adoption of social media by small and medium businesses with regard to the expected outcome of using social network platforms as a strategic marketing communication channel.

### **3.7.6.3 Diffusion of innovation**

Rogers (1995:11-12) described diffusion as the way in which an innovation spreads among members of a social system. The four main elements determining this process are the

innovation, communication channels, time and the social system. Ainin et al. (2015:570-588) and Shaltoni et al. (2018:272-284) used elements of this model to investigate the factors affecting the level of electronic marketing orientation among small and medium businesses. Having used factors such as perceived relative advantage, perceived complexity and the power of the customer, the latter study found that management beliefs, initiation and implementation activities were higher order constructs. The level of electronic marketing orientation was affected by perceived relative advantage and customer pressure.

#### **3.7.6.4 Technology, organisation and environment framework**

The technology, organisation and environment framework is more suited to the business context as it considers three elements such as technology, organisation and environment from a business perspective (Tornatsky & Fleischer, 1990). The technological aspect describes the availability and use of technology pertinent to a business whereas the organisational context refers to the characteristics of the business such as management and size. The environmental context considers factors such as competitors, government, and the industry in which it trades. Marolt et al. (2020:38-58) combined the constructs of the diffusion of innovation (Rogers, 1995) and the technology, organisational and environment theories (Tornatsky & Fleischer, 1990) as a basis from which to gauge the intensity that micro, small and medium businesses adopted social customer relationship management. This was accomplished by developing a conceptual model with antecedents that included intensity of social customer relationship management implementation and performance conclusions in a mixed methods study in Slovenia. It was found that not all antecedents were equally relevant to the model processes although the intensity of social customer relationship management had a positive effect on customer relationship performance. Factors such as attitude, as well as the perceived complexity of social media as a communication channel, along with the desire to interact with customers on platforms frequented by them, might influence the decision of respondents in the current study with regard to using social media as a customer contact point.

As referred to in the introduction to this section, the principles of various human behaviour models might be pertinent to this study. The components of the technology acceptance model with regard to the supposed usefulness and perceived ease of use might be relevant as predictors of enabling factors whereas the motivating factors might be prompted by elements of the theory of reasoned action framework. Finally, the extent of social media use by the respondent retailers might be affected by the aspects of the diffusion of innovation and the technology, organisation and environment framework. The findings of the collected data will shed light on the extent and relevance to which these models apply.

### **3.7.7 Resources**

Human, financial and technological resources all fit under the broader resource umbrella. Small businesses usually lack capacity in these areas as reflected by a study in which connectivity challenges due to lack of resources such as smart devices and internet were cited as hindrances to adopting social media by small restaurants in the Cape Metropole. Resources are seen as essential assets, which are required to engage in social media. Gamma, a machinery supplier, used social media as a resource to generate sales by creating a network of contacts that could work together for mutual benefit (Bocconcelli et al., 2017:693-709; Oji et al., 2017:7). Dlodlo and Dhurup (2010:164-180) highlighted the lack of resources related to the shortage of knowledgeable staff in this area and cost as the principal barrier to adopting e-marketing. The start-up costs of digital channels might have been an inhibitor to creating an online presence but as costs have come down, this option has become more cost effective (Drew, 2003:86). Notwithstanding this, the recurring costs of keeping the online medium relevant and up to date might preclude these businesses from this medium. Various studies highlighted the cost effectiveness of social media as a communication resource, which enables small businesses to use this channel to promote their businesses (Bocconcelli et al., 2017:693-709; Ahmad et al., 2018:6-17).

Due to the organisational structure of SMEs where various tasks are performed by the same person, there is not enough time or people to dedicate to the digital medium. That being said, employees with the required knowledge are regarded as enablers of the adoption of digital channels. A study by He et al. (2017:149-160), revealed varying results with regard to using social media as a business resource. Whereas ease of use and cost effectiveness was cited as reasons to use it by adopters amongst the respondent small businesses of a mid-size US city, frustration caused by the effort required to maintain their Facebook pages led to a decision to discontinue its use by two businesses.

### **3.7.8 Environmental factors**

The ubiquitousness of social media platforms and its use as an information conduit by consumers (Brown, 2017; Qwerty Digital, 2017; Kemp, 2018) means that businesses have to make them part of their marketing communication strategy, as reflected in a study by Kormin and Baharun (2016:1-8), which found that that all the participating Malaysian car brands used at least three social media platforms, with all having a presence on Facebook. Similarly, small business might be forced to adopt this medium in response to competitor activity and its successes (He et al., 2017:154). The environment in which a business trades might have an influence in the strategic orientation with regard to the online medium. This might include

the product or service type, as some are more suitable for digital channels than others. If competitors adopt a digital strategy, a business will be forced to follow suit. The availability of outside support to implement a digital strategy also impacts on whether it is implemented or not. Likewise, a change in customer behaviour and habits will also influence the decision process of a business in this regard (Karjaluoto & Huhtamaki, 2010:17-38, Taiminen & Karjaluoto, 2015:633-651; Ndiege, 2019:1-12).

### **3.8 Use of social media**

The use and application of social media and its varying platforms has changed as this form of online interaction has developed along with the growth in user numbers as well as the motivation for their use. Whereas initially it might have been exclusively used as a contact point between friends and contacts who wanted to share stories, social media platforms such as Facebook and others have developed into media which not only allow the relational aspect but also act as sources of information to enquiry and as conduits through which feedback regarding experiences with products and services can be shared. This has given e-commerce a growth impetus as companies created additional contact points through social media platforms. This then developed into a socially integrated omnichannel business opportunity described as social commerce, and which is worth billions (Brown, 2017; Qwerty Digital, 2017; Kemp, 2018; Grange et al., 2020:1-14; Ntshingila, 2020).

Literature suggests that digitization has provided small businesses with the opportunity to reach and connect with customers more efficiently with the added benefits of lower costs associated with this (Ntshingila, 2020). Nevertheless, SMEs are seen as applying informal marketing techniques that are reactive and spontaneous in contrast to the more formal structure held by marketing theory (Dyachkov, 2016:32-35; He et al., 2017:154; Ahmad et al., 2018:6-17). Small businesses tend to be affected by a degree of inconsistency in the application of electronic marketing. In some cases, sophisticated marketing elements are evident in different online platforms, whereas in others a basic online presence is implemented through a Facebook page. This might be ascribed to the degree of alignment that a business has with online marketing. The willingness to adopt this channel might be affected by organisational, environmental and technological factors. These might be further broken down into pre-existing elements that influence the level of adoption such the perceived ease of use, possible advantage gained through their use, compatibility or competition (He et al., 2017:149-160; Shaltoni et al., 2018:272-284). Taiminen and Karjaluoto (2015:633-651) investigated the adoption of digital marketing tools by small businesses in Finland as part of their marketing mix as well as the factors that promoted or

prevented their use. The results were consistent with the results of studies by He et al. (2017:149-160) and Shaltoni et al. (2018:272-284) in that the Finnish respondents had not adopted online marketing adequately.

The advent and growth of social media has moved the power away from companies as customers interact with businesses as contributors rather than just part of the audience. This has given consumers the influence to affect how companies are perceived as a result of reviews shared by users (Brown, 2017). The motivating factors for using social media have expanded from purely social interaction to researching products and services offered by companies. This has forced companies to change the way they communicate and the content shared, as consumers do not want sales presentation but content that is genuine (Tuten & Solomon, 2015:6-7). The different social media platforms are an important element of the communication and brand building process of a company whether it is by engaging customers or sharing content with them (Bruhn et al., 2012).

### **3.8.1 Social media and retail**

Early literature, which examined the effects of social media, saw it as a threat to the traditional retail model in which the middleman and consumer relationship would be eroded, resulting in direct purchasing from the supplier to the customer. This medium of communication has become the conduit through which customers engage with a company to research their products and services and might proceed to transact with it. A large percentage of the online traffic at South African retailer, Woolworths, originated through consumer visits to their social network platforms (Constantinides et al., 2008:2; Brown, 2017).

The rate at which consumers have adopted smartphones, which is expected to rise to 35 million by 2020 as the main internet connection in their food shopping or to get information on prevailing promotions, flyers, coupons, or look for recipes, means that retailers have had to change the way in which they engage with their customers. Retailers have noted this trend and have created online platforms to offer an alternative to their physical stores, including Woolworths and Massmart, which report growth exceeding 100% (Mangold & Faulds, 2009:357-365; Michaelidou et al., 2011:1154; Brown, 2017). Millennials (or Generation Y) have grown up with social media and will most likely to be influenced in their grocery shopping by social media. Fathers in this generation are shopping more frequently than in the previous generation, which makes them an important group to connect with through social media platforms (Sprinkle, 2015; Brown, 2017; Kemp, 2018; Ntshingila, 2020).

### **3.8.1.1 Development of social media use in retail**

Available literature from retail associations suggest that most retail groups have been using social media in varying degrees and about half of these managed social media in-house which suggests that some were still testing the waters (Kunz & Hackworth, 2011:7; Tirico, 2016). At that stage, most resources were still spent on the traditional communication channels such as television, newspaper and mailings (Windsor, 2015). About 11% of the budget went towards the electronic communication medium. Facebook, YouTube and Instagram were the top platforms used in 2018 (Kemp, 2018). Research tracking the use of social media as a marketing channel, found that in some instances, consumers became more active and in particular on Facebook, which has been accessible because of familiarity and popularity as a social network platform (Edosomwan et al., 2011:79-91; Kunz & Hackworth, 2011:13-19; Kemp, 2018). Social media can be used to build relationships with customers by interacting with them which could improve brand recognition and impact favourably in lowering marketing costs (Rootman, 2016:215; Barnard et al., 2017:65-78). This view is supported to a large degree by the results of the South African Social Media Landscape 2017 survey, which indicated that 91% of the 116 participating brands used Facebook, 88% used Twitter and 66% YouTube (Goldstuck & Du Plessis, 2016). This sentiment is further affirmed by the result of a mixed methods study by Bae and Zamrudi (2018:851-869) which looked at the effectiveness and challenges of engaging customers through social media by two food retailers in Jakarta. Respondents revealed that social media provided a medium through which they could keep customers informed through engagement, maintain brand visibility and create promotional content that was relevant to their customers. Brands however are still uncertain regarding the efficacy of their social media strategy. Reasons put forward are unclear measurement parameters to determine success of promotions, the lack of coordination between departments, and buy-in from top management. Other factors that might influence the adoption of social media as a marketing medium are the age and the literacy in online communication by the business owner. A big swing towards investing in people within a company rather than outsourcing to carry out the social media strategy function was noted (Goldstuck & Du Plessis, 2016; McEndoo, 2016; He et al., 2017:149-160; Bae & Zamrudi, 2018:851-869).

### **3.8.1.2 Convergence of social media and e-commerce**

The prevalence of online shopping and social media has given consumers a wider variety of products from which to choose. This has affected operational and merchandise planning which is exacerbated by the random buying behaviour of consumers (Ramanathan et al.,

2017:105-123). Marketing literature argues that promotions and loyalty programmes are good enough to alter buying behaviour (Divakar et al., 2005:334-350). Although this might be true, customers still insist on good in-store service quality (Martenson, 2007:554-555). Currently, consumers visit retailer and other websites to view products. In some cases, retailers offer virtual tours of the stores that offer informational features that promote the store to potential customers.

Table 3.5 below reflects the social media platform presence of the different retail brands in South Africa whilst Table 3.6 indicates the interactive elements of their web pages. It is important to note that Makro, Game and OK Foods had direct links to prevailing promotional leaflets whilst Shoprite, Pick n Pay and Checkers featured product and price on their home pages. Woolworths and Clicks did not feature any products with pricing on their websites although both groups featured product and price promotions in their online stores (Checkers, 2020b; Clicks, 2020; Game, 2020; Makro, 2020; Pick n Pay, 2020).

**Table 3.5:** Retailer social media platforms

Retailer	Facebook	Twitter	Instagram	YouTube	Google +	LinkedIn	Pinterest
Shoprite	√	√				√	
Checkers	√	√		√	√		
Pick n Pay	√	√	√	√	√		√
Woolworths	√	√	√	√	√		
Spar	√	√	√	√			
Game	√	√		√		√	
Clicks	√	√	√				
Makro	√	√		√			
OK Franchise	√	√	√	√			

**Source:** Shoprite Holdings (2019); Woolworths holdings (2019); Clicks (2020); Game (2020); Makro (2020); OK Foods (2020b); Pick n Pay (2020); Spar (2020)

As social network platform users connect with each other, engage with brands and products, the lines that distinguish between social media and e-commerce begin to blur as both instances use the synergy between them to promote commercial transactions. Social media platforms such as Facebook and Twitter are incorporating purchase options while e-commerce platforms are incorporating social network elements, which suggest that social commerce will become an important concept that is projected to be worth US \$165 billion by 2021 as consumers lose the distinction between a social media platform and an online store. South African retailer, Woolworths, realised online transactions that were initiated through their social media platform. Likewise, Massmart revealed a 100% growth in online sales during the same period (Brown, 2017; Qwerty Digital, 2017; Kemp, 2018; Grange et al., 2020:1-14).

**Table 3.6:** Retailer website interactive elements

Element	Contact us	Store finder	Promotions	Recipes	Social media links	Services	Dept. browse	Store App.	e-Commerce
Shoprite	√	√	√	√	√	√	Limited	√	
Checkers	√	√	√	√	√	√	Limited	√	Click n collect
Pick n Pay	√	√	√	√	√	√	√	√	√
Woolworths	√	√	√	√	√	√	√	√	√
Spar	√	√	√	√	√	√			
Game	√	√	√	√	√	√	√	√	
Clicks	√			√	√	√			
Makro	√	√	√		√	√	√		√
OK Franchise	√	√	√	√	√	√			

**Source:** Shoprite Holdings (2019); Checkers (2020b); Clicks (2020); Game (2020); Makro (2020); OK Foods (2020b); Pick n Pay (2020); Spar (2020); Woolworths (2020).

### 3.8.2 Impact of social media reviews on retail sales

Researchers in tourism, marketing, service and retailing sectors are looking at the effects social media has on these fields. Literature can indicate a clear link between the customer experience shared through social media and the level of customer satisfaction. Online ratings by customers on sites such as Ebay and Bizrate have been used to gauge the performance level in the service industry for the last three decades. It is not clear how social media will change planning and improve service in the retail industry (Ramanathan et al., 2017:105-123). As social media plays an increasingly important role in business, the decisions made in response to customer feedback on service or products might result in negative impact on a business. A quick response with positive corrective action following a negative review might turn a negative situation into an opportunity to grow sales following positive feeds. Understanding the potential impact social media can have on a business should compel owners to include it as part of operational plans to develop customers by improving satisfaction levels (Ramanathan et al., 2017:105-123).

Retailers have been forced to change over the last two decades by introducing loyalty programmes to retain existing and attracting new customers, as a result of the emergence of the internet and social media, which disrupted customer-shopping patterns. The efficacy of promotions in the retail sector can be analysed by looking at the sales figures. These enable managers to plan production, logistics and distribution in order to replenish stock timeously (Forslund & Jonsson, 2007:90-107; Ramanathan et al., 2017:105-123). In the social media era, the feedback from customers regarding products or service quality is posted online on platforms such as Facebook and Twitter. Customers are also more active during promotions, which suggest that managers ensure stock availability in order to avoid depleted stocks and disappointed customers.



### **3.8.3 Impact of marketing in retail sales**

Shopping and repeat purchases are an area of focus for researchers and retailers (Grewal et al., 2004:9-12; Ramanathan, 2017:105-123). Different elements make up customer shopping behaviour, which includes loyalty, repeat purchases and the tendency for groups of shoppers to buy several brands in a category (Woodside & Walser, 2007:1-10). It is a given that loyal customers are important for the future survival of a business. In this context, Rowley (2005:194-206) categorised four levels of loyalty, namely captive, contented, convenience searcher and committed, which might vary according to product or service. Ongoing brand loyalty is the result of trust, interaction, ease of use, sense of value and satisfaction. Previous research has linked customer satisfaction to customer loyalty (Jani & Han, 2014:11-20). Studies have looked at customer responses in the retail environment in the context of the effects of customer mood and shopping experience has on shopping intention (Swinyard, 1993). Shopping decisions will be further influenced by customer feedback on social media platforms (Ramanathan et al., 2017:105-123).

### **3.8.4 Customer satisfaction and social media reviews**

A customers' decision on what or where to buy might be influenced by reviews of products and the retailers that stock them. Decisions are further influenced by the marketing messages distributed by companies and the comments posted by other consumers as well as the promotional offers made by companies. A consumers' knowledge of a brand might be influenced by personal experience, exposure to information sources such as traditional media, social media and word of mouth. Family and friends also add to the pool of information on which to base decisions. Elements such as impulsive behaviour, time constraints and perceived value have been considered by researchers as factors that affect buying decisions (Nichols et al., 1997; Bagozzi et al., 1998; Ramanathan, 2013:105-123). Retailers and marketers regard customer satisfaction as an important element and therefore have invested time and energy to understanding consumer behaviour. Although advertising has been the medium through which marketers offer their products and services, consumers are increasingly turning to word of mouth opinion to create an attitude towards a brand (Swanson & Kelley, 2001:194-11). Stafford and Day (1995:57-71) have shown that consumers are more receptive to advertising that adopts a more informational engagement.

## **3.9 Social media and small to medium businesses**

There is a growing volume of literature relating to social media and social networks as they relate to its use by small and medium enterprises as a marketing communication channel. Kapoor et al. (2018:531-558) conducted what can be regarded as a comprehensive review of research studies carried out on social media and social networking between 1997 and 2017.

The 132 articles in this review were then divided into seven different clusters with particular themes, such as articles dealing with research on Twitter. Another cluster focused on technology adoption whereas issues related to social media was the predominant theme of another. This study is useful to future researchers as it offers different streams of social media research.

**Table 3.7:** Studies focusing on the use of social media among small to medium businesses

Author	Topic	Location	Methodology	Findings
Harris and Rae, 2009	Using social network communities as a marketing tool through the collaborative approach.	UK	Qualitative multicase study	The study found that the pre-emptive driver of online collaboration and advocacy was a culture of trust. In this instance, Ecademy business network, Facebook, SecondLife, Blog and their own forum were the channels used to network with others. The interviewees noted that these platforms affected their businesses positively by expanding their network, generating new leads and growing sales. This was cost effective for their limited marketing budgets.
McCann and Barlow, 2015	Investigation into why SMEs are using SM and how they should measure ROI.	Scotland	Literature review Quantitative survey (online questionnaire 106 respondents)	SMEs in this survey believe that SM is a channel through which customer relationships can be enhanced, raise brand awareness, highlight specialist knowledge and cultivate new contacts. Most however, did not measure the effectiveness of its use due to a lack of knowledge and resources to do so. This suggests that planning and evaluation models that have clearly defined goals, objectives and metrics are needed for SMEs in order to use it effectively and be able to measure it before deciding on which social media platforms on which to be active.
Taiminen and Karjaluoto, 2015	Examining the goals and objectives of using digital marketing and the factors that influence its adoption	Finland	Mixed methods study incorporating a multiple case study using a subjective sample strategy with an in-depth knowledge of a certain phenomenon as the main objective. This was supported by a survey. A review of the literature on previous studies.	The adoption of digital tools for marketing purposes by the SMEs in this study is not consistent with the internet penetration and usage levels of social media in Finland. The website and SEO were considered important elements for online visibility although other forms of online advertising such as blogs remained low. Increasing sales to existing customers was not considered important which might be the result of not appreciating the different online sales options. The study also suggests that the SMEs involved did not comprehend the changing communication modes as a result of digitization.
Barnard et al., 2017	Identification of criteria for the optimal use of	South Africa	Review of the current literature regarding	Seven core elements were identified as a basis for the most advantageous use of Facebook following a cluster analysis. These include:

	Facebook pages for marketing purposes in a South African context.		social media marketing as well as a non-probability sample (judgmental).	Proactive planning; Retaining customer loyalty and attention; Building personal relationships; Enabling and reward sharing; Accurate and consistent communication; Expanded reach through multimedia use; and creating interesting content
He et al., 2017	An exploratory investigation of social media adoption by small businesses	Mid-size US city	Qualitative, case study of 27 businesses. Includes interviews, literature review, social media site cross checks	The objective of the study was to identify the factors that influenced the decisions regarding the adoption of social media. It found that adopters perceived it as easy to use. The personal characteristics such as age, educational level, attitude and the willingness to try this medium also played a role. Peer pressure and the prevailing business conditions also influenced whether small business owners adopted social media. Owners who were satisfied with the current performance were found to be less likely to use this channel for business purposes. The adoption decision support model developed as a result of this study is based on the five factors above.
Ramanathan et al., 2017	The study investigated how retail networks leverage the potential of social media reviews along with unique service operations to satisfy customers.	England	The study adopted a paper-based customer survey. The retail purchases and customer behaviour questionnaire was distributed in the southeast of England.	The study revealed that the interaction between brand satisfaction as a result of promotions and social media reviews was not significant. Further, social media reviews were not notable. Moreover, social media reviews and good service operations were shown to be related to customer satisfaction. Retailers will have to interact with customers through social media platforms such as Facebook and Twitter as a way of handling complaints, responding to customer experiences and thanking customers for purchases instead of just concentrating on sales promotions. Retailers will also need to ensure that service operations are optimal in order to improve customer satisfaction, which might result in increased sales.

The table above summarises the detail regarding studies that focus on the use of social media as a marketing communication channel among small to medium business both internationally and South African.

### 3.9.1 Social media use by small businesses

As social media increasingly becomes the contact point between the customer and business, it becomes imperative that the interaction satisfies the needs and wants of the user when looking for information on products or services, whether through word of mouth from other users, reviews or the business website. Businesses appreciating this trend, will devote resources to ensure a meaningful experience that enhances brand and business value

(Rootman, 2016:212-224; Valos et al., 2016:19-40; Wang et al., 2016:4-14; Brown, 2017; Ndiege, 2019:1-12).

### **3.9.1.1 Social media as a networking medium**

A study that investigated the use of social media as a networking tool by four female entrepreneurs revealed that they used social media platforms as a means to improve the relationship with both their suppliers and their customers, which had a positive effect on the performance of their businesses. They created interaction with their customers by offering prizes for comments on posts, which resulted in excitement around these events and generated extra sales. It was found that they had to learn to understand how to use social media platforms in order to avoid making errors that might negatively affect their businesses (Chache, 2015:38-69). The key findings of research by Jagongo & Kinyua (2013), which concentrated on attempting to establish the influence of social media on the growth of SMEs in Nairobi, concluded that most SMEs did not fully understand the potential of social media. Technical capabilities and restricted resources were identified as reasons for the limited use of this medium by those that did. This quantitative study further revealed that social media facilitated the breakdown of geographical barriers, which enabled smaller businesses to compete against larger enterprises as this channel was seen as a quick and cost-effective way of communicating with customers.

A further study by Durkin et al. (2013:716-734) revealed that the case companies were anxious to adopt social media, which was perceived as being an essential tool for business growth. Gbadeyan and Mensah (2016:84-99) applied a quantitative approach, using a purposive sample of online businesses in the Cape Coast region of Ghana involving 2000 respondents attending universities in the area. They examined the effect of social media on online shopping and found that social media had a positive influence on the profitability of these businesses, which could contribute towards their long-term sustainability. The results also indicated a positive relationship between the buyers and the social networks, which appear to increase the visibility and brand awareness of a product. Another quantitative study amongst small to medium enterprises in Ghana, which focused on the usage and performance benefits of social media, indicated that its use was suitable to this type of enterprise given the minimal cost, low level of IT skill required and the low barriers to participation (Acheampong et al., 2016:1-16). This is in contrast to the study by Michaelidou et al. (2011:1153-1159) amongst 1000 UK SMEs, which highlighted perceived barriers such as lack of funds, time, training, negative perceptions of usefulness, as well as lack of skills with this technology as inhibitors of its use.

### **3.9.1.2 Changing perceptions**

A further study conducted in Northern Ireland studied the relationship dynamics between small business and banks with a focus on the use of social media as a communication channel between these two groups. This qualitative research study, which used 16 in-depth interviews, revealed a positive attitude by small business owners towards the use of social media as a conduit to improve relationships with banks, whereas the opposite was true from the bankers' perspective (Durkin et al., 2014:251-264). Changing attitudes towards the use of social media and the strategies developed for its use by small businesses in the northwest of England were two of the objectives of a mixed methods research study focusing on small business with less than 50 staff. The key findings indicated a preference for the use of Facebook to communicate with the consumers rather than with other businesses. Twitter was the most widely used platform to inform customers on various issues. Respondents understood the importance of having an advocate of social media who could enhance the use of this medium for the benefit of the business, as well as react quickly to negative comments that might be picked up during the monitoring process. This study was limited by the small number of respondents, which means that the results were not generalizable (Carter, 2014:4-6).

Social media is used as a platform in which customers share views on stores and brands with family and friends, which might have an influencing factor on shopper behaviour. Other factors that affect buying decisions are promotional offers and gift vouchers (Divakar et al., 2005:334-350; Ramanathan et al., 2017:105-123). Customers also review comments left by other customers that describe their shopping experience. Although negative responses might dissuade potential customers from visiting a store, managers can use this as an opportunity to solve problems by reacting and acting quickly to improve the customer experience and thereby gain new customers (Ramanathan et al., 2017:105-123).

### **3.9.2 Impact of social media on small businesses**

Although there is growth of studies that recognise the impact of social media on SME sales, Andzulis et al. (2012) posit that the evolution process of social media in sales is not dissimilar between large and small firms. Michaelidou et al. (2012:1153-1159) reflect that only 23% of SMEs used SM platforms as an element of the sales operation whereas Jones et al. (2015:611-632) noted that this channel together with a web presence will become an important element of the initial and repeat sales process. Bocconcelli et al. (2017:693-79) are of the view that social media use by small businesses has been explored without looking at the business processes with regard to networking internally with reference to the constraints

faced, as well as the external relationships cultivated to overcome these. A study by Ndiege (2019:1-12) which investigated the use of social media as a strategic positioning strategy by small businesses in Kenya suggested that although they benefited by using this medium, they did not gain full value because they had not used social media analytical tools to extract both quantitative and qualitative data from their platforms. The study by Bocconcelli et al. (2017:693-379) explored the impact that the adoption of social media had on Gamma, a machinery producer for the construction industry, with regard to utilizing this medium to improve sales in a rapidly changing and competitive trading environment. The context of this study fits in the changing digital situation away from the transactional to an interactive and relational connection. In this instance, important relationships were developed in foreign markets through the use of social network platforms to demonstrate products and communicate with the new customers.

The table below illustrates a few example of research carried out that investigated the impact social media on businesses that had adopted it as a business marketing element.

**Table 3.8:** Studies considering the impact social media on small businesses that used it as a communication channel

Author	Topic	Location	Methodology	Findings
Jagongo and Kinyua, 2013	Assessing the efficacy of social media as a factor influencing the growth of SMEs in Nairobi. Focus points were access to markets, managing customer relationships, innovation and pricing competitiveness.	Nairobi, Kenya	Quantitative study that used cluster sampling to divide the population of interest and simple random sampling within these clusters to identify businesses for this study.	This study revealed that about 80% of the respondents used social media platforms whereas 20% did not. The main reasons given by those not using this medium were: social media tools not applicable to their businesses, social media used as a social communication medium between friends and the perception that it is costly. Of those using this medium, 23% considered customer relationship management important, 22% viewed it as a selling tool and 21% wanted to access new markets. The study concluded that most SMEs did not understand the potential of social media for their businesses as those that did use it, only used selected tools due to restrictions on technical capacity and infrastructure. The study suggested that this medium could be used by SMEs to gain a competitive advantage over larger businesses.
Rootman, 2016	This study investigates the influence of social media tools on brand image and buying behaviour of customers in the food retail	Port Elizabeth, South Africa	A quantitative research approach using a non-probability convenience sample	Results indicated that retailers who used the three social media tools (Websites, Facebook and Twitter) would improve their brand image and consequently customer buying behaviour. It was also revealed that food retailers did not have a positive brand image in the minds of customers. The study recommended that retailers use social media tools for marketing communication as a means to improve

	industry			brand image, which will ultimately change buying behaviour positively.
Gujral et al., 2016	Examining the impact of marketing mix and online marketing on SME cafés in south Africa as a marketing strategy	Johannesburg, South Africa	Convenience sampling in a qualitative study.	The study found that promotion was not regarded as an important element of the marketing mix by the respondents as they felt that product, price and place were sufficiently effective. This might be because these traders did not have the knowledge to use cost-effective promotional platforms. Notwithstanding this, event marketing was seen as a popular mechanism to advertise their businesses. Online marketing was also used to achieve objectives through platforms such as the Café website and social media platforms such as Facebook, Twitter and Instagram. However, no formal structures were in place to track the efficiency of online activities such as Google Analytics, which can track traffic to the website and engagement characteristics.
Bocconceli et al., 2017	Examining the effect of the implementation of social media as a new way of selling by a company being influenced and adapting to changing market conditions.	Italy	Case study	This longitudinal case study, which investigates the adoption of SM as an element of the sales process, reveals that social media can be seen as a valuable resource, which can heighten visibility and enable entry to new markets that would not have been accessible. This study also notes the supporting role played by interconnected resources such as knowledge and product features as well as external factors such as knowledge of SM and its use by current and potential customers. The longitudinal nature of this case highlights the changes that might be necessary when viewing SM as a resource in relation to other resources used in the sales process. This posits that a deep analysis of the internal and external environment of SMEs is required to understand the sales process and what role social media plays in sales management.
Ahmad et al., 2018	The study examines the impact of social media adoption on small and medium business from a word of mouth, viral marketing and social presence perspective.	United Arab Emirates	Qualitative study using purposive sampling that collected data through in-depth semi structured interviews.	The study highlights the potential benefits of using social media as a channel to improve brand awareness, grow sales and foster relationships with customers. The interactive nature of social media is enabled by two-way communication between business and customer. The importance of social media is illustrated by enabling factors that can be used by businesses to improve business performance.
Tuten and Perotti, 2019	Investigating the impact of the influence media	Not specified	Mixed method approach including sentiment	The findings illustrated that sentiment towards brands was negatively affected following the spread of false claims through social media. This indicated that

	coverage might have following user-generated content, which expressed opinions regarding brands on social media.		analysis of both the media coverage and social media discussions	users of this medium were influence by media publications and became instrumental in spreading the sentiment towards the brand. This suggests that brands need to be proactive in addressing facts quickly to mitigate the impact early on, as this might not be as effective later.
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Resource-scarce SMEs conduct business in an unplanned fashion although there is growing evidence that these small businesses are creating networks as a means to overcome the size restriction. This is pertinent to a case study in which respondents saw networking on the web and social media as an opportunity to overcome the weaknesses highlighted earlier as a way of improving their competitive situation (Chache, 2015:38-59).

A study by Jones et al. (2015:611-632) which explored the impact that social media had on small businesses in Maine, found through in-depth interviews that owners had experienced growth in booking requests after creating a website. Other benefits reported by the participants were that this medium increased customer reach, helped build relationships and was regarded as a cost efficient promotion tool. The ability to attract a better quality customer and the capacity to overcome geographic boundaries and attract them from around the world was seen as a major success factor at a lower cost than conventional media. In the same study however, an art shop owner did not utilise the internet or social media platforms, as she perceived herself as being incapable of using these channels skilfully.

The online presence has resulted in an increased awareness of businesses and enabled them to cultivate improved relationships with customers that lead to increased sales levels and repeats. The increased sales have also resulted from the improved accessibility of the businesses to customers from around the world. The results suggest that although small business contends with resource limitations, the web and social media presence facilitate cost-effective strategies that allow them to survive and grow. This study supports the suggestion that businesses must consider their unique characteristics and invest time and energy in securing platforms that best reach their target markets (Jones et al., 2015:611-632).

In a study by Ainin et al. (2015:570-588), cost effectiveness, interactivity and compatibility were found to be strongly associated with Facebook. The SMEs in the same study were found to have benefited financially by reducing costs, improved customer relations and ease of access to information. Further benefits included increased sales, more sales enquiries and sales volumes. The result is consistent with previous findings that indicated a positive



association between business performance and the use of technology (Wang et al., 2016:971-981; Ramanathan et al., 2017:105-123; Ahmad et al., 2018:6-17).

The growing number of consumers using internet technologies to access the web and social media platforms in order to develop relationships and create networks, present businesses with an opportunity to reach and contact them. Guarino (2013) is of the view that business websites should be the main destination for visitors instead of social media platforms, although these channels are becoming important. The justification for this is that a business has no control over the content or advertisements that a consumer is exposed to when visiting a social media platforms. A coordinated effort is more effective when the multiple platforms link back to the web page. The relationship between the customer and the company is owned by the business and not the social media platform. Businesses then own the collected data and are not affected by the terms and limitations imposed by social media platforms. A web page gives the company control of the quality and character of the content as well as the presentation, which might be perceived as more compelling and influential (Guarino, 2013).

Customer needs and desires might be identified more easily by companies monitoring visits to the website and by online surveys Porter (2001:16). Adopting e-marketing can positively affect the sales and profitability of a business as a result of offering products and services that meet customer requirements through advertising in emails, banner advertisements and mobile platforms. The internet also makes global markets accessible to businesses adopting e-marketing (Harris & Dennis, 2002:18).

### **3.9.3 Benefits of web pages and social media platforms**

The rapid growth of social media in the last few years has provided small businesses with an opportunity to cut through the clutter and connect with customers through new channels that have an effect on consumer buying decisions and attitudes (He et al., 2017:149-160; Bae & Zamrudi, 2018:851-869; Ndiege, 2019:1-12). A study by Jones et al. (2015:611-632) found that 88% of customers used social media to communicate with companies whilst 67% indicated that they did so sometimes whereas 21% said that they did so always. The same study revealed that word of mouth and editorial were the most referred to sources. Social media was ranked third with 21% followed by TV adverts at 12% and newspapers at 9%. Although businesses do not always derive direct benefits from social media, the long term relationships that can be developed as a result thereof can lead to improved brand awareness. The onus then lies on the business to provide content that attracts customers and information that informs purchase decisions. Previous studies have revealed that peer

communication via social media had a significant influence on purchase behaviour (Wang et al., 2012:198-208).

The affordability of social media as a promotional instrument that enables businesses to target customers effectively is an important consideration for its use. It is also an effective way to share information and interact with customers (Wang et al., 2012:198-208; Ndiege, 2019:1-12). Lack of time and technical capacity has been cited by different studies as a hindrance to using the web and social media platforms for business purposes. Jones et al. (2015:611-632) support the suggestion that simple web site creations be available for small businesses to facilitate web presence without the complexities of professional websites. Although social media advertising is mainly associated with and practiced by larger companies, small businesses can use this medium to target their customers effectively (Jones et al., 2015:611-632; Shaltoni et al., 2018:272-284; Ndiege, 2019:1-12).

### **3.9.4 Measuring return on investment of social media**

Determining the return on investment from social media is difficult due to a lack of defined quantitative metrics, which are used for traditional media whereas social media research generates mainly qualitative data, which cannot be translated into monetary value (Stockdale et al., 2012:1-14; Ahmad et al., 2018:6-17). Ndiege (2019:1-12) and Ainin et al. (2015:579-581) were of the opinion that the results of the implementation of social media could be reflected in the performance of a business even though this medium does not carry any financial value. Bocconcelli et al. (2017:693-709) assert that manifested changes in familiarity, preferences and purchasing habits translate into financial value to businesses, as found in the case of a machinery company which used social media to grow their business successfully. Linking an increase in sales due to social media activity cannot be proven or otherwise due to the lack of metrics described earlier. SMEs in this survey believe that social media is a channel through which customer relationships can be enhanced, and that can raise brand awareness, highlight specialist knowledge and cultivate new contacts. Most, however, did not measure the effectiveness of its use due to a lack of knowledge and resources to do this (Fisher, 2009; Sexsmith & Angel, 2011; Stockdale et al., 2012:1-14). This suggests that planning and evaluation models are needed for SMEs in order to use it effectively and be able to measure it.

Several studies showed that social media was conducive to creating leads and cultivating relationships with customers (Bocconcelli et al., 2017:693-709; Ahmad et al., 2018:6-17; Ndiege, 2019:1-12). A survey by Jones et al. (2015:611-632) of five small businesses in the western region of Maine that had adopted social media, revealed that respondent businesses

had benefited through increased enquiries, improved customer relationships, increased customer reach and better sales performance. A study by Grimmer et al. (2017:7-26) found that informational resources, such as point of sale systems, customer data base, monitoring competitors and keeping up with industry trends, were important elements affecting business performance. Access to finance was also regarded as critical to performance.

Although the above studies reflect an attempt to quantify the return of investment that social media might create for the business, various studies indicate its value to improved business performance following its use as a conduit through which customers can make contact with, develop and improve mutual relationships (Brown, 2017; Ahmad et al., 2018:6-17; Bae & Zamrudi, 2018:851-869; Shaltoni et al., 2018:272-284). Social media has been used as a communication channel to reach customers thereby building positive brand value which enabled expansion of the customer base and improved sales (Rootman, 2016:212-224; Wang et al., 2016:4-14; Ahmad et al., 2018:6-17; Shaltoni et al., 2018:272-284). Developing competitive positions relative to larger competitors was also reflected as benefit of using social media (Shaltoni et al., 2018:272-84; Ndiege, 2019:1-12).

### **3.10 Summary**

The chapter commenced with a brief description of social media and social networks. There was an endeavour to illustrate the difference within the various types of social networks through categorization and functionality. A detailed look at specific social media platforms particular to this study such as Facebook, Instagram, YouTube and Twitter was conducted, although reference was made to many others.

The use of social media as a communication strategy was explored and contextualised within the small to medium businesses and retail sector. The factors that promote or inhibit its use such as organisational, environmental and resources were discussed and a look at the application of social media by these businesses was undertaken. The benefits of adopting this medium of communication and the impact it might have on businesses that have implemented was investigated through a literature review of past and present studies.

The chapter ended with brief description of the promotion mix with reference to developments and changes in communication modes and models as a consequence of internet advancements and the incorporation of social media as an element of the overall communication strategy.

The following chapter looks at the research design and methodology selected to be most suitable for this study that explores the use of social media as a communication strategy among independent food retailers in the City of Cape Town.

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

#### **4.1 INTRODUCTION**

In chapter two, a detailed review of retailing was undertaken which looked at the traditional retail models across the different formats. The impact that technology has had on retailing was explored and future trends postulated. Chapter 3 focused on the development of the internet and the resulting technologies that have changed the way consumers interact with brands and businesses. Adapting to and adopting social media and social networks as a means of communicating and engaging with customers is influenced by various factors that might inhibit or promote its use. The preceding chapters form part of the secondary research used to inform the study and assist in attaining its stated objectives.

This chapter lays out the research strategy and methodology used for this study. This is done by revisiting the research objectives, followed by the research perspective and approach. The research process continues with the procedure, which was undertaken to select the participants, the collection of data, and analysis, reduction and interpretation thereof. The steps taken to ensure the validity and credibility of the study are outlined, and the chapter concludes with an explanation of the limitations of the study.

#### **4.2 Research**

Wiid and Diggins (2013:31) consider research as an organised gathering of data using recognised methods and processes that enable the analysis thereof and convert it into information that might help in making a decision regarding the raised question. Kumar (2011:28) views research as the process of collecting, analysing and interpreting information in order to answer stated questions. This process must be seen to have been conducted in a meticulous manner that can be verified as being valid and empirical.

#### **4.3 Research philosophy**

Creswell and Poth (2017:61-63) point to four philosophical assumptions that researchers consider when undertaking qualitative research. Ontology refers to the nature of reality and its attributes as seen through multiple perspectives. Epistemology considers the relationship between the researcher and the object of study as well as the measure and justification of knowledge. The axiological assumption contemplates the role of values and bias that the researcher admits to which might influence the study. The methodological premise reflects on the process and the language of the research from an inductive perspective that has an emergent design based on suitability.

### **4.3.1 Positivism versus interpretivism**

Dieronitou (2014:5-8) highlights positivism and interpretivism as two perspectives that have methodological implications. These orientations underpin methodology and approach to research (Babchuck & Badiie, 2010:1-6). The objective and rational approach is characteristic of the structured and controlled method of the positivist perspective in which a hypothesis is tested using mathematical and statistical techniques (Edirisingha, 2012). The positivist perspective is deductive and quantitative in nature (Dieronitou, 2014:5-6).

The interpretivist approach is inductive in nature in that it builds theories to explain realities (Edirisingha, 2012). Interpretivism differs from positivism from the start of the research process in that the former uses more open ended questions whereas the latter is based on hypothesis. Interpretivists avoid rigid structures and use a personal and flexible approach that facilitates the capture of meanings and understandings in a reality that is constructed based on experiences, interaction and mutual communication (Zikmund & Babin, 2013:97). The objective of the interpretivist philosophy is to understand and interpret meanings in human behaviour instead of generalising and predicting cause and effect (Carson et al., 2001:5; Phothongsunan, 2010:1-4; Edirisingha, 2012).

In this study, this approach realised detailed information that relates to the realities as experienced by independent food retailers with regard to social media as a marketing communication strategy through a conversation type research instrument. This research philosophy is appropriate to social sciences and will enable the researcher to understand the reality in which these independent food retailers compete and their attitudes towards the use of social media as a strategic channel in the marketing communications mix (Wilson, 2006:105-106; Zikmund & Babin, 2013:97-99).

### **4.3.2 Research approach**

The chosen methodology should be based on its ability to answer the research questions suitably (Zikmund & Babin, 2013:98; Njie & Asimiran, 2014:35). Wiid and Diggines (2013:86-87) and Zikmund and Babin (2013:97-99) distinguish between qualitative and quantitative research by describing the former as a method that cannot be quantified but rather draws on analysis and interpretation of the collected data using a less structured process. The latter of the other hand, involves large samples that generate conclusions based on numerical calculations. Quantitative methods involve surveys, observation and experiment whereas projective techniques, focus groups and in-depth interviews are characteristics of qualitative research (Wiid & Diggines, 2013:85-86).

A qualitative research design highlights the method of discovering how social meaning is constructed and assigns importance to the part played by the researcher and the topic. Snape and Spencer (2003:6-7) noted that qualitative research endeavours to understand how people interact with a phenomenon within their own environment as observed by the researcher through various means such as interviews, discussions, field notes, pictures, recordings and personal notes which establishes themes and patterns through an inductive data analysis process (Denzin & Lincoln, 2005:3; Creswell, 2007:37). Mason (2002:3) encapsulates the objective of qualitative research as being able to explore a wide array of dimensions of the social world, including the feeling and pattern of everyday life, the experiences and understanding that the research participants generate through social processes. Peshkin (1993:23-29) specifies that qualitative research serves an holistic purpose in that the nature of a situation, setting or process is revealed in its descriptive sense; gains new insights and concepts and discovers problems existent in a given situation in the interpretative sense; experiments assumptions in the verification sense and provides a means of judging the effectiveness of particular practices and processes in the evaluative sense. In this instance, the qualitative perspective will assist in gaining insight into how independent convenience retailers within the greater Cape Town area view social media as a platform for marketing communication strategy, the barriers that inhibit its use, as well as factors that enable it.

#### **4.3.3 Research discourse**

The inductive approach is usually associated with qualitative research. The extracted data is used to formulate interpretations of the researched object/topic (Gratton & Jones, 2010:36). In contrast to the deductive approach, which sets out to disprove or prove a hypothesis, the inductive approach allows theories to emerge from the analysed data (Babchuk & Badiie, 2010:3) without consideration to existing theory (Strauss & Corbin, 1988:12). This approach however can result in subjective bias. In the context of the current study, the knowledge and experience of the researcher in the retail industry might influence the interpretation of the responses by the respondents and analysis of the emerging data.

#### **4.3.4 Chosen research philosophy**

The current research investigated whether independent food retailers in the City of Cape Town use social media in their communication strategies. In order to gain an understanding of the realities as experienced by the respondents of the study, a bottom up approach consistent with interpretivism was adopted. The researcher becomes part of the study and therefore acknowledges subjectivity that might have affected the analysis and coding of the responses. A lack of available literature focusing on the subject necessitated an exploratory study using a qualitative approach. Denzin and Lincoln (2005:3); Creswell (2007:7); and

Aaker et al. (2011:162-163) describe qualitative research as an approach that allows the researcher to interpret observed situations as a result of insight gained through interacting with participants in their natural setting. This is a less structured approach than quantitative research and enables the researcher to draw themes from data collected from various sources (Wilson, 2006:105-106; Zikmund & Babin, 2013:97).

#### 4.4 The research process

Marketing research identifies the information needed to deal with consumer issues. It outlines the process through which the required information will be collected and sorted in a manner that facilitates analysis thereof. The results of the collected data are then communicated through a report that includes discoveries and inferences (Malhotra & Birks, 2007:6; Sarstedt & Mooi, 2014:12). This outlines the research process, which is regarded as having six broad stages (Malhotra & Birks, 2007:14; Zikmund & Babin, 2013:55). Whereas Table 4.1 below represents a simplistic view of the research process, the stages are all interrelated and affect one another. It is possible to revisit the problem if it does not inform the research design clearly. Likewise, errors in any of the stages affect the others (Iacobucci & Churchill, 2010:32).

**Table 4.1:** Simple presentation of the marketing research process

Stage 1: Define the problem
Stage 2: Develop the research approach
Stage 3: Research design developed
Stage 4: Field work and data collection
Stage 5: Data preparation and analysis
Stage 6: Report preparation and presentation

**Source:** Adapted from Malhotra (2007:7); Iacobucci and Churchill (2010:31)

**Problem definition** is critical to the usefulness of the study. An exact definition can assist in designing research that yields suitable information. This precedes the research design and study implementation and forms the basis on which researchers and marketing personnel communicate regarding the problems they experience and the research support they require. This is usually in the form of a brief, which includes the background information relating to the problem, the objectives of the research, the individuals who will use the findings, and the constraints and administration (Malhotra & Birks, 2007:47-48; Iacobucci & Churchill, 2010: 29). The defined problem of the current study is the investigation into the relationship that independent food retailers trading in the greater City of Cape Town area have with social media and its use as a strategic marketing communication channel.

The **research approach** requires an understanding of factors that can influence the research design as this involves the selection, assumption and evolution of the theoretical framework

(Malhotra & Birks, 2007:49). In instances where little information is available on a research, problem, exploratory research is justified and can start with a review of available secondary data. If however, the problem has been clearly defined, then causal or descriptive research is required. A review of the current literature revealed little information specific to the proposed study. A qualitative approach would therefore allow the researcher to explore and understand whether independent retailers use this medium as a communication channel and their approach to its use.

The **research design** is the plan from which the research project will be carried out. It is designed to test hypotheses and establish possible answers to research questions, which provides information necessary to facilitate decision-making (Malhotra & Birks, 2007:64-69; Iacobucci & Churchill, 2010:30). In this instance, exploratory research was the most suitable in order to achieve the stated research objectives.

The **data collection** phase includes secondary and primary data. The former is information that is already available that might have been collected for other reasons. In some instances, the available information might be sufficient to fill the information gaps. In most cases, primary data is required and can be collected using qualitative or quantitative techniques. The secondary data collection entailed a review of all available literature dealing with the study focus while the primary data was collected through in-depth interviews with the respondent retailers. Each of these has sampling issues, which include the sampling frame, the sample selection and the size of the sample. In the case of qualitative research, this stage might include the process of selecting the individuals who would participate in in-depth qualitative research. In this type of research, the quality of the selected respondent is essential, as representativeness is not the objective (Malhotra & Birks, 2007:94; Iacobucci & Churchill, 2010:30). A non-probability judgemental sample of a few key informant retailers was regarded as ideal for this study.

The **data preparation and analysis** stage includes the editing, coding, transcription, tabulation and verification of data. Stage six is the reduction of the research project into a report that attends to the research questions that were recognised, outlines the approach, the design, the data collection and analysis along with the results and findings (Malhotra & Birks, 2007:476; Iacobucci & Churchill, 2010:32). ATLAS.ti (version 8) analysis program was used to facilitate this process.

#### **4.5 Research objectives**

Research objectives are typically the product of the research enquiry. They usually reflect the desired result that will be achieved through the study. Research objectives should be articulated precisely and clearly in writing and agreed to by the decision maker in order to



prevent misinterpretation of the study (Wiid & Diggines, 2013:48; Zikmund & Babin, 2013:56-57). In the case of the present study, there is a growing body of literature which has investigated the use of social media as a communication strategy by small to medium businesses (Dlodo & Dhurup, 2010:164-180; Dahnil et al., 2014; Ainin et al., 2015; Beier & Wagner, 2016:3-7; Dolan et al., 2016; Barnard et al., 2017:65-78).

A search for studies looking at independent food retailers resulted in related studies looking at other operational aspects of the business as in Chache (2015:38-59); Rootman (2016:212-224); and Oji et al. (2017). The lack of current literature on the use of social media as a communication strategy among independent food retailers in the greater City of Cape Town makes this an exploratory study, which is trying to gain knowledge of this issue. The qualitative mode of enquiry has resulted in a rich body of information which addresses the research questions and objectives as highlighted in chapter one.

#### **4.6 Theoretical links**

As stated in 4.4, the research questions will answer the stated research objectives. These include the assessment of the extent to which the social networks have been adopted and used, to reveal the enabling elements that promote their use, to discover the inhibiting influences that retard their use, as well as the factors that impact motivation to engage the different social network platforms.

The acceptance of new technology and the rate with which it is adopted is influenced by underlying human behaviour. Various behaviour models have been adopted by researchers to describe this process. It is possible that the concepts of several of these models are applicable to this study. These include the technology acceptance model (Davis et al., 1989); theory of reasoned action (Ajzen & Fishbein, 1980); the technology, organisational and environment theories (Tornatsky and Fleischer, 1980); and diffusion of innovation (Rogers, 1995). The technology acceptance model has as its key predictors of action perceived usefulness and perceived ease of use. These predictors might come through as influencers for the adoption of this medium as a communication channel, given the prevalent use of social media as a source of information and point of engagement (Kemp, 2020a). Likewise the technology, organisation and environment framework might shed light on the effect of changing technology, business characteristics and the environment have on the acceptance of new technology by the respondent retailers.

Pentina et al. (2012:65-82) used an extended technology acceptance model by adding the role of social influence to explore the adoption on social network platforms as marketing channels among small and medium businesses in the Midwest USA. In that instance, social

influence was shown to affect the intention to adopt new technology. Diffusion of innovation is described by Rogers (1995:11-12) as being the process by which an innovation moves through a social system as it is influenced by the innovation, the communication channels, time and the social system. This model was used to investigate elements influencing the level of electronic marketing orientation among small and medium businesses (Ainin et al., 2015:570-588). The technology, organisational and environment framework and diffusion of innovation constructs were combined by Marolt et al. (2020:38-58) to create the basis from which to gauge the vigour with which micro, small and medium businesses adopted social customer relationship management. The findings will shed light on the extent and relevance of these models with regard to the adoption and application of social media as a communication channel.

#### **4.7 Research strategy**

The structure of the research is the plan to be followed in collecting the data and analysing it. It also ensures that the study is pertinent to the problem and also takes cost factors into consideration (Iacobucci & Churchill, 2010:58-60). The research design is largely determined by the nature of research required. Three main strategies are noted: descriptive research is appropriate when the characteristics of a marketing phenomenon need to be described, the rate at which it occurs and the prediction of its occurrence; causal research investigates the relationship and effect between variables and occurrences. The cause and effect between the dependent and independent variable are studied to determine the causal relationship between the two. Exploratory studies are designed to generate initial ideas on topics on which little information is available. The collected information can be used to assess whether further enquiry is necessary and might provide the basis from which the objectives of further research are derived. Exploratory research methods are usually flexible, unstructured and useful for establishing priorities among research questions (Wilson, 2006:32-35; Iacobucci & Churchill, 2010:58-60; Aaker et al., 2011:72-75; Wiid & Diggines, 2013:55-58).

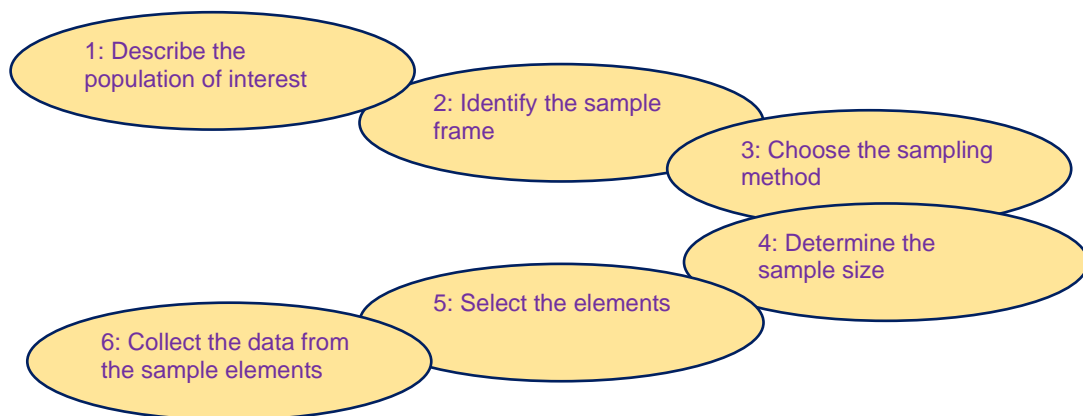
The exploratory research undertaken in the current study endeavoured to gain further information regarding the South African food retail industry and its operational makeup with particular reference to the use of social media as a marketing communications channel by independent food retailers. Hence, the research led to a better understanding of whether independent retailers view social media as an opportunity to communicate with their customers and interpreted their responses as a way of gauging their attitudes towards social media as a communication channel within the broader marketing communication strategy.

## 4.8 Research design

The research design is the plan of how the study will be conducted. This includes the detail of what is needed to get the required information in order to solve a marketing research question in an efficient and effective manner (Malhotra & Birks, 2007:64). This study followed the interpretivist philosophy, which is inductive in nature and builds theories to explain realities (Edirisingha, 2012). The object to this philosophy is to understand and interpret meaning in human behaviour, which in the current study, is the relationship that independent food retailers have with social media and its adoption as a marketing communication strategy (Carson et al., 2001:5; Phothongsunan, 2010:1-4; Edirisingha, 2012). The research tactics included a qualitative approach with a cross-sectional design (Malhotra & Birks, 2007:74). The research was implemented via data extracted from the selected sample using a judgment sample of key informants from the population of independent food retailers trading in the greater City of Cape Town area.

## 4.9 Sample

A sample has been defined as representative subset of the population from which inferences might be drawn based on the quantification thereof. In this context, the population or census is the total grouping from which information is sought (Wiid & Diggines, 2013:180-191; Zikmund & Babin, 2013:312). The sampling process is indicated as a series of steps that start from defining the population of interest up to collecting data from the sample element. The figure below shows the six steps in this process (Wilson, 2006:196-197; Iacobucci & Churchill, 2010:283-286; Wiid & Diggines, 2013:186-191).



**Figure 4.1:** The sampling process

**Source:** Adapted from Wilson (2006:196); Iacobucci and Churchill (2010:283); Wiid and Diggines (2013:185)

In the current study a non-probability judgmental sample was used as the researcher felt that in order to answer the research questions adequately, the independent food retailer, which in

most instances is run the by the owner, would be the most suitable as these information-rich individuals would provide good insight into the research question. The sample size was determined largely by the emergence of data. The saturation point was regarded as being reached when the interviews added no new data. This type of sample however, will not be generalised to a larger group as the experiences are unique to the respondents of the study (Devers & Frankel, 2000:263-271; Wilson, 2006:197; Creswell, 2013:73-81; Wiid & Diggines, 2013:180-191).

An objective of this study was to assess the extent to which social media platforms are used by independent food retailers in the City of Cape Town. As the focus of the study is the use of this medium as part of the marketing communication strategy, the other elements of the marketing mix such as product, price and place did not form part of this study (Simon & Goes, 2011). A search of the available literature that addresses this issue yielded sparse results initially, but studies investigating social media with reference to small to medium enterprises in general have become available (Derham et al., 2011; Meyer, 2014; Van Niekerk, 2014; He et al., 2017:149-160; Ahmad et al., 2018:6-17; Ndiege, 2019:1-12). Qualitative research methodology is regarded as the appropriate route as it will enable the researcher to gain a thorough understanding of the use of social media platforms as part of the respondents' marketing communications strategy (Durkin et al., 2014:257).

Accordingly, independent convenience food retailers that are not connected to any franchise brands or owned by the supermarket chains within the municipal boundaries of the City Cape Town are the target population. These stores are usually owner-managed with a maximum trading floor of 500m<sup>2</sup>. This is consistent with the description of the convenience store as reflected in Table 2.2 of the current study. The greater food retail market of South Africa was mentioned as a descriptor to the study and their marketing communication strategies used were considered to contextualise the position and role independent food retailers' play in this industry. The focus was the interrogation of the use of social media as a promotional communication channel by independent food retailers who met the specified criteria as described above as basic qualitative research tactic.

The communication with the respondents started from 1 May 2017 by means of an introductory email and invitation to participate in the survey. A letter of acceptance to participate in the survey was requested from the respondents. This was followed up with telephonic communication to secure an appointment with the retailer to conduct the in-depth interview. As this was a purposive sample, the communication was conducted by the

researcher in order to minimise refusals. The purpose and objectives of the research was shared with the potential respondents with regard to the benefits that might result as a consequence of their participation. The in-depth interview was the primary data collection technique to explore the perspective of the independent food retailers with regard to their adoption and use of social media platforms as part of their marketing communication strategy. This was achieved by using a semi-structured interview that enabled the researcher to cover all the points highlighted therein and provide for probes to explore themes that might arise during the interview (Boyce & Neale, 2006:5; Cohen & Crabtree, 2006).

**Table 4.2:** Description of study participants

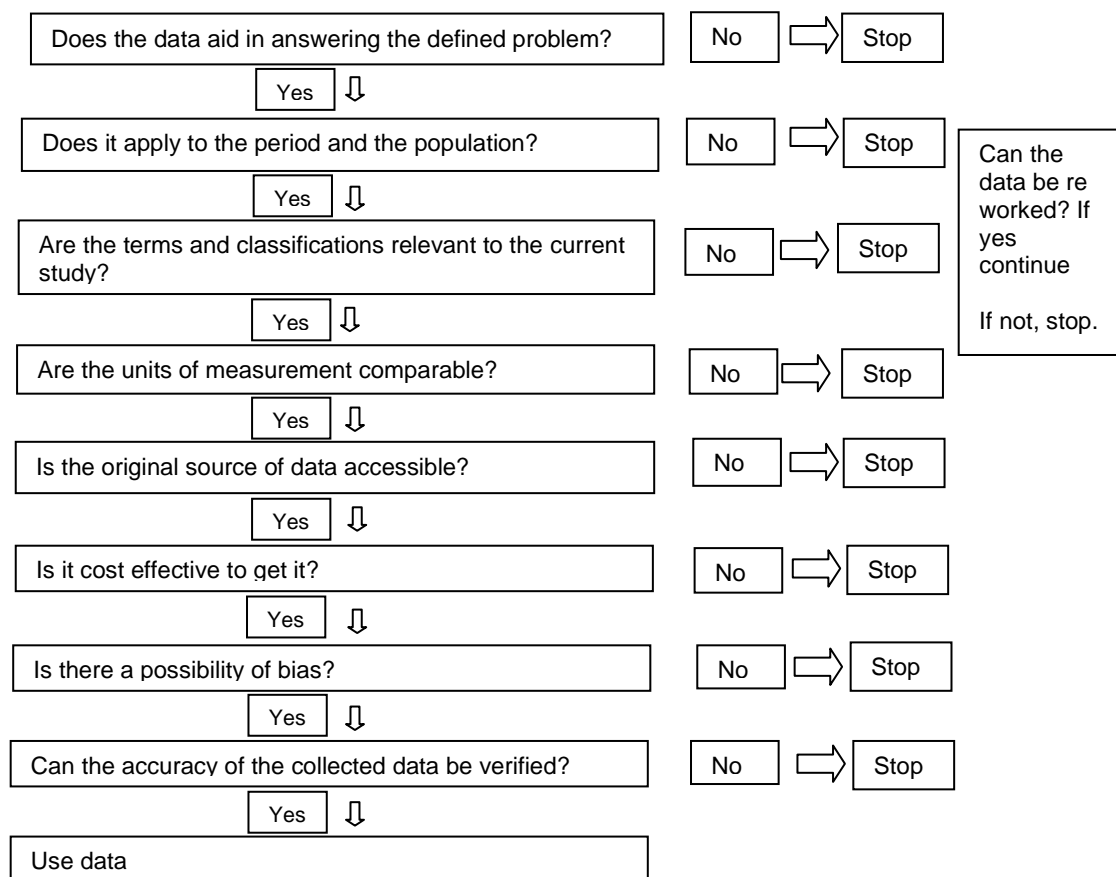
Respondent	Area	Location	Interviewee	Time in current business
1	Goodwood	Community convenience store	Owner	20 years +
2	Durbanville	Community convenience store	Owner	10 years +
3	Bellville	Community convenience store	Manager	1 year
4	Cape Town	Deli type retailer in CBD	Owners	10 years +
5	Cape Town	Specialist fish retailer in CBD	Owner	10 years +
6	Parow	Community convenience store	Owner	2 years
7	Kenilworth	Deli type retailer in business area of the suburb	Owner	10 years +
8	Rugby	Community convenience store	Manager	10 years +
9	Belhar	Community convenience store	Owner	15 years +
10	Durbanville	Community convenience store	Owner	15 years +
11	Noordhoek	Community convenience store	Manager	20 years +

#### 4.10 Data collection

There are two sources of information, namely; primary data and secondary data. Primary data has not been collected before or analysed by anyone else. This type of data is usually specific to a study and collected through surveys, experiments or observations with the objective of addressing a particular problem or question (Wiid & Diggines, 2013:85). Secondary data on the other hand, consists of information that already exists in the form of records, periodicals or reports.

##### 4.10.1 Secondary data: Literature review

Secondary data is important as it can offer insight into and direct the research inquiry in a more focused time and cost-effective method. The researcher should consider that secondary data collected might not fit the problem at hand as the original purpose might be different and accuracy of the data should be verified by checking the source (Wiid & Diggines, 2013:73-75; Zikmund & Babin, 2013:128-1310).



**Figure 4.2:** Evaluating secondary data  
**Source:** Adapted from Zikmund and Babin (2013:131)

The above figure illustrates what can be done to make sure that the secondary data being used is pertinent, applicable and cost effective for the study. In the current study, a thorough review of the current literature relating to the status quo within the South African food retail market was undertaken in order to understand where independent food retailers fit into the competitor matrix, within this segment of the retail industry. The information derived from this exercise was mostly secondary in nature, available from organisations supporting the industry, media resources, company reports, government statistics, web pages and social media platforms. The strategic and operational directions taken by the stakeholders in the food retail industry was reviewed, to track trends that might give an indication in how issues result from the advancement of the internet, which has created additional channels through which products can be sourced; and to track trends in the use of mobile communication as a change agent and its effect in South African retail. Published academic articles relating to the focus of this study served as an additional resource that added value to the research study.

#### 4.10.2 Primary data: In-depth interviews

Data collection in qualitative research differs substantially in format to quantitative inquiry in that the format of the former generates data in the form of descriptions and verbal accounts

in response to open-ended questions in a flexible semi-structured or unstructured strategy that encourages respondents to elaborate on their experiences and observations rather than be restricted to pre-set subjects. This non-directive or unstructured approach gives the respondent the power to contribute towards the research procedure by pointing out important facets of the subject in question. The skill of the interviewer is key to guiding the respondent to cover all areas, and to probe further to clarify and build on responses and guide the interviewee back to the topic when the discussion has deviated from the subject, by using an interview guide (Elliot & Timulak, 2005:147-159; Wilson, 2006:107-109; Aaker et al., 2011:165-166).

In-depth interviews are a qualitative research method through which a small number of respondents undergo direct, personal and unstructured but thorough individual interviews, during which their perspectives on a situation, programme or idea are explored (Malhotra & Birk, 2007:179; Boyce & Neale, 2006). The in-depth interview was the most suitable data collection technique in this instance as it allowed the respondents to share information freely without the influence of other respondents. It also reduced the risk of respondents withholding information that might otherwise happen in a group setting due to information sensitivity concerns (Malhotra & Birks, 2007:187-188).

In order to meet the stated research objectives, it is the opinion of the researcher that in-depth interviews generated the required level of detailed information as described in the definitions put forward by the scholars cited above. The semi-structured interview used as the research instrument has the flexibility of the open-ended interview combined with the direction and agenda of the structured type. This ensures that all the important issues that need to be covered are included, with the opportunity to explore further themes that might arise from responses. This method offered detailed insight and context into the perspective held by these retailers regarding the use of social media as a marketing communication strategy, the potential value or the barriers that prevent its use as perceived by them (Boyce & Neale, 2006; Zikmund & Babin, 2013:113-113). Interviews were conducted with a judgemental sample of independent food retailers that fitted the criteria at the retail venues where they conduct their businesses or a suitable alternative in order to create a relaxed familiar environment that would facilitate the interview process.

### **4.10.3 The interview guide**

#### **4.10.3.1 No social media use**

The interview guide has two sections essentially because the initial response would be either “yes”, they do engage social network platforms as a communications strategy, or “no”, they

do not. The shorter version addresses the respondents who answered negatively regarding social media use. The questions probe for reasons why the retailer has not engaged with this medium. It also asks the retailer to think about the obstacles that would be a factor preventing the adoption of social media. The respondents are asked to discuss their view of problems using social media in a business context. An enquiry is also made on whether the respondents engage in any other form of promotion or customer engagement. The respondents are probed further to ascertain whether they would be willing to engage social media, and the factors necessary to make this happen. The attitude of the retailers towards this medium is tested further by asking them to give their preferred social network platforms and the desired benefits they would derive if they adopted social media as a communication strategy.

#### **4.10.3.2 Social media use**

The respondents with an affirmative response regarding the use of social media had a longer set of questions as this afforded the researcher the opportunity to probe different facets relating to its use consistent with the objectives of the research. The set of questions was designed to answer the stated research questions and objectives. These ranged from describing the platform chosen by the respondents, reasons for selecting them, managing the platforms and gauging the effects on the business. The respondents were encouraged to expand on the subjects, which offered further insight into the level of engagement they had with this medium. As stated earlier, the responses were coded into five main themes. Sub-categories were created to slot in answers that did not fit the main themes but were necessary to generate the in depth knowledge and understanding of the methods used by the independent retailer in the course of running their daily business.

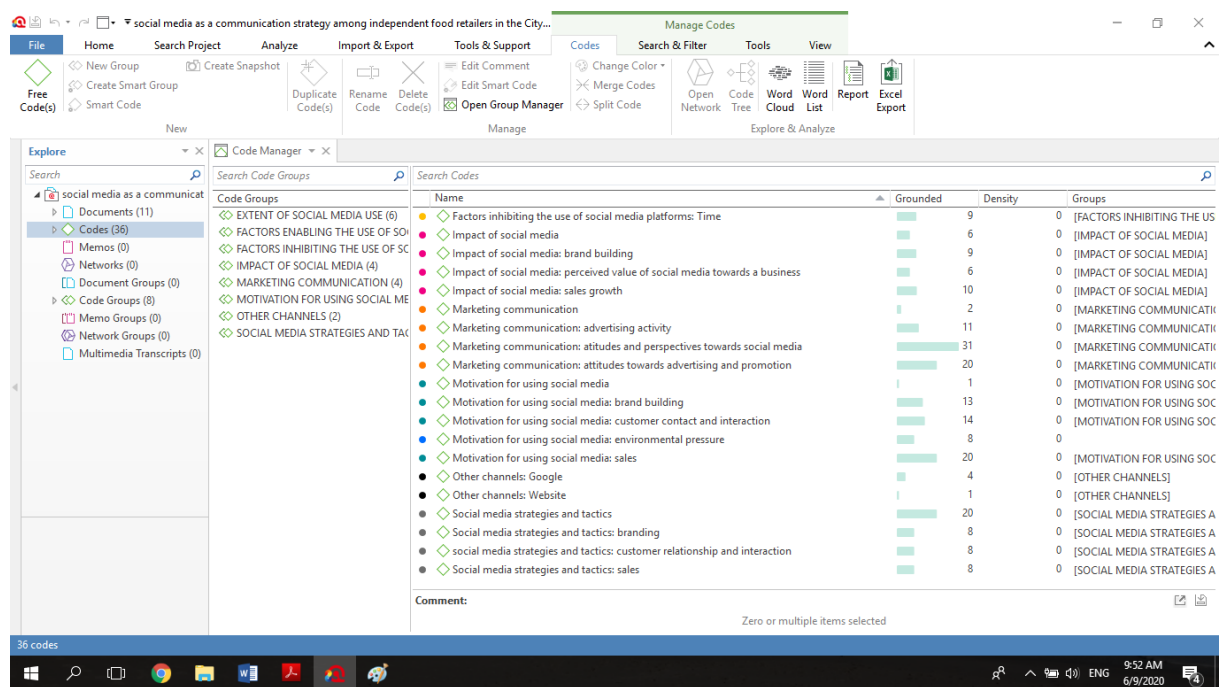
#### **4.11 Data analysis**

Researchers interpret data that has been collected, and create scenarios based on analysis whether it should be quantitatively or qualitatively treated. The difference between these two approaches is that the former quantifies an immensity of variables or explains causal relationships using scientific methods as a medium to build a clearer understanding of reality whereas with qualitative analysis, the data generated are notions, ideas and values about life. Understanding is the key element of this type of analytic approach. Qualitative data analysis is inductive in nature. Themes and patterns emerge from the data rather than being defined before the collection of data (Thorne, 2000:68-70; Hair et al., 2017:222-234).

Taylor and Gibbs (2010) describe qualitative data analysis as a set of activities that transform the mass of raw collected data into a set of themes from which an interpretation of situations or people under investigation is derived. The analysis of the collected data follows specific

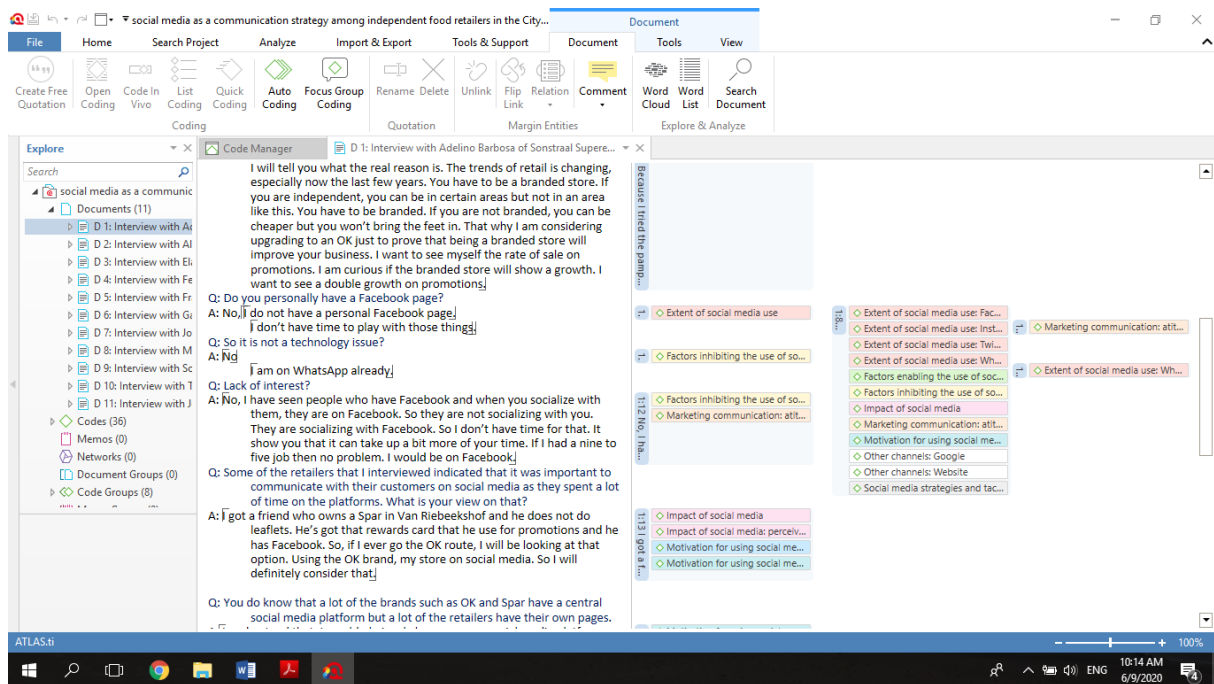


stages that include familiarising oneself with the material by reading the transcripts thoroughly and gaining a comprehension of the information at hand. A list of topics coming from the interviews is compiled and similar topics are clustered together into coded themes to facilitate quick retrieval. The reduced data is analysed and reconstructed into an interpreted representation of the responses in order to answer the research questions of the study. The current study followed this process which, included transcription of the interview recordings. Additional information in the form of screen grabs of activity on the respondent social network platforms was collected as a way of enhancing the quality of the collected data (Thorne, 2000:70; Klopper, 2008; Taylor & Gibbs, 2010; Creswell, 2013:245-249).



**Figure 4.3:** ATLAS.ti (version 8) analysis program screenshot  
**Source:** Author (2020)

Figure 4.3 above is a screen shot of the ATLAS.ti (version 8) analysis program used in this study. The eleven input documents created eight code groups, which were further divided into family groups. These were colour coded to facilitate identification and reference back to the research questions and objectives. Figure 4.4 below is an example of the coding process of one of the interview source documents and the coding process thereof.



**Figure 4.4:** ATLAS.ti (version 8) source document coding process  
**Source:** Author (2020)

#### 4.12 Research methodology limitations

A lack of available literature focusing on the usage of social network platforms as a communication conduit by independent food retailers necessitated an exploratory study using a qualitative approach. The optimal sample size was the number that answered the research questions adequately. The data saturation point (Creswell, 2013:73-81) in this case was deemed to be eleven purposively selected independent food retailers trading within the municipal boundaries of the City of Cape Town. The locality and characteristics of the study mean that the results will be particular to the reality of the respondents and therefore cannot be generalised to the larger community (Malhotra & Birks, 2007:728; Valos et al., 2016:35; He et al., 2017:158; Hair et al., 2017:374; Ndiege, 2019:9).

As the participation in the study was voluntary, it is possible that key informants, who declined to participate for their own reasons, might potentially have denied the study additional meaningful data. Notwithstanding this, the saturation strategy in the sample, which monitored the addition of fresh data added to the study possibly, offset this limitation (Creswell, 2013:73-81).

The study endeavours to understand the relationship that independent retailers have with social media as a communication strategy. This will exclude websites, which in many instances are a gateway to the social network platforms, thereby raising the possibility of missing important interaction at this point. The results will also be specific to the social network platforms that the respondents engage and interact with and might not be applicable to other social network platforms not covered in the study.

#### 4.13 Ethics

The participants were invited to take part in the study through personal contact by the researcher with a follow up letter explaining the study with an invitation to take part in it. Retailers are reticent in sharing information that they consider to be sensitive. Key ethical considerations were:

**Informed consent:** Participants were given all the information they required which included the purpose of the study with the right to participate or not. **Confidentiality:** Details of participants and information shared will remain confidential in order to ensure open and honest responses from the participants. **Honesty and professionalism:** Findings were recorded honestly, professionally, without misrepresentation or fabrication.

A confirmation/rejection reply letter was part of the response. Ethical clearance for the research was gained from the Faculty of Business and Management Sciences Research Ethics Committee, Cape Peninsula University of Technology.

#### 4.14 Summary

This chapter outlined the research process that started with an enquiry into whether independent food retailers trading in the City of Cape Town use social media as a communication strategy. The exploratory nature of the study determined that qualitative research would answer the stated questions and of objectives of the study most suitably.

A review of the current literature investigating this question was undertaken to collect secondary information while the primary data was sourced from a sample of purposefully selected respondents that were regarded as key informants holding key knowledge that could address the research questions through in-depth interviews. A description of the data analysis techniques used to reduce the data into meaningful information was provided. Steps taken to ensure that the information was valid were credible were noted as well.

The chapter ended with a brief description of the study limitations and ethical considerations noted to ensure the integrity of this research. The chapter that follows will reveal the results of the research process described in this one.

## CHAPTER 5

### SUMMARY OF FINDINGS

#### 5.1 INTRODUCTION

The overarching objective of this study has been to gain an understanding of the relationship independent food retailers in the City of Cape Town have with social media and social network platforms with regard to the extent to which these retailers have adopted this medium as a marketing communications strategy. Factors that influence its adoption were reviewed and communication opportunities that these platforms offer the independent retailers were identified. The previous chapter outlined the research strategy and methodology used to extract the data that addresses the research objectives. This chapter presents the results of the analysis of the information collected from the interviews with the respondents as well as the data extracted from the various websites and social network platforms, which gave an indication of the interaction-taking place between retailers who have a presence in these platforms, and their customers.

#### 5.2 Themes

The interview guide was designed as a medium through which a deeper understanding of the relationship that independent retailers trading in the greater City of Cape Town area have with social media and their attitude towards it as a communication channel. The results have created themes that have given a clearer indication of this phenomenon.

Consistent with the objectives of the study, four main themes are defined, namely the extent to which social media is being used as a marketing strategy. The second theme identifies the reasons that motivate the selection of platforms that are used by retailers to communicate with their communities. This theme is extended by three related subcategories that examined the strategies and tactics implemented by those retailers that have used social media as a communication strategy as well as the impact that this medium has effected on their businesses. The attitudes and perspectives prevalent amongst retailers towards the adoption of social media as a communication strategy, as well as their perspectives on traditional promotional activity was an emergent theme that has an impact on the decision taken by these retailers in respect to the promotional activity adopted.

The third and fourth themes are the factors that promote and the elements that inhibit its use respectively. Table 5.1 illustrates the connectivity of the questions to the research objectives and the resulting codes as a product of the analyses process.

**Table 5.1:** Connectivity of questions, objectives and themes

Question objectives	Research questions	Research objectives	Codes
The question ascertains whether the respondent has adopted social media as a communication strategy or not.	What extent is social media used as a marketing communication strategy by independent food retailers?	To assess the extent to which social media platforms are used as a marketing communication strategy.	Extent of social media use.
These questions probed why the respondents have not adopted this medium as a communication contact point.	What are the barriers that prevent independent retailers from engaging in social media as a marketing communication channel?	To analyse and identify the barriers that prevents the usage of social media as a marketing communication channel.	Factors inhibiting the use of social media.
These questions uncovered the motivating factors that prompted retailers to using social media as a communication strategy.	What are the factors that motivate independent food retailers in the City of Cape Town to adopt social media as a communication strategy?	To determine the factors that motivates independent food retailers in the City of Cape Town to adopt social media as a communication strategy.	Motivation for using social media.
These questions endeavoured to reveal the enabling factors that promote the use of social media.	What are the factors that promote the use of social media as a communication strategy by independent food retailers in the City of Cape Town?	To analyse and identify the factors that promotes the use of social media as a communication strategy by independent retailers in the City of Cape Town.	Factors promoting the use of social media.
These questions provided a sense of how retailers view social media as communication strategy.	What is the view of the independent retailers towards the adoption of social media as a promotion vehicle of their marketing strategy?	To determine the willingness of independent food retailers to adopt social media platforms as a marketing strategy	Attitudes and perspectives towards social media.
These questions sought to ascertain which social network platforms are being used, how they use them and their impact on the business.	Which marketing communication strategies are used by independent food retailers to market themselves?	To establish which marketing communication strategies are used by independent retailers to promote their businesses.	Social media use. Impact of social media. Strategies and tactics. Advertising activity.

The figure below is the first page of the code report generated following the analysis and coding of the responses by the study participants on the various questions. Thirty-six codes created with eight code groups containing sub-groups in each of these. As can be seen below, the first group was the extent of social media use, which generated twenty quotes. For ethical considerations, the names of the participants have been covered.

Project: social media as a communication strategy among independent food retailers in the City of Cape Town

Report created by jose on 8/13/2019

Code Report

All (35) codes

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• Extent of social media use

1 Groups:

EXTENT OF SOCIAL MEDIA USE

20 Quotations:

1:5 No, I have not explored the social media option. (1489:1536) - D 1: Interview with P  
Superette.

No, I have not explored the social media option.

1:7 I do not have a personal Facebook page. (2261:2300) - D 1: Interview with of  
Superette.

I do not have a personal Facebook page.

2:1 Yes, I have Facebook. I have 11 000 followers which is quite a lot and..... (343:534) - D 2:  
Interview with .

Yes, I have Facebook. I have 11 000 followers which is quite a lot and I do all my marketing through FaceBook. I do not have an Instagram account. For my clothing, I have an Instagram account.

3:1 We have the basics. We have Instagram and Facebook. (245:295) - D 3: Interview with I  
street

We have the basics. We have Instagram and Facebook.

3:4 We do everything ourselves, Facebook, Instagram, Website (829:885) - D 3: Interview with  
street

We do everything ourselves, Facebook, Instagram, Website

4:1 Our market is not essentially social media orientated and where we und..... (224:680) - D 4:  
Interview with

Our market is not essentially social media orientated and where we understand our market, we focus on those areas. Facebook is one of the biggest ones so we focus a little bit on Facebook. Not a lot of activity but we get a lot of feedback mainly through Facebook and Google business. Pinterest very little. It is not our market. Our market is more black and coloured orientated whereas Pinterest in my mind, more high end market. Twitter is not our market.

5:1 No social media presence. (553:577) - D 5: Interview with of

No social media presence.

5:6 Well, I only know Facebook. I don't know any other. I hear about them..... (2277:2367) - D 5:  
Interview with . rth

Figure 5.1: Data analysis code report generated from ATLAS.ti (version 8)

Source: Author (2020)

### 5.2.1 Theme 1: Extent of social media usage

One of the research objectives of this study is to assess the extent to which social media is being used as a communication strategy by the independent food retailer trading in the City of Cape Town. The table below illustrates the extent to which the respondents have adopted

the various social network platforms as communication contact points with the community and customers frequenting their stores.

**Table 5.2:** Social media platforms usage

Respondent	Social network platforms					Other Channels	
	Facebook	Twitter	Instagram	Pinterest	WhatsApp	Website	Google
1	No activity						
2	√				√		√
3	√		√			√	
4	√	√		√		√	√
5	No activity						
6	√				√		
7	No activity						
8	√	√				√	√
9	√						
10	No activity						
11	No activity						

### 5.2.1.1 Usage of social network platforms

As indicated in aforementioned text, the assessment of the extent to which social media is used by the respondent retailers is a key objective to this study. Most of the respondents indicated that they had a social media presence. Facebook was reflected as the most active communication channel employed by the respondent retailers, and several used Twitter, Instagram and Pinterest. The minority among the respondents made use of websites with links to their social media pages. The short messaging application WhatsApp was regarded as being part of the social network platforms by a few of the respondents, while a similar finding indicated that a rating on Google was an important indicator of consumer sentiment towards their businesses. Below are the responses by the respondents that inform the above findings.

#### Category 1

#### Responses

Social media usage

No, I have not explored the social media option. [R11/489:1536].

Yes, I have Facebook. I have 11 000 followers which is quite a lot and I do all my marketing through Facebook. I do not have an Instagram account. For my clothing, I have an Instagram account. [R2/343:534].

We have the basics. We have Instagram and Facebook. [R3/245:295].

Facebook is one of the biggest ones so we focus a little bit on Facebook. Not a lot of activity but we get a lot of feedback mainly through Facebook and Google business. Pinterest very little. It is not our market. Our market is more Black and Coloured orientated whereas Pinterest in my mind, more high-end market. Twitter is not our market. [R4/224:680].

No social media platform for the shop but yes for me. [R5/553:577].

Only Facebook and also the advertising outside. I do not have an account for Twitter or Instagram so I do not even go there, or I do it on my WhatsApp. I put it on my WhatsApp status and everyone gets to read it. [R6/532:691].

No social media. [R7/142:166].

Facebook and Twitter. That's it. [R8/429461].

We have had our Facebook page since our opening in July 2017. [R9/247:311].

No other social media presence [R9/409:440].

No, I am not active on any social media platform. [R10/896:944].

No Facebook, Instagram, WhatsApp or Pinterest for the shop. [R11/657:724].

### 5.2.1.2 Activity frequency

This section uncovered the actual activity frequency by the respondents, which varied between the active respondents who posted from three to four times a week to little, or sporadic activity by others. A respondent initially stated that there was no rhythm to their posts and then said that they tried to post as least twice a week with specific objectives such as doughnut Fridays on Facebook and Instagram. Another posted in spurts of activity and periods of non-activity. A few respondents had initial activity on Facebook but had not been active since the early postings.

#### Category 2

#### Responses

Activity frequency

I post about three or four times a week. I update pictures and if anything should change, I update general things, private photos or services offered but the rest stays the same. [R2/1298:1469].

There is no rhythm to our posts. Sometimes we will go a while without posting. We do try to post at least twice a week. There are certain things that we keep a momentum with. We have doughnut Fridays. Every Friday we will have a post about a variety of doughnuts. Every Monday we get our fruits. Therefore, we want to create a rhythm and teach people to come on certain days. We want to train them through Instagram. [R3/918:1321].

Not very often at all. [R4/2892:2914].

I don't. My wife does. She is a graphic designer and she posts. We had a professional photographer come and take some pictures of some of our products because with Twitter is more visually stimulating than informative. I try to get her to post as often as possible but she has her own work to do. [R8/824:1113].

The cover picture is still the same one when we opened. We post whenever we get specials for the store. We are currently waiting for specials. That's the problem. [R9/550:711].



### 5.2.1.3 Respondent activity on social network platforms

Half of the respondent retailers, were active on various social network platforms with Facebook being the most popular followed by Instagram, Twitter and WhatsApp. The use of various platforms was aimed at segmenting users and highlighting different product categories.

#### Category 3

Social network platforms activity

#### Responses

Yes, I have Facebook....I do all my marketing through Facebook. I do not have an Instagram account for the clothing section... I post about three or four times a week. [R2/343:534].

We do try to post at least twice a week. [R3/918:1321].

Facebook is one of the biggest ones so we focus a little bit on Facebook. [R4/224:679].

Only Facebook..... I don't have an account for Twitter or Instagram so I don't even go there, or I do it on my WhatsApp. [R6/532:691].

Facebook and Twitter. That's it... Twitter is more visually stimulating than informative. I try to get her to post as often as possible but she has her own work to do. [R8/824:1113].

The cover picture is still the same one when we opened. We post whenever we get special for the store. We are currently waiting for specials... Actually, I hadn't thought about Twitter, Instagram or Pinterest. [R9/550:711].

### 5.2.1.4 Social network platforms

The extent to which social network platforms were used was restricted to Facebook, Instagram, Twitter and WhatsApp. Facebook was the most widely used platform with Twitter and WhatsApp being the other platforms on which regular activity was recorded.

#### Facebook

More than half of the respondents were active on Facebook. The other respondents who had not engaged social network platforms were aware of the platform and had personal profiles with the exception of one of the respondents, who regarded social media as a waste of time.

#### Category 4.1

Facebook

#### Responses

I do not have a personal Facebook page; I don't have time to play with those things. [R1/2262:2345].

Instagram and Facebook. [R3/245:295].

Facebook is one of the biggest ones so we focus a little bit on Facebook. Not a lot of activity but we get a lot of feedback through Facebook and Google business. [R4/224:679].

I don't use my personal Facebook for business. [R5/4803:4977]

Only Facebook and also the advertising outside... When we try something new then I put it on Facebook as well. [R6/400:476].

I don't know; my wife would be in a better position to answer that because she is always telling me that we are getting hits on this but it also depends on how active you are and posting. It is like a snowball, the more you get involved with it the more input you get. We get more hits on Facebook than the others. [R8/2499:2813].

## **Instagram**

The photo-sharing platform was only used by a couple respondents who regarded as a product-specific medium that was ideal to highlight certain categories.

### **Category 4.2**

#### **Responses**

Instagram

Instagram is good for the clothes and it would probably be good for food as well but here again, not really an advertising platform and that was what I used it for. I found that Instagram is for the younger crowd and not really my target market. Therefore, I will do the clothes on Instagram but not the food. [R2/9629:10094].

We have Instagram and Facebook. [R3/245:295].

I don't have an account for Twitter or Instagram so I don't even go there. [R6/532:691].

## **Twitter**

Several respondents noted that they had activated Twitter accounts but no activity was evident.

### **Category 4.3**

#### **Responses**

Twitter

...I have opened a Twitter account, but Twitter is difficult because you can only put so much in. It is really not an advertising platform. [R2/9629:10094].

Twitter is not our market... ...More responses through Facebook than any of the others. Very little on Twitter. [R4/1759:1939].

I don't have an account for Twitter or Instagram so I don't even go there... [R6/532:691].

We had a professional photographer come and take some pics of some of our products because with Twitter is more visually stimulating than informative. I try to post here as often as possible but she has her own work to do. [R8/824:1113].

## **WhatsApp**

The WhatsApp social messenger application was adopted by three of the respondents as one of the social network platform tools with which to engage with customers ranging from using it as an additional social network platform to support their Facebook profile to using it as a targeted communication medium.



### 5.2.1.5 Summary of the extent of social media use

The lack of knowledge or awareness of the boosting function on Facebook, which extends and segments to the desired viewer profile and broadcast reach, might have contributed to the low use of this function to increase the reach of the posts. Although one of the respondents indicated that the cost of boosting had increased and it was becoming difficult to reach the target audience. A review of the activity in the various platforms indicated that another respondent had Twitter, Pinterest and Facebook but that very little activity was taking place and gave the impression that Facebook was being used to gauge customer sentiment towards the business, and as a channel through which to handle customer complaints rather than as a tactical communication medium.

Some of the respondents were more active in their engagement of the Facebook platform. One of the respondents used Instagram to highlight certain products and display the variety of foods available whereas two others supplemented their Facebook posts with WhatsApp messages as they viewed this medium as an additional communication channel.

### 5.2.2 Theme two: Factors enabling the use of social media

The enabling factors that promote its use are described in the responses of the participants. As most of the respondents used Facebook as their platform of choice, the answers are skewed to the characteristics of this channel.

#### 5.2.2.1 Cost effectiveness

The cost of communicating with consumers through different channels through which the respondents could promote their products and services was a consideration, as one respondent switched from print media to social media due to cost considerations. Several respondents indicated that they did not have a budget and relied on word of mouth generated from their posts, whereas other respondents used their Facebook pages as a means to promote in-store specials without incurring cost.

#### Category 5.1

#### Responses

Cost effectiveness

We used to advertise in the Burger but it became too pricy and Facebook was picking up hugely with everyone using Facebook and everyone has Facebook on their phones so I switched over to Facebook and use a third of the amount compared to the Tygerburger and I find it is a lot more effective than what it used to be... [R2/722:1037].

Ideally, what you would like people to do is share it. It becomes very effective as the cost is only the initial click and not the subsequent shares. [R2/3724:4841].

No, we don't have a budget and it's not about advertising but word of mouth. [R3/2505:2580].

No, I do not use any printed stuff. It is all word of mouth. I just find that printed media has no effect. You can't gauge the type of response on printed media whereas you can get feedback from people that are logging in or making comments you can track. [R8/1756:2010].

No, we haven't because we have to pay and George [the owner] does not want to pay for anything extra advertising. [R9/2407:2514].

### 5.2.2.2 Reach

Using social network platforms such as Facebook, Instagram, Twitter or WhatsApp afforded the respondents the opportunity to reach a much wider customer base, as a result of customers commenting and sharing their posts, than merely those who frequented their stores.

#### Category 5.2

#### Responses

Reach

Yes, the Facebook boosting does reach a bigger audience through the process I mentioned earlier... You are welcome. It's been very much a learning curve as well doing Facebook marketing. You start out by trying things and getting to know it but they keep changing things as well. And keep on adding features like creating events or creating a special offer, which is quite a nice thing as well. We had for example; that day that it was raining so much and the kids didn't go to school so we were concerned that the shop was going to be very quiet so we created a special for one pancake to every child that comes to the shop. So we had all these people coming to the store to get their free pancake and we hope they buy other products. [R2/6462:6872].

What I do is I put it on and it just goes on my page. I still don't pick, tag this one. So who sees it, sees it. Whoever wants to invite themselves can do so as I approve everyone. As I said earlier, when I post on the hut supermarket, it goes onto my page as well. So people on my one that are not on the Hut supermarket also see it. [R6/4008:4341].

You can see how many hits you are getting. With Google, they send you a progress report. How many people have paused, how many people have gone onto your website, how many people have visited. That is gauged by people reporting back to Google. I get notification via email that someone has visited my site, someone has popped in, and someone has left a comment. [R8/2043:2403].

### 5.2.2.3 Accessibility

Accessibility was understood by the respondents as affording wide appeal and reach by the retailers and customers, not requiring extensive knowledge to engage with, and ease of maintenance. The majority emphasised accessibility from the customer and retailer perspective whereas the minority emphasised ease of use.

#### Category 5.3

#### Responses

Accessibility

It does but I think that a lot of people have a Facebook page and they think they are updating it but I don't think they realise that if they don't pay for the post, very few people see it. So if you compare the

Facebook pages of other stores such as one of the OK's, you will see that they might have about two hundred followers where as I have 11 000. So it is the only way that I advertise. I don't have a leaflet that goes out of radio or T.V. advert. So a store that is part of a franchise group gets it through their franchise fees. [R2/5841:6375].

Well, I only know Facebook. I don't know any other. I hear about them but I don't know them. [R5/2277:2367].

What I do is I put it on and it just goes on my page. I still don't pick, tag this one. So who sees it, sees it. Whoever wants to invite themselves can do so as I approve everyone. As I said earlier, when I post on the Hut Supermarket, it goes onto my page as well. So people on my one that are not on the Hut Supermarket also see it. [R6/4008:4341].

Well I believe Facebook is the one most people use. So that one would have the most effect. [R7/1044:1130].

It is a platform that my wife knows very well. She is not hundred percent familiar with it. My daughter knows it very well and she helps us with it. [8/2869:3016].

To me, Facebook is the easiest. [R9/479:508].

No problems in maintaining the Facebook page. [R9/3311:3356].

#### **5.2.2.4 Connecting with and building relationships with customers**

Engaging the customer community was important to the respondents. A few felt that feedback from the customer was important because it presented an opportunity to correct any negative instances whereas other respondents felt that social media enabled them to become part of the community. Similarly, some respondents considered the social network platforms as a medium through which they could build relationships with their customers. Customer-driven word of mouth promotion was regarded as a result of fostering good relationships with customers by some respondents.

#### **Category 5.4**

#### **Responses**

Connecting with and building relationships with customers

I would obviously have my own social media platforms because that is the way you can get feedback from your customers. [R1]

There is. I will answer on social media. It depends on what the response is. If someone sends you a private email or message through Facebook, then you answer it and try to rectify it. If someone gives you a bad rating, then you tried to justify why it is a bad rating. Ratings are quite important because anybody can read it and you can never delete it. So you try to rectify it and respond like any other customer problem that you had. That's the unfortunate thing about Facebook. If you want to be online, then you have to take the bad online as well. So it is much more accessible for people to complain or say something bad about you. [R2]

No, [I don't know how many followers we have] but I think we have over two thousand followers on Instagram that from about a year. We have 2400 followers and interruptions [posts and customer feedback], which are what I like. You want people who respond. You

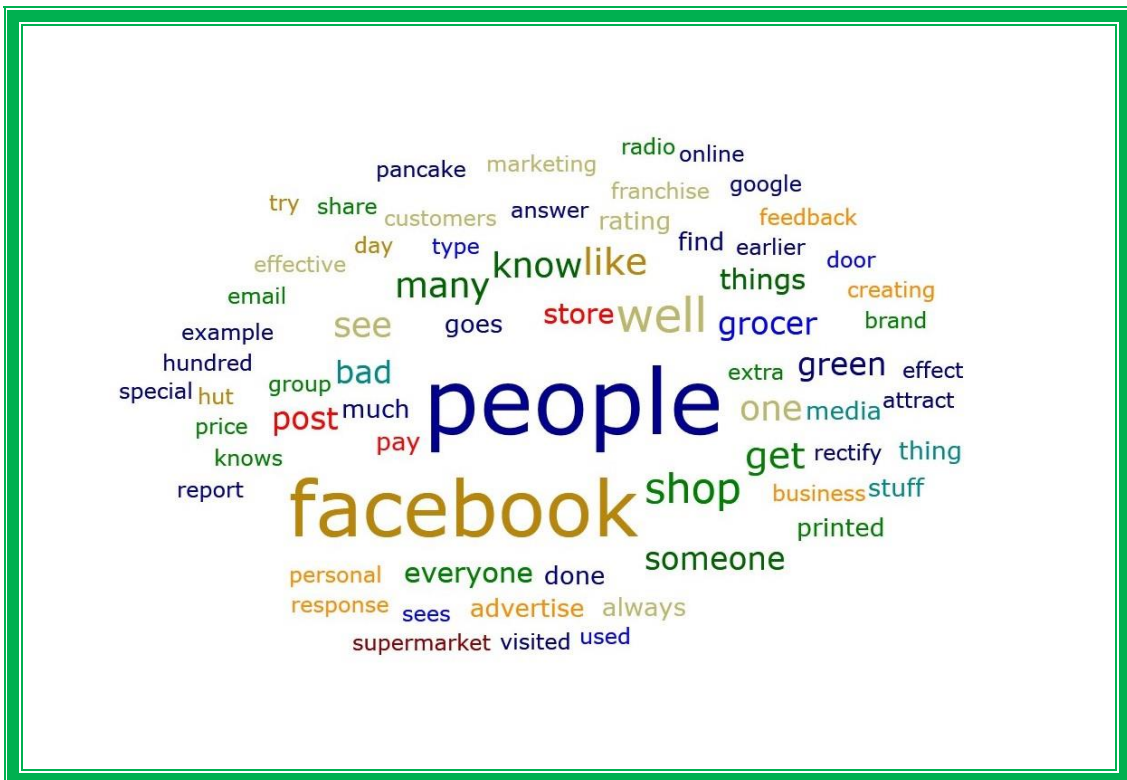
want people who get your material and you want people to respond to as it become a community rather being just a shop. [R3/1979:2283].

Well, I see that there is a group in this area (WhatsApp) not Facebook? Sorry. Well they asked that whoever has a business in this area, to contact them and they would be willing to publish what we do, interact with each other and support one another. [R5/2430:2680].

Because when you become friends with a lot of people, it becomes word of mouth so when one sees it the next one sees it and... it is all word of mouth. [R6/2342:2491].

We seem to attract a more mature person and they are not always abreast of technology and stuff like that and I find that we have Bootleggers across the road and they attract a younger crowd and that's cool. Everyone has their niche. [R8/1431:1662].

But it is nice sometimes customers say that when we mark the chickens down we must let them know. We will come down. Things like that. It works for some and doesn't for others... It is the local community forum that communicates via Facebook. And then you have the Sun Valley moms that do whatever. Some customers take it to the extreme by doing price checks at different shops and sharing with their groups. They give feedback when the price is good or bad. [R11/3704:3879].



**Figure 5.3:** Word cloud on factors enabling the use of social media by respondents  
**Source:** Author (2020)

The words used by the respondents to describe customers and other retailers come across prominently. As can be seen above, “people” featured 24 times in the responses with

reference to customers. Strong indicators on the responses such as “feedback”, “response”, “marketing” and “effective” came through in low numbers, which might be an indicator of the interpretation of the descriptor of the enabling factors.

#### **5.2.2.5 Summary of the enabling factors promoting the use of social media**

The interactive nature of Facebook came through clearly as a contact point with customers and a channel through which to communicate. Although one of the respondents had not adopted social media as a communication strategy, he was of the opinion that he would prefer the customer use this channel to communicate with him directly rather and afford him the opportunity to address any issue than see the problem posted publicly. Two other respondents preferred to segment the use of the platforms in that the food side of the business was featured on Facebook whereas the clothing side would be featured on Instagram in one instance; whereas another respondent used a similar strategy and preferred to use Instagram because it featured her products better than Facebook. One of the respondents liked the idea of becoming part of a community, while most of the other respondents reflected on the cost effectiveness of Facebook as a way to promote their business. The accessibility of this platform was highlighted by a few respondents while another liked the interactive nature of this medium.

#### **5.2.3 Theme three: Factors inhibiting the use of social media platforms**

Inhibiting factors are those that retard or block the use of social network platforms as a communication channel. The respondents revealed the circumstances under which adopting this channel would be difficult. The non-adopters cited personal and business reasons for their decision such as knowledge, time and circumstance, whereas those already using social media as a communication strategy described actual lived experiences that hamper its use.

##### **5.2.3.1 Cost**

Cost was cited by four of the eleven respondents as an inhibiting factor to adopting social media as a strategic communication channel. Two of the respondents indicated that boosting the Facebook posts in order to achieve the desired reach raised the cost of this medium. While one of the respondents did not want to spend any money on advertising his business, another considered the cost of employing a dedicated person to focus on engaging customers through the social network platforms.

#### **Category 6.1**

#### **Responses**

Cost

The second thing is that it has become more expensive and has become harder to reach the people you want to reach. [R2/6925:7401].



We had a very small marketing budget. We don't have a big franchise base anymore so we have cut the marketing budget to a certain degree. We have been through some financial issues in the last few years. It is probably the last thing that should go but it was the first thing that had to go. We were spending R200 000 a year for a small business like this on marketing and branding. My wife does most of the marketing and in-store promotions. So R30 to R40 000 is the budget per year these days. [R4/4283:4784].

No, we haven't because we have to pay and George [the owner] does not want to pay anything extra for advertising. [R9/2407:2514].

Well obviously it has to make money. It is going to bring growth. If you are going to employ somebody, it has to cover the costs. [R11/6168:6759].

### 5.2.3.2 Risk

The risk of exposing themselves to negative comment and sentiment that might adversely affect their businesses as a result of their social media activity was expressed by the majority of the respondents.

#### Category 6.2

#### Responses

Risk

There is. I will answer on social media. It depends on what the response is. If someone sends you a private email or message through Facebook, then you answer it and try to rectify it. If someone gives you a bad rating, then you tried to justify why it is a bad rating. Ratings are quite important because anybody can read it and you can never delete it. So you try to rectify it and respond like any other customer problem that you had. That's the unfortunate thing about Facebook. If you want to be online, then you have to take the bad online as well. So it is much more accessible for people to complain or say something bad about you. [R2/1630:2269].

The first one is that you put yourself out there and you are very open and you are an easy target for things that go wrong. [R2/6925:7403].

When there is a complaint on social media, everybody gets to see it. I would say that 50% of the people put it on their public profile and give us a rating of one or a five if good (we love those)... Social media has had more of a soft impact from a branding perspective but from a hard sales result perspective, no I don't see an impact. My worry with marketing in this market is associated with price decreases or discounting. We don't have a margin to play with as we only work on a 50% margin which means we cannot give away 15%. [R4/2664:2860].

Well, I am not the best person for that. I will send them to the madhouse before they send me. That is why sometimes I stay away from Facebook. [R5/4803:4977].

I felt that the Foodzone trade mark was not that strong. Social media would not have added value as a result... [R7/197:306].

Exposure to an uncontrolled environment. Using WhatsApp messaging platform to known contacts, not general public. [R7/805:916].

Sometimes it is best not to say anything because when you start the dialogue, it is like a bouncing ball and goes back and forth and may

make the situation worse. What I find unfair about social platforms is that one cannot respond without getting a whole lot of mixed things coming in and sometimes it portrays your place unfairly. Look it is a good thing to get negative and positive and if you do something wrong, you must be aware of it. Social media is out there and you are being scrutinised, etc., etc. We had an incident where a lady that came in here and we had this loyalty card system. That was four years ago. We did not have an expiry date on it and we did tell the customer that it was no longer valid. She responded that she would not make any purchases. She was speaking loudly so that other customers could hear and support her position and she posted that on Facebook. [R8/4449:5333].

We don't like negative responses. But I like to contact the customer and apologise to them and sort the problem out. [R9/1955:2070].

If I am going to start sending out stuff to people on the WhatsApp group. Then you are going to get a lot of them saying that they don't have time for this Sh\*t. [R11/3493:3653]

### 5.2.3.3 Resources

A lack of resources such as time, knowledge and human capacity was expressed by all the respondents as a hindrance to activity on social network platforms.

#### Knowledge

Although the respondents had indicated that they were aware of social media, the platforms that made it up and the opportunities that they presented, the lack of knowledge to take full advantage of this medium was acknowledged by some of the respondents. This included admitting that the function was delegated out to more knowledgeable family members when more information was required and coaching was needed.

#### Category 6.3

#### Responses

Knowledge

If somebody could explain the social media process and mechanics, we might reconsider... The store currently does not have the necessary equipment to implement social media. [R7/624:709].

I don't, my wife does. She is a graphic designer and she posts. We had a professional photographer come and take some pics of some of our stuff because with Twitter is more visually stimulating than informative. I try to get here to post as often as possible but she has her own work to do... It is a platform that my wife knows very well. She is not hundred percent familiar with it. My daughter knows it very well and she helps us with it. [R8/824:1113].

I do understand. I have a personal Facebook profile but I do not have one for the shop. [R10/1024:1110].

Well, that we will have to refresh on some of that as well... I haven't had experience with social media but I presume you have to be on top of it all the time. [R11/1687:2275].

## Time

Time as a resource was cited by several respondents as a factor inhibiting the use of social media as a marketing communication platform. Most of the respondent retailers undertake tasks that might be done by other people in bigger stores due to their operating structure which therefore contributes to the reported lack of available time to engage social media.

### Category 6.4

#### Responses

Time

No, I have seen people who have Facebook and when you socialise with them, they are on Facebook. So they are not socializing with you. They are socializing with Facebook. So I don't have time for that. It shows you that it can take up a bit more of your time. If I had a nine-to-five job then no problem. I would be on Facebook. [R1/2439:2765].

We have WhatsApp for our meals.....but this method is too much of an invasion of my time. It keeps coming in any time of the day and I don't like it. [R2/10130:10698].

It is definitely a big mistake from my side, not to tackle it as soon as possible but we just finish. We have been busy with different things and we have had no time. We need to though. [R5/625:805].

I don't. We did a competition with which we collected email addresses but we did nothing with it. I am a bit slack when it comes to that. Well, I am the cashier, HR, the boss, the floor sweeper. I am doing everything here. Lack of time, I can't get around to it. [R8/5816:6074].

I am lazy about it. I know it is useful but I am lazy about it and I do not have time for it. [R10/1149:1241]

Well, that we will have to refresh on some of that as well. I think it is more timewise and having someone dedicated to doing that. I am not going to be able to do it if I am running around doing everything. If people try to get hold of me, then I am expected to be there and give answers as well. That will obviously start taking a lot of time. I haven't had experience with social media but I presume you have to be on top of it all the time. But social media is something I would like to get on. It is obviously the way things are going and people are using social media to do whatever. [R11/755:1115].

## Human resources

Similarly to time as a constraint, available personnel with the capacity to undertake the function was seen as a problem by four respondents.

### Category 6.5

#### Responses

Human resources

We did have that at one stage up until two years ago but the wording wasn't correct, professional enough so I stopped that and I have been managing it. Our two managers, Danny and Daniel were running at one stage and they were interacting a lot more or posting a lot more than I was but with the wrong wording, wrong directions; so I was more concerned about that from the branding perspective. [R4/3006:3399].



#### **5.2.3.4 Summary of factors inhibiting the use of social media**

The consistent theme among the respondents was a concern that the lack of control over the interaction and what the consumer posted on social networks was a factor that inhibited their use. Lack of time was cited by those not using this medium as well as a lack of knowledge regarding this channel of communication and interaction. This comes through the response that the shop did not have the necessary equipment. Another noted that although still good value, the cost of boosting the posts meant that the cost was rising.

#### **5.2.4 Theme four: Motivation for using social media**

This theme explores the motivation for adopting social network platforms as a communication strategy with customers and the community within the catchment area by the respondent retailers.

##### **5.2.4.1 Factors motivating the use of social media as a marketing communication strategy**

This theme reveals the motivational elements that promoted the use of social media as a marketing communication strategy. The main factors that were cited as the reason for engaging this medium were building a brand, creating relationships with customers and growing sales.

One respondent indicated that they initially wanted to secure their domain names for Facebook and Instagram; they used it to raise awareness of their business and showcase their unique offering. The respondents who had not adopted this medium also indicated brand visibility, sales and promotional activity as the reasons that might persuade them to adopt this medium, another respondent viewed it as a way to engage with and get closer to the customer.

The figure below indicates that sales, brand awareness, marketing and business visibility came through as strong motivators for using social media as a communication strategy.

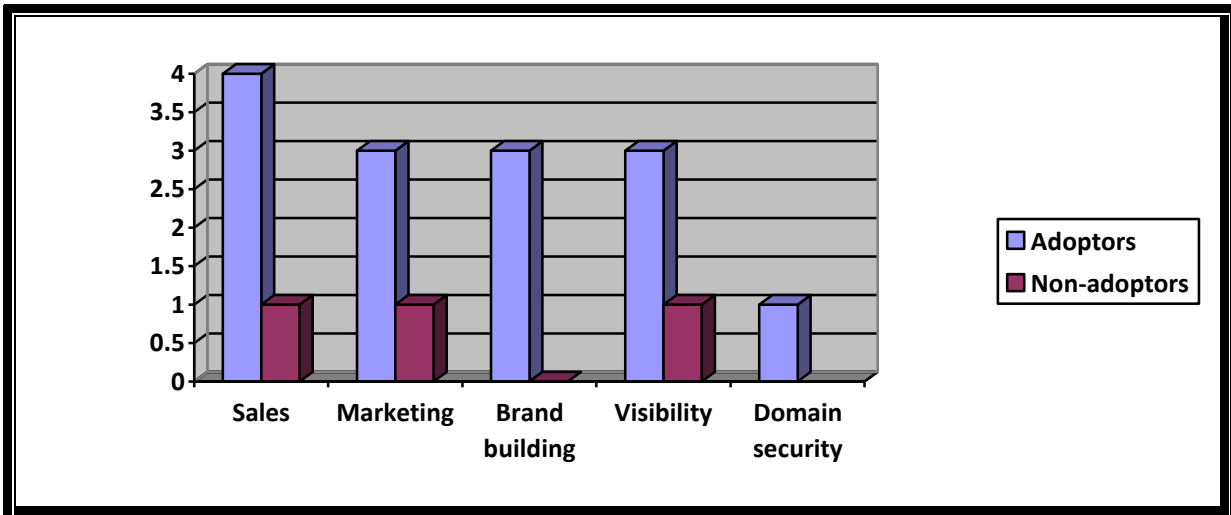


Figure 5.5: Motivating factors driving the use of social media

### 5.2.4.2 Brand building

Building a brand and improving the visibility of the business within the community they serve was the motivation of most of the respondents.

#### Category 7.1

##### Brand building

#### Responses

The main purpose for using social media is for marketing and creating brand awareness... I am the Green Grocer which is not a brand and there are no others. There is no other form of marketing such as TV and radio so people don't know who the Green Grocer is. Most people who live in Durbanville have heard of the Green Grocer or seen it on Facebook or been to the shop so it is definitely helping develop my brand and an awareness of it. [R2/1159:1244].

Well, we have a visual space and felt that Twitter was not suited for our business. But, to be honest, in the beginning, it was more important for us to secure the domain names for Facebook and Instagram. [R3/352:775].

It is more a brand awareness perspective rather than a sales perspective. Sales yes for new entrants into the area looking for fish and chips, it pops up but not necessarily a sales perspective. [R4/2377:2570].

Well, we noticed that even being in a suburb, there are always people coming in. There are people that are new to the area and might take a while that we are here. We should do something once a month whether it be a paper or at least be on social media so that they would be more aware that we are here. Some of them don't even know that we are here. Never mind the prices. [R5/1321:1690].

Most probably better sales. Advertise pricing to get feet into the store, conduct competitions and promotions. [R7/1185:1294].

We don't have many options out there. You choose whatever is out there and you use them. That's how it all came about... [R8/654:771].

Obviously we want to be out there although our demographics are not the social media crowd... [R8/1310:1399].

Sure, business is tough. We are a type of business that relies on people walking in our door. We are not producing stuff that we can go out there and get orders although we have done some catering but we do rely on people walking in the door. So, if you can highlight your store to the people out there and it costs you nothing really. [R8/3074:3407].

Well, it is a means of advertising and a way of getting customers in the shop. [R9/1467:1544].

### 5.2.4.3 Customer relationships

Building relationships with their customers and community came through strongly, as Respondent One felt that this was a way of communicating with their customers. This would give them an opportunity to address customer concerns. This sentiment is reflected by more than half of the respondents.

#### Category 7.2

Customer relationships

#### Responses

Social presence is an important way to communicate with your customers... I understand that. I would obviously have my own social media platforms because that is the way you can get feedback from your customers. I am the owner here. I have two managers. One in the morning, one in the afternoon as I am in and out all the time. A lot of the time when there is a complaint, the managers do a cover up and try to hide so that I don't hear of it. I like to know what is happening in my store. If there is a complaint, I want to know about it. It is important to me because I only make money if customers walk in. The managers don't realise that the customers pay their salaries. [An example of incident of underage liquor purchases given to illustrate this point]. So I think it is important to have social media because if they don't complain to me, trust me they will go on that platform and they will complain. You can respond to it if you want to. [R1/3422:4292].

Me. As immediately as possible, even if it is on a Sunday night. I will respond. First of all I will respond to the customer to say we will respond immediately. I try to get an understanding from the customer of what actually happened. We replace the order without any questions and we try to get more detail so that we can deal with the issue at the store..... You have to respond to complaints. Complaints are a second opportunity to rectify a situation. [R4/1034:1689].

Well, I see that there is a group in this area (WhatsApp) not Facebook? Sorry. Well they asked that whoever has a business in this area, to contact them and they would be willing to publish what we do, interact with each other and support one another... [R5/2430:2680].

I like social media because it connects us to the community. [R5/4115:4173].

Because when you become friends with a lot of people, it becomes word of mouth so when one sees it the next one sees it and... it is all word of mouth. [R6/2342:2491].

Well I believe Facebook is one of the most people use. So that one would have the most effect. [R7/1044:1130].

I would say that the housewife would be our key customer but I have found that on Saturday when men come in, they empty their pockets because it is a different store with different tastes. When someone comes in to the store for the first time, they are blown over by the experience. So, I have staff that has been with me from the start, 17 years, so we know our clients and it is a personal experience than going to a place to buy something. [R8/3558:4100].

No. We do not have any other form of advertising. What we have done is put up a poster at the tills for the customers to follow our Facebook page. [R9/2615:2716].

People that know me personally that I have them on my Facebook or WhatsApp and they are trying to get hold of me for the business, they get hold of me direct and I reply or my brother's friends that know him, will get hold of him the same way. If there is an emergency like the fires, then they get hold of us and we get it done and my sister will be more on Facebook stuff. On the local forum, if there is a complaint or we are mentioned and we have picked up one or two, she picks it up and we try to deal with it. But not a dedicated Facebook page for the shop. [R11/2388:2948].

#### **5.2.4.4 Sales**

Sales growth was indicated as being an important motivation for the active respondents whilst the non-active respondents viewed it as a sales opportunity. A few respondents gave examples of sales success on previous promotions as a motivator.

#### **Category 7.3**

Sales

#### **Responses**

I got a friend who owns a Spar in Van Riebeeckshof and he does not do leaflets. He's got that rewards card that he uses for promotions and he has Facebook. So, if I ever go the OK route, I will be looking at that option. Using the OK brand, my store on social media. So I will definitely consider that. [R1/2971:3270].

The sales results. [R2/1086:1103].

In the beginning it was tough, no one really sees our shop and we get fresh produce every day and we wanted to sell these and we didn't want them to go into the centre so we started posting on Instagram and it grew and grew. Then we posted on Facebook. [R3/2660:2910].

I have noticed something. Once you start advertising, people look for that advertising because people ask what the next special is. So now we have a month's special on cakes and takeaways. People get to know... people get used to you posting and then they will ask. So it does work... If we do a monthly special, we will get somebody to do a poster and we distribute it around here. We haven't done that for a while but that also works for us and we also have the blackboard outside. If people drive passed and see specials, they stop. That also helps that you advertise outside as well as in Facebook and WhatsApp. [R6/1259:1538].

Well I believe Facebook is the one most people use. So that one would have the most effect... [R8/1044:1130].

Most probably better sales. Advertise pricing to get feet into the



store, conduct competitions and promotions. [R8/1185:1294].

Obviously we want to be out there although our demographics are not the social media crowd. [R8/1310:1399].

Well, the Aquelé 5L water sold out very quickly... Well, it is a means of advertising and a way of getting customers in the shop. [R9/1330:1377].

I would consider using social media when the shop is new with a better offering. [R10/1320:1399].

Well obviously it has to make money. It has to bring growth. If you are going to employ somebody, it has to cover the costs. It is nice that everyone knows what is going on and they see you out there and it automatically advertises the shop [R116/168:6799].

#### 5.2.4.5 Environmental pressure

Circumstances around the retailers with regard to the way the community interacts on social media as well as competitor behaviour using this medium as a customer contact point has prompted some of the retailers to engage with social media as a way to be part of the discourse.

#### Category 7.4

#### Responses

Environmental pressure

The Spar in Van Riebeeckshof does not do leaflets. He's got that rewards card that he uses for promotions and he has Facebook... So I will definitely consider that. [R1/2971:3270].

It does but I think that a lot of people have a Facebook page and they think they are updating it but I don't think they realise that if they don't pay for the post, very few people see it. So if you compare the Facebook pages of other stores such as one of the OK's, you will see that they might have about two hundred followers where as I have 11 000. So it is the only way that I advertise. I don't have a leaflet that goes out of radio or T.V. advert. So a store that is part of a franchise group gets it through their franchise fees. [R2/5841:6375].

In the beginning, it was more important for us to secure the domain names for Facebook and Instagram. In the beginning we didn't know how we would use those platforms. We just knew we needed them and in the end, the way we used them is more of an organic thing rather than a plan. [R3/456:734].

Well, I see that there is a group in this area (WhatsApp) not Facebook? Sorry. Well they asked that whoever has a business in this area, to contact them and they would be willing to publish what we do, interact with each other and support one another. [R5/2340:2680].

Because when you become friends with a lot of people, it becomes word of mouth so when one sees it the next one sees it and... it is all word of mouth. [R6]

We don't have many options out there. You choose whatever is out there and you use them. That's how it all came about. [R8/654:771].

It is the local community forum that communicates via Facebook.

And then you have the Sun Valley moms of the mothers that do whatever. Some customers take it to the extreme by doing price checks at different shops and sharing with their groups. They give feedback when the price is good or bad. [R11/4438:4728].

### 5.2.5 Summary of the motivational factors for using social media.

The responses indicate that one of the key motivators to using social media is the opportunity to become visible to the community they serve as an individual brand. Having a relationship with customers came through as well. One of the most repeated words is “people” which in the context of the questions refers to customers. Although “sales” was indicated as a motivator, it came through subservient to branding and customer relationships. Notwithstanding this, social media was viewed as a channel through which the active retailers could compete with other retailers.



**Figure 5.6:** Word cloud on motivating factors for using social media  
**Source:** Author (2020)

The importance of Facebook to the retailers as a communication contact point is illustrated by the number of mentions, hence the size of the letters. As indicated in other areas, the use of people as the descriptor for customers comes through strongly. Although “sales” was not prominent, it is possible that the word “business” which came through more prominently might have been used synonymously to sales.

## 5.3 Impact of social media

The objectives of this study were to investigate whether independent retailers in the City of Cape Town use social media as a communication strategy. In the result of an affirmative answer, the consequence would be to ascertain, which channels are being used and the extent to which they are being utilised. These findings have been set out above as well as the factors that inhibit its use. An emergent finding of the research has been the impact social media platforms have had on the businesses that have adopted this medium. The responses below reveal these effects.

### 5.3.1 Branding

Whereas in theme four, branding was a desired output of using social media as a marketing communication strategy, this section describes the results experienced by the active respondents as listed below.

#### Category 8.1

#### Responses

##### Branding

So, there is a report on Facebook that you can draw that shows how many people clicked on it and how many people liked it. Ideally what you would like people to do is share that post because if they like the post and think their friends and family would like it, then they share it. It becomes very effective as the cost is only the initial click and not the subsequent shares. The measurement of sales will have to be through reports from the system at store level. Say for example I go on holiday and I am not here for a week and don't update my Facebook page, you can immediately see the amount of people come into the shop. You always have a certain amount of people that always come into the shop but you get that little extra when you advertise and because I am the Green Grocer which is not a brand and there are no others, there is no other form of marketing such as T.V and radio so people don't know who the Green Grocer is. Most people who live in Durbanville have heard of the Green Grocer or seen it on Facebook or been to the shop so it is definitively helping develop my brand and an awareness of it. [R2/3724:4841].

Social media has definitely impacted for the better and not for the worse. It has helped me grow my business and made people aware of my business and growing my brand. Telling them about specials is effective advertising. [R2/7455:7676].

Just to add to our marketing campaign and create brand awareness, essentially, creating the brand. You need the look and feel of the store. You need the atmosphere in the store; you need the packaging and all that. With that come the Website and any other social media marketing platforms... Social media has had more of a soft impact from a branding perspective but from a hard sales result perspective, no I don't see an impact. [R4/2025:2314].

You can see how many hits you are getting. With Google, they send you a progress report. How many people have paused, how many people have gone onto your website, how many people have visited. That is gauged by people reporting back to Google. I get notification via email that someone has visited my site, someone has popped in, and someone has left a comment... We have with the catering. Just

this week a few people saw our website and the catering and wanted more information. So we do get a lot of requests in that regard. [R8/2043:2403].

### 5.3.2 Perceived value of social media towards a business

The perceived value of social media for a business is largely as a result of the lived experiences as described by seven respondents. These included attaching a value to this medium based on the results achieved according to two of the respondents whereas one of the other respondents regarded social media as a channel to generate brand value.

#### Category 8.2

#### Responses

Perceived value of social media towards a business

This proves that Facebook is actually working as people are ordering from him online. If it is working for him, imagine the potential for me. [R1/5224:5664].

Social media has definitely impacted for the better and not for the worse. It has helped me grow my business and made people aware of my business and growing my brand. Telling them about specials is effective advertising. [R2/7455:7676].

No but I think we have over two thousand followers on Instagram that from about a year. We have 2400 followers and interruptions which is what I like. You want people who respond. You want people who get your material and you want people to respond to as it becomes a community rather being just a shop [R3/1979:2283].

Just to add to our marketing campaign and create brand awareness, essentially, creating the brand. You need the look and feel of the store. You need the atmosphere in the store; you need the packaging and all that. With that come the Website and any other social media marketing platforms... [R4/2025:2314].

Social media has had more of a soft impact from a branding perspective but from a hard sales result perspective, No I don't see an impact. [R4/4844:5177].

I think there is value in social media for my store. [R5/1214:1268].

It was myself and the owner. We were talking and he wanted to start a WhatsApp group but I said that we should do it on Facebook as it is more social and more alive than WhatsApp. WhatsApp is more private. [R6/3046:3251].

Sure, business is tough. We are a type of business that relies on people walking in our door. We are not producing stuff that we can go out there and get orders although we have done some catering but we do rely on people walking in the door. So, if you can highlight your store to the people out there and it costs you nothing really. [R8/3074:3407].

### 5.3.3 Sales growth

Five respondents gave examples of sales successes as a result of using social network platforms to generate sales.

### Category 8.3

Sales growth

### Responses

Correct. Social presence is an important way to communicate with your customers. I mean, we get compliments here like we have the best rolls. Imagine if that gets posted on social media. It will definitely benefit your business. We got an order from a customer we don't know. She was told to come buy rolls here. [R1/4439:4751].

The sales results. [R2/1086:1103].

Social media has definitely impacted for the better and not for the worse. It has helped me grow my business and made people aware of my business and growing my brand. Telling them about specials is effective advertising. [R2/7455:7676].

It actually does work. [R6722:744].

If we do a monthly special, we will get somebody to do a poster and we distribute it around here. We haven't done that for a while but that also works for us and we also have the blackboard outside. If people drive passed and see specials, they stop. That also helps that you advertise outside as well as in Facebook and WhatsApp. [R6/1963:2292].

For example; if I post specials on or even like this promotion that we have. We have a lot of people that will come in and will buy bread and like I had a girl on the first day who bought 20 loaves of bread. If you post something worthwhile for the customer, they will come. Once they buy one thing and realise you have everything here and can become regular customers. It works, it does work. [R6/3340:3741].

Yes, it is effective. It works quite well. [R8/3579:3620].

We have with the catering. Just this week a few people saw our website and the catering and wanted more information. So we do get a lot of requests in that regard. [R8/5576:5739].

Well, the Aquelé 5L water sold out very quickly. [R9/1330:1377].

#### 5.3.4 Summary of the impact of social media on the respondent retailers

Respondents viewed the impact of using social media from different perspectives. Achieving a measure of success was prominent in the assertions by the respondents that using social media platforms such as Facebook and Instagram had impacted positively through increased sales or asserting that "it works". Five respondents made direct reference to this while one respondent said that he could not see the difference. Building the brand, creating awareness, and visibility were important benefits to respondents two, three and four.

#### 5.4 Marketing communication

The researcher felt that it was important to ascertain not only whether the respondent retailers engaged in online communication with their customers through social network platforms, but also to see whether they used traditional methods such as print to promote their businesses. The initial question would elicit a positive or negative answer. Probing

questions would uncover the reasons for and against this mode to advertise their businesses.

#### 5.4.1 Advertising activity

Advertising and promotional activity by the participants was restricted to instore promotional activity as in the case of two respondents. The other nine respondents had not used any form of advertising and promotional activity to market themselves.

##### Category 9

##### Responses

Advertising activity

No advertising currently. [R1/535:559].

Nope. I tried that about twelve, thirteen years ago. I was part of the OK group and Makro had a similar thing where you don't pay membership at all. You just have to attend their meetings once a month and you pay for leaflets about forty or fifty rand and you buy for that period and see what happens. I tried that for a year, a waste of time. [R1/589:931].

We used to advertise in the Burger but it became too pricy and Facebook was picking up hugely with everyone using Facebook and everyone has Facebook on their phones so I switched over to Facebook and use a third of the amount compared to the Tygerburger and I find it is a lot more effective than what it used to be. [R2/722:1037].

There is no rhythm to our posts. Sometimes we will go a while without posting. We do try to post at least twice a week. There are certain things that we keep a momentum with. We have doughnut Fridays. Every Friday we will have a post about the variety of doughnuts. Every Monday we get our fruits. So we want to create a rhythm and teach people to come on certain days. We want to train them through Instagram. [R3/918:1321].

We had. We have a very small marketing budget. We don't have a big franchise base anymore so we have cut the marketing budget to a certain degree. We have been through some financial issues in the last few years. It is probably the last thing that should go but it was the first thing that had to go. We were spending R200 000 a year for a small business like this on marketing and branding. My wife does most of the marketing and instore promotions. So R30 to R40 000 is the budget per year these days. [R4/4283:4784].

Only Facebook and also the advertising outside. We have a blackboard outside. [R6/400:476].

If we do a monthly special, we will get somebody to do a poster and we distribute it around here. We haven't done that for a while but that also works for us and we also have the blackboard outside. If people drive passed and see specials, they stop. That also helps that you advertise outside as well as in Facebook and WhatsApp. [R6/1963:2292].

It is pure advertising although when it is fathers' day or when it was Eid, then we post messages during these days. [R6/3795:3933].

No, I do not use any printed stuff. It is all word of mouth. I just find that printed media has no effect. You can't gauge the type of

response on printed media whereas you can get feedback from people that are logging in or making comments you can track. [R8/1756:2010].

The cover picture is still the same one when we opened. We post whenever we get specials for the store. We are currently waiting for specials. That's the problem. [R9/550:711].

We have not done any other form of promotions yet. [R9/977:1050].

No promotional activity. [R10/495:518].

None at all. We used to. Cherry pickers and no noticeable increase. [R11/1210:1277].

Respondents five and seven had no advertising activity either.

#### 5.4.2 Attitudes towards advertising and promotion

The results derived above are largely a result of the attitudes towards advertising and promotion. Three respondents stated that print advertising had no effect on sales or attracted "cherry pickers" whereas another had used the cost of traditional channels as justification for switching to social media or reducing the advertising spend respectively.

##### Category 10

##### Responses

Attitudes towards advertising and promotion

Nope. I tried that about twelve thirteen years ago. I that for a year. What a waste of time. [R1/589:931].

When you don't generate extra sales, it is a waste of my time because I had to go to the meetings and discuss the lines. Then I would have to buy the lines for the period and we could be a rand cheaper than anybody else and it still didn't make a difference. [R1/1037:1295].

They don't care. Tomato sauce can be 19.99 or 29.99, it makes no difference. [R1/1345:1395].

We used to advertise in *The Burger* but it became too pricy and Facebook was picking up hugely with everyone using Facebook and everyone has Facebook on their phones so I switched over to Facebook and use a third of the amount compared to the Tygerburger and I find it is a lot more effective than what it used to be. [R2/722:1036].

We had. We have a very small marketing budget. We don't have a big franchise base anymore so we have cut the marketing budget to a certain degree. We have been through some financial issues in the last few years. It is probably the last thing that should go but it was the first thing that had to go. We were spending R200 000 a year for a small business like this on marketing and branding. My wife does most of the marketing and instore promotions. So R30 to R40 000 is the budget per year these days. [R4/4283:4784].

Well, we noticed that even being in a suburb, there is always people coming in. There are people that are new to the area and may take a while that we are here. We should do something once a month whether it be a paper or at least be on social media so that they would be more aware that we are here. Some of them don't even know that we are here. Never mind the prices. [R5/1321:1690].

Well, what I would like to do randomly whether it is the beginning, middle or end of the month, is take two or three items on promotion so that I can give it to the customer. [R5/1977:2150].

That is also one of the reasons why I haven't pushed ahead for anything. I truly like the posters outside, leaflets or a small advertisement in one of the local magazines and newspapers because I am not an avid internet person but when I do go on, I am just shaking my head half the time. [R5/3022:3725].

We don't have many options out there. You choose whatever is out there and you use them. That's how it all came about. [R8/654:771].

No, I do not use any printed stuff. It is all word of mouth. I just find that printed media has no effect. You can't gauge the type of response on printed media whereas you can get feedback from people that are logging in or making comments you can track. [R8/1756:2010].

We have not done any other form of promotions yet... No, we haven't because we have to pay and George (owner) does not want to pay for anything extra advertising. [R9/977:1025].

No, the shop is not in good condition. [R10/580:616].

Yes, but I want to improve the shop first before I promote. [R10/667:75].

None at all. We used to. (Cherry pickers and no noticeable increase). [R11/1210:1277].

I have never liked it. The times that we tried it... The current economic situation means that customers are a lot more price conscious. Lots of customers have come in with lists with prices from the various retailers and buy only what was the cheapest and complete the shopping elsewhere.... Some might buy additional products when they become aware of the promotion on products. The customer is there already and you don't need the specials to bring the customer into your store. My opinion is that customers rely on the shop for convenience. Yes, the more you offer will result in increased purchases such as the Farmer Angus organic range that we carry, which means customers do not have to go to Woolies to get it resulting more frequent visits and purchases. I have never seen how advertising themselves work. Customers know us because we have been there so long. Advertising would work to get the new customers in the area to know about the shop. [R11/6877:7166].

Only two of the respondents had had any budget for promotions and had used print in the past. In both cases, cost considerations had curtailed this activity. A few of the respondents felt that word of mouth was an effective advertising vehicle for the businesses. Respondent one said that he had tried advertising in the past but that it was ineffective. Respondents ten and seven did not engage in any advertising as both indicated that their stores were not up to standard to justify promotional activity.



### 5.4.3 Attitudes towards social media as a marketing communication channel

The attitudes of retailers towards social media might affect the type and level of activity that a retailer might engage in this medium. The responses below give us an indication of the view the respondents have of using this channel as a communication strategy.

#### Category 11

Attitudes towards social media as a marketing channel

#### Responses

I do not have a personal Facebook page. I don't have time to play with those things. [R1/2262:2345].

I won't be going on YouTube but I have opened a Twitter account, but Twitter is difficult because you can put so much in. It is not really an advertising platform. Instagram is good for the clothes and it would probably be good for food as well but here again not really an advertising platform and that was is what I use it for. I found that Instagram is for the younger crowd and not really my target market. So I will do the clothes on Instagram but not the food. [R2/9269:10094].

In the beginning we didn't know how we would use those platforms. We just knew we needed them and in the end, the way we used them is more of an organic thing rather than a plan. We do everything else on a small scale. [R3/558:775].

Our market is not essentially social media orientated and where we understand our market, we focus on those areas. Facebook is one of the biggest ones so we focus a little bit on Facebook. Not a lot of activity but we get a lot of feedback mainly through Facebook and Google Business. Pinterest very little. It is not our market. Our market is more Black and Coloured orientated whereas Pinterest in my mind, more high end market. Twitter is not our market. [R4/224:679].

It is definitely a big mistake from my side not to tackle it as soon as possible but we just finish. We have been busy with different things and we have had no time. We need to though. [R5/625:805].

I think there is value in social media for my store... Well, I am not the best person for that. I will send them to the madhouse before they send me. That is why sometimes I stay away from Facebook. [R5/2874:2367].

Because I am more here and I am more around the shop so I have taken the initiative to do it on my own. We wanted to do it as a WhatsApp group but that's more personal. So on Facebook it is more alive and people get to see more. [R6/1666:1893].

It was myself and the owner. We were talking and he wanted to start a WhatsApp group but I said that we should do it on Facebook as it is more social and more alive than WhatsApp. WhatsApp is more private. [R6/3046:3251].

I felt that the Foodzone trade mark was not that strong. Social media would not have added value as a result. [R7/198:306].

We don't have many options out there. You choose whatever is out there and you use them. That's how it all came about. [R8/654:771].

For me personally, the time required. It demands a lot of time. When I go home, I want to relax and not go do homework. That why companies employ someone for this. [R8/6311:6473].

No, we haven't because we have to pay and George (owner) does not want to pay for anything extra advertising. [R9/2407:2514].

I would consider using social media when the shop is new with a better offering. [R10/1320:1399].

Well obviously it has to make money. It has to bring growth. If you are going to employ somebody, it has to cover the costs. It is nice that everyone knows what is going on and they see you out there and it automatically advertises the shop. My customers come into the shop and get what they need. We do have customers that use us for convenience and I don't think that customers will shop more in the store because of the Facebook page. It is something that I have not looked at seriously. I would have to sit down and consider the options before making decisions. I am happy to consider recommendations as I [am] not anti-social media. [R11/6168:6799].

The respondents reflect differing views on social media as a communication channel. One of the respondents viewed it as a timewaster but conceded that it had great promotional potential. The need to respond quickly and minimise the effect of bad reviews and customer complaints came through by a few respondents. One of the respondents was wary of negative responses and unsure of how to deal with them whereas another regarded the current state of his store as the reason that precluded him from engaging social media as a customer contact point.

#### **5.4.4 Social media strategies and tactics**

In the event of social media communication activity, the researcher endeavoured to investigate whether there was any planned activity with clear objectives or that the posts on the platforms would be ad hoc and without a predetermined goal.

##### **5.4.4.1 Branding**

There was little evidence of a determined strategy by the six retailers active on the social network platforms other than one of them who exhibited purposeful action to raise awareness of the business and develop a brand. The rest acted informally due to short term objectives or needs such as securing domain names or supplementing traditional marketing activity.

#### **Category 12.1**

#### **Responses**

Branding

I don't know if you know Facebook booster post. In the old days I could reach all 11 000 followers but since Facebook became listed, it is a business and they want to make money, so you have to pay to reach your followers. So you have to boost your post and then you choose your audience. There are different categories. There are demographics that you can choose, areas where they live, age groups ethnic groups, education, interests and things like that. I

tended to choose the areas. So I would take the people living in Durbanville or within a 5km radius of Durbanville because those are the people that would shop here. I will choose them as my audience and then I would choose an age group from 28 to 65 year olds because I don't want all the kids because every time somebody clicks on your post, you have to pay for that. Then if I have a great meat promotion that I think that restauranters would like, then I would put meat sales as an interest which then goes onto peoples Facebook pages or comes up if they search for meat, braai etc. and then it reaches quite a wider audience which for me is great because I have been able to get customers from as far as Kalk Bay. It depends on the product that you want to advertise. If I want to advertise a sachet of milk, then I would restrict the reach to the people who live in the area and drive past. [R2/2315:3666].

Most people who live in Durbanville have heard of the Green Grocer or seen it on Facebook or been to the shop so it is definitely helping develop my brand and an awareness of it. [R2/3724:4841].

It was more important for us to secure the domain names for Facebook and Instagram. In the beginning we didn't know how we would use those platforms. We just knew we needed them and in the end, the way we used them is more of an organic thing rather than a plan. [R3/474:734].

Just to add to our marketing campaign and create brand awareness, essentially, creating the brand. You need the look and feel of the store. You need the atmosphere in the store; you need the packaging and all that. With that come the Website and any other social media marketing platforms. [R4/2025:2314].

I have noticed something. Once you start advertising, people look for that advertising because people ask what the next special is. So now we have a month's special on cakes and takeaways. People get to know... people get used to you posting and then they will ask. So it does work. [R5/1259:1538].

Yes, we have used Facebook boost a couple of times. [R8/3502:3552].

I don't have a social media budget per se. If I require something, then I just do it. [R8/6137:6223].

#### **5.4.4.2 Sales**

Sales were an important consideration as an objective that resulted from activity on social media by the respondents, although its implementation varied between the five respondents.

#### **Category 12.2**

#### **Responses**

Sales

I can't because we have to wait and see what we can get specials on, so it depends on when the suppliers come to the party and especially with things like meat which is the biggest thing that I advertise. You can't pre-plan it. What we do pre-plan is the frozen meals that people can take away when they go on holiday which is a big thing during this period. There are other things like wine promotions. You know about a month in advance what will be on special so you start promoting those lines early by posting upcoming promotions and activities but the rest of the stuff is basically when the stuff comes in. Weekly meals are planned ahead but we know that it is done every week and customers expect it and therefore go

and see what it is. [R2/8777:9508].

There is no rhythm to our posts. Sometimes we will go a while without posting. We do try to post at least twice a week. There are certain things that we keep a momentum with. We have doughnut Fridays. Every Friday we will have a post about the variety of doughnuts. Every Monday we get our fruits. So we want to create a rhythm and teach people to come on certain days. We want to train them through Instagram. [R3/918:1321].

If I were an IT developer; everybody that walks past my store would get a pic which advertises 10% off during this hour. [R4/6106:6225].

I have noticed something. Once you start advertising, people look for that advertising because people ask what the next special is. So now we have a month's special on cakes and takeaways. People get to know... people get used to you posting and then they will ask. So it does work.' [R6/1258:1537].

On Facebook; I would like more specials on Facebook. [R9/3576:3626].

#### 5.4.4.3 Customer relationships

The responses from most of the respondents suggest that building relationships with their customers was an important consideration, although the responses are consistent with ad hoc activity that developed into a purposeful one.

#### Category 12.3

#### Responses

Customer relationships

Yes, I have Facebook. I have 11 000 followers which is quite a lot and I do all my marketing through Facebook. I do not have an Instagram account. For my clothing, I have an Instagram account. [R2/343:533].

No but I think we have over two thousand followers on Instagram that from about a year. We have 2400 followers and interruptions which is what I like. You want people who respond. You want people who get your material and you want people to respond to as it becomes a community rather being just a shop. [R3/1979:2283].

Not really. It is pure advertising although when it is fathers', mothers' day or when it was Eid, then we post messages during these days. [R6/3795:3933].

No, I do not use any printed stuff. It is all word of mouth. I just find that printed media has no effect. You can't gauge the type of response on printed media whereas you can get feedback from people that are logging in or making comments you can track. [R8/1756:2010].

I would say that the housewife would be our key customer but I have found that on Saturday when men come in, they empty their pockets because it is a different store with different tastes. When someone comes in to the store for the first time, they are blown over by the experience. So, I have staff that have been with me from the start, 17 years, so we know our clients and it is a personal experience than going to a place to buy something. [R8/3658:4100].

Well, I would say it is the people around the area here.



respondents as a way to reach the desired target while another created consistent repetition as a conditioning strategy to create expectation. The other retailers however had general goals as highlighted in Figure 6.2 but were haphazard in their activity, without rhythm or clear objectives.

## 5.5 Other online channels

Ratings received on Google by customers were regarded as important to the respondents tracking this activity as a form of customer of feedback. A few respondents had store websites that acted as additional contact points with customers and community.

### 5.5.1 Website

The respondents who had store websites offered the customer an opportunity to view the products and services available as well as further insight into their businesses other than what was available on the social network platforms.

#### Category 13.1

#### Responses

Website

We do everything ourselves, Facebook, Instagram and website. [R3/829:885].

Just to add to our marketing campaign and create brand awareness, essentially, creating the brand. You need the look and feel of the store. You need the atmosphere in the store; you need the packaging and all that. With that comes the website and any other social media marketing platforms [R4/2025:2314].

We do have a website. [R8/502:522].

### 5.5.2 Google

Two of the respondents saw value in the ratings given by users of the Google business platform, and viewed this medium as an additional customer contact point.

#### Category 13.2

#### Responses

Google

Not a lot of activity but we get a lot of feedback mainly through Facebook and Google business. [R4/224:679].

You can see how many hits you are getting. With Google, they send you a progress report. How many people have paused, how many people have gone onto your website, how many people have visited. That is gauged by people reporting back to Google. I get notification via email that someone has visited my site, someone has popped in, and someone has left a comment. [R8/2043:2403].

The table below indicates the engagement or response to the reviews by the respondents.

**Table 5.3:** Google reviews and engagement

<b>Respondent</b>	<b>Google reviews for the last 12 months</b>	<b>Review engagement</b>
1	7	Nil
2	This store converted to a franchise sometime after the interview and reviews not available.	
3	85	Nil
4	242	Yes
5	0	Nil
6	110	Nil
7	This store converted to a franchise sometime after the interview and reviews not available.	
8	189	Yes
9	186	Yes
10	2	Yes
11	182	Nil

## **5.6 Summary**

This chapter can be regarded as part of step one and two of a three step qualitative data analysis process. Step one describes the reduction of the data through categorization, coding and tabulation. Step two builds on step one by organising the data in a manner that translates mass data into presentations such as tables, diagrams or matrices through which the major ideas are illustrated.

In the current study, the analysis of the interview transcripts created 35 codes within which the main themes of the study were reflected and included three sub-categories related to the factors motivating the use of social media. The attitudes and perspectives prevalent among the respondents towards social media came through strongly with 19 references to social media. A review of the participant social network platforms confirmed that Facebook was the most utilised platform with some references to Instagram and Pinterest. Postings consisted almost exclusively of product offering with the exception of respondent three who added related and topical content to their Facebook page.

The following chapter will interrogate the findings and discuss these with reference to or comparison with available literature dealing with similar studies, in order to grow the available data for this investigation of how independent food retailers use and engage social media as a communication contact point with their customers.

## CHAPTER 6

### DISCUSSION OF RESULTS

#### 6.1 Introduction

The previous chapter highlighted the results of the extracted data following the categorizing and coding process of the interview transcripts with the respondent independent food retailers trading within the greater City of Cape Town area. This chapter examines the data generated by this study, which had as its primary objective to assess whether independent food retailers engage social media as a marketing communication strategy, and compares them to similar studies in available literature with the view to discuss the inferences of these results. The subsequent analysis will give an indication of the similarities and differences to the lived experiences of the respondents in this study compared to others with regard to the use of social media as a communication strategy.

#### 6.2 The degree of social media use by respondent retailers

Globally, 3.8 billion people are active social media users, which is up 9.2% in 2019 compared to the previous year. In the South African context, the active users were estimated at about 23 million or 40% of the population in 2019. Social media is playing an increasingly important role in businesses as a marketing channel and as a medium through which to engage customers (Srinivasan et al., 2016:91-101; He et al., 2017:149-10; Bae & Zamrudi, 2018:851-869; Ndiege, 2019:1-12; Kemp, 2020b). The extent of social media use by independent food retailers in this study was determined by noting the responses to questions investigating this theme, examining the social network platforms that the respondents said they were using, the variety of platforms being used by individual retailers and the activity frequency recorded.

##### 6.2.1 Social network platforms used

Kemp (2020a) reports that on a global basis Facebook is still the most used social network platform followed by YouTube and the WhatsApp messenger service. In South Africa, WhatsApp was the most used platform followed by YouTube and Facebook. Notwithstanding the South African statistics, the global usage trends reflect the results of the studies discussed below including those of the current study.

Facebook was the most widely used social network platform by the participants as indicated in Table 5.1. A review of the social network platforms of the various respondents was conducted by the researcher in order to compare their statements with their actual activity. One of the retailers had created Twitter, Facebook and Pinterest profiles but was not active



in any of these platforms. Another was active almost exclusively on Facebook. When asked why the profile was a closed group, the participant conceded that when the profile was created, knowledge of setting up the profile was limited. Although respondent eight indicated that his business had both a Facebook and a Twitter profile, only the former was active whereas the latter did not feature on the website home page, and searches did not produce any positive results. He also was of the opinion that ratings on Google by visitors were an important conduit through which he could build goodwill.

A respondent was active on Facebook, using it to create interaction and relationships. This included a search for the owner of a doll who had left the toy behind during a shopping visit. The activity on Instagram featured available products. He noted that "Instagram is more suited to posting pictures of food and we capture the right audience". Another retailer posted product offerings exclusively on Facebook. The manager of one of the stores had started the Facebook profile recently as a way to improve the visibility of the store within the community. The owner of the store was happy to have an online presence as long as the work was done by the manager. The posts were mostly promotional activity consistent with the prevailing in-store promotions. The other five respondents who were not active on social media gave reasons that included a lack of knowledge, state of store, disinterest and lack of time.

These findings are similar to the qualitative study by He et al. (2017:153) who found that Facebook was the most preferred social network platform used by small businesses. In that study, only three of the participants used Twitter. This trend is confirmed in the multiple case study by Ndiege (2019:5-7) where Facebook was revealed as the social network platform used by all 15 respondents of which five were retailers. Twitter was used by five of the respondents and Instagram by two. A mixed methods study by Bae and Zamrudi (2018:851-869) investigating retailer strategies to engage customers found that Facebook was the most popular platform for social interaction followed by Instagram. Similarly, Oji et al. (2017:1-12) established that WhatsApp, Twitter and Facebook were the most common platforms used by restaurant operators in the Cape Metropole, South Africa, following their study which explored challenges of adopting social media amongst these businesses. A further study by Ahmad et al. (2018:6-17) among small businesses in the UAE, found that Facebook was the most popular platform followed by Instagram, Twitter and YouTube.

The results of the current study mirror the global social media usage and preference for Facebook as the social network platform of choice, as highlighted by Kemp (2020a). It also concurs with the studies by Ndiege (2019:5-7) and Bae and Zamrudi (2018:851-869), which also included retailers as participants. The proclivity for this medium is further corroborated by He et al. (2017:153) and Ahmad et al. (2018:6-17) who focused on small businesses. The accessibility of Facebook as a platform might have influenced the usage levels of the

participants of the above studies as well as the respondents of the current one, given that all six of the active retailers were predominantly active on Facebook. The Twitter usage rate amongst the respondents was two of a possible eleven. Although lower compared to the results of Ndiege (2019:1-12), only one of the retailers out of a contingent of six in that study were active on Twitter. The results of the study by Ahmad et al. (2018:6-17) revealed that six out of the seven participants were active on Twitter. It is possible that Twitter is not seen as suitable for the retail situation as reflected by the respondents to the current study. A closer look at the results of the Ndiege study indicates that the participants not active on Twitter were also retailers, thereby showing that this channel is not regarded as a suitable communication channel for these retailers. There was also no reference to using YouTube as a resource by the respondents in their discussion of the use of different platforms. This medium might be perceived as not being suitable for these retailers, given restricted resources such as time and knowledge capacity availability.

### **6.2.2 Activity and frequency of social media use**

As indicated earlier, a review of the activity and frequency of posts on the various social network platforms of the respondents was necessary and conducted by the researcher in order to confirm the veracity of the responses to the actual activity recorded (He et al., 2017:149-160; Ndiege, 2019:1-12).

The activity of one of the retailers was consistent with the interview responses in that there were regular posts offering meals and highlighting products on promotion. This respondent segmented the use of the platforms by using Facebook for the supermarket, Twitter for clothing and WhatsApp to target older customers. The retailer did react to negative comments posted by customers as well as to positive comments made by others. Although respondent four had a presence on Facebook, Twitter and Pinterest, no activity was evident. This is corroborated by the fact that this retailer had last posted in December the previous year on Facebook. The Twitter and Pinterest accounts reflected the same situation. The retailer however, was diligent in responding to ratings posted on Google by visitors to the store.

A respondent retailer regularly posted almost exclusively product offerings on the Facebook page. The only deviation from this was greetings during special holidays like Christmas, Easter and Eid as well as special occasions such as Fathers' and Mother's day. Another delegated the responsibility of maintaining the Facebook page to his wife and daughter, as he did not have the time to do so. The frequency of posts was not consistent, as in some months there would be activity, while in others no posts would be actioned. Retailer number three was the most active of the participants with posts on almost every second day. These were not only product features but also content relating to the store and related points of

interest. This included a search for the owner of a doll who had left the toy behind during a shopping visit. The same retailer used Instagram to highlight their food items and Facebook to share information regarding the developments of products and activities.

He et al. (2017:149-160) found that respondents to a study of 27 small businesses in a mid-size US city posted daily specials, promotions and announcements on Facebook. A degree of interaction between businesses and customer was evident through responses and conversation on Facebook. It was found though that two of the respondents in the same survey had previously adopted Facebook but had discontinued its use prior to the study. This was mainly as a result of frustration caused by the maintenance of the Facebook page in the first case and no perceptible benefits of using this medium in the second instance. In that study, one of the respondents promoted their Facebook page instore, which is not dissimilar to respondent nine of the current study who advertised the Facebook page at the checkout.

Communicating was the basis for using Facebook by 63% while 46% of Twitter users searched for or shared news whereas YouTube was regarded as an entertainment channel by respondents among small and medium businesses in the UAE in a study investigating adoption and impact of social media (Ahmad et al., 2018:6-17). Ndiege (2019:1-12) recorded similar interaction to that being reflected in the current study, in an investigation of the use of social media for strategic positioning by small and medium enterprises in Kenya. In that instance which included five retailers among the respondents, typical posts included addressing customer complaints, and acknowledging customer and product promotions.

The current study reflects the findings of similar studies (He et al., 2017:149-160; Ahmad et al., 2018:6-17; Gavino et al., 2019:469-494) that investigated the use of social media by small and medium businesses with regard to the online habit and activity of respondents. The social network platform activity in the current study was conducted in most cases by the owners of the businesses. The detail, frequency and level of sophistication varied among the respondents. The consistencies among the findings with other studies include daily postings, promotions and announcements (He et al., 2017:149-160), interacting with customer comments and responding to them (Bae & Zamrudi, 2018:851-869; Ndiege, 2019:1-12). The availability of time to engage the social network platforms might have affected the activity frequency as highlighted by respondent eight and found to be a factor in He et al. (2017:149-160) and Ndiege (2019:1-12).

### **6.3 Factors enabling the use of social media**

This study highlights four factors that promote or enable the use of social media as a strategic marketing communication channel, namely cost effectiveness, reach, building customer relationships, and accessibility. Whilst these results are particular to the current

study, similar findings have been evident in other studies regarding these factors (Jones et al., 2015:611-63; He et al., 2017:149-160; Ahmad et al., 2018:6-17; Ndiege, 2019:1-12).

### **6.3.1 Cost effectiveness**

Cost effectiveness of social media as a communication channel through which the retailer could engage with their customers was an important consideration. Available literature suggests that small businesses lack in resources including financial capacity to promote themselves (Dlodo & Dhurup, 2010:164-180; Ainin et al., 2015:570-588; He et al., 2017:154; Crammond et al., 2018:303-328; Ndiege, 2019:6) and therefore look for cost-effective methods to do this.

The results of the interviews with respondents of the current study in this regard point to a similar perspective in that respondent two had been using traditional media such as print but had switched to social network platforms, as it was a lot more cost effective (Jones et al., 2015:622-623). Notwithstanding this assertion, the respondent added that Facebook as a channel was becoming costly to achieve extended reach through boosting as this was a paid service. Retailers' three, six eight and nine used social network platforms because of the low cost associated with them whereas respondent four had reduced the traditional budget due to cost constraints and had expanded the social network platform presence.

This finding is in agreement with other studies in which cost effectiveness (Ahmad et al., 2018:6-17; Ndiege, 2019:1-12) was regarded as an enabling factor towards the adoption of social media as a communication channel. Speed, reach and cost effectiveness were also contributing factors in terms of the integration of social media as part of the marketing communication strategy as indicated by Valos et al. (2016:9-40). The cost value sentiment in terms of cost effectiveness is consistent with other studies (Jones et al., 2015:622-63; Ainin et al., 2015:570-588; Dyachkov, 2016:35; Ahmad et al., 2018:6-17).

### **6.3.2 Reach**

The extent that social media affords retailers in connecting with and engaging customers, who might not otherwise visit their stores, is an enabling factor of its use. This sentiment is reflected by seven of the eleven respondents. Two of the respondents regarded the number of followers as an indication of the reach, with one stating that they had 11 000 followers while the other guessed their number to be about 2 400. Sharing by followers and word of mouth on the social network platforms was important to respondents two, six and eight, as this expanded their communication footprint to a much larger audience than otherwise would be possible (Jones et al., 2015:611-632; Valos et al., 2016:19-40; Omenugha, 2018:58-67).

The expanded reach potential for new markets and potential new clients is affirmed in the studies by Ahmad et al. (2018:6-17) and Bocconcelli (2017:700) in which the former investigated the adoption of social media and its impact amongst small and medium businesses in the UAE whereas in the latter, a struggling machineries supplier to the construction industry was able to expand their market beyond the national borders to grow the sales again partly due to their activity on social media. This is further affirmed in the qualitative study by Harris and Rae (2009:24-31) which examined the use of social network communities as a marketing tool through the collaborative approach. The study found that the pre-emptive driver of online collaboration and advocacy was a culture of trust. In this instance, Ecademy business network, Facebook, SecondLife, Blog and the respondents' own forums were the channels used to network with others. The interviewees noted that these platforms affected their businesses positively by expanding their network, generating new leads and growing sales. This was cost effective for their limited marketing budgets.

The independent food retailer respondents in the current study are almost exclusively community stores whose business footprint is limited to the community they serve. The reach possible through the use of social media extends their area of influence. The communication among consumers or electronic word of mouth regarding the business can play an important role in this function. This supports the findings of the studies by the researchers cited above (Bocconcelli, 2017:700; Ahmad et al., 2018:6-17) in which examples of the extended reach possibilities were identified.

### **6.3.3 Accessibility**

It was estimated in 2019 that almost half of the world's population were active social media users (Kemp, 2020a). The relative ease with which customers and retailers alike engage social media as a contact point suggest that this medium is accessible to users and therefore presents an opportunity to create contact points with customers and communities around stores. All the respondents in the current study were aware of social media and only one of the eleven did not have a personal or business social network platform profile, driven by the view that engaging in social media was a waste of time. The number of followers claimed by respondents two and three confirms this assertion of accessibility whereas respondents seven, eight and nine said that Facebook was the one most people used, and was the most familiar platform and easiest to use.

Setting up websites and Facebook pages made it easier for potential customers to see the five businesses in Maine who participated in a study that explored the impact that the

internet, specifically websites and social network platforms had on small business (Jones et al., 2015:611-632). In the instance of the study by Ndiege (2019:1-12), which investigated the use of social media for strategic positioning by small and medium businesses, accessibility was a factor that motivated the respondents to use social media as “most parents had Facebook” and “It is very simple to use Facebook”. In a study investigating electronic marketing orientation among small and medium businesses as a factor to e-marketing adoption, it was discovered that the relative ease of setting up the online presence was an enabling factor (Shaltoni et al., 2018:272-284). Similarly, a study by Crammond et al. (2018:303-328) that examined the knowledge management of social media with regard to entrepreneurial behaviour supports the assertion of an easy to use technology with wide reach.

This assertion of the accessibility of social network sites lies in the ease with which both businesses and consumers engage and interact through this medium. The statements by the respondents of the current study support and confirm the outcomes of several other studies mentioned above (Ainin et al., 2015:570-588; Ndiege, 2019:1-12; Kemp, 2020a). Further studies that corroborate the current study’s findings with regard to the accessibility of social media are Dahrnil et al. (2014:119-126) and Ainin et al. (2015:570-588).

#### **6.3.4 Building customer relationships**

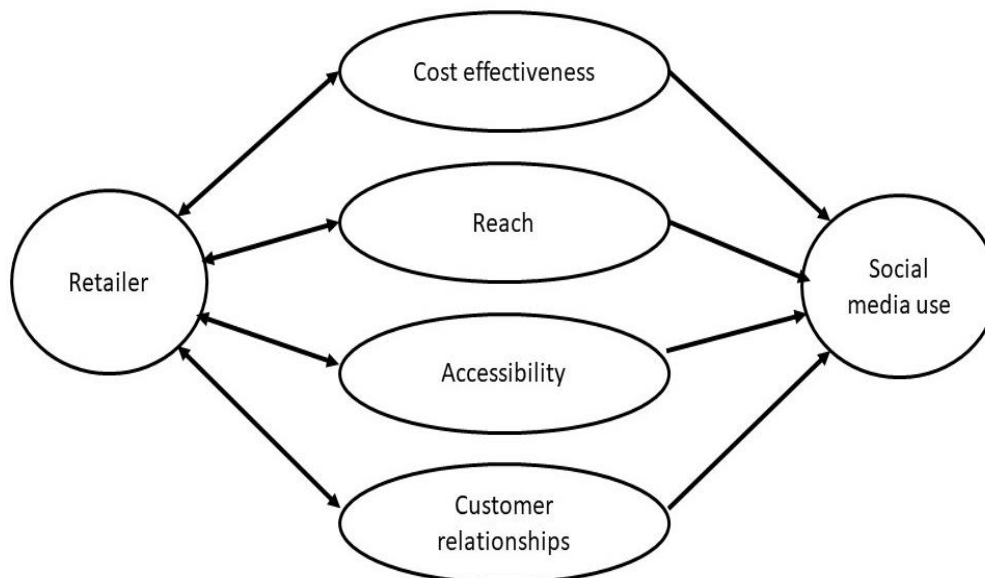
Large companies have social media presence as a means of raising their profile among their customers and as a way of being part of the customer dialogue evaluating them and their products or services on social network platforms. Social media make it possible for businesses to engage with customers and address issues that are raised by them. This presents an opportunity to turn an unhappy customer into a loyal one. Connecting with and developing online customer relationships that might be beneficial to the business is possible through social media (Dholakia & Dirham, 2010:26; Rishka et al., 2013:108-127; He et al., 2014:225-250; Ainin et al., 2015; Bolat et al., 2016:971-981; Crammond et al., 2018:314; Omenugha, 2018:58-67; Ndiege, 2019:1-12).

In the current study, the respondents revealed a desire to get closer to their customers and build relationships with them by address issues that might come up. This comes through the responses of the participants such as respondent one who was not one of the adopters, but felt that social media would present a medium through which his customers could give feedback. One of the participating retailers stated that he would respond to customer feedback immediately while both he and respondent eight regarded complaints as a second

opportunity to rectify a problem. Another non-active respondent felt that he needed to be part of the community WhatsApp group as a way to raise his profile among them. Respondent six regarded Facebook friends as people who could extend her reach through sharing and electronic word of mouth.

The desire to build relationships with customers is a factor that was very evident amongst the responses in the current study. This objective would be achieved by reacting to customer feedback and complaints and resolving these quickly. Joining social networks in the community they serve would also help raise their profile. This sentiment is reflected in the results of current literature in which these objectives are also confirmed (Jagongo & Kinyua, 2013:213-227; Omenugha, 2018:65). Additionally, Valos et al. (2016:19-40) noted the role and benefits of social media as a two-way communication channel that facilitated the growth of relationships. Twitter and Facebook were found to be the predominant social network platforms used by marketers to engage with customers in a study conducted by Vohra and Neha (2016:360) in India. The results of the current study are further supported by Ahmad et al. (2018:6-17) who found that the use of social media resulted in improving brand awareness, grew sales and fostered customer relationships.

Figure 6.1 illustrates the enabling factors that promote the use of social media as a communication conduit.



**Figure 6.1:** Factors enabling the use of social media  
**Source:** Author (2020)

## **6.4 Factors impeding the use of social media as a marketing communication strategy**

There is a growing list of studies examining the factors that influence the adoption or use of social media as a communication strategy by small and medium businesses (Ainin et al., 2015:570-588; Bae & Zamrudi, 2018:851-869; Kapoor et al., 2018:531-558; Shaltoni et al., 2018:272-284). This section focuses on the factors impeding the use of this medium as a marketing communication channel.

Dlodo and Dhurup (2010:164-180) highlighted five key barriers preventing the adoption of e-marketing by small businesses in the Vaal triangle, namely cost of implementation, lack of information, lack of knowledge capacity, security risks and a lack of government incentive. Oji et al. (2017:1-12) established the factors that prevent the use of social media among restaurants in the Cape Metropole. The results indicate that the internet accessibility was a restricting factor in the adoption of social media by the participating respondents. The participants in the study also lacked an appreciation of the capabilities of social media. Twenty-two percent of the respondents were not familiar with social media platforms, while 15.9% of the respondents indicated a lack of interest in social media.

In the context of the current study, the factors that the respondents regarded as potential inhibitors to social media use included cost, risk, resources that included time, people and capacity.

### **6.4.1 Cost**

Small businesses are generally regarded as lacking resources compared to larger enterprises that might have more capacity (Karjaluto & Hutmaki, 2010:17-88; Barnes et al., 2012:687-711; Shaltoni et al., 2018:272-284). This suggests that businesses lacking in resources will look for the most cost effective way to promote themselves. Current literature points to social media as being a cost-effective method to communicate with the community and potential customer base (Ainin et al., 2015:570-588; Harris & Rae, 2009:24-31; Jones et al., 2015:611-632; He et al., 2017:149-160; Ahmad et al., 2018:6-17; Crammond et al., 2018:303-328; Ndiege, 2019:1-12). Social media was not cost effective according to the perceptions of respondent (Dlodo & Dhurup, 2010:164-180; Oji et al., 2017:1-12), which stand out as outliers at face value compared to the other respondents in the current study and findings of above studies.

One of the retailers made direct reference to the rising cost of using Facebook as an advertising channel whereas this platform was regarded as cost effective by respondents three, five, six, eight and nine. This might be because respondent two was indicating that in



order to get the desired reach and target market, Facebook boosting was necessary as regular posts have a much more limited audience. This became paid advertising, which raised the cost of communicating with potential customers, and hence less cost effective.

In light of the findings of the current study regarding the affordability and cost effectiveness of social media as a communication channel versus traditional media, the assertion that advertising on Facebook has become costly when using the boost function refers to this platform only, but not others such as Twitter, Instagram, Pinterest or WhatsApp. The findings by Oji et al. (2017:1-12) are not relevant here since the cost of social media implementation was an inhibitor, whereas in this instance the cost of an additional feature, such as the boosting function to increase the broadcast range is a cost consideration. The findings hold true that social media is cost effective as reported by the respondents of this study and confirmed in studies by Ainin et al. (2015:570-588); Jones et al. (2015:611.632); and He et al. (2017:149-160).

#### **6.4.2 Risk**

Informational and relational trust are essential elements for the perceived normality of a situation; the former gains credence when information emanates from social media platforms such as Facebook, whereas the latter is generated through relationships fostered over time (McKnight et al., 1998:473-490; Harris & Rae, 2009:28; Ahamat et al., 2017:338-348; Bae & Zamrudi, 2018:861).

The risk implied by the respondents of the current study refers to the possibility of engaging a medium that they have no control over (Winer, 2009; Zarkada & Polydorou, 2013), and the probability of negative feedback impacting negatively on their businesses was a deterrent to using it as a contact point with existing and potential customers. Two respondents had not engaged in social media communication mainly as a result of the risk of exposing the business to negative comment as a result of a substandard offering to customers. Two others were of the opinion that quick response to negative feedback was necessary in order to minimise any negative sentiment. Handling negative instances was also important to preventing situations from spiralling out of control. One of the retailers would rather not confront the problems as he felt that this would generate further negative sentiment. His view was that the risk was part of the package on social media whereas another was concerned that customers might have a negative response to promotional broadcasts on a WhatsApp group.

Tuten and Perotti (2019:-13) illustrated that sentiment towards brands was negatively affected following the spread of false claims through social media. This indicated that users of this medium were influenced by media publications and became instrumental in spreading

the sentiment towards the brand. Word of mouth was important to spread positive sentiment and respondents wanted followers to share posts to expand the reach. The same can be said that of negative sentiment when things go wrong (Bae & Zamrudi, 2018:867). This suggests that brands need to be proactive in addressing criticism quickly to mitigate the impact early on, as this might not be as effective later (Ndiege, 2019:8-9).

Risk in the current study was viewed as a deterrent to engaging social media as a communication strategy, which concurs with current literature (Harris & Rae, 2009:28; Dahnii et al., 2014:119-126). The lack of control over the narrative on social media was raised by respondents of the current study as well as by those in a study by Dlodlo and Dhurup (2010:164-180) who considered this medium as a threat. This might be due to a lack of knowledge of social network platforms, which is similar to those of the studies cited above (Oji et al., 2017:1-12). The reputational threat was a real concern in that negative customer feedback might adversely affect their businesses, which was a similar sentiment reflected by Tuten and Perotti (2019:5-13).

### **6.4.3 Resources**

Consecutive studies by Grimmer et al. (2017:54-63) and Grimmer et al. (2018:7-26) revealed that resource availability affected the performance of small retail businesses. Business information systems were regarded as the most important resource in that particular sample along with financial access. Other resources such as relational, physical, human and organisational capacity were considered to be less important. Reference is also made to small businesses as lacking in resources by other scholars such as Dlodlo and Dhurup (2010:164-183); Taiminen and Karjaluo (2015:633-651); Oji et al. (2017:1-12); and Odoom and Mensah (2019:155-171).

Organisational factors such as financial limitations affected the decision process with regard to the adoption of e-marketing by businesses as they looked for meaningful advantage over traditional promotional mechanisms before adopting this medium (Shaltoni et al., 2018:278). Durkin et al. (2013:716) were of the view that businesses lacking in resources operated naturally and without strict structure. Staff, finance and technological resources all form part of the wider resource umbrella. In the context of the current study, knowledge and time are added to this list.

#### **6.4.3.1 Knowledge**

A study by Dlodlo and Dhurup (2010:164-180), which examined barriers to adopting e-marketing among small and medium businesses in the Vaal triangle, revealed that 29% of the respondents regarded e-marketing as a threat. This assertion might be partly a result of

lack of familiarity of this medium as conceded by 54% of the participants. Studies by Durkin et al. (2013:724-725); Jones et al. (2015:626); and Taiminen and Karjaluoto (2015:643) found that a lack of knowledge in using or maintaining a social network presence was an inhibitor of effective use. A further study by Oji et al. (2017:8) which examined social media adoption challenges among Cape Metropole restaurants, found that while the respondents understood the popularity and potential presented by social media, the lack of knowledge capacity to utilise it as a promotional channel affected its adoption.

Awareness and appreciation of what was possible on social media as a communication channel was not the problem as all the respondents confirmed that they either had a profile on one of the platforms or knew someone who did, as attested by respondent one when relating to another retailer using social network platforms as a promotional channel for his business. Four of the other respondents exhibited more than basic knowledge and use of platforms such as Facebook, Instagram and Twitter, while two others revealed an appreciation for the application of the various platforms by segmenting the applications thereof. Respondent two used Facebook for the shop, WhatsApp to promote meals to the mature customers and Instagram for the clothes. This retailer also boosted posts to extend their reach. Respondent three used Facebook to interact with customers but used Instagram to feature the food products. Respondent six was very active on a closed Facebook page, which impacted on the reach. Potential friends had to request permission to enter the community. Respondent seven stated that he needed coaching on the social media opportunity. Respondent eight delegated the function to family members more au fait with the social network platforms. Respondent eleven said that they needed to inform themselves on the mechanics of social media.

It is reasonable to assert that the level of knowledge with regard to social media and the meaningful application of the various social network platforms as a strategic communication channel have a significant influence in their application and can be considered a major finding in this study. The belief that social media is regarded as a threat noted by Dlodlo and Dhurup (2010:164-180) and Oji et al. (2017:1-12) is supported by this study. As referred to earlier, meaningful application of the various social network channels is affected by the level of detailed knowledge of these platforms, which influences the application. This notion was also reflected by this study, which found that some independent retailers exhibited an understanding of the platforms as evidenced by their activity, whereas others lacked the necessary knowledge to extract optimal value, which is consistent with findings by McCann and Barlow (2015:273-287); Kabanda and Brown (2017:118-132); and Ndiege (2019:8).

#### **6.4.3.2 Time**

Availability of time for online communication whilst having to multitask as an owner due to lack of people assigned to specific tasks is a finding of the current study, which is confirmed by others. Jones et al. (2015:623) found that managers had difficulty in maintaining their platforms due to a lack of time. He et al. (2017:149-160) cited two examples of businesses discontinuing the use of social media as a result of frustration with the maintenance task. This might have been partly caused by the time needed for the task. A study by Ndiege (2019:8) which investigated the use of social media technology as strategic positioning by small and medium businesses in Kenya, found that the time needed to manage the online presence was a challenge for the participant respondents.

Time as a resource was highlighted by all the respondents with the exception of respondents three and four. Two of the retailers had managers to run the shops, whereas the other participants owned and managed the stores themselves. The manager of respondent six usually posted in the morning as this was the time available for this activity. Respondent eight illustrated this point by noting that he was the owner, cleaner, cashier and everything else whereas another retailer was concerned that engaging social media properly required effort and time. This would be difficult as he was engaged with numerous other functions on a daily basis.

The general consensus of this study is that time is a scarce resource given the multitude of functions forced on retailers as a result of not having dedicated personnel for this function, which supports the findings of other studies (Jones et al., 2015:611-632; Taiminen & Karjaluoto, 2015:643-646; He et al., 2017:149-160).

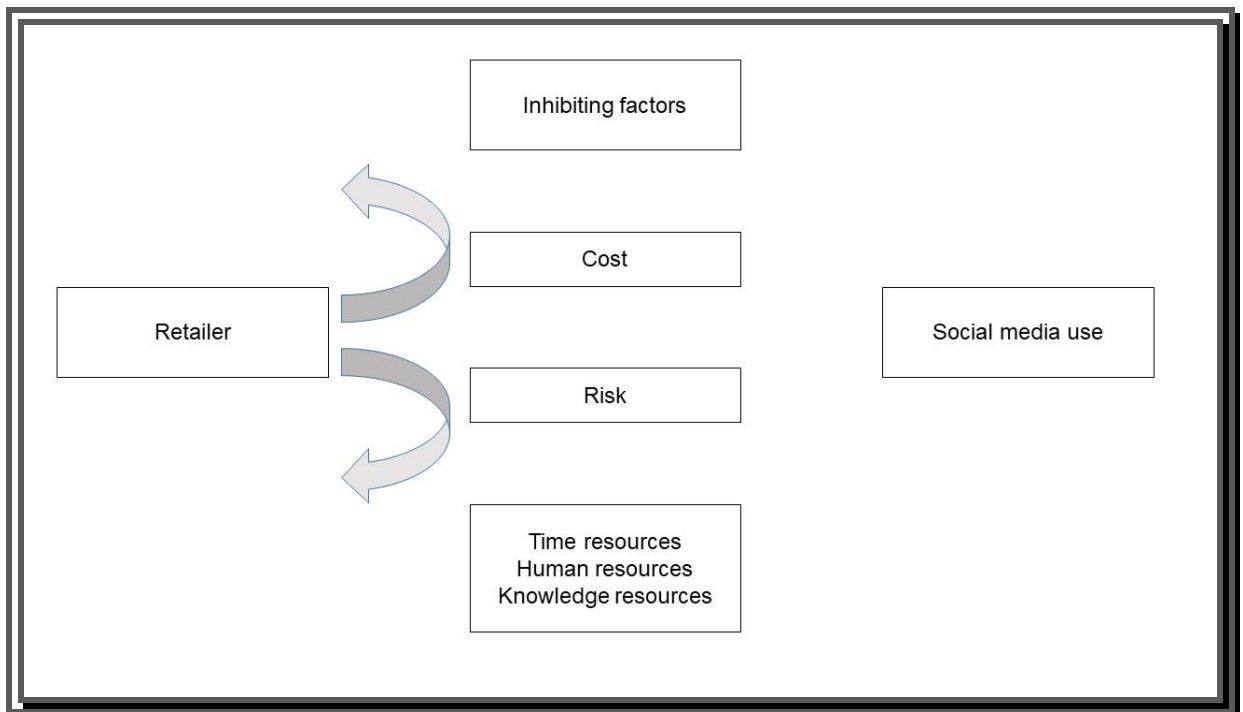
#### **6.4.3.3 People**

Human resources are usually regarded as one of the resources that affect the functioning of businesses. In the current study, time and human resources are closely linked as tasks are usually carried out by the owner of the business. The exception to this was respondent six whose manager maintained the Facebook page and respondent eight who relied on family members to do the same for his Facebook page. The other adopters maintained their profiles directly. The fact that the manager of respondent six undertook the task of updating and posting points to a lack of capacity by the owner. Similarly, one of the retailers delegated the responsibility to family members as he lacked sufficient knowledge of the platform (Jones et al., 2015:623). The same can be said of respondents seven, ten and eleven with regard to a lack of knowledge to engage the social network platforms in a meaningful way, or having people in their business to do so.

This situation is reflected in the study by Durkin et al. (2013:724) which explored social media adoption among small and medium enterprises in Ireland. In this instance, seven of the eight participating businesses required specialist assistance to improve knowledge of social media applications and technical capacity. A similar situation was found by Taiminen and Karjaluo (2015:643) regarding uncertainty of how to use new digital tools or getting someone able to do so.

People are generally regarded under the broader resource umbrella, which include knowledge, finance and technical capacity (Odoom & Mensah, 2019:155-171). These elements influence the effectiveness of the people in a business (Grimmer et al., 2018:54-63). The same can be true that the lack of people to do the job will have an effect on the other elements of the business. The same situation is reflected in the current study and others (Taiminen & Karjaluo, 2015:633-651; Gavino et al., 2019:469-494) in that generally owners have initiated the social network platforms and continued to maintain them. In certain instances, this function was done infrequently due to lack of time (Ndiege, 2019:1-12); the effort required (He et al., 2017:149-160); or the owner did not have the necessary skills to so purposefully (McCann & Barlow, 2015:273-87).

Figure 6.2 below illustrates the factors retarding or preventing the use of social media as a communication strategy by independent food retailers in the current study.



**Figure 6.2:** Factors inhibiting the use of social media  
**Source:** Author (2020)

## **6.5 Motivation for using social media as a marketing communication strategy**

Kemp (2020a) reports that just under half of the world's population are active social media users with a combined total of 6.1 billion users on Facebook, YouTube and WhatsApp. In the South African context, the estimated number of users was 23 million in 2019 with WhatsApp, YouTube and Facebook being the most popular in that order. Online purchases of food and personal care were estimated at \$232 million in 2019, which is a 15% growth on the previous year. The above figures illustrate the important role that social media plays in communications between businesses, communities and consumers and influences the way we do it. Literature suggests that businesses are using this medium as a contact point with customers and as a channel to develop relationships (Dolan et al., 2017:2-19; Ahmad et al., 2018:6-17). The COVID-19 pandemic has hastened the trends illustrated above and forced retailers to react by focusing on getting the online shopping platforms performing optimally as customers opt for minimal physical contact purchases. Retailers have also increased online communication through short messaging applications and social network platforms (KPMG, 2020; Ntshingila, 2020).

Notwithstanding the challenges highlighted earlier that small businesses have to overcome in order to develop an online presence (Dlodo & Dhurup, 2010:164-180; Oji et al., 2017:1-12; Bae & Zamrudi, 2018:867; Ndiege, 2019:8), studies highlighting factors that motivate the adoption of social media as a strategic communication channel abound (Ainin et al., 2015:570-588; He et al., 2017:149-160; Grimmer et al., 2018:54-63; Shaltoni et al., 2018:272-284).

In the following section, the elements that have motivated the respondent retailers to engage social network platforms as communication contact points with current and potential customers are reviewed. The desired outcomes of this activity would include increased brand visibility of their stores, improved customer relations and enhanced sales results. Environmental pressure through the activity of competitor retailers also prompted the respondents to engage this medium.

### **6.5.1 Brand visibility**

A brand is the product of the name, mark, design and image that distinguishes one company's product or service from another (Cravens & Piercy, 2013:255). The worth or equity of a brand is determined by the attributes that add or detract value from it as perceived by the customer (Aaker, 1996:246).

A few of the respondents made no reference to using social media as a way to raise the visibility of their stores or recognised the opportunity. Conversely, one of them, while not

being a proponent of social media, recognised that it could be used as a vehicle to raise the visibility of the business. An example was given by one of the respondents of an individual who had been retrenched and started a catering business from home to generate extra sales by advertising on Facebook. Respondent two said that social media was the only form of advertising the business used to develop the brand. Respondent four felt that creating an awareness of his brand was an objective of social media engagement whilst respondent five wanted to become more visible within the community. The other four respondents were motivated by the possibility of exposing their businesses to more people, thus resulting in raised awareness of their businesses as a brand.

The findings of the current study echo the results of the studies by Jones et al. (2015:622-624); McCann and Barlow (2015:280); Taiminen and Karjaluo (2015:643); Srinivasan et al. (2016:91-101); and Ahmad et al. (2018:10-11), which revealed that participants in those studies were motivated to using social media as a way to build awareness of their businesses. Bae and Zamrudi (2018:851-869) revealed challenges and strategies associated with engaging more customers in a retail case study in Indonesia, and found that consumers used social media as a source of information to make purchase decisions and share their experience, whereas the retailers participating in the study used social media to maintain customer awareness and build brand reputation. This is similar to the objectives of some of the retailers in this study.

### **6.5.2 Customer relationships**

As highlighted in section 6.5, approximately 49% of the world's population are active social media users (Kemp, 2020a). This trend is reflected by the comments of a participant in the study by Ndiege (2019:6-7) in which he stated that he needed to be where his customers were. In the same study, another participant said that the interactive relationship possible through the social network platforms such as Facebook and Twitter allowed their customers to post comments on these platforms, which assisted in promoting their business.

It is evident from the respondents to the current study that building relationships with customers is important and a way to cultivate loyalty among them (Jones et al., 2015:623; Barnard et al., 2017:71-72; He et al., 2017:153). Two of the respondent retailers were clear that they would use social media as a way to get feedback on the service quality of their stores as perceived by their customers, which is a similar finding in a case study by Omenughua (2018:65) which reviewed the social media strategy of the Taliah brand. Respondent five wanted to join the community WhatsApp group as a way to engage with his customer community, which was a similar objective by respondents of a study by McCann and Barlow (2015:280) whose objectives included interacting and building relationships with customers. In the context of the current study, respondents two, three and six assessed the

value of the interaction by the number of followers and friends on their Facebook pages. These findings are similar to those of studies by Ahmad et al. (2018:10-11) and Bae and Zamrudi (2018:865-866).

The findings of the current study and of those cited above, reflect similar objectives in their use of social media as a communication strategy with regard to the desired interaction and relationship they want to develop with existing and potential customers.

### **6.5.3 Sales growth**

He et al. (2014:25-250) discovered that small pizzerias had to be creative in their use of social media in order to compete with the larger businesses. In a similar study that examined the adoption of social media among small businesses in a mid-size US city, respondents reported to have gained additional customers and sales as a result of this (He et al., 2017:149-160). Other studies, where increased sales was a factor motivating regarding the use of social media by small and medium businesses include Jones et al. (2015:611-632); McCann and Barlow (2015:280); and Ahmad et al. (2018:10-15).

Although not a proponent of social media use as a communication strategy, respondent one referred to two different instances that convinced him that this medium could be used to generate sales. Respondent two and three revealed a conscious sales effort through planning and product selection. Respondent four stated that mobile marketing was an opportunity but the activity record on their different platforms did not support this assertion. Respondent six had been motivated by success and built on this by posting regularly. Respondent nine stated that they needed more promotions on Facebook. These respondents were all motivated by the prospect of extra sales having cited some successes as a result of using social media as a communication strategy. The respondents' not engaging social media including respondents four, seven, ten and eleven all indicated a willingness to use this medium to promote their businesses although respondent eleven wanted to set up the structure to implement this strategy properly.

The prospect of being able to generate additional sales through a cost-effective medium such as the social network platforms comes through clearly as a motivational factor, which suggests consistency between the objectives of the current study and other research (Taiminen & Karjaluoto, 2015:643; Srinivasan et al., 2016:99; He et al., 2017:149-160).

### **6.5.4 Environmental pressure**

To a large degree, the decision whether to engage social media as a communication platform has been taken away from the respondents' consequent of its prevalence as a

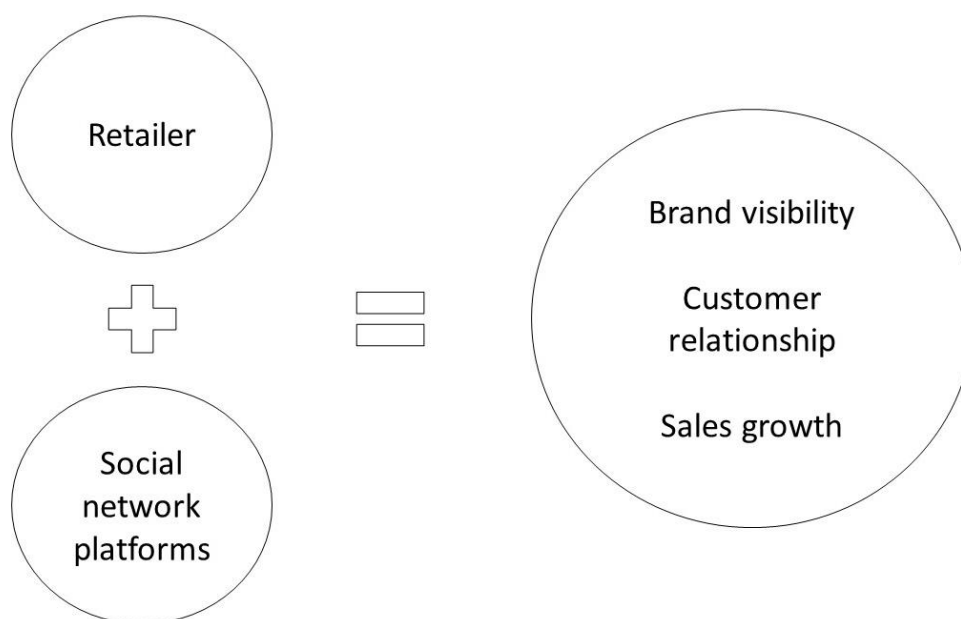


communication channel by consumers (Dahnil et al., 2014:119-126; Ndiege, 2019:6-7; Kemp, 2020a) and the adoption of this medium as a marketing channel by competitors.

Three of the respondents commented on the use of social network platforms by competitors and reflected on their own need to engage the community and consumers on this medium as a means to remain relevant. Likewise, four other respondents commented on the level with which customers were active on and used social network platforms as a point of interaction, which had forced these retailers to adopt this medium as a communication channel with customers and the community in order to be part of the discourse.

This situation is shown in the study by Dahnil et al. (2014:119-126) where end user adoption forced businesses to use channels in which their customers were active. A further example is found in the study by Bae and Zamrudi (2018:856-869) which reflected on the growing social media culture in Indonesia and its use as a source of information. Environmental pressure is further confirmed in the study by Ndiege (2019:1-12), which revealed that small and medium enterprises adopted social media applications as a result of competitor activity and consumers communication through this medium.

Figure 6.3 below illustrates the desired effects as motivating factors for using social media, Sales growth, customer relationships and interaction as well as brand visibility being clear desire as expressed by some of the respondents of the study.



**Figure 6.3:** Factors motivating the use of social media  
**Source:** Author (2020)

## 6.6 Impact of social media

The impact of social media has been acknowledged by the respondents with reference to their perceived value of this medium as a communication channel, the effects of social media on the visibility of their businesses as individual brands and the corresponding effect on sales performance. Five respondents made specific reference to the positive effect social media has had on their businesses. A retailer referred to the home business that was generating sales from a Facebook profile. Another was able to respond to customer feedback quickly as a result of the interactive nature of Facebook. The same respondent acknowledged that in his case, there was no sales advantage although he felt that his business as a brand had benefited from the social media exposure. Respondent two was of the view that social media had affected her business positively as a brand. Similarly respondent three was able to create a community of followers on their Facebook page that translated into sales at the store. Three of the other respondents confirmed that the social network platforms they used had had a positive sales effect.

The effect that social media had on branding and sales performance influenced the perspective (Ahmad et al., 2018:6-17) held by the respondents towards this medium as a communication channel. Respondent five who was not active stated that there was value in social media for his store while respondent eight highlighted the efficacy and cost effectiveness of social media as a communication channel.

The findings suggest that the key impact of social media on the respondent retailers was the heightened branding and visibility (Rootman, 2016:220; Srinivasan et al., 2016:91-101; Crammond et al., 2018:303-328) of their businesses in the minds of their customers and improved sales performance (Jones et al., 2015:621-624; Bocconcelli et al., 2017:700) on all the active retailers with the exception of a single retailer who stated that he had not experienced an increase in sales as a result of social media activity. It might be possible that the infrequent activity on the various social network platforms of this retailer might be the reason for the poor result. Notwithstanding this, the consequent result of the above two factors is the positive perspective towards this channel as a communication contact point with customers. The studies by McCann and Barlow (2015:280-281) and He et al. (2017:154) confirmed the perceived importance of social media as an important mode of marketing in that the participants to the former study had indicated that they wanted to experiment with social media because their competitors and customers were using this medium. They revealed that using social media had increased brand awareness of their businesses and enabled them to communicate better with their customers. The findings to the latter study indicated that the participants had adopted social media because other businesses had done so and had gained additional customers.

## **6.7 Traditional marketing activity**

Although not the primary focus of the study, the researcher was of the opinion that it was necessary to gauge the level of traditional marketing activity being activated by the respondent retailers to promote their businesses. There was however, no evidence of any traditional advertising and promotions other than instore promotions.

Two of the respondents were of the view that print advertising was ineffective. The one stated that he had tried it in the past but had no positive results while the other said that word of mouth advertising that was generated by the social network platforms and the website was a lot more effective. One of the participating retailers had used the community newspaper as an advertising medium but had switched to Facebook as the newspaper advertisement had become costly. Respondent four had also used print media but had trimmed the budget by about eighty five percent due to cost considerations. Respondent six supported the Facebook activity with instore posters and point of sale material. The remaining respondents had no traditional promotional activity.

The lack of traditional promotional activity among the respondents of the current study might be due to retailers looking for affordability and value for money (Shaltoni et al. 2018:272-284) as attested to by respondents two and four who had engaged other methods to promote their businesses previously. The fact that other active retailers have adopted social media without considering other channels supports this notion. This is in contrast to other studies that investigated small businesses adoption of social media as a communication channel in that traditional media was still being used (Jones et al., 2015:622-626; He et al. 2017:154). The divergence continues when one compares the results of a study, which investigated the use of social media among services marketers as an extension of their integrated marketing communication framework rather than as part of an initial integrated strategy (Valos et al., 2016:19-40).

The efficacy of traditional flyer promotions was questioned by respondent one who stated that no meaningful sales advantage was gained through this method whereas respondent eleven was against this type of promotion as it attracted “Cherry pickers” and generated no loyalty. The effectiveness of social media on the other hand, reflects positive results as reflected by other studies (Srinivasan et al., 2016:91-101; Ahmad et al., 2018:6-17; Bae & Zamrudi, 2018:851-869; Omenughua, 2018:58-67).

## **6.8 Perspectives on social media as a marketing communication strategy**

The respondents to the current study have reflected varied opinions and attitudes towards social media as a strategic marketing communication channel. These ranged from being a

waste of time according to one of the respondents who actually contradicted his own statement by offering examples of successful implementation by other businesses. Social media however, was regarded as an essential part of the communication mix by two other respondents. One of the retailers engaged social media as a way to secure the platform domain names for their business while another viewed this medium as a branding support mechanism.

Respondent five stated that social media offered value to his business but he did not have the knowledge or the temperament to implement this strategy effectively. A similar sentiment was reflected by two other respondents who regarded the state of their store as preventing the adoption of social media as a promotional channel. Another of the non-active respondents felt that this medium required a dedicated person whose cost would have to be covered by the extra income social media would have to generate. He was however not confident that this would be possible. Maintaining the social network platforms required time as reflected by a few of the respondents although they considered this worth the effort considering the benefits realised by their businesses as a result of its implementation.

It is not difficult to situate the above findings in current literature investigating the use of social media by small businesses. Some of the key findings included cost effectiveness of this medium as a communication strategy (Crammond et al., 2018:313). Social media was regarded as an essential part of the promotion strategy (Jones et al., 2015:611-632; Bolat et al., 2016:973) which supported the growth (Omenughua, 2018:58-67) of the individual stores as brands (Ahmad et al., 2018:10), which enabled them to compete with surrounding opposition stores (McCann & Barlow, 2015:279; Shaltoni et al., 2018:279-280; Ndiege, 2019:5). Knowledge (Dlodo & Dhurup, 2010:174; Kabanda & Brown, 2017:118-132; Oji et al., 2017:8) and time (He et al., 2017:149-160) to implement effectively were also views expressed by the independent food retailers in this study.

## **6.9 Social media strategies and tactics**

Social media strategy must incorporate a measured decision that was taken before implementing this mode of communication. It must have enough participants in order to be considered a community who engage with the business on a regular basis and systems put in place to extract maximum benefits from the information generated through the interaction with customers (Culnan et al., 2010:46; Hall, 2010:56; Brown, 2017; He et al., 2017:149-160).

Developing their individual stores as brands was indicated as a motivational factor to engaging social media as a strategic communication channel through the cultivation of customer relationships, which should influence the sales performance positively. Whereas the above were stated objectives by the participants of the current study, the findings indicated little evidence of pre-planned coordinated strategy by the respondents with the exception of respondents two and three.

The former considered the demographics of her store and segmented her activity on the different platforms based on the product offering. Facebook was used for the foods, Instagram for the clothes and WhatsApp for the mature customers. This sales driven retailer boosted her targeted Facebook postings, which gave her increased range to reach potential customers albeit at an additional cost. The latter on the other hand engaged social media resulting from a need to secure the social media space for their business as a brand. This developed into a coordinated effort focusing on platform specific activity such as Facebook for interaction and relationship building whereas Instagram was used to highlight food and fresh items. Day-specific product features on a weekly cycle confirmed a predetermined strategy.

The social network platform activity of respondent four was inconsistent with the branding, sales and relationship objectives alluded to by this retailer, as there had been little activity on his Facebook, Twitter or Instagram platforms to support this. The other active respondents had an informal approach to the social media activity, which was almost exclusively Facebook postings. Respondent six featured mostly product offerings interspersed with occasional greetings. Respondent eight delegated the activity to family members, which indicated an ad hoc approach to engaging social media.

Whereas there was a desire to engage social media as a strategic communication channel in the current study, the considerations undertaken by participants to the study by Bolat et al. (2016:973-974) which included sensing the market, managing relationships and developing content to create a competitive position not easily copied by the opposition, was largely missing among the independent food retailers in the current study. This situation was also evident in McCann et al. (2015:282). Another example of a considered strategy to implementing and extracting maximum benefit from this medium for the good of the business was found by Bocconcelli et al. (2017:673-709), where a struggling wood machineries supplier was able to turnaround the business through the use of social media as a marketing resource. There are however similarities to the study by He et al. (2017:149-160), which included a mixture of active and non-active participants on social network platforms among

the participating twenty-seven small businesses, where Facebook was found to be the predominant platform of choice with little use of other platforms. Ndiege (2019:6-7) revealed that the fifteen participating small and medium businesses purposefully selected in Nairobi also chose platforms that they understood which is reflected by the dominance of the Facebook usage. There was also an understanding that most consumers were active on Facebook and other platforms, which created an opportunity for businesses to generate direct dialogue with customers (Bae & Zamrudi, 2018:866), as was found in this study.

#### **6.10 Other channels**

The use of a website as an additional contact point and online shopfront was only evident among three of the respondents who used this platform to direct customers to their social media platforms. This type of strategy is evident in Jones et al. (2015:623-624); Taiminen and Karjaluto (2015:633-651); Rootman (2016:212-224); and Bocconcelli et al. (2017:693-709) in which the business websites were used to supplement the social network activity with positive results.

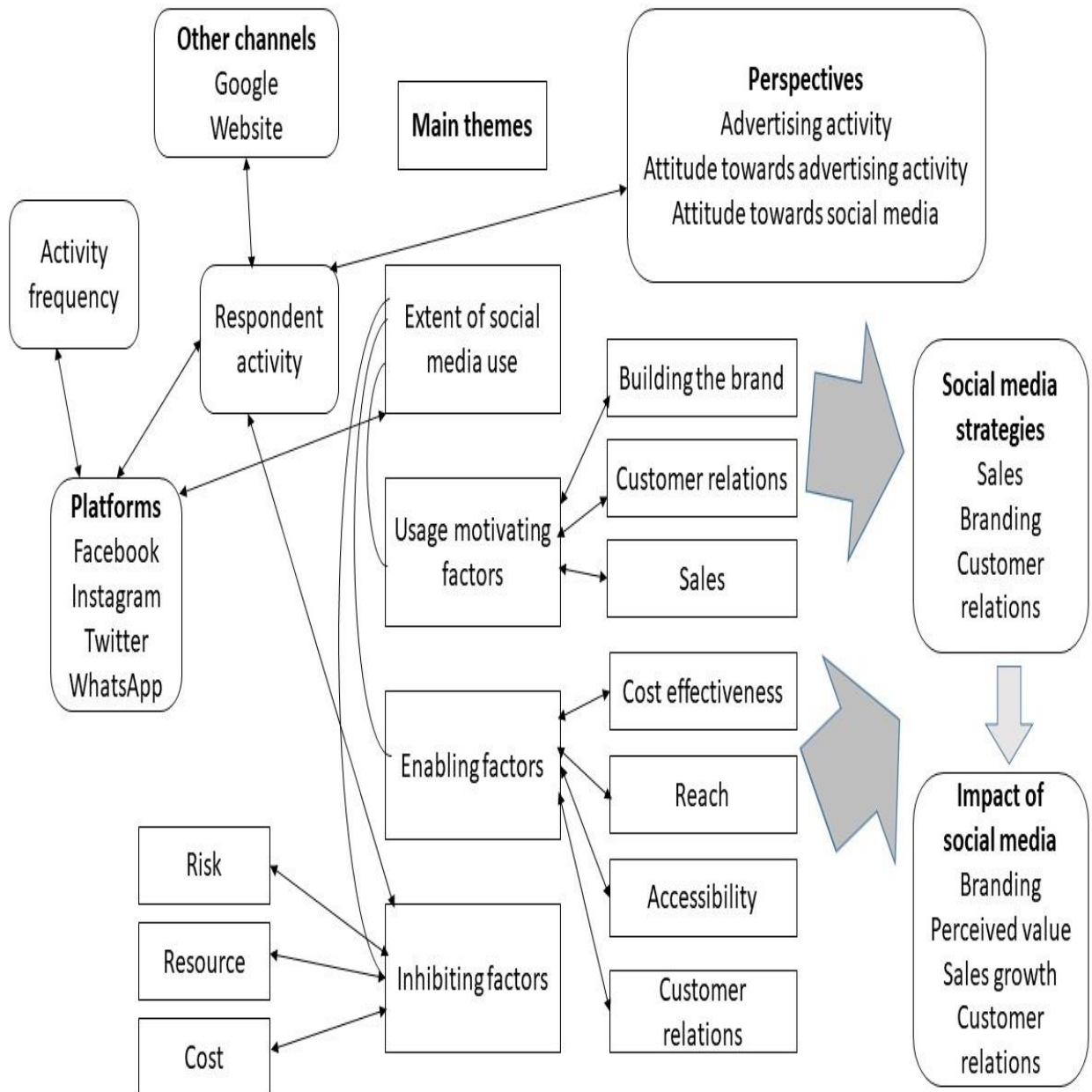
Although not a social network platform, Google was regarded as an important channel that two of the respondents tracked consumer sentiment towards their businesses. Respondent three was a proponent of this channel as he felt that it gave him much consumer information and feedback on his business. Five of the other respondents did not react to customer reviews.

The use of Google business and individual websites appear to be minimal among the respondents as revealed through the responses to the current study. There is a correlation in the responses of the current respondents to those of He et al. (2017:149-160) in which it became evident in that some participants used their main business portals as contact points. Likewise, Taiminen and Karjaluto (2015:633-651) and Bocconcelli et al. (2017:693-709) illustrate the value a business using a combination strategy of social media and other web tools as a resource to heighten their visibility and increase their market footprint to reach potential new customers thereby raising the possibility of increasing sales revenue. Given the results highlighted in these studies and the responses of the active respondents in the current study, the use of social media as well as other web tools such as the website and Google business presents an opportunity that businesses could exploit for gain.

#### **6.11 Connectivity and links**

Figure 6.4 illustrates the links and connectivity of the different elements that effect level of social media use by the respondents of the study. The extent of social media use is affected

by the other three main themes as well as the perceptions and attitudes towards social media as strategic marketing communication channel. The enabling and motivating factors affect the respondent activity and frequency thereof on the different social network platforms. This in turn will affect the strategies implemented on the different social network platforms. The impact of social media might be seen as a result of the activity undertaken by some of the respondents but also seen from the non-adopter perspective as well.



**Figure 6.4:** Network links impacting the use of social media  
**Source:** Author (2020)

Figure 6.4 also illustrates the importance of the perspectives held by the respondents towards social media as a communication channel. The underlying theoretical model applicable to this instance would be the Technology acceptance model (Davis et al., 1989) as the perceived usefulness of social network platforms as a resource to be exploited by the

respondent retailers would influence the adoption of this medium. Likewise, one of the enabling factors revealed in the study was the accessibility of social network platforms as a communication channel due to the widespread use of this channel driven the ease of use.

## **6.12 Summary**

This chapter builds on from chapter five in which the data that was generated, was coded and placed into themes consistent with the objectives of this study. The findings were compared to those of available literature with reference to the relationship that small and medium businesses have with social media as a strategic marketing communication channel. The responses of the respondent retailers reflect their lived experiences and perceptions towards the use of social media as an interactive online contact point with customers.

The degree to which social media is used was discussed given the widespread use by customers and businesses as a source of information and communication channel. Facebook was found to be the dominant platform of choice among the respondent retailers, which is consistent with other studies investigating the use of social media among small and medium businesses. Factors enabling the use of this medium as a communication channel included the cost effectiveness, reach, accessibility and the ability to generate relationships with customers resulting from the interactive nature of this channel. Considerations impeding the adoption and use of the medium included the perceived risk associated with interacting in a channel in which retailers had no control over the discourse. Restricted resources such as technical capacity, time and available people influenced the degree to which social network platforms were adopted as online communication contact points. Motivational factors behind the use of this medium included raising the visibility of the business as a brand, building relationships with customers, increasing sales growth and environmental pressure to do so. Perspectives held by the respondent retailers towards social media indicated that this medium was regarded as an important business resource, which had had a positive impact on the active respondent retailer businesses. These findings were compared to other studies in order to find support for the conclusions reached or contradictions against them. The output of this discussion is the conclusions and recommendations of the following chapter.



## CHAPTER 7

### CONCLUSIONS AND RECOMMENDATIONS

#### 7.1 Introduction

Social media has contributed to the changes in the way consumers and businesses interact and communicate with each other. On the one hand, the consumer has become part of the discourse and able to give an opinion or view relating to their interaction and experience with an individual or business by posting a comment on the social network platform of the business or brand thereby adding their voice to the generation of electronic word of mouth content. On the other hand, literature suggests that companies have embraced this medium as an additional element of their marketing communication programme.

The objective of this study has been to investigate the relationship that independent food retailers in the greater City of Cape Town area have with social media with reference to its use as a marketing communication medium. This included the extent of its use, the factors inhibiting or enabling the use as well as the motivation to do so. In the previous chapter, the findings of the study were discussed and situated among other studies in order to discover similarities, confirm findings or raise differences as a result of the comparisons made. This chapter will highlight the key findings, suggest the contribution of the study to knowledge along with the limitations considered and recommendations made resulting from the conclusions reached in this study.

#### 7.2 Overview of the study

Independent food retailers face increasing competition from the franchise retail operations as well as the chain stores who have been introducing smaller format stores and encroaching into areas traditionally serviced by the independent food retailer (Mantshantsha, 2013; Das Nair & Dube, 2015:1; Makhitha, 2016:258-266; Malgas et al., 2017:3-14). The growing penetration of online shopping has added another element to the growing competitive environment in which the independent retailer has to compete (Kemp, 2020a).

The development and growth of social media as a communication contact point has presented retailers with an opportunity to incorporate this medium as part of the marketing communication strategy. This channel is regarded as a cost-effective medium through which to promote the business and therefore has proven popular among businesses with restricted resources to carry out the traditional advertising programmes (Harris et al., 2008; Acheampong et al., 2016:13; He et al., 2017:149-160; Ahmad et al., 2018:6-17; Ndiege, 2019:6). The review of the current literature indicates that there have been studies investigating the use of social media among small and medium businesses, which have

included some element of retail respondents (He et al., 2017:149-160; Ramanathan et al., 2017:105-123; Ndiege, 2019:1-12). There has been no study to date to the researcher's knowledge that has focused on the use of this channel as a strategic marketing communication channel by independent food retailers in the City of Cape Town.

The objectives of the study was to assess the degree to which social media is being used as a marketing communication strategy among independent food retailers in the City of Cape Town. To reveal the enabling factors that promotes the use of social media as a promotion channel through which to communicate their marketing strategy. To analyse and identify the barriers that prevents the usage of this medium as a marketing communication channel. To ascertain the factors that motivates the retailers to use this channel as a communication contact point and to identify the social network platforms being used. This study adopted an interpretivist approach with a qualitative research design, which realised detailed information of the lived experiences with regard to their relationship with social media and its use as a marketing communication channel. The data collected from the in-depth interviews was transcribed and coded using ATLAS.ti (version 8) software. Four main themes were created consistent with the objectives of the study although sub categories emerged from the responses such as strategies and tactics, attitudes and perspectives towards this medium as a communication strategy, as well as the impact of social media use on the businesses of the respondent retailers. The findings were discussed and compared to current literature to confirm these aspects, find similarities or establish contradictions to other studies with reference to the use of social media as a communication channel among small and medium businesses. The established conclusions, the contribution of the study to current knowledge, the limitations thereof and the recommendations are discussed in this chapter.

### **7.3 Key Findings**

The findings discussed below address the research questions asked early in the study and meet the stated objectives of this study.

#### **7.3.1 Extent of social media usage as a strategic marketing communication channel among independent food retailers in the City of Cape Town**

Facebook emerged as the dominant social network platform of choice among the active respondents to the study. Although the other platforms such as Twitter, Instagram, WhatsApp and Pinterest were indicated as active by the respondents, only Instagram was used by two respondents who felt that this platform was ideal to showcase their products. One of the respondents used WhatsApp for a particular customer segment. Another had created a Facebook, Twitter and Pinterest platforms with only recurring activity on the Facebook and none on the other two after the initial posts. This activity pattern was also

recorded by Ndiege (2019:9), which indicated low current postings in that study which might have been due to a lack of meaningful content to maintain interest and engagement with the community. The findings and discussions suggest that most of the social media activity among the six active respondent retailers was focused on Facebook with little activity on the other platforms as a group. The activity on the Facebook platforms of the active retailers reflected a focus on selling products as the activity was mostly product and promotion driven with five of the six respondents posting regularly. Two of the respondents also created some content of interest other than pure selling.

The findings regarding the extent of social media use by the respondent retailers resonate with those of He et al. (2017:149-160); Bae and Zamrudi (2018:851-869); and Ndiege (2019:5-7), which revealed similar platform dominance and respondent behaviour.

### **7.3.2 Enabling factors that promote the use of social media as a communication strategy**

The study indicated factors that made it easier for the retailers to engage with customers through social network platforms. The lack of meaningful resources has meant that retailers have had to look for cost-effective methods to promote their businesses. The general sentiment of the respondents was that the social network platforms such as Twitter, Instagram, Pinterest, WhatsApp and Facebook all offered a cost-effective channel through which to engage with customers and promote their businesses (Dlodo & Dhurup, 2010:164-180; Ainin et al., 2015:570-588; He et al., 2017-15; Crammond et al., 2018:303-328; Ntshingila, 2020).

The ubiquitousness of social media (Kemp, 2020a) means that social network platforms have made it possible to reach a much wider audience than would otherwise be possible (Jones et al., 2015:611-632; Valos et al., 2016:19-40; Singh, 2020:144-160). Its general use by customers (Rootman, 2016:220) and businesses means that it is an accessible medium through which to communicate with current and potential customers. Facebook was highlighted as a platform with which the respondents were familiar, which facilitated its accessibility (Crammond et al., 2018:303-328; Shaltoni et al., 2018:272-284). The cost effectiveness of social media as a communication channel, the accessibility of this medium and the potential reach possible through social media has enabled businesses to develop relationships with customers. This sentiment is reflected by Dholakia and Dirham (2010:26); Rishka et al. (2013:108-127); He et al. (2014:225-250); Ainin et al. (2015:570-588); Bolat et al. (2016:971-981); Crammond et al. (2018:314); Omenugha (2018:58-67); and Ndiege (2019:1-12) and the independent food retailers of the current study.

It is evident that cost effectiveness, reach accessibility and the ability to develop relationships with customers are all factors that have enabled the use of social media as a strategic marketing communication channel.

### **7.3.3 Barriers inhibiting the use of social media among the respondent retailers**

Studies investigating factors influencing the use of social media have found elements that make it easier to use this medium as a communication channel as highlighted in the previous section as well as factors that inhibit its use (Ainin et al., 2015:570-588; Bae & Zamrudi, 2018:851-869; Kapoor et al., 2018:531-558; Shaltoni et al., 2018:272-284). The current study found that risk and resources were the key aspects that negatively influenced the level of social media activity whose objective was to promote the business.

#### **7.3.3.1 Cost**

Although rising costs was pointed as a concern by a respondent in reference to the boosting function of Facebook, which is used to increase the audience, reach, it is the opinion of the researcher that although this concern is valid and pertinent to the respondent, this element has not prevented the retailer from engaging customers on the Facebook page. Findings of previous studies which referred to installation costs and internet accessibility (Dlodo & Dhurup, 2010:164-180; Oji et al., 2017:1-12) as inhibitors are not relevant to the current participants as they all had internet access and also had social media profiles. A respondent to the study by Ndiege (2019:6) noted that the applications were preloaded on the phone, which precluded any cost.

#### **7.3.3.2 Risk**

Engaging social media as a contact point with customers might pose risks that businesses have not control over. The real or perceived risks posed by this medium came through as a significant consideration by the respondents to the current study. The findings suggest that negative feedback is part of social network platform feedback and the result was consequent of the way in which the customer feedback was handled (Bae & Zamrudi, 2018:867; Ndiege, 2019:8-9).

#### **7.3.3.3 Resources**

All of the respondents of the study were owners who managed their businesses with the exception of two of the respondents who were the managers of those business and took the responsibility of maintaining the online presence through a Facebook page as one the owners was not proficient in English while the other relied on the manager to do so. A common characteristic of these retailers was that they handled most issues and fulfilled

multiple tasks within their businesses due to restricted capacity in terms of financial resources, available human resources and technical capacity. These factors in turn impacted on available time to engage in activities such as social media marketing. The above is in congruence with studies that cited resources as a factor that influences the performance of businesses (Durkin et al., 2013:723-724; Dahnil et al., 2014:119-126; Grimmer et al., 2017:54-63; He et al., 2017:149-160; Grimmer et al., 2018:7-26; Ndiege, 2019:1-12).

The findings with regard to knowledge of the mechanics of the various platforms offered mixed results, which ranged from little knowledge of social media and the potential benefits offered by this medium to those who applied the basic applications of the platforms, which limited the value that could be extracted from this medium. This situation was evident through the delegation of the Facebook maintenance function to family members by one of the respondents and pure advertising activity by two others without any further content offered. There were those however, who had an appreciation for the possibilities of the social network platforms and were able to apply these in a targeted and purposeful manner to the benefit of their businesses.

### **7.3.4 Factors motivating independent food retailers to adopt the use of social media as a marketing communication strategy**

#### **7.3.4.1 Branding and visibility**

A key motivator to engaging social media as a communication channel by the respondents to the current study was the desire to become more visible to their current and potential customers as a brand within the community they served. Two of the non-active respondents recognised the potential that social media posed to enhancing the visibility of their businesses. These findings are consistent with results in studies by Taiminen and Karjaluoto (2015:643); Jones et al. (2015:622-624); McCann and Barlow (2015:280); Srinivasan et al. (2016:91-101); Ahmad et al. (2018:10-11); Bae and Zamrudi (2018:851-869); and Singh (2020:144-160) which revealed that participants to these studies used social media as a way to build brand reputation and maintain awareness of their businesses amongst their customers.

#### **7.3.4.2 Customer relationships**

Social media has been described as an interactive medium through which users can post their views on people and brands alike (Kaplan & Haenlein, 2010:59-68; Ryan & Jones, 2012:152; Alawan et al., 2017:1177-1190; Ndiege, 2019:1-12). Developing relationships with customers that generated loyalty towards the retailers by interacting with them through social network platforms was regarded as an important consideration for the respondent retailers.

This would be achieved by responding quickly to customer feedback as highlighted by two of the independent food retailers. Another wanted to form part of a community group whereas the others valued the interaction generated by their Facebook profiles. The findings of the current study with regard to generating relationships with customers indicated similar objectives. Loyalty was reflected in the studies by Jones et al. (2015:63) and He et al. (2017:153), while relationships were highlighted by McCann and Barlow (2015:280). Interaction was important in the studies by Ahmad et al. (2018:10-11); Bae and Zamrudi (2018:865-866); and Singh (2020:153-154).

#### **7.3.4.3 Sales**

The possibility of generating extra sales by engaging social network platforms as a marketing communication channel was shown to be a key motivator among the respondents. This is shown by the responses and actions of the participating retailers. One of the non-active retailers gave examples describing sales generated through this medium. Two of the participating retailers were shown to have acted purposefully in their social media activity while another was motivated to carry on after initial success. Although the activity-lacked structure in some instances, social network platforms was regarded as an essential conduit through, which value could be extracted in the form of additional sales. The motivation of the current respondents is not dissimilar to those of other studies whose objectives reflected a desire to grow sales by engaging social network platforms as marketing channels as shown in He et al. (2014:25-250); Jones et al. (2015:611-632); McCann and Barlow (2015:280); Taiminen and Karjaluo (2015:643); Srinivasan et al. (2016:99); He et al. (2017:149-160; Bocconcelli et al. (2017:693-709); Ahmad et al. (2018:10-15); Ntshingila (2020); and Singh (2020:153).

#### **7.3.4.4 Environmental pressure**

Environmental pressure was also found to have had an influence on the level with which the retailers have adopted social media as a communication channel. The prevalence of this medium and its use as a source of information by users as well as competitors might have compelled the retailers in this study to adopt this medium as a marketing channel. This finding is also evident in studies by Dahnil et al. (2014:119-126); Bae and Zamrudi (2018:856-869); Ndiege (2019:1-12); and Kemp (2020a).

#### **7.3.5 Other findings**

The respondents acknowledged that engaging social network platforms as a marketing communication channel has had a positive effect on their businesses. This ranged from a perceived heightened visibility of the stores as individual brands and as an interactive contact

point through which to offer feedback to customer comments. The development of online relationships between the consumers and the retailers has had a positive effect on sales. This does not suggest that there was a homogeneous result for all the retailers as attested by respondent four who regarded the brand visibility as a positive result although this benefit did not translate into additional sales. One can draw parallels between the above findings to those of other studies which investigated the effects of social media on branding (Srinivasan et al., 2016:91-101; Ahmad et al., 2018:17; Crammond et al., 2018:303-328) and sales (Jones et al., 2015:621-624; Bocconcelli et al., 2017:700).

The positive impact of social media experienced by the respondent retailers has resulted in a favourable attitude towards this medium as a communication strategy. The fact that it was regarded as a cost effective and accessible communication channel added to the positive sentiment towards social media. It is important to note however, that the active respondents confirmed that engaging social media required time and effort but viewed this as worth the trouble. There was a dissenting view among one of the non-active retailers who felt that the result would not justify the effort. Other literature that notes perspectives towards social media include Crammond et al. (2018:313) on cost effectiveness, Jones et al. (2015:611-632) on social media as an important element of the promotion, and He et al. (2017:149-160) on the time needed to maintain and implement the social media activities.

The findings of the current studies suggest that minimal strategic thinking was applied in the application of social media as a strategic marketing communication channel among the respondent retailers. The implementation could be regarded as informal and ad hoc depending of available time as postings by the active retailers was inconsistent with regard to intervals between activities. The activation characteristics of these retailers did not meet the criteria to be regarded as strategy as noted by Hall (2010:56); Culnan et al. (2010:46); Brown (2017); and He et al. (2017:149-160). Two of the respondents however, considered their actions, segmented their customers and focused efforts on platform specific activity.

### **7.3.6 Conclusions**

#### **7.3.6.1 Extent of social media use**

Social media has become an important communication channel for both consumers and businesses alike. It has also changed the way in which they interact with one another. Given the prevalence of social media use (Kemp, 2020b), an objective of this study has been to investigate whether independent foods retailers trading within the Greater City of Cape Town use social media as a marketing communication channel as a way to remain competitive

against larger well-resourced corporate and franchise retailers. A review of the activity on social network platforms of the respondent retailers was compared to the responses proffered by them during the in-depth interviews to gauge consistency.

The findings indicate that independent food retailers do engage social media as a communication channel. The level to which the respondents have done so varies among them from very active and purposeful to none at all as attested by the five non-active retailers. Facebook was found to be the dominant platform of choice among the study respondents with some activity on Pinterest, Twitter and WhatsApp. Although not a social network platform, Google business ratings was regarded by two respondents as an important barometer measuring consumer sentiment towards their businesses

#### **7.3.6.2 Factors enabling the use of social media**

The second objective of this study has been to ascertain which factors enable the use of social media as a marketing communication strategy by the respondent retailers trading in the greater City of Cape Town area.

Cost effectiveness was found to be an important consideration for the respondent retailers who asserted that social media presented an inexpensive channel through which to communicate and interact with current and potential customers. This is consistent with findings of other studies, which confirmed the cost effectiveness of social media as a communication channel (He et al., 2017:149-160; Ahmad et al., 2018:6-17; Ndiege, 2019:1-12). It was also found that this medium made it possible to reach potential customers outside their traditional trading footprint than would be possible with traditional communication media (Bocconcelli, 2017:700; Ahmad et al., 2018:6-17; Ntshingila, 2020).

Given that 49% of the world's population are active social media users (Kemp, 2020a), familiarity with the different social network platforms made it easier for the respondent retailers to engage and interact with customers on these platforms (Shaltoni et al., 2018:272-284). The interactive nature of social media poses potential risks to businesses as they interact with customers and the manner in which they handle positive and negative feedback from customers (Harris & Rae, 2009:28; Dahnil et al., 2014:119-126; Bae & Zamrudi, 2018:861). This also provides an opportunity to generate a relationship with customers as a result of online interaction with them (Dholakia & Dirham, 2010:26; He et al., 2014:225-250; Ainin et al., 2015:570-588). The respondents to the current study viewed the process of responding to emerging comments from customers as part of forging a relationship with



them. Valos et al. (2016:19-40) noted the benefits of growing relationships with customers through the two-way online communication made possible by social media.

#### **7.3.6.3 Factors impeding the use of social media as a marketing communication strategy**

Respondents however reflected that there were considerations that acted as barriers to the use of social media. Reputational risk as a result of negative feedback broadcast by customers on social network platforms was a concern raised by retailers as they had no control over the discourse put forward by consumers. Efforts to implement an effective online communication programme were hampered by lack of resources such as an adequate knowledge of social network platforms in some cases, which limited the value that could be extracted from this medium. The availability of time to engage social network platforms was restricted in some cases given that these retailers had too many demands on their time due to insufficient human resources to cover all areas of the businesses.

Risk (McKnight et al., 1998:473-490; Harris & Rae, 2009:28; Ahamat et al., 2017:338-348) and available resources (Grimmer et al., 2017:54-63; Grimmer et al., 2018:7-26), which included knowledge (Durkin et al., 2013:716; Jones et al., 2015:626), time (Jones et al., 2015:623; He et al., 2017:149-160) and human capacity (Durkin et al., 2013:724; Jones et al., 2015:623) were noted as barriers to social media use by the participants in the respective studies, which mirrored concerns raised by respondents in the current study.

#### **7.3.6.4 Factors motivating the use of social media as a marketing communication strategy**

Whereas cost effectiveness, reach, accessibility and interactivity were factors enabling the use of social media, risk and resources were regarded as impediments to its adoption and use as a strategic marketing communications strategy. The fourth objective of this study is achieved in that it reveals the factors motivating retailers to adopt and use social media to promote their stores.

The opportunity to raise the visibility of their stores as a brand prompted the retailers to engage the social network platforms, which Facebook was found to be the dominant platform of choice by the active respondent retailers. Similar results were reflected in studies by McCann and Barlow (2015:280); Srinivasan et al. (2016:91-101); Ahmad et al. (2018:10-11); and Singh (2020:153). Likewise, the results show that the respondents regarded relationships with the customers as being important as it generated loyalty towards the stores. The notion that the above is true also comes through in studies by Barnard et al. (2017:71-72) and He et al. (2017:153). Increased sales was cited as a desired result of

activities on the various social network platforms by the respondents of the current study and the participants of the studies by Taiminen and Karjaluoto (2015:643); Srinivasan et al. (2016:99); and He et al. (2017:149-160).

Environmental pressure also influenced the decision to adopt this medium as a communication channel. Consumer and competitor activity might have forced the retailers to adopt this channel as a customer contact point or risk losing ground to competitors, as shown in Dahnil et al. (2014:119-126) and Ndiege (2019:1-12).

### **7.3.6.5 Impact of social media use**

There was general consensus among the active retailers that social media had had a positive effect on their businesses. This created perceived value for this medium as a communication channel, which enabled the retailers to interact with their customers, thereby increasing the visibility of their stores as brands, which contributed towards increased sales performance. These findings are consistent with those of Ahmad et al. (2018:6-7) on perceived value of social media; Rootman (2016:220) and Srinivasan et al. (2016:91-101) regarding branding and visibility; and Jones et al. (2015:621-624), Bocconcelli et al. (2017:700) and Singh (2020:154) on improved sales performance.

## **7.4 Contribution of the study to current knowledge**

Early literature concentrating on social media approached it from an application and technical perspective (Boyd & Ellison, 2007:210-230; Kaplan & Haenlein, 2010:59-68; Fisher & Reuber, 2011:357-371; Ryan & Jones, 2012). It also focused mostly on larger businesses and their use of social media (Culnan et al., 2010:243-259). There has however, been a steady growth of available literature investigating the use of this medium by small businesses (Dlodo & Dhurup, 2010:164-180; Beier & Wagner, 2016:3-7; Dolan et al., 2016; Barnard et al., 2017:65-78; He et al., 2017:149-160; Oji et al., 2017:1-12; Ndiege, 2019:1-12). Retailer-focused studies that are situated in the South African context are available, but mostly concentrate on issues relating to competitiveness (Chiliya et al., 2009:79-79; Badenhorst-Weiss & Cilliers, 2014:3-7; Makhitha, 2016:258-266; Makhitha, 2017:72-84; Gedye, 2017; Goko, 2017; Masojada, 2018a).

Several studies investigating the use of social media which include retailers as part of the sample were found (Durkin et al., 2013:716-734; Taiminen & Karjaluoto, 2015:633-651; Ramanathan et al., 2017:105-123; He et al., 2017:149-160; Bae & Zamrudi, 2018:851-869; Crammond et al., 2018:303-328; Ndiege, 2019:1-12), while two studies had a South African context (Dlodo & Dhurup, 2010:164-180; Rootman, 2016:212-224). At the time of writing, no studies were available that focused on the use of social media as a marketing

communication channel by independent food retailers in South Africa. This study therefore contributes to the available literature with specific reference to the relationship that independent food retailers have with social media as a communication strategy.

Given the paucity of available literature focusing on the use of social media by independent food retailers, this study addresses a gap in the current knowledge dealing with this topic. The objective of this study has been to ascertain whether social media is used as a strategic marketing communication strategy among independent food retailers in the City of Cape Town.

This study provided evidence that independent food retailers do engage social media as a communication channel. The level to which this medium has been adopted was influenced by personal, business and environmental factors that enabled, motivated or impeded its use. The results illustrate the predominance of Facebook as the social network platform of choice by the respondents and the varied use of other platforms such as Twitter, Instagram, Pinterest and WhatsApp, thereby reflecting the results of other studies (Ahmad et al., 2018:6-17; Ndiege, 2019:1-12; Singh, 2020:153-156). The study gives insight into the cost effectiveness of this medium as a communication channel, which is regarded as an accessible conduit capable of reaching an expanded existing and potential customer base that would otherwise not be possible through traditional channels. The research adds to the available literature exploring the use of this medium for engagement and promotional purpose. The inquiry also provides insight for further studies on the use of social media by independent food retailers or similar businesses.

This study links the results with regard to the motivation for the adoption of social media as a communication channel to human behaviour models such as the technology acceptance model (Davis et al., 1989), diffusion of innovation (Rogers, 1995), theory of reasoned action (Ajzen & Fishbein, 1980) and the technology, organisation and environment framework (Tornatsky & Fleischer, 1990). Since this study was not aligned to a specific model, elements of each of these can be pinpointed to responses and findings in the analysed data. Examples of these can be found with regard to the accessibility of social media as a predictor of perceived ease of use, and the perceived usefulness of this medium as a channel with which to forge relationships with customers (Davis et al., 1989). Social influence was found to affect the decision regarding the use of social media as a communication channel. An example of this was the assertion that customers were active on Facebook while competitors were using this medium to promote their businesses, which suggested that the respondents were pressured to engage this medium as well. Similarly, the characteristics of the business, the owners and the competitive environment impacted on the decision taken regarding the use of social media as a customer contact point.

As alluded to above, there is a scarcity of studies that focus on this segment of the retail environment in which independent retailers trade. This study addresses a gap in the literature pertaining to the relationship that independent food retailers trading in the greater City of Cape Town area have with social media as a communication channel. It sheds light on the factors influencing the adoption and use of this medium to engage with customers, whether they enable, impede or motivate its use. It also contributes towards the available literature regarding the impact that social network platforms have had on businesses that use it as a promotional channel. It also uncovers the perceptions held by these retailers towards social media as a promotional resource.

## **7.5 Managerial implications**

The prevalence and accessibility of social media provides an opportunity for businesses to utilise these platforms to promote themselves. This study provides evidence that independent food retailers do engage social media as a communication channel. It also gives insight into the factors that enable the use of this medium as a communication channel whilst noting the considerations that hinder its application. The study also revealed that retailers were motivated by the possibility of raising the visibility of their businesses and developing relationships with customers, which could result in additional sales. The results show that Facebook was the predominant platform of choice with little activity on other platforms. This was facilitated by the fact that social media was regarded as an accessible medium given its ease of use. It is therefore suggested that owners/managers of independent retailers engage a combination of platforms as each offer different benefits. Full value will not be extracted from these platforms if they are not actively engaged and maintained.

Social network platforms were regarded as a cost-effective channel through which the retailer footprint could be extended to reach a potential customer base not previously accessible using traditional media. This presents an opportunity for small and medium businesses to use this medium to extend their area of influence and communication without incurring excessive costs. Social media is by nature an interactive medium that provides the opportunity to engage with customers and offer content that is meaningful and topical and resonates with the customer. This suggests that retailers should provide content that resonates with the community rather than just offering product promotion, which therefore makes social media an essential promotional and communication resource.

Adequate and efficient use of resources will have an influence on the effectiveness of any programme. The results of the current study reflect restricted resources such as people and knowledge capacity (Ndiege, 2019:6). The researcher endorses the recommendation by He et al. (2017:149-160) who recommended that retailers consider their obligations towards social network platforms and plan around these resources. The results further indicate that

the respondent retailers are aware of the potential possible through social media but to a large degree, have failed to extract full value (Durkin et al., 2013:716-734; Bae & Zamrudi, 2018:867). This situation is reflected in the results which suggest that social media strategy was lacking in most cases, as found in Ndiege (2019:6), which presents an opportunity for retailers to plan a customer-centred social media promotional programme that is structured with a measured strategy that considers the available resources and encompasses more than just using Facebook as a customer contact point. Retailers could also devote a few hours a week during their quiet time to consider content, engage customer feedback and plan future programmes. This might help address the concern raised by the respondents regarding the restricted time available for this medium and help other businesses schedule time slots for strategic planning. It might improve the effectiveness of social media marketing which should affect the sales performance of the businesses positively.

## **7.6 Limitations and future research direction**

The study has been able to establish that independent food retailers do engage social network platforms and identified factors that influence the use of social media as a marketing communication channel. Notwithstanding the contribution to available literature, the limitations of this study must be recognised. A multiple case study has a few limitations generally associated with exploratory studies. The sample size of only eleven independent retailers and the locality of the study preclude the possibility of generalizability of the findings as they are pertinent to the respondents of the study. An additional challenge was getting potential respondents to see the value of such a study. Time-restricted retailers and trust considerations might have excluded respondents who could have otherwise contributed to the study. Whilst the saturation point was achieved with the current sample size, it is possible that the findings of the study might not represent the population completely. Only independent food retailers were interviewed, whereas looking at a similar of type store in the franchise environment might add insight into social media usage among branded franchise retailers. It is possible that in the future, similar studies can be conducted in other cities of South Africa which might add depth to the findings and a deeper understanding of the characteristics that make up the relationship independent food retailers have with social media as a communication strategy. It might however, be possible to transfer the results to other retailers with the same locality characteristics and ownership profile.

The focus of the study was the use of social media as a communication medium, which excluded other channels of interaction such as websites. Although platforms such as Twitter, Instagram and WhatsApp were noted as being used by the respondents, Facebook was established as the dominant social network platform of choice by the respondents, which suggests that the results are skewed towards Facebook usage. Future studies can expand

the concentration of the study to include additional platforms for more inclusive results, or can select specific platforms as the focus of study. The recommendations suggested might not be applicable to other social network platforms not covered in this study. Nevertheless, these findings can form the basis on which further research can explore the factors that influence the level with which independent food retailers use social media as a marketing communication conduit through which to engage with customers and communities in other areas. While the current study adopted a qualitative approach to achieve the stated research objectives, similar studies using quantitative methods could be undertaken to avoid the limitations of small sample sizes.

## **7.7 Recommendations**

This study had as its objective, the desire to understand the relationship that independent food retailers trading in the greater City of Cape Town have with regard to the use of social media as a marketing communication strategy and the factors that influence the implementation thereof. The study provides insight into the elements that facilitate and motivate the use of this medium as a communication channel as well as the aspects that retard its adoption and implementation. The results build on the growing body of literature on the use of social media by small and medium business with particular focus on its implementation by independent food retailers. Given the paucity of available research on this segment of small businesses, the findings address a gap in the current literature thereby offering insight to other retailers regarding factors to be considered prior to adopting this medium as a communication channel in order to extract optimal value from this medium.

The key findings present foundations for further research on the use of social media by other retailers such as franchise-branded retailers in which the ownership of the business still rests with the individual entrepreneur. This type of research might give additional insight into the use of this medium as a communication contact point with customers within a formal branded environment. There is also an opportunity to investigate the social media habits of informal retailers, or spaza shop owners, within the context of its use as a communication strategy. An emergent finding of the study was the use of WhatsApp as communication channel. Given the prevalence and growth of this platform on a global and regional level (Kemp, 2020a), further research regarding its use as a business tool should be considered.

The results of the current study present an ad hoc perspective by the respondent retailers towards the potential value that social media might present to their businesses and therefore did not exhibit a predetermined strategy to extract optimum value from this communication channel for the benefit of their businesses. It is recommended that retailers wanting to engage with customers through social network platforms determine a strategy that is suitable to their individual businesses and fosters a mutually beneficial relationship. This would

include considering factors such as time availability, human resources and technical capacity with regard to adequate knowledge of social network platforms.

## **7.8 Summary**

This chapter summarises and contextualizes the information arising from the previous chapters. It started off by revisiting the key links to the study, namely independent retailers and the competitive environment within which they trade, social media development and its use as a communication channel, as well as the coming together of these two variables. A precis of the study objectives was noted along with the methodology adopted to achieve these. This qualitative study used ATLAS.ti (version 8) to code the extracted data from which findings were concluded.

The discussion chapter situated these findings among current literature to illustrate similarities and note differences. The key findings of the study were isolated to accentuate their importance to the study. The value of the study to current knowledge was noted along with the limitations associated with studies of this nature. This chapter concluded with recommendations arising from the study and the conclusion thereof.

Simply put, it can be concluded that there are independent food retailers who engage social media as a communication channel. The extent to which they do so is influenced by variables for and against its use as a communication contact point with customers. It was also possible to make a link between social media use by those who did, and positive results derived from using this medium as a strategic marketing communication strategy.

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## APPENDICES

### Appendix A: Interview guide

#### Social media as a marketing communication strategy among independent food retailers in the City of Cape Town

##### RESEARCH QUESTIONS

- To what extent is social media being used as a marketing communication strategy by independent food retailers in the City of Cape Town?
- What are the factors that enable the use of social media as a promotion channel through which independent food retailers can communicate their marketing strategy?
- What are the barriers that prevent independent food retailers from engaging in social media as a marketing communication channel?
- What are the factors motivating independent food retailers to use social media as a marketing communication strategy?

##### RESEARCH OBJECTIVES

- To assess the extent to which social network platforms are being used as a marketing communication strategy by independent food retailers in the City of Cape Town.
- To reveal the factors that enable the use of social media as a promotion channel through which the independent food retailers can communicate the marketing strategy.
- To analyse and identify the barriers that prevents the usage of social media as a marketing communication channel among independent food retailers.
- To ascertain the factors that motivates the use of social media as a marketing communication strategy among independent food retailers.

##### INTERVIEW QUESTIONS

- Introduction and explanation of the interview
- Brief social/Personal characteristics

Do you have a social media presence?

If No Is there any reasons why you don't have a presence on social media?

What are the obstacles that you believe prevent you from using social media as a marketing communication strategy?

Are there any factors that would convince you to adopt social media as a marketing communications strategy?

What are the problems of using social media?

What other channels do you use to promote your business?

If you decided to use social media platforms, which would you choose?

What would you like to get out of the medium that you use?

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If Yes **Which social media platforms do you use?**

Why did you choose these?

**How often do you use social media?**

What purpose is social media use for?

**What other methods do you use to promote your business?**

**How do you measure success of these methods?**

**What marketing activities do you conduct through, or within these social media platforms?**

Which platform do you believe will be the most effective in promoting your business?

Did you have a strategy when you decided to use social media?

What do you want to achieve with social media?

Who is your target audience?

Is your social media managed internally or by a third party?

Who represents your store on social media platforms?

Do you have social media guidelines in place for how employees should represent themselves and what they can say?

**How do you respond to negative comments?**

Do you have a crisis management plan in place if necessary?

Does your social media marketing drive sales?

Examples of what worked/didn't work?

Have you created a variety of tailored content formats such as text, video, photos, graphics, music and presentations?

Does your other marketing linkup with what you are implementing on social media?

How do you connect up your social media back to your business goal?

**Do you have a customer data base? (social media contacts)**

How do you measure the effectiveness of your social media activities such as an improved perception of your business?

**Do you have a social media marketing budget?**

**What are the problems of using social media?**

Do you believe there is any value in social media as a marketing communication strategy?

Do you think social media as had an impact in the way customers shop?

How has Social media impacted your company?

## Appendix B: Ethics approval



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Office of the Chairperson Research Ethics Committee	Faculty: <b>BUSINESS AND MANAGEMENT SCIENCES</b>
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At a meeting of the Research Ethics Committee on 15 August 2017, Ethics Approval


was granted to José dos Santos (192016490) for research activities

Related to the MTech/DTech: Masters of Marketing at the Cape Peninsula University of Technology

Title of dissertation/thesis/project:	SOCIAL MEDIA AS A MARKETING COMMUNICATION STRATEGY AMONG INDEPENDENT FOOD RETAILERS IN THE CITY OF CAPE TOWN  Lead Researcher/Supervisor: Dr RG Duffet & Mrs N Bray
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Comments:

Decision: **APPROVED**

	15 August 2017
Signed: Chairperson: Research Ethics Committee	Date

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## Appendix C: Copy editor certificate

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30 June 2020

### To whom it may concern

This is to certify that I have edited the following thesis by Mr J.A. dos Santos to professional standards:

Social Media as a Marketing Communication Strategy among Independent Food Retailers in the City of Cape Town

Best regards



**KEN BARRIS**

## Appendix D: Turnitin originality report

### Social media as a marketing communication strategy among independent food retailers in the City of Cape Town

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