



Web Marketing:

South African Marketers' Perceptions of Social Media, its Impact and Future Role

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Abstract

Consumers' attitudes are changing toward brands, and their acceptance of traditional "push" advertising has diminished. Social media has created and connected a network of consumers who can easily collaborate with one another. This collaboration and constant conversation between customers builds trust within the network which, in turn, can create opportunities for brands but could also affect their reputation. This descriptive study seeks to understand whether South African marketers perceive social media as a threat to their brands and, if so, how they are engaging with their consumers. It also tries to identify whether they will increase collaboration and the use of social networks in the future.

A web survey was sent out to advertising, media and PR agencies as well as to people working for a company that advertises its own products or services. This survey was done to determine what impact social media has on the brand or company; how marketers are embracing social media, and whether marketers feel that that they will spend more time on planning for social media in the future.

It was found that marketers have embraced social media and have determined the opportunities that this channel has to offer. They have not established the threats that can be made to the reputation of the brand. Marketers have agreed that more time will be spent on social media in the future.

Declaration

I declare that this research is my own work. It is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorization and consent to carry out this research.

Oresti Patricios

Date

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1. Introduction to research problem

1.1. Introduction

A decade ago, Palmer and Richards (1999, p. 91) stated that the “networked economy is upon us”. The networked economy, it was said, would enable people to connect ubiquitously. This will lead to increased and enhanced collaboration between people.

Globally, social media is beginning to emerge on the radar screen of marketers. South Africa has a low prevalence of connectivity, but with companies having smaller advertising budgets, it is interesting to see whether marketers are using these tools to build relationships, to monitor conversations – and, consequently, whether they are utilising this information to protect and build their company’s or brand’s reputation.

The aim of this descriptive research is to understand how companies utilise social media in relation to their marketing activities. It will look at current and future behaviour. The question that will need to be answered is what role, if any, Social Media plays in the marketing plan, especially since messages can negatively affect the reputation of a company or brand. This research will consider the incorporation of social media in the strategies and tactics that marketers employ. The focus will include Social Networks, Blogs, Podcasting and Mobile Social Networks. This

study will exclude the use of a company's own web site for marketing purposes and for e-commerce.

1.2. Definition of terms

1.2.1 Web 2.0 and social media

Web 2.0 was developed in order to enable the new combination of information collaboration (Addison, 2006). In the past, the Internet was one-way communication and it was difficult, if not impossible, to add comments, pictures or videos from a variety of different sources. Web 2.0 and Social Media are often used interchangeably.

1.2.2. Social networks

Social networks are online communities that form because of common interests (Boulos and Wheeler, 2007). These social networks, such as Facebook and MySpace, allow the user to add his profile, add pictures, tag them, search for friends and converse with them around some form of common interest.

1.2.3. Blogs

Web logs (blogs) were originally used by the development community (scientific, education and IT) to share information on the web (Addison, 2006). Today, blogs can include text, video, audio, pictures and graphics, and are used for varying

purposes and not only for the development community by which to share information.

1.2.4 Podcasting

Podcasts are digital audio or video files that can be downloaded and transferred to other devices such as iPods or MP3 players (Boulos and Wheeler, 2007).

1.2.5 Mobile collaboration

WPA (Wireless Application Protocol) is an application which has been developed for mobile phones, smart phones and personal hand-held devices in collaboration with other users, other computers and other devices (Van Steenderen, M, 2002).

1.2.6 Text messaging

There are a number of options for text messaging. In this study we will exclude SMS but include social media such as MxIT.

1.3. Background

WEB 2.0 – and specifically social media – is on the increase. In their journal article, Neumann, O’Murchu, Breslin, Decker, Hogan & MacDonaill (2005, p. 472) state that “Web portals play an increasingly important role amongst online communities”. This means that social media can be used successfully by marketers if they include it in their marketing strategies and tactics. The current drawback is that bandwidth is limited in South Africa but this should shortly increase, especially as the fibre

optic cable on the east and west coasts of Africa (SAPA, 2007) is completed in preparation for the 2010 World Cup.

The Internet has the ability to circulate messages to a large audience instantaneously (Conway, Ward, Lewis and Bernhardt, 2007) and, therefore, the use of social networks can negatively affect a company's or a brand's reputation. This is exacerbated by consumers' relationships with each other within the network. Negative perceptions can decrease the value of the brand and market share, and can have a significant impact on the profitability of the business.

Web 2.0 has created an even greater networked economy than Web 1.0, as software has improved to allow easier collaboration between users. The rise in technical capability has created a link with human capability, and so generated interaction with intellectual and customer capital (Palmer and Richards, 1999). This behaviour of interacting with intellectual and customer capital will permeate into the social behaviour of humans into the twenty-first century. Companies need to understand this network behaviour and to respond to it in such a way that it increases the reputation of the brand or of the company. Network behaviour requires a different mindset. This mindset must transcend borders and boundaries (Palmer and Richards, 1999). The Internet has created a borderless world and, therefore, companies cannot remain in a cocoon and only concentrate on their home markets. Diversified multinational companies as well as local companies can have their brands damaged by the interaction of people within social networks. The

new mindset must take into account the relationships and trust between people within the specific social network and the brand. The relationship between the company and the customer (or potential customer) and word-of-mouth content on social networks needs to be managed in relation to the erratic behaviour of people.

Marketers need to understand the interaction of the capricious emotional behaviour among consumers as well as its unscripted nature. Social networks are exactly what the name suggests – a communal system or environment of groups of people who have used technology (and connectivity) to collaborate with each other. Social networks are about relationship-building and the conversations that take place between people (Bush, 2008). Before they can attempt to enter social networks and establish a presence there, marketers would need to understand the language, verbal clues and the rules that govern these networks.

In the past, messages (both positive and negative) were slow-moving, and companies had time to develop a plan and to respond to these messages, especially through the press. With the advent of WEB 2.0, social media will play a significant role in the marketing mix for advertisers and marketers. Whether South African marketers see this as an opportunity remains to be seen from the research.

1.4 Social media in the South African market

South Africa is part of the global village and needs to react to and understand the developments in global communications and, particularly, what impact these will

have on their own brand, their markets and products. With the growth of the Internet worldwide and bandwidth restrictions by government in South Africa, creates opportunities for engaging with the customer but also threats to the local business environment and the brand. Other opportunities for South African marketers are the exponential growth of social networking, as well the fact that South Africa has a large population under the age of 30. What impact will this new growth have on the brand? What impact will such growth have on new developments, and what lessons can be learned from past experiences? According to Smith (2008) there are more bloggers in China than in the US. Growth in blogging is greater in many emerging markets and these markets are eager to adopt social networking. According to Smith's research (2008), there has been a marked increase in social media usage between the first survey conducted in September 2006 and the third survey in March 2008. The biggest growth has come from emerging economies such as South Korea, Philippines, China, Mexico and Brazil. The prevalence of worldwide Internet users using social networks has increased by 58% between September 2006 and March 2008 (Smith, 2008). The greatest growth has been in emerging markets and since South Africa is an emerging market there is an expectation that there will be huge growth in the South Africa market in the future.

Social networks allow companies the potential of advertising in an uncluttered medium. The use of branded applications on social networks – such as Facebook, video downloads on YouTube, blogs on blogger.com, exhibitions and launches on Secondlife and webinars, a seminar on the web –. social media have a growing

importance on the customer and the organisation and are attracting more attention in headlines (Constantinides and Fountain, 2008). There is vast potential, yet there are also pitfalls in that the consumer has now taken control of media space and is disseminating his own experience to other like-minded consumers who buy similar products. In order to understand this medium, it is therefore important to explore the potential challenges and opportunities that South African marketers and strategists face.

Social media has had limited study as an advertising vehicle to be used by marketers'. There is no consensus as to the direction social media will go nor the real benefits it may provide a company. Currently, the prevalence of social media in South Africa is low, but the potential impact, once prevalence increases, is high. Now that Vodacom has entered the social media arena, more applications will be developed using mobile as an entry point into social media in the South African context. This will allow users not currently connected to have access to blogs, social networks and podcasts. The ubiquitous nature of the Internet has a higher potential, not only for South African users to get involved, but also for users within Africa where Internet speeds are slower but where mobile phones have a larger penetration.

The growth of mobile as opposed to fixed lines has been exponential. This is especially true within Africa. The announcement that MySpace users can operate their social networks via their mobile phones has created new opportunities for users to interact. Blogger, popular Internet blogging software, has developed tools

to enable bloggers to make use of mobile phones and MMSs to blog. Mobile users often access the web via their phones (Halvey, Keane and Smyth, 2006). In June 2008, Vodacom made an investment in Zoopy.com, which is the South African version of MySpace and Flickr.

Google have opened offices in South Africa. One of the strategic reasons for this move, according to Stafford Masie, country manager for Google South Africa, is that they are planning a mobile search engine. (The e of Marketing, accessed 23 August 2008) This could have some enormous opportunities for marketers. According to Olunga (2006), at a conference held in 2006 in Yaounde Cameroon, he stated that mobile growth in Africa is huge. He states that “in the top (African) growth countries, mobile is growing by 50% per annum on average” He also stated that mobile subscribers outnumber fixed lines by 4:1. This growth, together with the Google expansion of providing a mobile search engine, will give momentum to utilizing the web on mobile phones.

Mxit (the most common Mobile Social Network in South Africa) and Beep are extensively used by the younger generation for collaboration and for discussion of issues of relevance to them. This is where companies must interact with users of Mxit. Standard Bank used this medium successfully with its updates of the Pro20 scores. An advantage for the users of social media such as Mxit is that the service is relatively inexpensive and convenient, and that the user is always in touch with his or her social network (Mahatanankoon, 2007). Mxit allows mobile users a ubiquitous connection to friends that is fluid and dynamic.

1.5 Research purpose

Today the public can air their views and this information can be circulated across the globe – using the Internet – in a matter of seconds. Word of mouth was always a relevant marketing tool, but it now has a larger and more pervasive reach. Consumers use the Internet when making buying decisions, and negative messages about a brand can affect perceptions of a brand or a product. The relationship between messages on the web, managed by both the company and the public, and the effects on the reputation of a company or brand, will play a significant role in this research project.

The number of Internet users worldwide is growing and numbered just over 1 billion in 2005 (CIA-The World Fact Book, 2008). In South Africa the growth in Internet usage has been slow, but the users who are connected are in the higher income bracket and therefore have higher buying power and influence. The number of total South African internet users in 2005 was 5, 1 million (CIA-The World Fact Book, 2008) According to SAARF (2008) the number of internet users on one particular day was 1, 4 million.

WEB 2.0 is a growing medium and is not clearly understood yet. It is more personal, because of its interactive and social aspect, than that of a press release or an advert and, therefore, can have a greater impact. In South Africa, Myspace has 288 000 unique South African users, Facebook more than 300 000 and YouTube more than 432 000 (Charton, 2007). This is as high as some well- known

radio stations and magazines. *Talk Radio 702* has 471 000 listeners, *Heat* has 491000 readers (SAARF 2008). Traditional media has been used extensively over the past years, but how does this New Media fit into the marketing mix?

Most marketers think that it is only the youth who use social networks. However, adults are also using this media to interact with friends and family. According to Bush (2008, p. 2), social Networks are occupied by “moms, the all important gatekeepers of the households, and a significant amount of users over the age of 35”. There are many live examples of companies using Web 2.0 very successfully. Take, for example, CNN which uses I-Report to generate content. Most of this content is not only generated by the younger generation, but also by people who have access to the Internet and who would like to have their say, publicise an opinion or upload a video. CNN has utilised Web 2.0 to benefit the brand and to collaborate with many “virtual” reporters around the world.

Marketers must be aware of the changes to the delivery of the brand or product message. Unlike television messages, radio and print messages now have to be more about frequency of the contact with the message as opposed to frequency of the message. Reach and frequency have been the currency of media planners in the past. Frequency, nowadays, is about how often the company is reaching and conversing with the customer and building that relationship. The challenge is how marketers can engage with this community of consumers since social networks often reject promotional campaigns (Gillin, 2008). Experts believe that this resistance is because of the highly personal nature of the exchanges on social

networks. Facebook experienced the wrath of the consumers when administrators of the social networks began monitoring the purchases of their users and made their findings public. Marketers are now at a crossroad: they know and understand that this is an important medium but have very little understanding of or experience in managing conversations on social networks and taking advantage of this communication.

According to Gillin (2008), companies seem to be more comfortable with blogs and podcasts. By using blogs, companies are getting their employees to connect with consumers, thereby improving the response times to complaints via this medium as opposed to via the help desks.

“Many portals offer marketers opportunities but social media provides compelling new ways to interact with their audience,” says Charton (2007, p. 47). Marketers believe that “word-of-mouth” (WOM) marketing is far more beneficial than any other type of marketing (Sen and Lerman, 2007). In fact, the authors go on to say that Amazon.com has eliminated their entire TV and print advertising budget because the company believes that e-WOM (Internet word of mouth) is more effective in influencing consumer behaviour. Social networking consents to WOM but with greater access to a higher number of potential customers.

Reputation management is a much-discussed topic. Companies, individuals and boards of directors place high value on their reputation (Money and Gardiner, 2005). Having a negative reputation can decrease the value of the brand as well as

market share. This decrease in market share can have a significant impact on the profitability of a business.

The use of social media is on the rise worldwide. South African marketers seem to be lagging behind the use of this medium within their marketing strategy and tactics. The purpose of this research is to understand what South African marketers' view of social media is and how it features in their marketing plan currently and how it will feature in the future.

1.6 Overview of research report

South Africa has a dichotomy between the people and the government in relation to attitudes of technology. In many ways the South African people embrace technology. This can be seen by the growth in the mobile telecommunications industry and yet there is a lag in bandwidth increases due to the slow response of government in liberalising this sector. Do marketers embrace it as quickly as their customers? Do marketers understand the opportunities and threats of this medium? How are they responding to this, if at all? Are they monitoring this medium? This report will try and identify whether South African marketers understand social media and how they are trying to use it in their marketing plans. This report will look at the different disciplines within marketing departments. It will include marketing people within the advertisers, creative and media agencies as well as public relation agencies.

2 Theory and Literature Review

2.1. Introduction

The literature review will cover the appeal and application of this medium from other parts of the world. Social media has changed the way people communicate and interact with each other as it enables the user to be a greater contributor (Constantinides and Fountain, 2008). The speed at which, both positive and negative, messages travel increases considerably with the internet. Consumers place more weight on negative rather than positive messages (Sen and Lerman, 2007). This could affect brand or companies' reputation.

Social media has allowed the consumer to be a greater contributor of information. This has shifted power from brands to the consumer. The role of the marketer therefore has become more complex. This change in behaviour of the consumer has led to a change in behaviour of the marketer. In order to maintain brand equity, companies need to have more open and honest conversations with consumers (Meadows-Klue, 2008). Conversations with the consumer enable brands to build relationships. Consumers can help co-create advertising, packaging and even products.

In order to protect the reputation of the brand social media need to be monitored and should respond to and communicate with the consumer. The theory shows that strategies that have been used in the past for traditional media can still be used for social media.

2.2. Appeal and application of social media

There is a proliferation of the different types of media that companies can use to build brand equity and brand association among many other brand building functions. Marketers need to protect the reputation of their brand, both the company brand and product brands. Social media is one of the many new innovations that marketers' can use within the marketing mix.

Social network usage has increased in popularity especially among the younger population; however, this does not mean that the older generation has not been attracted to this medium. "The most influential consumers on the web today are the 24–44 year olds who embrace the Internet, not just as a tool, but as a way of life," says Reigner (2007, p. 447).

The Economist and TIME magazine both published articles about how, at the time, Web 2.0 or social media was affecting the way people communicate, made decisions, learnt and interacted with each other (Constantinides and Fountain, 2008). Web 2.0 and social media (which is often used interchangeably) has placed power into the hands of the consumer. In the past, this power was in the hands of the producer or vendor of the brand.

Social media is an improved version of the original bulletin boards, chat room and peer-to-peer communications that the Internet was originally developed for. The difference is that now it is easier to use owing to the new application and

technology and faster bandwidth that has accompanied the development of the Internet. Web 2.0 is based on User-Generated Content (UGC). This is the major difference between Web 2.0 and Web 1.0 in that the user is a more powerful contributor to this medium (Constantinides and Fountain, 2008). Marketers can create opportunities by using this medium and collaborating with the users.

The real benefit and attraction for the user of social networks is that, since it is an open platform, there is continuous improvement of the application, be it Facebook, Secondlife or Flickr. These improvements are not always to the user's benefit, but a new unpopular application will be rejected very quickly. Users will also not change from one application to a competitor's application as long as their peers are still on the original network (Constantinides and Fountain, 2008). As bandwidth and accessibility to computers and the Internet improves, so will the number of users. This means that potential customers using these networks will increase. This increase will create more value for the application owner but will also create a larger opportunity and challenge for the brand owner. Social networks will remain a phenomenon as the revenue model for the owner of the application grows.

Boulos and Wheeler (2007 p. 3) defines Web 2.0 as "content creation over content consumption". This medium comes with its advantages and disadvantages. There are many advantages, with people from all over the world collaborating on information and knowledge, making this truly the "information age". The Internet, though, has its disadvantages in that the spread of negative information is viewed by many more people and is disseminated much more quickly than in the past.

Web 2.0 has many different types of collaborative technology of which four will be expanded on in this research. Web 2.0 and social media is often used interchangeably.

2.2.1. *Social Networks*

There are over six million users of Facebook, and “many of them are daily devotees”, says Raskin (2006 p. 1). The growth of social media is bound to grow and to present challenges to marketers as to how they will monitor this medium, manage the information flow and collaborate with its users. Social networks rely on “reciprocal trust, the social glue binding participation” within these networks (Boulos and Wheeler, 2007, p. 13).

2.2.2. *Blogs*

Bloggging often begins because of a particular interest, and grows – with other interested parties adding comments, ideas or references. This is how blogs can either be beneficial or detrimental to a company’s reputation, as blogs can spiral out of control with negative information – but they can also promote a positive aspect of the brand. Many times this can be unintended by the original author of the blog.

2.2.3. *Podcasting*

Podcasts are specifically used in education and since it is an easily accessible medium that can be transferred, it may also have an impact on marketers and the

messages that they deliver (Boulos and Wheeler, 2007). Podcasts can be passed on virally and while this viral collaboration increases in intensity it can create benefits or threats to the brand.

2.2.4. *Mobile collaboration*

Convergence of video, audio and data onto mobile phones has helped develop collaboration and sharing among users of these phones. Some of the current limitations are that some handsets are not able to accommodate this technology, low and unstable bandwidth, and the costs associated with this bandwidth. New investments and developments within the mobile sphere will ensure that mobile social media grows and develops.

In a study conducted in Taiwan by Liu, Tao and Nee (2007), it was found that students learn better in groups rather than alone. They went on to conduct a study, using mobile phones, and found increased learning effectiveness through interaction and collaborative learning on mobile phones. This should give marketers an idea about how to market, engage and collaborate with the users of mobile phones via the use of text messaging.

2.3. Effects of social media

2.3.1. *Brand reputation*

Corporate reputation is created through a number of factors, one of these being touch-points. These are the contact points that the customer has with the brand or product. The customer can contact a company through the call centre

representative, the delivery person, the actual product or through using the product – to mention but a few avenues. Brand equity – which refers to a brand's "capacity to generate a future value stream" – is affected by the perceived reputation of that brand (Arvidsson, 2006, p. 189). How consumers experience the brand or product and what they do with the brand adds to its equity (Arvidsson, 2006). The brand also lives because of the shared experiences of consumers and not necessarily only because of individual experience (Arvidsson, 2006). Therefore, brand equity will be affected during interactions between consumers on social networks about the brand.

Reputation can also be affected by institutional performance, such as leadership and management qualities, business ethics, and relationship with stakeholders, etc. "Reputations are consciously built and not left to chance," (Gqubule, 2007).

Many companies are ill-prepared to deal with the crises that may affect their brand on the Internet (Conlin, 2007). Companies use blogs, written by anonymous people, to counter this threat. The problem with interfering with the conversations may backfire as consumers realise that the blog has been written by the company and is therefore considered to be company propaganda.

Monitoring social networks and blogs is important in order for companies to react to any negative publicity. When reacting, tactics need to take many forms using different types of media. Conlin (2007) relayed a story about when a blogger, Jeff

Jarvis, ignited a barrage of angry outbursts about Dell. Dell's resident blogger then took Jeff Jarvis for drinks and had a straight and open discussion about the company. Jarvis then wrote on his blog that Dell's image had been "transformed immediately." Michael Dell even met Jarvis at a cocktail party in Davos. Here Michael Dell used human interaction to negate the negative publicity. There are many options to counter negative publicity, but a plan on how to respond to a crisis is needed.

2.3.2. *Word of mouth (WOM)*

Word-of-mouth is recognized as a very powerful form of persuasion. One of the main forms of reviews on the web is e-WOM. Qvortrup (2006, pg 346) states that WOM is, "rather banal utterances spread like digital epidemics". The main forms of electronic word-of-mouth are customer reviews posted on different web sites (Sen and Lerman, 2007). In the past, consumers put more weight on negative than on positive reviews (Sen and Lerman, 2007).

Marketers have always wanted to harness word-of-mouth, whether it has been in the real world or the digital world. It is often stated that word-of-mouth is the best form of advertising. So it is important for marketers to understand how to leverage word-of-mouth over the Internet. The number of people who obtain information online has nearly doubled in the past two years (Hampton, 2008). The reality is that, whatever is said, both positive and negative messages are disseminated much more quickly in a digital environment. Marketers are trying to understand social networks and these types of collaborative media. The problem, according to

Hampton (2008), is that the discussion that takes place in social networks is more likely to have a negative opinion, as opposed to a positive one, about brands. This makes it even more important for marketers to have a clear understanding of social networks and develop strategies and tactics to counteract negative publicity, as this could damage the reputation of the company or brand.

This means that using online communities is an important part of the marketing mix (Hampton, 2008). Marketers, therefore, need to monitor this activity and be able to respond. The current form of using brand ambassadors without disclosing that they represent the company is a criminal offence in many countries in the EU (Hall, 2008). Bloggers now need to disclose that they are getting paid to write about a product. This legislation will surely come to South Africa as well. Having said that, ethics plays a large role in the development of the brand, and if the blogger or social networker does not disclose that he is on the company payroll as a professional blogger, and the consumer finds out that the blogger is representing the company, this will considerably affect the reputation of the brand. Once the consumer knows he has been fooled, it is difficult to regain his trust. Brands will have to be upfront with consumers and have an honest dialogue with them (Hall, 2008).

In research completed by Reigner (2007), it was found that online sources have as much influence as off-line sources in influencing buying decisions of Internet users. Off-line sources (such as newspapers) can be influenced by online user-generated content (UGC) read by journalists and written about in the popular press. It was

found that high-priced electronic goods were the most influenced by UGC and WOM.

2.4. Marketers and social media

Many companies believe that the social networks medium is a fad and will disappear. The reality that more people are using it suggests that it is here to stay, and marketers should be aware of this medium. According to Constantinides and Fountain (2008), research shows that not only the teens but also professionals participate in social media. Social media will have an impact on the social fabric, culture and behaviour of people. People will have difficulty in distinguishing what constitutes a real video or what is created as an advert. What information is true and what is fictitious is the one of challenges that marketers face. How can they use this medium to generate improved products, and how can they guard against a real or manipulated attempt on their reputation? The shift from traditional advertising to other forms of advertising again creates an opportunity for marketers. Consumers are changing their behaviour of watching and believing traditional advertising, such as on television and radio.

This shift in consumer behaviour and attitudes to company-sponsored advertising needs to be noted by marketers, and adapted as a channel to be used correctly.

Aitken, Ballantyne, Osborne and Williams (2006) maintain that customer value is created by service experience and relationships. They emphasise the importance

of “marketing with” – as opposed to “marketing to” – the customer. The value of co-creation and sharing of resources should become an important element in the marketers’ approach to a service-dominated entity. The building of brand equity needs to include customer equity and network equity. Lusch and Vargo (2006) argue that networks play a central role in value creation. Social media allows companies to interact with the customer in co-creating, sharing of resources and ideas – thereby building the equity of the brand. This can only be done with the correct understanding of the relationship between the networked customer and the brand.

The value of creating a more service-dominated (S-D) logic approach for the company and the brand is becoming more important. Some key concepts around S-D logic are experiences, co-creation of value, value-creation networks and dialogue (Lusch and Vargo, 2006). Marketers’ ability to understand the growth of social media and adapt its thinking towards a more S-D logic approach towards the consumer will give them the high ground in their relationship with the customer. They would need to be aware of the opportunities to build relationships, co-create value and have dialogue with the customer. There are potential threats to the brand – such as reputational risks through peer-to-peer word of mouth, brand or company bashing: these are the kind of responses the company has to manage. The potential advantages far outweigh the potential risks if managed and understood correctly.

The role of marketers is becoming more complex. Reasons for this complexity include media fragmentation, new forms of media and advertising channels, as well as many similar products with similar propositions. Building the brand, therefore, becomes more complex and more important. Because of this complexity, some marketers rely on surreptitious ways to infiltrate the consumer's awareness (Martin and Smith, 2008). This can involve intrusion into social networks and blogs. There are ethical implications to this kind of intrusion and can, if found out, break the trust the consumer has in the brand. According to Martin and Smith (2008, p. 5), in a survey of CEOs, the latter stated that they now allocate 15% of their overall marketing budget to non-traditional practices such as word-of-mouth, buzz marketing and viral marketing. Not all of this is necessarily online. With the growth of Web 2.0, this kind of covert advertising is potentially more enticing to marketers. Companies such as Sony Ericsson, Wal-Mart and P&G have all been charged with unscrupulous behaviour for using these covert methods. The American Marketing Association (AMA) (2008) has set strict guidelines to this on honesty, fairness and openness.

Marketers need to use word-of-mouth marketing without deception, intrusion or exploitation (Martin and Smith, 2008). Marketers should be able to have a conversation with their customers and to "persuade them to fall in love" with their brand (Meadows-Klue, 2008, p. 2). The above the line (ATL) media will still drive awareness, but the new era will ensure brand engagement. Brands have always tried to accomplish this. Marketers need to listen to and engage with their

consumers – not bombard them with messages. Web 2.0 has enabled people to be connected (social networks), share content (blogs) and participate in the production of this content and then share it with the rest of the community (Meadows-Klue, 2008). Understanding this, marketers are able to interact with and communicate with their consumers.

Understanding the customers' buying process and decision-making should help marketers create strategies for engaging with these online consumers. This does not mean that companies should neglect the traditional media, but using social networks increases the prospects of getting the attention of the customer in a more fragmented market. According to Constantinides and Fountain (2008, p. 8), "customers' preferences are not based any more exclusively on information made available through traditional mass media or corporate websites".

The early adoption of Web 2.0 by some companies was the internal blog, which assisted companies with improving communications with employees (Havenstein, 2008). Not enough companies entered this sphere but the companies that did use internal networks started to understand this medium and learnt from their errors and successes.

Consumers use a great deal of creativity to get their message across, especially when they are disgruntled. Comcasts' many videos on YouTube – most very entertaining although quite critical of the company – were seen by millions of

viewers. The company could do nothing about its brand at the time except to try to improve service delivery into the future (Bizcommunity, accessed 23 June 2008).

When managing the “media speak” on social networks, a company or brand must allow freedom of the site to the community. According to Havenstein (2008), customers always had a choice of the brands they use; now they have access to digital loud hailers to criticise the brand. Furthermore, he maintains that companies should allow customers to answer one another’s questions without interference. He goes on to say that in order to prevent a backlash from the users, the marketing department should minimise the amount of marketing pushed towards users. Listening carefully to the needs, wants and desires of the consumer may help the company identify new products or services and any flaws that they can improve on.

Dove’s campaign “Real Beauty” is an extraordinary way to spread conversation about the brand. Dove successfully showed how an ordinary-looking woman could be turned into a front-cover beauty. This created many conversations on blogs, social networks and postings on YouTube.

Internationally, McDonalds, Nike, Coca-Cola and other multi-nationals are all advanced in their development of mobile communication initiatives (Grant and O’Donohoe, 2007). Mobile phones are an essential fashion statement for the youth, but they are also used to connect with peers. Any communication and interaction with mobile users needs to be relevant and timely to be effective – for

example, Pro20 scores. The biggest concern among mobile users is commercial intrusion through their mobile phones.

2.5. Social media strategies used

When the Internet was first introduced, marketers were anxious as they felt that they did not have control of the customer (Day and Hubbard, 2003). The reality is that the power has shifted to the consumer and marketers need to review their approach to social media. Some managers have embraced this challenge. In a survey done in March 2001 by Day and Hubbard (2003) with 352 senior managers, 30% saw it as a major opportunity, 1% as a major threat , 52% as a minor opportunity and 13% said that the Internet was neither a threat nor an opportunity.

There should be no differences in the marketing activities used in the real world and in the digital world. Boudreau and Watson (2006) state that “Internet advertising strategy is concerned with the creation, placement, and distribution of electronic messages that will be read by, and have an effect on, those consumers whom the advertiser most wants to influence.” This statement is no different from advertising in general.

With the advent of broadband and Web 2.0, TV and radio advertising can be posted on YouTube, Facebook or through podcasts. TV and radio advertising can also be placed on online television such as on Joost. Print advertising– through

newspaper and magazine sites – can be placed in the form of banner advertising. Directories and search engines are similar to the real world's Yellow Pages. Conferences and exhibitions can be held using virtual conferences such as Unisfair and HIMSS Virtual. Conversations via word-of-mouth are no different from the conversations on the Internet. Customer relationships can be built and enhanced via the Internet. These and many more examples are used to show that marketing activities should be the same in both worlds.

It is imperative that the activities follow the marketing strategy, which follows the corporate strategy (Boudreau and Watson, 2006). Two of the differences between the real world and the digital world include the fact that access in the digital world is more global and that it is mostly driven by technology. Therefore, marketing activities that companies engage in should be similar. Marketing professionals, in order to plan and implement online strategies, need a clearer understanding of the Internet.

One of the most popular strategies, especially in e-WOM, is viral marketing. Viral marketing relies on customers or potential customers communicating and distributing company information, products or branding to others within their social network, and also enticing them to re-send these messages, videos, audio files, pictures or comments to their social networks (Helm, 2000). This often happens within social networks such as Facebook, Myspace, etc. This sort of marketing can be positive, but more often than not, negative publicity is circulated via the Internet and therefore can create a crisis for the company. It was found that companies

irregularly monitor the web and that these issues are not adequately covered by the majority of companies (Conway *et al.*, 2007).

In the past, messages were pushed one way – from the company to the consumer. Today, with the advent of the Internet, consumers have become more influential and companies have had to become more transparent. Communication now adds a different element and has to include a two-way conversation rather than one-way communication.

Conway *et al.* (2007 pp. 215–216) identify four Internet crises:-

- “Reinforcing crisis”– both Internet and traditional media are used
- “Absurd crisis”– a crisis that circulates on the web due to absurd ideas or opinions
- “Affecting crisis”– companies are investigated and then become the subject of negative public discussions
- “Competence crisis”– online experts have the competence to damage a company’s reputation.

A strategic plan should be put in place in the event of a risk to the company or brand’s reputation.

Social networking sites have allowed developers to build applications on their sites for users to interface with. These applications are called “widgets” and can be

dragged and dropped onto social networks or blogs (Ante, Green and Holahan, 2007). This new authorisation has allowed companies and brands to develop widgets so that users and potential consumers can utilise these widgets. This effect needs to be more than just entertainment but an application to enable interaction with the brand. The key driver is that the application needs to be relevant for the target market (Atal, 2007). Users may be turned off if advertising becomes persistent or invasive. This is an opportunity for marketers to bring in new media thinking and strategies, rather than just to use the traditional advertising web model of banner advertising. The manner in which marketers engage with the users of the widget will bring new techniques into the marketing role. Brand affinity and brand association meets with the relevancy of social media. The traditional approach to web advertising will not work in these circumstances, and new ways must be found to integrate the brand into these developments.

Widgets can also create viral marketing opportunities for marketers. If these widgets are enjoyed, they spread across the Internet and are enjoyed, hopefully, by other like-minded people belonging to the same peer group. Reebok recently created a marketing widget called “Shoe Fight”, which allows users to create their own shoes and place them on the users’ website (Ante *et al.*, 2007). This storefront can include video, animation, news or data.

2.5.1. *Monitoring WEB 2.0*

In order to react to comments and messages about the brand or company, marketers generally monitor the activity in the press, the broadcast media and over the traditional Internet. Technology is available to monitor blogs. Google Alert can provide this free of charge. There are other types of sophisticated software that provide this service. What is unknown, though, is how social networks, such as Facebook can be monitored.

2.6. Conclusion

Social media is another channel option that marketers can use in order to market their brands. Social media comes with its own set of opportunities and threats. In this context, social media will be limited to social networks, blogs, podcasts and mobile collaboration. The growth of this medium shows that it is not a fad. And with improved technology in the future the number of users using this medium will increase. Word of mouth has always been present. Before the launch of social media, bulletin boards were the method of collaboration. Now with web 2.0 technology is has become easier to collaborate and this technology will improve in the future.

The arrival of web 2.0 technology has enabled a change in the behaviour of consumers who are collaborating more with each other quicker than in the past.

Consumer attitudes towards push advertising are on the decrease. They are more in control of which brand to purchase unlike in the past where companies were more in control. Marketers should be aware of the expansion of this technology; the increased collaboration among consumers, its threats and opportunities. Marketers now have the potential of greater customer engagement by using social media therefore benefiting the brand and the relationship with the customer.

South African marketers have been slow to integrate their services into Web 2.0 technology for a number of reasons:

- Marketers do not have an understanding of social media
- Marketers do not realise the influence consumers have in this medium
- They do not have the resources (money, people and technology)
- The ability to engage and collaborate with the user is difficult
- Users prefer 'pull' and 'opt in' rather than 'push' collaboration, but marketers are accustomed to push advertising.
- Ownership of phones that have the ability to engage in social media is unknown.
- The age of the user is very young and although young users are influences within the home, they do not occupy the decision-making role.

South African marketers will place social media in their marketing plan:-

- When bandwidth improves
- More South African are using this channel
- If their reputation is affected
- When more data and information is available
- When their competitors engage with this medium

Marketers have many different media options that play a role in their marketing plans. Fragmentation and diversification make it more difficult for marketers to make decisions as to where, how much should be invested as well as what return they will receive from each campaign and channel used for marketing. Social media is one of those options.

Figure 1

Social Media response framework

Consumer Behaviour

- Changes in consumer buying process
- Erratic, unscripted conversations
- Increased conversations
- Content creation vs. content consumption
- Rejection of promotional campaigns
- Move from “push” to “pull” advertising
- Consumer power increase
- Trust people within network
- Network transcends borders

Company Implications

- Greater development of social media sites, including mobile
- Greater media fragmentation
- Users on social media growing
- Messages are disseminated quicker and to a wider audience
- Greater reputational risk
- Greater opportunities to engage

Marketing Actions

- Greater use of social media and mobile
- Engage with consumer
- Open and honest communication
- Co-creation and shared resources increasing
- Customer value increases
- Increase frequency of contact vs. frequency of message
- Greater use of monitoring tools

3. Chapter 3: Research Questions

The literature has shown that social media, although not widely used as yet, is on the increase. Users, both young and old, have embraced this media, although it is the youth who predominantly use this medium. Some of these social networks attract as many users as traditional main stream media (Charton, 2007). These Internet users are customers (and potential customers) of companies and, therefore, are buyers of their brands. Social media can create both opportunities and risks for companies and their brands, but social media should not be excluded from marketing plans.

As the technology of social media is relatively new, it has not been clearly studied. What is clear is that the way people communicate, learn, interact with each other and make decisions, will change, and companies will need to be aware of this in order to develop appropriate marketing strategies (Constantinides and Fountain, 2008).

Mobile Social Media, especially in a South African context, will play a major role in the ability of people to interact, collaborate and communicate with one another. With South African companies investing in social media companies – or applications – this, again, will create opportunities for marketers.

This descriptive research will endeavour to understand whether South African marketers have embraced this medium as part of their marketing plans. The research will also determine how companies are managing the brand from the effects of this interaction and collaboration within social networks. With this in mind, the following research questions will try to address the issues raised.

1. How do South African marketers perceive the impact of social media on their brand?

This question has been chosen to understand whether or not marketers have understood the behaviour of users on social media, and how their collaboration, interaction and communication with other peers on the network can affect a brand – both negatively and positively. The question endeavours to understand whether marketers believe there has been a change of consumer behaviour among people who use social media. Within this broad question are two others which seek to evaluate how marketers perceive the impact of social media on their brand: whether marketers believe that these consumers trust peer reviews of a brand rather than company branded information and whether consumers are influenced by e-WOM discussions about a product.

2. To what extent have South African companies embraced social media?

The second question tries to identify to what extent marketers have embraced social media. It tries to identify whether marketers feel that they build a better reputation if they engage with the users, resulting in co-creation towards better advertising material and the creation of new products? The question will also identify any risks involved. Understanding and embracing cellular technology by using Mobile Social Networks could set South African companies apart from their overseas counterparts. This question aims to establish whether South African companies have Mobile on their marketing radar screen and to what extent. Without monitoring what is being said, it is very difficult to react to, oppose or define messages on social media. How are companies monitoring the Web 2.0 conversation in order to provide them with a benchmark – and a base – from which to react, research and respond?

3. Will South African companies have more involvement in social media in the future?

Brand equity is built over many years but a negative write-up on a blog, or a discussion on a social network or an unflattering podcast or video download could potentially damage a company's or a brand's reputation. Within this broad question are two others to seek to find out how South African marketers will deal with this

potential problem in the future, and whether they have any contingency plans in place.

Together, all these questions should provide a clearer understanding of how marketers perceive and utilise social media in South Africa today, and how they perceive the importance of social media into the future. This research should uncover how far behind or how far advanced South African marketers are in relation to social media technology and to the marketing plans they have for social media now and in the future. The South African advertising and marketing industry is advanced – considering the size of the market – and is well respected worldwide. This research will help understand how marketers view social media in order to determine how Web 2.0 features in their marketing plans.

4. Chapter 4: Research Methodology and Design

4.1. Methodology

4.1.1. *Type of research*

This research is a descriptive study as there is body of knowledge that exists relating to web advertising and responses. Zikmund (2003, pg 55) states that “descriptive research seeks to determine the answers to the - *who, what, where* and *how* questions.” This study, which took the form of quantitative research, tried to understand *who* was using Web 2.0 in their marketing plans; *what* strategies and tactics they were using for monitoring, planning and implementation; *what* opportunities they perceived for their brand and *how* (or whether) they were monitoring conversations on social networks.

A test questionnaire was sent out to a select number of marketers and the internal staff of the Ornicogroup via e-mail. This was done to establish any anomalies, misunderstandings and difficulties within the questionnaire.

A pre-existing, web-based survey tool, with questions designed particularly for the purpose of this study, was used to conduct the research. This survey was selected in order to understand whether South African marketers perceive that social media could affect their brand and how or whether they would engage with the consumer now and in the future. The advantage of using a web survey method is that it is

quick and efficient. Permission was prearranged for its use through the Bizcommunity portal by the managing director. Bizcommunity, the largest marketing web site in South Africa, because they send out newsletter e-mails to their subscribers on a daily and/or weekly basis, had agreed to send out an e-mail to all their subscribers with a story about this survey. A marketing database (with e-mail addresses) was purchased from a database company (List Perfect) and e-mailed to all the names on the database. This included names from advertising agencies, media agencies, PR agencies and marketers. The survey was also sent randomly to Ornicogroup's client base, all of whom are within the media and marketing industry.

4.1.2. Research Design

Simply having a web page and inviting respondents to visit the website is cumbersome: this approach was considered to be time-consuming. An e-mail with a hyperlink was sent to all readers of the Bizcommunity newsletter, the List Perfect database and to the Ornicogroup client base, inviting them to click on the link and to participate in the questionnaire. Coomber (1997) states that the advantage of web surveys is that the data can easily be stored in a database or spreadsheet and therefore ensures that the data is available, coded and ready for analysis. Answers to the questionnaire were stored in an Excel spreadsheet once the questions were completed by the respondent.

In order to appeal to as many respondents as possible, a short description of the research topic was provided. A summary of the research results, once completed, was to be sent to those who answered the questionnaire and requested the results. This questionnaire was sent out on 17 October 2008 and closed at 12h00 on 28 October 2008.

4.1.3. Pros and cons of web surveys

A web-based questionnaire was chosen as there are a number of pros for using this method. Permission had already been granted by Bizcommunity to run this questionnaire. Bizcommunity is the largest advertising and marketing portal in South Africa and, therefore, in the case of this study, more responses were expected. Another reason for using a web survey was that the respondents are presumed to have some experience and knowledge of the Internet and are to be regarded as being more receptive to implementing a marketing plan that incorporates social media.

The ability to easily run a survey of marketers within the different regions in South Africa makes a web survey attractive. According to Coomber (1997, pg 5), Internet surveys “can be used to produce relatively informative and reliable data about internet users”. This survey should produce informative and reliable data from marketers who use the internet.

Some of the shortcomings in sending out e-mails is that the respondents may perceive e-mail to be spam. There is a particular “netiquette” that needs to be adhered to when requesting information via an e-mail (Coomber, 1997). The concern of this perception is the reason why the questionnaire was sent out via the Bizcommunity database as it was felt that all subscribers had opted-in to receiving e-mail correspondence from the company. Using a web survey may also cause other complexities as surveys of this type may be answered by respondents outside South Africa and by respondents who are in South Africa but who are not marketers. In order to overcome these problems, an additional question was posed so as to determine whether the respondents were living and working in South Africa and whether they were marketers. Those respondents who claimed that they were not marketers in South Africa were eliminated from the study. Another negative to using an Internet survey is that there is a possibility for a self-selection bias. Users who respond may want to see the results or are only available at the time the questionnaire was sent out.

4.2. Population and Sample

4.2.1. Population

A preliminary discussion with marketers and marketing journalists showed that social media is an inadequately understood medium, although most believe that there is huge growth in this area in the not too distant future.

Marketers try to find different ways to advertise their company or brand while agencies endeavour to achieve this for their clients' products or brands. Marketers and agencies attempt to differentiate their company or brand identity from the media clutter that exists. Currently, social media can provide that differentiation.

Marketers are responsible for the marketing mix, for marketing strategy and for marketing plans for companies, products and brands and, therefore, make the most important target group for this research.

The target population for this research, therefore, was the advertising and marketing industry. The advertising and marketing industry included all agencies – be they creative, public relations (PR), or media agencies. Similarly, the target population also included marketers in the marketing and communication departments (marketers) of companies. This target population is generally Internet-savvy, and by the very nature of advertising and marketing, this population needs to be aware of trends entering the market place. Similarly, those surveyed work in a fast-paced industry where the majority of communications are via e-mail. By deduction then, most marketers have some, if not intimate, knowledge of the Internet.

4.2.2. *Sample*

According to Dale (2006, pg 146), “one of the most important benefits of survey research is the ability to generalize to the population sampled, provided a probability sample is used”. Sampling came to the fore in 1934 when Neyman demonstrated that a random sample could represent a population with a reasonable amount of accuracy. Therefore, if proper procedures are followed, the results can be extrapolated to the whole population. The reverse is also true: that if there are mistakes in the process of sampling, then this cannot be extended to the population, and the research would not be valid (Zikmund, 2003).

The sample that was used included all registered subscribers of the Bizcommunity newsletter who were sent the questionnaire. According to their website – (<http://www.bizcommunity.com/advertising/demographics/>) – during August 2008 there were 70 000 subscribers receiving Bizcommunity newsletters. The majority was within the advertising and marketing field.

A database of marketers and agencies was purchased from a database company, List Perfect, which updates their marketing database on a monthly basis. A third database – using Ornicogroup’s client base – was used as Ornicogroup provides brand intelligence to the majority of the top advertisers in the country.

This sample was chosen for practical reasons. Because there were time constraints in executing the completion of this questionnaire, it was the most effective way to sample the marketing population across all regions of South Africa. The sample was convenient as the researcher has a personal relationship with the managing director and owners of Bizcommunity and the database from Ornicogroup. The researcher also believed that the results would be more accurate and reliable because of the extent of the reach of the lists from Bizcommunity, List Perfect and Ornicogroup. Non-probability sampling is defined by Zikmund (2003, pg 380) as “the units of the sample are selected on the basis of personal judgment or convenience”.

4.2.3. *Unit of analysis*

The units of analysis were “Marketers in South Africa”. It included those actively involved in planning, implementing or advising companies on aspects of marketing. It therefore included personnel in advertising, media and PR agencies as well as in marketing and communications departments of companies.

The reason why these units of analysis were chosen is that marketers make decisions on which media to use when designing and implementing a marketing plan. Marketers are able to respond to reputational risks which may affect a company or brand, and they are able to implement social media into their marketing mix. Once the plan is in place, marketers are able to implement

techniques and strategies in order to interact with (and have conversations with) customers or potential customers within social networks, blogs and other forms of social media. Marketers control the marketing budgets and, therefore, make the important decision as to where the focus should be when dealing with building or preserving brand equity. Marketers using the Bizcommunity website and who subscribe to their newsletters are more likely to be sophisticated enough to understand social media and to be able to answer questions relating to this medium.

4.3. Research instrument – design

A self-administered questionnaire was designed and sent out via e-mail. The e-mail had a hyperlink that redirected the respondent to a web site where the questions would be completed. The advantages of this design are many and included coverage of all geographic areas (in South Africa), minimal cost, and convenience for both the researcher and the respondent (Zikmund, 2003). This Internet survey also had a more visual attraction and, therefore, will attract more respondents. Another advantage was that answers to this survey were anonymous and this could encourage some respondents to be more honest.

Layout and design can affect the kind of responses received as well as the response rates. Features such as automatic skips and real time validation can also affect responses (Peytchev, Couper, McCabe, Crawford, 2006). Researchers can

control how questions are filled out through the functionality of the questionnaire, thereby improving both non-response and measurement error.

Survey Monkey was used for this research. This software was used as it has been in the market place for a number of years and using it avoided having to create and design a survey from the start. This software has automatic skip and, therefore, minimises non-response errors and errors of omission. A multitude of short pages was used as opposed to a scrolling questionnaire. According to research done by Peytchev *et al* (2006) to determine whether there was a difference between the short page and scrolling surveys, it was found there were no real significant differences between either of the research designs. They did find, though, that the scrolling version of their questionnaire took longer than the paging version. This was significant in this survey as marketers are busy and it is important that the questionnaire is completed as quickly as possible.

4.4. Data collection

A web-based questionnaire was developed using Survey Monkey. The reason Survey Monkey was used is that it is already in existence and is also cost-effective. The responses were automatically entered into an Excel spreadsheet which was predefined so as to save time when analysing the data.

Bizcommunity sent out 70 000 questionnaires to their entire subscriber database. Similarly, 3 440 names on the List Perfect database were sent questionnaires and 212 randomly from the Ornicogroup database.

4.4.1. Collection method

A structured, self-administrated e-mail questionnaire was sent to the subscribers of the Bizcommunity newsletter, the List Perfect database and Ornicogroup database, as described above. A structured survey limits the number of options that a respondent has to answer the questions (Zikmund, 2003). This e-mail redirected the respondents via a hyperlink to a web site where the questions were answered. An indicator showed how many questions still needed to be answered so as to prevent the respondent from cancelling the survey before completion. The design of the questionnaire included tick boxes for efficiency and user-friendliness. The respondents were able to complete this questionnaire quickly, thereby minimizing the response error caused by respondents' fatigue. Data resided in an Excel spreadsheet, which was imported automatically by Survey Monkey, so as to make accessibility simple and organised. This minimised manual coding of the data, although some coding was still carried out.

4.4.2. Errors

There are a number of non-sampling errors that may have occurred in the execution of this research. A non-sampling error arises from flawed features within the research design (Zikmund, 2003). The possible errors that may have occurred in this research are:

- Administrative errors – errors in data processing
- Response bias. According to Zikmund (2007, pg 179 and 180 respectively), this will include:
 - “deliberate falsification”
 - “unconscious misrepresentation”
 - duplication of responses from the two databases.
- Non-response errors. According to Zigmund (2007, pg 178), this will include:
 - “non-contact” – that is, the sample who are unavailable during the time of the survey
 - “refusal” – that is, the sample who will not complete the questionnaire.
- Misrepresentation.

A non-response bias was the most critical problem that this research faced, as failure to complete the questionnaire or refusal to be part of the survey would jeopardise this research. This problem is particularly prevalent in e-mail and web-based surveys. The research was designed in such a way that it had questions to

eliminate respondents who were not part of the unit of analysis, thereby ensuring that the results would be more representative of the sample.

4.5. Data analysis

The database grouped the responses according to the main questions of the research. This technique allowed for a structured and coherent approach to the analysis. All responses not received from the target group were eliminated. That means that all non-South Africans and non- marketers – as defined in the unit of analysis – were removed.

The questionnaire was constructed using nominal, ordinal and Likert scales. A nominal scale is the simplest type of scale. Ordinal scales will place answers into an order. These scales will then provide ratios in order to analyse the data.

All answers to the questions were pre-coded. A statistician, together with the researcher, then analysed the results. This helped prevent misunderstandings and errors. Problems that were encountered with the dataset included the following:

Modifications to the capturing of data was found in the following questions:

Q6: *Customers today have a greater influence on brands than they had 5 years ago;*

- Q8a–f: *How you track information affecting your company/brand on social networks;*
- Q11a–f *Which marketing problems can be solved by users of social networks and blogs;*
- Q15a–c: *The way in which your company manages negative publicity on Web 2.0 (social networks / blogs);*
- Q16a–f : *The opportunities that Social Networks have for my brand;*
- Q19–e: *Factors that will lead to increased time to be spent on Social Media planning*

For the above mentioned questions, the expanded data was used for the pilot study which had specified Value Labels (codes representing a specific option). This changed in the final study as the condensed data was used and questions were instead captured as individual Variables with only a code 1 (with no defined label) being selected by all respondents. Missing values were therefore re coded from the expanded data.

The questions pertaining to the rating of statements (Q12a to Q12f *Statements on the topic of how Social Networks / Blogs might affect your company or brand;* Q18 *The importance of Social Media in three years time;*) as well as Q17a and Q17b (*Time spent on Social Media marketing*) all relied on 5-point scales when the sample data was initially analysed. However only 1 (as a value/code) was captured in the condensed dataset. Again, the expanded data was used to re code the answers to these questions.

Q13a (*The reason for companies not having used 'MxIT' to collaborate with customers*) There were irregularities with regards to the function that should have disqualified respondents who answered “Yes” in the previous (filter) question from answering this question as well. The instructions state that only respondents who had answered “No” in Q13 were to give a reason for not using ‘MxIT’ as a collaboration tool. (We now have respondents who say that they use ‘MxIT’ giving us reasons why they do not use ‘MxIT’)

Once the data was re-coded from the expanded data set provided by survey monkey a statistician then analysed the results together with the researcher. This helped prevent misunderstandings and errors. The statistician, Christie Keulder, did a factor analysis on questions 8.1, 8.2 and 11 and made the following comments:-

Scale and Index Construction

1. Question 8.1:

A factor analysis was done all items included under question 8.1. The factor analysis using maximum likelihood as a method of extraction and Direct Oblimin as a method of rotation, produced a single factor onto which all six items loaded. The six items were then subjected to Reliability Analysis to determine if they could be

combined into a single scale that measures perceptions on the marketing problems that could be fixed by social media (networks and blogs). The Reliability Analysis did indeed produce a single reliable scale of all six items (Cronbach's Alpha =.785). The scale was constructed by adding the individual six items together and dividing it by 6 (thus to produce an average score for each respondent across the six items. This scale was called: **Positive Feelings toward Social Media Index**.

2. Question 11:

The same procedure was repeated for the six items in question 11. Here too, the six individual items loaded onto the same single factor. Reliability Analysis confirmed that the six individual items could be combined into single reliable scale (Cronbach's Alpha=.865). Again a scale was constructed by computing the individual averages across the six items for each of the respondents. This scale was called: **New Media Branding Opportunities Index**.

3. Question 8.2:

Question 8.2 was also subjected to Factor Analysis with the same specifications but failed to produce a single factor loading. Thus, there was no need to subject it to Reliability Analysis.

ANOVA was used in order to compare the means of two populations. These could be the age groups, industry or years of service. This was done in order to compare responses between these different populations.

4.6. Research validity and reliability

Mock surveys were sent out to friends within the advertising and marketing industry and feedback was requested. The supervisor of the research analysed the questions and provided changes to the questionnaire. Feedback obtained from the mock survey and the supervisor was to determine whether the respondents would understand the questions and whether the order of the questions created a biased answer. This feedback was then used to correct the questionnaire. In addition to the mock surveys, Ipsos Markinor, a research company, was approached to evaluate the questions and the structure of the questionnaire. This was done to ensure further that the validity and reliability stood up to scrutiny. This evaluation was taken within the limitations of a web-based survey as discussed above.

4.7. Limitations of the research

The limitations of the research included the fact that the respondents could misrepresent their occupation and positions. The sample that answered the questionnaire may not have been representative of the population of 'marketers' as defined. A further limitation was that the same sub-set of marketers answered the survey from both the List Perfect database and the Bizcommunity database, thereby duplicating some of the results. The final limitation was that only respondents that were interested in social media answered the questionnaire.

Chapter 5: Results

5.1. Introduction

This research tries to establish whether South African marketers are using this channel to build relationships, manage conversations on this new channel, and if they are building relationships and managing conversations, how they are doing this.

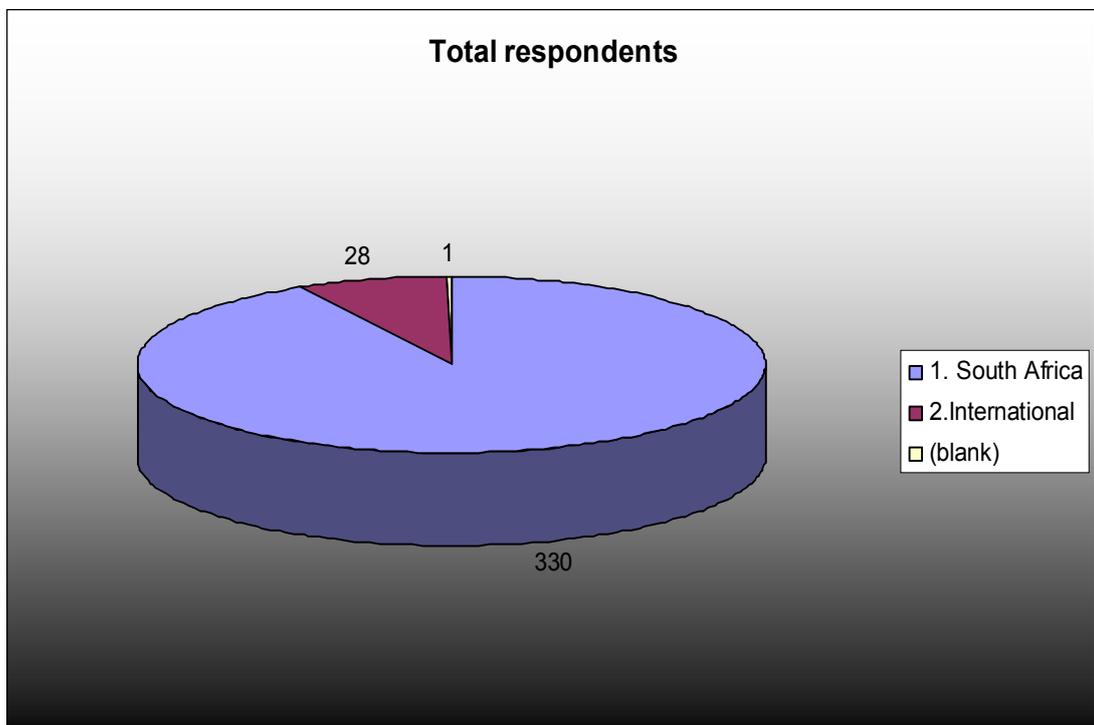
Social media is on the rise worldwide. South Africa has been slow to react to the use of social media due to bandwidth restrictions and access to computers. Bandwidth restrictions are changing because of the new infrastructure that is being built for the 2010 FIFA World Cup and because of new legislation, which has allowed for competition. This, and the increased availability of cell phones that can access the Internet, has made social media a new channel for both consumers and marketers.

The purpose of this research was to establish how marketers perceive the impact of social media on their brand's and their company's reputation. Word-of-mouth information on brands or products can affect the consumers' perception of the brand, and marketers should be monitoring and responding to these potential opportunities or threats. Interactions between consumers and the company can enhance the relationship and so build greater brand affinity with the consumer.

5.1.1. Respondent profile

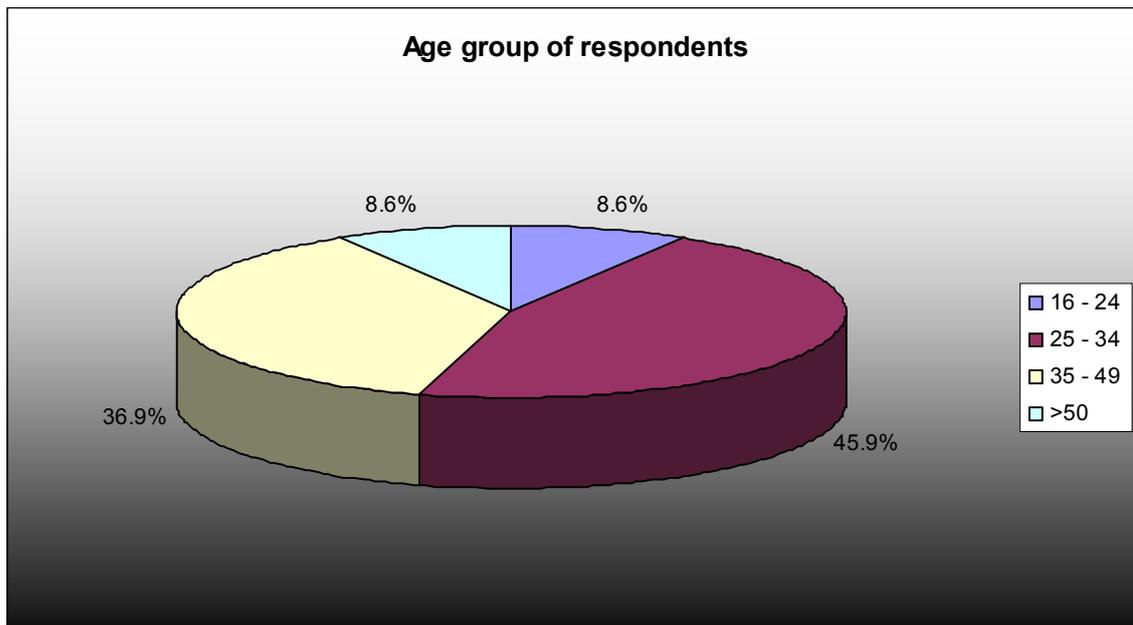
In total, this questionnaire was answered by 359 marketers and agencies, of which 28 were not from South Africa and where one did not answer the first question; therefore, 29 were eliminated from the results. It was found that 330 respondents were from South Africa. Respondents who were not working in advertising agencies, media agencies, public relations agencies or for marketers were then eliminated from the results. There were two respondents did not answer this question and were eliminated from the results. This left 290 respondents whose responses were analysed.

Figure 2



The age group with the highest number of respondents was in the 25–34 age group (45.5%) followed by the 35–49 age group (37.0%). Of the respondents whose responses were considered valid, 47.1% have been working in marketing for 6–15 years, and 30.8% have been working in marketing for less than 5 years.

Figure 3



The respondents who made up the largest group (36.9%) came from advertising agencies; marketers constituted 30.7% while media agencies and public relations agencies constituted 23.8% and 8.6% respectively. Those respondents working in advertising agencies worked in the following departments:

Table 1

Department	%	Respondents
Creative department	15.9	17
Strategic planning	19.6	21
Client service department	39.3	42
Other	25.2	27

Respondents working in media agencies worked in the following departments:

Table 2

Department	%	Respondents
Media Planning	39.1	27
Media Buying	14.5	10
Strategic Planning	39.1	27
Other	7.3	5

Respondents working for marketers worked in the following industries:

Table 3

Industry	%	Respondents
Fast Food	29.2	26
Finance	5.6	5
Manufacturing	20.2	18
Marketing	15.7	14
Media	3.4	3
Mining	0.0	0
Motor Vehicles	3.4	3
Retail	19.1	17
Telecommunications	3.4	3

5.2. Research question 1:

How do South African marketers perceive the impact of social media on their brand?

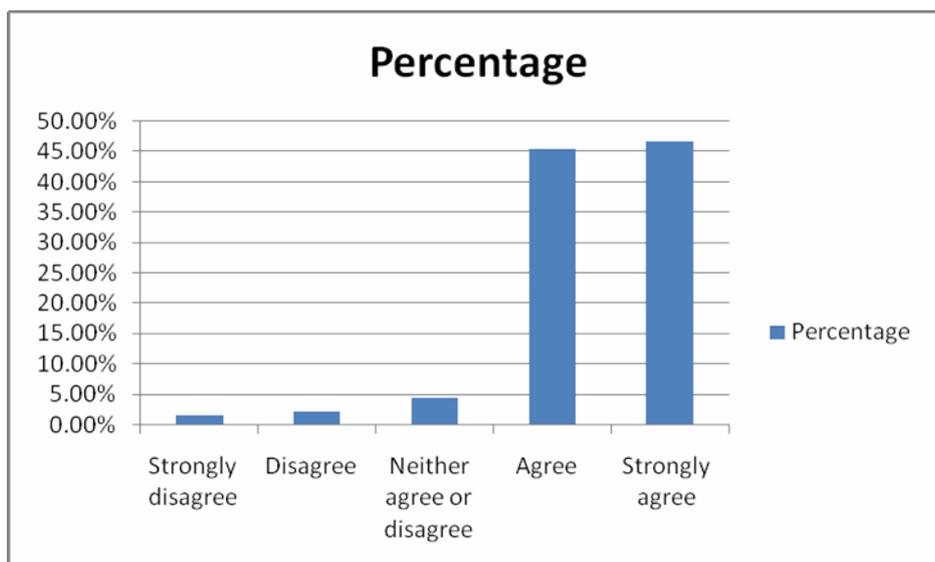
Eight questions covered how marketers perceive the impact of social media on their brand.

6.2 Customers have a greater buying influence on the brand today as opposed to 5 years ago?

Table 4

Response	%	Respondents
Strongly disagree	1.4	4
Disagree	2.1	6
Neither agree or disagree	4.3	12
Agree	45.4	127
Strongly agree	46.8	131

Figure 4

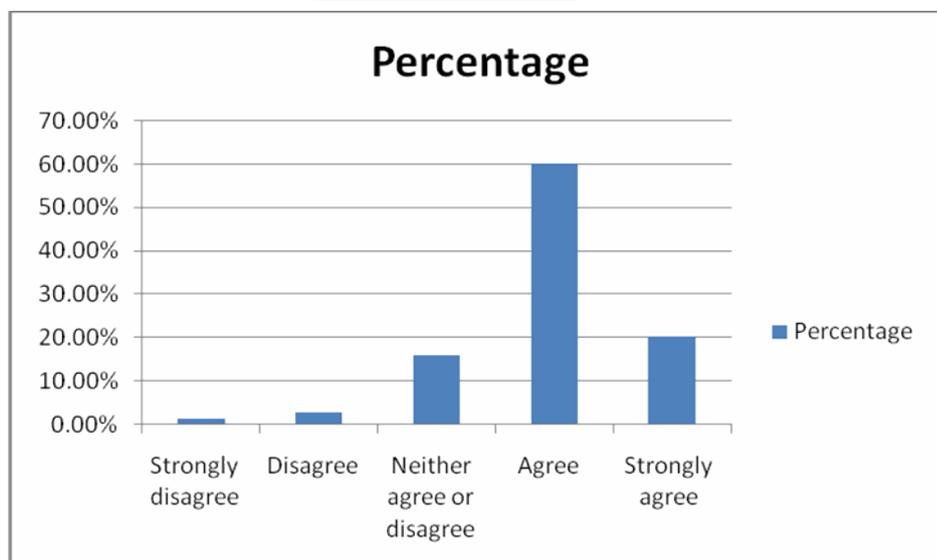


6.3 The information obtained through peers via social networks has influenced the buying patterns of customers ?

Table 5

Response	%	Respondents
Strongly disagree	1.1	3
Disagree	2.5	7
Neither agree or disagree	15.9	44
Agree	60.3	167
Strongly agree	20.2	56

Figure 5

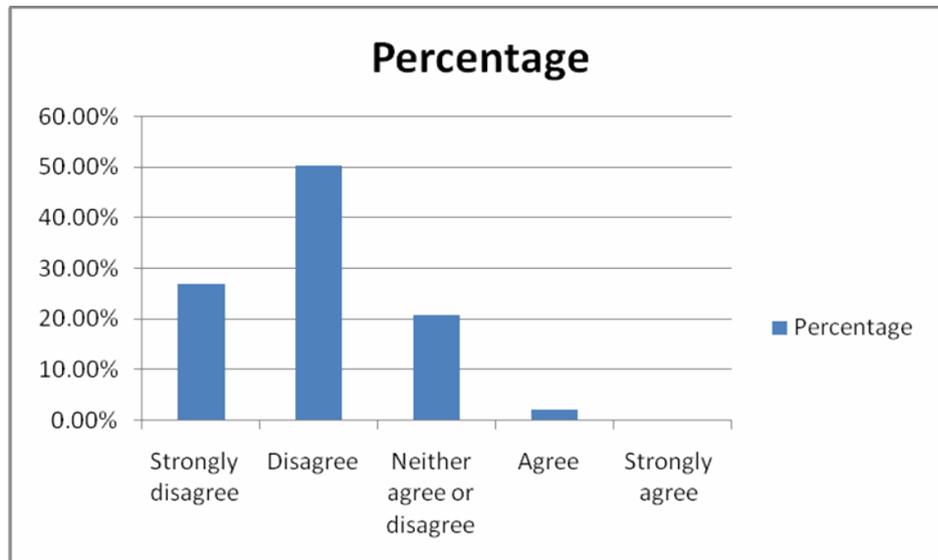


7.1 I perceive social media as a threat to my company / brand?

Table 6

Response	%	Respondents
Strongly disagree	27.0	69
Disagree	50.4	129
Neither agree or disagree	20.7	53
Agree	1.9	5
Strongly agree	0.0	0

Figure 6

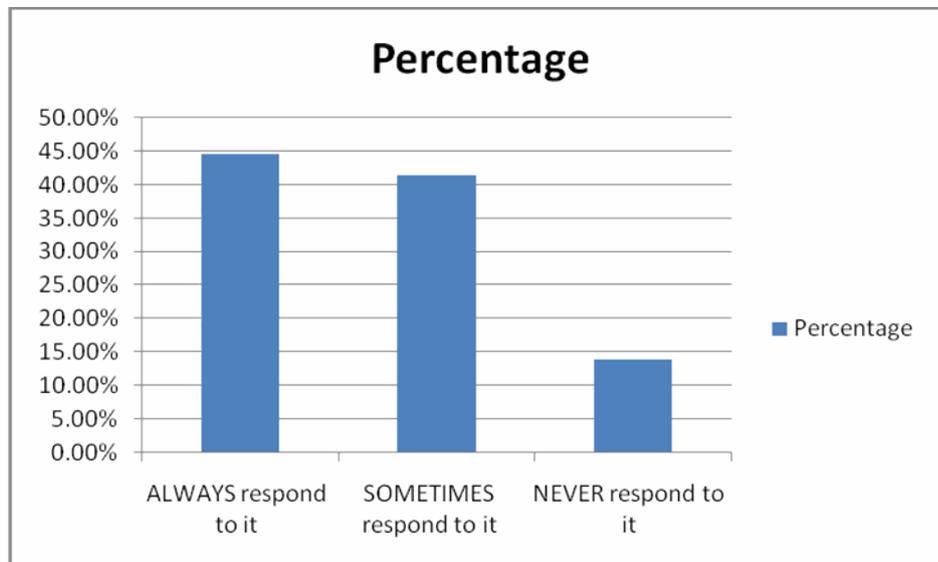


7.2 If a blogger damages your brand or your company and you become aware of it, do you?

Table 7

Response	%	Respondents
ALWAYS respond to it	44.6	112
SOMETIMES respond to it	41.4	104
NEVER respond to it	14.0	35

Figure 7

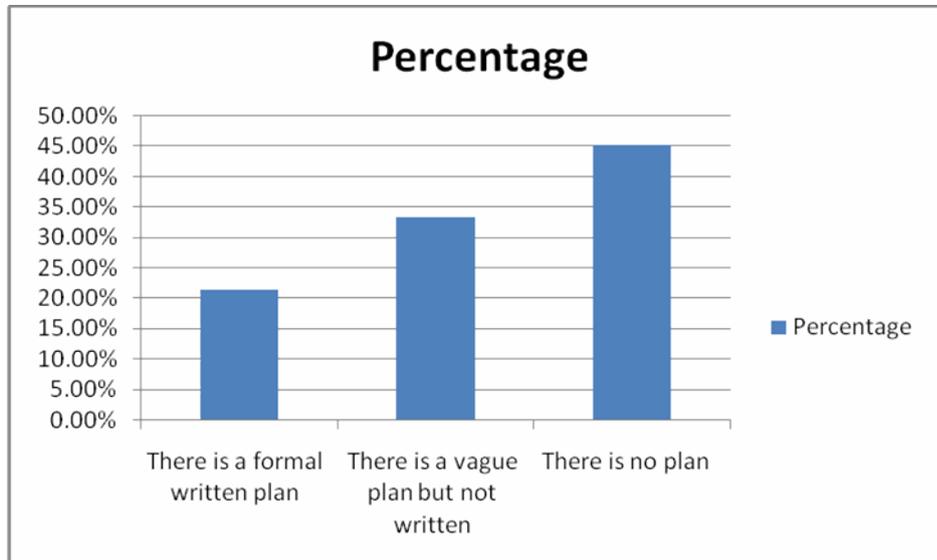


7.4 If a negative report on your brand is created on Facebook / MySpace ?

Table 8

Response	%	Respondents
There is a formal written plan	21.5 %	54
There is a vague plan but not written	33.3 %	84
There is no plan	45.2 %	114

Figure 8



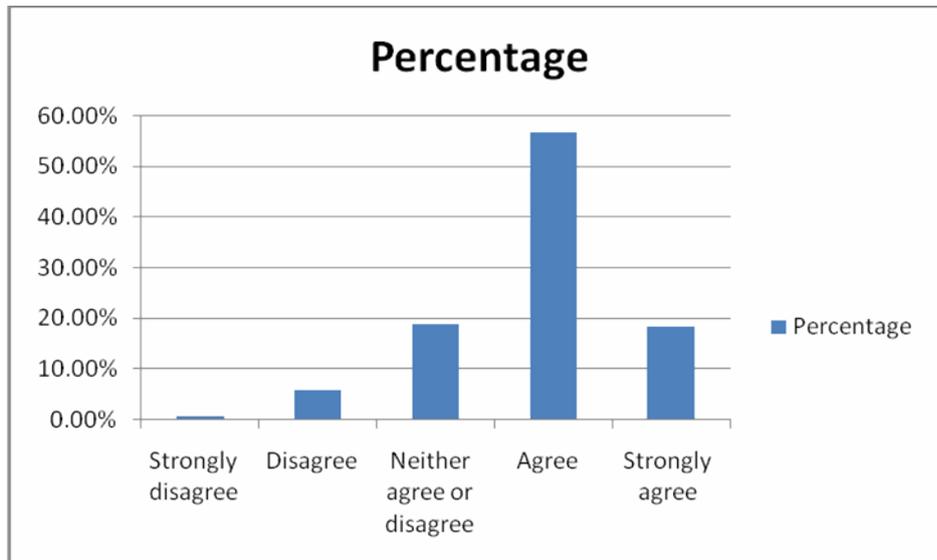
8.1 What marketing problems do you think users of Social media can help solve?

8.1a Help build my brand

Table 9

Response	%	Respondents
Strongly disagree	0.4	1
Disagree	5.8	13
Neither agree or disagree	18.8	42
Agree	56.7	127
Strongly agree	18.3	41

Figure 9

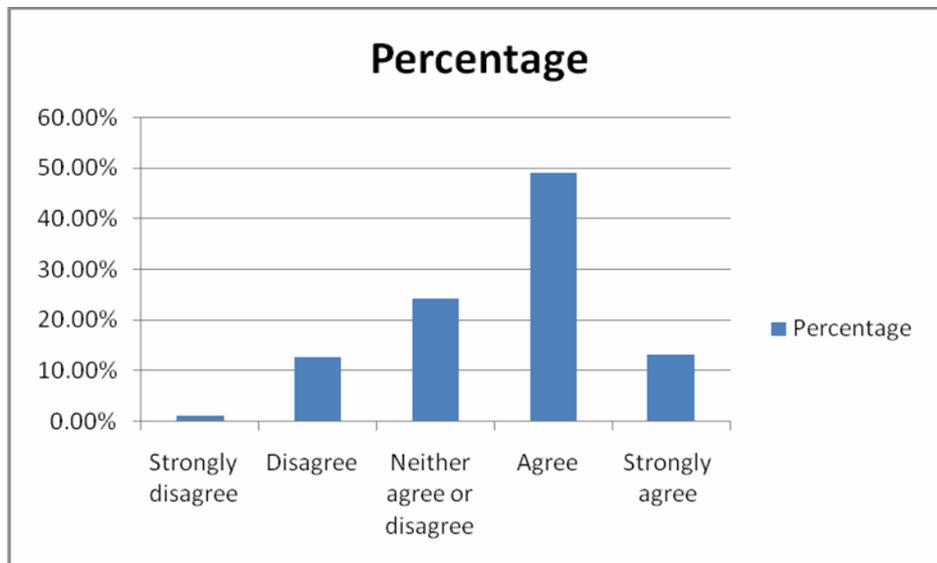


8.1b Help develop better products

Table 10

Response	%	Respondents
Strongly disagree	0.9	2
Disagree	12.6	28
Neither agree or disagree	24.3	54
Agree	49.1	109
Strongly agree	13.1	29

Figure 10

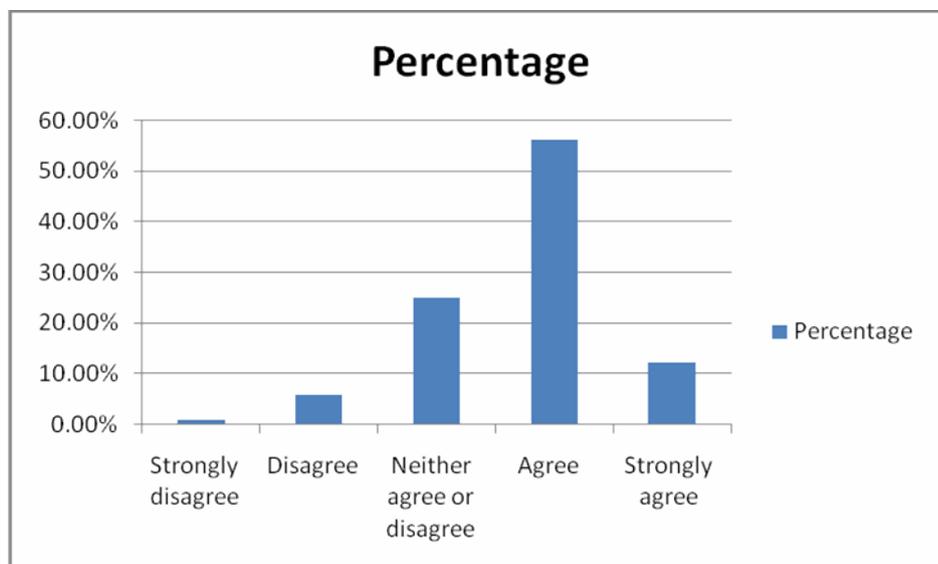


8.1c Help create improved planning for online marketing tactics

Table 11

Response	%	Respondents
Strongly disagree	0.8	2
Disagree	5.8	13
Neither agree or disagree	25.0	56
Agree	56.3	126
Strongly agree	12.1	27

Figure 11

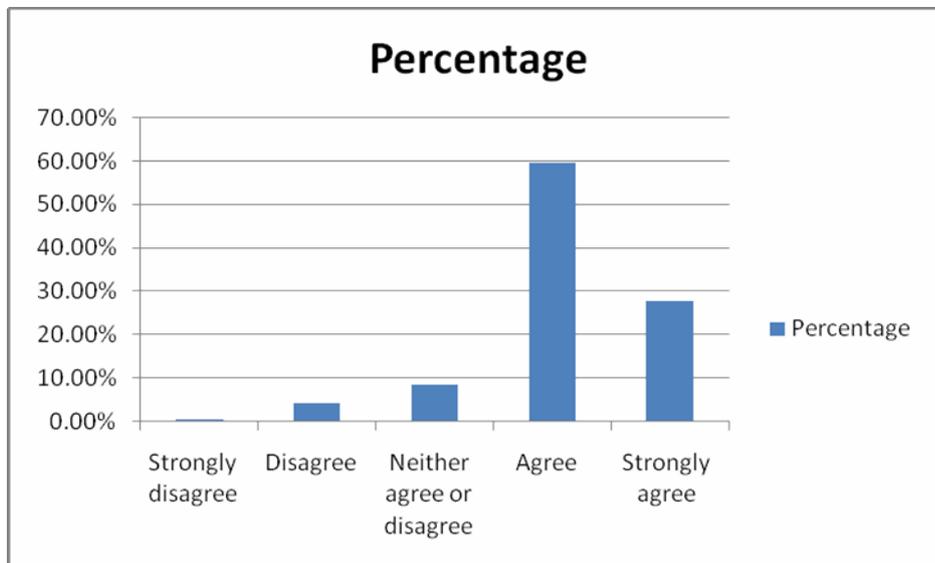


8.1d Helps to build relationships with customers

Table 12

Response	%	Respondents
Strongly disagree	0.4	1
Disagree	4.0	9
Neither agree or disagree	8.4	19
Agree	59.6	134
Strongly agree	27.6	62

Figure 12

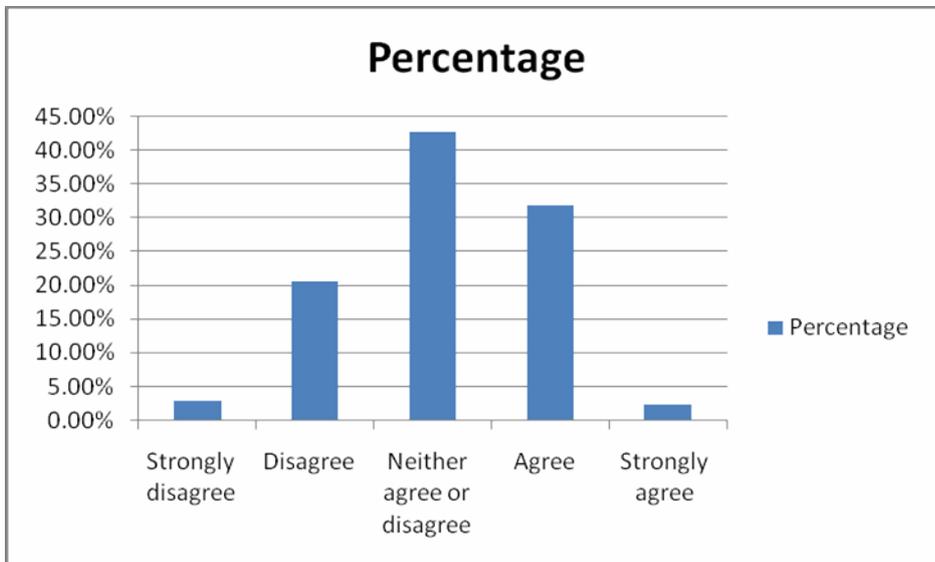


8.1e Helps to avoid potential reputational risk to my brand

Table 13

Response	%	Respondents
Strongly disagree	2.7	6
Disagree	20.5	45
Neither agree or disagree	42.7	94
Agree	31.8	70
Strongly agree	2.3	5

Figure 13

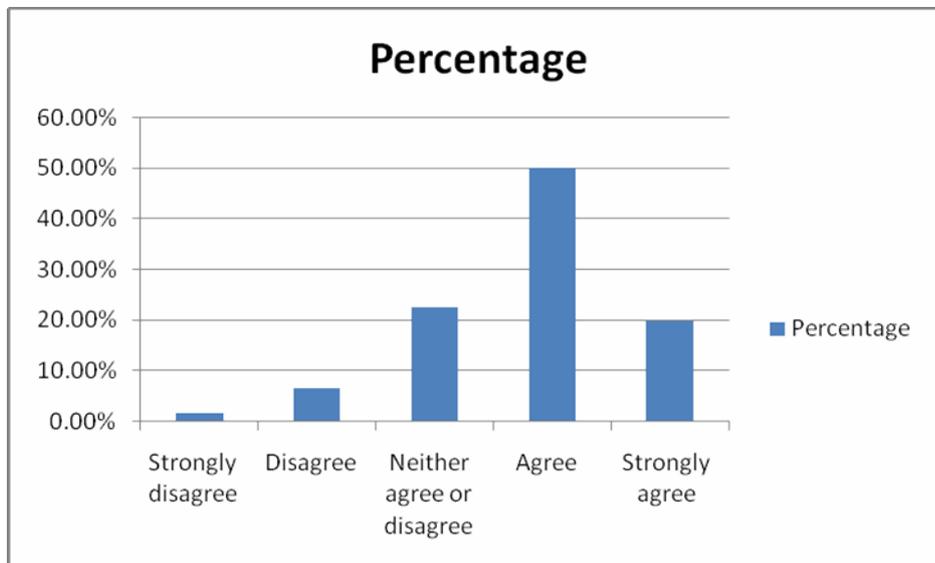


8.1f Helps to market my brand globally

Table 14

Response	%	Respondents
Strongly disagree	1.4	3
Disagree	6.3	14
Neither agree or disagree	22.4	50
Agree	50.2	112
Strongly agree	19.7	44

Figure 14



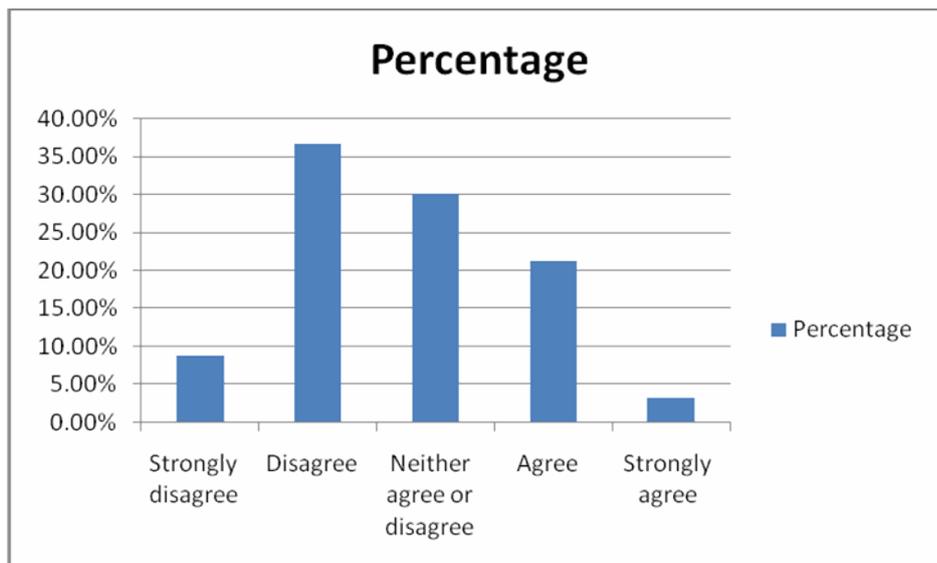
8.2 How strongly do you agree with the statement that.....

8.2a I believe that social networks are a potential threat to my brand

Table 15

Response	%	Respondents
Strongly disagree	8.8	20
Disagree	36.7	83
Neither agree or disagree	30.1	68
Agree	21.2	48
Strongly agree	3.2	7

Figure 15

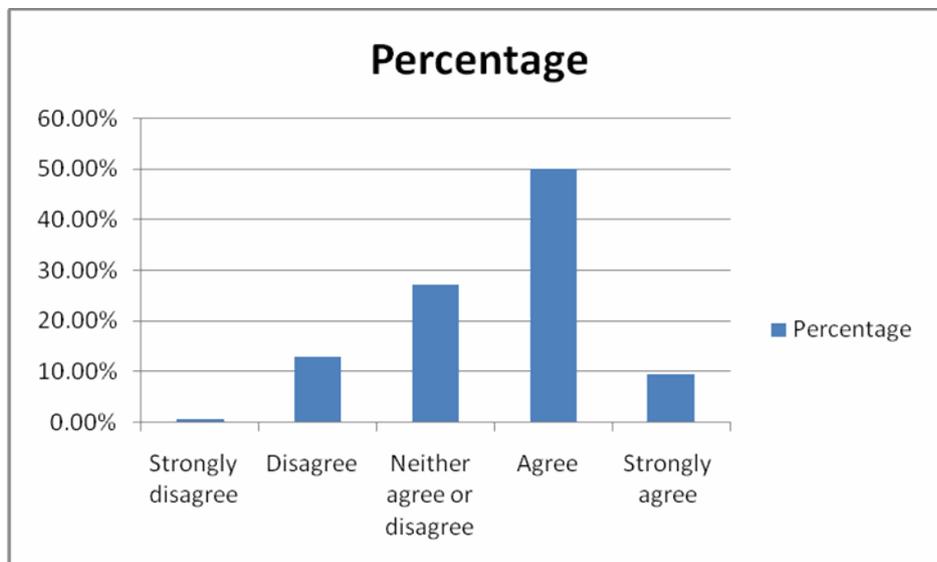


8.2b I believe that blogs provide my company with vital information

Table 16

Response	%	Respondents
Strongly disagree	0.5	1
Disagree	12.9	29
Neither agree or disagree	27.1	61
Agree	50.2	113
Strongly agree	9.3	21

Figure 16



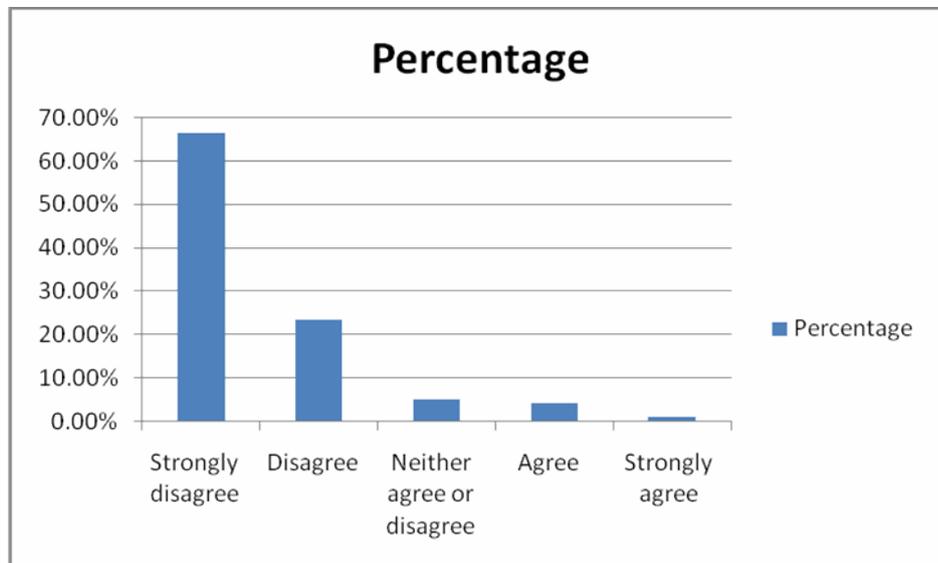


8.2c I am not sure what blogs are

Table 17

Response	%	Respondents
Strongly disagree	66.5	145
Disagree	23.4	51
Neither agree or disagree	5.0	11
Agree	4.1	9
Strongly agree	1.0	2

Figure 17



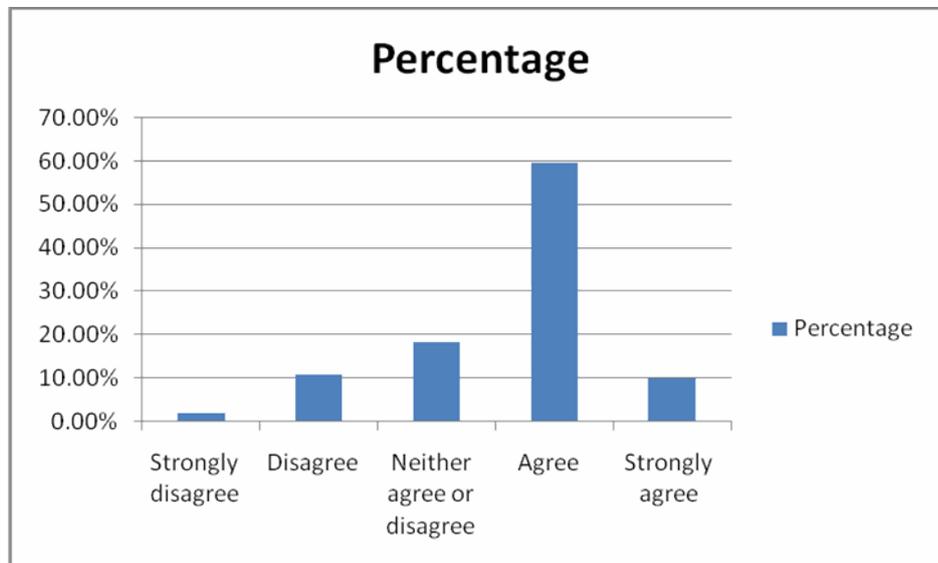


8.2d Word of mouth on social networks can damage my brand

Table 18

Response	%	Respondents
Strongly disagree	1.7	4
Disagree	10.7	24
Neither agree or disagree	18.2	41
Agree	59.6	134
Strongly agree	9.8	22

Figure 18

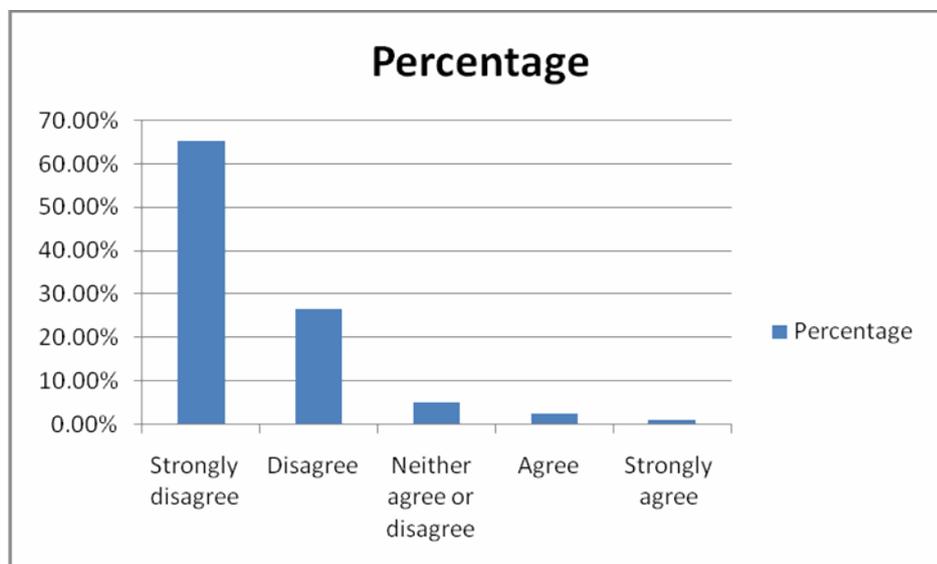


8.2e I am not sure what social networks are?

Table 19

Response	%	Respondents
Strongly Disagree	65.5	144
Disagree	26.4	58
Neither agree or disagree	5.0	11
Agree	2.3	5
Strongly agree	0.8	2

Figure 19



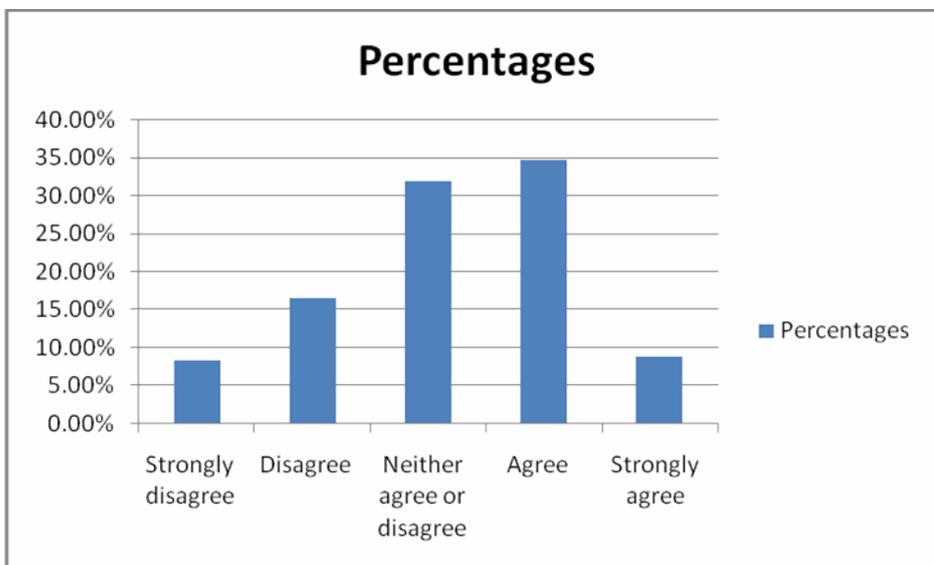
11.1 Social Networks have the following opportunity for my brand

11.1e Control reputation of my brand

Table 20

Response	%	Respondents
Strongly disagree	8.2	18
Disagree	16.4	36
Neither agree or disagree	32.0	70
Agree	34.7	76
Strongly agree	8.7	19

Figure 20



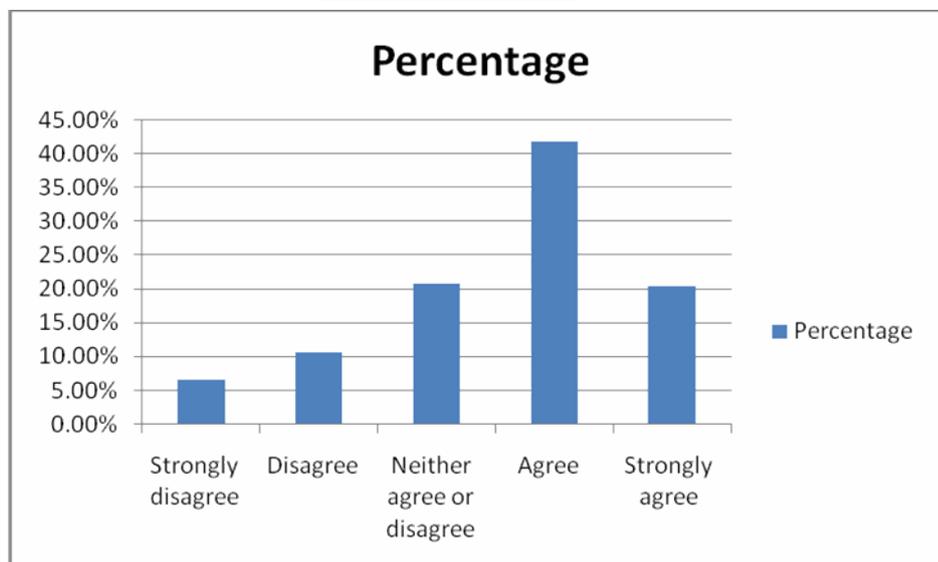


11.1f Global reach for my brand

Table 21

Response	%	Respondents
Strongly disagree	6.5	14
Disagree	10.6	23
Neither agree or disagree	20.7	45
Agree	41.9	91
Strongly agree	20.3	44

Figure 21



5.3. Research Question 2:

How have South African companies embraced social media?

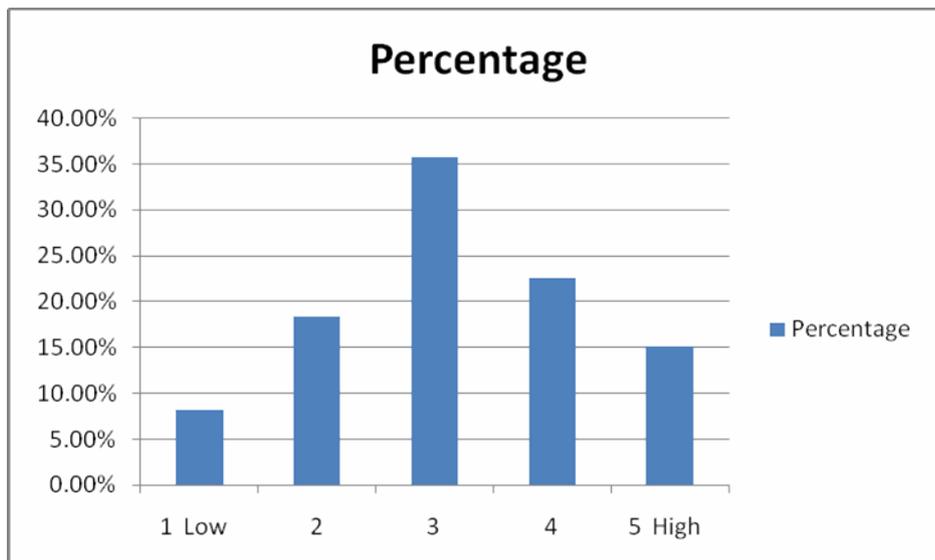
Seven questions covered how South African companies have embraced social media.

6.1 How would you rate your knowledge on Social networks such as Facebook and MySpace as a marketing tool on a scale of 1 to 5, 1 being low and 5 being high?

Table 22

Response	%	Respondents
1 Low	8.2	23
2 Below average	18.3	51
3 Average	35.8	100
4 Above average	22.6	63
5 High	15.1	42

Figure 22



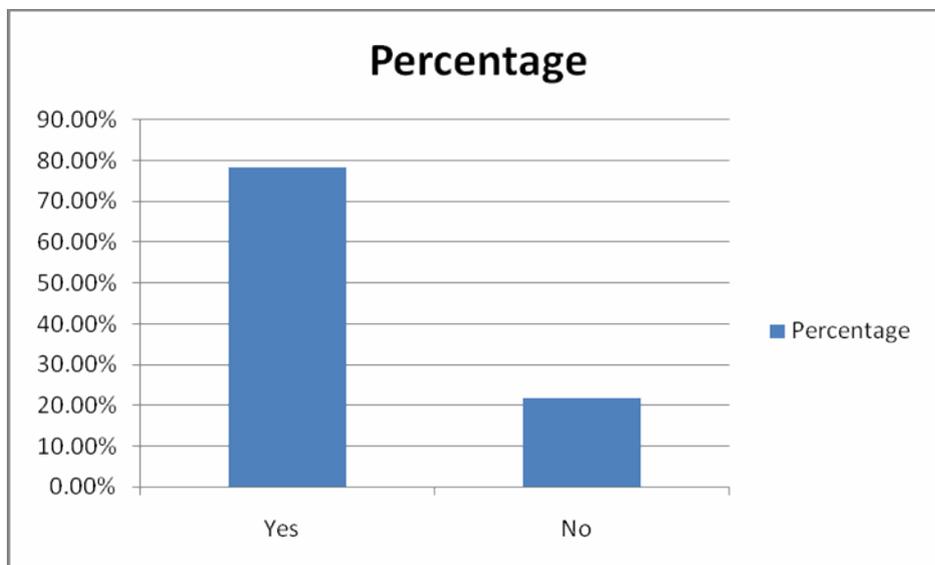
7.3 How do you track information affecting your company / brand ?

7.2a Use own personnel to manually monitor

Table 23

Response	%	Respondents
Yes	78.4	167
No	21.6	46

Figure 23



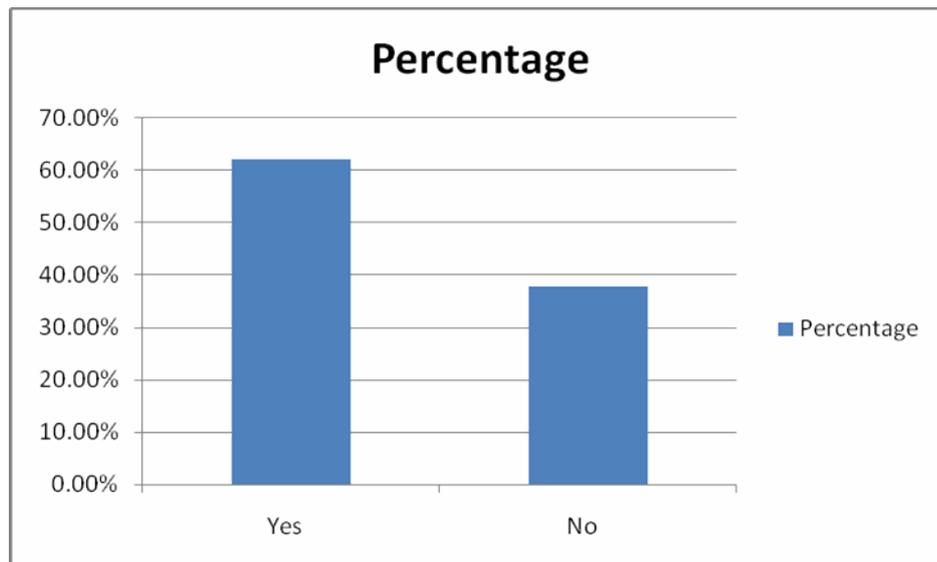


7.2b Use software

Table 24

Response	%	Respondents
Yes	62.2	122
No	37.8	74

Figure 24

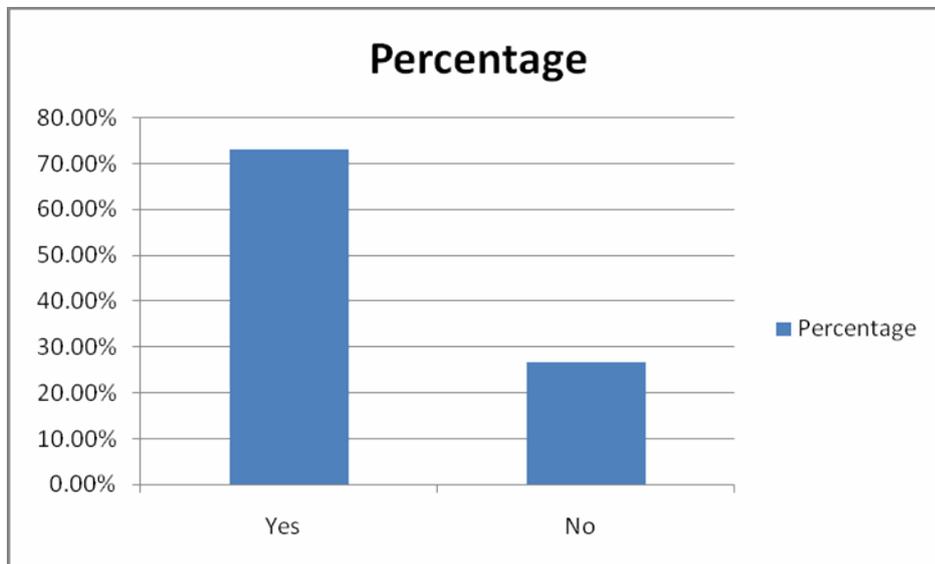


7.2c Use a company to monitor

Table 25

Response	%	Respondents
Yes	73.2	150
No	26.8	55

Figure 25



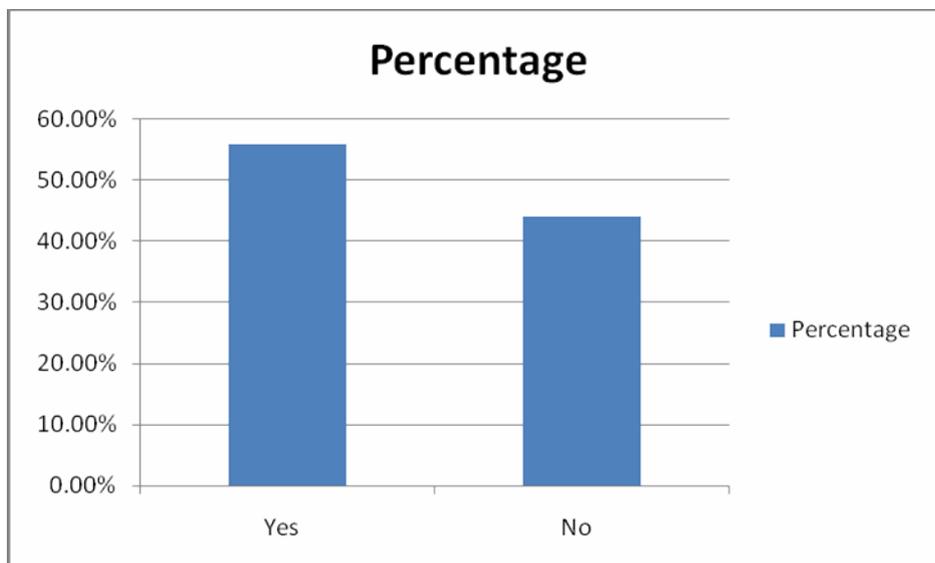


7.2d Infiltrate the social network

Table 26

Response	%	Respondents
Yes	56.0	107
No	44.0	84

Figure 26



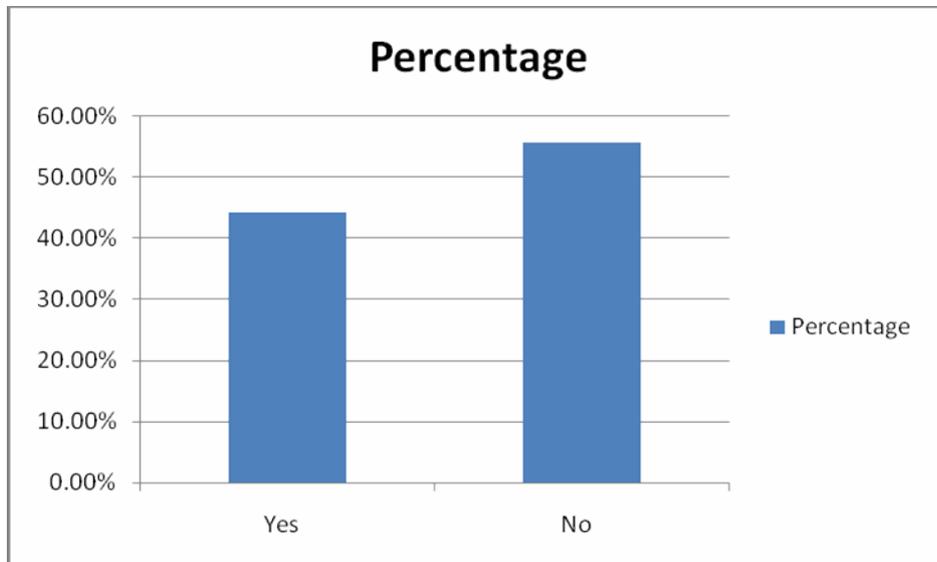


7.2e Wait for notification from someone

Table 27

Response	%	Respondents
Yes	44.3	78
No	55.7	98

Figure 27



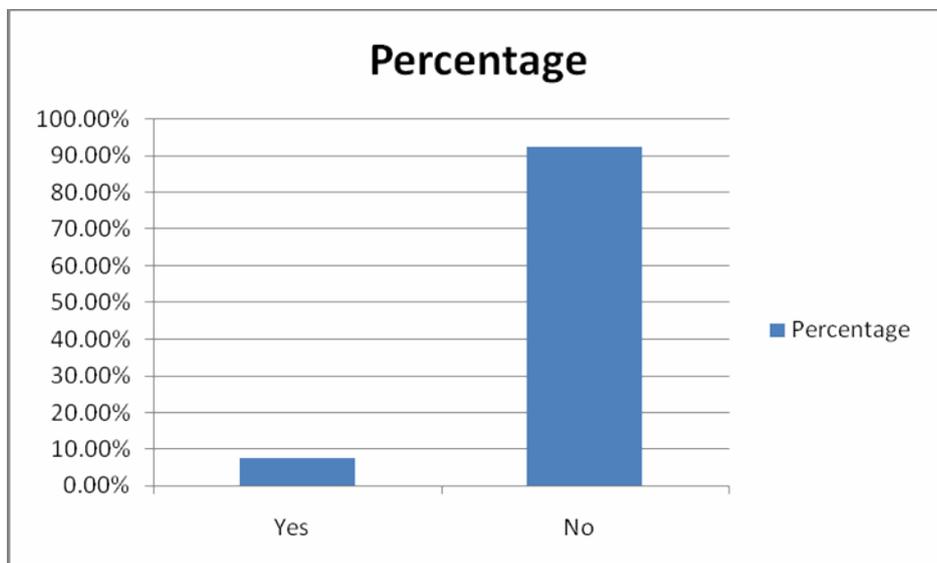


7.2f Do nothing

Table 28

Response	%	Respondents
Yes	7.5 %	12
No	92.5 %	148

Figure 28



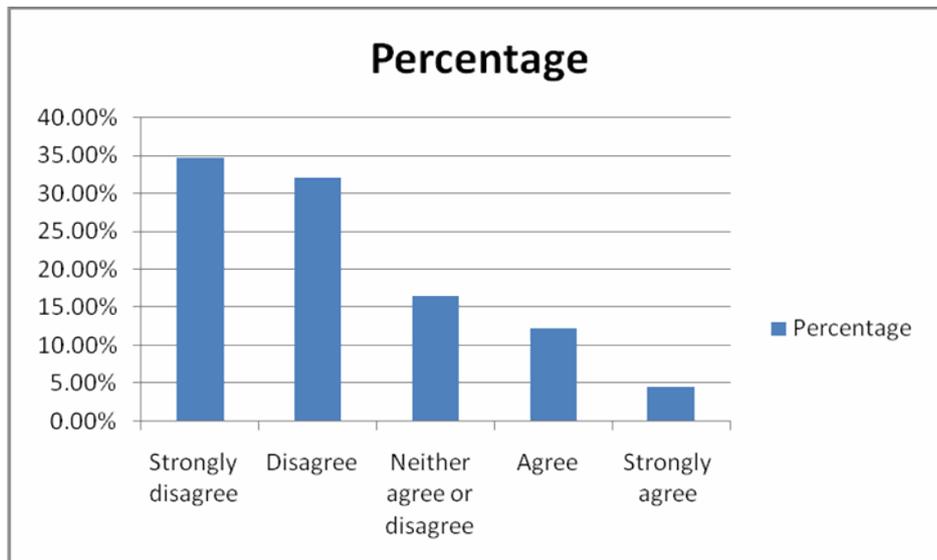
8.3 How strongly do you agree with the statement that.....

8.2f My company does not believe that our target market is using social networks

Table 29

Response	%	Respondents
Strongly disagree	34.8 %	78
Disagree	32.1%	72
Neither agree or disagree	16.5 %	37
Agree	12.1 %	27
Strongly agree	4.5 %	10

Figure 29



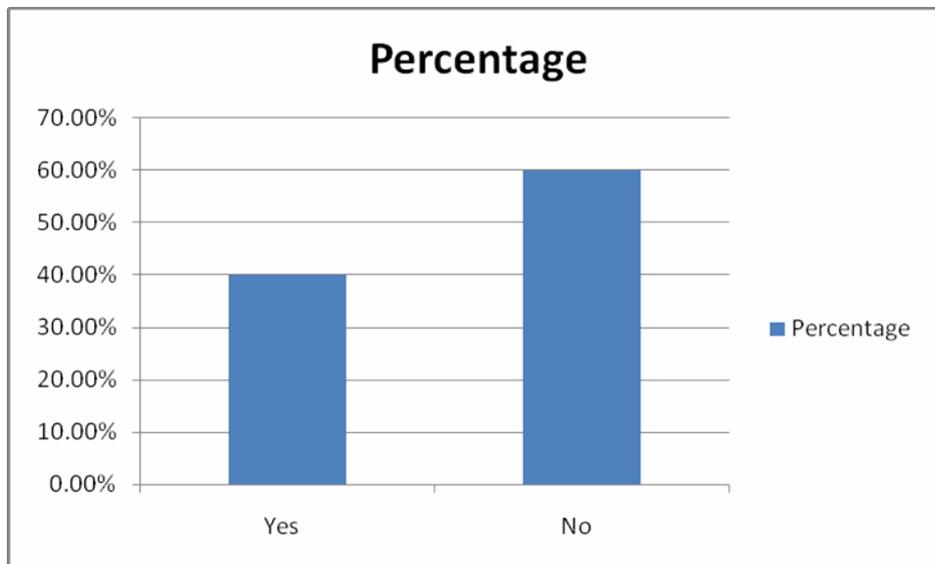


9.1 Have you or your company ever used ' Mxit ' to collaborate with customers?

Table 30

Response	%	Respondents
Yes	40.1 %	91
No	59.9 %	136

Figure 30



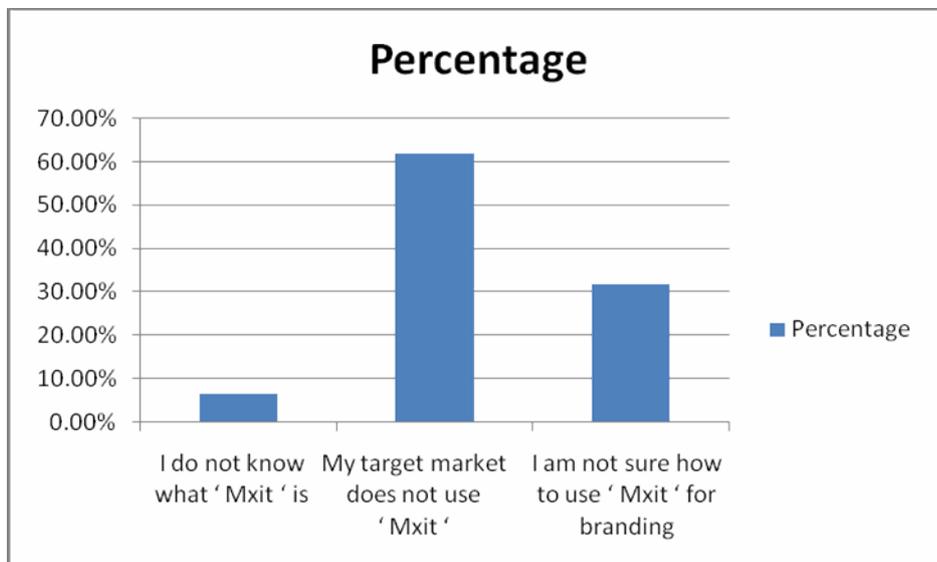


9.2 If not, why?

Table 31

Response	%	Respondents
I do not know what ' Mxit ' is	6.2	8
My target market does not use ' Mxit '	62.0	80
I am not sure how to use ' Mxit ' for branding	31.8	41

Figure 31





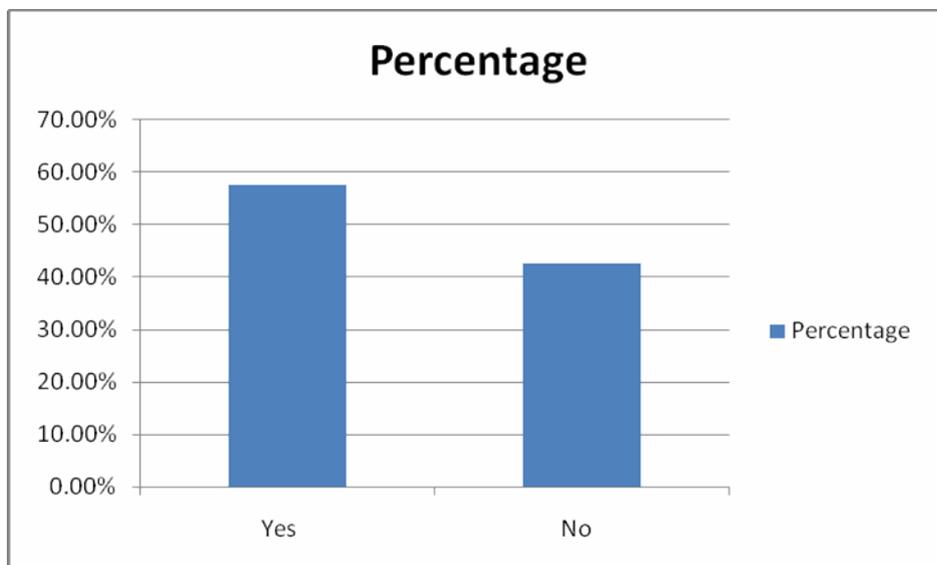
10.2 How does your company manage negative publicity on the Web 2.0?

10.2a Respond on the blog

Table 32

Response	%	Respondents
Yes	57.5	107
No	42.5	79

Figure 32



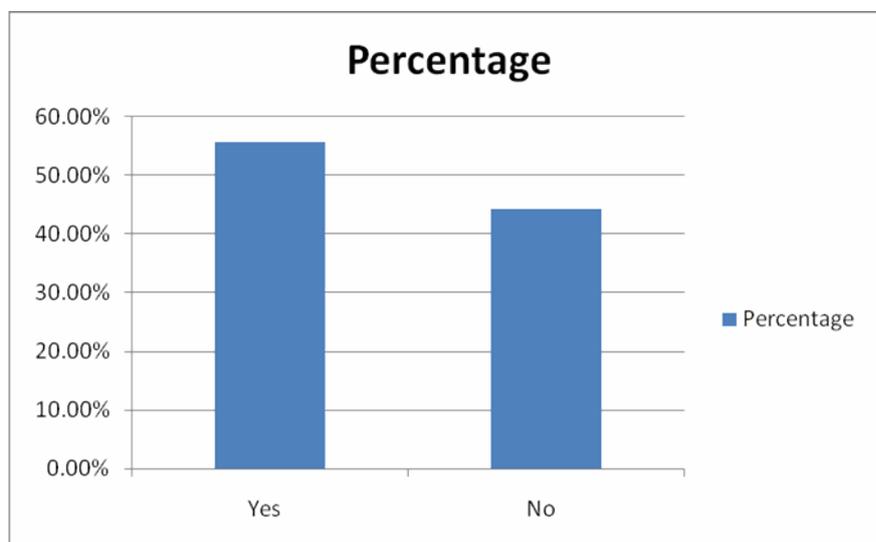


10.2b Respond using other media

Table 33

Response	%	Respondents
Yes	55.7	97
No	44.3	77

Figure 33

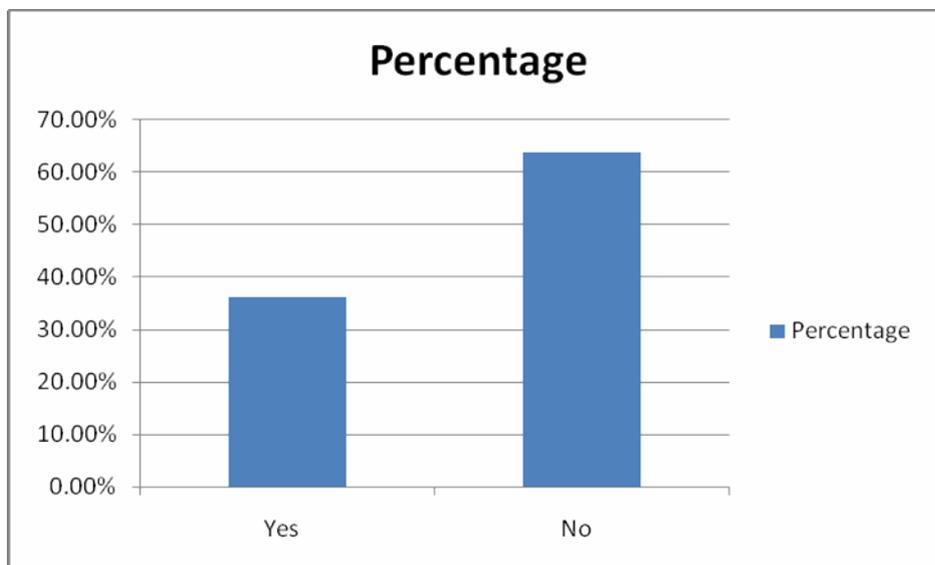


10.2c Respond to the blogger face to face

Table 34

Response	%	Respondents
Yes	36.1	61
No	63.9	108

Figure 34



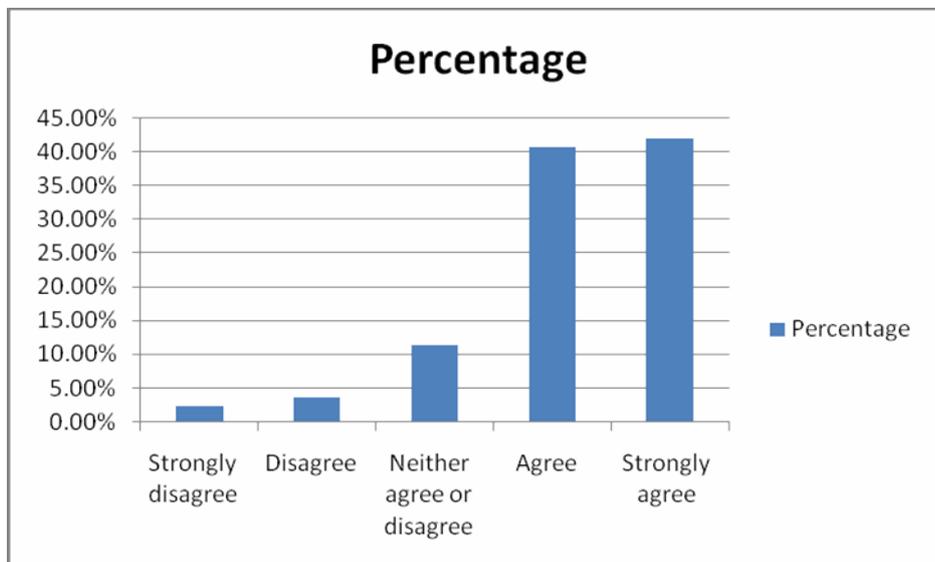
11.2 Social Networks have the following opportunity for my brand

11.1a Get customer feedback

Table 35

Response	%	Respondents
Strongly disagree	2.3	5
Disagree	3.6	8
Neither agree or disagree	11.3	25
Agree	40.7	90
Strongly agree	42.1	93

Figure 35

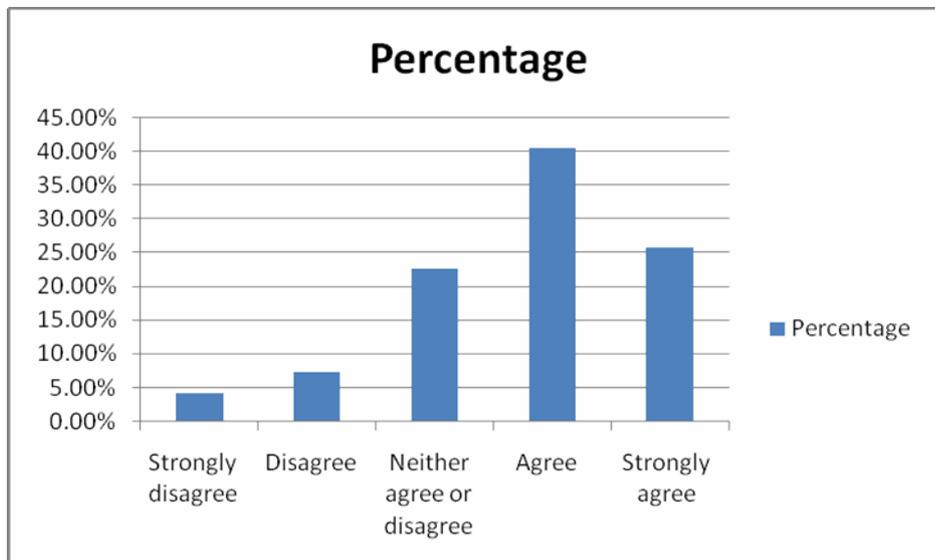


11.1b Launch a new product

Table 36

Response	%	Respondents
Strongly disagree	4.1	9
Disagree	7.2	16
Neither agree or disagree	22.5	50
Agree	40.5	90
Strongly agree	25.7	57

Figure 36

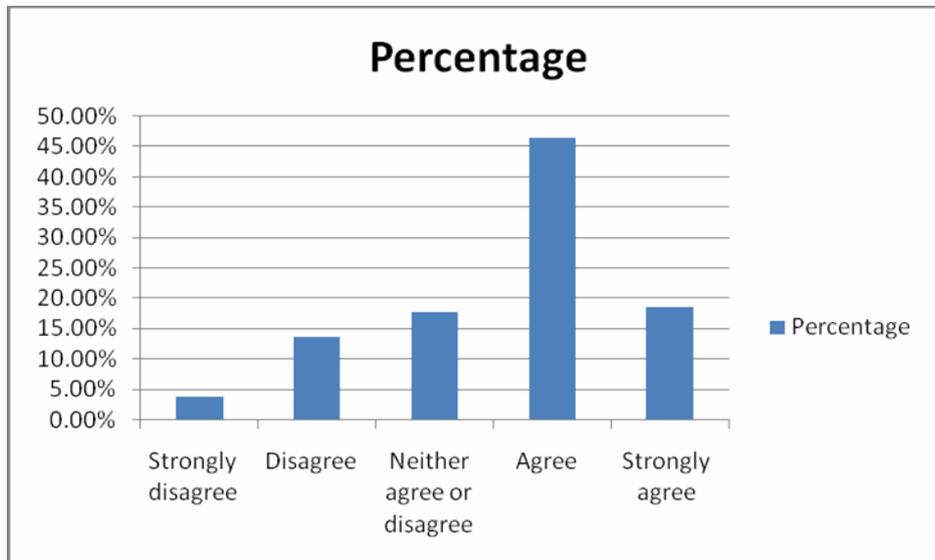


11.1c Place to post adverts and banners

Table 37

Response	%	Respondents
Strongly disagree	3.7	8
Disagree	13.6	30
Neither agree or disagree	17.7	39
Agree	46.4	102
Strongly agree	18.6	41

Figure 37

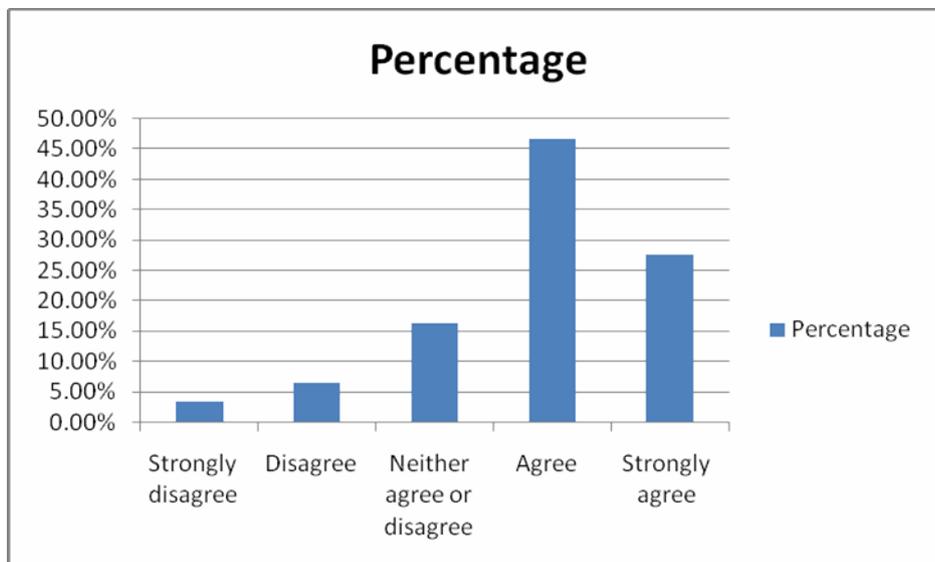


11.1d Have conversations with customers

Table 38

Response	%	Respondents
Strongly disagree	3.2	7
Disagree	6.3	14
Neither agree or disagree	16.2	36
Agree	46.8	104
Strongly agree	27.5	61

Figure 38



5.4. Research Question 3:

Will South African companies have more involvement in social media in the future?

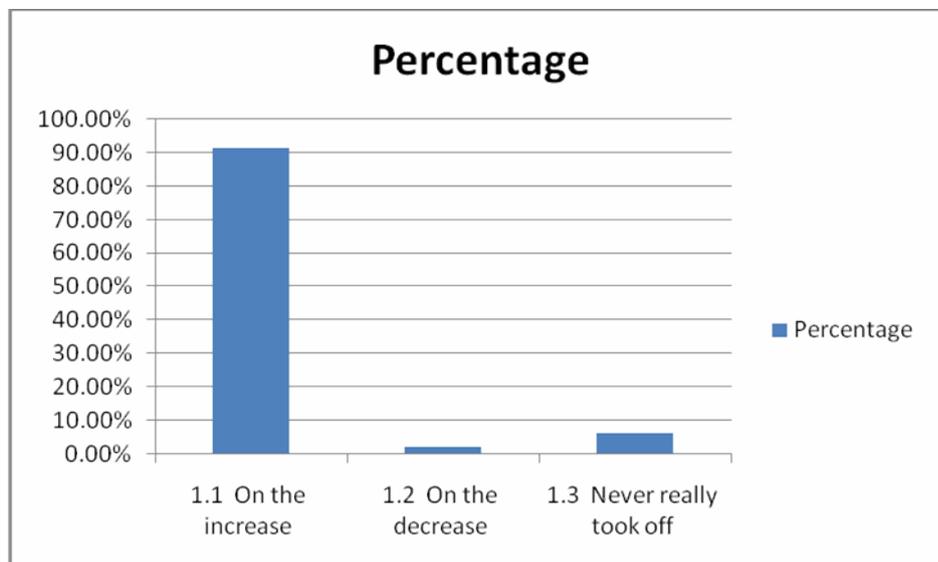
Four questions covered whether South African companies will have more involvement in the future.

10.1 Social Collaboration on cell phones

Table 39

Response	%	Respondents
On the increase	91.6	207
On the decrease	2.2	5
Never really took off	6.2	14

Figure 39



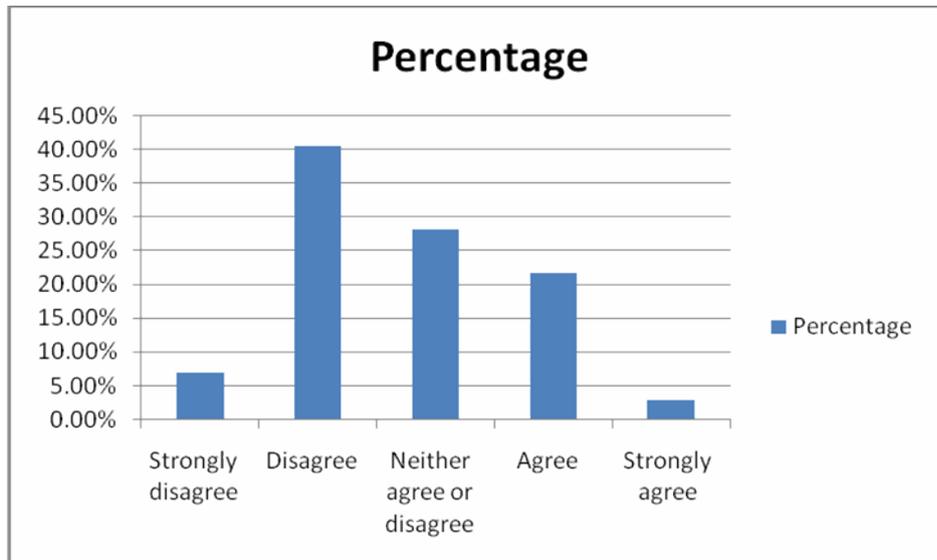
12.1 Time spent

12.1a I spend enough time on strategy for social media

Table 40

Response	%	Respondents
Strongly disagree	6.9	15
Disagree	40.6	88
Neither agree or disagree	28.1	61
Agree	21.7	47
Strongly agree	2.7	6

Figure 40



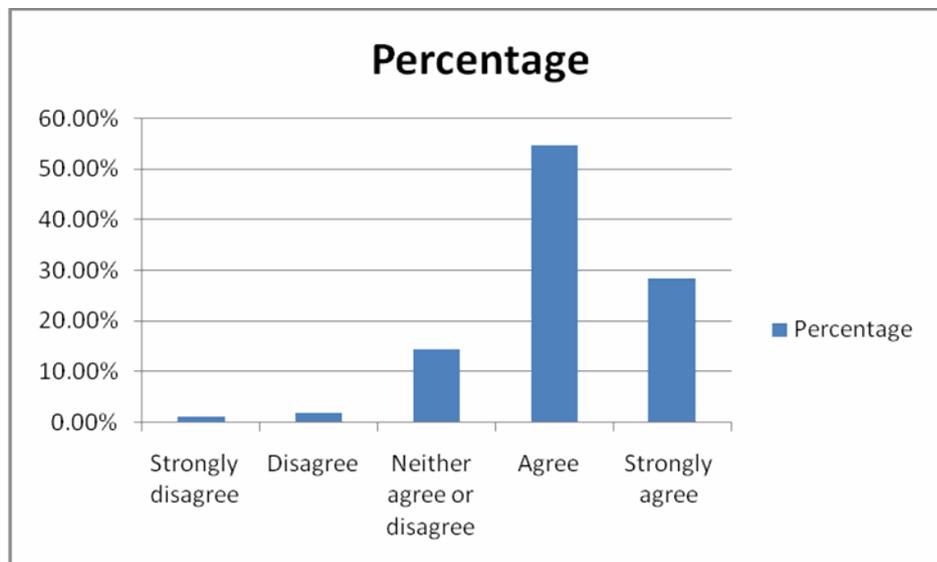


12.1b More marketing time will be spent on strategy in three years time for social media

Table 41

Response	%	Respondents
Strongly disagree	0.9	2
Disagree	1.8	4
Neither agree or disagree	14.2	31
Agree	54.8	120
Strongly agree	28.3	62

Figure 41

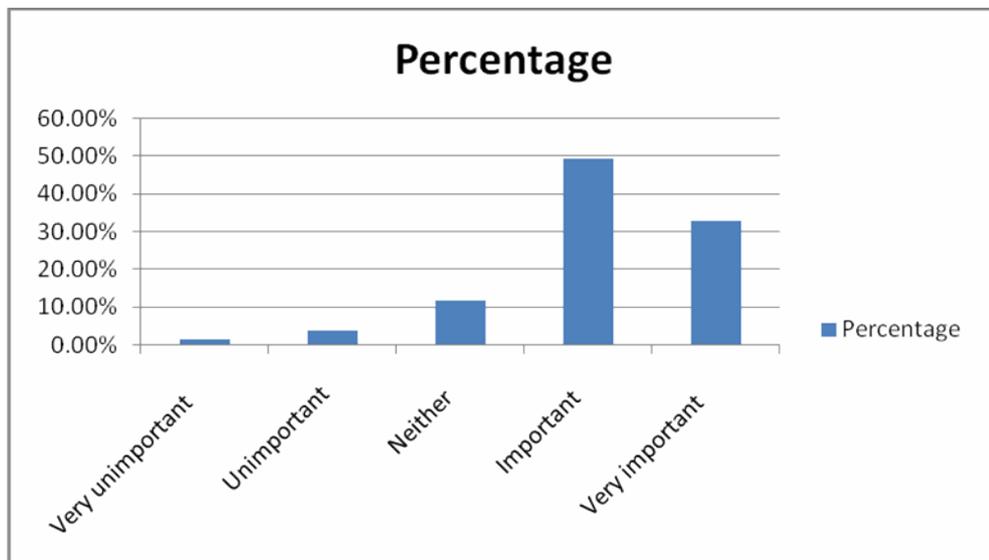


12.1.1 How important will social media be for your company' s marketing activities in three years' time?

Table 42

Response	%	Respondents
Very unimportant	1.5	3
Unimportant	4.1	9
Neither important or unimportant	11.9	26
Important	49.5	108
Very important	33.0	72

Figure 42



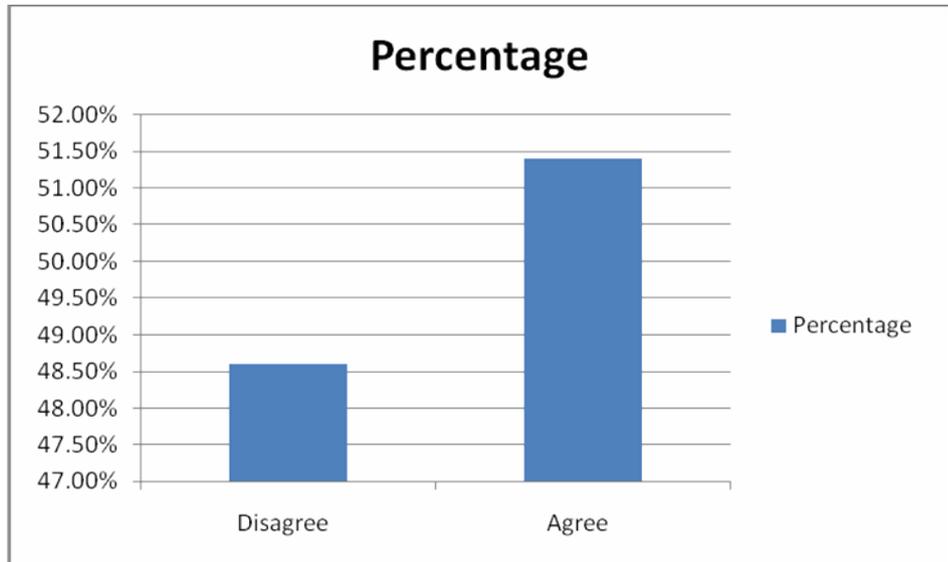
13.1 I would spend more time planning for social media if

13.1a I had more money to spend

Table 43

Response	%	Respondents
Disagree	48.6	101
Agree	51.4	107

Figure 43

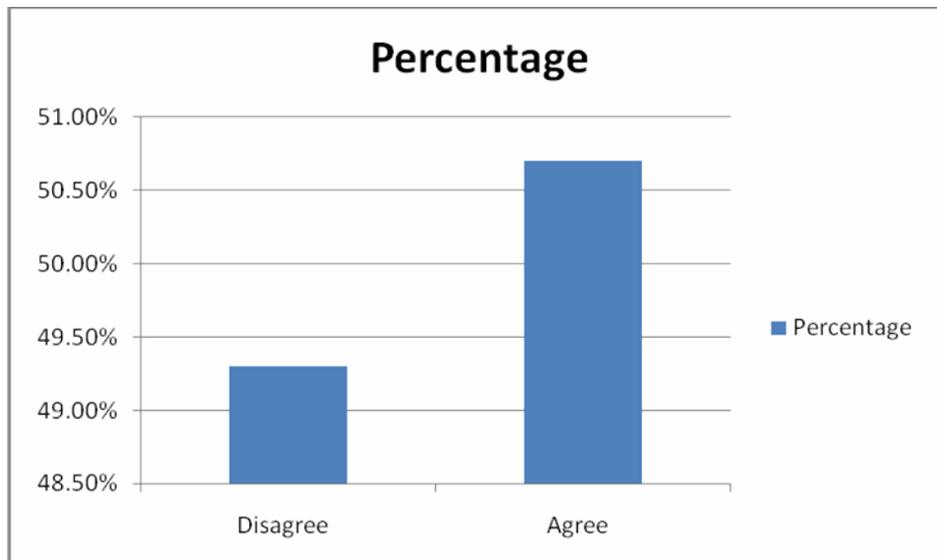


13.1b I had more people in my department

Table 44

Response	%	Respondents
Disagree	49.3	104
Agree	50.7	107

Figure 44



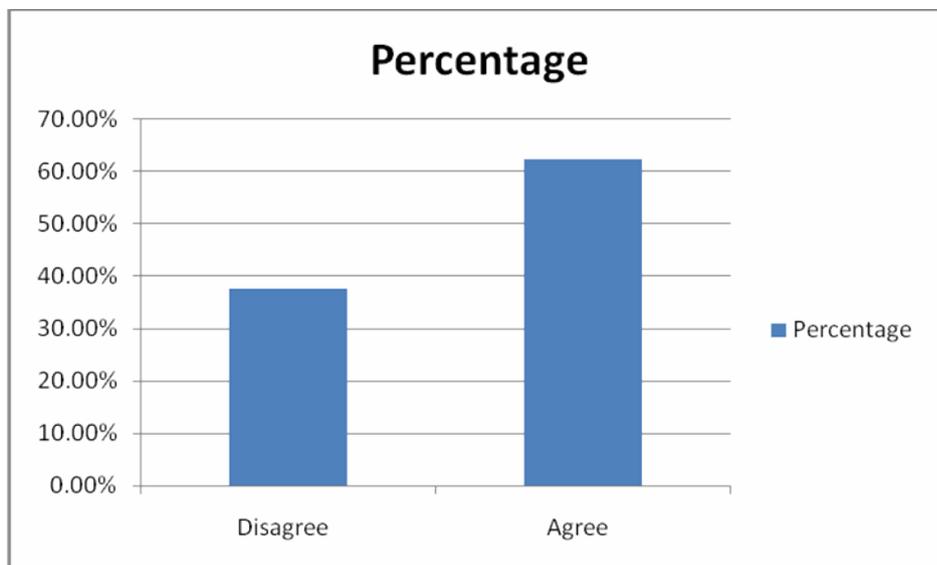


13.1c I understood the medium better

Table 45

Response	%	Respondents
Disagree	37.6	79
Agree	62.4	131

Figure 45



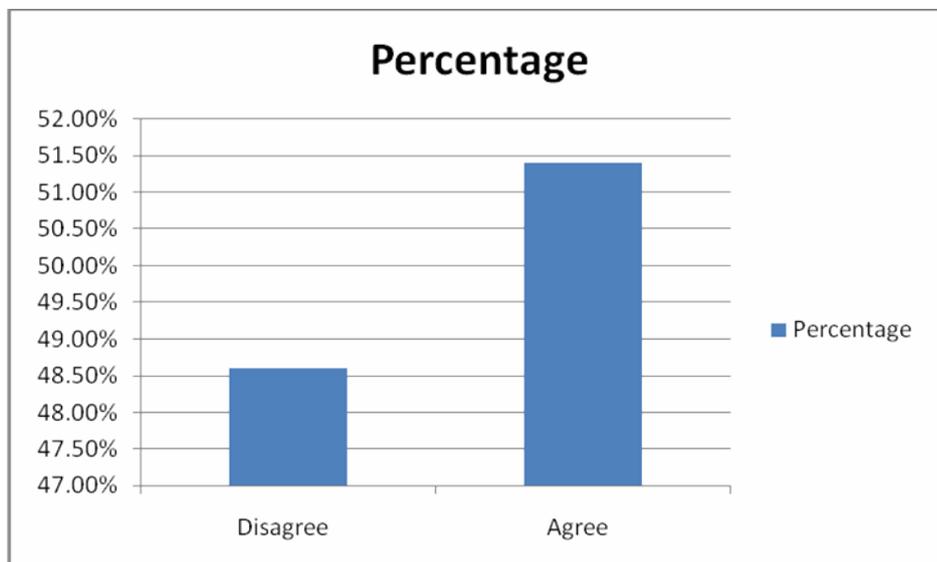


13.1d I had better technology in my department

Table 46

Response	%	Respondents
Disagree	48.6	102
Agree	51.4	108

Figure 46

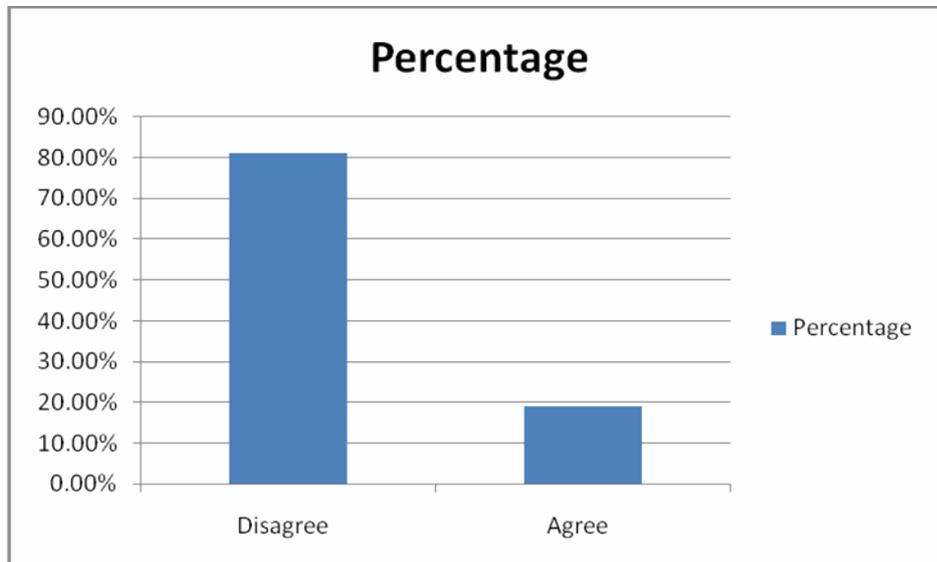


13.1e Would not spend more time

Table 47

Response	%	Respondents
Disagree	81.1 %	154
Agree	18.9 %	36

Figure 47



5.5. Conclusion

After eliminating all the non-South African respondents who did not work for advertising, media or Public Relations agencies as well as for the marketing and communications departments of companies, there were 290 responses.

The results show that customers have a greater influence on the brand today as opposed to five years ago. Most respondents feel that there is an impact of social media on their brand but do not have a formal plan on how to respond to it. What is encouraging is that most marketers know what blogs (89.9%) and social networks (91.9%) are. Respondents overwhelmingly believe in the importance of social media in their future marketing activities, and they would spend more time planning for social media (81.1%) in future.

Chapter 6: Discussion of results

6.1 Introduction

A large enough sample answered the questionnaire in order to make an effective relation back to the population. The results in chapter 5 have shown that the research questions in chapter 3 have been answered.

Social media, as discussed in chapter 1, is beginning to emerge on the radar screen of marketers. This study was conducted to establish whether South African marketers are using these tools to build relationships, to monitor conversations – and, consequently, whether they are utilising this information to protect and build their company’s or brand’s reputation. The aim of this study was to understand how companies utilise social media in relation to their marketing activities. It looked at current and future behaviour. The question that was answered is what role, if any, social media plays in the marketing plan, especially since messages can negatively affect the reputation of a company or brand. This research included those social media strategies and tactics that marketers employ.

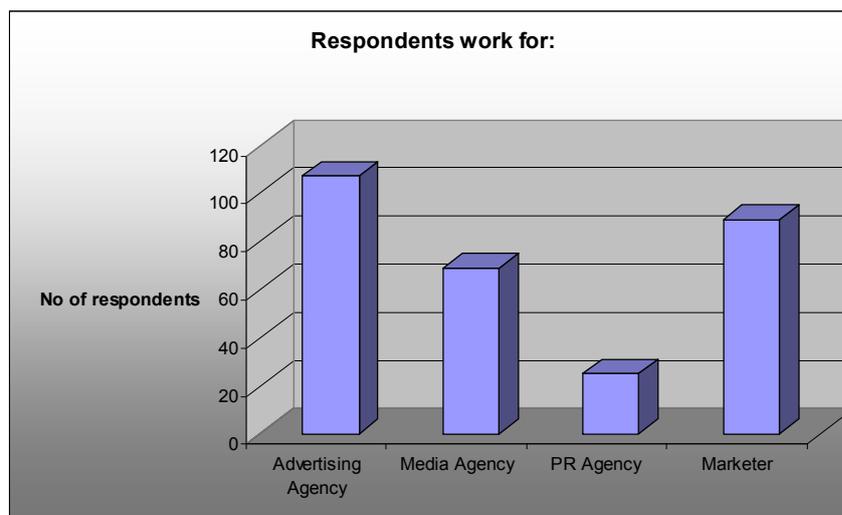
This chapter endeavours to link the research problem as stated in chapter 1 with the responses obtained during the survey. Chapter 6 will link the results with the literature review in chapter 2, together with the research questions in chapter 3.

6.2 Results of research questions

6.2.1 General demographics

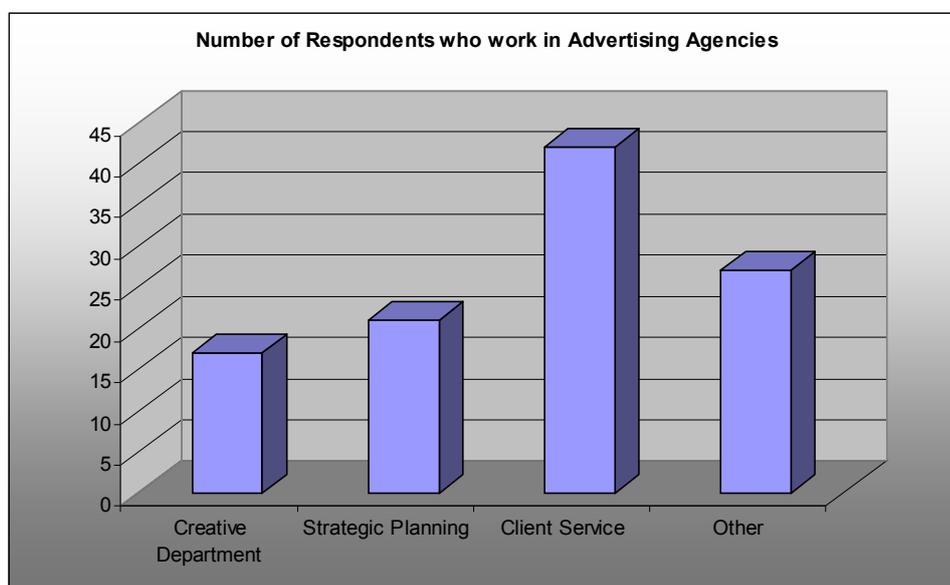
The highest number of respondents came from advertising agencies (36.9%). This could be because they are constantly looking for new and innovative ways to market their clients' products or services. The most surprising result was that the public relations agencies were the lowest respondents (8.6%). Blogging and social media should be the domain of PR agencies as this is an extension to press and broadcast publicity, which PR agencies concentrate on. This anomaly could be because there were not enough PR agencies on the lists sent out or that they did not respond due to the fact that they either do not understand social media or feel that this is not their area of influence. Further research would need to be done in order to establish this.

Figure 48



The highest numbers of respondents working in advertising agencies were from the client service department (39.3%). The client service personnel are in close contact with marketers and therefore need to have a clear understanding of the implications of all types of media.

Figure 49



Marketers accounted for the second highest respondents of which fast food had the highest responses (29.2%). The fast-food target market is predominantly within the age group that frequent social media sites. What needs more investigating would be mining (with no responses), motor vehicles and telecommunications (with only three responses each). These should be further investigated in future research, as word-of-mouth discussions on these sectors would generally be high. The media industry is also a surprise as it could use social media as another channel. Further research should be done within the media industry.

6.2.2 Responses to research questions

Research question 1: How do South African marketers perceive the impact of social media on their brand?

The results from chapter 5 show that South African marketers believe that customers have a greater influence on their brand today as opposed to five years ago (92.2%). Power has shifted from the company to the consumer (Day and Hubbard, 2003). The respondents also agree that information obtained through peers via social networks has an influence on the buying patterns of customers (80.5%). This is in line with Constantinides and Fountain (2008), whose research showed that not only the teens but also professionals participate in social media. Social media will have an impact on the social fabric, culture and behaviour of people.

What is surprising is that most do not perceive social media as a threat to the company or brand (77.4%). The response to the answer could be because the respondents did not understand the question correctly or that they do not perceive that social networks and the discussions that happen on this medium will affect their company or brand. Conlin (2007) stated that companies are ill-prepared to deal with crises that affect their brands on the Internet. The other reason is that they do not perceive social media to be a threat due to the penetration of users within this network. This is again short-sighted, as the growth of social media

outperforms that of traditional media and, in some cases, social media enjoys more users.

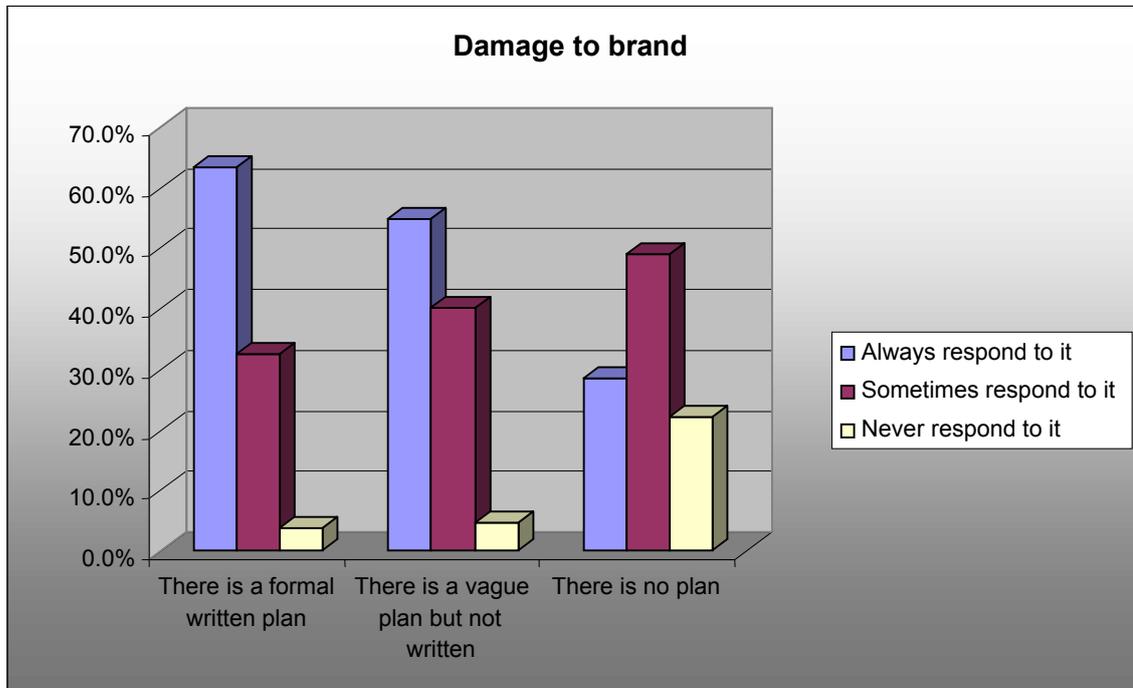
The majority of respondents either agree (60.0%) or strongly agree (20.2%) that information obtained through peers on social networks has influenced the buying patterns of customers. This is true among advertising agencies, media agencies, PR agencies and marketers. Only 3.6% of respondents felt that there is little or no influence by peers. The respondents are acknowledging that brands and companies can be affected either negatively or positively through peer networks. This is in line with Conway *et al* (2007).

When the respondents were asked whether they perceived social media as a threat to their company or brand, the majority (71.5%) stated that they disagreed with this statement. This anomaly could be due to a misunderstanding of the question or that they do not believe that social media is a threat.

The respondents would respond to a blogger if it was found that the blogger is damaging the brand. It was found that 87% of respondents would always or sometimes respond. The fact that there is no plan or even a vague plan in response to negative publicity shows either that the respondents have not had any serious attacks on the brand or that they do not know how to respond. Marketers may not know what strategies or tactics are needed to respond.

Respondents who have a formal plan are more likely to respond than those who do not have a plan.

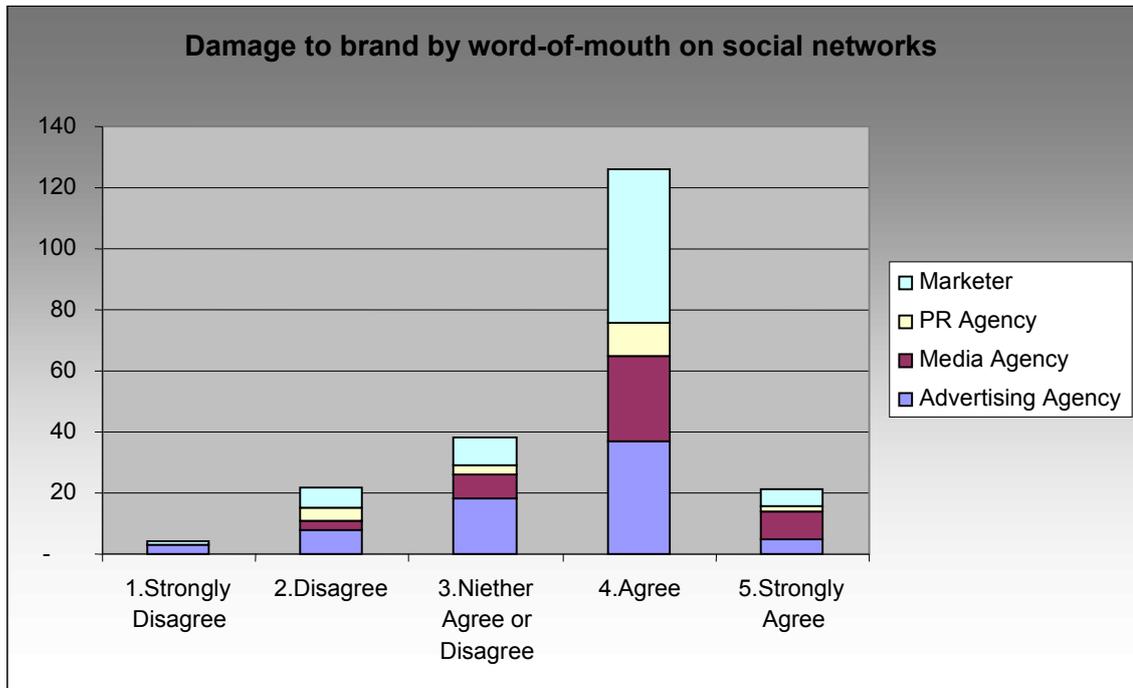
Figure 50



When the respondents were asked the question: “I believe that social networks are a potential threat to my brand”, 46.2% did not believe that it was a threat. When asked: “Word of mouth on social media can damage my brand”, 69.7% agreed with this statement. As discussed in chapter 2, a brand’s reputation can be affected by the discussions that are taking place on social media. The brand also lives due to shared experiences of the consumers (Arvidsson, 2006). The respondents have also acknowledged this, but they do not have a formal written plan to respond. Reputations of a brand should not be left to chance and, therefore, more effort

should be made by the respondents to manage and monitor the conversations of their brands on social media.

Figure 51

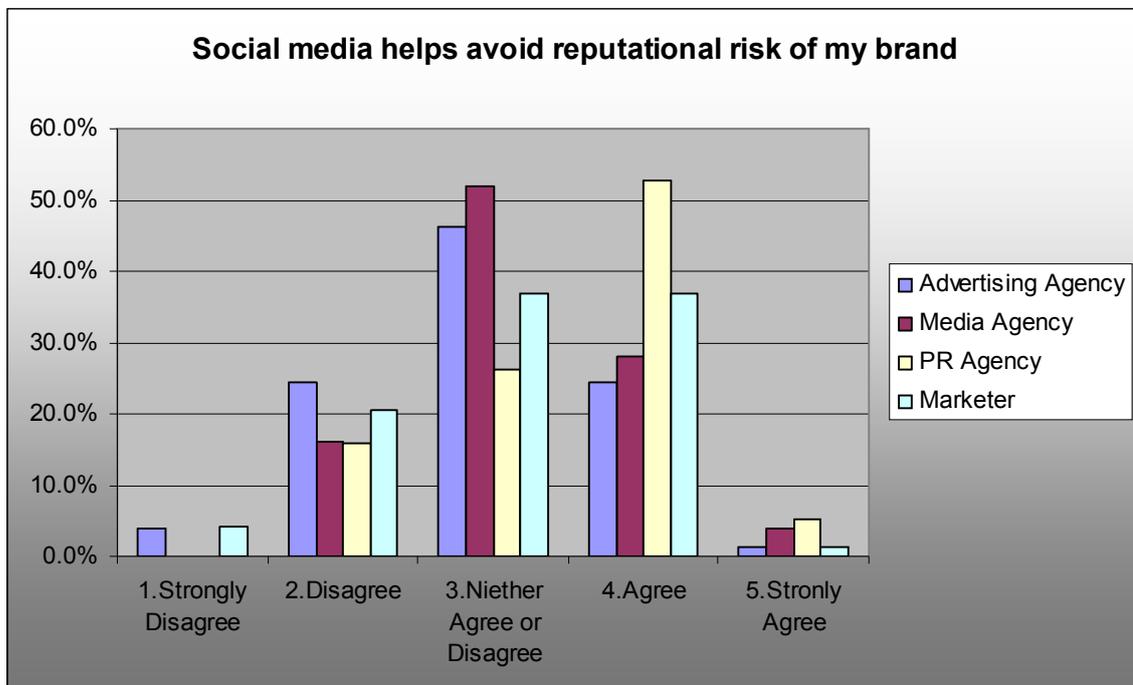


Customer value is created through a number of interventions. These interventions include the service experience as well as collaboration with customers to build relationships. Collaboration can also provide information about products, level of service provided by the company, improvements to these products or services as well as ideas on branding and product development –just to mention a few reasons for collaboration. Lusch and Vargo (2006) state that co-creation and dialogue increase the value of a brand. This is in line with the respondents. The majority of respondents agree or strongly agree that blogs provide vital information for the company (59.6%). The respondents agree that users on social media sites help

build a brand (75.0%), help develop better products (62.2%) and help build better relationships (87.1%).

The respondents do not agree or disagree (56.3%) that users can help improve planning for online marketing tactics, nor do they agree or disagree (42.7%) that social media helps to avoid potential reputational risk on the brand. On examination of this finding, 57.9% of PR agencies feel that social media helps to avoid potential reputational risk. This is to be expected as PR agencies are usually responsible for media reputation and social media forms part of that. It is quite surprising that PR agencies have not responded in greater numbers or found that the impact of social media is higher than advertising agencies or media agencies.

Figure 52



When asked the question as to whether social media helps market the brand internationally, 62.2% of the respondents agreed or strongly agreed with this statement. Considering that the Internet and social media is ubiquitous and connects the whole world, this finding is not unusual. This finding could mean that South African companies are considering a global strategy and, therefore, this interconnectivity is relevant. It may also mean that the respondents have realised the potential of social media in global terms.

Analysis of MEANS

The following variables were treated as Independent variables:

- Respondent's age (Q 2.2)
- Years in marketing (Q 2.3)
- Type of company (Q 2.4)

The scale, **Positive Feelings toward Social Media Index**, was used as dependent variables. One-Way Analysis of Variance (One-Way ANOVA) was used to measure the differences between the various categories in the independent variables. The LSD test for subgroup comparisons was used. Levels of significance were set at the 0.05 level ($p < .05$). The results are pasted on the following page:

8.1 Positive Feelings toward Social Media Index

Age of respondent

Multiple Comparisons

Positive feelings toward social media

LSD

Table 48

(I) Q2.2 Age Category	(J) Q2.2 Age Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
18 - 24	25 - 30	.04619	.13400	.731	-.2177	.3101
	30 - 35	.16790	.13566	.217	-.0993	.4351
	35 - 40	.09407	.16973	.580	-.2402	.4283
25 - 30	18 - 24	-.04619	.13400	.731	-.3101	.2177
	30 - 35	.12171	.07937	.126	-.0346	.2780
	35 - 40	.04787	.12924	.711	-.2067	.3024
30 - 35	18 - 24	-.16790	.13566	.217	-.4351	.0993
	25 - 30	-.12171	.07937	.126	-.2780	.0346
	35 - 40	-.07384	.13096	.573	-.3318	.1841
35 - 40	18 - 24	-.09407	.16973	.580	-.4283	.2402
	25 - 30	-.04787	.12924	.711	-.3024	.2067
	30 - 35	.07384	.13096	.573	-.1841	.3318

Finding: None of the age groups were significantly different in their positive feelings toward social media.

ANOVA

Positive feelings toward new media

Table 49

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.988	3	.329	.996	.395
Within Groups	83.658	253	.331		
Total	84.645	256			

The reason for this finding is that marketers should always be looking for new opportunities to advertise their product or their client's products or services. All age groups are involved in strategic planning, creative execution and implementation as well as looking for new forms of media to execute brand building and tactics.

Marketers are also generally on the cutting edge of technology and therefore would be the group who would experiment with new media. This would cross all age groups.

8.1 Positive Feelings toward Social Media Index

Years in marketing

Multiple Comparisons

Table 50

Positive feelings toward new media
LSD

(I) Experience: Years in Marketing	Q2.3 (J) Experience: Years in Marketing	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
< 1 Year	1 - 3 Years	.14194	.17081	.407	-.1945	.4783
	4 - 6 Years	.11619	.16365	.478	-.2061	.4385
	7 - 10 Years	.13722	.18124	.450	-.2197	.4942
	> 10 Years	.09921	.20658	.631	-.3076	.5061
1 - 3 Years	< 1 Year	-.14194	.17081	.407	-.4783	.1945
	4 - 6 Years	-.02575	.08915	.773	-.2013	.1498
	7 - 10 Years	-.00472	.11838	.968	-.2379	.2284
	> 10 Years	-.04274	.15440	.782	-.3468	.2614
4 - 6 Years	< 1 Year	-.11619	.16365	.478	-.4385	.2061
	1 - 3 Years	.02575	.08915	.773	-.1498	.2013
	7 - 10 Years	.02102	.10780	.846	-.1913	.2333
	> 10 Years	-.01699	.14645	.908	-.3054	.2714

7 - 10 Years	< 1 Year	-.13722	.18124	.450	-.4942	.2197
	1 - 3 Years	.00472	.11838	.968	-.2284	.2379
	4 - 6 Years	-.02102	.10780	.846	-.2333	.1913
	> 10 Years	-.03801	.16587	.819	-.3647	.2887
> 10 Years	< 1 Year	-.09921	.20658	.631	-.5061	.3076
	1 - 3 Years	.04274	.15440	.782	-.2614	.3468
	4 - 6 Years	.01699	.14645	.908	-.2714	.3054
	7 - 10 Years	.03801	.16587	.819	-.2887	.3647

Finding: None of the experience groups were significantly different in their positive feelings toward social media.

ANOVA

Table 51

Positive feelings toward new media

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.253	4	.063	.188	.944
Within Groups	84.351	251	.336		
Total	84.604	255			

This finding has the same reasons as the previous one as all groups would have to have an understanding of social media as all levels are involved in planning and execution

Table 52

Type of company

Multiple Comparisons

Positive feelings toward social media
LSD

(I) Q2.4 Type of Company	of (J) Q2.4 Type of Company	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Advertising Agency	Media Agency	-.23236*	.09882	.019	-.4270	-.0377
	PR Agency	-.27381*	.13823	.049	-.5460	-.0016
	Marketer (Advertising own products/services)	-.01220	.08823	.890	-.1860	.1616
	Other	-.30462*	.15068	.044	-.6014	-.0079
Media Agency	Advertising Agency	.23236*	.09882	.019	.0377	.4270
	PR Agency	-.04145	.14571	.776	-.3284	.2455
	Marketer (Advertising own products/services)	.22016*	.09954	.028	.0241	.4162
	Other	-.07226	.15757	.647	-.3826	.2381
PR Agency	Advertising Agency	.27381*	.13823	.049	.0016	.5460
	Media Agency	.04145	.14571	.776	-.2455	.3284
	Marketer (Advertising own products/services)	.26161	.13874	.060	-.0116	.5349
	Other	-.03081	.18485	.868	-.3949	.3332
Marketer (Advertising own products/services)	Advertising Agency	.01220	.08823	.890	-.1616	.1860
	Media Agency	-.22016*	.09954	.028	-.4162	-.0241
	PR Agency	-.26161	.13874	.060	-.5349	.0116
	Other	-.29242	.15115	.054	-.5901	.0053

*. The mean difference is significant at the 0.05 level.

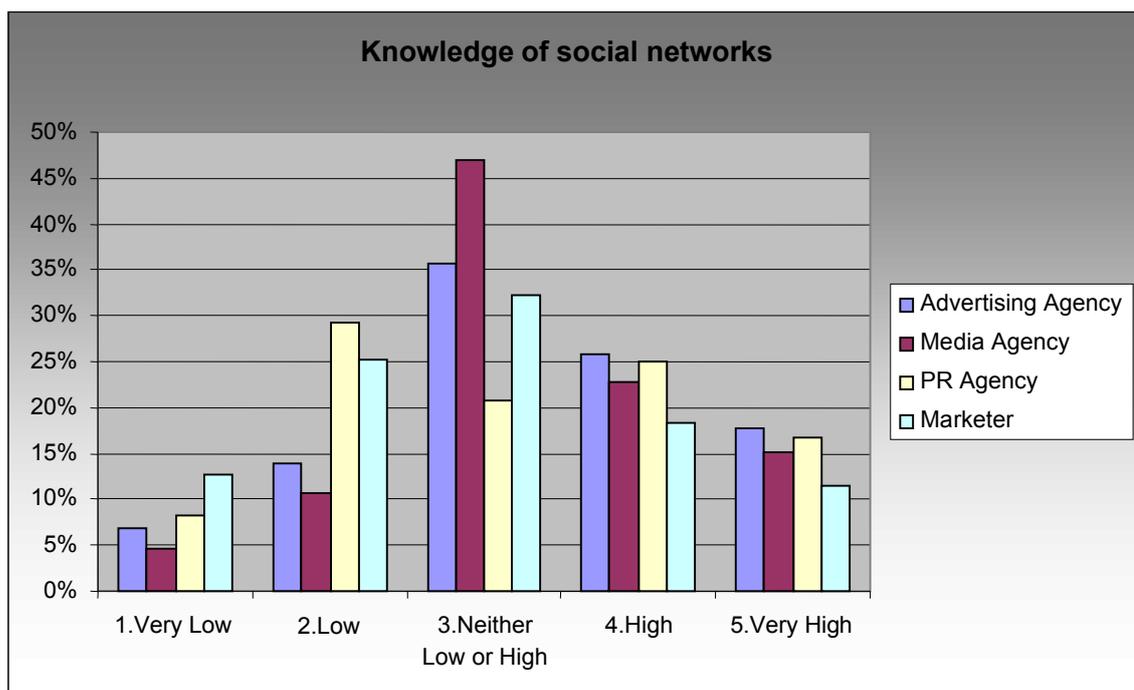
Findings: Those working in media agencies and PR agencies are more positive about social media than those working in advertising agencies and as marketers. Those working in media agencies are significantly more positive than those working in advertising and as marketers, but are not significantly different from those working in PR.

Media agencies are often faced with the problem that media is cluttered and the likelihood that the message would not break through the clutter. They are therefore looking for new opportunities to engage with the consumer. PR agencies are also looking for way to publish press releases, product launches and also for a way to break through the clutter with editorial content. Social media is one of the ways they can reach their audience in a cost-effective way.

Research question 2: How have South African companies embraced social media?

The results for chapter 5 show that the respondents have an average knowledge of social media (35.8%). There were 22.6% of the respondents who had higher than average knowledge and 18.3% who had lower than average knowledge of social networks. Marketers and PR agencies have the lowest knowledge of social networks, with 30.0% of each group having below average or low knowledge. This is again surprising for PR agencies as they should be the supporter of this medium.

Figure 53



In order to monitor the reputation of the brand or company as well as information supplied by the users on social media, it is important that marketers monitor social media in the same way as they monitor other forms of media such as television,

radio and the press. The use of own personnel to manually monitor information has the highest responses (78.4%); followed by the use of an outside company (73.2%), then software (62.2%) and lastly, infiltration of the social network (56.0%). The percentage of respondents who infiltrate the social network is higher than was expected. When infiltrating the networks, marketers must be careful to use this without deception, intrusion or exploitation (Martin and Smith, 2008).

These statistics could mean that the respondents are aware of the potential dangers and benefits to the company or brand and feel that by infiltrating the network, they are able to control the conversations or have the ability to respond timeously. There were 9.3% of the respondents that do all four of the activities in order to monitor and track information on social media. Only 7.5% of the respondents do not track information on social media.

When asked how the company responds to negative publicity, 57.5% of the respondents would actively reply on the blog, 55.7% would use other media and 36.1% would engage with the blogger face to face. Considering that the respondents have an average knowledge of social networks, the percentage of respondents who said that they would engage with the blogger is high. It was stated in the literature that the most effective way to prevent continued negative publicity on the blog would be to engage with the blogger face to face, especially if the blogger is well respected within the network.



Figure 54

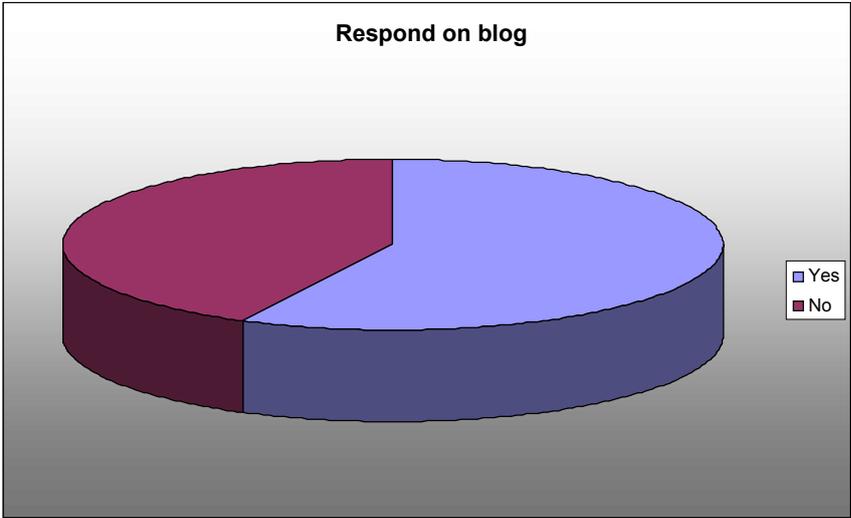


Figure 55

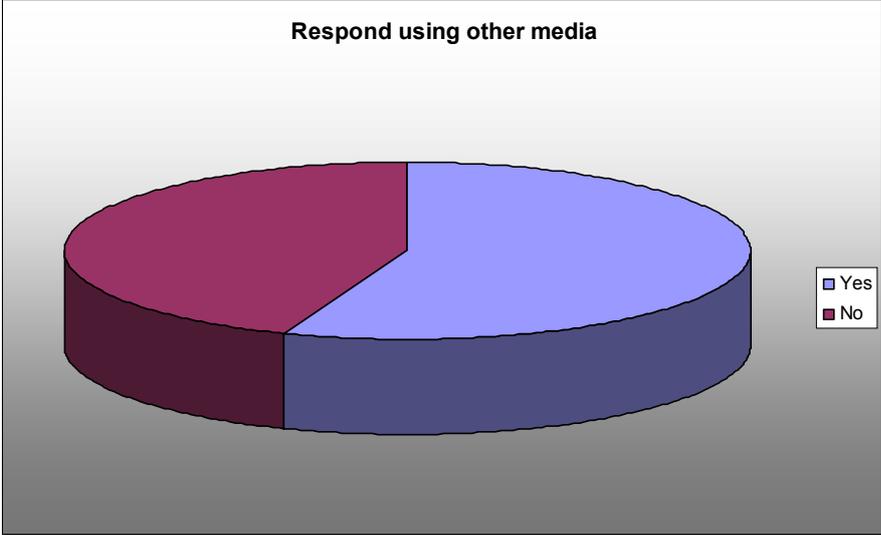
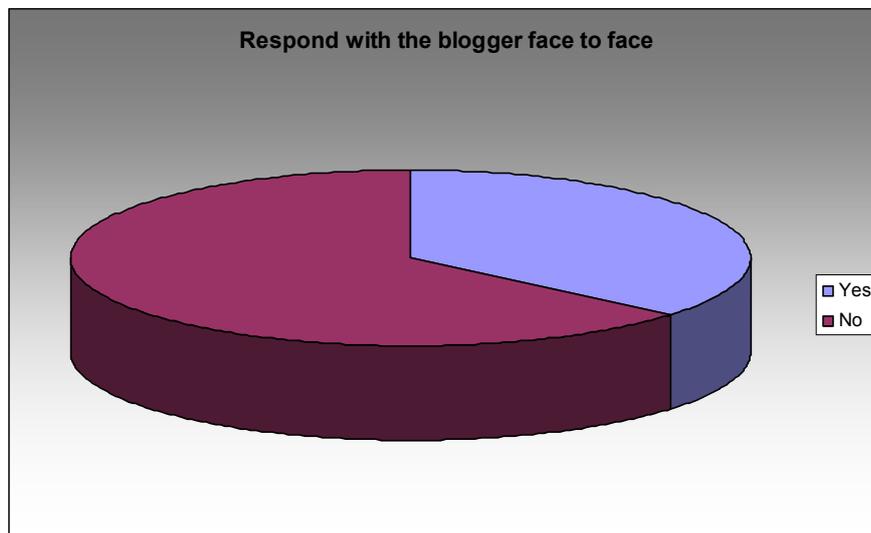
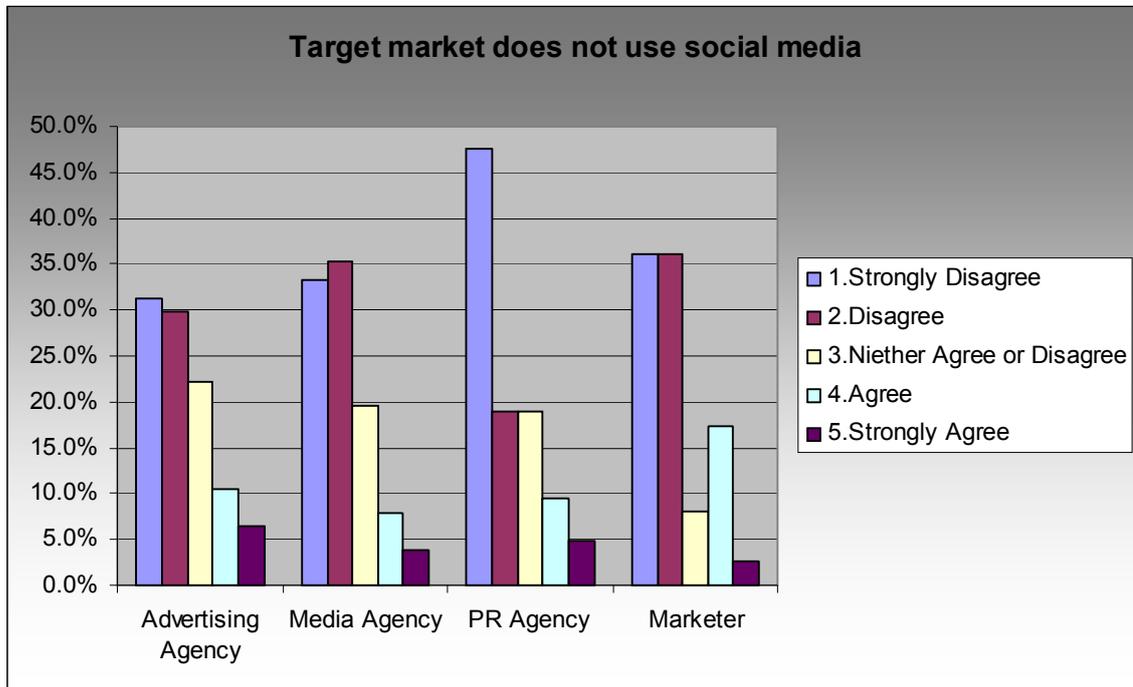


Figure 56



In order for companies to embrace social media, one of the criteria for engagement would be whether the target market of companies concerned is using social media. The respondents surveyed felt that their target market is users of social media, with 67.0% of respondents disagreeing with the statement: “My company does not believe that our target market is using social media”. Marketers’ responses are particularly high, with 72.0% believing that their target market is using social media. This could mean that brands and companies will be collaborating more with their consumers on social media so as to build brand equity and relationships with their customers. This result is also in line with Bush (2008), who states that users of the Internet are not only the youth, but that there is a significant number of people using the Internet who are over 35.

Figure 57



Meadows-Klue (2008) states that collaboration with the consumer is important to build brand equity and relationships. This collaboration enables the company to get customer feedback. Feedback will provide information to companies about their product, services and other brand building exercises. Conversations with customers can help control the reputation of the brand if done properly. The respondents have identified this, and 82.8% have either agreed or strongly agreed that social networks have the opportunity to get customer feedback. The data shows that 46.8% of respondents have agreed (46.8%) and 27.5% have strongly agreed (27.5%) that social networks provide an opportunity to have conversations with customers. The 18–24 age groups feel more positive towards customer feedback than do the 35–40 age groups. This is presumably that the 18– 24 age groups are collaborating more within social media than do the 35–40 age group.



Figure 58

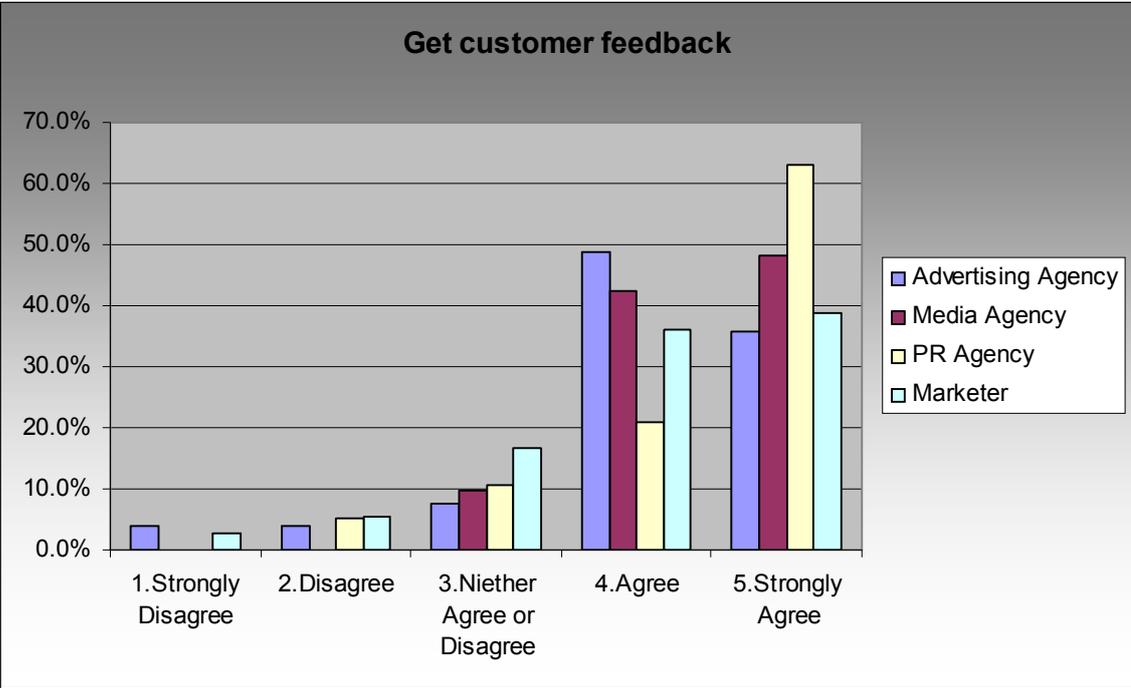
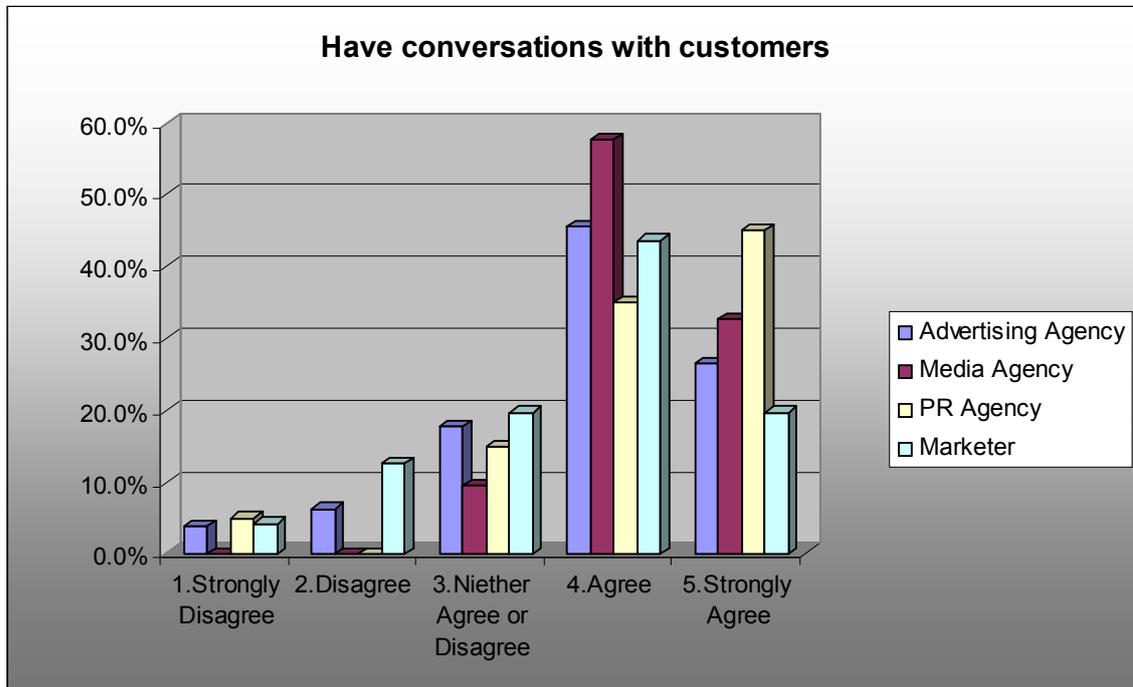
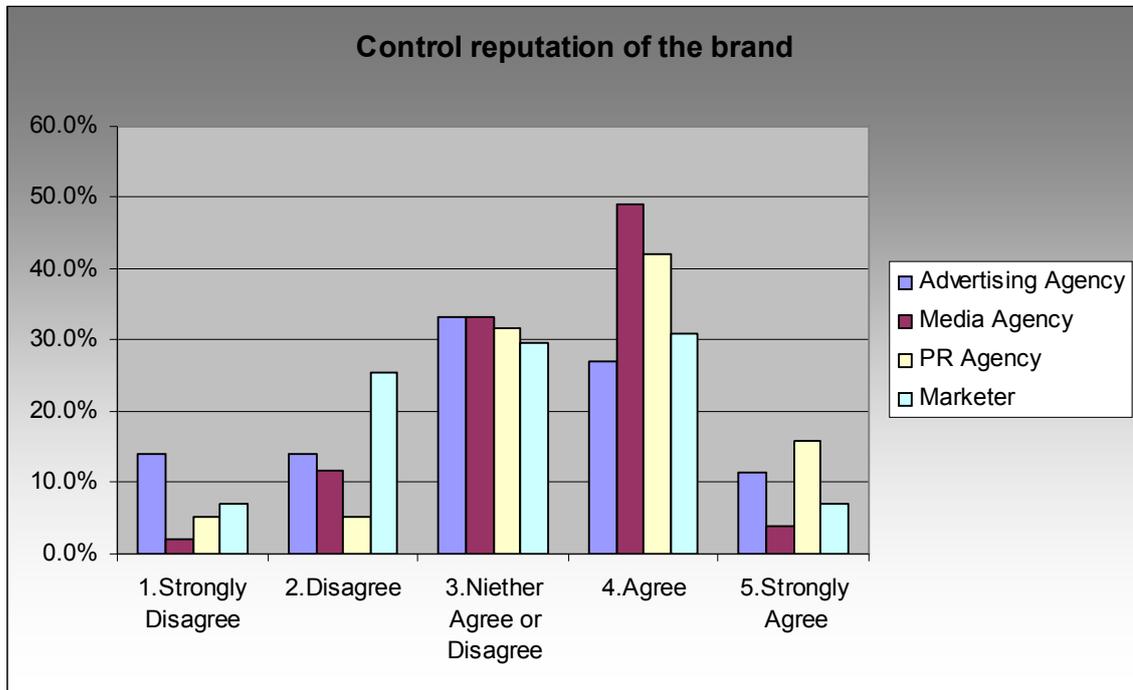


Figure 59



The data shows that 43.4% of the respondents who feel that social networks can help control the reputation of the brand. Advertising agencies and marketers were the most concerned and there were 28.2% and 32.4% respectively who disagreed or strongly disagreed with this statement. The advertising agencies and marketers felt that they could obtain feedback and have conversations with the customers but that they would find it difficult to control the reputation of the brand. This is in line with the literature.

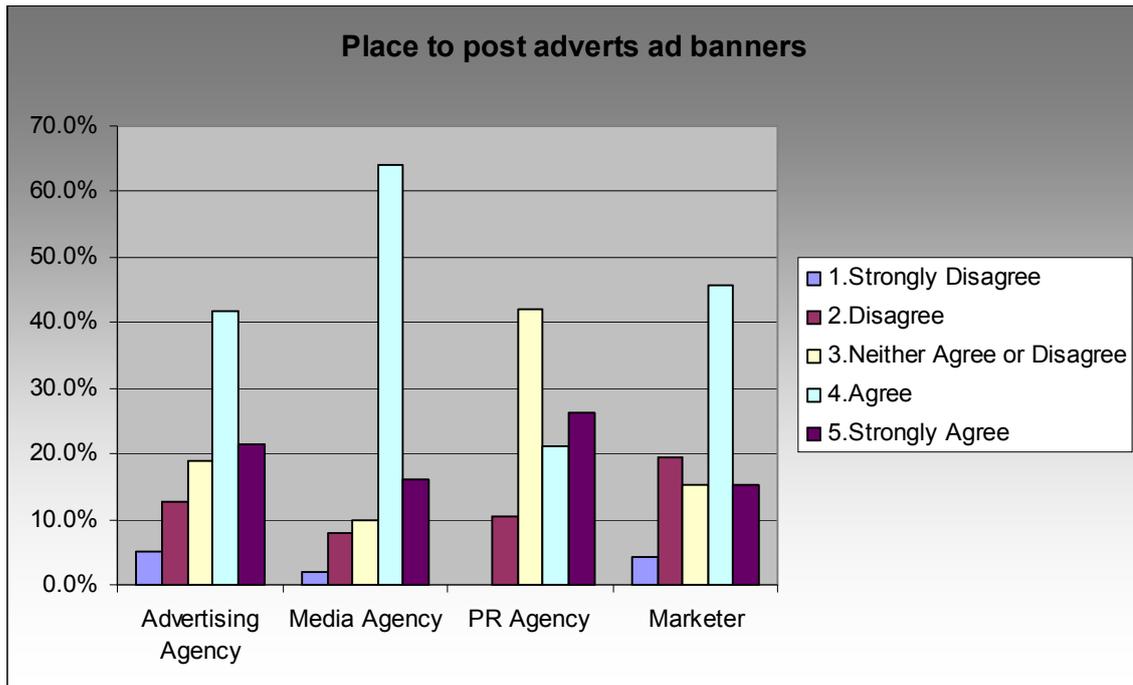
Figure 60



Respondents agreed (46.4%) or strongly agreed (18.6%) that social media is a place to post adverts and banners. Media agencies have the highest responses (80.0%), in which it was stated that social media is a place to post adverts and banners: PR agencies came in with the lowest number of responses (47.4%). This finding is contrary to the literature by Gillin (2008), which states that online consumers prefer ‘pull’ rather than ‘push’ advertising and often reject promotional campaigns. It is understandable why media agencies would see social media as a place to post adverts and banners, as their requirements from brands is to place advertising and they are continuously looking for new forms of media in which to place advertising. The 35–40 age group are more positive towards posting banners

than the 18–24 age groups. This is to be expected as the older age group have traditionally posted adverts in the print media, Television, radio as well as outdoor.

Figure 61



Respondents feel that social networks provide an opportunity to launch a new product: (40.5% agree and 25.7% strongly agree). This is in line with the literature, especially if the launch is done in collaboration with the users of the social network.

The area that marketers and agencies have not embraced is mobile collaboration. South Africa has a high percentage of mobile users but a lower percentage of Internet users and yet, the respondents (59.9%) have never used MxIT, the most popular software for collaboration in South Africa, to collaborate with customers on

mobile. The first reason is that they do not believe that their target market uses MxIT. The other two reasons are that they do not know how to use MxIT for branding (31.8%) or do not know what MxIT is (6.2%). Marketers should look at ways to embrace mobile collaboration. Mobile growth in Africa is huge and according to Olunga (2006) during conference proceedings held by the GSM association in Cameroon, mobile in Africa is growing at 50% per annum on average.

South Africa marketers have embraced social media, especially social media, using the Internet. They believe that there are opportunities to get feedback, to have conversations with customers as well as to launch new products and to post adverts. There is an opportunity for marketers to understand mobile further– and to utilise this medium more– as there are many South Africans using mobile phones.

Analysis of MEANS

The following variables were treated as Independent variables:

- Respondent's age (Q 2.2)
- Years in marketing (Q 2.3)
- Type of company (Q 2.4)

The scale, **New Media Branding Opportunities Index**, was used as dependent variables. One-Way Analysis of Variance (One-Way ANOVA) was used to measure the differences between the various categories in the independent

variables. The LSD test for subgroup comparisons was used. Levels of significance were set at the 0.05 level ($p < .05$). The results are pasted on the following page:

Table 53

Oneway

ANOVA

Social media and branding opportunities

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.801	4	2.950	4.865	.001
Within Groups	151.019	249	.607		
Total	162.820	253			

Table 54

Post Hoc Tests

Multiple Comparisons

Social media and branding opportunities

LSD

(I) Q 2.4 Type of Company	(J) Q 2.4 Type of Company	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Advertising Agency	Media Agency	-.26691	.13726	.053	-.5372	.0034
	PR Agency	-.31044	.19829	.119	-.7010	.0801
	Marketer (Advertising own products/services)	.16270	.12200	.184	-.0776	.4030
Media Agency	Advertising Agency	.26691	.13726	.053	-.0034	.5372
	PR Agency	-.04353	.20824	.835	-.4537	.3666
	Marketer (Advertising own products/services)	.42961 [*]	.13759	.002	.1586	.7006
PR Agency	Advertising Agency	.31044	.19829	.119	-.0801	.7010
	Media Agency	.04353	.20824	.835	-.3666	.4537
	Marketer (Advertising own products/services)	.47314 [*]	.19852	.018	.0822	.8641
Marketer (Advertising own products/services)	Advertising Agency	-.16270	.12200	.184	-.4030	.0776
	Media Agency	-.42961 [*]	.13759	.002	-.7006	-.1586
	PR Agency	-.47314 [*]	.19852	.018	-.8641	-.0822

Multiple Comparisons

Social media and branding opportunities

Table 55

LSD

(I) Q 2.4 Type of Company	(J) Q 2.4 Type of Company	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Advertising Agency	Media Agency	-.26691	.13726	.053	-.5372	.0034
	PR Agency	-.31044	.19829	.119	-.7010	.0801
	Marketer (Advertising own products/services)	.16270	.12200	.184	-.0776	.4030
Media Agency	Advertising Agency	.26691	.13726	.053	-.0034	.5372
	PR Agency	-.04353	.20824	.835	-.4537	.3666
	Marketer (Advertising own products/services)	.42961*	.13759	.002	.1586	.7006
PR Agency	Advertising Agency	.31044	.19829	.119	-.0801	.7010
	Media Agency	.04353	.20824	.835	-.3666	.4537
	Marketer (Advertising own products/services)	.47314*	.19852	.018	.0822	.8641
Marketer (Advertising own products/services)	Advertising Agency	-.16270	.12200	.184	-.4030	.0776
	Media Agency	-.42961*	.13759	.002	-.7006	-.1586
	PR Agency	-.47314*	.19852	.018	-.8641	-.0822

*. The mean difference is significant at the 0.05 level.

Finding: Media agencies and PR agencies are significantly more positive about the branding opportunities in social media.

This question is influenced by media agencies that see posting of banner advertising as an opportunity. Users may not see this as an opportunity but as a nuisance. PR agencies use this medium to get feedback from customers, a very positive opportunity for the brand.

Table 56

Oneway

ANOVA

Social media and branding opportunities

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.529	3	1.510	2.384	.070
Within Groups	158.291	250	.633		
Total	162.820	253			

Table 57

Post Hoc Tests

Multiple Comparisons

Social media and branding opportunities

LSD

(I) Q 2.2 Age Category	(J) Q 2.2 Age Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
18 - 24	25 - 30	.40070*	.18556	.032	.0352	.7662
	30 - 35	.39904*	.18827	.035	.0282	.7698
	35 - 40	.60606*	.23261	.010	.1479	1.0642
25 - 30	18 - 24	-.40070*	.18556	.032	-.7662	-.0352
	30 - 35	-.00166	.11099	.988	-.2202	.2169
	35 - 40	.20536	.17601	.244	-.1413	.5520
30 - 35	18 - 24	-.39904*	.18827	.035	-.7698	-.0282
	25 - 30	.00166	.11099	.988	-.2169	.2202
	35 - 40	.20702	.17886	.248	-.1453	.5593
35 - 40	18 - 24	-.60606*	.23261	.010	-1.0642	-.1479
	25 - 30	-.20536	.17601	.244	-.5520	.1413
	30 - 35	-.20702	.17886	.248	-.5593	.1453

*. The mean difference is significant at the 0.05 level.

Finding: The 18-24 age group is significantly more positive about branding opportunities on social media than all the other age groups.

This is to be expected, as the younger generation would see more opportunities than the older generation as they use this medium more regularly than the older generation.

Table 58

One-way

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Positive feelings toward social media	Between Groups	.988	3	.329	.996	.395
	Within Groups	83.658	253	.331		
	Total	84.645	256			
New media and branding opportunities	Between Groups	4.529	3	1.510	2.384	.070
	Within Groups	158.291	250	.633		
	Total	162.820	253			

Table 59

Post Hoc Tests

Multiple Comparisons

LSD

Dependent Variable	(I) Q 2.2 Age Category	(J) Q 2.2 Age Category	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Positive feelings toward social media	18 - 24	25 - 30	.04619	.13400	.731	-.2177	.3101
		30 - 35	.16790	.13566	.217	-.0993	.4351
		35 - 40	.09407	.16973	.580	-.2402	.4283
	25 - 30	18 - 24	-.04619	.13400	.731	-.3101	.2177
		30 - 35	.12171	.07937	.126	-.0346	.2780
		35 - 40	.04787	.12924	.711	-.2067	.3024
	30 - 35	18 - 24	-.16790	.13566	.217	-.4351	.0993
		25 - 30	-.12171	.07937	.126	-.2780	.0346
		35 - 40	-.07384	.13096	.573	-.3318	.1841
	35 - 40	18 - 24	-.09407	.16973	.580	-.4283	.2402
		25 - 30	-.04787	.12924	.711	-.3024	.2067
		30 - 35	.07384	.13096	.573	-.1841	.3318
Social media and branding opportunities	18 - 24	25 - 30	.40070*	.18556	.032	.0352	.7662
		30 - 35	.39904*	.18827	.035	.0282	.7698
		35 - 40	.60606*	.23261	.010	.1479	1.0642
	25 - 30	18 - 24	-.40070*	.18556	.032	-.7662	-.0352
		30 - 35	-.00166	.11099	.988	-.2202	.2169
		35 - 40	.20536	.17601	.244	-.1413	.5520
	30 - 35	18 - 24	-.39904*	.18827	.035	-.7698	-.0282
		25 - 30	.00166	.11099	.988	-.2169	.2202
		35 - 40	.20702	.17886	.248	-.1453	.5593
	35 - 40	18 - 24	-.60606*	.23261	.010	-1.0642	-.1479
		25 - 30	-.20536	.17601	.244	-.5520	.1413
		30 - 35	-.20702	.17886	.248	-.5593	.1453

*. The mean difference is significant at the 0.05 level.

Finding: There are no significant differences between age groups in relation to their positive feelings towards social media. There is

a significant difference between the 18–24 age group and the other age groups towards social media and branding opportunities.

The 18–24 age group are more positive towards social media and branding opportunities. This result is expected as the 18–24 age group are spending more time on social media than the other groups.

Research question 3: Will South African Companies have more involvement in social media in the future?

Brand equity is built over many years but reputation can be destroyed quickly. This question looks to see whether marketers have seen the opportunities in social media and will be spending more time in the future. The questions also tried to probe whether marketers felt that social media is important but they that they lacked resources.

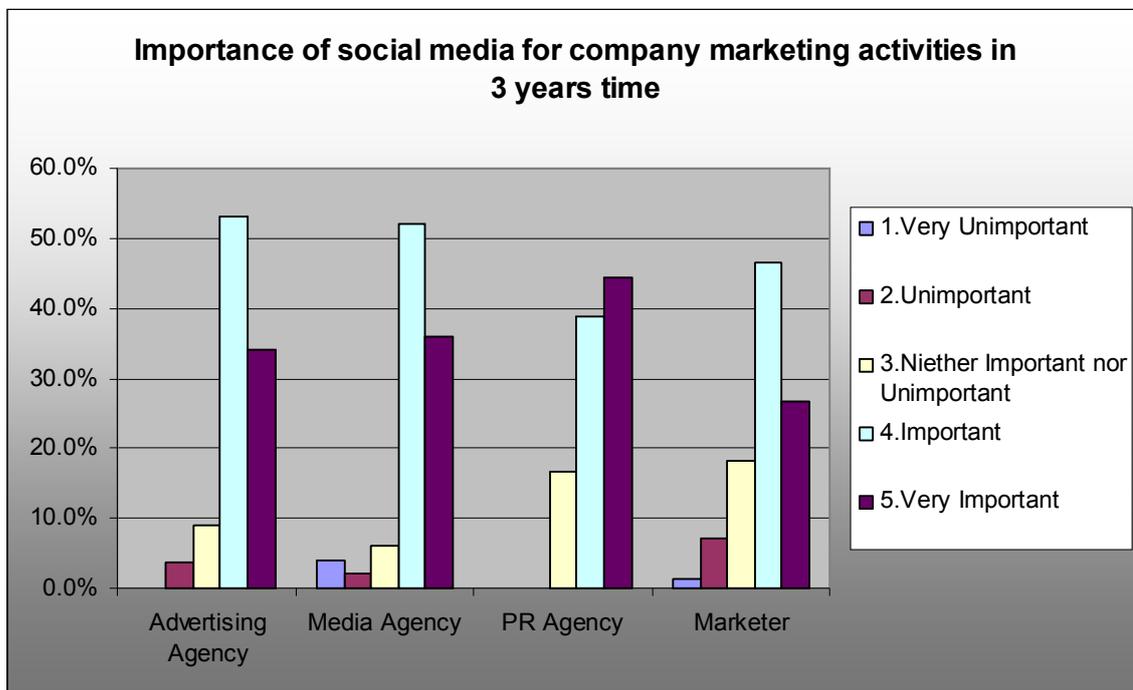
When asked the question: “I would spend more time on social media...”, the respondents answered: if I had more money (51.4%); if I had more people (50.7%), and if I had better technology (51.4%). These answers show that marketers would spend more time on social media if they had the resources. When the statement: “I would not spend more time” was made, (81.1%) stated that they disagreed with this statement. Marketers would therefore like to spend more time planning for social media. It was also interesting to note that 62.4% of the respondents said

that they would spend more time planning if they understood the medium better. This statement shows that marketers have not fully understood the social media channel, its uses for marketing and the importance of social media for co-creation and collaboration. This correlates to the question where 40.6% of respondents disagreed that they spend enough time on social media, but would be spending more time on social media in three years' time: 54.8% agreed and 28.3% strongly agreed that more marketing time would be spent on social media in the future.

When responding to the question on how important social media will be to the company's marketing activities in three years' time, 49.5% felt that it will be 'important' while 33.0% felt that this will be 'very important'. These responses from the last two questions show that marketers perceive that social media will be more important in the future and that they would have to spend more time planning, strategizing and implementing tactics in the future.

Advertising agencies and media agencies are slightly more optimistic about mobile social media than PR agencies and marketers. This could be that some marketers' target markets do not collaborate with each other via cell phones while advertising agencies' and media agencies' clients cover many different target markets, and some of their strategies would include the target market that collaborates via mobile. It is again surprising that PR agencies do not perceive social media as positively as do their counterparts in advertising and media agencies.

Figure 62



It was shown previously that marketers are not using mobile to collaborate with consumers, with 59.9% stating that they have never used MxIT to collaborate with their customers. They do, however, feel that collaboration on cell phones will be on the increase in three years' time, with 31.9% of the respondents agreeing with this statement. This would mean that marketers would have to spend more time researching and understanding collaboration as well as any new software that may surface regarding conversations on cell phones. There are many advantages to mobile collaboration such as MxIT, as it is relatively inexpensive and convenient, and the user is always in touch with his or her social network (Mahatanankoon, 2007).

6.3 Conclusion

It was generally found that the respondents agree that there have been changes to the consumer-buying process and that there are opportunities to engage with their consumers on social network sites. The respondents do not see social media sites as a channel that can affect the reputation of the brand or the company, but more as opportunities to get feedback, launch new products and have conversations with their customers. The respondents also feel that social media help market their brand or brands globally.

Monitoring of social media sites is largely conducted by the respondents. This does mean that the respondents felt this channel is important enough to utilise resources and that they can derive a benefit from monitoring it. Monitoring will allow marketers to understand their consumer more, get the feedback they require and have conversations with their customers. Monitoring can also be used as an early warning system in case there is an attack on the reputation of the company or brand.

Cell phone collaboration, as well as marketing plans and tactics, is not currently considered by marketers, although they do see that cell phone collaboration is on the increase.

There is no doubt that the respondents perceive social networks as an area of growth and opportunities for their brand as they intend to spend more time on this channel in the next three years. The areas that were not acknowledged by the respondents included the fact that social networks can pose a threat to the brand. Respondents do not believe in the importance of using different forms of media, including face-to-face communication, with important bloggers who can enhance the reputation of your brand without being part of the company. Public relations agencies have not embraced social media, as one would have expected them to do. Social media sites can be used by PR agencies in a successful way to disseminate information about the company or brand and be able to obtain information from users of the sites about the company or brand.

Chapter 7: Conclusion

7.1 Introduction

This chapter will summarise the findings of the research questions and relate this back to the reasons for this research and the link with the literature review in chapter 2. This chapter will then conclude with recommendations for marketers and any other future research that can be done in relation to social media and the opportunities and threats it poses.

7.2 Summary of findings

The literature found that the networked economy would lead to an increase in collaboration between people because the Internet and cell phones allow people to connect ubiquitously. This collaboration and interconnectivity can create threats and opportunities for South African marketers. In order to respond to the threats and opportunities, marketers would have to understand social media, be able to monitor it and respond to both the threats and the opportunities.

Consumers' buying patterns have also changed. Consumers prefer 'pull' to 'push' advertising and they reject promotional campaigns. The network within social media has developed trust between the users and has therefore increased consumer power and word of mouth discussions.

The changes in consumer behaviour have created company implications. The messages are disseminated more quickly within the network and therefore create a greater reputational risk for brands – but also opportunities to collaborate with consumers. Social media has created an extra channel for consumers and increased fragmentation on channels that marketers need in order to communicate with their customers.

Companies must implement marketing plans and exploit new opportunities. These include a greater use of social media and mobile collaboration. Companies and their marketing departments must engage with the consumer in honest and open communication. Open communication and co-creating with the consumer increases the customer value and, therefore, the equity of the brand. In order to keep track of these conversations, marketers need to monitor social media sites and respond to the conversations.

The research found that marketers are in agreement that the consumers' buying patterns have changed and that the power of the consumer has increased. The research found that marketers perceive that social media can create an impact for the brand but they see this more as a positive impact rather than as a threat to the reputation of the brand. The changes of consumer buying behaviour have lead to a greater collaboration by marketers with the consumers on social media sites.

The research found that marketers have embraced social media, although PR agencies, who should be the group that embraces it the most, have not embraced this medium as much as the advertising and media agencies. Media agencies see social network sites as a place to post adverts and banners. These postings can be useless, as users reject promotional campaigns – unless the advertising is interactive and does not invade the users' space.

Respondents have embraced social media and are using it to get feedback from their consumers, launch new products and to have conversations with them. They also agree that social media sites can help develop better products through collaboration, improve marketing tactics and build better relationships with their customers. Social media sites, they agree, help build a brand. They do not see social media sites as a threat or an area where the reputation of the brand is affected by the conversations on these sites.

Word of mouth discussions on social media sites can damage a brand but marketers do not see social networks as a potential threat. Most of the respondents have not collaborated with their customers on mobile media. This is surprising as there are more mobile users in South Africa than Internet users. A reason for not using mobile as much as expected is that marketers may not see their target market using mobile collaboration tools.

Marketers agreed that they would respond to reports of damages made by bloggers about the company or brand but very few have a formal written plan. This could be to the detriment of the company or brand because without a written plan, very little thought would have been put in place to decide what type of attacks could damage the brand, where could these attacks come from and how the company would respond.

Marketers agree that they do not spend much time planning for social media but agree that they will be giving more attention to this in three years' time. This is because they feel that currently they need more resources such as personnel, time and technology. Social collaboration, marketers agree, is on the increase. This could be another reason why marketers see the need to increase the time spent on planning for social media.

7.3 Recommendations

Those marketers who do not rate their knowledge of social media highly should actively seek information and physically participate on social network sites as well as read blogs. They should also attend courses on social media. This is particularly true for some of the advertising agencies and marketers who have not embraced this channel, as they should.

Utilising own personnel to monitor social media also detracts from the core business. This should be outsourced to a company; alternatively, companies should use software in order to free personal who could be used in other areas of marketing.

Proper written plans must be formalised in order to understand the medium and its threats. Formal plans are produced so that the company can have proper procedures on how to handle a crisis.

A substantial amount of advertising is targeted at the younger generation whether the advertising is on television, radio or other mediums. Such advertising ranges from obvious brands such as confectionery and fast food to the less obvious such as banks and cars. MxIT is being used by this target market, and yet the respondents felt that their target market does not use MxIT. More information and education must be obtained by marketers to understand how to use MxIT and any new collaboration technology that is used for mobile. Mobile collaboration is on the increase, as marketers agreed, and building relationships and having conversations on mobile can position brands favourably among these users.

Marketers should use various responses in order to manage negative publicity created by bloggers. The first approach is to establish whether the blogger has any following. Information from a blog could be used by journalists in the main stream media and therefore, it is important to protect the brand before a great deal of

damage is done. This is again the area for PR agencies. More understanding and planning must be done to respond to bloggers who are damaging the brand before this information gets out of control.

7.4 Future research

This research can be replicated as part of a longitudinal study in order to establish whether marketers have spent more time on planning, managing and monitoring social media than that which was done during this research. Other findings in three years can investigate whether they have embraced social media more and employed more resources, such as people and technology.

Research in three years can also find out whether mobile collaboration has increased and whether marketers have embraced, and use, the tools that provide mobile collaboration.

The impact that social media has may be different in three years. Many more companies may have been affected by a reputational crisis. This may, therefore, produce different results, especially among the marketers, who have not embraced some of the nuances of social media.

The unit of analysis could change to only include PR agencies and to determine their perceptions of social media and whether they have embraced this channel.

This could be changed from a web survey to a face-to-face survey in order to ask more probing questions about PR agencies' perceptions and how that feel about the impact of social media on their clients' brands. Other information that can be obtained through face-to-face interviews would be to understand what methods, if any, PR agencies are using to react to messages on social media sites.

Many South Africa companies and agencies are moving into Africa. Further research can be done in order to understand how South African marketers are different from or similar to their counterparts in the rest of Africa in relation to the perceived impact and the acceptance of social media. What can the rest of Africa teach South African marketers or visa versa?

A more exhaustive study should to be done on mobile collaboration. Since South Africa has more mobile users than Internet users, mobile collaboration may offer more opportunities and create more threats than social media sites on the Internet.

This research could also be done from the perspective of the consumer or of users of the sites. A greater understanding of users' behaviour can be obtained on questions such as push-and-pull advertising, influence of word of mouth on their peers. The behavioural changes of customers – when collaborating with a brand by providing feedback and helping to co-create products or brand elements –may increase the relationship between the customer and the company. A longitudinal study could be done to test this.

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APPENDIX

Ethical Clearance

UNIVERSITY OF PRETORIA
Gordon Institute of Business Science
("GIBS")

APPLICATION FOR ETHICAL CLEARANCE

Researchers using HUMAN respondents as sources of information for data capturing must complete ALL the sections.

Researchers using NON HUMAN resources of information for data capturing must complete ONLY sections 1, 2.2, 10 and 11.

An application will only be approved if all the required documentation is provided, including a copy of the Research Proposal.

1. RESEARCH PROJECT INFORMATION

NAME :	Oresti Patricios
STUDENT NO :	27528652
Telephone / Cell phone	0833262250
E-mail	Oresti@ornicogroup.co.za
TITLE OF STUDY WEB MARKETING: MARKETERS VIEW OF HOW WEB 2.0, ESPECIALLY SOCIAL NETWORKS AND REPUTATION, FEATURE IN THEIR MARKETING MIX.	
RESEARCH SUPERVISOR	
FIRST APPLICATION	Yes

2. SOURCES OF INFORMATION

Are human subjects used as sources of information to capture data from?

Yes No

If yes, continue with question 2.1: Human Subjects and complete the form.

If no, only complete question 2.2: Non-human Subjects/Secondary Data.

2.1 HUMAN SOURCES OF INFORMATION

2.1.1 If subjects are to be recruited, please confirm that no inducement is to be offered.

I confirm **X**

2.1.2 If subjects' records are to be used, specify the nature of these records and indicate how they will be selected.

Not Applicable

2.1.3 Has permission been obtained to study and report on these records?

Yes No **X** Not applicable

- *If Yes, attach letters.*

2.1.4 List proposed procedures to be carried out with subjects to obtain data required by marking the applicable box(es):

X Record review

Interview schedule (*Attach*)

X Questionnaire (*Attach, if applicable*)

Intervention (e.g. training). *Please describe*

Other *Please specify*

2.2 NON-HUMAN SOURCES OF INFORMATION

2.2.1 If records are to be used, e.g. company financial or marketing reports, specify the nature of these records and indicate how they will be selected.

2.2.2 Has permission been obtained to study and report on these records?

Yes No Not applicable

- *If Yes, attach letters.*

3. INFORMED CONSENT

3.1 Attach copy of the consent statement on the relevant document.

See section 10

3.2 If the researcher is not competent in the mother tongue of the subjects, how will full comprehension of the content of the consent form by the subjects be ensured?

Not Applicable.

4. RISKS AND POSSIBLE DISADVANTAGES TO THE SUBJECTS

4.1 Do subjects risk any potential harm or disadvantage (e.g. financial, legal, social) by participating in the research?

No Yes *Please specify.*

5. DECEPTION OF SUBJECTS

5.1 Are there any aspects of the research about which the subjects are not to be informed?

No Yes *Please justify.*

6. CONFIDENTIALITY

6.1 How will confidentiality and/or anonymity be assured? .

No names will be recorded Data will be stored without identifiers

No names will be requested Only aggregated information will be provided

Other, *Please specify*

7. DISSEMINATION OF RESEARCH RESULTS

7.1 To whom will results be made available?

The marketing industry in South Africa.

7.2 In which format do you envisage the results to be made available?

Please mark all those that may now or in the future be applicable:

- research report
- scientific article
- lay article
- conference papers
- TV
- radio
- book
- other, *conference*

8. STORAGE OF RESEARCH DATA

8.1 In what format will the data be stored?

Electronically Physically Other, *Please specify.*

8.2 How will subjects' permission for further use of the data be obtained?

Subsequent informed consent form Other, Will grant permission before the start of the survey.

8.3 Have the above issues been addressed in the letter of informed consent?

Yes No

8.4 Please confirm that the data will be stored for a minimum period of 10 years.

I confirm

9. OTHER INFORMATION

Please describe any other information which may be of value to the Committee in reviewing your application. Use a separate sheet if necessary.

**10. APPROVAL OF APPLICATION FOR ETHICAL CLEARANCE
RESEARCHER/APPLICANT:**

I affirm that all relevant information has been provided and that all statements made are correct.

Name in capital letters: ORESTI PATRICIOS **Signature:**.....
Date: 29 May 2008

STUDY SUPERVISOR:

I am of the opinion that the proposed research project is ethically acceptable

No ethical implications **Ethical implications** **If so give details:**

Name in capital letters: **Signature:** **Date:**
.....

GIBS RESEARCH ETHICS COMMITTEE

Name in capital letters: **Signature:**..... **Date:**
.....

ACCEPTED **REJECTED** **REASONS:**

11. CHECKLIST OF ATTACHMENTS

- Introductory letter to respondent company and signed by the company, explaining purpose of research
- Informed Consent from human subjects to take part in the research **OR**
- Questionnaire, with tick box where respondents indicate their consent to participate
- Interview schedule
- Subject instructions
- Other, *please specify*.

Questionnaire

MBA Social Media Questionnaire

1. Consent Page

You are invited to participate in our survey on web marketing. It will take approximately 10 minutes to complete the questionnaire.

Your participation in this study is completely voluntary. There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. It is very important for us to learn your opinions.

Your survey responses will be strictly confidential, and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential. If you have questions at any time about the survey or the procedures, you may contact Oresti Patricios at +27 11 8845041 or by email at Oresti@ornicogroup.co.za.

Click on "Next" if you agree to the consent information listed on this form.



MBA Social Media Questionnaire

2. Demographics

1. Do you operate:

- In South Africa
- International

2. Please mark which age category you fit

- 16 - 24
- 25 - 34
- 35 - 49
- > 50

3. How many years have you been working in marketing?

- < 1 year
- 1 - 5
- 6 - 15
- 16 - 25
- > 25

4. Do you work for:

- Advertising Agency
- Media Agency
- PR Agency
- Marketer (Person working for a company that advertises its own products or services.)
- Other



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3. Media Agency

1. Which department do you work in?

- Media planning
- Media buying
- Strategic planning
- Other



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4. Advertising Agency

1. Which department do you work in?

- Creative department
- Strategic planning
- Client service
- Other



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5. Advertiser

1. Which industry sector are you in?

- Fast Food
- Finance
- Manufacturing
- Marketing
- Media
- Mining
- Motor Vehicles
- Retail
- Telecommunications
- Other



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6. Behaviour

1. How would you rate your knowledge about Social Networks such as Facebook and Myspace as a marketing tool on a scale of 1 to 5.

1 = low

5 = high

	1.Low	2.	3.	4.	5.High
Rating	<input type="radio"/>				

2. Customers have a greater influence on the brand today as opposed to 5 years ago:

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. The information obtained through peers via social network has influenced the buying patterns of customers

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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7. Threat

1. I perceive Social Media as a threat to my company/brand?

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. How do you track information affecting your company/brand?

	Yes	No
Use our own personnel to manually monitor	<input type="radio"/>	<input type="radio"/>
Use software	<input type="radio"/>	<input type="radio"/>
Use a company to monitor	<input type="radio"/>	<input type="radio"/>
Infiltrate the social network	<input type="radio"/>	<input type="radio"/>
Wait for notification from someone	<input type="radio"/>	<input type="radio"/>
Do nothing	<input type="radio"/>	<input type="radio"/>

3. If a blogger damages your brand or your company and you become aware of it, do you:-

- ALWAYS respond to it
- SOMETIMES respond to it
- NEVER respond to it

4. If a negative report on your brand is created on Facebook or Myspace?

- There is a formal written plan
- There is a vague plan but not written
- There is no plan



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8. General

1. What marketing problems do you think users of Social Media can help solve? (Social Networks and blogs)

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
Users on Social Media sites help build a brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Users on Social Media sites help develop better products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Users help create improved planning for online marketing tactics.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social Media helps build relationships with consumers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social Media helps avoid potential reputational risk of my brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social Media helps to market my brand globally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. How strongly do you agree or disagree with the statement that:

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
I believe that Social Networks are a potential threat to the brand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe that Blogs provide my company with vital information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am not sure what blogs are	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Word of Mouth on Social Networks can damage my brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am not sure what Social Networks are	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My company does not believe that our target market is using Social Networks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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9. Mobile

1. Have you or your company ever used "MxIT" to collaborate with customers

- Yes
 No

2. If not why?

- I do not know what MxIT is
 My target market does not use MxIT
 I am not sure how to use MxIT for branding



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10. Mobile.

1. Social collaboration on cell phones

- On the increase
- On the decrease
- Has never really taken off

2. How does your company manage negative publicity on Web 2.0 (Social Networks and/or blogs)?

	Yes	No
Respond on the blog	<input type="radio"/>	<input type="radio"/>
Respond using other media	<input type="radio"/>	<input type="radio"/>
Respond to the original blogger face to face	<input type="radio"/>	<input type="radio"/>



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11. Brand Opportunity

Please mark the following list of statements from 1 – 5.
1 means strongly disagree
5 mean strongly agree

1. Social Networks have the following opportunity for my brand:

	1 (strongly disagree)	2	3	4	5 (strongly agree)
Get customer feedback	<input type="radio"/>				
Launch a new product	<input type="radio"/>				
Place to post adverts and banners	<input type="radio"/>				
Have conversations with customers	<input type="radio"/>				
Control reputation of my brand	<input type="radio"/>				
Global reach for my brand	<input type="radio"/>				



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12. Time Spent

1. Time Spent

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
I spend enough marketing time on strategy for Social Media?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
More marketing time will be spent on strategy in Three years time for Social Media?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. How important will Social Media be for your company's marketing activities in three years time?

	Very unimportant	Unimportant	Neither important or unimportant	Important	Very important
Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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13. Social Media

1. I would spend more time planning for social media if...

	Disagree	Agree
I had more money to spend	<input type="radio"/>	<input type="radio"/>
I had more people in my department to help	<input type="radio"/>	<input type="radio"/>
I understood this medium better	<input type="radio"/>	<input type="radio"/>
I had better technology in my department	<input type="radio"/>	<input type="radio"/>
Would not spend more time	<input type="radio"/>	<input type="radio"/>



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14. Summary and Results

1. If you would like a summary of the results for this survey please enter your name and email address.