

THE EFFECTIVENESS OF USING SOCIAL NETWORKING TECHNOLOGY FOR MARKETING IN SOUTH AFRICA

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Abstract

The purpose of this article is to investigate and understand the effectiveness of using social media technology for marketing activities in South Africa. The study seeks to investigate the feasibility and reach of using social media tools such as Twitter/ Face book and Black Berry Messenger (BBM) to market products and services in South Africa. While many South Africans have access to mobile technology in the form of smart phones not many households have actual internet access in the form of a broad band subscription. This therefore, poses the question - is it feasible to use e- marketing tools in the South African landscape and what should the internet platform be? Having delineated the thrust of the paper, it should be noted that the paper does not pretend to capture all the variables of using social networking technology for purposes of marketing. However, it does speak to certain facets of the effectiveness of using social networking technology.

1.1 Introduction

Social networking has in the past decade become an increasingly important communication tool, and is replacing traditional forms of communication such as telephone calls and face to face conversations. The main drivers for the increase in popularity of social networking is that there is reduced cost, ease of use and wide access that it gives people.

According to Chandler (2013) most businesses venture into social media, and expect to see a substantial return on investment with the hope that social media use, will attract new customers and therefore generate revenue. However this rarely occurs and the benefits are not as obvious, as expected. There are however benefits to using social media such as the following:

1. Brand Recognition:

One of the most powerful ways to use social media is as a brand-building tool. With social media, business organisations get to decide how the firm wants to position itself in the market, and to determine what people need to know about the organisations. With consistent effort and greater content, business organisations can build brand around the company's values while still highlighting the benefits, and advantages of the firm.

2. Community:

There is nothing like social media when it comes to cultivating a community. When followers become part of the community, organisations gain instant access to them. That means business organisations can find out what challenges they are facing and, what they

like and don't like about the organisations or their offerings. Organisations can engage in ongoing dialogue that can be more valuable than any kind of paid market research.

3. Repeat Exposure:

There is an old marketing adage that says it takes six to eight exposures to a product before a customer decides to buy. A clear benefit of social media is repeat exposure with consumers through the social network. Business organisations have the opportunity to remind them over and over again about what the firm has to offer, which can shorten business sales cycles dramatically.

4. Authority:

For coaches, consultants, authors, speakers, and other service-based businesses, social media can be very powerful in helping to establish authority in the field. Sharing content, answering questions, and *servicing the* audience will result in the business building loyal fans and potential users and buyers of the product. .

5. Influence:

As the organisations following increases, its influence grows. Having a substantial social media audience creates a snowball effect that can attract new customers, media interviews, joint venture partnerships, and all kinds of other opportunities.

6. **Website Traffic** – Many firms don't realize that social media can be a leading traffic generator. When organisations share blog posts, videos and other content from its website this gives the audience a reason to click through and visit the web site. Once there organisations have the opportunity to inspire those visitors to take action by inviting them to sign up for the mailing list, make a purchase, or call to schedule a free consultation.

7. **Ahead of the Curve** – Whether business organisations realize it or not, prospects and clients are checking to see if organisations are engaging in social media. Social media isn't a fad and it's not going away. Even if it's not the organisations top priority, if organisations stay current with activity, prospects will be noticed and possibly substantially increased.

From the benefits listed above it is clear that social networking is important and should be a priority for firms seeking to remain competitive.

1.2 Background to the Problem

There are a variety of social networking platforms that are used in South Africa such as Twitter, BBM, WATSAPP, Face Book, Linked In and MXIT. According to Meier, (2013: page reference) "there are 6.1 million users on Facebook, 1.1 million South African twitter users and 2.2 million LinkedIn South African users, WATSAPP has 4.6 million users. The South African information technology landscape is unique in that there are more mobile users than actual computer users of the internet. This has implications for organisations wanting to implement internet marketing into their marketing mix strategy as they have to tailor their internet communications to a mobile platform. According to research undertaken by World Wide Worx (Internet Access in South Africa 2012) the number of fixed line broadband subscriptions such as

Telkoms ADSL are outnumbered 8 to 1 by mobile broadband subscriptions, with 7.9 million South Africans accessing the internet on their cell phones and of the 7.9 million, 2.48 million accessed the internet solely through cell phones. The implications are that all online services will have to include mobile access through cell phones. The research undertaken by World Wide Worx clearly shows that any form of internet marketing must take place on a mobile level and this therefore makes social networking sites extremely important, if organisations are to incorporate internet marketing into their traditional marketing activities.

2. Aim of the study

The aim of this study is to investigate the effectiveness of using social networking technology for marketing in South Africa.

3. Objectives of the study

- To assess the effectiveness of social networking on marketing activities in South Africa.
- To determine if social networking is regarded as an important marketing tool by South African firms

4. Literature Review

The internet has revolutionised social networking and therefore before social networking technology can be explained it is necessary to understand the evolution of the internet and the technology that has been generated through internet usage. The internet is currently undergoing rapid change in terms of the offered on websites today as compared to a decade ago. It is therefore necessary to understand the concept of Web 2.0.

4.1 Web 2.0

According to Rouse, M (Web2.0, 2011) the difference between Web 2.0 and the traditional World Wide Web (retroactively referred to as Web 1.0) is greater collaboration among Internet users and other users, content providers, and enterprises.

Originally, data was posted on Web sites, and users simply viewed or downloaded the content. Increasingly, users have more input into the nature and scope of Web content and in some cases exert real-time control over it. For example, multiple-vendor online book outlets such as BookFinder4U make it possible for users to upload book reviews as well as find rare and out-of-print books at a minimum price, and dynamic encyclopaedias such as Wikipedia allow users to create and edit the content of a worldwide information database in multiple languages. Internet forums have become more extensive and led to the proliferation of blogging. The dissemination of news evolved into RSS.

There is no clear-cut demarcation between Web 2.0 and Web 1.0 technologies, hardware and applications. The distinction is, to a large extent, subjective. Here are a few characteristics often noted as descriptive of Web 2.0:

- blogging
- Ajax and other new technologies
- Google Base and other free Web services

- RSS-generated syndication
- social bookmarking
- mash-ups
- wikis and other collaborative applications
- dynamic as opposed to static site content
- interactive encyclopaedias and dictionaries
- ease of data creation, modification or deletion by individual users
- Advanced gaming.

4.2 Social Networks and business to consumer marketing

According to Chip and Ismail (E-Commerce a Southern African perspective: the e-Commerce environment, 2004) cited in Mulero, S.O (Acceptance and impact of social networks marketing using extended technology acceptance model, 2012) Internet marketing is a branch of e-Commerce that deals with online advertisement and marketing. E-Commerce covers all Internet business activities encompassing Customer Relationship Management (CRM), e-tailing, search engine, portals, hubs, and online auctions (. The primary goal of any e-Commerce site is for business transactions. At times, it may be difficult to promote e-Commerce activities (products and brands) without involving social activities. It is obvious that the marketing techniques for business networking exist on the Internet, but most business owners do not understand how companies will make use of marketing techniques to improve their businesses. It is important to consider what each site offers and how the company can benefit from their resources.

Further, companies need to take time to analyze what existing social media strategy recommends, and how their companies can improve on existing strategies, or introduce new marketing strategies. If a company exploits the right business marketing strategy, then such company will be at the forefront. But a company that does not understand the need for social networks marketing to its business, may end up meandering through the site, without accomplishing its purpose.

Marketers today are making efforts in creating an initiative for their customers in an attempt to distinguish their products and services from other competitors. As a result, marketers are looking for ways to interact more with their customers as well as to get feedback on their interaction.

4.3 Social networking use by South African firms for marketing

According to World Wide Worx in a study last year (South African Social Media Landscape 2012, 2012) shows that 95% of the major brands in South Africa have adopted some form of social media strategy aimed at consumers, however only 51% of these brands rated their efforts on social platforms such Face Book as effective, and only 33% believe their strategies were effective on Twitter. The studies show that corporations in South Africa are still neutral on the impact of social media and are still trying to devise mechanisms to effectively use social media. Key findings of the World Wide Worx study (South Africa Social Media Landscape 2012, 2012) show the following results:

- 49% of South African corporations surveyed leave social media in the hands of a

marketing team, while 18% allocate it to public relations and a further 18% outsource it;

- The most commonly cited reason for using social media is as an effective PR channel, with 70% of brands using it for this purpose, while 62% use it as a core part of their marketing campaigns;
 - Sales represent a key element of social media for corporations, with 43% using it for customer lead generation;
 - Only 13% of companies are using social media specifically because their competitors are using it.
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- Most companies intend to make investments in training their current people in social media best practices. A full 36% intend to use specialist social media agencies to assist in their social media PR and marketing. Only 15% say their skills are optimal.

The study concludes that South African organisations are struggling to manage the new social channels and to allocate resources and time to manage the social channels.

5. Research Methodology

For the purposes of this study the secondary research method has been chosen. Secondary research is a research method that involves collecting data from either primary research or a distributor of primary research such as online journals. According to www.managementstudyguide.com [Accessed 01 July 2013] Desk research involves collecting data from existing resources and is considered effective in the starting phase of market research. There are two types of desk research techniques, the first being internal desk research whereby information that is generated within an organisation is used such as internal sales reports and the second type is external desk research where external sources of information are used.

For this study external desk research has been used with online research being the primary research tool.

6. Research Findings

The findings of this study based on research conducted by World Wide Worx and other research articles are as follows:

1. South African firms are using social networking tools as part of their marketing communications strategy.
2. The majority of South African organisations leave formulating and implementing a social networking strategy to their marketing departments.
3. Most South African firms see social networking as extension of the public relations channel.
4. South African firms view social networking as a means to generate customer leads for sales purposes.
5. Although South African firms invest in training their staff to effectively use social networking, according to the World Wide Worx study only 15% of South African firms say their staff skills are optimal.

6. The World Wide Worx study has found that South African firms are still neutral on whether their social networking strategies are effective.

From the research findings stated above, it is clear that although South African firms are using social networking as part of their marketing strategy, many view it as just a public relations exercise or as a tool to generate sales leads. Furthermore the findings reveal that South African firms are still unclear as to the effectiveness of their social networking strategies. It is clear that there are many benefits of social networking such as marketing one on one to a prospective consumer and that the advantages of using social networking far outweighs the disadvantages. From a South African view point, with the rapid growth in mobile internet usage through the use of smart phones due to the high cost of traditional fixed line internet access and the increasing usage of social networking sites such as WATSAPP, twitter and BBM, it is clear that South African firms develop a e- marketing campaign targeted at the majority of consumers who access the internet through their smart phones.

7. Recommendations

The author recommends an in-depth study, using primary research techniques be undertaken as this study is a brief overview of existing research on this topic.

7.1 Findings from the Literature Review

Key findings of the World Wide Worx study (South Africa Social Media Landscape 2012, 2012) show the following results:

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- The most commonly cited reason for using social media is as an effective PR channel, with 70% of brands using it for this purpose, while 62% use it as a core part of their marketing campaigns;
- Sales represent a key element of social media for corporations, with 43% using it for customer lead generation;
- Only 13% of companies are using social media specifically because their competitors are using it.
- Most companies intend to make investments in training their current people in social media best practices. A full 36% intend to use specialist social media agencies to assist in their social media PR and marketing. Only 15% say their skills are optimal.

The study concludes that South African organisations are struggling to manage the new social channels and to allocate resources and time to manage the social channels.

7.2 Relevance of other research to this study

Although this study has focused evaluating whether South African firms are using social networking as part of their marketing campaigns there are other relevant issues to this. The first issue is the question of how developed is the South African internet communication cluster, the

second issues is compared to other BRICS nations how accessible is the internet in South Africa and also how affordable is it to connect to the internet. The above issues therefore tie this study in with internet accessibility and affordability in South Africa.

7.3 Future research

Future research into this topic can investigate the cost of using the internet to do business in South Africa and also investigate how widespread is internet usage amongst the South African population.

7.4 Conclusion

The purpose of this study has sought to establish or investigate two objectives:

- To assess the effectiveness of social networking on marketing activities in South Africa.
- To determine if social networking is regarded as an important marketing tool by South African firms.

With regards to the first objective of determining the effectiveness of social networking on marketing activities in South Africa the study has found that although many South African firms use social networking, many have found that social networking is not as effective as it should be and this could be attributed to a variety of reasons such as the high cost of internet in South Africa and the fact that many South African consumers use their cell- phones to connect to the internet.

The second objective was to establish whether social networking is regarded as an important marketing tool by South African firms, the study has found that many South African firms view social networking as an extension of their public relations efforts or as a tool to generate sales leads.

In conclusion from the study it is clear that firms are still implementing and developing strategies on using social networking for marketing activities and that mobile internet plays an important role for firms wanting to develop e- marketing strategies.

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