UNIVERSITY OF KWAZULU-NATAL

ONLINE SOCIAL MEDIA USAGE IN SOUTH AFRICA AND ITS BENEFIT TO BUSINESS

By

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Date   …………………………………………………………

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Abstract

The advent of online social media has transformed the way people interact with each other. The rapid growth of social media along with its interactive nature has captured the attention of businesses to attract and form engaging relationships with customers. Consumers are increasingly using social media to form relationships with businesses. Whilst this is true internationally, do South Africans use social media to interact with businesses? The aim of this study was to determine how South Africans use social media to interact with businesses. The sampling technique used for this study was non-probability purposive sampling with a sample size of 136. An online questionnaire was distributed via posts on Facebook, Twitter, LinkedIn and Google+ thereby excluding individuals who did not make use of social media. Statistical analysis found that Facebook and LinkedIn were the most popular social media sites among South Africans for business interaction. The most common means of accessing social media was via mobile phones and personal computers. The key reasons users interacted with businesses on social media were to gain product information and to receive discounts. It was also apparent that users were not influenced by advertisements on social media. Businesses therefore need to ensure that optimal use is made of social media in providing information on products and that, as with the nature of social media, customer queries are responded to in real-time. This study will benefit businesses in understanding the preferences of South African social media users when interacting with businesses. This study recommends strategies that businesses can adopt which includes making use of Facebook and LinkedIn, providing visible pre and post-sales support, offering discounts for sharing customer experiences and providing updated information of product and service offerings via posts rather than making use of advertisements. This study will benefit businesses in understanding how best to use social media to form engaging relationships with South African consumers.

Table of Contents

List of Figures

List of Tables

CHAPTER ONE

INTRODUCTION

1.1   Introduction

The success of a business is largely driven by whether customers decide to purchase its products and services. In order for organisations to increase sales, growth and overall business performance, organisations must take steps beyond just encouraging customers to make once off purchases but rather take initiatives to create engaged customers (Roberts and Albert, 2010).

The way people exchange information and communicate with each other has changed dramatically in recent years (Hennig-Thurau and Malthouse, 2010). Social media channels have become important tools in business communication. Traditional marketing makes it difficult for businesses to achieve high levels of customer engagement. Traditionally companies have looked to build relationships with customers through marketing activities such as loyalty programs, public relations and direct marketing (Benedikt and Kunz, 2012). In this approach customers were passive receivers of packaged messages. Today, customers can increasingly integrate with relationship activities and together with the business, participate in a conversation about the brand (Libai, Bolton, Bugel, de Ruyter, Gotz, Risselada, and Stephen, 2012; Hennig-Thurau and Malthouse, 2010).

The emergence of the internet and of the features offered by Web 2.0 offers opportunities to form close relationships with customers (Sashi, 2012). Social media offers users a variety of ways to communicate with each other. Customers are now empowered to use these facilities to actively engage and participate in brand communication (Benedikt and Kunz, 2012). There are over one billion users of social media worldwide (International Telecommunications Union, 2012). South Africa has 10 million social media users (World Wide Worx, 2012). Social media, therefore, presents an opportunity for businesses to engage and form close relationships with customers easier, quicker and more cost effectively than through traditional means. However, the primary purpose of social media is for people to interact with each other. Therefore the topic chosen for this study is aimed at understanding social media usage in South Africa and how businesses can benefit

from this understanding. This chapter will elaborate on the motivation, problem statement, objectives, research question, and limitations of this study.

1.2 Motivation for the study

Individuals lead the way in nearly all forms of online social networking, from Google+ to Twitter to Facebook to LinkedIn. What was once an expression of each user's individuality is evolving as businesses have realized the power of online social networking to shape opinions, build brand awareness and deliver real bottom-line results (Sashi, 2011). Businesses need to understand the usage habits and preferences of social media users in order to best leverage social media to form engaging relationships with customers. Studies conducted by the IBM Institute for Business Value (2011) and Incite (2011) discuss the usage preferences of international social media users in interacting with businesses. The completion of this study will provide businesses with valuable knowledge on the usage preferences of South African social media users. The results from this study will provide businesses with valuable information on the propensity of South Africans to use social media to interact with businesses. The results will also inform businesses on how best to use social media to form engaging relationships with customers and potential customers as well as information on what to avoid on social media that may discourage customers from forming engaging relationships.

This study may benefit South African and international businesses looking to form or maintain engaging customer relationships with South African users of social media. Businesses may leverage these understandings for business growth. Marketing departments will understand the specific areas and features of social media, which budgets and effort should be spent on in order to achieve the objective of customer engagement. Ultimately, using the information gained from this study, businesses will be able to decide which social media, if any, are most popular among South Africans for business interaction and how to effectively use social media to generate and sustain increased purchases of products and services.

1.3 Focus of the study

The focus of this study was aimed at understanding which social media consumers used for business interaction, the reasons for using social media to interact with businesses, the influence of advertisements placed on social media on users, the type of industries consumers interacted with using social media and if consumers used social media to provide negative feedback on businesses. This study will focus on usage preferences of South African users of social media sites Facebook, Twitter, LinkedIn and Google+ and what motivates users to interact with businesses using these media.

1.4 Problem Statement and Research Question

The advent of the internet and the rapid growth of interactive features such as social media have presented opportunities for businesses to form engaging relationships with customers. International social media users are 28% more likely to interact with a business than with non-social media users (Socialware Insights, 2010). International statistics do not indicate how South African users interact with businesses and the business benefits of having a social media presence which raises the question "How do South African users of Facebook, Twitter, LinkedIn and Google+ interact with businesses?"

1.6 Objectives

The objectives of this study are to:

- Determine which social media sites are most popular with South Africans for business interaction.
- Determine reasons for choice of social media to interact with businesses.
- Determine if South African consumers are influenced by advertisements on social media sites;
- Identify the type of industries South African consumers interact with on social media sites;
- Determine if South African consumers use social media sites to provide negative feedback regarding a product or service.
- Provide recommendations to businesses on how best to use social media to interact with South African consumers.

For the purposes of this study, "business interaction" refers to the act of communicating with businesses through receiving information on products and services and providing feedback on products and services.

The objectives of this study were achieved and the research question answered. The primary data used in the research analysis was collected by means of an electronic survey. The survey was conducted by means of a self-administered, online questionnaire using the online survey software QuestionPro. The questionnaire consisted of 25 closed questions which collected data from the sample. The sample was drawn from the researcher's social media contacts and the survey link to the questionnaire was posted on Facebook, Twitter, LinkedIn and Google+. Social media users completed the questionnaire by clicking the posted link and further shared the link. The data analysis process was completed using the Statistical Package for the Social Sciences (SPSS) and the information was displayed in the form of graphs and tables.

1.7 Limitations of the study

The limitations of this study were the demographics of the respondents and the limited scope of social media. Each limitation has been discussed in Chapter 5 of this study.

1.8 Structure of the study

This study will be presented in five chapters. Chapter One provides an overview of the study. The motivation for the study, problem statement, research question, focus and objectives of the study are discussed. The limitations of the study were also presented in Chapter One and were further expanded in Chapter Five.

Chapter Two presents the literature review of this study. It discusses the history of the internet, the advent and growth of social media and its potential for business use.

Chapter Three discusses the aim and objectives of this study. This chapter also details the research methodology adopted which includes sampling; data collection; and data analysis. Using these procedures and techniques an analysis was done to measure the various aspects of social media usage.

Chapter Four presents the results of the empirical data that was collected and analysed. The empirical data was interpreted by using SPSS, a computerised statistical program. This chapter also presents a discussion of the results obtained. It interprets and explains the findings. It also addresses the aims and objectives of this study.

Chapter Six discusses the limitations, recommendations, and conclusion of this study. It discusses whether the problem was solved; the implications of this research; and recommendations for future studies. Lastly, the conclusion of this chapter brings closure to this study.

1.9 Summary

Social media usage is growing in South Africa. What was once used primarily for social interactions among people is now being seen as an opportunity for businesses to interact with and form engaging relationships with customers. Customers will want to see value from using a tool designed for social interaction, to interact with businesses. Businesses need to understand how to create this value for South African customers. The aim of this chapter was to present an overview of the topic chosen and the motivation for the study. The key areas of the study have been highlighted to provide a better understanding of the objectives that were to be achieved. The research question that provided the key areas for research that were addressed was introduced. The objectives for this study were listed and limitations to the study identified. To understand social media and its usage in South Africa, a literature review is presented in the next chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, relevant literature relating to the business usage of online social networking will be reviewed. The first section of the review will provide a perspective of the internet followed by a perspective of online social networking, the extent to which businesses are currently benefitting from online social networking and the opportunities for South African businesses.

2.2 A perspective of the internet

The Internet is made up of more than 5,000 separate computer networks in more than 70 countries (Weis, 2010). The public Internet was preceded by ARPAnet or Advanced Research Projects Agency Networks (Bellis, 2010; Howe, 2010; Leiner, Cerf, Clark, Kahn, Kleinrock, Lynch, Postel, Roberts and Wolff, 2008). ARPAnet was funded by the United States military after the cold war with the aim of having a military command and control center that could withstand nuclear attack. The intention was to distribute information between geographically dispersed computers. ARPAnet created the TCP/IP communications standard, which defines data transfer on the internet today (Bellis, 2010). The ARPAnet went into operation on 30 August 1969 and its concept was quickly grasped by civilians who found a new way to share the few great computers that existed at the time (Bellis, 2010).

The internet is a "worldwide system of inter-connected computer networks that use the TCP/IP set of network protocols to reach billions of users" (Investintech, 2012). TCP/IP is the acronym for Transmission Control Protocol/Internet Protocol and is the basic communication language or protocol used on the internet (SearchNetworking, 2000). TCP/IP consists of two layers. The top layer, Transmission Control Protocol, manages the assembling of a message of file into smaller packets. A packet is a unit of data that is transmitted between an origin and a destination on the internet (SearchNetworking, 2000). The packets are transmitted over the internet and received by a TCP layer at the destination which reassembles the packets into the original message. The lower layer of the

protocol, Internet Protocol, handles the address part of each packet to ensure that the packet arrives at its intended destination.

The internet today is a network of networks that serves as a global data communications system and links millions of private, public, academic and business networks via an international telecommunications backbone (Investintech, 2012). This backbone consists of various electronic and optical networking technologies.

Boase, Horrigan, Wellman and Raine (2006) stated that the "Internet was seen as something extraordinary in the past; only available to a select few and beyond the grasp of the general population." In the current day and age, however, the Internet has become a part of everyday life, "moving between phone, computer and in person encounters" (Boase *et al*., 2006).

The increasing usage of Third Generation (3G) mobile phones has resulted in wireless internet usage becoming increasingly popular. Traditional internet functions in the personal computer format (i.e. on a desktop or laptop computer) such as web browsing are now available through a mobile device and users can thus easily access global information (Ozakazi, 2004)

2.3 A perspective of Online Social Networking

A social network is defined as a set of people, organizations or other social entities, connected by a set of socially meaningful relationships, such as friendship, co-working or information exchange, and interactions to better achieve desired outcomes, by sharing expertise, resources, and information (Lea, Yu and Maguluru, 2006).

A social network is a web based service that allows individuals to construct a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection and view and traverse their list of connections and those made by others within the system (Boyd and Ellison, 2007).

Social networks are places where social interactions happen. Social media is the technology that connects people and social media marketing is the way to use that technology to build relationships, drive repeat business and attract new customers

through friends sharing with friends (Jaffe, 2011). Social networking is about enabling conversations among your audience or market (Booth and Matic, 2011).

2.3.1 History of online social networking

Online social networking began in 1978 with the Bulletin Board System (BBS) (Arandilla, 2012; Walker, 2009). The BBS was hosted on personal computers. Users were required to dial in through the modem of the host computer and information was exchanged over phone lines with other users. This was the first system that allowed users to sign in and interact with each other. Later that year, the very first web browsers were distributed using Usenet, the earliest online bulletin board of the time (Arandilla, 2012). Usenet was created by Jim Ellis and Tom Truscott, where users posted news, articles and funny posts (Walker, 2009). In 1994, the first social networking site was created. The site was called Geocities and it allowed users to create and customise their own websites and group them into different "cities" based on the content (Butler, 2012). Geocities, however, did not have the concept of profiles. The first social networking site that satisfies Boyd and Ellison's definition of social networking was SixDegrees.com, which was launched in 1997. SixDegrees.com allowed users to create profiles, list their friends and, beginning in 1998, surf the Friends lists (Boyd & Ellison, 2007). SixDegrees.com was based on the 1929 theory of six degrees of separation by Frigyes Karinthy (Walker, 1999). The theory is that anyone on the planet can be connected to any other person through a chain of acquaintances that had no more than five intermediaries (Math, 2008).

Students at the University of Illinois developed Mosaic in 1993 (Price, 2012). Mosaic is the browser credited as making the World Wide Web available to the public. In 2000, social networking site Friendster was launched (Goble, 2012). As with SixDegrees.com, Friendster allowed users to create profiles. In 2002, MySpace was launched which replicated features of Friendster (Goble, 2012). By 2004, MySpace was the most popular social networking site (Price, 2012). In 2004, Facebook was created by Mark Zuckerberg as a medium for Harvard University students to interact. An unknown investor offered $10 million to purchase Facebook which the student Mark Zuckerberg refused. In 2006, Twitter was launched. By 2008, Facebook was ranked as the most used social networking

site and had twice the number of MySpace users (Schonfield, 2008). In 2011, MySpace was sold for $35 million and Twitter reached 33 billion tweets a day (Ehrlich, 2011). In 2012, Facebook was valued at between $48 billion and $100 billion (Ghosh, 2012).

2.3.2 Web 2.0

The term Web 2.0, refers to a "more social, collaborative, interactive and responsive" internet (Watson, 2008). It is a term that was first used by DiNucci (1999) when she stated "The Web we know now, which loads into a browser window in essentially static screens, is only an embryo of the Web to come. The Web will be understood not as screens of text and graphics but as a transport mechanism, the ether through which interactivity happens."

Web 2.0 is the second generation of internet technology and has given the general public the tools to become citizen journalists, to report news and to record and publish information (Jones, 2010). Through the growing popularity of social media, people are increasingly using the web as a platform to discuss, share and collaborate rather than simply research and read information (Sashi, 2012). Web 2.0 has changed the way in which small businesses manage and build customer and other stakeholder relationships. Small businesses can use the tools of social media to improve their reputation, strengthen their brand and pre-empt or respond to customer, supplier or other stakeholder feedback (Jahn and Kunz, 2012).

In the traditional World Wide Web, data was posted on Web sites, and users simply viewed or downloaded the content (OReilly, 2007). One of the most significant differences between Web 2.0 and the traditional World Wide Web (referred to as Web 1.0) is greater collaboration among Internet users and other users, content providers, and enterprises (Cormode & Krishnamurthy, 2008). Initially, 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 (Walker, 2009). Users are not only increasing their usage of the Internet in terms of the amount of time spent on it, but users are also changing the way they interact with it (Nations, 2008). This has resulted in a social web where users are not receiving data on a computer

screen, but are connecting with other users in the form of blogs, social networks and wikis (Li, 2007).

Web 2.0 presents a new set of opportunities and challenges for small businesses, entrepreneurs and marketers. Amongst other things, it means that entrepreneurs and small business owners are no longer reliant on the traditional routes of broadcast news, advertising and print media to manage their reputation, communicate, inform and market their offerings (Weiss, 2010). Entrepreneurs and small business owners can use Twitter, Facebook and other tools of social media to engage with the fast changing and demanding online communication environment (Jones, 2010).

There has been remarkable growth of the number of people participating in online social networks since the proliferation of Web 2.0 technologies (Li, 2011). The essential features of online social networks include but are not limited to:

- Blogging: users can upload materials (e.g. photos, diaries, etc.) which are organised chronologically and others can post their feedbacks;
- Grouping: users can join a group of people who have something in common (e.g. same college, company, or city)
- Networking: users can add or delete friends at any time and;
- Instant messaging: users can send instant messages to their friends (Taprial and Kanwar, 2012).

The Web 2.0 revolution has "changed our lives". Social Networking is bringing a broad new range of technology innovations to communications (Demailly, 2009). As a result of the changes in communication and innovation businesses will be more visible and accessible to their markets. Businesses can benefit from an online social presence by:

- Expanded reach
- Conversion of direct marketing and adverts from static to dynamic
- Faster launch and better new products
- Personalising contact with customers
- Finding new markets (Weiss, 2011)

The rate at which the Internet is being used for social media purposes continues to grow each year (Booth and Matic, 2011). Usage of social network and micro-blogging sites have increased and with this increase brand ownership is increasingly being shared among consumers and the brands themselves.

Business organisations should use new technologies to stay competitive, and social media is one more tool that may serve the marketing and communication needs of a company. Employees use social networking sites both in their professional and in their private lives (Weiss, 2011).

2.3.3 Present day usage of online social networking

In 2004, Harvard student Mark Zuckerberg created a web site that has evolved into a worldwide phenomenon. Facebook currently has over 750 million users, 70% of whom live outside of the United States (Dunay, Krueger and Elad, 2011). Fifty per cent of all users check their Facebook account at least once a day. The average internet user spends six hours every month on Facebook alone (Shepherd, 2011).

Facebook, however, is not the only online social networking site available. It is a web site that is categorised as a social network service. A social network service (SNS) "focuses on building online communities of people who share interests and/or activities, or who are interested in exploring the interests and activities of others" (Shin, 2010). Most social networking sites are internet based and allow for users to interact in a variety of ways including instant messaging, email, wall posts, status updates, photographs, video clips and voice-over-internet-protocol voice calls (Taprial & Kanwar, 2012). Social networking sites are being used regularly by millions of people, and it now seems that social networking will be an enduring part of everyday life (Dwyer, 2007).

Although used by over 750 million people worldwide, Facebook is not the only social networking site currently used. Table 1 describes four of the current commonly used social networking sites.

Table 1.1: Four current online social networking sites

Social Network	Web Address	Description
Facebook	http://www.facebook.com	Allows users to join networks organised by city, workplace, school, interests and religions. People can add friends, send instant messages, create events, post photographs and videos and post status updates.
Twitter	http://www.twitter.com	Twitter is a popular micro-blogging service that allows friends, family, and co-workers to communicate and stay connected through the exchange of short, quick answers using no more than 140 characters per message.
Google+	http://www.google.com	Google+ is a social network operated by Google Inc. It has integrations across Google products such as Buzz. A key element of Google+ is its focus on targeting subsets of social groups which it calls circles. Circles are small groups of people which users share information with.
LinkedIn	http://www.linkedin.com	LinkedIn is a business-oriented professional networking website for exchanging information, ideas, and opportunities.

There are several other social media sites such as YouTube, Pinterest and MySpace. Facebook, Twitter, LinkedIn and Google+ are the most popular social media sites internationally (eBIZMBA, 2012). With 750 million users the sheer volume of usage on Facebook makes it important for businesses to know what people are doing on Facebook (Jaffe, 2011). Close to half of Facebook's users are connecting with businesses and non-profit organisations and sharing the news, deals, and other content from those organisations (Burrus, 2010). Twitter is ranked as one of the 10 most visited websites and enables all types of people to share and consume information they find interesting (Jaffe, 2011). Twitter provides a

voice for businesses and is another quick and easy way to share messages and get feedback from customers and prospects in real time (Weiss, 2010). Because it is so easy for messages to spread quickly, Twitter can bring new audiences to the business that the business might not have been able to find through traditional marketing like television, newspapers, and radio (Burrus, 2010). LinkedIn is the most widely used social network for connecting people professionally (e.g., based on their business profile, not their personal life) and is a social media home base for lots of business to business (B2B) organisations (Shin, 2009). Shin further states that LinkedIn users create professional connections based on their interests and experience, often participating in group discussions and answering questions relating to their industry or areas of expertise. They also stay on top of and share relevant industry news. LinkedIn allows the creation of professional connections that can give businesses ideas and advice for running the business and helps spread the word about the value they are providing to your customers (Taprial & Kanwar, 2012).

In a recent survey (Lenhart, 2009) indicated that the percentage of adult Internet users who had an account with one of these social networking web sites had grown from 8 per cent in 2005 to 46 per cent in 2009.

The social web has proliferated with Facebook passing 750 million active users (Facebook, 2011). Individuals spend over 700 billion minutes per month on Facebook (Pitta, 2011). With its immense reach and frequency of user visits, Facebook presents an alternate to the standard web site. Beyond Facebook's size and ease of access, it has another advantage: social interactivity (Weiss, 2010). Ordinary web sites are also interactive but are limited to one user interacting with the web site. Facebook allows users to share their interactions with a company via shared posts to their friends, expanding the reach considerably (Facebook, 2011).

The modern day customer does not want to be talked to through advertising (Bockius, 2012). Customers look to their friends and family for recommendations on which businesses to use. What matters is not how businesses wish to interact with customers but rather how customers wish to interact with businesses. Bockius further states that social networking usage surpassed email usage in 2010 and that 40 trillion tweets can be expected in 2012. With over 500 million users,

businesses may feel the best approach to access this potential market is via advertising but users may be not interested in reading these adverts (Lea *et al*. 2006). Businesses need to understand customers and their need for engagement.

With billions of photographs, status updates and messages being exchanged every month on social networking sites as well as the amount of time users spend on these sites, businesses have also started using these sites in an attempt to reach out to their customers many of whom are users of social networking sites (Dunay, et al., 2011).

2.4   Business benefits of online social networking

The recent global recession has forced companies into using any and every possible means to ensure they survive economic storms (Bennet, 2009). Bennet further states that companies are employing various cost-saving measures such as cancellation of Christmas parties as well as company-wide bonus cuts. In addition to introducing cost saving methods, employers are expecting their employees to work harder, faster and longer. There has therefore never been a more critical time for radical and innovative approaches to business.

The worldwide explosion of social media usage is causing businesses to feel extreme pressure in engaging where their customers are paying attention. Today, this hub of customer activity is increasingly virtual, located inside a social media or social networking site (Baird and Parasnis, 2011).

The growth of new digital media in the first decade of the twenty-first century has seen a transformation of marketing communication, with 94 per cent of marketing executives responding to a 2010 survey indicating that they expect to spend more on social media over the following three years (Burton & Soboleva, 2011).

Facebook offers solutions for businesses and brands to interact with Facebook users by means of "business pages". Much like a Facebook profile, which is a page created by users for personal communication with friends; business pages allow users to become "fans" (Li, 2011). Through their business page, a business is able to communicate with its fans, sharing messages of latest products or service offerings, specials or just general communication. Fans are able to

communicate with the business, providing feedback on products and services, suggestions, queries, compliments and complaints.

Li further states that with its potential for personalised communication with individuals who have chosen to follow an organisation's Twitter feed, Twitter clearly increases the scope for interactive communication by organisations with their customers. It is unsurprising, therefore, that more organisations are developing Twitter accounts as an additional way of communicating with customers (Burton & Soboleva, 2011). Twitter can provide two types of interactivity: it allows both "interpersonal interactivity" (through exchange of messages between an organisation and individual, and by referencing others' messages) and also "machine interactivity", for example through the use of embedded hyperlinks, which allow a tweet receiver to access extra information by clicking on links embedded within tweets (Taprial & Kanwar, 2012).

Marketing teams spend "thousands of dollars" in research to understand their customers (Dahan, 2002). Many sites use analytics tools like Google Analytics or Omniture to track visitor data (Stay, 2011). These tools, however, rely on an internet protocol (IP) address to determine who is visiting. An IP address is a number that uniquely identifies each computer on the internet (Rooney, 2011). IP addresses are useful for tracking usage around the Web. However IP addresses don't equate to people or real personalities — they equate to computers.

Facebook provides its own analytics tool for any business, called Insights, which businesses can integrate into their web site to understand more about what specific demographics are visiting their web site (Stay, 2011). A "social plug-in" is a Facebook tool that businesses can place on their business websites. Figure 2.1 is an image of a website that contains the Facebook social plug-in.
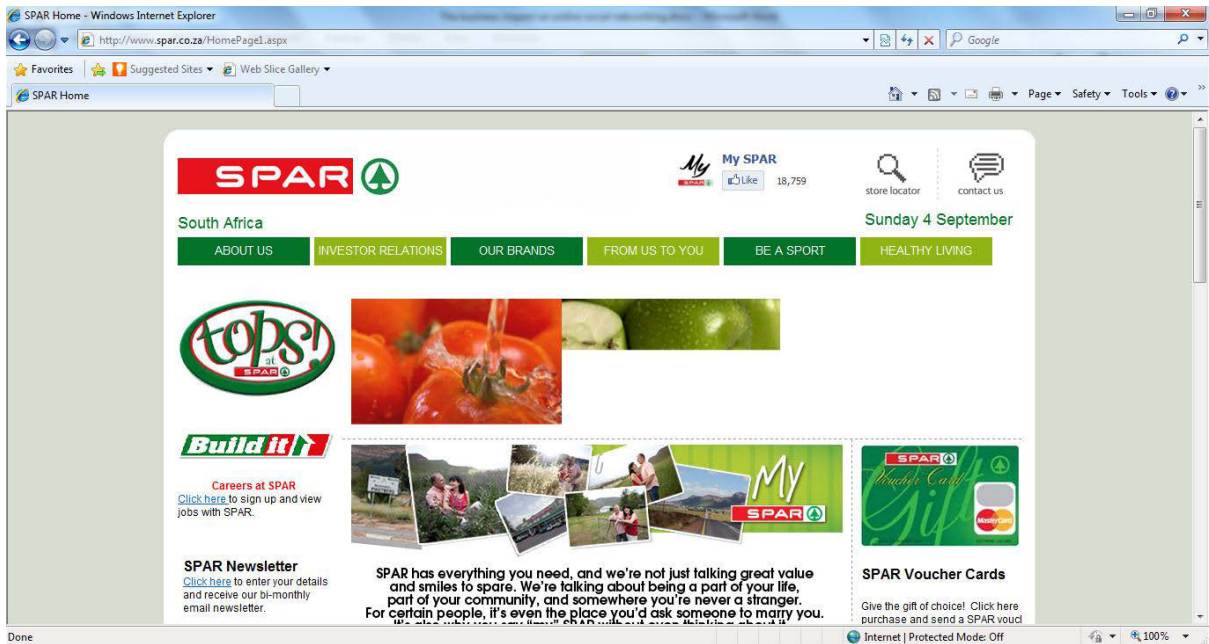
Figure 2.1: The Facebook social plugin

Source: www.spar.co.za

SortPrice.com was founded in 2004 and states that it is one of the fastest-growing shopping search engines on the web. It employs advanced technology, a simple interface and provides effective customer support (SortPrice.com). It has helped companies capitalize on the new trend in marketing: social commerce. SortPrice was the first to offer an application on Facebook for merchants and has built custom stores on Facebook fan pages for more than 1,500 national retailers. That makes SortPrice the largest e-commerce application developer on Facebook (Felipe, 2011).

A computer cookie is data generated by a Web server and stored in a text file on an end users computer (Oja and Parsons, 2010). When users browse Facebook, their profile information is stored in cookies. When a user clicks the "Like" button on a business website, the Facebook social plug-in determines user information from the cookies and passes this information to Facebook analytics. On clicking the "Like" button, if user information is not present in cookies, then the user is requested to login with his/her Facebook login details.

This information is more valuable than IP address tracking as Facebook analytics will present information to businesses concerning the age groups, race groups, country, gender, language and city (Stay, 2011). With this link to users Facebook

profiles, businesses will also be able drill down to determine what other "Likes" users have. For example, businesses will be able to determine which of their competitors users also "Like". Businesses will also be able to receive feedback from users.

The concept of tracking personal information about customers on Facebook is also a strategy a business on Twitter can adopt (Berry, 2010). However, social plug-ins for interaction with various social networking sites is being used by businesses. Figure 2.2 illustrates the social network interaction portion of a company website.
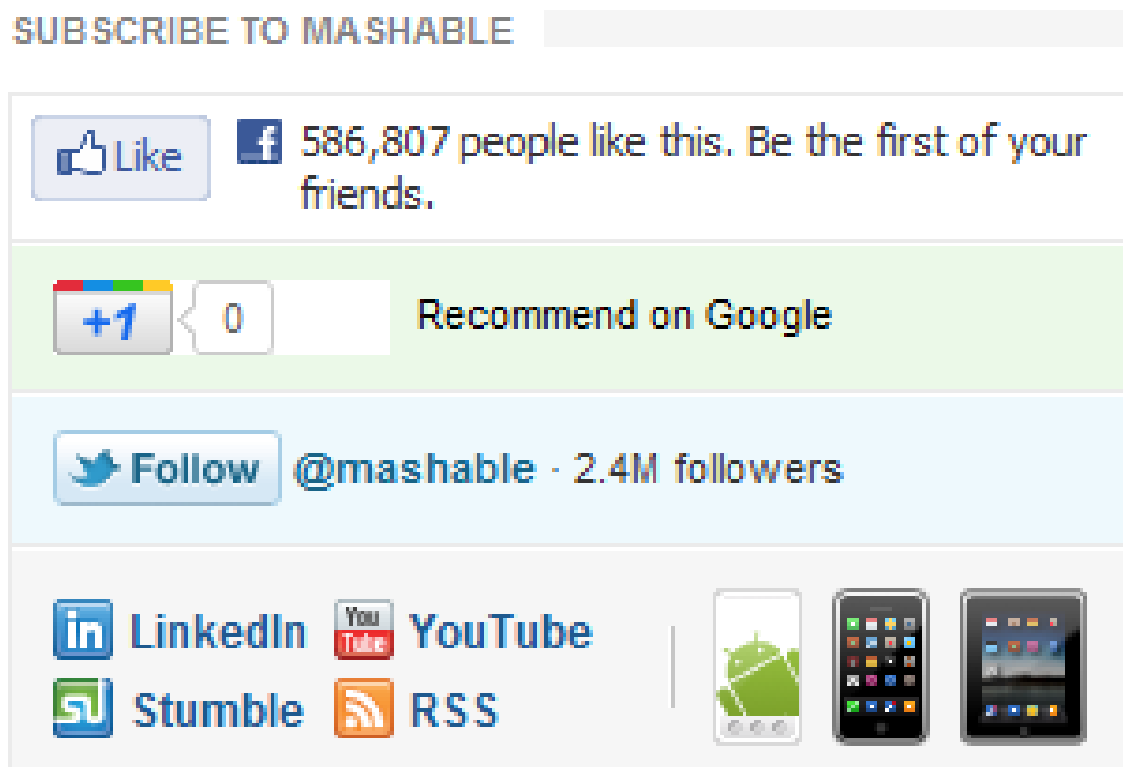
Figure 2.2: Social networking interaction portion
Source: www.mashable.com

The social network interaction portion provides options for interactions with Facebook, Google Plus, Twitter, LinkedIn, YouTube and Stumble social networking. Figure 2.2 also illustrates the power of social interaction with business in that over 500 thousand people have "Liked" this website using the Facebook social plugin and 2.4 million people are following this website using Twitter. Traditional marketing would not be able to establish this form of instant interaction with such a large customer base.

Fifty per cent (50%) of adult online social network users tell their friends about products advertised (Li, 2007). Even though that does not necessarily include the brand recognition development, it points to the fact that the advertisements in online social networks are noticed and interesting enough for users to share them with friends. Businesses use social plug-ins on their websites to indicate to the users which of their friends are fans of the business. Interest is generated in the business when users notice friends are fans of the business website. This approach is more effective and cheaper than traditional advertising. Figure 2.3 is an example of a social plug-in on a business website indicating friends who are fans of the business.

9,375 people like **Sortprice.com.**

Charlotte	Hasni	Gary	Ronald	Rick
Angela	Entirely	Mike	Cattissa	Claude
Jill	House	Kathleen	Nutcharin	Curtis

Facebook social plugin
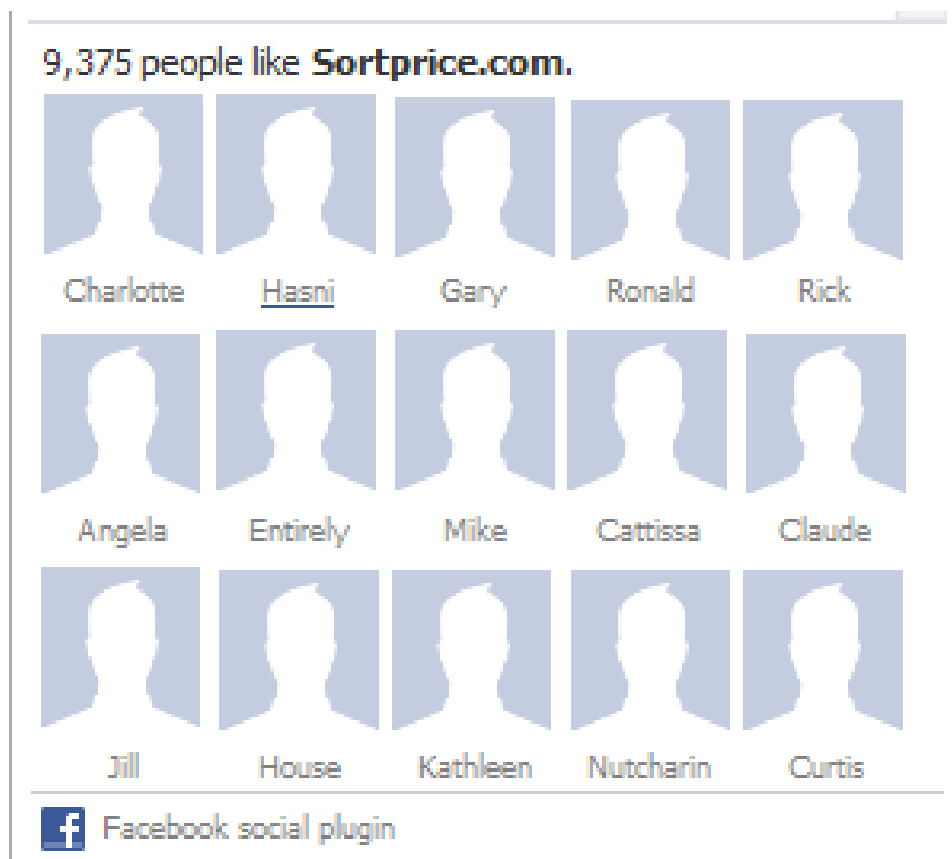
Figure 2.3: Social plug-in on a business website
Source: www.sortprice.com

The high costs every company faces in order to acquire new customers and increasingly high competition make it necessary for companies to achieve brand involvement and loyalty in order to establish long-term relationships with customers (Royo-Vela, 2010). In this regard the internet has provided a new

means of promoting communication among customers and businesses and establishing relationships between them. Businesses are beginning to create interactions with customers using social networking services.

Organisations can connect all their employees, customers or members with Facebook (Burrus, 2010). Several companies are using Twitter as a fast way to solve problems. Hotels, airlines, and airports are using it to promote services, travel updates, and respond to traveller's needs (Lea *et al.* 2006). Businesses are posting humorous commercial videos to generate interest in their products with great success. The more entertaining it is the more people watch it.

However, the IBM Institute for Business Value survey (2011) discovered that more than 50% of consumers do not consider engaging with businesses via social sites. For them, social media and social networking are about personal connections with friends and family. The survey found gaps between what "businesses think consumers care about and what consumers say they want from their social media interactions with companies." The survey further found that in exchange for their personal data, time and commendation "consumers expect something tangible."

The survey also found that nearly 80% of respondents have at least one account on a social networking site where they could quickly and easily connect with people. Companies have begun responding to this trend with nearly 70 per cent of executives saying their companies will be seen as "out of touch" if they don't engage with consumers online, and over half believed their competition is successfully reaching customers through social media (IBM Institute for Business Value survey, 2011). Table 2.1 shows the percentage of companies surveyed with a profile on a social site.

Table 2.1: Percentage of companies with a profile on a social site

Type of social media	Have a presence	Do not have a presence	Don't know
Social networking sites	79%	18%	3%
Media sharing sites	55%	37%	8%
Microblogging sites	52%	41%	7%
Wikis	48%	45%	7%
Blogging sites	45%	45%	10%
Social review sites	36%	52%	12%
Social bookmarking sites	31%	55%	14%

Source: IBM Institute for Business Value survey (2011)

Of 339 respondents to the question on social bookmarking, 31% had a presence on social bookmarking sites and 14% did not know whether people were bookmarking them or not. Bookmarking is saving the link to a website (Nations, 2012). However, instead of saving the link in ones' personal web browser, the link is saved to a social bookmarking site such as Delicious.com. As these bookmarks are online, users are easily able to share them with friends. This serves as a form of online "word of mouth" advertising. Social review sites are used by people to post their opinions and to discover or research a product or service (Quickstarter, 2009). Examples of social review sites include Yelp, CitySearch, and TripAdvisor. Of 338 respondents to the question on social review sites, 36% had a presence on a social review site and 12% did not know whether they were being reviewed on sites or not.

Blogs are mini web sites containing entries in reverse chronological order (Anklam, 2009). They are often updated daily or weekly and frequently take the form of a

personal diary, a specialist information resource or a political commentary (Thewall and Hasler, 2006). Of 345 respondents, 45% knew they were on being discussed on blogging websites and an equal number knew they were not being discussed on blogging websites. A wiki is a website that allows any user to add content, and also allows that content to be edited by any other user (Frumkin, 2005). Of 343 respondents to the question on wikis, 48% responded that they had a presence on wiki sites.

A micro-blog is a short activity status available to users of social networking sites (Anklam, 2009). Consumers and businesses are increasingly using micro-blogging to communicate with each other. Consumers are also increasingly using micro-blogging to communicate to their contacts, their positive and negative experiences with businesses. Of the 343 respondents to the question on micro-blogging, 52% were aware that they being discussed via micro-blogging.

Social media sites allow for interaction by means of videos or photos and commenting on user submissions (Shiri, 2008). Examples of social media sites include YouTube and Flickr. Of 347 respondents to the question on social media sites, 55% responded that they had a presence on social media sites. Of the 349 respondents to the question on social networking sites, 79% responded that they had a presence on social networking sites. Examples of social networking sites are Facebook and MySpace (Boyd and Ellison, 2007).

The results of the survey indicate that more companies have a presence on social networking sites (79%) and on social media sites (55%) than on social bookmarking (31%) and on social review sites (36%). Social networking and social media sites are the more common platforms businesses use to interact with consumers.

Table 2.2: Business misperception of reasons why consumers interact with companies

Reason	Consumer ranking	Business ranking
Discount	61%	60%
Purchase	55%	60%
Reviews and product rankings	53%	67%
General information	53%	71%
Exclusive information	52%	68%
Learn about new products	51%	73%
Submit opinion about current products	49%	69%
Customer service	37%	63%
Event participation	34%	61%
Feel connected	33%	64%
Submit new ideas for products	30%	63%
Be part of a community	22%	61%

Source: IBM Institute for Business Value survey (2011)

Table 2.2 shows the prioritised reasons consumers interacts with businesses via social media as compared to the reasons businesses think consumers are following them on social media.

The survey found a contrast between the reasons consumers interacted with businesses through social media and the reasons businesses felt consumers interacted with them. The survey found that ''getting discounts or coupons'' and ''purchasing products and services'' were the top two reasons consumers interacted with businesses via social media. When asked why they thought consumers were following their companies on social sites, businesses cited

getting discounts and purchasing products or services as the two activities customers were least interested in doing – the direct opposite of the consumers' actual practice.

The IBM Institute for Business Value survey was responded to by 1056 consumers in the United States, Canada, United Kingdom, France, Germany, India, China, Australia and Brazil (IBM Institute for Business Value survey, 2011). This survey did not have respondents from South Africa or any other African country.

2.5   Opportunities for South African businesses

Internationally the average Facebook user spends 55 minutes each day on Facebook, becomes a fan of two pages each month and clicks the "like" button nine times each month (Social Media Industry Statistics, 2011). Fans are 28% more likely to continue using a brand and 41% more likely to recommend a product to their friends. An active fan may participate with a brand thirty times and make ten recommendations in a year. On Facebook when someone "likes" a brand's Facebook page, purchase intent increase four times versus a regular Facebook advert, and there is a 24% increase in the number of users engaging with a Facebook ad campaign due to the social adverts (comScore, 2011).

Social Media Industry Statistics (2011) further states that a Facebook friend referral makes two-thirds of United States Facebook users more likely to purchase a product or visit a retailer. LinkedIn InMail is thirty 30 times more likely to produce a result than a cold call. Seventy-four per cent (74%) of employed Americans surveyed believe it is easy to damage a brand's reputation via sites such as Facebook, Twitter and LinkedIn (Social Media Industry Statistics, 2011).

Fifty per cent (50%) of Facebook's 500 million active users log on to Facebook in any given day and each user averages 130 friends (Pitta, 2011). Baird and Parasnis (2011) added that 70% of Facebook's 500 million active users were outside the United States. More than 10 billion messages, or Tweets, had been sent through Twitter since its launch in 2006 to March 2010 (Beaumont, 2010). By July 2010, that number had doubled to 20 billion. In the Asia-Pacific region, 50 per cent of the total online population visited a social networking site in February 2010, reaching a total of 240.3 million visitors (Baird and Parasnis, 2011).

South Africa has 4.8 million Facebook users and 1.5 million LinkedIn users (SocialBakers.com, 2012). As of February 2011, South Africa had 88 000 Twitter users (Fairweather, 2011). The number of Twitter users in South Africa increased 20-fold in a year to 1.1 million by mid-2011 (World Wide Worx, 2011).

Fifty-two per cent (52%) of social network users in the United States of America were female (Incite, 2011). The findings of the study further revealed that 22% of social network users in the United States of America were aged between 18 and 34, a further 22% were aged between 35 and 49 and 21% were aged between 50 and 64. Nineteen per cent (19%) of users were 65 years of age and older and 20% of users were aged between 50 and 64.

Table 2.3 shows the usage of online social networking by age group in South Africa.

Table 2.3: User age distribution of social network users in South Africa

Age group	Percentage of users
18 – 24	31%
25 – 34	31%
35 – 44	14%
45 – 54	8%
65 – 0	5%
16 – 17	5%
55 – 64	4%
13 - 15	3%

Source: Socialbakers.com

The majority (31%) of social network users in South Africa were aged between 18 and 24 and a further 31% were aged between the ages of 25 and 34 (SocialBakers.com, 2012). Therefore, 62% of social network users in South Africa are between the ages of 18-34 as compared to 22% in the United States of

America. Comparatively, 5% of South Africa users were older than 65 as compared to 19% in the United States of America. Fifty-two per cent (52%) of social network users in the United States of America are female (Incite, 2011). In South Africa, 51% of social network users are female (SocialBakers.com, 2012).

The two studies show a correlation between the usage patterns of social network sites by gender in that females were the marginal majority users of social network sites in South Africa as well as in the United States of America. However, the two studies show dissimilarity between the usage patterns of social network sites by age group in that the majority of users in South Africa were aged 18 to 34 whereas in the United States of America, the majority of users are more evenly split among the different age groups.

The reviewed literature shows that statistics on usage of social networking sites both internationally and in South Africa are readily available. Social networking usage statistics on the SocialBakers website is updated weekly (SocialBakers.com). Statistics on the usage patterns of social networking sites for interaction with businesses is maintained on American social networking users. This allows American businesses to understand American consumers and allows these businesses to engage with consumers in ways that will be most beneficial. The statistics show that it is beneficial for American businesses to maintain a social media presence. Users of the American website vitaminwater.com are directed to the company Facebook page (Pitta, 2011). The corporate web site is accessed through a secondary site.

According to a study by World Wide Worx "South Africans have embraced social media as a core pillar of Internet activity in this country". Mxit and Facebook have the highest number of users while Twitter and Blackberry have the highest growth. The study does not reveal the usage habits of South African social media users in interacting with businesses nor does it provide any insights into benefits businesses may gain from having a social media presence.

The reviewed literature contains limited statistics and information on how South African users of social networking sites interact with South African businesses. It therefore cannot be ascertained whether having a social media presence will be of any benefit to South African businesses or not. Furthermore the literature shows

dissimilarity among the age groups of social network users in South Africa as compared to the United States of America. A South African study will reveal the usage patterns of social network users among the different age groups as well as the reasons South African consumers use social networks to interact with businesses. The study also provided insight into the types of social sites businesses are being discussed on and the volume of those discussions. Statistics on South African usage of social sites have not indicated the volumes of usage on the different types of social sites. The findings of the IBM Institute for Business Value survey (2011) revealed marked differences between the reasons consumers in United States, Canada, United Kingdom, France, Germany, India, China, Australia and Brazil interacted with businesses and the reasons businesses in those countries felt consumers were using social networks to interact with them.

2.6   Summary

Despite research being conducted into the international usage of social networking sites with relevance to business impact, very little research has been conducted regarding the South African usage of social networking sites especially its relevance and business impact. The findings of research into South African usage of social networking sites indicate the general usage of these sites but do not provide information around the impact social networking has on South African businesses. The literature that has been reviewed as part of this study generally points to the business impact of online social networking in an international context. Further study is required to examine the extent businesses can benefit from social networking usage in South Africa. A South African based study will present statistics on the business impact of social networking usage as presented in an international context in this review. Further, this study will present findings on the usage habits of South African social networking users and how businesses can use those habits to their benefit. The findings of the study will inform business strategies for South African businesses. The next chapter will discuss the research methodology to be followed for this study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research can be defined as a "scientific and systematic search for pertinent information on a specific topic" (Kothari, 2008). Sekaran and Bougie (2009) define business research as "an organised systematic, data-based, critical, objective, scientific inquiry or investigation into a specific problem, undertaken with the purpose of finding answers or solutions to it." This chapter discusses the research methodology and philosophy that supported this study. It also identifies the aim of the research as well as the research design which includes the purpose of the study, type of investigation, study setting, and the unit of analysis. The sampling method and data collection procedure are also described in this chapter.

3.2 Aim of the study

The popularity of social networking continues to grow connecting people with just about everything they buy and watch. According to Incite (2011), the amount of time consumers spend on social networking continues to grow and is becoming most visible on purchase decisions. The usage of Twitter, Facebook, LinkedIn and Google+ by consumers for business purposes is expected to increase 10%-30% internationally (SocialWare Insights, 2010). The aim of this study was to determine how South Africans use social media to interact with businesses.

3.2.1 Objectives

The objectives of this study were to:

- Determine which social media sites are most popular with South Africans for business interaction.
- Determine reasons for choice of social media to interact with businesses.
- Determine if South African consumers are influenced by advertisements on social media sites;
- Identify the type of industries South African consumers interact with on social media sites;

- Determine if South African consumers use social media sites to provide negative feedback regarding a product or service.
- Provide recommendations to businesses on how best to use social media to interact with South African consumers.

3.3 Sampling

According to Sekaran and Bougie (2009), sampling is the process of selecting items from the population so that the sample characteristics can be generalised to the population. There are two general sample types, namely non-probability and probability sampling. According to Cohen, Lawrence and Morrison (2007), in a probability sample the chances of the members of the population being selected are known, whereas in a non-probability sample the chances of the members of the population being selected for the sample are unknown. According to Sekaran and Bougie (2009), in non-probability sampling, the elements of a population do not have any probabilities attached to their being chosen as sample subjects According to Trochim (2006), non-probability sampling does not involve random selection of elements. In probability sampling, every member of the wider population has an equal chance of being included in the sample whereas in non-probability sampling some members of the wider population will definitely be excluded and others definitely included (Cohen *et al*. 2007).

According to Maxfield and Babbie (2011), Pearson (2004) and Babbie (2010), there are four types of non-probability sampling viz. purposive sampling, quota sampling, availability or convenience sampling and snowball sampling. In snowball sampling participants, with whom contact has already been made, will use their social contacts to refer the researcher to others who could potentially participate in the study (Trochim, 2006). According to Babbie (2010) snowball sampling is conducted where each person interviewed may be asked to suggest additional people for interviewing. According to Kumar (2010) snowball sampling is the process of choosing a sample based on networks. Kumar (2010) further stated that when conducting a quantitative study, only non-probability sampling techniques can be used. For this study, the snowball sampling technique was used.

3.3.1 The Research population and sample

For the purpose of this study, the research was specific to South African social media users of Facebook, Twitter, LinkedIn and Google + who resided in Johannesburg, Durban and Cape Town. To ensure that only social media users participated in this study, social media platforms were used to request participation.

According to Kumar (2010) in research, sampling is the process of selecting a few from a larger group. A sample is the subgroup of the population one is interested in. Selecting a sample has the advantages of saving time as well as financial and human resources but has the disadvantage of making inferences about the population. The sampling framework used for this study was created by requesting South African social network users on Facebook, Twitter, LinkedIn and Google + to participate in the study as well as for them to refer their social media contacts to the researcher. Thus, in meeting the objectives of this study, a non-probability sampling design approach with a snowball sampling technique was adopted. A total of 136 participants started and completed the survey. According to World Wide Worx (2012), there were 5 300 000 South Africans using social media in 2012. According to Creative Research Systems (2012), a sample size of 384 should be used for a population of 5 300 000 at a confidence level of 95% and a 5% margin of error. However, according to Creative Research Systems (2012), a sample size of 96 could be used for a population of 5 300 000 at a confidence level of 95% and a 10% margin of error, therefore the results of this study are representative of the South African Internet user population.

3.4 Research Methods

3.4.1 Quantitative and qualitative research methods

The two main types of research methods are quantitative and qualitative. According to Johnson and Christensen (2008) quantitative research is a formal, objective approach to solving a problem whereas qualitative research is the informal, subjective approach to solving a problem. According to Mora (2010) and Explorable.com (2009) qualitative research is exploratory in nature and is used to delve deeper into issues of interest. Common methods for data collection include

in-depth interviews, observations and focus groups. Quantitative research on the other hand is conclusive in its purpose and attempts to quantify the problem by classifying features and constructing statistical models and figures (McNabb, 2010). McNabb further states that common methods for data collection include surveys (online, paper, phone), purchase transactions and audits. Table 3.1 shows the differences between quantitative and qualitative research.

Table 3.1: Differences between qualitative and quantitative research

	Qualitative Research	Quantitative Research
Objective	To understand primary reasons and motivations. To understand the background of a problem, generate ideas and/or hypotheses for future quantitative research. To understand predominant trends in thought and opinion.	To quantify data and infer results from a sample to the population of interest. To quantify the various views and opinions in a chosen sample. Sometimes followed by qualitative research which is used to further study some findings.
Sample	Usually a small number of non-representative respondents. Respondents selected to meet a given quota.	Usually a large number of randomly selected respondents representing the population of interest.
Data Collection	In-depth interviews, observations and focus groups.	Online, phone and paper surveys, purchase transactions and audits.
Data analysis	Non-statistical.	Statistical data. Findings are conclusive and usually descriptive in nature.

Outcome	Exploratory in nature. Findings are inconclusive.	Used to recommend a final course of action.

Source: www.snapsurveys.com

3.4.2 Quantitative research method

The research method employed for this study was the online questionnaire based on quantitative research. According to Gatton and Jones (2010), there are several disadvantages to using questionnaires to gather data for research and these include potential problems with respondents understanding complex questions, potentially low response rates and no opportunity to probe. However, McNabb (2010) states that questionnaires have several advantages and these include flexibility, potential reduction in bias, economical, less time consuming, anonymity, broad reach and structured data. Questionnaires are the most popular way to gather data as it has been estimated that questionnaires are used in 85 per cent or more of all quantitative research methods (McNabb, 2010).

Social media sites offer ease-of-use functionality for responses to questionnaires to be requested. This correlates with McNabb's view of questionnaires having broad reach. As social media is online, an online questionnaire would appeal to social media users. Online questionnaires circulated on social media sites was an economical approach to adopt as it was less time consuming to administer and had a broad reach which coincided with the platform on which this study was based.

Quantitative research allows for the researcher to project findings onto a larger population by gathering numerical evidence from a sample of the population (Explorable.com, 2009).

3.5 The chosen research method

3.5.1 The questionnaire

The questionnaire is presented as appendix 1. The sections of the questionnaire were designed as follows:

Section one: Questions 1 to 4:

- Demographic data on gender, race, highest qualification and city of residence.

Section two: Questions 5 to 7:

- Time spent online, means of accessing and main activities conducted on social media sites.

Section three: Questions 8 to 13:

- The following of brands on social media sites

Section four: Questions 14 to 17:

- Recommendations on social media sites

Section five: Questions 18 to 21:

- Advertisements on social media sites

Section six: Question 22 to 25:

- Using social media for providing negative feedback.

According to Kumar (2010) a disadvantage of using questionnaires is that there is no opportunity for the respondent to consult the researcher to clarify issues or ambiguity. To mitigate this risk, the questionnaire was designed to be user friendly using simple language for the respondents to understand.

The questionnaire included a cover page with an introduction, a description of the study, an explanation of the purpose of the study, and contact details of the researcher and the researchers' supervisor. The cover page also included an assurance of confidentiality of responses and an area for the respondent to

indicate his/her acceptance of the conditions of the study. The cover page also informed the participant that he/she could withdraw from the study at any time.

The questionnaire consisted of 8 pages with a total of 25 questions designed specifically to obtain information relevant to the objectives of this study. Logic was applied to the design of the questionnaire such that questions were presented to the respondent based on his/her responses to previous questions. The questionnaire design consisted of a variety of question types with the intention of making the questionnaire simple and quick for the respondent to complete. The questionnaire consisted of twelve closed format questions in the form of multiple-choice questions, one importance-type question, two 4-point likert scale questions, nine dichotomous questions and one matrix table question. Respondents were not presented with open-ended questions. Other than the single importance question, respondents answered the questions by placing ticks in the checkboxes associated with the questions. A three week allowance from 18 September 2012 to 03 October 2012 was made for respondents to complete the questionnaire.

3.5.2 Administration of the questionnaire

The questionnaire was setup within an online survey system which was used to collect data for later analysis. The survey was conducted by using QuestionPro – an online survey research tool. Usage of this software was by means of a university site license belonging to the University of KwaZulu-Natal. The researcher posted the survey link on his Facebook, Twitter, LinkedIn and Google+ pages. In adopting the snowball sampling technique, respondents requested their social contacts to respond to the survey by sharing the survey. The respondents accessed the questionnaire by clicking the link that appeared with the survey request on their Facebook, Twitter, LinkedIn and/or Google+ pages. The responses were confidentially recorded within QuestionPro and this information was then downloaded into the SPSS software package for further data analysis.

3.5.3 Ethical Consideration

According to Trochim (2006), there are a number of key terms that contemporary research must consider. These terms include:

- Voluntary participation. People must not be coerced into participating in a study

- Informed consent. People must be fully informed about the procedures and risks of participating in the study

- Confidentiality. People must be assured that identifying information will not be released to those not involved in the study.

- Anonymity. Participants to the study must remain anonymous even to the researcher.

In taking into account ethical considerations, ethical clearance was obtained from the Graduate School of Business and Leadership at the University of KwaZulu-Natal (Appendix 2). In satisfying the requirements of the ethical clearance:

- Respondents were presented with a covering letter introducing the study and explaining its purpose

- Respondents were informed via the covering letter that participation in the study was voluntary and that they could exit the survey at any time

- Respondents accepted, by means of ticking an "I agree" checkbox that they agree to the terms of the study as outlined on the cover page

3.6 Limitations of the questionnaire

The QuestionPro survey link was shared on Facebook, Twitter, LinkedIn and Google+ among the researchers' social media contacts. In adopting the snowball sampling technique, respondents shared this survey link with their social media contacts. A limitation was that, depending on each user's privacy settings on social media sites, the sharing of the survey link may not have been visible to the user with whom the link was being shared. A further limitation was that respondents using mobile devices reported that answering the questionnaire on certain mobile devices was problematic as the options to the multiple choice questions were not clearly visible.

To avoid the pitfalls of ambiguity or questions that were difficult to follow the questionnaire was separately tested by two software testers, trained in analysing

user requirements for ambiguity, before the survey was published. Feedback from these two software testers was used to simplify flagged questions. The researcher performed a pilot test by asking 4 of his social media contacts to complete the questionnaire and provide feedback. Their feedback was used to simplify or reword questions of concern before the questionnaire was published.

3.7 Non response measures

Non-response is the occurrence when the required information is not obtained from the people selected in the sample (Bethlehem, 2009). The first step in securing participation is making contact. In mitigating the risk of non-response, the researcher ensured contact was made with the target sample by sharing the survey link on Facebook, Twitter, LinkedIn and Google+ and following this up with a reminder via status updates. The questionnaire was open over a two week period and a reminder was posted on the researcher's Facebook, Twitter, LinkedIn and Google+ pages at the start of the second week. As the snowball sampling technique was adopted, the initial set of participants contacted by the researcher was the researcher's social media contacts. According to Kumar (2010), a disadvantage of using questionnaires as a means of gathering data for research is that the respondent does not have an opportunity to consult the researcher with regard to ambiguity or queries on questions. There is a risk that respondents may exit the questionnaire if they encounter a question which is ambiguous or which is not understood. In conducting this study it was found that using social media to distribute the questionnaire reduced this risk as respondents knew the researcher and contacted him either via email or social media to query questions they misunderstood. Although the questionnaire was tested before being published, 5 respondents misunderstood Question 7 and contacted the researcher for clarification. Two of the five respondents were not direct social contacts of the researcher and were reached via snowballing. These respondents were able to contact the researcher on the social media site they were using.

3.8 Analysis of data

In answering the research questions and satisfying the objectives of the research, analysis of the data obtained from the questionnaires is required to bring meaning to the data. Data analysis was conducted using the Statistical Package for the

Social Science (SPSS) Version 21. The researcher chose to use this tool as the tool and licensing for its use was made available by the University of Kwazulu-Natal. Data was presented in the form of bar graphs, pie charts and tables to allow for visual presentation and easier consumption of data.

3.9 Summary

Chapter three discussed the research methodology adopted for this study. The objectives of the study, the population and the sampling techniques used were also discussed. The online questionnaire was the research mechanism used and the design, testing, distribution and administration of the questionnaire were discussed in addition to its limitations and techniques to deal with non-response measures. By following an appropriate research methodology, the gathering and analysis of data was conducted with confidence and will allow the researcher to make clear recommendations. The next chapter presents the results.

CHAPTER FOUR

PRESENTATION AND DISCUSSION OF RESULTS

4.1   Introduction

This chapter provides the presentation and discussion of the results obtained from the survey. The primary objective of this study was to determine which features of Facebook, Twitter, LinkedIn and Google+ were the most used by social networkers to interact with businesses. For data to be of any value, it must be presented in a form that is easy to read and understand. The results are presented in the form of tables, graphs and narratives so that the results can be clearly read and understood

4.2 Survey instrument and data collection.

The survey link was published on Facebook, Twitter, LinkedIn and Google+. The final report from QuestionPro shows that the questionnaire was viewed by 204 people, 136 people started and completed the questionnaire. The average time taken to complete the survey was 7 minutes. According to Creative Research Systems (2012), the acceptable sample size for a population of 5 300 000 is 96 at a 95% confidence level and a 5% margin of error for the results to be generalisable to the population.

4.3 Demographics of the sample

The demographics of the sample such as gender, race, highest qualification and city of residence have been included as the responses would have been influenced by these characteristics (Table 4.1). Demographic information was sought to establish whether the factors influenced the manner in which social media is used to interact with businesses.

Table 4.1: Demographic characteristics of the sample

Demographic characteristic	Percentage
Gender	
Male	68%
Female	32%
Race	
Black	8%
Coloured	1%
Indian	69%
White	22%
Level of Education	
Matriculation	10%
National Diploma	36%
Bachelor's Degree	47%
Honour's Degree / Post Graduate Diploma	6%
Master's Degree	1%
City of Residence	
Cape Town	1%
Durban	80%
Johannesburg	19%

The demographics of the sample was influenced by the strategy of employing the snowball sampling technique by using the researchers own social media contacts as an entry point to accessing other South African users of social media sites. The sample consisted of 68% males and 32% females. The majority of respondents were Indian (69%) followed by Whites (22%) and Blacks (8%) with a very small percentage of Coloured respondents (1%).

The results show that the majority of respondents held Bachelor's Degrees and these represented 46% of the total respondents. Respondents holding Master's Degrees represented 1% of the total respondents whilst none of the respondents held Doctorate Degrees. The majority of respondents (80%) resided in Durban, followed by 19% who resided in Johannesburg. Respondents residing in Cape Town represented only 1% of respondents. The researcher is an Indian male who resides in Durban. Therefore, these demographics are reflective of the researchers' social circles on Facebook, Twitter, LinkedIn and Google+ and are thus not representative of the general South African online population. This study cannot make claims of being proportionally accurate in relation to the demographics of the South African online community as this is not the intention. The survey was a self-administered survey and as such there was no control over the respondents to ensure that equal representation of gender, race and city of residence participated in the survey. The majority of the demographics of the sample represent the predominant profile of the researcher's social media contacts which has its own bias in terms of race, gender and city of residence. Whilst the study was not intended to be biased, non-probability purposive sampling is inherently biased.

4.4 Social Media Usage

According to Incite (2011), the influence of social media and those using it continues to grow. It is important to understand the amount of time users spend on social media as well as the tools they use to access social media. Understanding the amount of time users spend on social media as well as how user's access social media will provide insight into how companies should focus their social media activities.

4.4.1 Time spent on social media sites

Figure 4.1 illustrates the amount of time respondents spent on social media sites. The majority of respondents (63%) spent between 1-30 minutes a day browsing Facebook, followed by 57% who indicated that they spent between 1-30 minutes a day browsing LinkedIn.

Figure 4.5: Time spent on social media sites
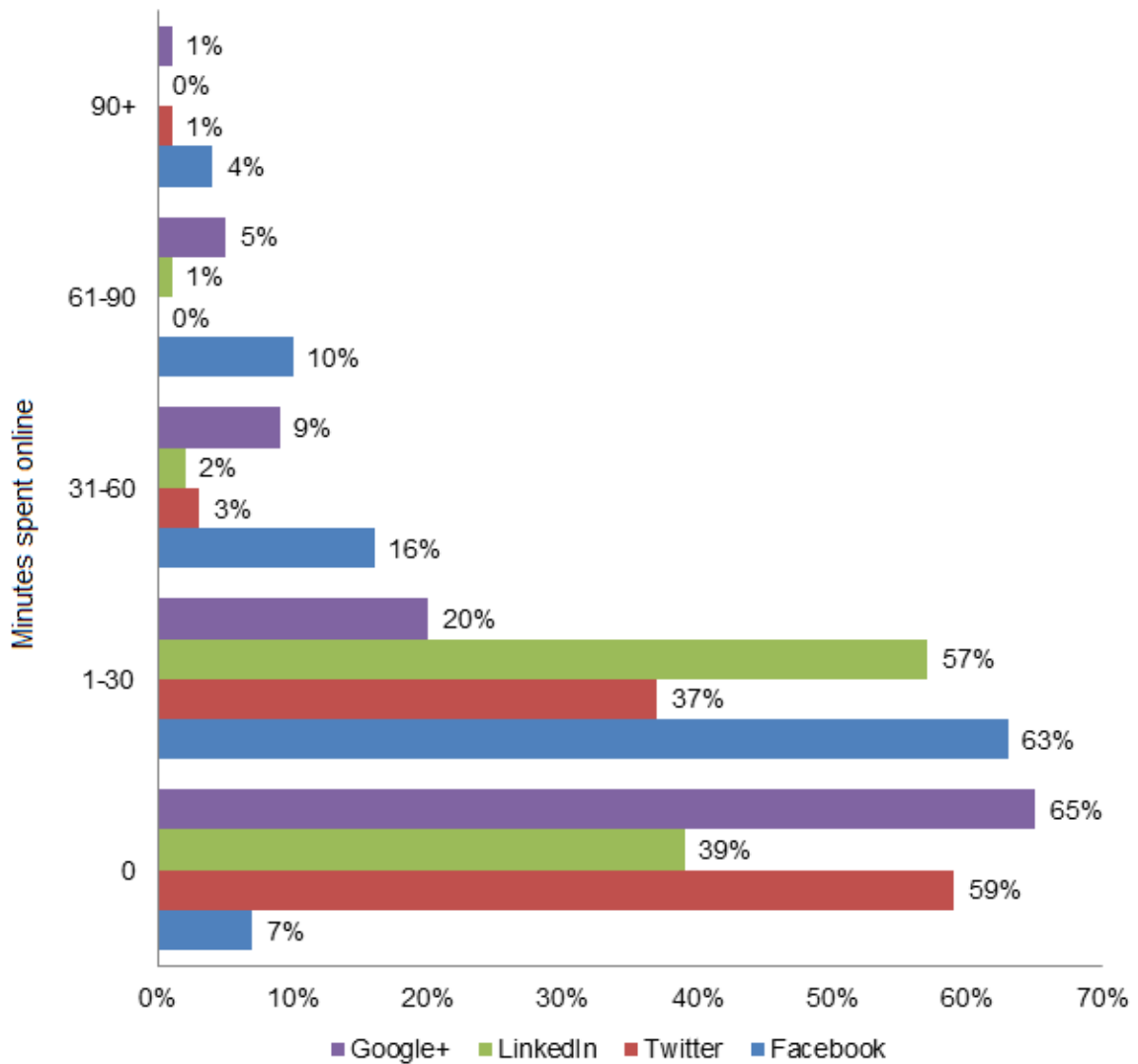
It is evident that the most popular social media site was Facebook followed by LinkedIn and Twitter. Google+ was the least favourite social media site among respondents. The majority of respondents indicated that they spent between 1-30 minutes a day on social media sites. These findings correlate with a study by comScore Inc. (2012) that found that the average international Facebook user

spent 14 minutes a day on Facebook. As with the results of this study, the comScore Inc. study also found that Google+ was the least preferred social media site with international users spending 3 minutes per month on Google+ as compared to 7 hours per month on Facebook. According to Messieh (2012), Google has been actively promoting its Google+ site by driving traffic from its search engine towards its social media site. According to McGee (2012), Google recently changed its user account creation process such that all new accounts have Google+ accounts by default. Internationally, Google+ has 90 million users, which is 10% of Facebook's active user base. However, Angotti (2012) stated that Google+ did not have the same degree of engagement among its users as compared to Facebook and Twitter. Without active engagement, it will not be as attractive to advertisers. Messiah (2012) further stated that Google+ had "arrived too late" and that despite its initial growth rate, having a large number of users create accounts does not amount to much if those users do not return.

A study by Incite (2011) found that Americans spent more time on Facebook than other social media site. The respondents to this study also indicated that they spent more time on Facebook than other social media site with 63% of respondents indicating they spent between 1-30 minutes a day on the site. Just 7% of respondents indicated that they did not use Facebook as compared to 65% who indicated they did not use Google+. Unlike the study by Incite (2011), however, which found that Twitter was the next most popular social media site followed by LinkedIn, the respondents to this study indicated that they spent more time on LinkedIn than on Twitter. Fifty-seven per cent (57%) of users indicated they spent between 1-30 minutes a day on LinkedIn as opposed to 37% who indicated they spent between 1-30 minutes a day on Twitter. Fifty-nine per cent (59%) of respondents indicated they did not use Twitter as compared to 39% who indicated they did not use LinkedIn.

4.4.2 Interaction with businesses

Figure 4.6 illustrates the percentage of respondents who interacted with businesses on social media. The majority of respondents (76%) indicated that they had interacted with businesses.
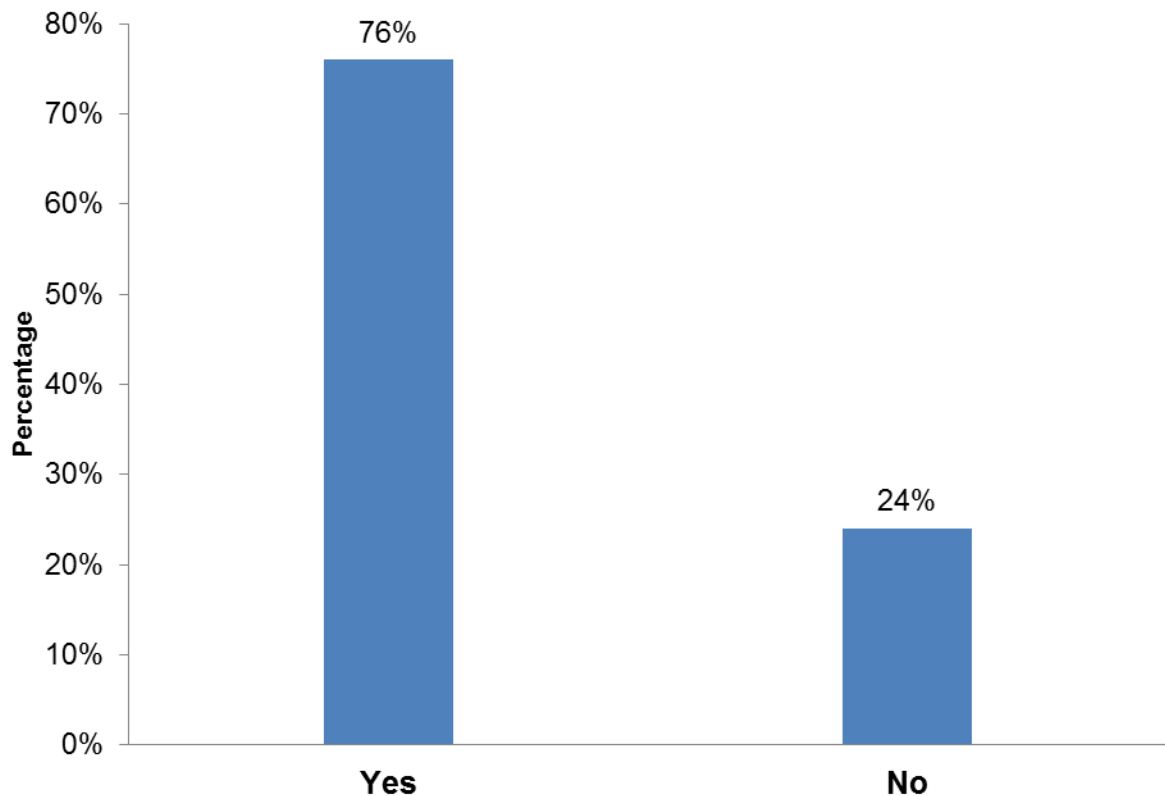
Figure 4.6: Interaction with businesses

According to Bennet (2009) the original intention of social networking was to build online communities of people who shared interests and were interested in the interests of others. According to Sashi (2010) the interactive nature of social media with its ability to establish conversations has resulted in its use being expanded to establish conversations among individuals and firms in communities of sellers and buyers. It is evident that, as the minority of respondents (24%) indicated they have not interacted with businesses, social media usage has expanded to include business interaction.

4.4.3 Devices used to access social media

Figure 4.7 illustrates the devices used by respondents to access social media sites. The majority of respondents indicated that they used mobile phones (45%) and personal computers (44%) to access their social media sites. According to Goldstuck (2011), the number of tablet computers in use is growing in South Africa with 160 000 tablet computers sold at the end of 2011. Despite the growing

popularity of tablet computers, only 10% of respondents indicated that they used tablet computers to access their social media sites. Less than 1% of respondents indicated that they used internet enabled television sets. Less than 1% of respondents also indicated that they used electronic-readers to access social media sites. No respondents used gaming consoles to access social media sites.
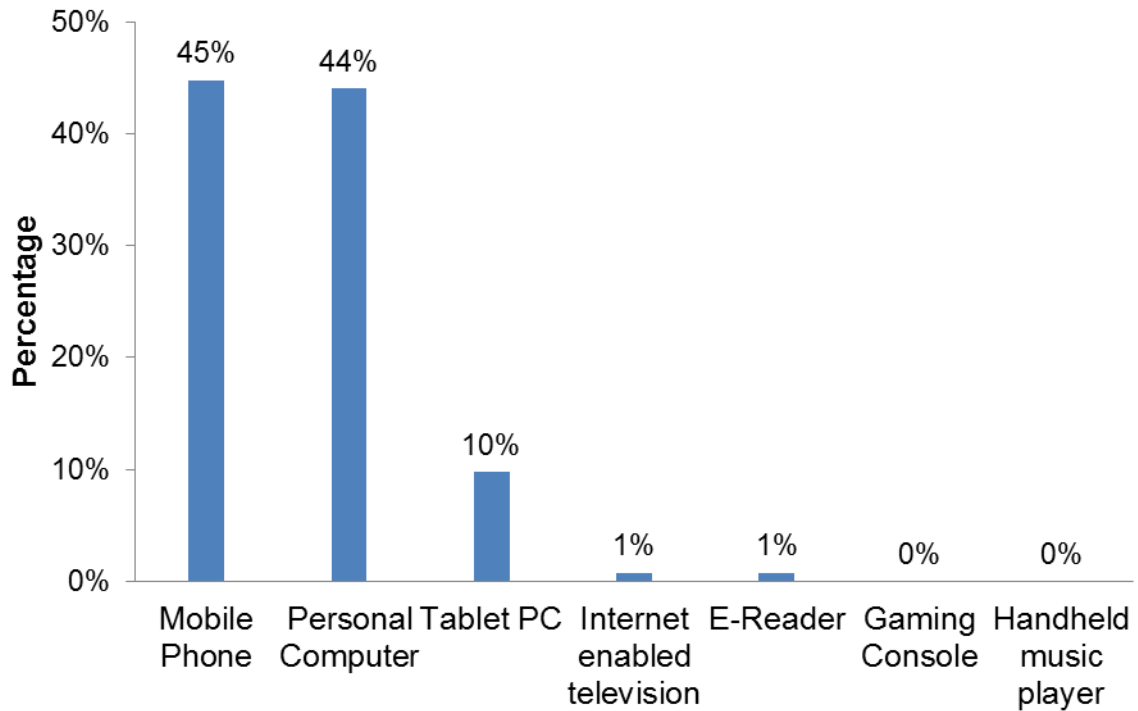
Figure 4.7: Devices used to access social media

Mobile phones were the most popular means of accessing social media sites. As of September 2012, there were over 1.3 million applications available for smartphones (Oliver, 2012). Of these, 675 000 were for Android devices and 700 000 were for Apple devices. The study also found that there were over 25 billion downloads of applications for smartphones. According to Incite (2011) 60% of mobile phone users who downloaded applications made use of applications for social media. This indicates the popularity of mobile phones for social media usage.

4.5 Results obtained for objectives

This section describes the results obtained from the survey in order to satisfy the objectives of the study. This section has been further broken down to address each objective of the study.

4.5.1 Objective One: Determine which social media site is most popular with South Africans for business interaction.

As reported in section 4.4.2, the results show that 76% of respondents interacted with businesses via social media and the remaining 24% did not interact with businesses. Figure 4.8 illustrates which social media sites respondents used to interact with businesses.
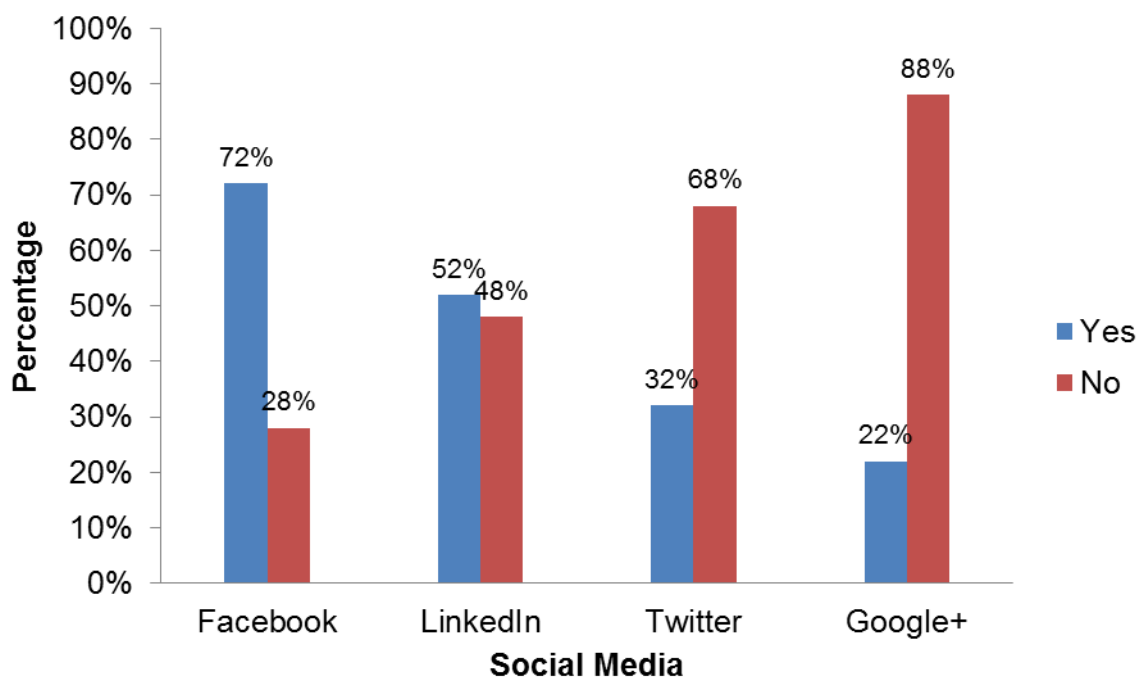

Figure 4.8: Social media usage for business interaction

The results show that 72% of Facebook users interacted with businesses whilst 52% of LinkedIn users interacted with businesses. The majority of Twitter users (68%) and Google+ users (88%) did not interact with businesses.

It is evident from this analysis that Facebook was the most popular social media site for interacting with businesses as 72% of respondents who indicated they used Facebook interacted with businesses. LinkedIn was the second most popular choice for social media users to interact with businesses with 52% of respondents indicating so. Twitter was the third most popular choice for social media users with 32% of Twitter users indicating they interacted with businesses. Google+ was the least popular among social media users as only 22% of respondents used it to interact with businesses.

The popularity of social media sites for business interaction among respondents relates to the general usage of social media. Facebook was the most popular social media site among respondents and was also the site that is used the most for business interaction. There is a substantial difference between the percentages of respondents who used Facebook to interact with business (72%) as compared to respondents who used the next most popular social media site, LinkedIn (52%).

According to Sawers (2011), Google+ reached 10 million international users after 16 days of operation. Facebook and Twitter took 852 days and 780 days respectively to achieve the 10 million user milestone. Despite the faster growth of Google+ and Twitter over Facebook, Facebook remains the most preferred site among respondents both for social usage and business interaction.

4.5.2 Objective Two: Determine reasons for choice of social media to interact with businesses

It has been stated in Section 4.4.2 that 76% of respondents indicated they interacted with businesses using Facebook, LinkedIn, Twitter and/or Google+. In section 4.5.1, it was stated that the majority of respondents used Facebook to interact with businesses whilst Google+ was the least preferred social media site among respondents. Figure 4.9 presents the reasons respondents chose to interact with businesses via social media.
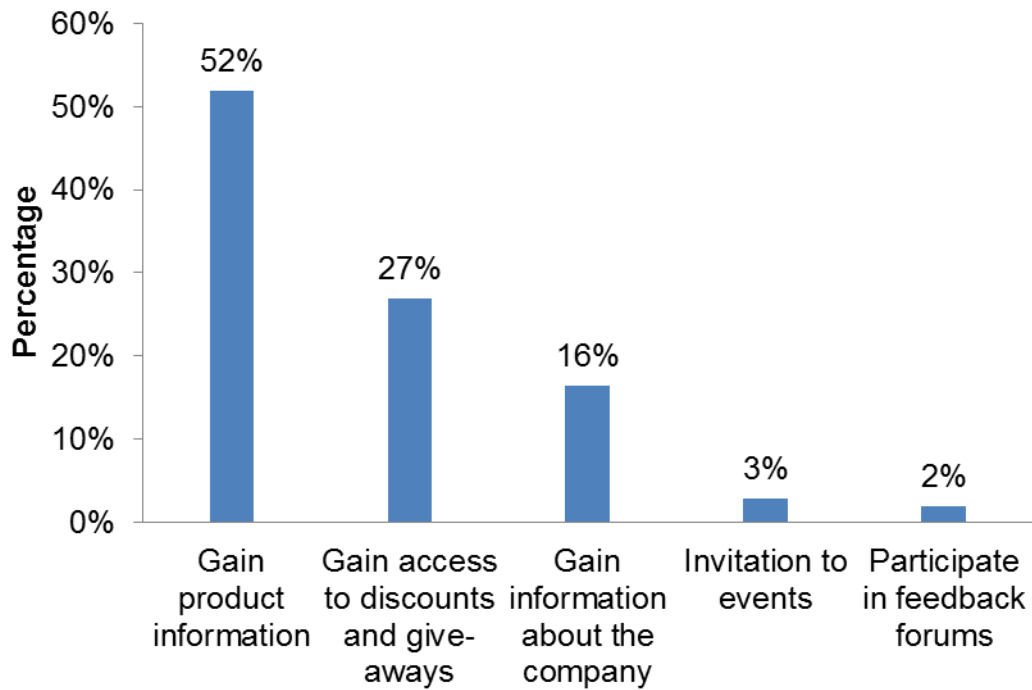
Figure 4.9: Reasons for interacting with businesses

It is evident that the majority of respondents (54%) interacted with businesses in order to gain product information. The second most preferred reason for social media users to interact with businesses was in order to gain access to give-aways and discounts. Participating in feedback forums (2%) was the least preferred reason for interacting with businesses. This information is key for businesses to understand what users of business social media sites expect.

A cross tabulation between gender and the reasons for interacting with businesses using social media was conducted (Table 4.2).

Table 4.2: Cross tabulation between gender and reasons for interacting with businesses

		Gender		
		Male	Female	Totals
Industry	Gain Product Information	**40**	12	**52%**
	Gain access to discounts and give-aways	10	**17**	**27%**
	Gain information about the company	12	4	**16%**
	Invitation to events	3	0	**3%**
	Participate in feedback forums	2	0	**2%**
Totals		67%	33%	100%
n = 136		p= 0.001	x^2 = 18.468	

A correlation was found between the reasons male respondents interacted with businesses as compared to the reasons female respondents interacted with businesses. The main reason male respondents interacted with businesses was to gain product information whereas the majority of female respondents interacted with businesses to gain access to discounts and give-aways. Male respondents were also more inclined to interact with businesses to gain information about the company, gain invitation to events and participate in feedback forums than female respondents.

The IBM Institute for Business Value survey (2011) found that 61% of social media users interacted with businesses in order to gain access to discounts and give-aways, and secondly 55% interacted with business to gain product information.

This is in contrast to this study's respondents who interacted with businesses primarily to gain product information whilst gaining access to discounts and give-aways was the second most preferred reason.

Figure 4.10 illustrates the reasons the remaining 24% of respondents did not interact with businesses using social media.
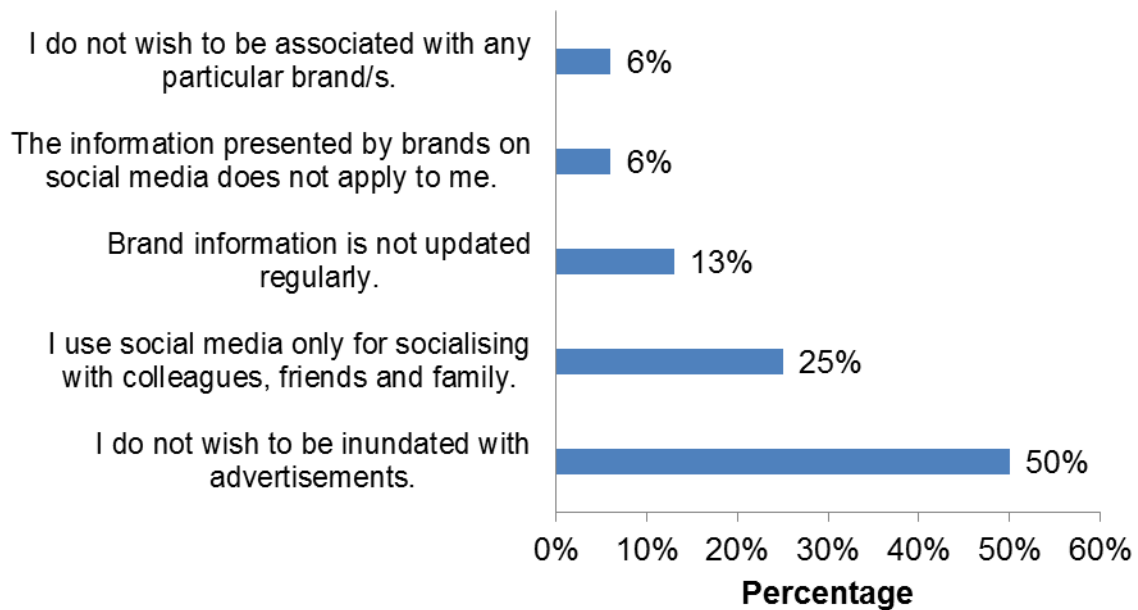
Figure 4.10: Reasons for not interacting with businesses

Advertising on social media sites was the main reason respondents chose not to interact with businesses. Of the 24% of respondents who did not interact with businesses, 50% felt they would be inundated with advertisements should they choose to interact with businesses on social media. The second most common reason was that social media was used for socialising with colleagues, friends and family (25%). Respondents were not unsettled by negative comments on social media sites. This is evident as no respondents chose negative comments as a reason for not interacting with businesses.

4.5.3 Objective Three: Determine if South African consumers are influenced by advertisements on social media sites

Section 4.5.2 stated the desire to not be inundated with advertisements as the main reason listed by the 26% of respondents for not interacting with businesses

via social media. This section provides further information on how respondents react to advertisements on social media sites.
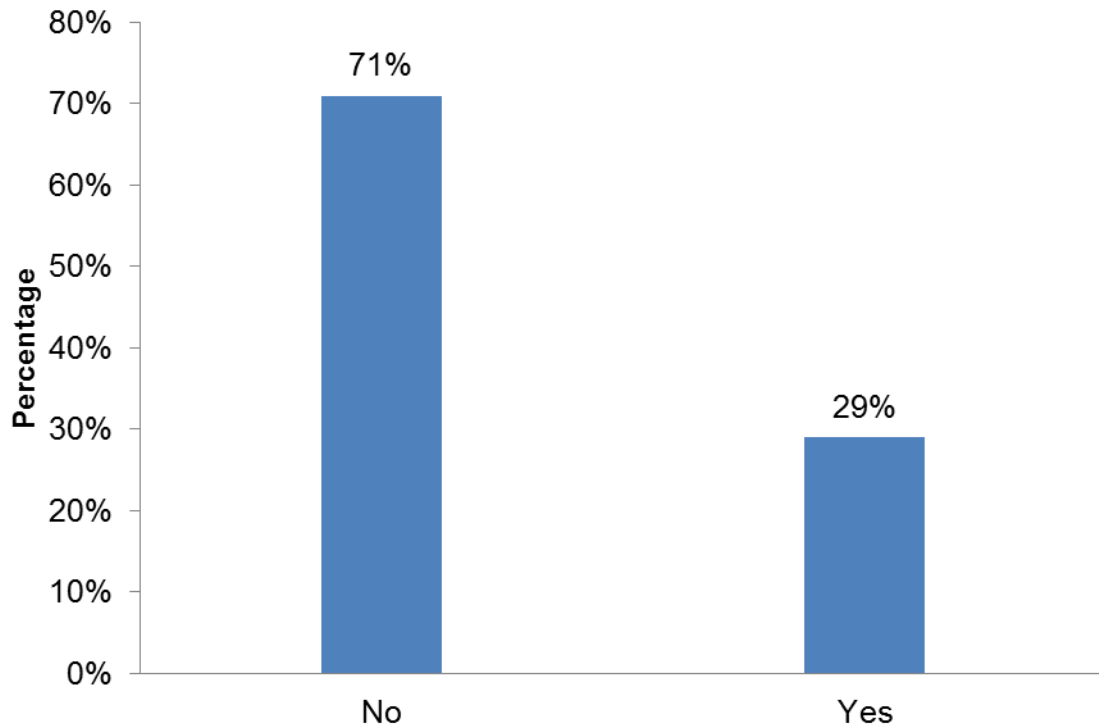
Figure 4.11: Purchasing a product/service after viewing an advertisement on a social media site.

Figure 4.11 illustrates respondents' purchases of products or services as a result of advertising on a social media site. The majority of respondents (71%) did not purchase a product or service as a result of an advertisement encountered on a social media site.

As the majority of respondents did not respond to advertisements with a purchase, it is prudent to discuss the reasons for choosing this action. Figure 4.12 lists the reasons respondents did not purchase a product or service after viewing an advertisement.

Figure 4.12: Reasons for not purchasing a product or service after viewing an advertisement on a social media site.

The majority of respondents (38%) were more inclined to observe traditional advertising on television or print media rather than on social media sites. It is also notable that the second most common reason that advertisements on social media sites did not generate any purchases is that respondents did not take notice of these advertisements. These findings are contradictory to a study by PRWeb (2012), which found that 90% of American respondents were more likely to respond to advertising on social media than on television or print media.

Of the 29% of respondents who made a purchase after viewing an online advertisement, the majority (35%), did so as the advertisement offered special discounts. This is evident in Figure 4.13.

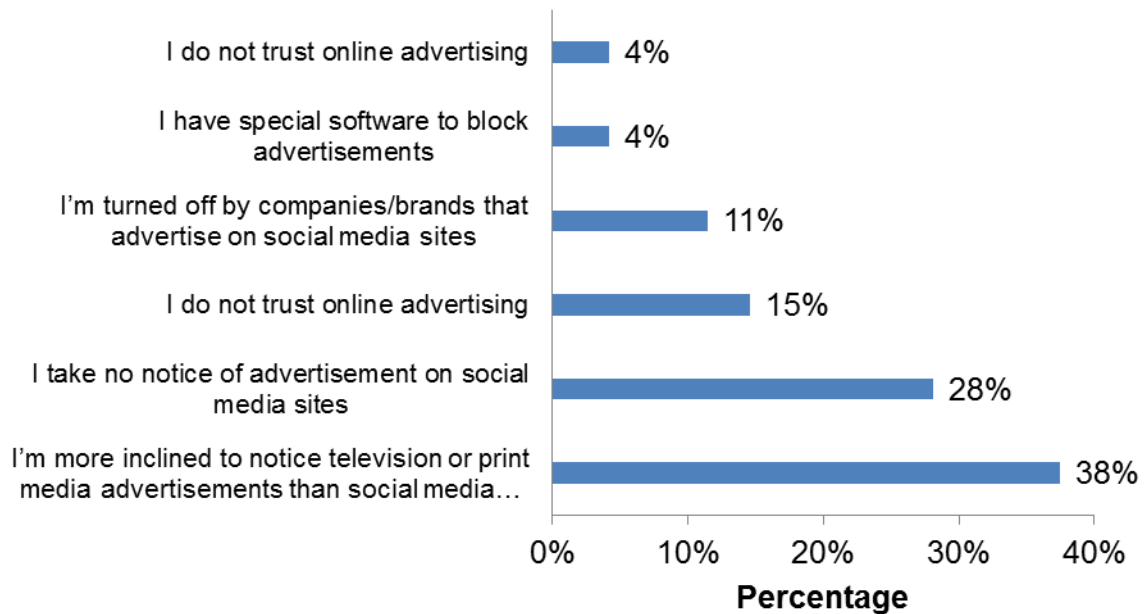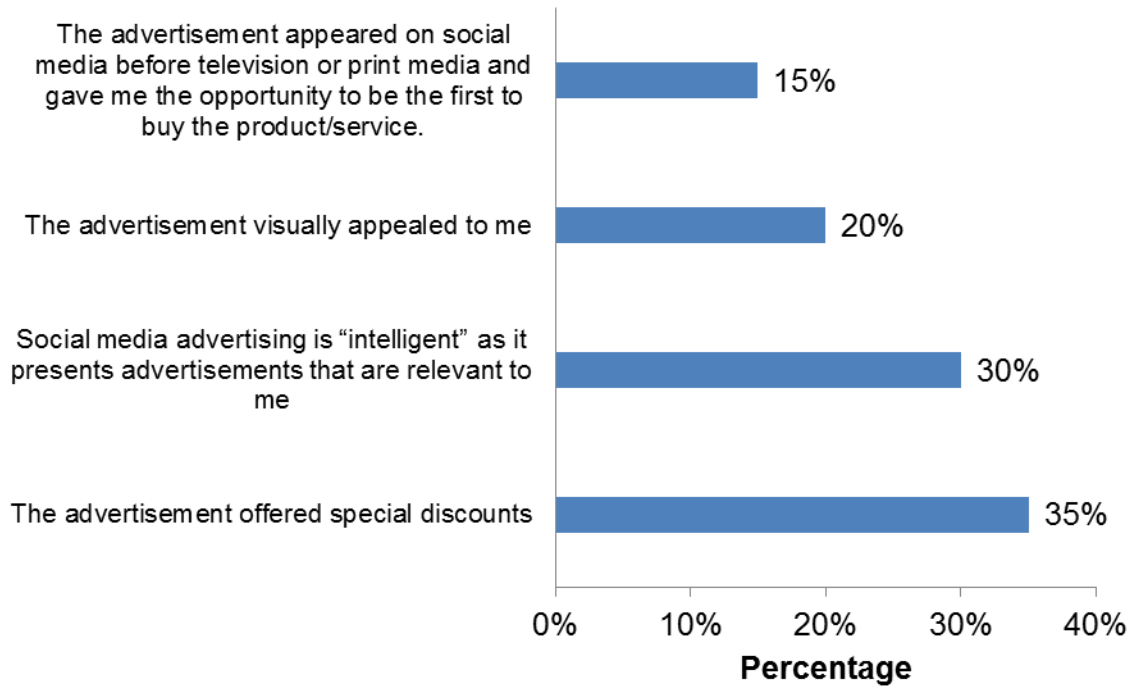Figure 4.13: Reasons for purchasing a product or service after viewing an advertisement on a social media site

Despite the majority of respondents not purchasing as a result of advertisements on social media sites, 42% of respondents found advertising "somewhat useful" whilst 20% of respondents found them to be "very annoying" (Figure 4.14).
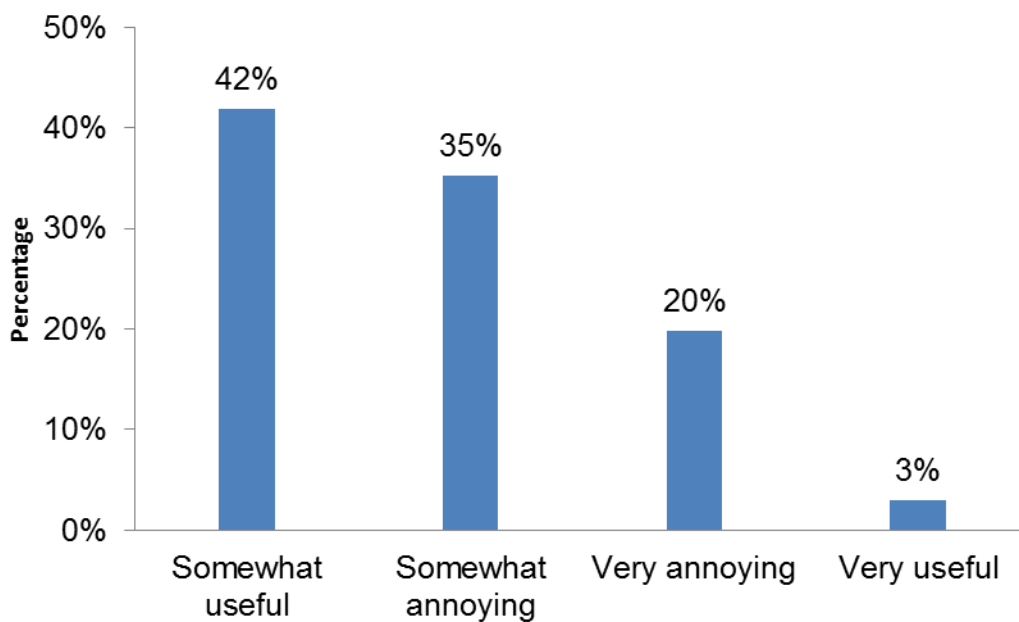
Figure 4.14: Reactions to online advertising on social media sites

These results are almost opposite to the findings of a study by PRWeb (2012) which found that American users of social media were either somewhat likely (61%) or very likely (36%) to respond to a social media advertisement with a purchase.

4.5.3 Objective Four: Identify the type of industries South African consumers interact with on social media sites

By understanding the type of industries South African users of social media sites prefer to interact with, this study will be able to provide recommendations to businesses on the extent of effort they should spend on their social media activities. Businesses must consider adjusting or maintaining the amount of effort they spend on social media activities according to the industry they are in.

Figure 4.15 illustrates the types of industries South African social media users interacted with.
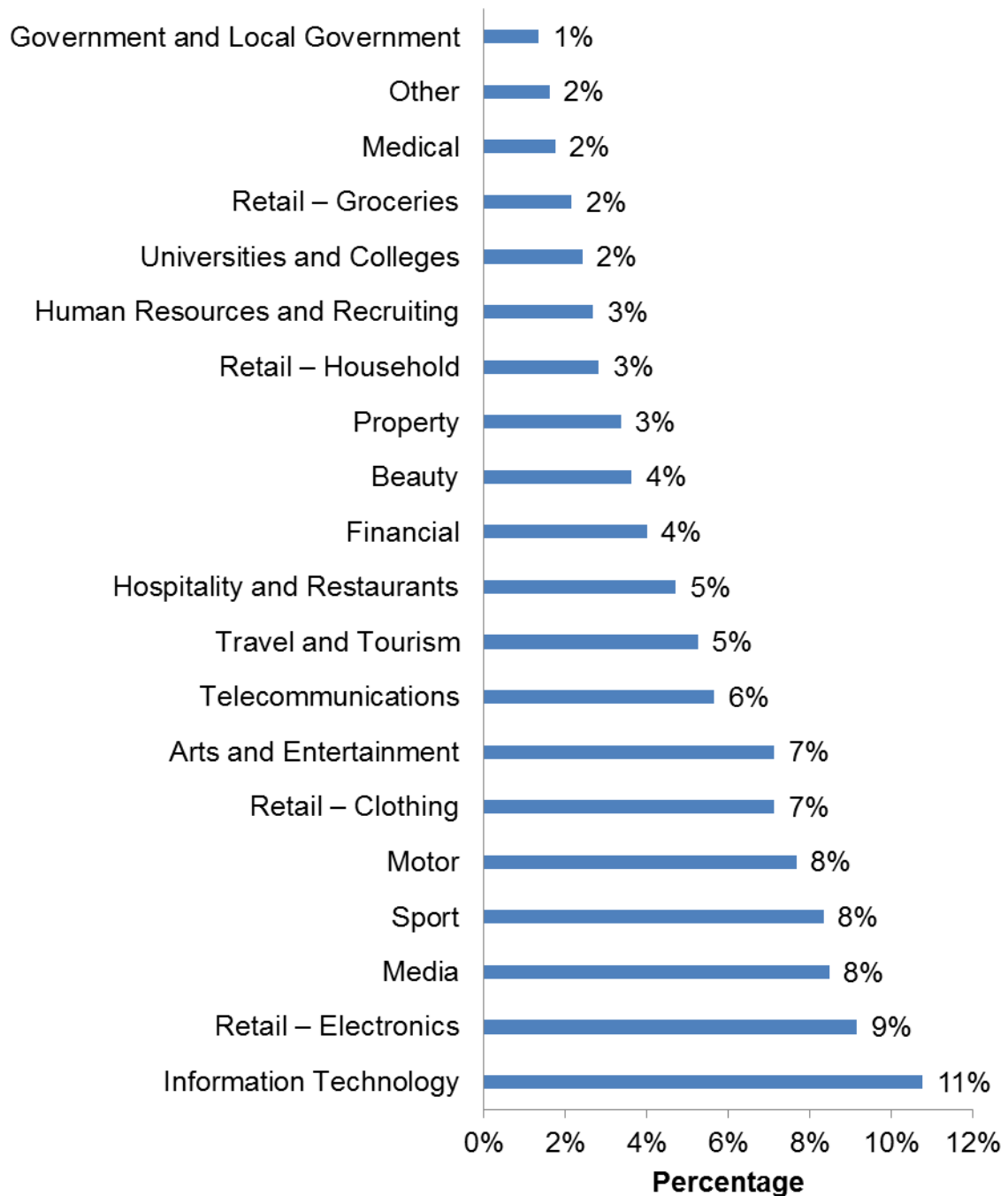
Figure 4.15: Types of industries South African social media users interacted with.

The results show that Information Technology businesses were the businesses most interacted with by respondents (11%). Businesses that respondents classified as "Retail Electronics" (9%) were the next most popular businesses interacted with followed by media, sport, and motor businesses at 8% each.

Table 4.3: Cross tabulation between types of industries interacted with using social media and gender of respondents

		Gender		
		Male	Female	Totals
Industry	Financial	2	1	**3%**
	Information Technology	8	2	**10%**
	Human Resources and Recruiting	1	2	**3%**
	Motor	6	2	**8%**
	Telecommunications	5	1	**6%**
	Government and Local Government	1	0	**1%**
	Hospitality and Restaurants	2	2	**4%**
	Retail – Clothing	4	3	**7%**
	Retail – Electronics	8	2	**10%**
	Retail – Household	1	2	**3%**
	Retail – Groceries	1	2	**3%**
	Travel and Tourism	2	3	**5%**
	Property	1	2	**3%**
	Arts and Entertainment	4	3	**7%**
	Sport	7	2	**9%**
	Beauty	1	3	**4%**
	Media	5	3	**8%**
	Medical	1	1	**2%**

		1	1	2%
	Universities and Colleges	1	1	2%
	Other	1	0	1%
Totals		62%	38%	100%
n = 136		p= 0.000	x^2 = 113.664	

Further analysis was conducted to determine if there was a relationship between gender and the types of industries social media users interacted with (Table 4.3). The cross tabulation found that males and females have clear preferences on the type of industries they chose to interact with on social media sites. The results show that male respondents were more inclined to interact with Financial, Information Technology, Motor, Telecommunications, Government, Retail Electronics, Sport, Medical, and Media businesses using social media sites. In contrast females were more inclined to interact with businesses or organisations involved in Human Resources and Recruiting, Hospitality and Restaurants, Clothing, Retail Household, Retail Groceries, Travel and Tourism, Property, Arts and Entertainment, Beauty, Botanical and Universities.

4.5.3 Objective Five: Determine if South African consumers use social media sites to provide negative feedback of a product or service

HelloPeter.com is a South African website where disgruntled consumers can air their grievances regarding services they received from companies. Companies have the ability to respond to complaints via the site (HelloPeter.com, 2012). There are 1987 companies registered on the site and in the past 12 months received 7370 reports of both complaints and compliments against South African companies. However, HelloPeter.com is not a social media site as users do not form contacts and share information with each other. It is a website for the posting of complaints and compliments. The usage of HelloPeter.com indicates a propensity among South African users to lodge complaints in an open forum. The number of companies registered on HelloPeter indicates the importance companies place on being informed of and responding to complaints placed against them on open forums. Determining if South African consumers are inclined

to make use of social media sites for lodging complaints and other negative feedback is important for companies to understand as this information will assist them to take remedial action or position themselves to respond.

As shown in Figure 4.16, the majority of respondents (72%) were less inclined to use social media to provide negative feedback to businesses than the 28% of respondents who were.
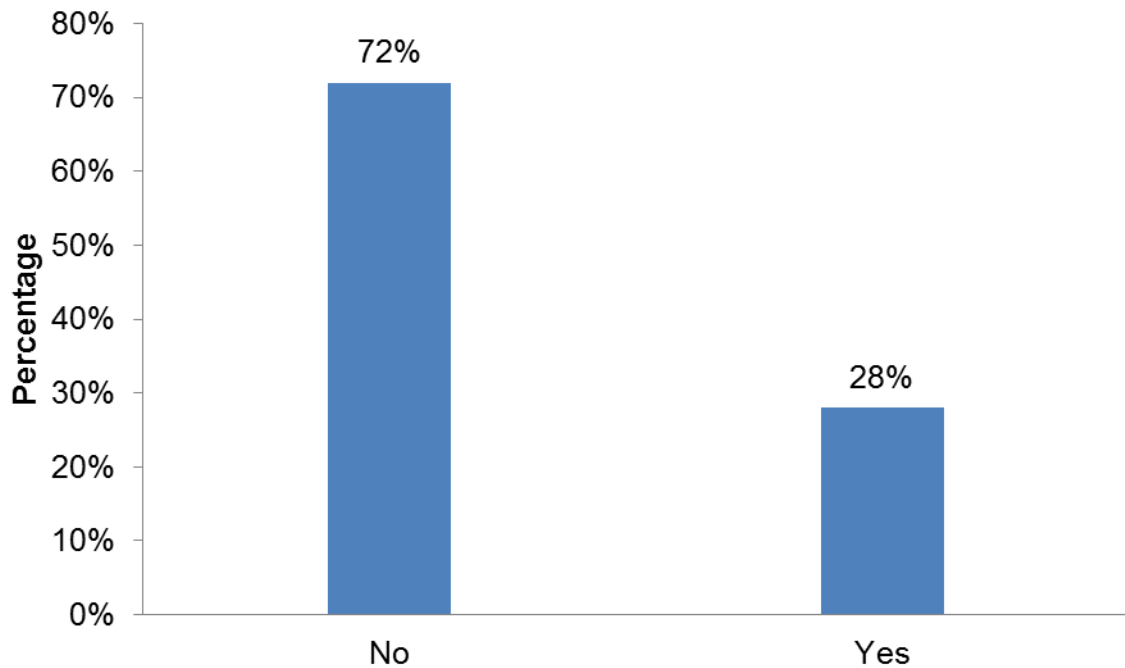
Figure 4.16: Gender preference of industry social media usage

The reasons respondents chose not to provide negative feedback using social media sites was further analysed. Figure 4.17 shows that the majority of respondents (60%) preferred to deal directly with a company using traditional means rather than publish negative feedback on social media sites. The traditional means included email, telephone and letters. The second reason the majority of respondents chose not to provide negative feedback on social media sites was because they felt the majority of companies did not acknowledge negative feedback. The least common reason (7%) for not providing negative feedback was that social media does not allow users to form a personal relationship with the company.
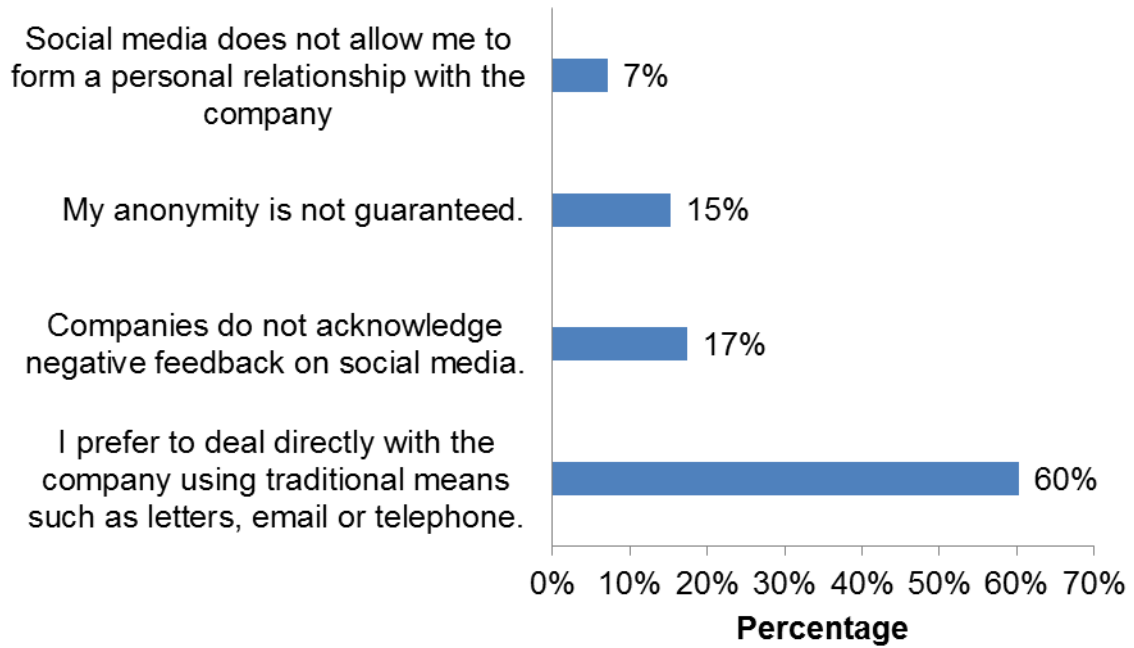
Figure 4.17: Reasons for not providing negative feedback on social media sites.

Of the 28% of respondents who indicated they did provide negative feedback using social media sites, the majority (50%) indicated they did so as it was convenient to use social media. Of the remainder, 26% wanted their contacts to know of their experience and 24% felt they were guaranteed a quick response from the company. None of the respondents felt that social media would allow them to form a personal relationship with the company (Figure 4.18).
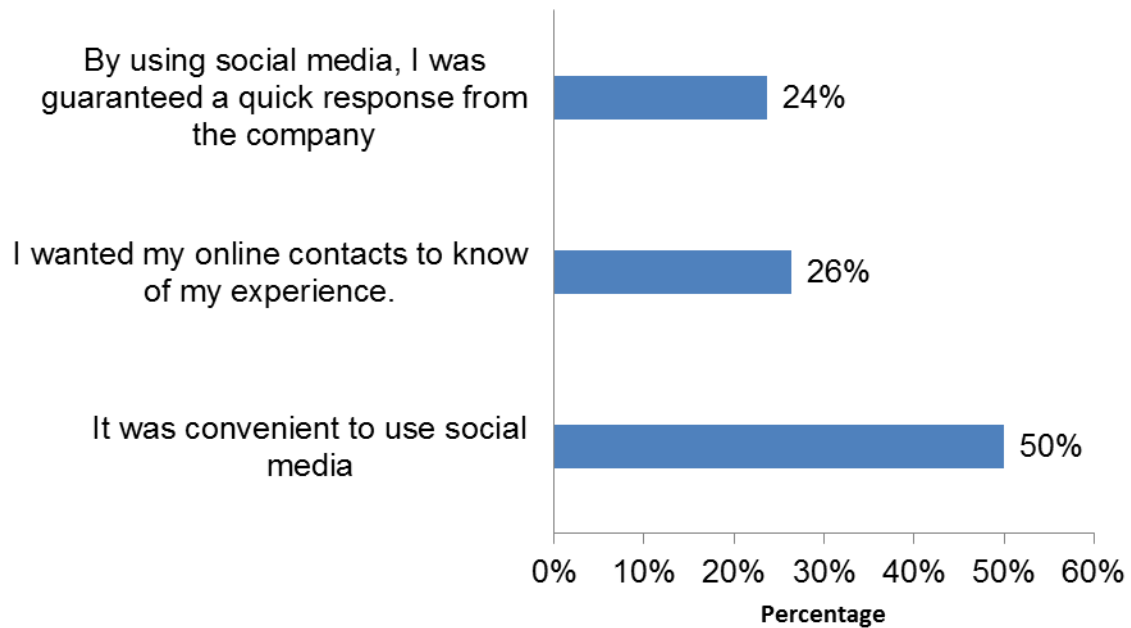
Figure 4.18: Reasons for providing negative feedback on social media sites.

Social media presents an opportunity for customers and businesses to participate in conversations about the brand (Libai *et al*. 2012). Positive and negative feedback is needed for a business to develop. This study has found that respondents were inclined to interact with businesses through social media for the primary purpose of gaining information about the brand but were less inclined to provide negative feedback about a brand.

4.6 Summary

The survey questions were designed to answer the objectives and research questions of this study. The main findings of this study are that South African users of Facebook, Twitter, LinkedIn and Google+ used these sites to interact with businesses. Facebook was the most popular site for interacting with businesses whilst Google+ was the least popular. Users accessed social media sites predominantly through their mobile phones and personal computers. Users predominantly interacted with businesses in order to gain information about products and services although they were not supportive of advertising on social media sites. It has been proven that advertising on social media does not directly lead to purchases. Respondents indicated that they were less inclined to provide negative feedback about a brand using social media. The next chapter discusses

recommendations for businesses to consider in using social media to form relationships with customers and potential customers.

CHAPTER FIVE

RECOMMENDATIONS AND CONCLUSIONS

5.1   Introduction

Social media has become an influencing factor on our lives (Ewer, 2012). Studies by IBM (2011) and Incite (2011) have found that social media usage has been growing among American users. According to comScore (2011), South Africa has a social media audience of 5.9 million people, each of whom spend an average of 2 hours per month on social media.   Social media therefore presents an opportunity for businesses to form relationships with customers and potential customers which ultimately will lead to business growth and sustainable profits. However, it is critical for businesses to understand the usage habits and preferences of South African social media users in order to form trusting relationships with them. Understanding these habits and preferences will allow businesses to make the most effective use of social media to form customer relationships. The results and recommendations presented will assist businesses in either forming a social media strategy or contributing and improving an existing one.

5.2 Findings based on objectives

Table 5.1 discusses the findings based on the objectives of this study.

Table 5.1: Findings based on objectives

Objective	Finding
Determine which social media sites are most popular with South Africans for business interaction	The most popular social media site for business interaction among South Africans is Facebook, followed by LinkedIn.
Determine reasons for choice of social media to interact with businesses	The main reason for using social media to interact with businesses is to gain product information.
Determine if South African	South Africans are not influenced by

consumers are influenced by advertisements on social media sites.	advertisements on social media as they are more inclined to notice advertisements on television or print media.
Identify the type of industries South African consumers interact with on social media sites	South Africans interact with a wide range of industries using social media. The types of industries South Africans interact with the most using social media are Information Technology and Retail Electronics.
Determine if South African consumers use social media sites to provide negative feedback regarding a product or service.	The majority of South Africans do not use social media to provide negative feedback.

5.3 Outcomes, recommendations and implications of this study

The objectives of this study were chosen with the aim of understanding the usage habits and preferences of South African social media users. The first five objectives, to determine the most popular social media site among South Africans, to determine reasons for using social media, to determine if South African users are influenced by advertisements, to determine the type of industries South Africans interact with using social media and to determine if South Africans use social media to provide negative feedback have been satisfied as the results provided meaningful and beneficial information for both individual and business users of social media. Findings from this study will allow businesses to form positive relationships with customers and potential customers. These findings will also limit the risk of forming negative relationships when businesses use mechanisms on social media that users do not prefer.

5.4 Recommendations based on findings

The following are recommendations for businesses to consider in forming a social media strategy to form positive customer relationships with South Africans.

5.4.1 Choice of social media for business interaction

The results show that Facebook is the most popular social media site among South Africans for business interaction, followed by LinkedIn. Facebook is also the social media site on which users spend the most amount of time. Google+ has not proven to be a popular social media site despite the domination of its parent company, Google. It is recommended that businesses considering making use of social media for customer engagement make use of Facebook and LinkedIn. Businesses must create profiles on Facebook and LinkedIn. These profiles must contain information on product and service offering and must be continuously updated and engaging. Comments and questions placed on these profiles for the business must be promptly responded to and these responses must be visible to the social media public. Social media users will see these responses as engagement from the business and will be more inclined to engage with the business themselves.

5.4.2 What to offer social media users

It has been suggested by Sashi (2012) that the stages of the customer engagement cycle are connection, interaction, satisfaction, retention, commitment, advocacy and engagement. Social media can be used in all stages of the customer engagement cycle and not just the connection stage. The primary reason users interact with businesses on social media is to gain product information. Businesses must therefore use their Facebook and LinkedIn pages to provide current and updated information on their products and services. Queries and comments must be timeously responded to and these responses must be visible to all users so that users feel a sense of engagement. The social media interaction is the gateway to the purchase of a product or service. Businesses must provide the same level of pre-sales support to a customer interacting with it through social media as it would to a customer interacting with it through traditional means. A potential customer researching a product or service will turn to social media to obtain this information. If the information cannot be found on a businesses' social media page, the customer is likely to turn to a competitor's social media page. Once the customer has found the information, the customer may make further enquiries with the business using social media. It is therefore

important for businesses to conduct market research to understand the pre-sales information customers generally seek. This information must be accessible on the businesses' Facebook and LinkedIn profiles. According to Sashi (2012), prior to the internet, interactions between customer and business were limited to word-of-mouth, letters and telephone. But with social media, interactions are now real-time. It is therefore essential that businesses ensure that customer queries, comments and complaints are responded to in real-time. This study has found that the majority of customers use mobile telephones to access social media. This means that the customer will receive real-time notifications of responses in the form of alerts to his or her mobile device. It is recommended that businesses ensure that customer queries and complaints are responded to in real time. If the business is unable to provide an immediate answer, then the business must inform the customer on the social media page that his or her query is being attended to. Customer comments and compliments must also be responded to in real-time even by an acknowledgement. This will show engagement from the business and will encourage other social media users to interact with the business. It is recommended that all responses to customers on social media be visible to the social media public so that the engagement is visible. It is further recommended that post-sale support also be provided on social media, which must be visible to all users. Post-sale support in the form of queries, compliments and complaints must also be responded to in real-time.

Businesses need to be conscious of the type of industry they operate in as social media users react differently to the different industry types. Female users are more inclined to interact with a business through social media if that business provides discounts and give-aways. Female users are more inclined to interact with businesses that fall under the categories of Human Resources and Recruiting, Hospitality and Industries, Clothing, Retail Household, Retail Groceries, Travel and Tourism, Property, Arts and Entertainment, Beauty and Universities. These businesses must therefore look to providing discounts and give-aways as a primary means of engaging with their female majority of users. Table 5.1 illustrates how businesses can encourage customer interaction.

Table 5.2: Encouraging customer interaction

Industry	Incentive
Hospitality and restaurants	Recommend an establishment by sharing your experience and receive a discount off your next visit
Retail – Clothing	Share a photo of you wearing a branded item and receive a discount off your next purchase of a similar item
Retail – Household	Recommend 10 products and have a set of mini-samples couriered to you
Retail – Groceries	Like a store and be automatically entered into a competition to win a month's worth of groceries
Travel and Tourism	Refer 10 friends and get a free travel bag
Property	Like an estate agent's page and receive a free calendar
Arts & Entertainment	Comment on your theatre experience and get a 50% voucher for the next show
Beauty	Like a product range and get a free 15 minute neck massage
Human Resources and Recruiting	Recommend 5 friends and get a free coffee mug
Universities	Share the news of the launch of the University's new website with 5 friends a get a free branded memory stick.

Since male users are more inclined to engage with businesses that fall under the categories of Financial, Information Technology, Motor, Telecommunications, Government, Retail Electronics, Sport, Medical, and Media. Male users primarily

look to gain information about the product or about the company and are also more inclined to look for invitation to events and to participate in feedback forums. Social media provide features for online discussions and forums. As an example, a motorcar manufacturer can create a Facebook or LinkedIn page dedicated to the launch of a new car model. Social media users will provide comments on their experience with the new car model on these pages. The manufacturer can use these pages to solicit further information or provide feedback to the customer. The feedback loop using social media is real-time and therefore much quicker than traditional means. The manufacturer will have an advantage over competitors not using social media, in that the manufacturer will receive customer feedback in real-time and therefore have lead time over competitors in attending to the issues.

Within a company, it must be a responsibility of the person maintaining the businesses' social media profiles to constantly update the profiles with up-to-date information on the products and services as well as company information. This activity is a relatively inexpensive activity as it is only information on a social media page that requires updating as opposed to the company having to inform customers of product and company changes via print, television or radio media.

5.4.3 Advertising on social media

According to Robertson (2012) and Kaplan (2011), in 2010, Facebook generated $2billion. According to Kaplan (2011), Google generated $29 billion in revenue in 2010 whilst LinkedIn generated $243 million in the same year. The majority of revenue earned by Facebook and Google was through advertisements placed on their sites. Other than user subscriptions and hiring solutions, LinkedIn earned its revenue from advertisements placed on its site. According to LinkedIn (2012) it costs a minimum of $10 a day to advertise on LinkedIn. Over and above the minimum fee, there is a per click cost of $2. According to Facebook (2012) its minimum cost is $1 per day and over and above that charge, there is a per click cost of $0.33. South African companies will therefore have to pay in dollars to advertise on the two most popular social media sites in South Africa. Prevailing Rand/Dollar exchange rates can make this a considerable cost.

Although it has been established that South Africans primarily look to social media to gain product information, the majority of South Africans do not respond to

advertisements on social media with a purchase. The primary reason for this is that South Africans are more inclined to respond to advertisements on television and print media than on social media. The secondary reason for users not responding to advertisements on social media with a purchase is as users take no notice of advertisements on social media in the first place.

Businesses should therefore rather focus on keeping information around their products and services continuously updated via status updates and comments on Facebook and LinkedIn. These status updates and comments are free and will be more observed and responded to than advertisements. Advertisements are a one-way form of communication whereas status updates allow for relationships to be formed as a business's status update will allow for customers to respond to it with comments and queries which can then be responded to by the business. Thus, a communication channel is opened directly to the customer, which creates a sense of personal engagement in the mind of the customer.

5.4.4 Negative comments on social media

The majority of respondents did not use social media to air negative comments around brands or businesses but rather chose to channel their negative comments and complaints directly to the company using traditional means such as letters, emails and phone calls. Businesses should therefore not perceive a presence on social media as opening the business to risk in the form of negative publicity. In the event that a social media user provides negative feedback, the business must respond positively and timeously as users look for engagement from the business.

As the majority of customers use letters, emails and phone calls to communicate their negative comments to businesses, businesses must respond to customers using these means to the satisfaction of the customer. This will mitigate the risk of negative comments being publicised on social media sites due to the customer not being satisfied that his/her negative comment was adequately addressed.

5.5 Limitations of this study

The limitations that were encountered during this study and ways to overcome them are discussed below.

5.5.1 Demographics of respondents

The sampling technique used resulted in the major composition of the sample comprising of the researcher's own demographic characteristic in terms of city of residence, race and gender. It is therefore recommended that future studies of this nature make use of a sampling design such as unrestricted probability sampling that will solicit a wider range of respondents in terms of demographics. It is further recommended that future studies create samples of which the demographics match the demographics of the South African online population.

5.5.2 Limited scope of social media

This study focused on whether users of Facebook, LinkedIn, Twitter and Google+ interacted with businesses. This study excluded other popular social media such as YouTube, BlackBerry and Pinterest. It is recommended that further studies be conducted to determine if South Africans use other social media to interact with businesses and if so, to what extent.

5.6 Recommendations for further studies

Further studies should consider the following:

- The growth of smartphone and tablet usage has resulted in the availability of over 1.3 billion applications for smartphones and tablets. As of 2012, there have been over 25 billion downloads of applications internationally (Oliver, 2012). This study focussed on the interaction between social media users and businesses. A further study is recommended to determine the extent applications are used for business interaction and whether businesses that invest the development of applications reap any returns on investment. The study must determine the most popular platform (Apple, Blackberry, Android) and provide recommendations on which platform is most used for business interaction, if any.
- A larger sample, representative of the demographics of the South African online population, should be used for further studies.
- This study focussed on business interaction from the social media user perspective. It is recommended that further studies explore the business interaction between businesses and users from the business perspective.

Further studies must consider aspects such as the amount of sales generated from social media interaction as well as the impact of social media on pre-sales and post-sales activities.

- This study looked at business interaction on social media with a focus on sales. It is recommended that further studies explore the extent businesses make use of social media for the recruitment of human resources.

5.7 Summary

The aim of this study was to understand the interaction between consumers and businesses using social media. The objectives were to determine the most popular social media among South Africans, the reasons South Africans interacted with businesses, the type of industries interacted with and whether social media is used by South Africans to provide negative feedback. The data collected answered the questions for the objectives and confirmed that Facebook is the most popular social media site and that South African males used social media primarily to gain information about products or services. Female South Africans primarily interact with businesses on social media to gain discounts and give-aways. This study further found that there were gender differences in the businesses consumers interacted with. Respondents were less inclined to provide negative feedback on social media and preferred to express negative feedback directly to the company using traditional means such as telephone, email and letters. Although there were limitations, this study has proved beneficial to understand who uses social media and how it can be used more effectively to benefit consumers and businesses.

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APPENDIX - 1

QUESTIONNAIRE

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS & LEADERSHIP

MBA Research Project
Researcher: Ajay Mohanlal 083 233 8677
Supervisor: Professor Anesh Singh 031-2607061

Research Office: Ms P Ximba 031-2603587

Online social media usage in South Africa and its benefit to business

Dear Recipient

I, Ajay Premlal Mohanlal, am an MBA student in the Graduate School of Business & Leadership, at the University of KwaZulu-Natal. You are invited to participate in a research study entitled "Online social media usage in South Africa and its benefit to business". The aim of the study is to determine how South African social media users interact with businesses and to provide recommendations on how best to use social media to attract and interact with South African customers.

Through your participation I hope to understand the social media usage patterns and preferences of South African consumers. I also hope to provide recommendations to businesses on leveraging those usage patterns to attract and retain consumers.

Your participation in this study is voluntary. You may refuse to participate or withdraw from the survey at any time with no negative consequence. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business & Leadership, UKZN. If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed below.

It should take you about ten (10) minutes to complete the questionnaire. The questionnaire comprises six (6) pages with twenty five (25) questions. I hope you will take the time to complete the questionnaire. Should you accept the conditions of this study and are willing to participate, please click the box next to "I Agree" below to proceed.

Thanking you in anticipation.

Ajay Mohanlal

1. Gender

   o Male

   o Female

2. Race

   o Black

   o Coloured

   o Indian

   o White

3. What is your highest qualification?

   o Matriculation

   o National Diploma

   o Bachelors Degree

   o Honours Degree / Post Graduate Diploma

   o Masters Degree

   o Doctorate

4. In which city do you reside?

   o Durban

   o Johannesburg

   o Cape Town

5. How many minutes do you spend using social media per day?

	0 - 30	31 – 60	61 – 90	91 >
Facebook				
LinkedIn				
Twitter				
Google Plus				

6. Which device(s) do you use most often to access social media?

	Mobile phone
	Tablet PC
	Personal computer
	Gaming Console
	Internet enabled television
	Handheld music player
	E-reader

7. Please rank the activities you conduct on social media sites (where 1 = least often, and 8 = most often)

	Follow or find out about brands and businesses
	Research products and services I wish to buy
	Seek employment
	Lodge complaints on poor product or services
	Recommend products and services to friends
	Keep in touch with friends and family
	Share photographs and videos
	Meet new friends

8. Have you "liked" a brand(s) or are a "follower" of a brand(s)?

   o Yes

   o No

9. (If Yes to Q8) Why do you "like" or follow brands?

   o Gain access to discounts and give-aways

   o Invitation to events

   o Gain product information

- Gain information about the company

- Participate in feedback forums

10. (If Yes to Q8) What types of brands do you follow/ are a fan of? (Tick all that apply)
   - Financial
   - Information Technology
   - Human Resources and Recruiting
   - Motor
   - Telecommunications
   - Government and Local Government
   - Hospitality and Restaurants
   - Retail – Clothing
   - Retail – Electronics
   - Retail – Household
   - Retail – Groceries
   - Travel and Tourism
   - Property
   - Arts and Entertainment
   - Sport
   - Beauty
   - Botanical
   - Media
   - Medical
   - Universities and Colleges
   - Other

11. Have you ever "liked" a brand(s) or became a "follower" of a brand(s) because a social media contact does?

- o Yes

- o No

12. (If Yes to Q11) Why did you become a fan or follower?

- o I'm curious to know about brands that contacts follow

- o I wish to be part of a group\community that follows a brand

- o My social media contact suggested I become a fan\follower

- o I trust my social media contacts follow good quality products\services

13. (If No to Q8) Why do you not follow any brands?

- o I do not wish to be inundated with advertisements.

- o I use social media only for socialising with colleagues, friends and family only.

- o Brand information is not updated regularly.

- o The information presented by brands on social media does not apply to me.

- o I do not wish to be associated with any particular brand/s.

- o There are too many negative comments on brands.

14. Have you ever purchased a product/service based on a recommendation received on a social media site?

- o Yes

- o No

15. (If Yes to Q14) Why did you accept the recommendation?

- o Recommendations by my social media contacts gives me confidence in the product/service

- o I trust the recommendations of my social media contacts over advertising

o The recommendation allowed me to gain further information and opinion directly from a social media contact before making the purchase

o The recommendation helped confirm a decision to purchase inspired by advertising or product research

16. (If No to Q14) Why do you not accept recommendations?

o I see no difference between recommendations and advertisements

o I do not trust online recommendations

o I have not received recommendations on products/services that are relevant to me

o I take no notice of recommendations

17. Do you consult any social media sites before deciding on purchasing a product or service?

o Always	o Sometimes	o Hardly	o Never

18. Have you ever purchased a product or service based on an advertisement on a social media site?

o Yes

o No

19. (If Yes to Q18) Why did you follow the advertisement?

o Social media advertising is "intelligent" as it presents advertisements that are relevant to me

o The advertisement offered special discounts

o The advertisement visually appealed to me

o The advertisement was unique to social media and did not appear on television or print media

o The advertisement appeared on social media before television or print media and gave me the opportunity to be the first to buy the product/service.

20. (If No to Q18) Why did you not follow the advertisement?

- o I take no notice of advertisement on social media sites

- o I'm turned off by companies/brands that advertise on social media sites

- o I have special software to block advertisements

- o I do not trust online advertising

- o Social media sites present advertisements that are irrelevant to me

- o I'm more inclined to notice television or print media advertisements than social media advertisements

21. I find advertising on social media sites to be

- o Very annoying

- o Somewhat annoying

- o Somewhat useful

- o Very useful

22. Have you ever provided negative feedback of a product/service on a social media site?

- o Yes

- o No

23. (If yes to Q22), what was the nature of your feedback? (Tick all that apply)

	Complaint on poor customer service directly to the company
	Complaint on poor product quality directly to the company
	Complaint on poor customer service among online contacts
	Complaint on poor product quality among online contacts
	Sharing the negative feedback of an online contact with other online contacts
	Contributing to comments made on negative feedback.

24. (If yes to Q22), why did you choose to provide the feedback on a social media site rather than through traditional means (such as telephone or letter to the company)?

- o It was convenient to use social media

- o By using social media, I was guaranteed a quick response from the company

- o I wanted my online contacts to know of my experience.

- o Social media allowed me to form a personal relationship with the company

25. (If No to Q22) Why do you not use social media to provide negative feedback on a brand?

- o My anonymity is not guaranteed.

- o I prefer to deal directly with the company using traditional means such as letters, email or telephone.

- o Companies do not acknowledge negative feedback on social media.

- o Social media does not allow me to form a personal relationship with the company

End of the Questionnaire

Thank you for taking the time to complete the questionnaire.

APPENDIX - 2

ETHICAL CLEARANCE

UNIVERSITY OF ™
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

18 September 2012

Mr Ajay Premlal Mohanlal 210512183
Graduate School of Business and Leadership
Westville Campus

Dear Mr Mohanlal

Protocol reference number: HSS/0910/012M
Project title: Online social media usage in South Africa and its benefit to business.

EXPEDITED APPROVAL

I wish to inform you that your application has been granted Full Approval through an expedited review process.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

....
Professor Steven Collings (Chair)

/pm

cc Supervisor: Professor Anesh Singh
cc Academic Leader: Dr S Bodhanya
cc School Admin: Mrs Wendy Clark

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