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Social media marketing versus traditional marketing in the South African motor industry

Elizna Grobler
2007010347

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Supervisor: Dr. Johan Van Zyl

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Recognition:

I would like to express my gratitude to

- our Heavenly Father who always kept His hand over me and carried me throughout the year,
- Dr Johan van Zyl for his continual advice, support and guidance,
- My parents, friends and co-workers for their support and assistance throughout the year.

Statement:

I, Elizna Grobler, declare that

• this thesis is my own work;

• all sources been quoted and acknowledged by means of complete references;

• the thesis has not previously been submitted as a whole or in part;

• this thesis meets the requirements of the university with regard to plagiarism.

EG Grobler
June 27, 2014

Chapter 1

General information and background

1.1 Introduction to the study

When companies decide to start a business, the main goal is to make profit and accomplish a successful growth; therefore they use different strategies to sell products and/or services they offer. Companies try to create, promote and sell products or services that could satisfy their target customers. Marketing is significant to all businesses because it is a strategy that can make a business grow and thereby become more powerful. It is crucial to know what kind of marketing to use in every area to achieve high sales rate, market share and the wanted image.

"Marketing can be defined as the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational objectives" (Kotler, 2003, p. 9). From this definition it is clear that there are different aspects that are part of marketing and is called the marketing mix. The promotion part is the one that is being used to communicate the product, service or many other aspects to the customer. Promotion evolved through the years and today there are two main options to choose from: traditional marketing and sponsorship as well as marketing through social networks.

1.2 Background of the current traditional marketing tools in South Africa

Traditional marketing is considered to be a collective process where individuals or groups can exchange goods or services based on their needs and wants (Kotler, 2003). The content of this process was presented as the marketing mix by Neil Borden for the first time in 1953, representing the mixture of useful elements for marketing.

This theory of marketing mix has been analyzed and rewritten by many different authors through the time (Van Waterschoot & Van den Bulte, 1992). Drucker (1954)

started the evolution of the marketing concept. He declared that marketing is the unique function of business, and it can also be seen as “the whole business” from the customer’s point of view. Concern and responsibility for marketing must fill all areas of the company (Drucker, 1954).

All communications to a target audience should be on point and consistent with the branding strategy (Stem & Wakabayashi, 2007). In traditional marketing the wants and needs of customers are being discovered and satisfied through traditional channels of communication such as public relations, advertising, promotions, face-to-face communication, magazines, catalogues, etc. The aim is to create products and services which sell themselves by being what customers need and want (Kotler, 2003).

The following figure shows the traditional marketing mix:

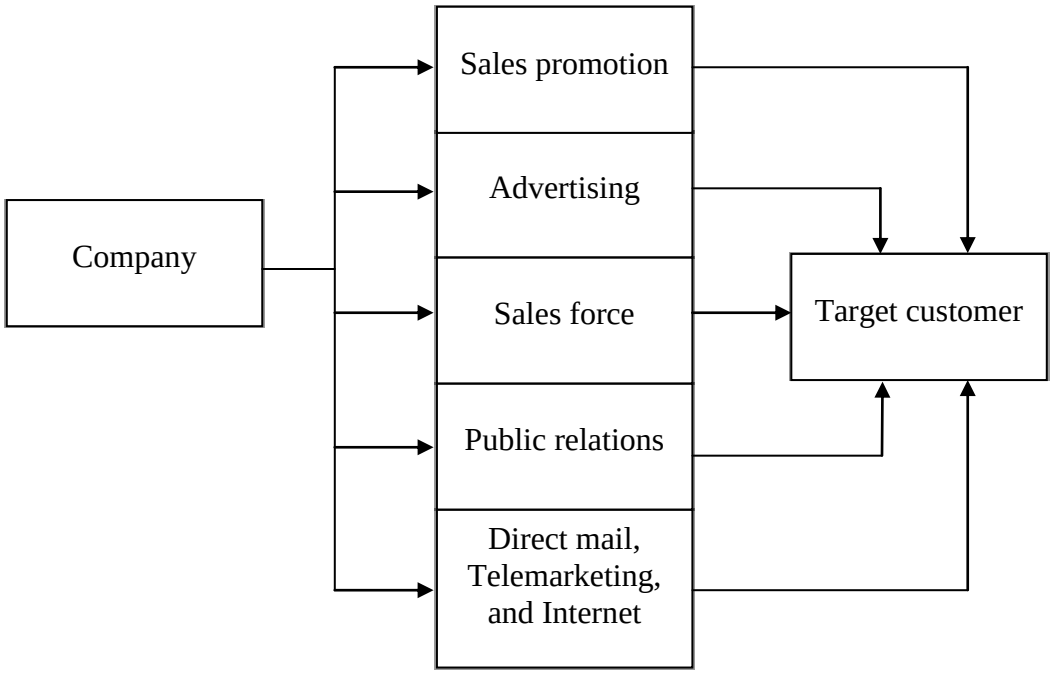


Figure 1.1: The Marketing (Promotion) mix model (Lamb & Boshoff, 2007)

Internet marketing:

Bursting onto the scene in the early 1990s, the Internet has had a major impact on marketing as well as social lives (Cant, Brink & Brijbal, 2006). The Internet is used as a communication channel as part of direct marketing. It developed through a traditional marketing activity and had a large impact on marketing since it was invented and realized to be an effective marketing tool, but the meaning and usage of it has changed through the years.

In the beginning it has been used mainly for communicating to customers through emailing and getting response from them. It has helped companies to be able to target their potential customers more personally, and knowing more about their customers has helped in knowing how to approach different customers to fulfil to their needs (Kotler, 2003).

Nowadays, consumer-driven sites, called WEB 2.0, have become the rising stars of the Internet. According to Internet World Stats, 28.7% of the population uses the Internet. The Internet can be used for different technology activities such as electronic data exchange, email, electronic payment systems and to streamline business transactions (Jobber & Fahy, 2009).

Internet marketing becoming more social media marketing:

Advertising on the different social networking websites is one of the newest forms of Internet advertising and it has gained attention from the popular press (Hart, 2008). The term “social networks” existed before the creation of the Internet, but it became popularized with the development of software programs such as Facebook, Myspace and LinkedIn. Social media networking sites (also called WEB 2.0) can also be defined as one of the “fastest growing areas” of the World Wide Web (Trusov, Bucklin, & Pauwels, 2009). It has changed every aspect of consumers’ daily lives, including how consumers socialize; manage their money, purchase goods and services and how they gather information (Zeithaml, Bitner, & Gremler, 2009).

Social media has totally changed the way people search for products and services ("Business Trends in South Africa", 2011), where traditional marketing does not always welcome the technological and interactive possibilities of the Internet (Lind & Medoff, 1999). It differs from other types of marketing because social media do not require direct human interaction (Zeithaml et al., 2009).

By using the web, social media, as well as traditional marketing channels, can develop a positive, long-term relationship with customers, thereby creating a competitive advantage for companies to charge higher prices for their products or services than the competitors can charge (Laudon & Traver, 2007).

The following potential benefits of Internet technology, such as social media networking sites, to consumers, are as follows (Jobber & Fahy, 2009):

- Customer Convenience: With electronic channels, consumers are able to provide access 24 hours a day, 365 days a year from a shopper's desk and increasingly anywhere via mobile Internet. With other traditional marketing channels like direct mail, companies limit their hours of availability.

- Information Resource: The Internet enables the user to acquire detailed, real-time information about products, pricing and availability. The Internet allows customers to configure products or services to their own particular needs and desires. Customer interaction is one of the strengths of social media, because companies can immediately found out on Twitter, Facebook and Myspace what customers think of a particular service or product. Companies can rapidly give feedback, make some changes and address and solve the necessary problems.

- Social Media Distribution Channels: Allow the consumer to interact with a large number of consumers in gathering information. The cost and effort to inform, promote, and motivate consumers to buy through other traditional marketing channels like advertising (radio, television and public relations) are higher than

the cost to accomplish the same activities with the Internet and social media websites.

- Lower Prices: It is possible for consumers to search for the lowest prices available or, with social media, prices that are more competitive than other traditional marketing channels because of the transparency of pricing. The websites can literally conjure up a large amount of users. Traditional marketing provides personal sales and service interaction with consumers that are more powerful and effective than the Internet sites.

Social media marketing is changing it even more; 97% of consumers now use online media when researching products or services, and almost 60% of South Africans with Internet access are shopping online ("Business trends in South Africa", 2011). South African Internet users have embraced social media as a core pillar of their online activity. Social networks such as Facebook, Myspace, Twitter and YouTube are not only changing the way that many people use the Internet, but they are also presenting marketing practitioners with new challenges when trying to reach and obtain customers online ("Business trends in South Africa", 2011).

The concept of social media is top of the agenda for many business executives (Robinson, 2010). Decision-makers as well as marketers try to identify ways in which companies can make profitable use of these webpage applications. The emergence of Internet-based social media has made it possible for one person to communicate with hundreds or even thousands of other people about products and the companies that provide them. Thus, the impact of consumer-to-consumer communications has been greatly magnified in the marketplace and can be called a "word-of-mouth strategy" (Kaplan & Haenlein, 2009).

Word-of-mouth (WOM) communication is appealing because they combine the prospect of overcoming consumer resistance with significantly lower costs and fast delivery, especially through technology such as the networking sites (Zeithaml et al., 2009). The content of social media marketing is made up of interactions between

people and information shared between users (Robinson, 2010). Social media sites are typically initiated by a group of users who send out invitations to an amount of people to join the site and become members of the “specific” type of social networks (Trusov et al., 2009).

It is important that social media marketing invitations, also called WOM referrals, have been the foremost driving force for sites to obtain new members. Marketers are particularly interested to understand WOM better, because traditional forms of communication appear to be losing effectiveness (Nail, 2009). As social networking sites developed, they may begin to increase their use of traditional marketing channels (Trusov et al., 2009).

Shiv (2010) recognized a clear difference between social media marketing and traditional marketing channels. It is not enough to arrange social media marketing in isolation of every other marketing effort. If companies consider doing just that, they will be unsuccessful. Thus, it is essential that companies should understand how to integrate the social media marketing within the other more traditional marketing channels like public relations, advertising, promotions and direct mail in order to be competitive and successful (Shiv, 2010).

Integrated marketing communication is the guiding principle companies will and need to follow to communicate with their target markets. Integrated marketing communication attempts to coordinate and control the various elements of the promotional mix such as advertising, personal selling, public relations, publicity, direct marketing and sales promotion to produce a unified customer-focused message and therefore achieve various organizational objectives (Boone & Kurtz, 2007). However, the tools and strategies for communicating with customers have changed significantly with the emergence of the phenomenon known as social media, also referred to as consumer-generated media (Mangold & Faulds, 2009).

The customer purchasing behavior process

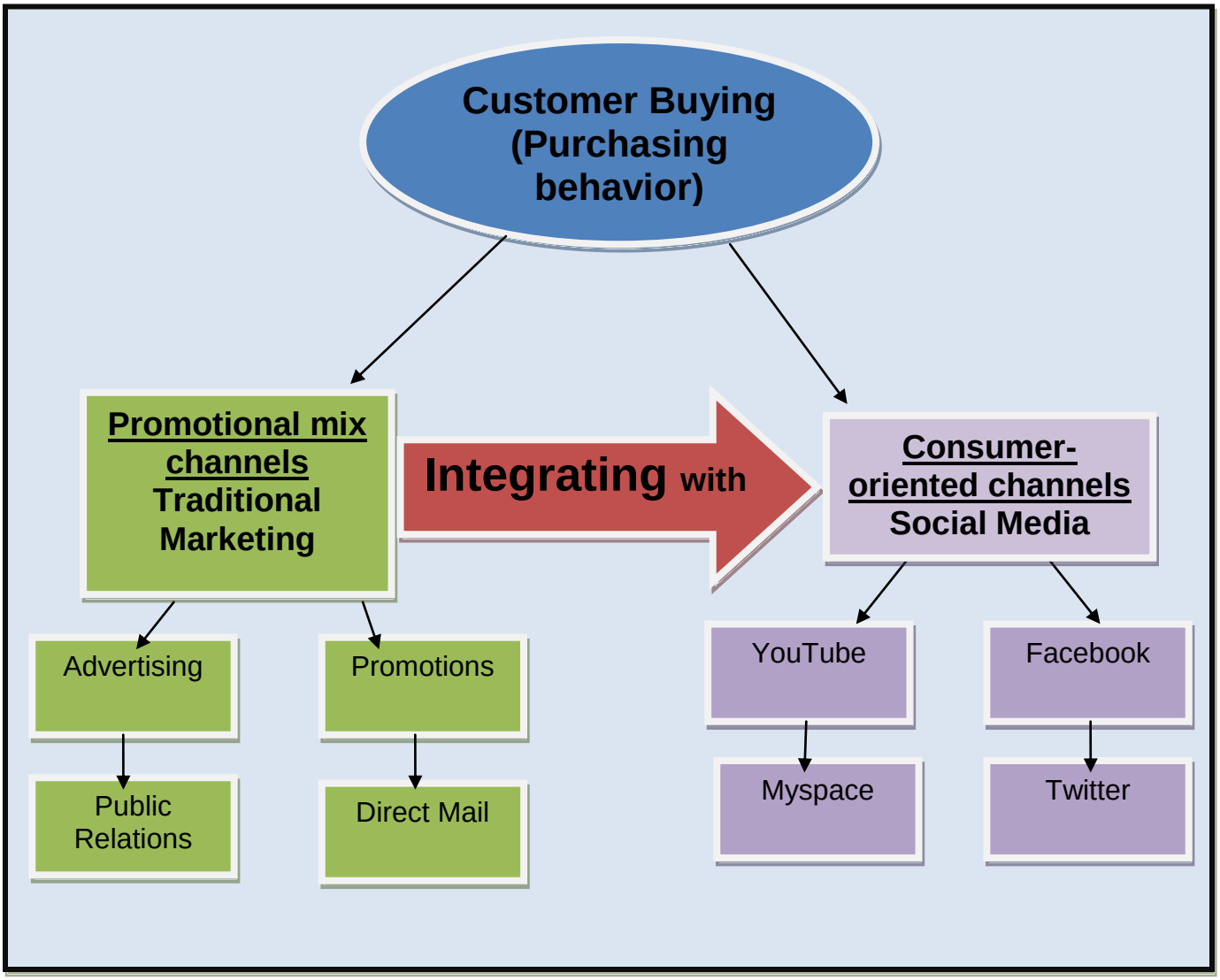
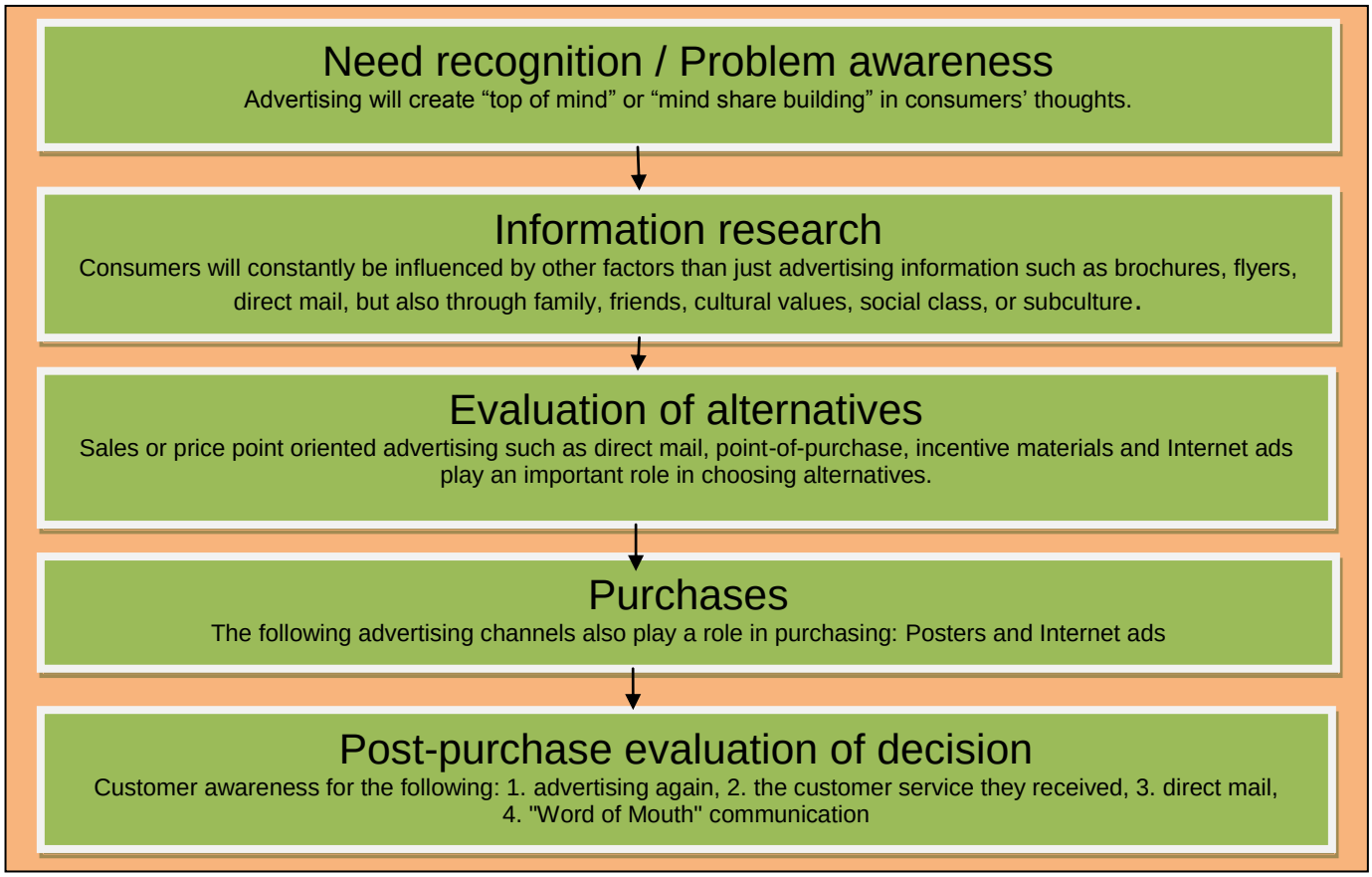


Figure 1.2: Social Media Marketing vs. Other Marketing Channels (2012) (created by author)

Everyday life is full of choices: choose which product and service to buy, re-buy or to ignore. On daily basis customers make choices about buying behaviors such as food, clothes, needs and desires to fulfil. Companies, with products or services to sell, want to know what the customers' likes and dislikes are and how customers make their buying decisions (Jobber & Fahy, 2009). The more time consumers spend on the Internet, the less time they will be using traditional marketing channels.

Intense Internet usage causes a decline in traditional marketing activities (Laudon & Traver, 2007). The author focused on the marketing efforts by which customers make these “buying process” decisions. By studying the customer’s buying process, companies can get a better understanding on how customers respond to the different marketing channels and how customers go about making these buying decisions (Jobber & Fahy, 2009).

The following diagram shows where marketing plays an important role in the decision-making process.



The author did not use the theoretical customer buying process, but developed a new practical customer buying process to determine what the effectiveness of the social media marketing over other traditional marketing channels are.

1.3 Background of the current Social Media Networks in South Africa

To help put the intended contribution of the study in context, the author briefly reviewed previous empirical research on social media networking sites and other marketing channels like public relations, advertising, promotions and direct mail. The aim of this study is to focus on the motor vehicle industry and the effect of different marketing channels in this industry. First, to compare the different characteristics between traditional marketing channels and social media marketing; second, to find out what marketing tools are effective for the three chosen manufacturers in the motor industry.

1.4 Industry Overview

The motor industry has been identified as a successful component for South African industries and the economy. South Africa has been identified as some of the best performing motor industries in the world market (Berndt & Herbst, 2006). The forecasts for vehicle sales growth for 2011 ranged from 12% to 20% and from 8% to 15% in 2012. This success is based primarily on the recent growth of exports of both assembled vehicles and components and on the substantial foreign investments that has been undertaken or announced recently. South Africa is ranked 19th in the world for vehicle production, accounting for about 0.7% of the world's vehicle output (“South Africa's Automotive Industry”, 2008). There are more than 200 automotive component manufacturers in South Africa and another 150 which supply the industry on a non-exclusive basis (Flatters, 2002). Many of the major multinational companies use South Africa to source components and assemble vehicles for both the local and international markets (Berndt & Herbst, 2006).

During the last few decades the motor industry in South Africa has grown enormously. For this study, the author focused on the top three motor manufacturers in South Africa: Toyota, Volkswagen and General Motors.

Table 1 below reflects the top three vehicle manufacturers in South Africa according to the National Association of Automobile Manufacturers of South Africa (NAAMSA),

and the vehicle sales data are in line with NAAMSA's expectations of growth for 2012. February was a particularly strong month on a daily sales rate basis and show growth of 6.4%, i.e. 52 356 units.

The president of NAAMSA commented favorably to the 2012/2013 budget speech. He described it as a balanced and pragmatic budget speech and believes that it could have a "moderate positive" impact on the motor industry. NAAMSA also welcomed the Government's commitment to strengthen financial management in the public sector and combat fraud and corruption ("Budget speech", 2012).

The following statistics in table 1.1 show the total new vehicles sales for March 2012.

Table 1.1: Total new vehicle sales statistics (NAAMSA, 2012)

Total Market	
New Vehicle Sales Statistics - March 2012	
MANUFACTURER	**VOLUME**
TOYOTA	10379
VOLKSWAGEN GROUP SA	9153
GMSA	6133
NISSAN	4936
FMC	4570
BMW GROUP	2784
HONDA	967
JAGUAR LAND ROVER	889
RENAULT	865
CHRYSLER SA	753
PCSA	564
TATA	478
SUZUKI AUTO	455
FIAT GROUP	403
MAHINDRA	401
MITSUBISHI MOTORS SA	255
VOLVO CARS	246
UD TRUCKS	220
VOLVO TRUCKS	209
MAN	145
SCANIA	126
PORSCHE	123
IVECO	104
SUBARU	91
CHANGAN SA	54
NAVISTAR INTERNATIONAL TRUCKS SA	52
POWERSTAR	48
RENAULT TRUCKS	21
BABCOCK	11
VDL BUS & COACH SA	10
MASERATI	6
SUB TOTAL	**45451**
AMH & AAD	7849
MERCEDES-BENZ SA	2810
TOTAL	**56110**

The following table 1.2 shows the Total Market sales for the last year from January to March 2011 as well as January to March 2012:

Table 1.2: Total sales for 2011 and 2012 (NAAMSA, 2012)

TOTAL MARKET SALES	YEAR	SALES
Total Sales March	2012	**56110**
Total Sales March	2011	**53558**
Total Sales February	2012	**52388**
Total Sales February	2011	**49197**
Total Sales January-March	2012	**153891**
Total Sales January-March	2011	**147862**

The following shows the amount of the new vehicle sales in the different categories in South-Africa: The different categories are Passenger, Light, Medium, Heavy, Extra Heavy and Buses.

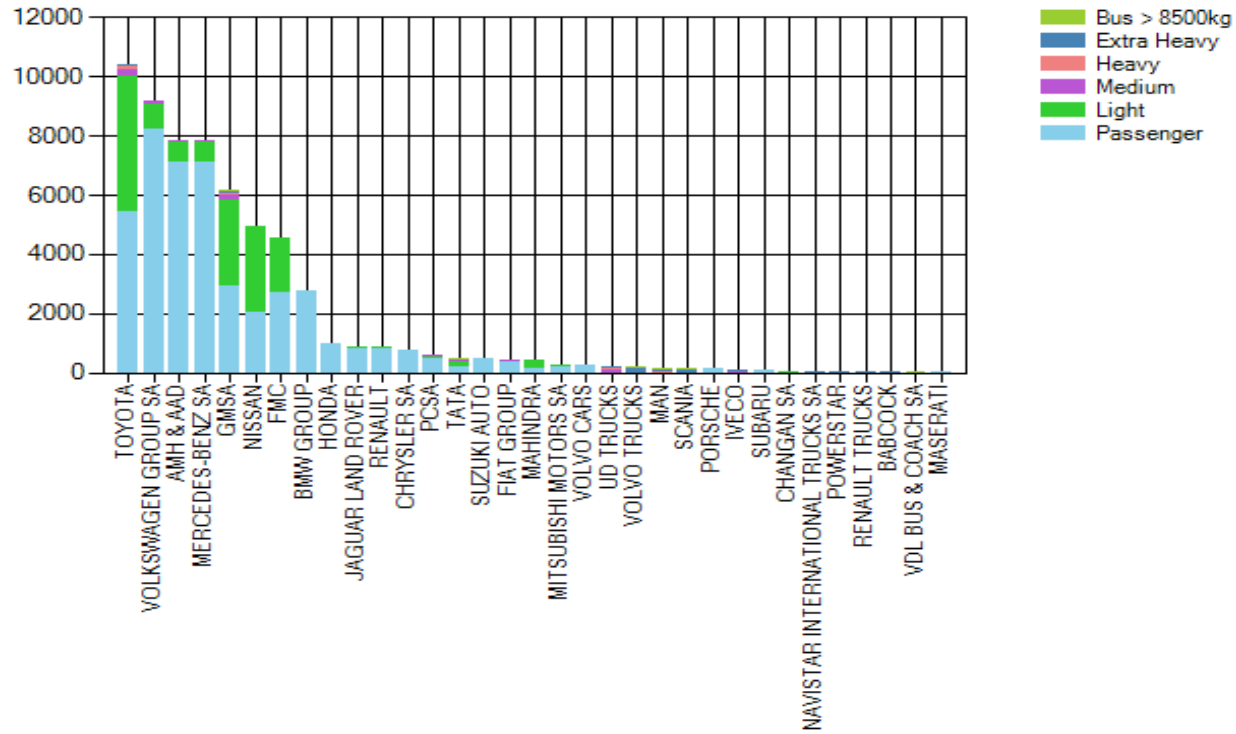


Figure 1.3: New vehicle sales in the different categories in South Africa

Volkswagen:

Volkswagen was established in 1946 as the “Volkswagen Group South Africa”. Volkswagen South Africa (VWSA) is a wholly owned subsidiary of Volkswagen in Germany. VWSA is located in Uitenhage in the Eastern Cape. Their first priority is to build a strong and successful business which protects and creates jobs within their group as well as for the broader Volkswagen family of suppliers and franchised dealers. Volkswagen Group South Africa set key targets and measure their success, which is the reason they have such a proud record as a responsible corporate body.

As a multinational corporation, Volkswagen Group South Africa also has a strong commitment to boost foreign direct investment in South Africa and to promote the transfer of world-class technology, knowledge and skills (“Volkswagen South Africa”, 2012).

General Motors:

General Motors was founded by William “Billy” Durant on September 16, 1908. General Motors South Africa, which is based in Port Elizabeth, markets the brands Chevrolet, Opel, Isuzu, Saab, Cadillac and Hummer. In 2005 the company was awarded a six-year contract to assemble and export the Hummer. The new and improved General Motors is passionate about designing, building and selling the world’s best vehicles. General Motors has great pride in their work and take great care to deliver exceptional cars and a positive ownership experience to their customers around the world (“General Motors South Africa”, 2012).

Toyota:

Founded in 1961 by Dr. Albert Wessels, Toyota South Africa has grown into the largest vehicle manufacturing and vehicle marketing organization on the African continent. Their vision to lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people, established them as the best corporate leader, Toyota has an established set of values, beliefs, principles and business methods that act as the lifeblood of the company and is

called The Toyota Way, which is supported by respect for people and continuous improvement.

Through Toyota SA's commitment to quality, constant innovation, and respect for the planet, they aim to exceed expectations and will meet their challenging goals by engaging the talent and passion of people, who believe there is always a better way with Toyota ("Toyota lead the way SA", 2012).

1.5 Significance of the research

The main objective of this part of the chapter is to give a brief background of information about a variety of online "consumer-driven networking sites"; second, to be updated with the newest marketing trends, consumer-buying behavior process that includes customer awareness, customer loyalty, opinions and attitudes, and third, to observe and integrate social media marketing with other marketing channels.

Social networks have their own challenges in trying to get and retain customers when many of the traditional marketing channels of consumer behavior no longer apply (Shiv, 2010).

The author is going to determine with the following model which elements of advertising are the most useful in the motor industry and where social media plays an important role, i.e. which marketing channels are effective that will lead to the companies' success and provide a competitive advantage. Previous studies declared that managers lack a full appreciation for social media's role in the company's promotional efforts (Mangold & Faulds, 2009).

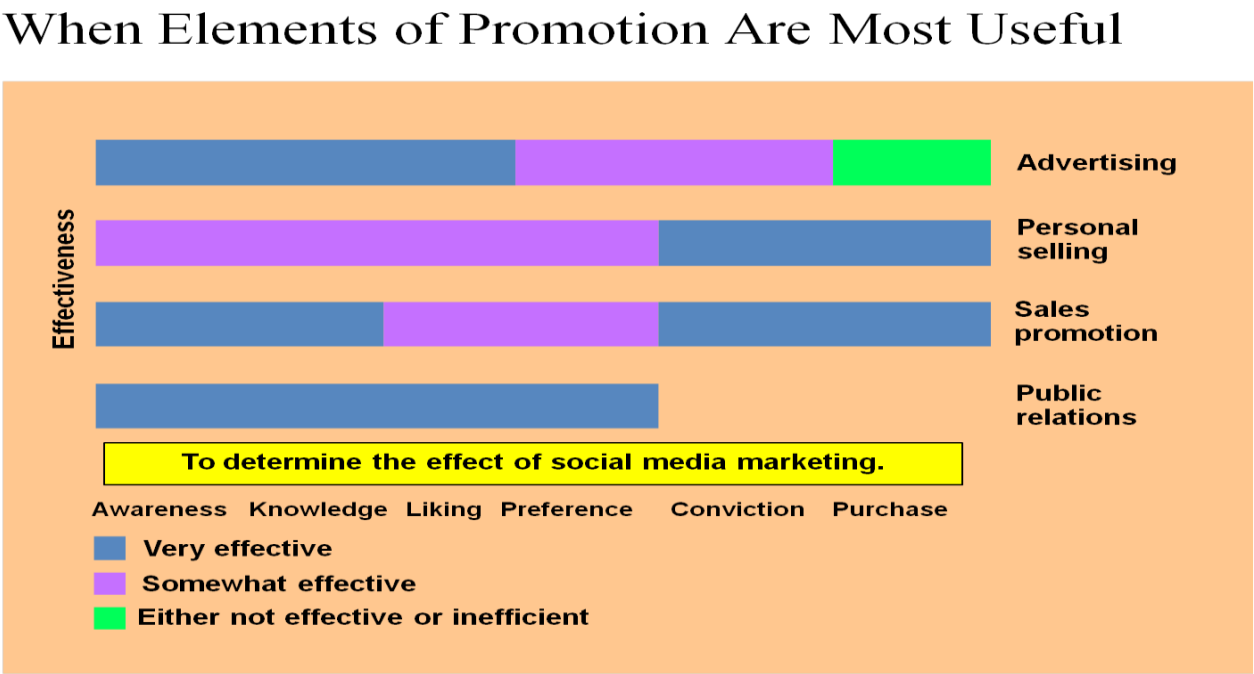


Figure 1.4: Which elements are most useful **(Mangold & Faulds, 2009)**

Figure 1.5 shows the percentage of online shoppers and the consumers' buying behavior in 2005.

Figure 1.5: Percentage of online shoppers and buyers **(Laudon & Traver, 2007)**

Based on data from eMarketer, Inc., 2005a; Shop.org, 2005; "Authors' estimates" (Laudon & Traver, 2007).

The significance of this study is to evaluate consumer's buying behavior based on the different marketing channels. In the problem statement the different challenges in the industry will be discussed, which contribute to the primary objective of this study. As social networks become more popular, a marketing dissertation in this area would be an excellent idea, up-to-date and in line with current marketing trends.

1.6 Purpose of the study

Effective marketing is an important aspect for companies to correspond and to cooperate with the customers. Companies should lever the customer's past known behavior with the brand and offer a significant value-added product that the competitor will fail to match. This study will focus on the customer buying behavior process and how to integrate the social media marketing within the other traditional marketing channels to influence the customer positively in order to make the final buying decision. It is vital to influence the buying behavior patterns by the use of different marketing mix channels. Finding out what customers expect is essential in providing quality, and through marketing research, marketers can understand what the customers' expectations and perceptions are (Zeithaml et al., 2009).

By examining the content of social media and traditional marketing channels, it will be possible to evaluate consumers' buying behavior based on the different marketing activities and to know which marketing mix channel can be the most effective one. The better a company understands its target customers' preferences, the more effectively and profitably it can serve targeted markets with its marketing efforts. Different channels of traditional marketing have been used by marketers for a long time (Kotler, 2003). Nowadays, social media present brand owners with a unique opportunity, the chance to communicate with their audience, getting better insight into their needs and wants, and how a brand can cater to those desires. It is essential (from a business point of view) to know the different advantages and disadvantages between traditional and social media marketing (Robinson, 2010).

It is necessary to conclude what the role of customers' buying behavior in the different marketing channels is (traditional marketing & social media); and which one of the two marketing mix channels contains the most used and effective marketing tools according to chosen companies.

1.7 Objectives

The following objectives in which the customers' preferences can be between social media and other traditional marketing channels, will be discussed.

1.7.1 Primary Objective

The primary objective of the study is to compare social media versus traditional marketing channels on customer buying behavior in the South African motor industry.

1.7.2 Secondary Objectives

- A literature study regarding the concept of the customer's buying decision process.
- To determine the effectiveness of traditional marketing mix on the decision-making process.
- To determine the effectiveness of social media channels on the decision-making process.
- To develop a framework that will explain which approach contains the most used and effective marketing tools according to the chosen companies.
- To provide information to marketing managers to assist them in making more effective marketing media decisions.

1.8 Limitations to the Study

The study done on customer buying behavior in the motor manufacturing industry is limited due to resources; thus the population tested will only include a fixed percentage of clients in Pretoria in order to come to the necessary conclusions.

The author was limited to make use of only the top three motor manufacturing industries for the main reason being that the population is too big to be tested on each and every motor industry.

2. Research Methodology

The study is an empirical study and the population consists of the three chosen motor manufacturers. The author conducted face-to-face interviews with the top threet companies operating in the motor industry in Pretoria to collect information needed for the analysis in this study.

The questionnaire was distributed to the top three companies in South Africa (chosen according to new vehicle sales), i.e. General Motors, Toyota and Volkswagen. The study will focus on new car sales for the last three to six months of the study period, how companies make use of different marketing channels, and which marketing channels are effective for the chosen companies in the motor industry.

The following table will indicate the amount of dealerships in Pretoria.

Table 1.3: Dealerships in Pretoria

Volkswagen Pretoria	**Toyota Pretoria**	**General Motors Pretoria**
Consist of 11 dealerships	**Consist of 11 dealerships**	**Consist of 8 dealerships**

2.1 Population

Population can be defined as a group of individuals with one or more of the same character traits from where a statistical sample can be drawn and analyzed (Cant et al., 2006). Population can also be called "*the group that forms the subject of the study in a particular survey"* (Jobber & Fahy, 2009).

A convenience sampling was taken from the total of vehicle sales for the last three to six months of the study period. The percentage of the new vehicle sales was divided

into the number of clients for each chosen car manufacturer. The author contacted all the new vehicle sales clients and did face-to-face interviews to determine the success of the different marketing channels in their buying decision.

2.2 Sample size

Once the population was defined, the next step was to set the sample size. Sample size can be defined as ***"a list or other record of the chosen population from which a sample can be selected"*** (Jobber & Fahy, 2009).

A stratified sampling was taken where the population was placed into three groups (Volkswagen, Toyota and General Motors). A sample was drawn from the percentage of vehicle sales for each group of clients.

Table 1.4: Indication of sample population and responses received

The top three motor industries in South Africa:

	Volkswagen	**Toyota**	**General Motors**
Population size	**% of new car sales** **Amount of clients**	**% of new car sales** **Amount of clients**	**% of new car sales** **Amount of clients**
Responses	40	40	40
% Received	33.3	33.3	33.3

2.3 Data collection

Empirical research related to structured questions; face-to-face interviews are a major advantage to collect data. More sophisticated analyzes will be done through programs such as SPPS.

2.4 Methods of data collection

Quantitative research in marketing is designed to describe the nature, attitudes or behavior of customers empirically and test specific hypotheses that a service marketer wants to examine (Zeithaml et al*.,* 2009).

These studies are successful for verifying the customer's buying behavior, satisfaction and loyalty as well as the importance of the different marketing activities with the perception and value of products and services (Zeithaml et al., 2009).

Survey Method:

Questionnaires were the survey method for this study. A major advantage was that the researcher handed out most of the questionnaires face-to-face and every client was interviewed. The response rates are generally higher than mail surveys.

Table 1.5: A comparison of survey methods (Jobber & Fahy, 2009)

Questionnaires	Face-to-Face Questionnaires	Mail survey
Use open question	High	Low
Use closed questions	High	Low
Sensitive questions	Medium-Low	High

Types of questions that were used:

- Open questions
- Closed questions
- Likert-scale questions

3. Layout structure

3.1 Preliminary Chapter Layout

Chapter 1

Introduction: background, problem statement, objectives and summary
In this chapter the background, problem statement and objectives are discussed.

Chapter 2

Literature review: Traditional Marketing vs. Social Media Marketing Channels

In this chapter previous literature is discussed.

Chapter 3

Literature review: customer buying process

In this chapter previous literature is discussed, theoretical background is described and a comparison of the different theories presented is made.

Chapter 4

Research methodology and results

In this chapter research methodology used and the analyzed results are presented.

Chapter 5

Empirical Results

In this chapter the author provides a conclusion on her findings and present suggestions to managers.

Chapter 6

Conclusions and recommendations

In this chapter the author provides a suggestions and recommendations to managers.

3.2 Conclusion

In this chapter the focus were on the background of the social media networking as well as other different marketing channels in the South African motor industry and the challenges it brings about, thus allowing the author to establish possible objectives for the study. The next part of the study will look deeper into previous research.

Chapter 2

Literature review: Traditional Marketing vs. Social Media Marketing Channels

In this chapter the following will be presented: (a) a literature review about traditional and social media marketing, (b) the comparison, as well as the effect of the marketing mix model theory, is used to describe the relevant areas of traditional marketing and social media marketing in depth, (c) clarifying the differences of characteristics between them, showing the advantages and disadvantages related to either one.

2. Traditional Marketing

2.1 Introduction

Today's marketers face a marketplace that is becoming simultaneously more competitive, more specialized, more globalized, and more technology-driven. To succeed in today's changing environment, marketing requires now more than ever, a balance between creativity and knowledge. Marketing is a dynamic discipline that changes often and rapidly and can be defined as "the processes of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals" (Lamb & Boshoff, 2007, p. 55).

Traditional marketing is the collective process where groups or individuals can exchange goods or services based on the customers' needs, desires and wants (Kotler, 2003). The content of the traditional marketing practices are centered and presented as the marketing mix model (Wahid & Tariq, 2011). This model was for the first time presented in 1953 by Neil Borden as "a mixture of useful elements" for marketing (Kotler, 2003). The marketing mix model was termed as the "4P's" of marketing in the 1960s by McCarthy. The "4P's" of marketing can be described as product, price, place and promotion variables (Wahid & Tariq, 2011). Different authors

through time have analyzed and rewritten the theory of the marketing mix (Kotler, 2003), for instance, Booms and Bitner (1982) proposed additional marketing P's to the existing "4P's", such as *people, process and physical evidence,* consisting of a "7P's" approach which is more inclined to services marketing (Fifield & Gilligan, 1996). Otalcan (2005) recently added a new concept to the marketing mix model by including *personalization, privacy, consumer, community, sales promotions, site and security* to the mix list of variables. This concept is more inclined to Internet marketing practices.

Although the original marketing mix model has been oversimplified (Gronross, 1999), the dominant "4P" approach will always be a mixture of different tools or instruments for pursuing a marketing plan (Van Waterschoot & Van den Bulte, 1992). Traditional marketing will discover and satisfy the needs, wants and desires of the customers through the traditional marketing channels of communication such as advertising, promotions, public relations and direct mail (Kotler, 2003). The marketing mix model of the "4P's" is presented in the following order: *product, place, price and promotion.*

2.2 The marketing mix model

2.2.1 Product

Product is the first element in the marketing mix. It is the solution to customers' wants, needs and desires (Kotler, 2003). Companies should first know the *product* or service before they decide on a promotion campaign or set a price for the specific *product* or service (Lamb & Boshoff, 2007). It is important for companies to know what kind of functions (like benefits, status, quality and reputation) customers are looking for in their products or services (Kotler, 2003). It is necessary for companies to do research and study the market to provide products with a good product name, after-sales service, quality and value in order to develop a good company name (Lamb & Boshoff, 2007).

2.2.2 Place

The importance of *place* in the marketing mix is about making products or services available when and where customers want and need those products (Lamb & Boshoff, 2007). *Place* is all the business activities concerned with the location: in the means of stores, factory and the storing of products as well as the transporting of products (Kotler, 2003). Companies should focus on the goals they want to accomplish by firstly choose their location. The choice of the location can be very fundamental for the success of the company.

2.2.3 Price

A short meaning of *price* in the marketing mix is what a customer must provide to obtain a specific product or service. *Price* is the most flexible as well as the quickest variable of the four marketing elements. Marketers can easily raise or lower prices more often than other marketing mix variables (Lamb & Boshoff, 2007). *Price* plays an import role in the marketing strategy as it sends out a message about the products, services and the image of the company. Pricing decisions depend on what goals the company wants to achieve (Kotler, 2003).

2.2.4 Promotion

Promotion is also called marketing communication. Marketing communication can be defined as “the communication by marketers that inform, persuade and remind potential buyers of a product or service in order to influence their opinion or elicit a response”. *Promotion* is the most important variable of the four marketing mix elements and focuses mainly on how to target customers and communicate its message to them through a specific channel, e.g. advertising, personal selling, public relations, sales promotions or direct mail (Lamb & Boshoff, 2007).

The following figure shows the traditional marketing mix:

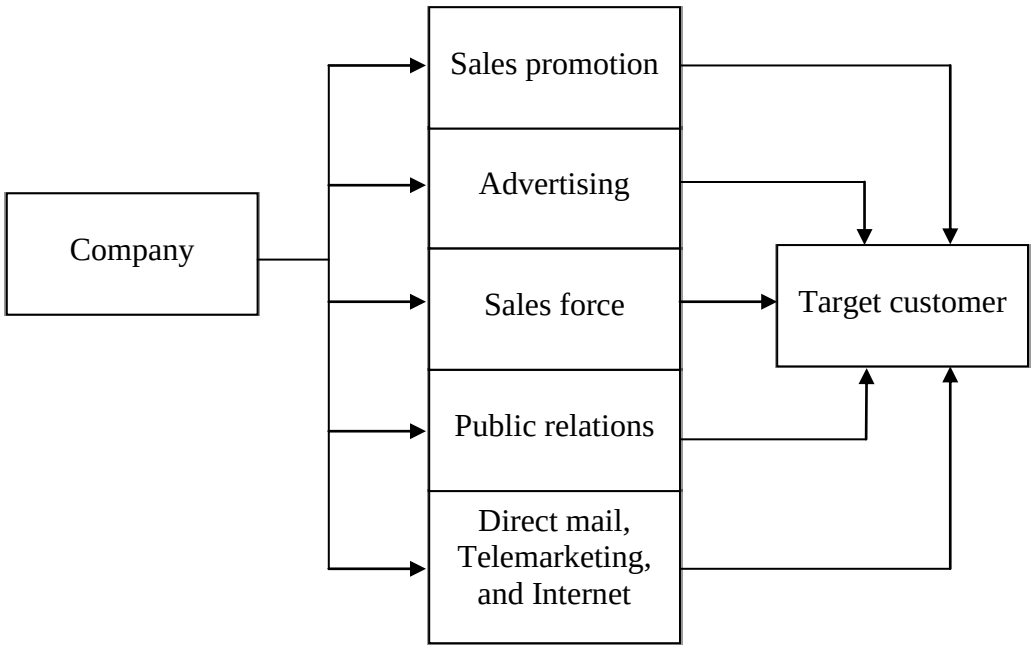


Figure 2.1: The Marketing Mix Model (Kotler 2003, p. 9) (modified version)

The marketing mix is a term used to describe the set of tools that a company can use to effectively communicate the benefits of their products or services to their customers. Tools that are part of the marketing mix are sales promotions, advertising, sales force, public relations and direct marketing.

The following marketing mix channels will be discussed, since a successful promotional mix uses a balance of these five channels in a planned and structured way (Hall & Cookham, 2009):

Sales Promotion

Sales promotion can be defined as a generally short-term tool used to stimulate direct increases in demand (Lamb & Boshoff, 2007) as well as a key success factor in all marketing activities.

One example of this short-term promotion is “buy one, get one free”. This type of promotion is a fast pace tool as it helps companies to move old stock, counteract competitor activity, merchandise new products, encourage repeat buying and motivate staff members (Hall & Cookham, 2009).

Sales promotions also create an incentive for customers to buy products and services in different marketing campaigns (Shima & Varfan, 2008). Sales promotions include offers such as free samples, competitions, rewards, bonuses, warranties, coupons, and trade shows.

The following table shows the major consumer promotion tools (Kotler &Keller, 2012)

Table 2.1: Major consumer promotion tools

• Samples	• Offer of a free amount of a product or service delivered door-to door, sent in the mail, picked up in the store or featured in an advertising offer.
• Coupons	• Certificates entitle the bearer to a started saving on a specific product: it is mailed or inserted in magazine and newspaper ads.
• Prizes	• Prizes are offers to have a chance to win cash, trips, or merchandise when you purchase something.
• Free Trials	• Inviting purchasers to try the product without cost in the hope that they will buy, e.g. car purchases - a free test-drive.
• Warranties	• Explicit or impact promises by sellers that the product will perform as specified - seller will refund the customer’s money or fix a problem in a specific time-period, e.g. car.
• Price-off	• A straight discount off the list price during a specific time period or on a special purchase case, e.g. discount during a special month or time-period (car specials in February/Valentine’s Day) or discount when customer trade in an old car for a new car.

Above six promotional tools are the tools that a major marketing communication campaign will use to promote the company’s products and services successfully, but these offers will mainly attract customers who are looking for new products and would not necessarily become loyal customers. This strategy can only be used where marketers want to reach short-term high-sales responses and not permanent gain in their market share (Shima & Varfan, 2008).

Advertising offer customers a reason to buy specific products and services; sales promotion offers customers an incentive to buy specific products and services. Sales promotions are mostly cheaper than advertising and easier to measure; marketers can identify the exact number of coupons or the amount of competition entries (Lamb & Boshoff, 2007).

Promotions can be used in different ways, for example by targeting new customers or loyal customers, or rewarding both in different ways (Shima & Varfan, 2008).

Objectives of sales promotions are (Lamb & Boshoff, 2007):

- to effect customer behavior and not customer attitude,
- for customers to respond immediately on purchasing,
- marketers should plan a marketing campaign according to the customer's general behavior,
- to strengthen brand-loyalty through rewarding customers for on-going purchasing,
- to reach price-oriented customers with better offers and more interesting promotion tools than their competitors.

Advertising:

All businesses are using some form of advertising tool to sell their product or service, whether in the form of a multimillion rand multimedia campaign or a simple classified advertisement on the radio or in the newspaper. Advertising can be defined as "any form of paid communication in which the sponsor or firm is identified".

Traditional marketing tools, e.g. newspapers, magazines, books, television, radio, billboards, transit cards and direct mail are used to convey advertisement to customers. The three main reasons for advertising is to provide the target audiences with information that creates customer awareness, to generate promoting products and company benefits for the customers, and to reinforce the company's existence by consistently repeating key messages to its target audiences (Hall & Cookham, 2009).

Nowadays marketers are more innovative and creative in their advertising. As a tool, advertising has the advantage to reach a large number of people at the same time through television and radio advertisements, as well as small groups of potential customers through direct mail, print advertising in trade magazines. An important aspect to remember is that the cost per contact in advertising is very low, but the total cost to advertise is normally very high. A disadvantage in advertising is the new tools of advertising such as the Internet and social media websites. The following influences or factors, namely the business market share, the consumer, brand-loyalty and product attributes can have an enormous effect on advertising (Lamb & Boshoff, 2007):

The following table shows the advantages, disadvantages and limitations of traditional advertising tools (Lamb & Boshoff, 2007) & (Kotler & Keller, 2012):

Table 2.2: Advantages, disadvantages and limitations of traditional advertising tools

Marketing tool	***Advantages***	***Disadvantages***	***Limitations***
Newspaper	• Includes geographic flexibility - newspapers can reach their target market daily/weekly. • Includes timeliness - copywriters can prepare the newspaper quickly and at a sensible cost.	• The little demographic selectivity as well as the limited colour capabilities copywriters can use in newspapers. • The low & slow pass-along rate plays an important role.	● Short life & poor reproduction quality
Magazines	• Target specialized audiences and reach more potential customers. • Good reproduction - especially for demographic selectivity and market selectivity - publishes magazines in every market segment.	• The cost per contact is usually very high. • Slow audience build-up market. • Limited demonstration capabilities.	● Long advertise-ment purchase lead
Radio	• Selectivity and audience segmentation like home audiences and geographic flexibility. • Low costs and timeliness - short-term advertiser. • No seasonal change in audience.	• No visual treatment • Short advertising life of message as well as distractions from background and commercial clutter. • High frequencies required by generating comprehension and retention.	● Audio presentation only & lower attention than television advertisements
Television	• Television is an audio-visual medium - provides several creative opportunities for demonstration. • Reach a wise and diverse markets and audiences. • Immediacy of messages as well as entertainment.	• Short life of messages • Television advertisement can usually be very expensive. • TV channels in SA tie their rates to the size of the audience. • Long-time advertising commitments. • High campaign costs.	● High absolute costs
Outdoor Media	• Geographic selectivity and media flexibility. • Moderate costs.	• Short message application and lack of demographic selectivity. • High “noise” level distracting audience.	● Limited audience selectivity & creative limitations
Direct Mail	• Audience selectivity, flexibility and personalization	• Relatively high costs	● “Junk mail” image
Brochures	• Flexibility and can dramatize messages	• Relatively high cost	● Over-production can lead to runaway costs
Internet	• High selectivity, interactive possibilities, relatively low cost		● Increasing clutter

Previous studies show that people need to see or hear an advertisement at least seven times before they take any action. Thus, to be effective, advertising needs to be conducted on a regular basis and in a consistent and distinguished manner (Hall & Cookham, 2009).

Sales Force:

Sales force can be described as the “face” of the business when providing or offer customers products and services. The working process has become a more complicated task because the sales representatives are the ones that bring the needs of customers and the company together and create the mutual satisfaction (Shima & Varfan, 2008).

Public Relations:

Public relations can be defined as the marketing communication function that evaluates public attitudes, identifies areas within the company that the public may be interested in, and executes a programme of action to earn public understanding and acceptance. Public relations can help a business to communicate to its customers, suppliers, shareholders, employees and the public other than just the advertising.

Marketers use public relations and publicity to preserve the good name and positive image of the business as well as to educate the public about the goals, objectives and new products and services (Lamb & Boshoff, 2007).

Examples of public relations are new product launches, a change in opening/closing times and articles in newspapers, sponsorships or donations. Attending seminars can help to promote the image of the company to the public and to the target audiences (Hall & Cookham, 2009). One of the main objectives of public relations is to generate favorable publicity for any business. Publicity can be described as public information about a company, the goods or services appearing in the mass media as a news item. The disadvantage of published information is that good publicity can be very expensive (Lamb & Boshoff, 2007).

Direct Mail:

Direct mail uses different channels of marketing to reach potential customers and generate sales leads (Lamb & Boshoff, 2007) such as face-to-face interviews, mailing, telephone, brochures and the Internet. Through this communication channels the company is building a long-term relationship and creates a personal feeling with customers (Kotler, 2003).

Direct marketing is a more popular technique as it enables the company to target specific customers, groups and their target market very accurately. This way companies can build their own in-house database and the information will be accurate and relevant to use and can easily be kept up to date (Hall & Cookham, 2009).

Face-to-Face Interviews:

Face-to-face interviews are the original marketing communication channel many companies are still using to meet the potential customers (Shima & Varfan, 2008).

Face-to-face selling builds customer relationships by understanding the needs and wants of the customers, answering their questions, giving feedback and additional information that will improve the customer-service standards (Hall & Cookham, 2009).

Face-to-face interviews often provide high quality information. An advantage is that the sales people communicate directly to the customers, therefore deals can be concluded (Kotler, 2003). A disadvantage of face-to-face interviews is the cost as well as the travelling time (Lamb & Boshoff, 2007).

Telephone interviews:

Telephone marketing provides marketers the opportunity to call customers where they sell products or services over the phone (Kotler, 2003). Telephone interviews cost less and it is faster and easier to collect data than face-to-face interviews.

Telephone interviewing is conducted from a central location. These locations have many phone lines, individual interview stations, monitoring equipment and headsets; people can therefore be interviewed nationwide from a single location (Lamb & Boshoff, 2007).

Email surveys already part as Internet marketing.

The fastest growing channel to communicate with customers is through email. The growing number of people in South Africa who have access to personal computers and the Internet has opened up new opportunities for collecting data.

Some advantages of email surveys is the quick response rate, low costs and promised anonymity for respondents. Some disadvantages are the limited number of subscribers being online, the fact that email surveys can be ignored or deleted, and invalid email addresses (Lamb & Boshoff, 2007).

Internet marketing

Internet marketing is a communication channel that is part of direct marketing (Kotler, 2003). The primary method of connection is through telephone and cable networks, and it is this feature that contributes to the uniqueness of this communication channel (Peters, 1998). The Internet will continue to have a significant and growing impact on consumer marketers and marketing practices in general (Lamb & Boshoff, 2007).

The Internet had a vast impact on the marketing mix since it was invented and realized to be an effective marketing tool (Kotler, 2003), and has advantages such as access to almost limitless information, constant communicating with consumers and simultaneously receiving quick and reliable feedback.

Empowered by the Internet, customers increase the control of the buying behavior process. The result is that information can now be transferred and turned into knowledge instantly from everywhere (Lamb & Boshoff, 2007).

2.3 Internet marketing becoming more social media marketing

Internet marketing has changed over the years. In the beginning it was only used for customer-business communication. Businesses use this communication channel to communicate to their customers through email and waiting on the customers' responses. The Internet also provides businesses to target their potential customers as well as other different target markets. The Internet gives businesses a chance to know more about their customers' needs, desires and wants by getting to know them personally (Kotler, 2003).

Nowadays the concept of Internet marketing has expanded and opened more opportunities for businesses to exercise their marketing mix channels, for example the speed and impact of the technological innovation processes. The growth of the Internet can be attributed mainly to the user-friendly consumer-oriented homepages or websites which utilize hypertext capability (Peters, 1998).

The consumer-driven sites, mostly called "Web 2.0", are very popular and have become the rising stars of the Internet (Newson, Houghton, & Patten, 2009). Web 2.0 began during a conference in 2004 by Tim O'Reilly who also set out the principles and practices of this new platform that is used today.

An important development on the Internet over the last 5 years is the explosive growth of the social media applications based on online public-generated content (Lorenzo-Romero, Constantinides, & Alarcon-del-Amo, 2011). Social media differ from other types of marketing because social media do not require direct human interaction (Zeithaml et al., 2009).

2.4 Social Media Marketing

2.4.1 Introduction

Social media can firstly be defined as "participatory online media where news, photos, videos and podcasts are made available via social media websites through submission; normally accompanied with a voting process to make media items

become popular" (Evans, 2008, p. 15). Furthermore, social media can also be defined as "user-generated content created or produced by the general public rather than by paid professionals, and primary distributed on the Internet" (Daugherty, Eastin, & Bright, 2008, p. 6).

2.4.2 Why focus on social media marketing?

Social media is user-generated content and will create enormous opportunities for companies to use these electronic word-of-mouth applications. Electronic word-of-mouth applications can be powerful to companies by giving a competitive advantage, since consumers know and trust their "online friends" and make recommendations regarding products and services. Social media provide real-time opportunities to companies to create customer experiences by making available social media tools (Du Plessis, 2010). Marketers can establish a public voice and presence on the Web and reinforce other communication activities. Social media can be describe as a day-to-day immediacy and that way marketers can encourage companies to stay creative, innovative and relevant (Kotler & Keller, 2012). The following facts show that social media is the future for marketing in South Africa (Beckbessinger, 2011):

- There are 5.5 million South Africans online, and around 70% of them are using social networks.
- Five of South Africa's top 10 websites are social media sites.
- Seventy-four percent of South African Facebook users log on every single day.
- The average social media user is between 25-35 years old.
- The fastest growing group on most of the social networks is females, 55 years and older.

2.4.3 The nature of social media marketing

What also defined social media is "a variety of new sources of online information that are created, initiated, circulated and used by customers' intent on educating each other about products, service, brands, personalities, prices and issues" (Blackshaw & Nazzaro, 2008, p. 3).

Social media are unique in that they are “media rich” and empower users to share their opinions, insights, experiences, content and contacts with their friends and family through multiple types of content. Similar to multimedia, social media allow for multiple forms of content such as text, audio, still images, animation, video and other interactive content forms.

One of social media’s main focuses is to distribute a specific message to a large number of people. There are thousands of social media sites available on the Internet nowadays. Through all these forms of media, customers/users are able to discover more about favorite and specific products, brands and services (Charton, 2007).

The following list reflects the different elements of social media and a wide range of online word-of-mouth forums. It is a favorite with advertisers as this is non-exhaustive (Newson et al., 2009)

- Blogs
- Professional and social networking sites
- Wikis
- Podcasting and video casting
- Company-sponsored discussion boards and chat rooms
- Social bookmarking
- Consumer-to-consumer emails
- Consumer product or service websites and forums
- Social media search
- Social media event calendar
- Mobile phone platforms
- Blog-networking communities
- Photo-sharing sites

The following table shows the different online word-of-mouth forums and their uses (Du Plessis, 2010):

Table 2.3: Different online word-of-mouth forums and their uses

Tool	Definition/ Explanation	Company use
• Blog	An individual provides commentary in the form of a personal diary about various topics of interest. Visitors to the blog may respond to messages (Stanyer, 2006)	• Builds customer community • Encourages customer conversation
• Product Blog	Similar to a blog, but messages are aimed at selling products or services. In many instances the blogger has entered into affiliate programs or joint ventures with another company (Goodfellow & Graham, 2007)	• Builds customer community • Encourages customer conversation
• Message Board	An electronic platform in the form of a forum where various messages about different topics can be posted (Maclaran & Catterall, 2002)	• Builds customer community • Encourages customer conversation
• Podcast	A digital media file that can be downloaded from the Internet by users and played back using various Internet and communication technologies (Lu & Hsiao, 2009)	• Builds customer community • Encourages customer conversation
• Wiki	A web page or several web pages, the content of which can be modified by users who can access these pages (Mason, 2008)	• Builds customer community • Encourages customer conversation
• Fan Page	A page of a celebrity within a social media site such as Facebook or Myspace. Many organizations also create a fan page for a brand (Luckhoff, 2009)	• Builds customer community • Encourages customer conversation
• Games, Competitions and Incentives	Providing entertainment to online community members while surfing the website (Sicilia & Palazón, 2008)	• Attracts traffic to a website • Builds customer community
• Sponsoring of content category	Organizations are given a category in a suitable section of a social media site where they can post original content (Charton, 2007)	• Brand/product publicity
• Video Advertisement	An engaging audio-visual advertisement that is generated by users and available on sites that are part of the Google content network (Li & Thomasch, 2008)	• Builds customer community • Encourages customer conversation • Brand/product publicity

• Online Social Media Press Release	A press release with multimedia features that can be accessed online (Standard Bank's online social media release, 2009)	• Brand/product publicity
• Social Media Aggregator	A website that allows for searches on social media and provides the marketer with the opportunity to read opinions of consumers about their products or services (Capper, 2008)	• Brand building
• Hyper Targeting	Targeting individuals with tailor-made messages using available demographic and behavioral information (Milton, 2009)	• Brand/product publicity
• Mobile Platforms	Using the Internet or social conversation sites to reach online consumers (Boyd, 2008a)	• Brand/product publicity

Social media are not a new phenomenon. Popular consumer-driven sites such as Facebook, Myspace and Twitter have made social networking more accessible to the masses.

The following potential benefits of Internet technology to consumers, such as Internet media and social media networking sites, are as follows (Jobber & Fahy, 2009) & (Red Bridge, 2008):

- Customer Convenience: With electronic channels, companies are able to provide access 24 hours a day, 365 days a year from a sales desk and increasingly anywhere via mobile Internet. With other traditional marketing channels like direct mail, companies limit their hours of availability.

- Information Resources: The Internet enables the user to acquire detailed, real-time information about products, pricing and availability. The Internet allows customers to configure products or services to their own particular needs and desires. Customer interaction is one of the strengths of social media, because companies can immediately found out on social media sites such as Twitter, Facebook and Myspace what customers think of a particular service or product. Companies can rapidly give feedback, make some changes and address and solve the necessary problems.

- Social Media Distribution Channel: It allows the consumer to interact with a large number of other consumers to gather information. The cost and effort to inform, promote, and motivate consumers to buy through other traditional marketing channels like advertising (radio, television and public relations) are higher than the cost to accomplish the same activities with the Internet and social media websites.

- Lower Prices: It is possible for consumers to search for the lowest prices available or, with social media, prices that are more competitive than other traditional marketing channels because of the transparency of pricing. The websites can literally conjure up a large amount of users. Traditional marketing provides personal sales and service interaction with consumers that are more powerful and effective than the Internet sites.

- Increase Product & Brand Awareness: Marketing on social networking sites will increase awareness by increasing the online presence of your products and brand.

- Increase Customer Loyalty: If done correctly, promoting the companies or the companies' products and services by building a social network, can greatly enhance customer loyalty.

- Increase Success of New Product Launches: Social networks provide a unique opportunity to survey the relevant community on their products, wants, and needs (Red Bridge, 2008).

South African Internet users have embraced social media as a core pillar of their online activity. Social networks such as Facebook, Myspace, Twitter and YouTube are not only changing the way that many people uses the Internet, but they are also presenting marketing practitioners with new challenges when trying to reach and obtain customers online ("Business trends in South Africa", 2011).

The concept of social media is top of the agenda for many business executives (Robinson, 2010). Decision-makers as well as marketers try to identify ways in which companies can make profitable use of these webpage applications. The emergence of Internet-based social media have made it possible for one person to communicate with hundreds, even thousands of other people about products and the companies that provide them. Thus, the impact of consumer-to-consumer communication has been greatly magnified in the marketplace and can be called a "word-of-mouth strategy" (Kaplan & Haenlein, 2009).

A word-of-mouth strategy is one of the most common characteristics of the Internet. Online users can share their views, preferences and experiences with their friends, colleagues and the public online. This strategy is a huge opportunity for companies to take advantage of word-of-mouth marketing.

Word-of-mouth referrals have been the primary driving force for social media networking sites to acquire new members. The rapid growth of social networking sites forces them to make use of traditional marketing tools. Researchers have examined the conditions under which consumers are likely to make purchase decisions, e.g. depending on other people's opinions, the motivation for different people to spread the word about a product, and the strength of people's influence on their peers (Trusov et al., 2009).

2.4.4 Consumer-Driven Sites

Consumer-driven media are a vital aspect for companies whose target audiences use this media sites as well as to target new audiences online. Through technological development, business people started to use some of these consumer-orientated services to network and to target new clients online.

A lot of the innovations in social media have originated on the consumer-driven side, for example it has given web-users great freedom over what content they view, from where they can access it and from whom they receive it (Newson, et al., 2009).

Typical social networking sites allow a user to build and maintain a network of friends for social or professional interaction.

The core of a social networking site consists of personalized user profiles. Individual profiles are usually a combination of users' images (or avatars), lists of interests and music, books and movies preferences, and links to affiliated profiles ("friends"). Different sites impose different levels of privacy in terms of what information is revealed through profile pages to non-affiliated visitors and how far "strangers" versus "friends" can traverse through the network of a profile's friends. Profile holders acquire new friends by browsing and searching through the sites and sending requests to be added as a friend.

Other forms of relationship formation also exist (Trusov et al., 2009). The following consumer-driven sites are the most visited sites in South Africa due to popularity.

Facebook:

The newest definition to describe Facebook is that "people around the world uses Facebook to keep up with their friends, upload unlimited number of photos, share links and videos, and learn more about the people they meet online" (De Gouveia, 2008, p. 50). The development of Facebook led to a combination of powerful networking facilities and entertaining features that are currently the most popular, talked about, social utility that connects people around the world (Newson et al., 2009). The current amount of online users is between 170-175 million (Patricios, 2009). Facebook users can create their own personal profiles, upload unlimited photos and statuses as well as lists of their personal interests, exchange private or public messages and join different and unlimited groups, friends, businesses or public pages (De Gouveia, 2008).

Business opportunities with Facebook:

Facebook has a lot of opportunities for companies to utilize. First, the ability to network with fellow professionals and potential clients to form strategic connections. Through Facebook, companies can develop professional relationships. Some professionals imply that Facebook is a better networking site to use as the professional networking site for businesses, i.e. LinkedIn. The benefit of Facebook over LinkedIn is that with Facebook, companies can communicate direct to their on-line friends in a relaxed and socialized way. Hereto LinkedIn only allows companies to build up a list of online contacts. Second, Facebook gives companies the opportunity to raise their company's profile through advertising. On Facebook, companies can advertise to a specific group of friends or advertise generally to any Facebook-user (Newson et al., 2009).

Myspace:

Myspace started in August 2003 as a social networking site in most languages that allows "registered users to have a personal homepage, interact and become friends with other users, join different groups based on the user-interests, publish bulletins of the latest news as well as keep a blog and customize the user-homepage, and to upload photos, videos and music" (De Gouveia, 2008, p. 50).

Myspace added 145 billion unique users to their base and is perceived to be used predominately by teenagers and young adults (Newson et al., 2009).

Business opportunities with Myspace:

Myspace demonstrates a lot of benefits that companies can use. First, businesses can sell their products and services through direct communication to target specific web-users. Second, companies can enhance their profile awareness through the following web tools (Newson et al., 2009):

- Advertising through the different advert applications, can help companies to gain an advantage. Myspace advertising depends on different adverts where companies want to make use of it. A cheaper way to advertise is to use a text-only sponsored advertisement link on the webpage.

- Myspace pages: Creating Myspace pages and Myspace profiles is a free and easy way to display information about products and services and to communicate to the specific target group or public web-users. One benefit is that Myspace pages include a personalized messaging space by default.

Twitter:

Twitter is the least complex networking site among all the consumer-driven sites and is called the “big online player”. It has been described as a “micro-blog”. The meaning of the micro-blog is that users can express their emotions and feelings at a specific time in 140 characters. Twitter is not a blog per se and therefore no facilities for uploading videos or podcasts exist.

Twitter can be defined as “the interaction between users and how users ‘follow’ each other or a specific group, or an individual looking for the latest news” (Newson et al., 2009). Twitter leads to big open conversations about the latest news and includes different links to websites in their news tweets. Tweets can be instantaneously through the Internet or through mobile phones

Business opportunities with Twitter:

Twitter is an enormous marketing and information tool for companies around the world, because web-users can follow the latest news updates, promotions and offerings of the company on Twitter (Newson et al., 2009).

YouTube:

YouTube was formed in February 2005 as a video-sharing website where users can upload, share and view an unlimited amount of video clips (De Gouveia, 2008).

YouTube offer a wide variety of features. Users can join different groups with interests, in particular video sharing, movie clips, TV clips, music videos as well as video-blogging and short original videos (Newson et al., 2009).

Unregistered users can watch most videos on the site, while registered users are permitted to upload an unlimited number of videos (De Gouveia, 2008). Videos can be embedded into other social media sites, such as blogs and Myspace. Users can upload individual or random videos as well as comment and respond privately or publicly on the different videos. Users describe YouTube as exciting and entertaining (Newson et al., 2009).

Business opportunities with YouTube:

There are a lot of innovative opportunities on YouTube for companies to promote, advertise and offer their products and services. To advertise on YouTube is very expensive and there is only a small fraction of companies that use such advertising on YouTube. Companies can upload videos and TV clips to advertise their products and services to their relevant target audience; also registered and unregistered web-users. This video-blogging publicity illustrates a successful advertising campaign with unlimited views (Newson et al., 2009).

2.4.5 The marketing mix model

Product:

The Internet leads to faster identification of customer needs, more personalized customization of the products to the customers' needs, faster product testing, and shorter product life cycles (Eid & Trueman, 2002). It offers the opportunity to develop new products or services. It also provides the opportunity to offer a core product that satisfies the customers' fundamental needs; it also enables the companies to offer additional services such as interactivity or additional information about the company's core product (Hoffman & Novak, 1999).

People are more likely to communicate through both word-of-mouth and social media when they are engaged with a product, service, or idea. This commitment may come

naturally for supporters of certain causes, political candidates as well as trendy new technological products. It can, however, also be stimulating for products and services which generate less psychological involvement of customers (Mangold & Faulds, 2009).

Price:

Internet technologies have a major impact on the economics; they potentially reduce the search costs that customers incur when searching for information about products and services (Jobber & Fahy, 2009).

Place:

According to Allen & Fjermestad (2001), the Internet has the biggest implications for *place* in the marketing mix because of its enormity. The *place* element of the marketing mix traditionally refers to the actual position where the products are distributed from to customers. Social media offers a brand-new way for distributing products through online selling. People can make purchase decisions through online selling anywhere and anytime they want or need.

Promotion:

Social media covers a wide range of online word-of-mouth forums including blogs, company sponsored discussion boards and chat rooms, consumer-to-consumer email, consumer product or service ratings websites and forums, Internet discussion boards and forums, mob logs (sites containing digital audio, images, movies, or photographs), and social networking websites, to name a few.

They have become a major factor in influencing various aspects of consumer behavior, including awareness, information acquisition, opinions, attitudes, purchase behavior, and post-purchase communication and evaluation. Social media demonstrate that it has two inter-related promotional roles in the marketplace. First, social media enable companies to talk to their customers, and second, it enables customers to talk to one another (Mangold & Faulds, 2009).

2.5 Traditional Marketing vs. Social Media Marketing

The learning process of marketing changed dramatically over the years, as Georges-Edouard (2009) indicates, “We no longer learn marketing in books, but rather by being sensitive, by listening to people online and becoming part of the conversation”.

2.5.1 The new communication tools

In the traditional marketing, the elements of the promotional mix are coordinated to develop an integrated marketing communication strategy. The content, frequency, timing, and medium of communication are dictated by the organization in collaboration with its paid agents (advertising agencies, marketing research companies, and public relations consultants).

The flow of information outside the boundaries of the paradigm has generally been confined to face-to-face communication among individual consumers, which had minimal impact on the dynamics of the marketplace due to its limited distribution (Mayzlin, 2006). However, nowadays social media, the marketing managers’ control over the content, timing and frequency of information are being severely eroded.

In the new communication paradigm, information about products and services also originates in the marketplace. This information is based on the experiences of individual consumers and is channeled through the traditional promotional mix. However, various social media platforms, many of which are completely independent of producing or sponsoring agents, magnify consumers’ ability to communicate with one another.

This ‘‘groundswell’’ has profoundly affected all aspects of consumer behavior, and has bestowed consumers with power they have not previously experienced in the marketplace (Li & Bernhoff, 2008).

In the new communication paradigm (see Figure 2.2), marketing managers should recognize the power and vital nature of the discussions by consumers using social media.

The impact of the interactions among consumers in the social media space on the development and execution of integrated marketing communication strategies is illustrated by the following points:

- The Internet has become a mass media vehicle for consumer-sponsored communications, representing the number one source of media for consumers at work and the number two source of media at home.

- Consumers are turning away from the traditional communication methods, i.e. radio, television, magazines, and newspapers. Consumers also consistently demand more control over their media consumption. They require on-demand and immediate access to information at their own convenience (Rashtchy, 2007; Vollmer & Precourt, 2008).

- Consumers are turning more frequently to various types of social media to conduct their information searches and to make their purchasing decisions (Lempert, 2006; Vollmer & Precourt, 2008).

- Consumers perceive social media as a more trustworthy source of information regarding products and services than corporate-sponsored communications transmitted via the traditional elements of the promotional mix (Foux, 2006).

The above trends have severely diminished the usefulness and practicality of the traditional communications paradigm as a framework for developing this integrated marketing communication strategies. On the other hand, the new communications paradigm requires several important changes in management attitudes and assumptions about integrated marketing communication strategy formulation.

First, marketing managers must accept the reality that individual consumers are communicating, via social media, a huge amount of information about their products and services to other consumers.

Second, consumers are responding to this information in ways that directly influence all aspects of consumer behavior; from information acquisition to post-purchase expressions of satisfaction and dissatisfaction.

Third, consumers are still using traditional marketing to get information but social media become more important in carrying out the message. Finally, managers who are accustomed to exerting a high level of control over company-to-consumer messages, must learn to talk with their customers, as opposed to talking at them, therefore influencing the discussions taking place in the social media space.

Figure 2.2 explains the new communication paradigm **(Mangold & Faulds, 2009)**

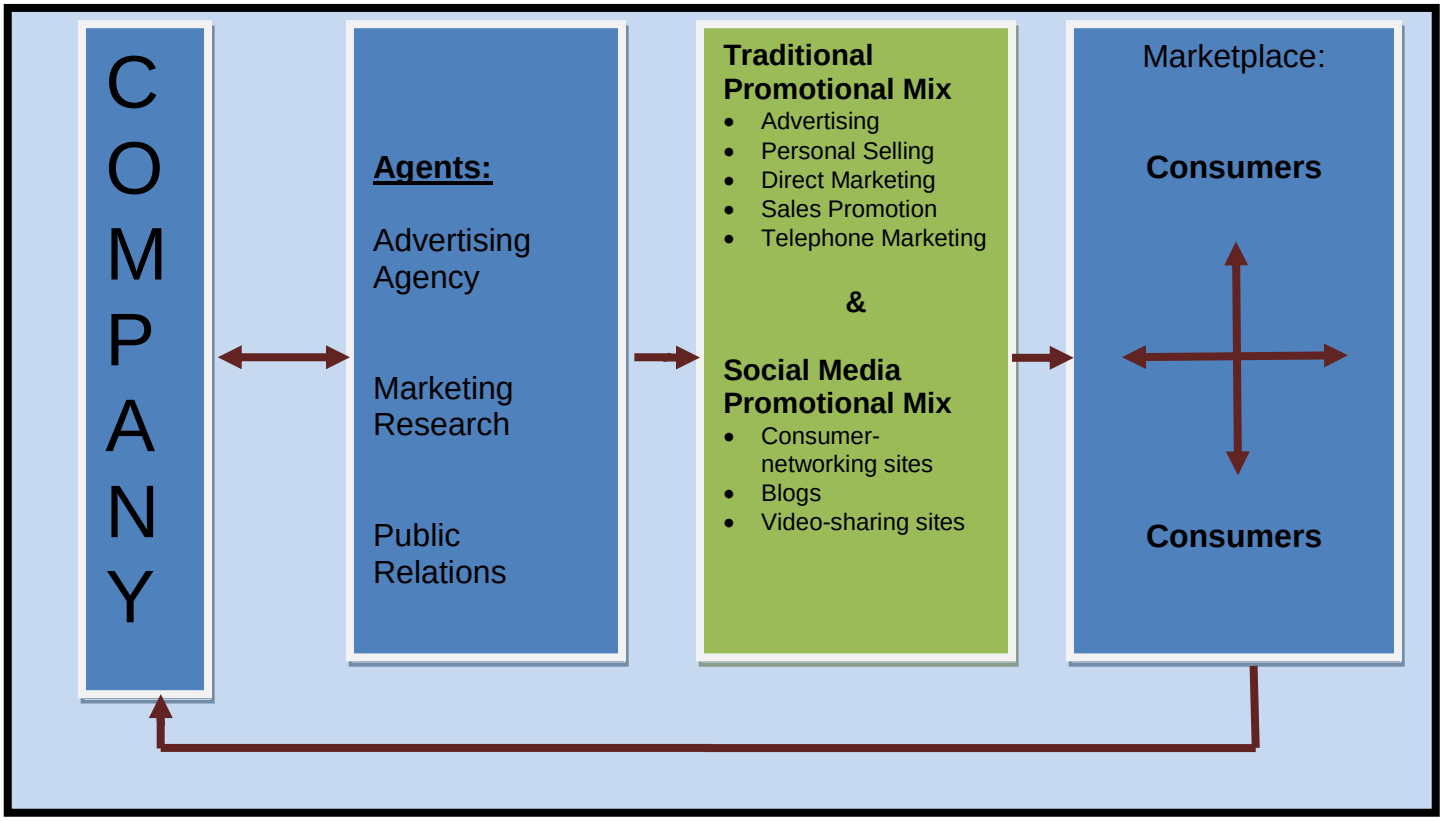


Figure 2.2: The New Communication Paradigm

Chapter 3:

Literature review: Customer Decision-Making Process

3.1 Introduction

Marketing managers should change with the times as consumers' product and service preferences as well as buying patterns are changing constantly. Consumer behavior describes how consumers make purchase decisions and how they use and dispose of the purchased goods or services. It is important to understand how consumers make purchase decisions as this behavior can be influenced by a set of variables. The consumers' decisions are also influenced by the strategic value of companies that provide services ("Management Today", 2006).

Figure 3.1 shows an overall view of customer behavior (Cant et al., 2006).

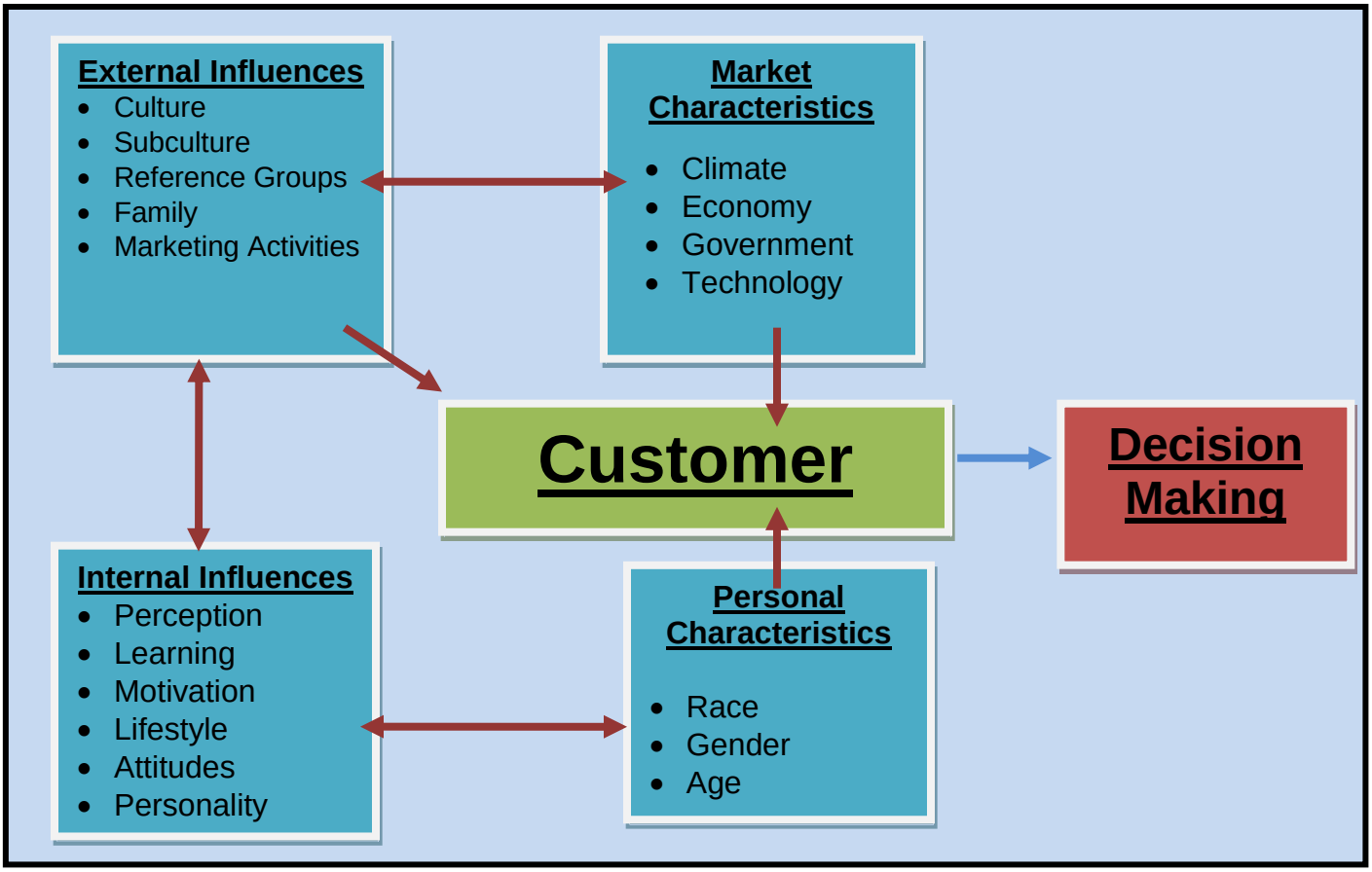


Figure 3.1: Overall view of customer behavior

The process involves identifying options, evaluating the impact and implementation of action plans. This decision-making process can be compared to a quote from Lewis Carroll's Alice in Wonderland, “Any direction will do if you don’t know where you want to get to”. The decision-making process can be defined as the stages that companies and people pass through when purchasing a physical product or service (Jobber & Fahy, 2009).

3.2 Decision-making process of customers

Customers are constantly aware of current and new products and services to choose from. There are two main reasons why individuals make decisions: firstly to satisfy needs and desires, and secondly there will often be more than one option or alternative to choose from (Cant et al., 2006).

The process depends on what products and services consumers want to possess, purchase and use. A successful, satisfied customer behavior is caused by the client's satisfying his needs, a process known as a cognitive process. The cognitive process is defined as follows, “Those mental activities that determine what activities are undertaken to remove a tension state caused by a need” (Cant et al*.,* 2006, p. 56).

Perception is the process by which a customer becomes aware of the environment and interprets it in a way that it will fit into their own frame of reference. A problem arises only when the customer experiences a difference between the current situation and what the customer wants. This unmet need creates a negative stance that can be satisfied only by fulfilling the customer's needs.

The process is a repetitive process of physical activities which could be in a strict sequence, but customers will switch to other activities if they are not satisfied. The consumer's final decision depends on certain variables that affect the product and service, and thus the focus is based on the decision-making process of consumers. The results of a consumer’s decision are also influenced by external variables (Cant et al., 2006).

Needs, motivation, personality, perception, attitude and lifestyle are considered as independent variables which can control the internal thought processes. External influences include cultural and social influences, reference groups and family. Other factors such as personal characteristics, environment and marketing also play an important role in the decision-making process (Cant et al., 2006).

Figure 3.2 shows the different Social Media Marketing vs. Other Marketing Channels.

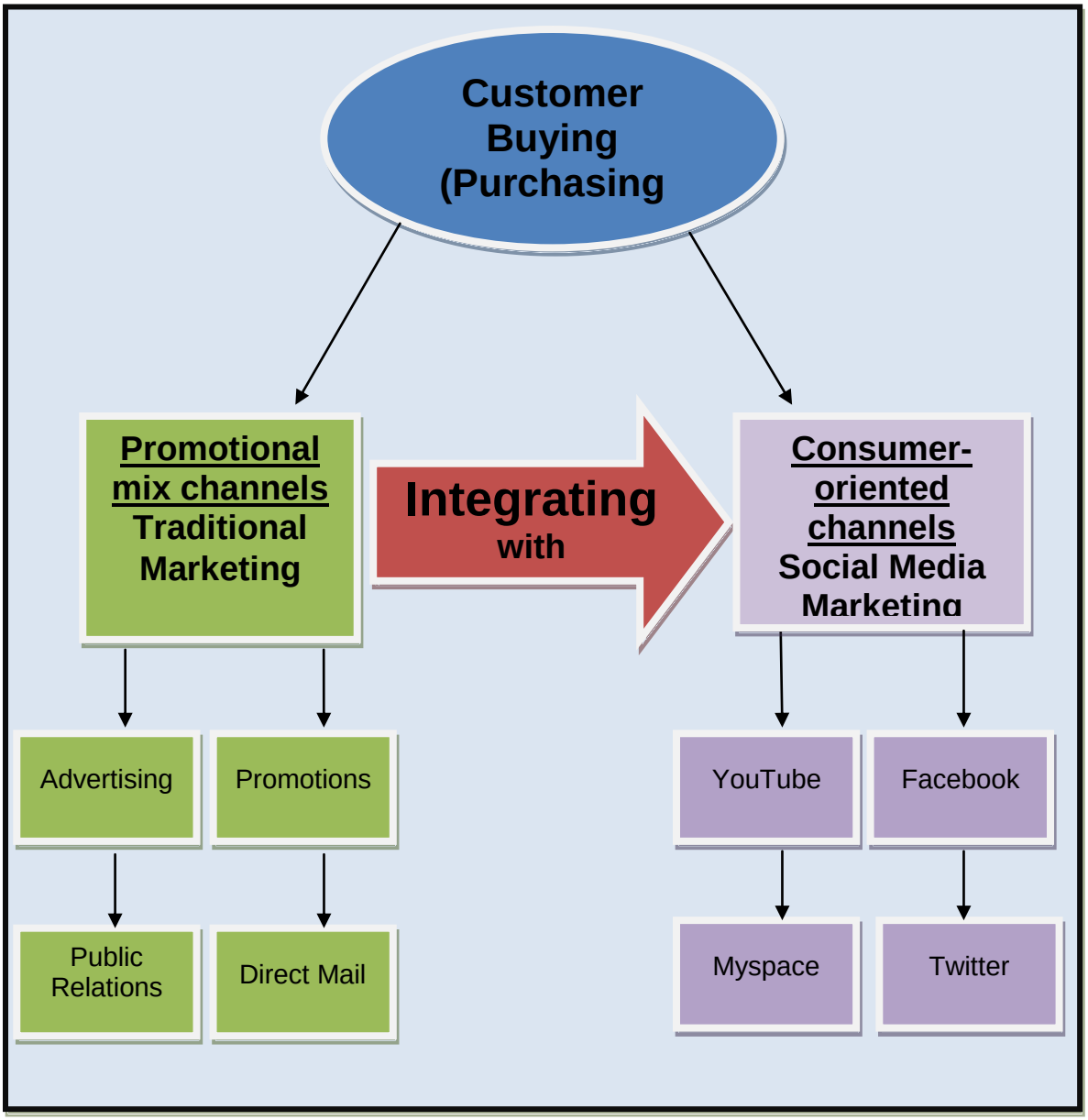


Figure 3.2: Social Media Marketing vs. Other Marketing Channels (Created by author, 2012)

3.3 Steps in the decision-making process

Most marketers are familiar with the four stages of the customers' buying process concerning which marketing activities can be planned. The four stages are need-and-want recognition, information gathering, evaluation and purchase. Within each stage, marketers have the opportunity to improve the customer experience and influence the customer through all stages towards a purchase. However, the mass adoption of the Web channel among customers has shifted the stages of the customer buying process from a mostly offline activity to an increasingly online activity (Gartner, 2007). As more and more customers use online channels for part or all the buying process, marketers must enable e-marketing technologies to help move customers from need/want recognition to purchase (“Red bridge”, 2008). Many customers now go through the entire buying process online, or use the online channel though multiple steps of the process. For example, a customer might recognize a need for a car by seeing an online ad, search for information about the car online, seek out recommendations from others about the car through an online forum and then purchase the car at a nearby dealership. Therefore, marketers must respond with specific e-marketing techniques that address each stage of the process. In each step of the customer buying process, e-marketing technologies can be best placed to help or lead customers toward a purchase (Gartner, 2007).

Figure 3.3 shows a summary of e-marketing technology:

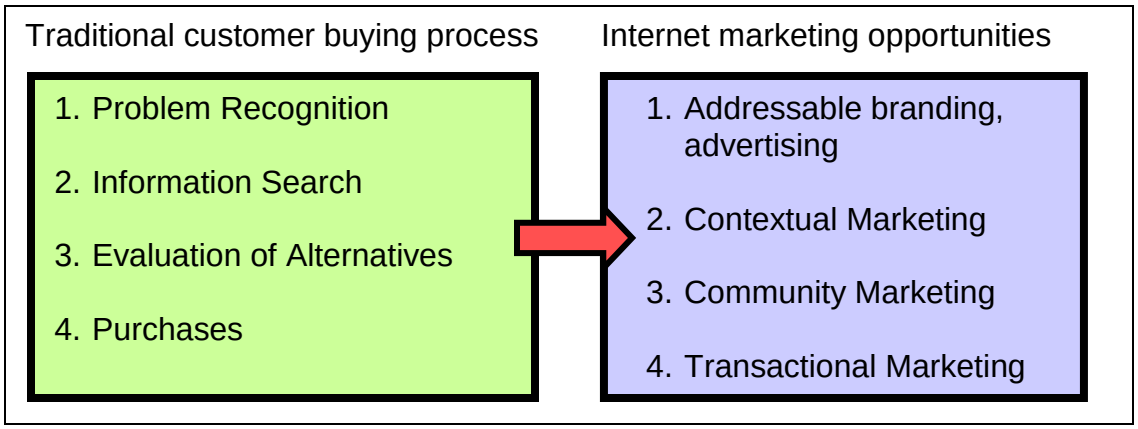


Figure 3.3: E-marketing Technologies

The following stages will be discussed: first the traditional marketing stages, then the Internet marketing stages, and finally verifying the important role marketing plays in the decision-making process:

• Problem Recognition:

The individual recognizes a need that must be satisfied. The first phase involves the recognition of a problem. A problem arises when a consumer sees the difference between what is regarded as the actual state of affairs and what is wanted. Problem recognition is the awareness of the need for the existing condition to be changed to meet the desired or ideal state. Problem recognition is primarily a perceptual phenomenon. The difference between the current and desired state of affairs causes positive behavior. The result is the development of a range of mental activities and reactions known as *cognitive processes*.

The process of problem recognition may vary immensely and depends on the effect of various factors, including: 1) information stored in the memory, 2) individual differences, 3) environmental influences (Cant et al., 2006). Marketers need to identify the circumstances that trigger needs by gathering information from a number of consumers. Marketers should then develop marketing strategies that will increase the need and motivate customers so that a potential purchase gets serious consideration (Kotler & Keller, 2012). Advertising will help create “top of mind” or “mind share building” in consumers’ thoughts (Jobber & Fahy, 2009).

Web-marketing - Problem recognition:

This is the beginning of the customer buying process and it deals with awareness. Internet marketing opportunities, such as addressable branding and advertising functionality, can help establish awareness and need. Banner ads, sponsorships and interstitials are e-marketing activities that can expose customers to products and services. Data gathering tools, such as Web analytics and online surveys, can start to quantify different needs and wants. Because these e-marketing activities are addressable, customers can respond to and interact with a brand, for example click on a banner ad, search for more information or request information, becoming part of

a company's social media profile, and read the latest news feeds on social media networking sites (Gartner, 2007).

• Searching for information:

Consumers are looking for possible solutions in the external environment or use the information stored in their memory. The second phase is the search for and process of information. In many situations the consumer recognizes the problem and seeks information. This searching for information by the consumer is the mental and physical activity to obtain information of identified problems. This is a learning process where consumers are made aware of alternative products and services, and provide information in order to get the best benefits at the lowest costs. It is selective because consumers prefer information that is most consistent with their needs, views, beliefs, personality and attitudes. The search in which users engage can be internally and externally (Cant et al., 2006).

- Internal: This is information stored in the consumer's memory from previous learning processes.
- External: This type of information is affected by individual differences and environmental influences.

Table 3.1 shows the search for information as described by Cant et al., (2006).

Table 3.1: The search for information

INDIVIDUAL DIFFERENCES	ENVIRONMENTAL IMPACTS
• Consumer Resources • Motivation and Involvement • Knowledge • Attitude • Personality • Lifestyle • Demographics	• Personal Information Sources • Business and Market Impacts (advertising, verbally) • Neutral Sources (pamphlets, brochures) • Human Resources (financial consultants) • Social and Cultural Influences

It can be seen that one of the biggest challenges facing marketers, is to provide the consumers with information on which they can base their decisions (Cant et al., 2006). Marketers need to identify the hierarchy of attributes that guide consumers through the decision-making process in order to understand different competitive forces and how these various sets get formed. The process of identifying the hierarchy is called marketing positioning.

The hierarchy of car buyers is in different customer segments: for example, car buyers first decide on the manufacturer and then on one of its car divisions. A buyer might favor cars in the General Motors stall and, within this set-up, Chevrolet or Isuzu, or buyers will first decide on a country from which they will buy a car.

Second, buyers will decide they want to buy a car made in Germany, then Audi and then the Audi model. The third segment is the price segment. Car buyers decide first on the price and then on the car. The last two segments are the type-dominant: buyers who will first decide on the different types of cars (sport, passenger, hybrid), and the brand-dominant: buyers who will first decide on a brand and then the type of car (Kotler & Keller, 2012). Consumers would constantly be influenced by other factors than just advertising information, such as brochures, flyers, direct mail, but also through family, friends, cultural values, social class, or subculture (Jobber & Fahy, 2009).

Web-Marketing: Information Search:

Once customers establish a need or want, they seek information about that product or service. Contextual e-marketing techniques (providing information from explicit searches or questions) are becoming extremely useful as a mechanism to seek information and has become a routine step in the customer's buying process. The success of Google and its contextual search functionality shows the power of providing tools for the customer to seek relevant information that can assistant the customer through the buying process. Contextual marketing, such as search marketing (organic or paid), location-based search (matching the user's location to proximity of product/service), customer-preference management tools and available

social media networking sites and news feeds, is a natural fit to align explicit information gathering with relevant answers (Gartner, 2007).

• Evaluation of alternatives:

Consumers evaluate or assess the various options on the basis of the information and experience available to them, and then make a decision. Consumer evaluation is the identification of alternative solutions to a problem and then evaluates the advantages and disadvantages of each. In the evaluation of alternative products, consumers compare features of products and are evaluated according to predetermined criteria. The criteria are the acceptable limits on which the consumers decide when they seek for solutions. The criteria for evaluating are the standards, features and specifications (Cant et al., 2006).

There are four types of individuals involved in decision-making, e.g. economic, passive, emotional and cognitive individuals (Cant et al., 2006). Marketers should be aware that sales or price-point-oriented advertising, such as direct mail, point-of-purchase, incentive materials and the Internet ads, plays an important role in choosing alternatives (Jobber & Fahy, 2009).

Web-marketing: Evaluation:

This is the point in the buying process where customers look at the available choices, including the opportunity of not choosing the next-best alternative. Considerations such as service, price and convenience are part of the evaluation process. Reaching out to trusted friends, family or social networks to seek out these answers has a substantial impact on evaluation. Community Internet marketing functions such as community marketing, customer feedback, message boards, customer reviews and blogs, will also provide the tools to help customers though the evaluation process toward their purchasing goal (Gartner, 2007).

• Purchase Decision:

The customer purchases the item of choice. Consumer decisions are the result of evaluation and involve the mental process of choosing the best alternative. The best

choice is the one closest to the evaluation criteria that the consumer embodied (Cant et al., 2006).

Web-marketing: Purchase:

The last step in the buying process also has Internet marketing opportunities. Transactional e-marketing activities, such as online surveys, companies' newest information posts, email marketing and online dialogue/discussion posts functionality, help customers to final purchases or even to do additional purchases. For example, a customer has searched for a specific car on the company's site, read reviews/ comments from others or read the newest information on the company's profile page on a social networking site and is led through an online dialogue that displays options for final selection (Gartner, 2007).

• Post-purchase evaluation:

Consumers use the product and evaluate it: whether the product meets the requirements and whether the problem is resolved. The reason for the decision-making process is to know the difference between what the consumer has and what the consumer needs. Consumers are buying to satisfy their needs and to be satisfied with the decision (Cant et al., 2006).

Marketers should monitor how buyers use and dispose of the product (Kotler & Keller, 2012) as well as keep customer awareness in mind for the following: how to advertise again, the service they want to receive and the effect of WOM-communication (Jobber & Fahy, 2009).

3.4 Traditional marketing tools that influences purchasing behavior

The following set of variables influences had an impact on the process, the buying center, and the choice criteria in consumer behavior (Jobber &Fahy, 2009).

3.4.1 The buying situation

There are three kinds of buying situations:

- Extended problem solving

  Extended problem solving involves a search for information as well as close examination of the alternative solutions. The information search does not only focus on which brand or model to buy, but also on where to buy it. Marketers can provide excellent information to customers via advertising and sales force.

- Limited problem solving

  Limited problem solving is the major buying situation where the customer decides mainly through memory after he had some experience with the product. This situation provides marketers with some opportunity to stimulate the need to conduct a search and reduce the risk of brand switching.

- Habitual problem solving

  Habitual problem solving is when a customer buys the same product without evaluating the alternatives. Customers may buy a certain brand if they can recall the satisfaction gained by purchasing it previously. Advertising is the effective marketing tool to keep the brand name in the customer's mind.

3.4.2 Personal influences

There are six personal variables that have a major impact on consumer behavior, namely: information processing, motivation, beliefs, attitudes, personality, and lifestyle.

Social influences:

There are three social influences on consumer behavior: culture, social class and reference groups.

- Culture:

  Culture is an all-embracing term for the traditions, taboos, values, and the basic attitudes of the society. It provides an individual lifestyle and consequently affects consumption.

- Social class:

  Social class is an important element of consumer behavior. Social class groups help marketers to categorize the research surveys and are usually for advertising media, e.g. the newspapers, to give readership figures.

- Reference groups:

  Reference groups can be defined as *a group of people that influences an individual's attitude or behavior.* Reference groups can be formal or informal. Formal groups are members of a club or society or could be colleagues; formal groups are friends with similar interests or consumer-driven networking friends.

  These reference groups can be very influential. An opinion leader can exert enormous power over purchasing options and decisions. Such a person is someone from whom other members seek guidance on particular products and services.

3.5 How Social Networks Affect Purchase Decisions

In order to integrate Web 2.0 applications into the corporate commercial strategy, marketers should understand its effects on the consumer's decision-making process, identify the sources of customer value, and the customer motives for using these applications (Wu & Keng, 2012).

Social networking sites have become a powerful force in shaping public opinion on virtually every aspect of e-commerce. Because they amplify word-of-mouth marketing, they are becoming increasingly important in consumer's purchasing decisions ("Red Bridge", 2008).

Wu & Keng (2012) developed a consumer purchasing model and found that the social network sites become more popular to users as a form of communication. Today the social network sites encompass different sites which we call *online social shopping sites*. It helps the consumer to make decisions related to the purchase. It is also found that consumers ask for friends/family members or strangers online to make decisions for them; this type of behavior becomes more frequently ("Business and Information" 2012). For marketers it is important to keep up and to learn to leverage these sites. Social media may become more important than advertising as a trusted source of information, and, because consumers provide much of the content, marketers have less control over messaging and positioning ("Red Bridge", 2008).

Users share opinions and make recommendations on social networking sites about a specific topic. It has been repeatedly shown that consumers seek opinions from others when considering the purchase of products and services. In fact, consumers say they trust and believe other people's recommendations for purchasing different kinds of products and services. Among life scientists, opinions of other people are also seen as more objective than companies' own marketing messages. Consumers use online sources, including social networks, to find those opinions ("Red Bridge", 2008).

Consumers have always been heavily influenced by one another when they make a purchasing decision. They ask each other for advice, observe and mimic each other's decision making, and, frankly, they let peer pressure influence their decisions, whether they like to admit it or not (Singh, 2008).

Members of social networks serve two roles: they supply and consume content. The creators of content are typically highly engaged consumers and, as a result, influential. If the proper influencers are reached with a message that they perceive as valuable, it can become viral. This is tremendously powerful to marketers, as users don't feel that the information is being pushed at them, but referred to them by a trusted friend in a trusted network ("Red Bridge", 2008).

3.6 How social networking influence marketing tools

What has changed is that digital behavior has caught up with the offline behavior, and that is the reason why social influence marketing matters to anyone who has a future in marketing. Communication technologies like social networks, prediction markets, micro-blogging solutions, location-based networks, mobile phone applications, and even virtual worlds, make it possible for consumers to influence each other more directly and dramatically than ever before.

This influence occurs in three ways (Singh, 2008):

- Compliance: an person agrees with a point of view and acts in a specific way in order to achieve a favorable reaction among peers.
- Identification: a person acts a certain way when in a group, believes what is said in the group, and it is also important for the individual to belong to a group.
- Internalization: a person's views are truly altered beyond the relationship with the group.

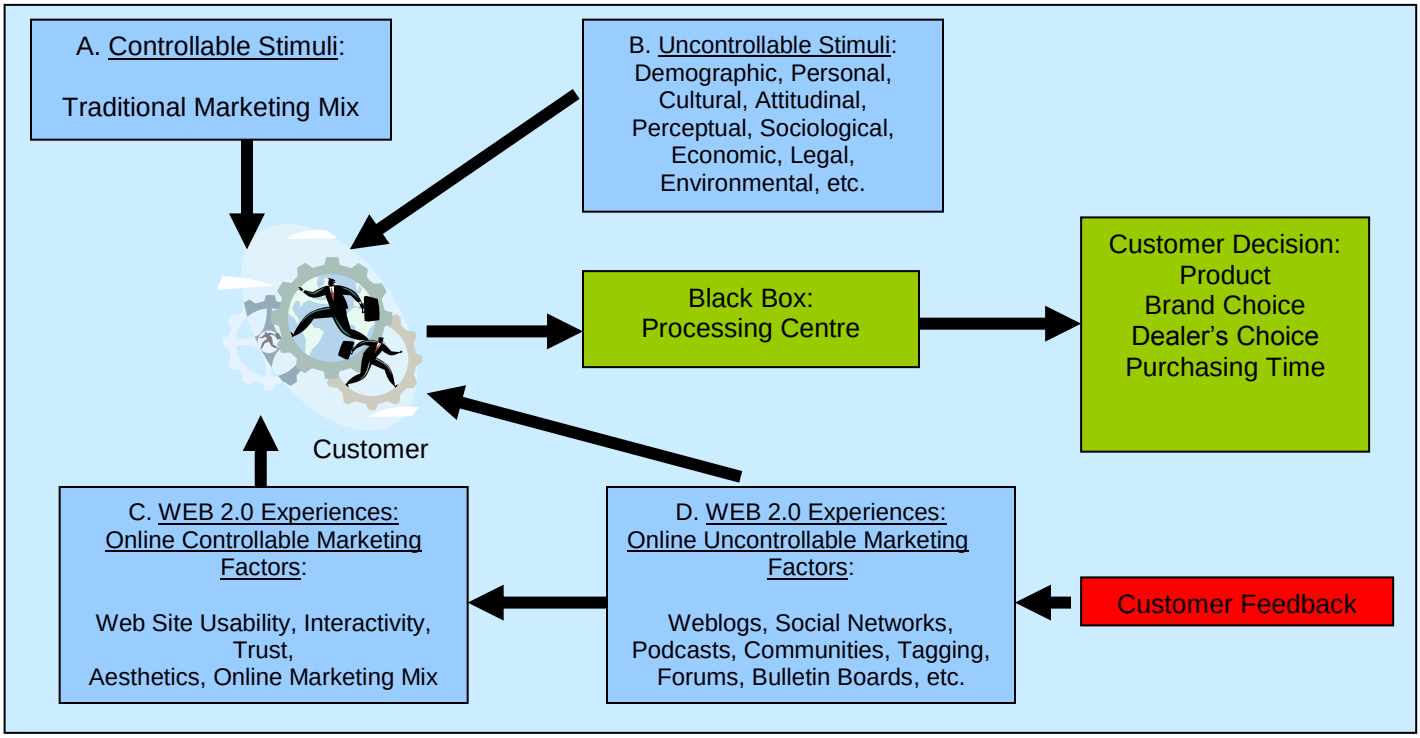
Aside from making for good copy in behavioral psychology text books, these concepts do translate into tactics for a digital marketing program or platform.

The rise of social networking sites and blogs has allowed consumers to stay far more closely connected with each other. As a result, consumers are more intimately watching each other transact online and offline. They want to be in compliance. As they observe, they also comment and, directly or indirectly, influence purchasing behavior. Social media networking sites also empower consumers to form stronger opinions and express them more broadly. More people are blogging, commenting and rating than ever before: approximately 120,000 blogs are created each day. These contributors are providing a richer base of knowledge for other consumers to use while going through a purchasing process. Marketers from different companies should create strong brand experiences that can be shared among consumers (Singh, 2008).

3.7 Effects on the Customer Decision-Making Process

In the Web 2.0 era, customer preferences and decisions are increasingly based on inputs provided by parties beyond the control of online marketers: peer reviews, referrals, blogs, tagging, social networks, online forums, and other forms - uncontrollable by marketers - of user-generated content.

Based on Kotler (2003) and Constantinides (2004), Figure 3.4 reflects Web 2.0 as a new marketplace component, further complicating the time-honored textbook buying behavior process described in the inputs-processing-response model. The A and B elements represent the traditional influencers of consumer behavior: conventional marketing mix influences as controllable stimuli (A), and uncontrollable personal influences stimuli, such as demographic, cultural, perceptual, economic, etc. (B) The emergence of the Internet, its adoption and use as communication and transaction medium by marketers and users, adds two more inputs and influencers of buying behavior to the model: the controllable Web Experience factors (C) such as usability, interactivity, trust, aesthetics and online marketing mix, and Web 2.0 influencers (D) considered as non-controllable by marketers.



Factors influencing the buying-decision process can be divided into three different blocks, depending on the combination of influencers analyzed. The combination of elements A and B constitute the factors affecting the buying-decision process in traditional shopping environments. The combination of A, B and C illustrate factors affecting the buying-decision process in an Internet Web 1.0-mediated environment. The full model, i.e. the combination of A, B, C and D, illustrates all factors affecting the buying-decision process in an Internet/Web 2.0-mediated environment.

As the web-user and the technology mature, marketers discovered that influencing customer behavior, by means of traditional marketing media and practices, becomes less effective. Besides the new parameters entering the decision process equation, an additional problem is the increasing mistrust of consumers towards traditional, mass marketing tactics; these consumer attitudes are reflected in the diminishing effect of mass media. By identifying ways of enhancing customer experience, meeting the users' information needs and helping them become successful (the approach labelled as "customer advocacy"), marketers will discover that they can gain and retain customers by offering more than just low prices (Gilden, 2006).

Chapter 4

Research Methodology

4.1 Introduction

It was mentioned in Chapter 1 which research methodology will be used. This chapter is dedicated to define and explain the concepts used to analyze the data.

Research methodology can also be referred to as the strategy employed to achieve the objectives set by the study and provides a foundation for the work to be done. It requires the author to define the methods of data collection and how it is to be analyzed, the establishment of a target population and the sample therein, as well as constructing a clear sequence of actions to guide the study to its final conclusion (Breynard & Hanekom, 2006; Jankowicz, 2002).

Research is a deliberate and organized search for new knowledge or new applications on existing facts (Murray, 1945). Research is also defined as a "critical and thorough investigation, and through experimentation, discover new facts, review existing conclusions and find practical applications for theories" (HAT, 1985).

This is an empirical study that suggests that any conclusion drawn is based upon evidence obtained from information collected from real-life experiences or observations (Kothari, 2008).

4.2 Research design

Research design explains how information was collected for an evaluation, which includes identifying data collection methods, the tools used, and how the information was organized and analyzed (IAR, 2010).

A distinction is made between two main types of research, namely quantitative and qualitative research. According to Struwig & Stead (2007) quantitative research is a

form of conclusive research involving large representative samples of the total population and fairly structured data-collection procedures.

The primary role is to test a hypothesis. A hypothesis is a statement regarding the relationship between two or more variables that can be tested (Struwig & Stead, 2007).

Quantitative research is defined as "research based on the measurement of quality or quantity which applies to cases that can be expressed in quantities" (Kothari, 2008, p.8).

Qualitative research is defined as "research used in cases where quality is important and is often used where in-depth research is needed, such as focus groups or interviews" (Kothari, 2008, p. 10).

Quantitative research was used for the purpose of this study. Data were collected by distributing a questionnaire with closed Likert-scale type questions to determine the respondents' buying behavior in the automotive industry. Questionnaires were used to determine which marketing channels are used by customers to purchase vehicles and to make their decision-making processes easier. The data were collected between October 2012 and April 2013 by approaching several clients who have purchased a vehicle.

4.3 Population

Population can be defined as a group of individuals who have one or more of the same characteristics that can be studied and from which data can then be analyzed and collected (Cant et al., 2006).

The author focused on the client base of the top three automotive industries in South Africa, viz. Toyota, General Motors and Volkswagen.

4.3.1 Figures

A convenience sampling was taken from 40 clients at various branches. The samples were selected on the basis of availability. Clients who purchased a vehicle during the appropriate period were chosen and could be part of the research. The appropriate period was between 6 and 12 months after the purchase between the period of study.

Samples can be drawn in two different ways, namely probability and non-probability sampling with the basic difference being that probability sampling involves random selection and non-probability sampling does not. Probability sampling also represents the population better and is therefore considered more accurate (Van Zyl & Van Rooyen, 2007).

Because this study utilized probability sampling, the remainder of this section will be concerned with defining this form of sampling and the methods therein rather that non-probability sampling.

Simple random sampling is the most elementary of the methods and involves the development of an accurate sampling frame and the selection of a mathematical procedure to identify individuals from the population. The author needs as many cases as possible to be subjected to a table of random numbers, a computerized random number generator or a mechanical device to select a sample. This way, pure random samples are selected and any of the cases have an equal probability of being part of the sample (Van Zyl & Van Rooyen, 2007).

4.4 Target population

The population of the study is limited to clients of the top three automotive industries in South Africa as well as clients who purchased a vehicle in the specific time frame and had possession of it for 6 to 12 months.

4.4.1 Selection criteria

Individuals who were chosen had to be in possession of a vehicle which they purchased in the appropriate time period at one of the top three automotive industries.

4.4.2 Exclusion criteria

Individuals who were not involved at any of the top three automotive industries were excluded.

4.5 Methods of data collection

This study is conducted by using questionnaires.

A questionnaire is a list of questions regarding a specific study or investigation given to respondents to complete in order to obtain specific information.

The author made use of a structured questionnaire (see attachment), seeing that a wide range of responses are expected. The questionnaire includes open-ended questions, multiple-choice questions, and scale questions.

The questionnaire uses 27 Likert-scale type questions to determine the differences between social media channels vs. traditional marketing channels, as well as seven closed questions where respondents only answers Yes or No. The four open-ended questions were a major opportunity since respondents could easily write their own opinion about their experience of these channels.

A full working sheet will be included with the questionnaire at the end of this dissertation.

4.5.1 Scale questions

Closed questions are a format that limits respondents' answers. The participants are allowed to choose any existing dual response such as yes/no, true/false or multi-choice questions with an option to fill in "other" or to use grading options.

The most common scale questions are known as the Likert-scale questions. These questions require respondents to look at a statement and evaluate that statement according to the degree to which they agree (Kothari, 2008).

4.5.1.1 The advantages of closed questions

Closed questions

• are easier to analyze. A number or value is allocated to each answer to assess a statistical interpretation. Closed questions are better suited for computer analysis. If open-ended questions are quantitatively analyzed, the qualitative information is minimized to encoding and tend to lose their original meaning. Because of the simplicity of the closed questions, this type of loss is therefore not a problem (Kothari, 2008).

• are more specific and therefore more likely to give similar meaning. Since open-ended questions allow respondents to use their own words, it is difficult to compare the significance of the answers (Kothari, 2008).

• are less time-consuming in extensive investigations to the interviewer, the participants and the author. It is therefore a low-cost research method.

• The response rate is higher than open-ended questions (Kothari, 2008).

4.5.2 Open-ended questions

Open-ended questions do not give respondents answers to choose from, but is formulated in such a way that it encourages respondents to respond to the question with a sentence in order to explain the answer (Kothari, 2008).

4.5.2.2 The benefits of open-ended questions

Open-ended questions

• allow respondents to include more information including feelings, attitudes and understanding of the topic: this allow researchers to better understand the respondents' true feelings about an issue and allow respondents to indicate if they do not understand the question or that they do not have an opinion on the matter (Kothari, 2008).

• reduce two types of reaction errors: respondents may not forget the answers they have chosen if they are given the chance to freely respond, and do not allow respondents to ignore the questions and only choose yes/no to the question (Kothari, 2008).

Information collected to determine which marketing channels (social media marketing vs. traditional marketing) are classified as follows:

- Section A deals with demographics and consists of gender, age, racial group, income level and the period in which the vehicle is purchased;
- Section B deals with social media;
- Section C deals with traditional marketing channels;
- Section D deals with social media vs. traditional channels

4.6 Data analysis

Data analysis is the process by which raw data are sorted, organized and arranged to obtain relevant and valuable information (Smith, 2011). The process of organizing the collected information is the key to understand what the data includes and what issues are not addressed.

Data analysis started after the data were collected through questionnaires. The data collected were then entered, coded and analyzed on a computer by using programs

such as Microsoft Excel and SPSS. The data are shown by means of frequencies, cross tabulations, Anova tests, independent t-tests, and graphs obtained from the abovementioned computer programs.

It is also important to mention that the author used Cronbach's alpha test to determine whether the Likert scale questions were reliable.

4.7 Ethical considerations

Each individual's identity is kept anonymous and the choice of participation was completely voluntary. Fully structured questionnaires were used to collect responses from the individuals in the sample. The questionnaires were available in English and Afrikaans to allow the author to reach a bilingual population.

4.8 Conclusion

The research methodology used in the study are defined and explained. Chapter 5 will explain the research results and findings of the data obtained from the questionnaires.

Chapter 5

Empirical Results

5.1 Introduction

Before analyzing the results obtained from the questionnaires and interpreting the statistical relevance thereof, it is important to obtain first a sound theoretical basis to work from. For this reason, the introduction of this chapter will briefly define and discuss *variables*, *levels of measurement* and *statistical significance*.

Variables are measured, controlled and manipulated in research and are liable to or capable of change (Van Zyl & Van Rooyen, 2007; Sinclair, 2001). Two types of variables can be differentiated, namely *Dependent* and *Independent* variables. Dependent variables measure the response of the subject being tested to an independent variable. This means that dependent variables cannot be manipulated and are merely registered or measured. Independent variables are therefore the ones that can be manipulated by research and represent factors such as age and gender (Van Zyl & Van Rooyen, 2007).

Variables can further be defined into different levels of measurement such as *Nominal*, *Ordinal* and *Scale* variables. Nominal variables cannot be ranked, ordered or quantified and are measured only in terms of belonging to a distinctive category or group. In the same way, Ordinal variables belong to a certain category, but can be ranked in terms of which has more, or less, of the quality represented by the variable. Scale variables allow the author to quantify the opinion of a respondent and compare the results to those of others who had answered the same question.

Level of Measurement	**Properties**		
	Categories	Ranks	Equal Intervals
Nominal	✓	/	/
Ordinal	✓	✓	/
Scale	✓	✓	✓

(Adapted from SPSS, 2005:90 in Van Zyl & Van Rooyen, 2007)

Statistical Significance (*p*-value) represents the probability of an error when making assumptions with regard to the population. It shows the author to which degree the results obtained are representative of the population from which the sample was drawn. It also shows the reliability of said results. In this way a higher *p*-value will indicate that the results are less reliable and do not necessarily represent the population as a whole. Statistically significant values, when considering the *p*-value as accepted by most fields of research, is smaller than or equal to (≤) 5% or shown statistically $p \leq .05$. This is still a borderline case, as it means that the probability of error is quite high. Results at the $p \leq .01$ are therefore statistically significant whilst $p \leq .005$ and $p \leq .001$ are considered highly significant. Thus, the stronger the relation found in the sample, the more likely it is that a corresponding relation can be found in the population (Van Zyl & Van Rooyen, 2007).

One of the tests commonly used is the Independent T-test, because it measures the difference between the means of samples. The second commonly used test is the One-Way ANOVA, which tests significant differences in the means of samples. The difference between a T-test and an ANOVA is for samples measured against each other. An ANOVA measures differences between groups, whereas T-tests measure only the difference between two variables. It is also worthy to mention that the test generates two separate tables of results. The first features *Mean*, *Standard Deviation* and *Standard Error Mean* under the heading *Group Statistics* and is merely used to calculate the figures in the second table. The second table is labeled *Independent Sample Test* and contains the *Levene Test*, a *2-tailed significance value* and the *Mean Difference*. This is mentioned to remove the need to analyze each of the subsequent tables regarding the T-test in such detail. Henceforth, only the relevant values from the *Independent Sample Test* will be mentioned and discussed briefly.

The cross tabulation tables (contingency tables) were also used to display the relationship between two or more categorical (nominal or ordinal) variables. The size of the table is determined by the number of distinct values for each variable, with each cell in the table representing a unique combination of values. Numerous statistical tests are available to determine whether there is a relationship between the variables in a table.

The results will be explained in the following order:

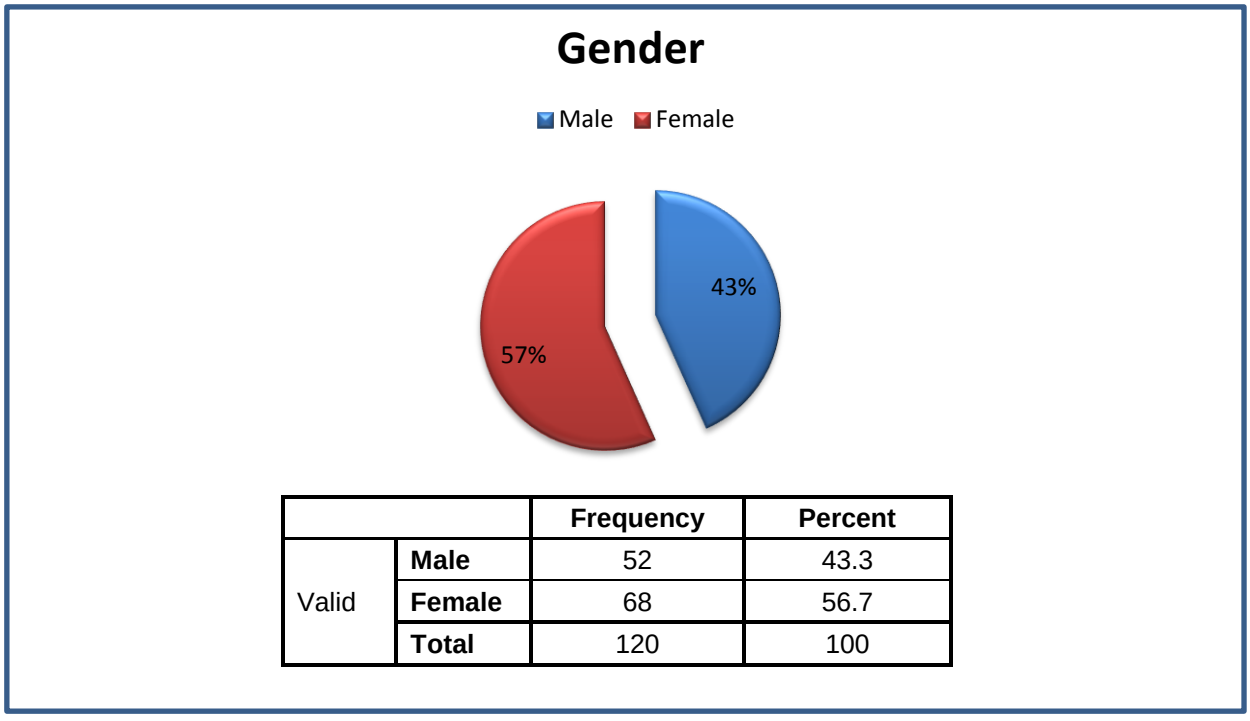
- Section A deals with demographics,
- Section B deals with social media,
- Section deals with traditional marketing,
- Section D deals with the purchasing behavior of social media vs. traditional channels

By explaining the above results, the objectives of the research study could be proved by the results.

Section A

5.2 Demographic profile

5.2.1 Gender

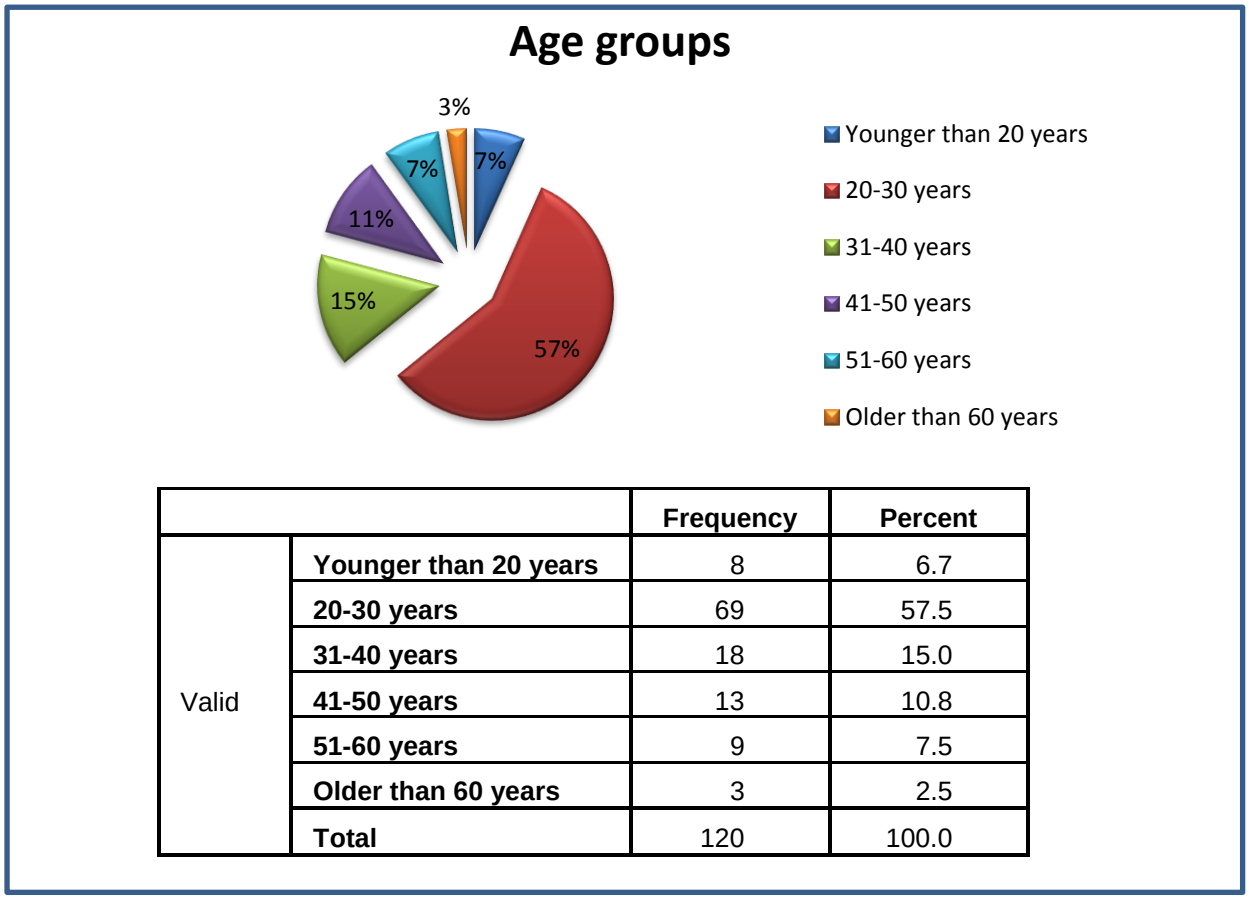


		Frequency	Percent
Valid	**Male**	52	43.3
	Female	68	56.7
	Total	120	100

Figure 5.1: Gender distribution of respondents

As shown in Figure 5.1, out of 120 responses, 52 (43.3%) were obtained from men and 68 (56.6%) from women. The difference in numbers is because the focus was on clients who purchased a vehicle within the specified period, thus only these respondents received questionnaires.

5.2.2 Age groups / distribution



		Frequency	Percent
Valid	**Younger than 20 years**	8	6.7
	20-30 years	69	57.5
	31-40 years	18	15.0
	41-50 years	13	10.8
	51-60 years	9	7.5
	Older than 60 years	3	2.5
	Total	120	100.0

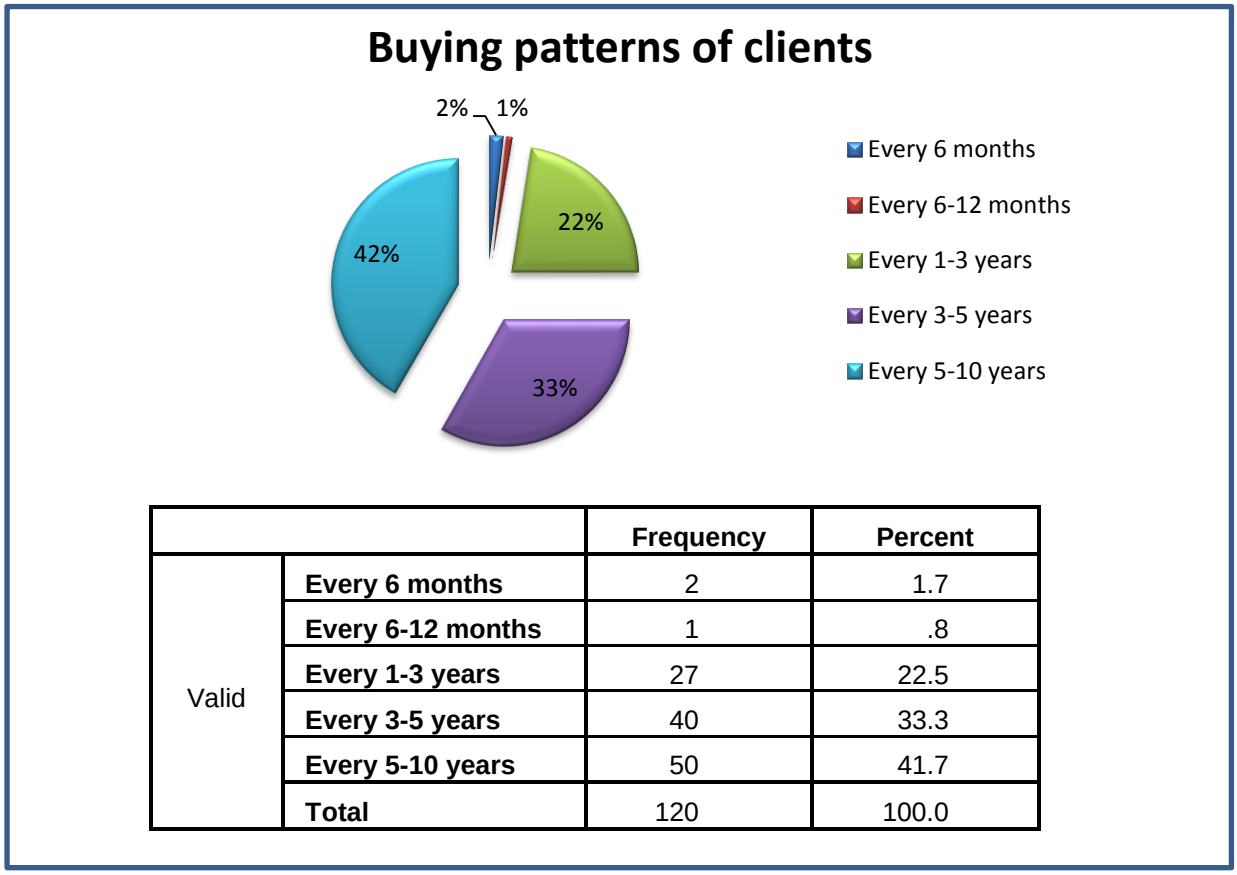
Figure 5.2: Age distribution

There are six age categories included in the survey to present the age profile.

As shown in Figure 5.2, it is clear that the majority of the responses obtained are from respondents in the 20-30 years category; 69 responses (57.5%) were obtained from this category. The second largest category in terms of responses received is the 31-40 years category; 18 responses (15%); 13 responses (10.8%) from the age group 41-40 years were received, followed by nine responses (7.5%) from the age group 51-60. The last two categories consist of the age groups younger than 20 years - eight responses (6.7%) were received, and three responses (2.5%) were received from the age group older than 60 years.

The reason for the large majority in the age group 20-30 years is that the younger generation is into new safety technology in trade-rates, status and independence.

5.2.3 How often do clients buy a car?



		Frequency	Percent
Valid	**Every 6 months**	2	1.7
	Every 6-12 months	1	.8
	Every 1-3 years	27	22.5
	Every 3-5 years	40	33.3
	Every 5-10 years	50	41.7
	Total	120	100.0

Figure 5.3: Buying patterns of clients

There are five sales patterns included in the questionnaire to determine the customers' buying periods of vehicles.

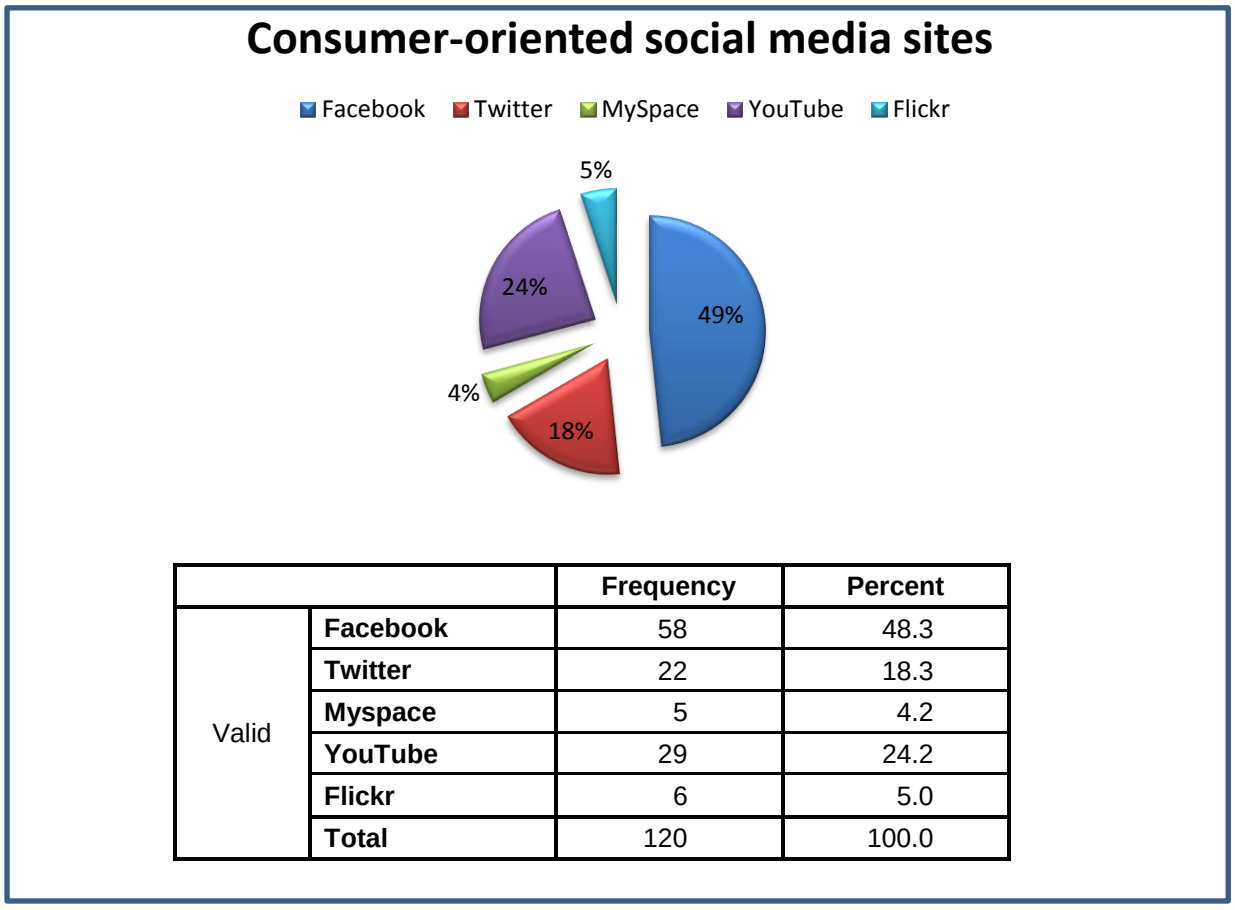
As shown in Figure 5.3, it is clear that the majority of the responses obtained is in the buying pattern of every 5-10 years (41.7%), the second most popular buying pattern in terms of responses received is every 3-5 years (33.3%), following with the buying pattern 1-3 years (22.5%). The percentages of the last two buying patterns are quite small (1.7% and 0.8%). The reason being that customers would not buy new vehicles soon after the previous purchase, as they will lose in terms of financial security, payments and trade-in requirements.

Section B

5.3 Social media marketing tools

Section B is included in the questionnaire to confirm the views of the participants on the impact of social media in the buying process. The author used four Likert-scale questions and two open-ended questions to determine the effectiveness of social media channels on the decision-making process.

5.3.1 Personal profile for the consumer-oriented social media sites



		Frequency	Percent
Valid	**Facebook**	58	48.3
	Twitter	22	18.3
	Myspace	5	4.2
	YouTube	29	24.2
	Flickr	6	5.0
	Total	120	100.0

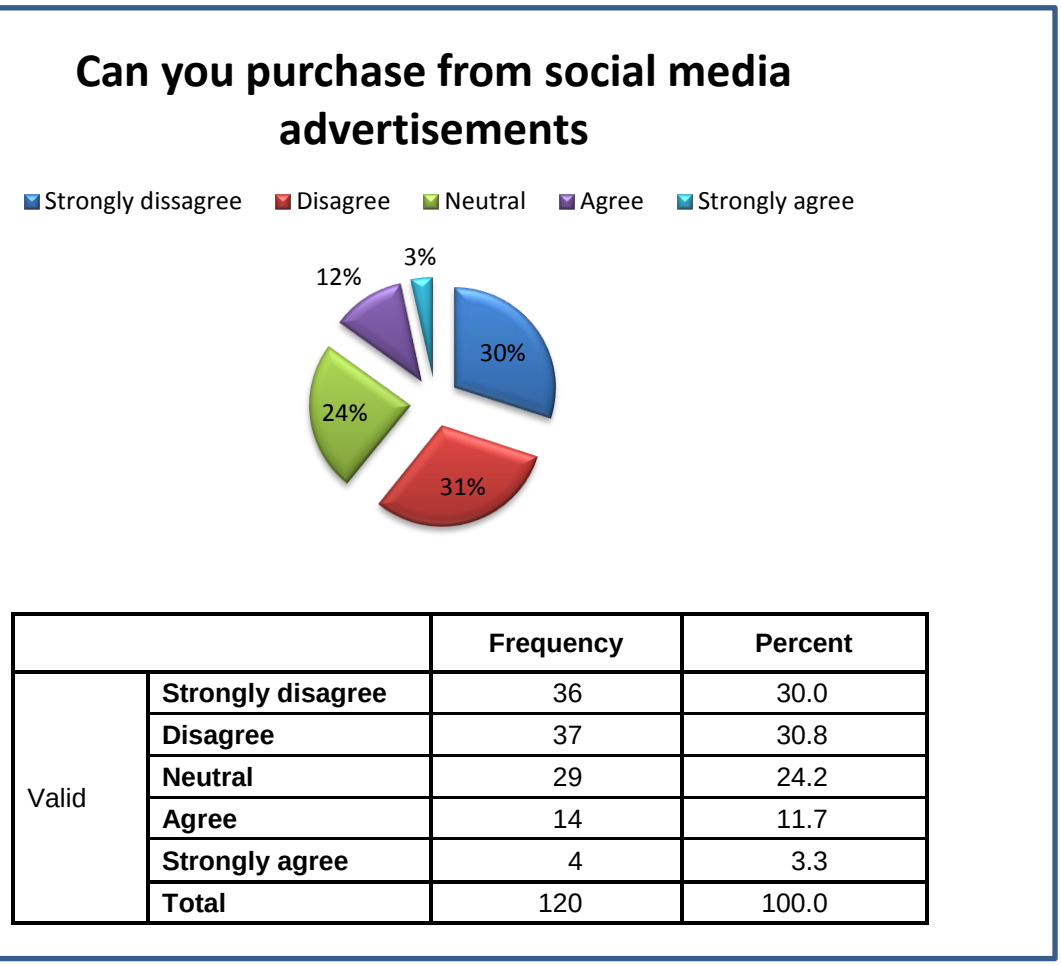
Figure 5.4: Consumer-oriented profiles

From Figure 5.4 it is clear that we can presume that the majority of the participants have a profile on Facebook (48.3%), followed by YouTube (24.2%), Twitter (18.3), Flicker (5.0%) and Myspace (4.2%).

From the open-ended questions, there is a 70% recurrence of the following on social media websites: customers use Facebook to give their opinions and to gather

information from friends, colleagues and professionals about various transactions they are interested in. It is followed by watching videos on YouTube to get confirmation of their upcoming transactions or to compare specific products before the traditional marketing channels are used for buying the products.

5.3.2 Social media advertisements

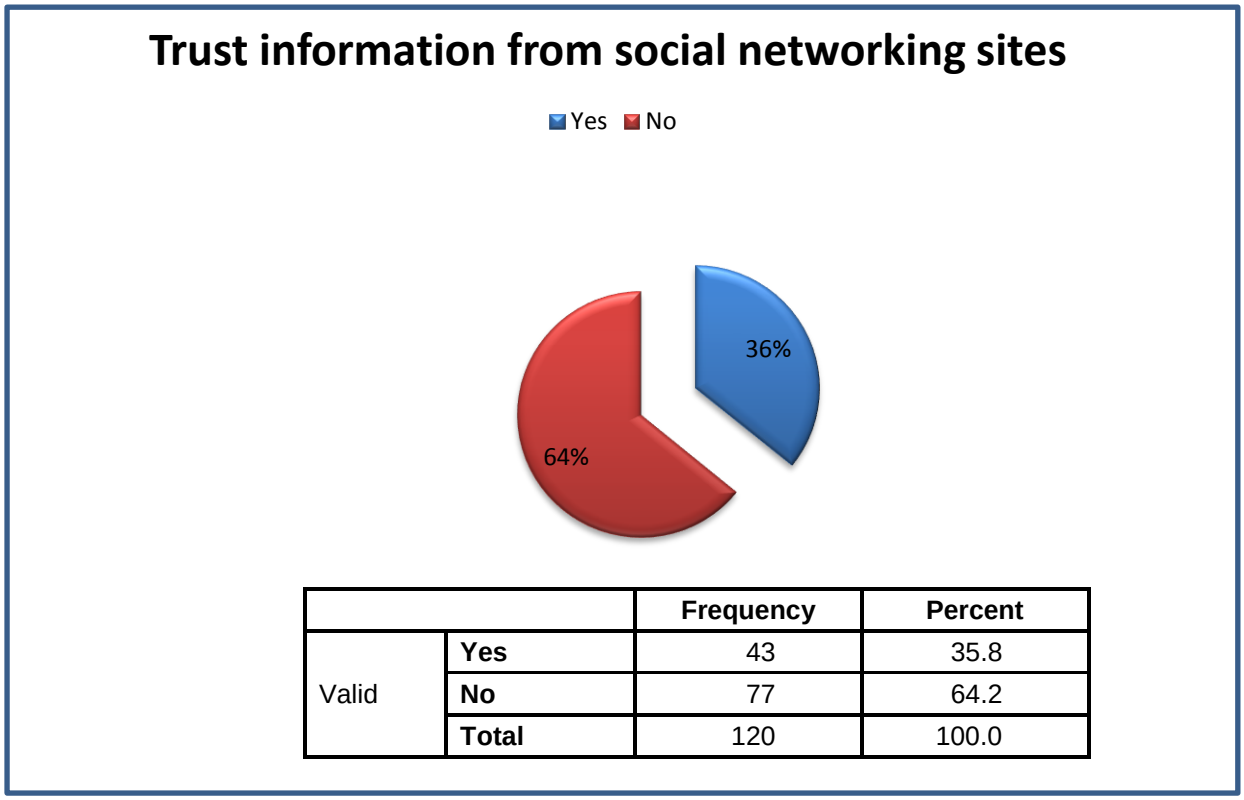


		Frequency	Percent
Valid	**Strongly disagree**	36	30.0
	Disagree	37	30.8
	Neutral	29	24.2
	Agree	14	11.7
	Strongly agree	4	3.3
	Total	120	100.0

Figure 5.5: Likely to purchase from consumer-oriented social media advertisements

As shown in Figure 5.5, clients do not have a positive feeling or agree to make a purchase through social media advertisements. Responses in the open-ended questions where the respondents rendered their own opinions and views, agree that advertisements on websites are very misleading and inaccurate. Therefore, the majority of responses do not agree to purchasing goods or services by means of social advertising: 60.8% (30.8% + 30%) of responses were not comfortable with social network advertising, 24.2% were neutral and 15% were comfortable using social network advertising to do their purchases.

5.3.3 Can clients trust information they obtain from social networking sites for purchasing a car? Is it effective, successful and useful?



		Frequency	Percent
Valid	**Yes**	43	35.8
	No	77	64.2
	Total	120	100.0

Figure 5.6: Consumer-oriented social media information

From Figure 5.6, the following statement could be made: 64.2% of respondents feel that they cannot trust the information posted on social networks. Therefore, 77 respondents out of 120 is not impressed with the information posted on social networks; only 35.8% trust information on social networks.

From Figures 5.5 and 5.6, the following statement could be made: the majority of respondents used in this research study is not in favor of social networks and therefore there will be no motor vehicle purchases made through social networks.

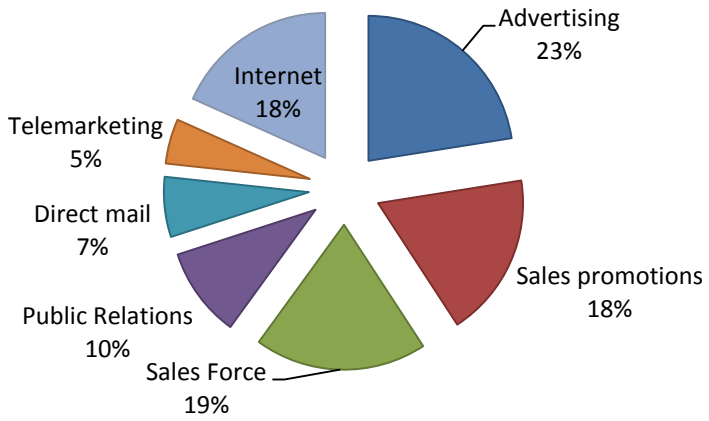
Section C

5.4 Traditional marketing tools

Section C is included in the questionnaire to confirm the views of the participants on the impact of traditional marketing channels in the purchasing process. Nine Likert-scale questions and two open-ended questions were used to determine the effectiveness of traditional marketing channels on the decision-making process.

5.4.1 Promotional mix

Which elements of the promotional mix will be the best to use when purchasing a car?



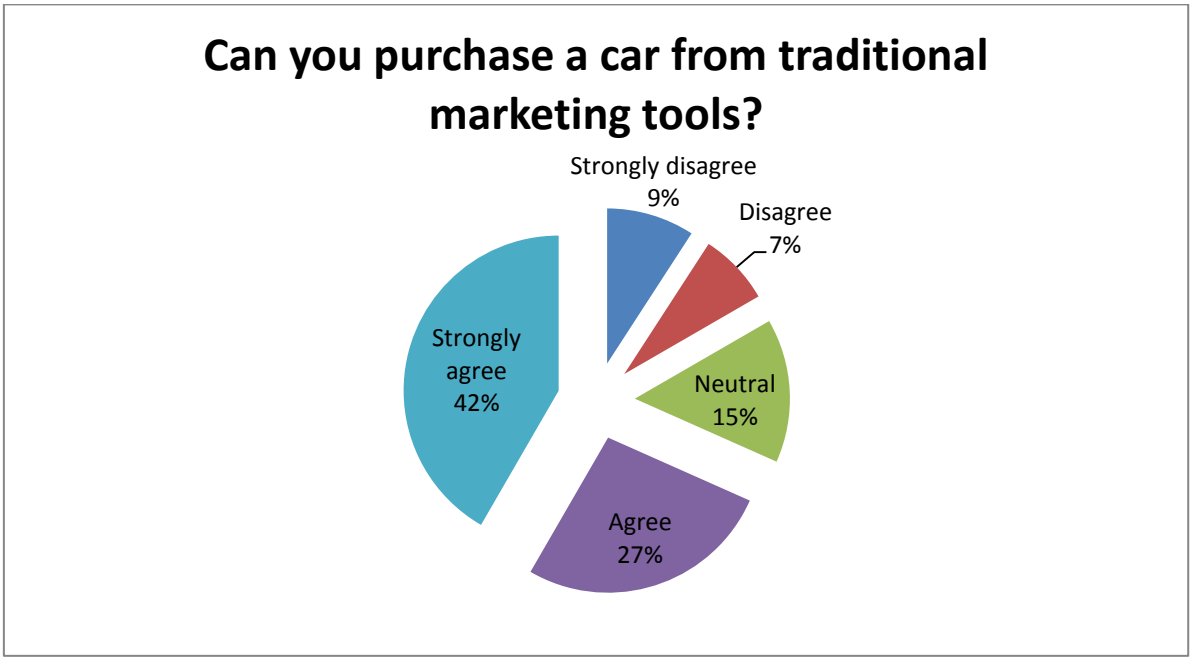
		Frequency	Percent
Valid	**Advertising**	27	22.5
	Sales promotions	22	18.3
	Sales Force	23	19.2
	Public Relations	12	10.0
	Direct mail	8	6.7
	Telemarketing	6	5.0
	Internet	22	18.3
	Total	120	100.0

Figure 5.7: Promotional mix

As shown in Figure 5.7, the respondents feel that advertising (22.5%) from billboards, brochures, booklets and videotapes are the best way to purchase a vehicle. The

second channel the respondents chose is sales force (19.2%), i.e. face-to-face meetings or presentations where customers can negotiate, get information, test drive the car and close the deal. This is followed by the Internet (18.3%) which plays a major role in obtaining information via Google for the best possible options to obtain answers and information on different websites. Internet facilities can help a client finding a lot of information in a short time regarding a particular product. The fourth channel is sales promotions (18.3%), which consist of contest games, premiums, trade shows, etc. Then follows the last traditional channels of public relations (10%), i.e. annual reports, seminars, speeches and charitable donations, followed by direct mail (7%), i.e. emails, websites and television shopping, and finally telemarketing (5%).

5.4.2 Traditional marketing tools

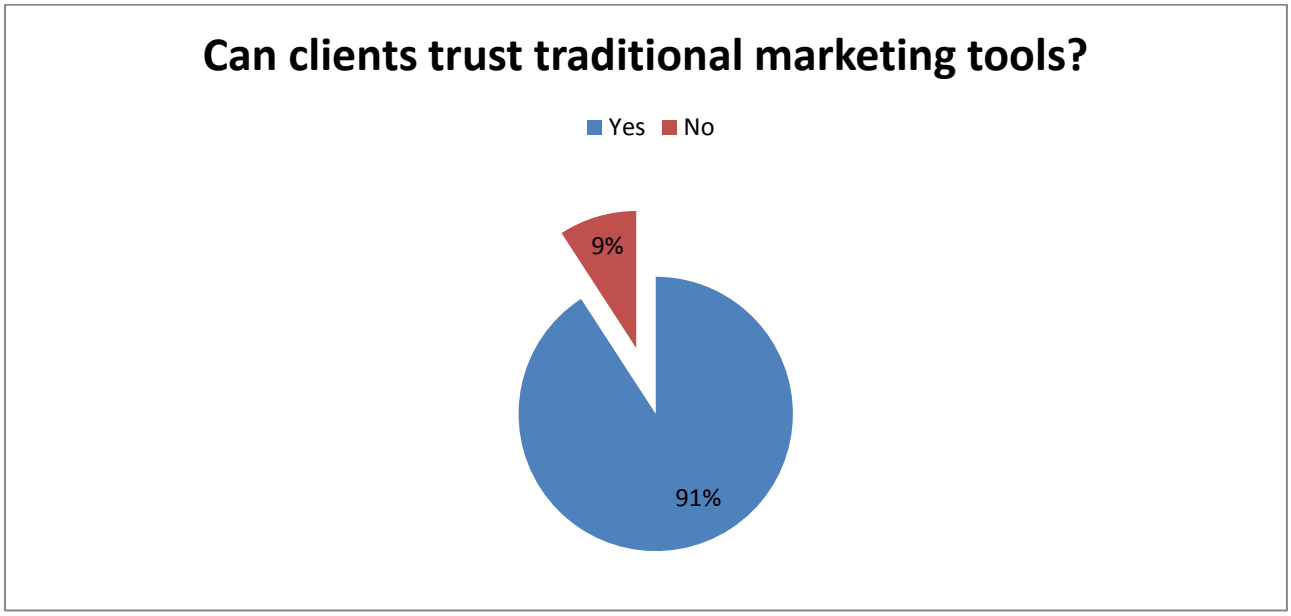


		Frequency	Percent
Valid	**Strongly disagree**	11	9.2
	Disagree	9	7.5
	Neutral	18	15.0
	Agree	32	26.7
	Strongly agree	50	41.7
	Total	120	100.0

Figure 5.8: Traditional marketing tools

As shown in Figure 5.8, customers have quite strong connections with traditional marketing channels. The majority of responses [68.4% = (41.7) + (26.7)] feel that traditional marketing channels are very useful and helpful when purchasing a vehicle; 15% of responses is neutral, and the minority (9.2% and 7.5%) of responses feel dissatisfied by using traditional marketing channels for buying a vehicle.

5.4.3 Can clients trust traditional marketing tools for purchasing a car? Is it effective, successful and useful?



		Frequency	Percent
Valid	**Yes**	109	90.8
	No	11	9.2
	Total	120	100.0

Figure 5.9: Traditional marketing channels

From Figure 5.9, the following statement can be made: 90.8% of the total respondents feel that traditional marketing channels can be trusted; only 9.2% of the total respondents feel that traditional marketing channels cannot be trusted.

From Figure 5.8 and 5.9, the following statement can be made: the majority of respondents of this research study are in favor of traditional marketing channels and have the confidence and trust to acquire information from the channels to purchase their vehicles.

Section D

5.5 Social media vs. Traditional marketing tools

5.5.1 The average of each marketing channel a client would prefer buying a car

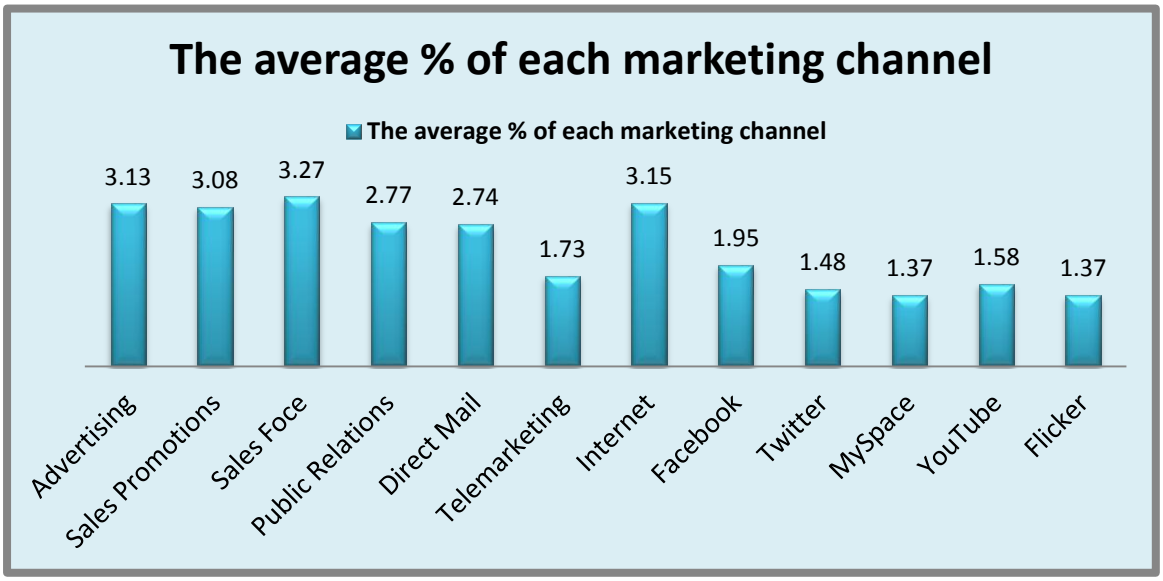


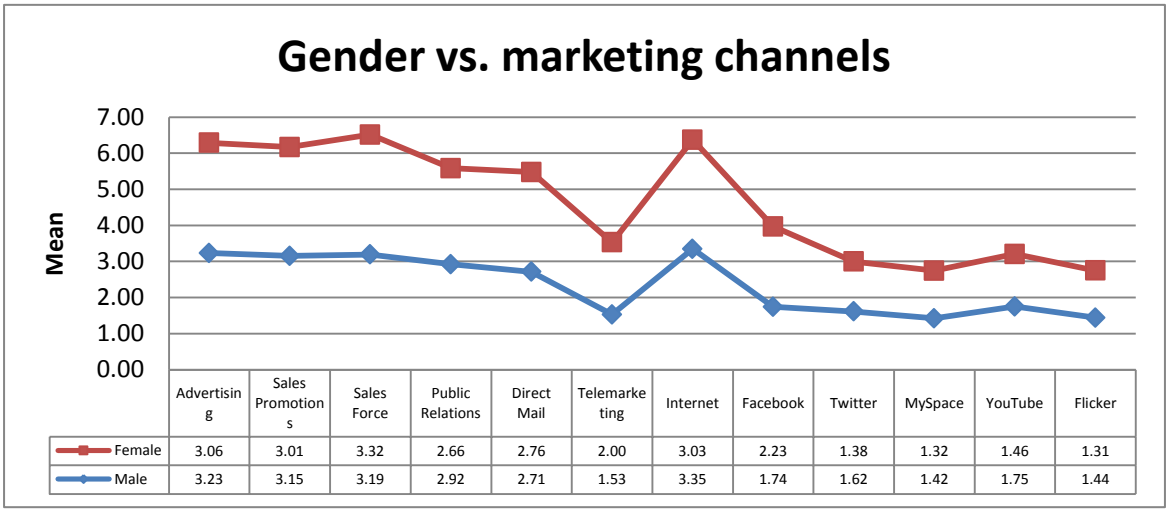
Figure 5.10: Average of marketing channels

There are different advantages in both marketing tools: traditional ways and through social media. One can go through the different aspects of each of them and weigh the importance in different situations and depending on what the desired results are. After reviewing the answers received from the respondents, it is clear that they consider the traditional marketing tools of great importance in their decision-making process. The above Figure shows the relation of the average of each marketing channel across the entire sample of 120 usable questionnaires. It is therefore clear that the top five marketing channels the client would prefer to use in the purchasing process of a vehicle are: sales force (3,27%), Internet (3,15%), advertising (3,13%), sales promotions (3,08%) and public relations (2,77%).

One point that is mentioned in the open-ended answers is that respondents' use Internet as an effective traditional marketing tool to search quickly for information on a large variety of websites (excluding social media websites). Websites are a very powerful tool for communication from marketers to customers. A company can present any information wanted to be communicated about their history, offers, news, future

plans, etc. on their website. This way they keep their customers always informed and involved.

5.5.2 Gender vs. marketing tools



	Advertising	Sales Promotions	Sales Force	Public Relations	Direct Mail	Telemarketing	Internet	Facebook	Twitter	MySpace	YouTube	Flicker
Female	3.06	3.01	3.32	2.66	2.76	2.00	3.03	2.23	1.38	1.32	1.46	1.31
Male	3.23	3.15	3.19	2.92	2.71	1.53	3.35	1.74	1.62	1.42	1.75	1.44

Figure 5.11: Gender vs. marketing tools

Figure 5.11 shows the average of each marketing channel across the entire sampling of 120 usable questionnaires regarding gender. It is clear that the male respondents are dominant compared to their female counterparts and their differences could be seen in the marketing channels *Telemarketing* and *Facebook*. A Cross tabulation will show the amount of male and female respondents using the websites and an independent T-test will also show the significant differences between these different variables.

Telemarketing:

Table 5.1: Marketing channel: Telemarketing vs. Gender Cross tabulation

		Q1- GENDER		Total
		Male	Female	
Marketing channel: Telemarketing	Do not use	26	42	68
	Use very rarely	14	18	32
	Use quite often	3	7	10
	Use often	4	0	4
	Primary to use	5	1	6
Total		**52**	**68**	**120**

Facebook:

Table 5.2: Marketing channel: Social media Sites vs. Gender Cross tabulation

		Q1- GENDER		Total
		Male	Female	
Q9-SM SITES	Facebook	24	34	58
	Twitter	9	13	22
	Myspace	1	4	5
	YouTube	14	15	29
	Flickr	4	2	6
Total		**52**	**68**	**120**

Independent T-Test

Table 5.3: Group statistics

	GENDER	N	Mean	Std. Deviation	Std. Error Mean
Marketing Channel: Advertising	Male	52	3.23	1.215	.168
	Female	68	3.06	1.292	.157
Marketing Channel: Sales Promotions	Male	52	3.15	.978	.136
	Female	68	3.01	1.240	.150
Marketing Channel: Sales Force	Male	52	3.19	1.138	.158
	Female	68	3.32	1.112	.135
Marketing Channel: Public Relations	Male	52	2.92	1.218	.169
	Female	68	2.66	1.229	.149
Marketing Channel: Direct Mail	Male	52	2.71	1.143	.159
	Female	68	2.76	1.259	.153
Marketing Channel: Telemarketing	Male	52	1.53	1.328	.184
	Female	68	2.00	.801	.097
Marketing Channel: Internet	Male	52	3.35	1.153	.160
	Female	68	3.03	1.304	.158
Marketing Channel: Facebook	Male	52	1.74	1.323	.183
	Female	68	2.23	.956	.116
Marketing Channel: Twitter	Male	52	1.62	1.032	.143
	Female	68	1.38	.754	.091
Marketing Channel: Myspace	Male	52	1.42	.776	.108
	Female	68	1.32	.701	.085
Marketing Channel: YouTube	Male	52	1.75	1.100	.153
	Female	68	1.46	.781	.095
Marketing Channel: Flicker	Male	52	1.44	.938	.130
	Female	68	1.31	.675	.082

Table 5.4 – Independent T-test

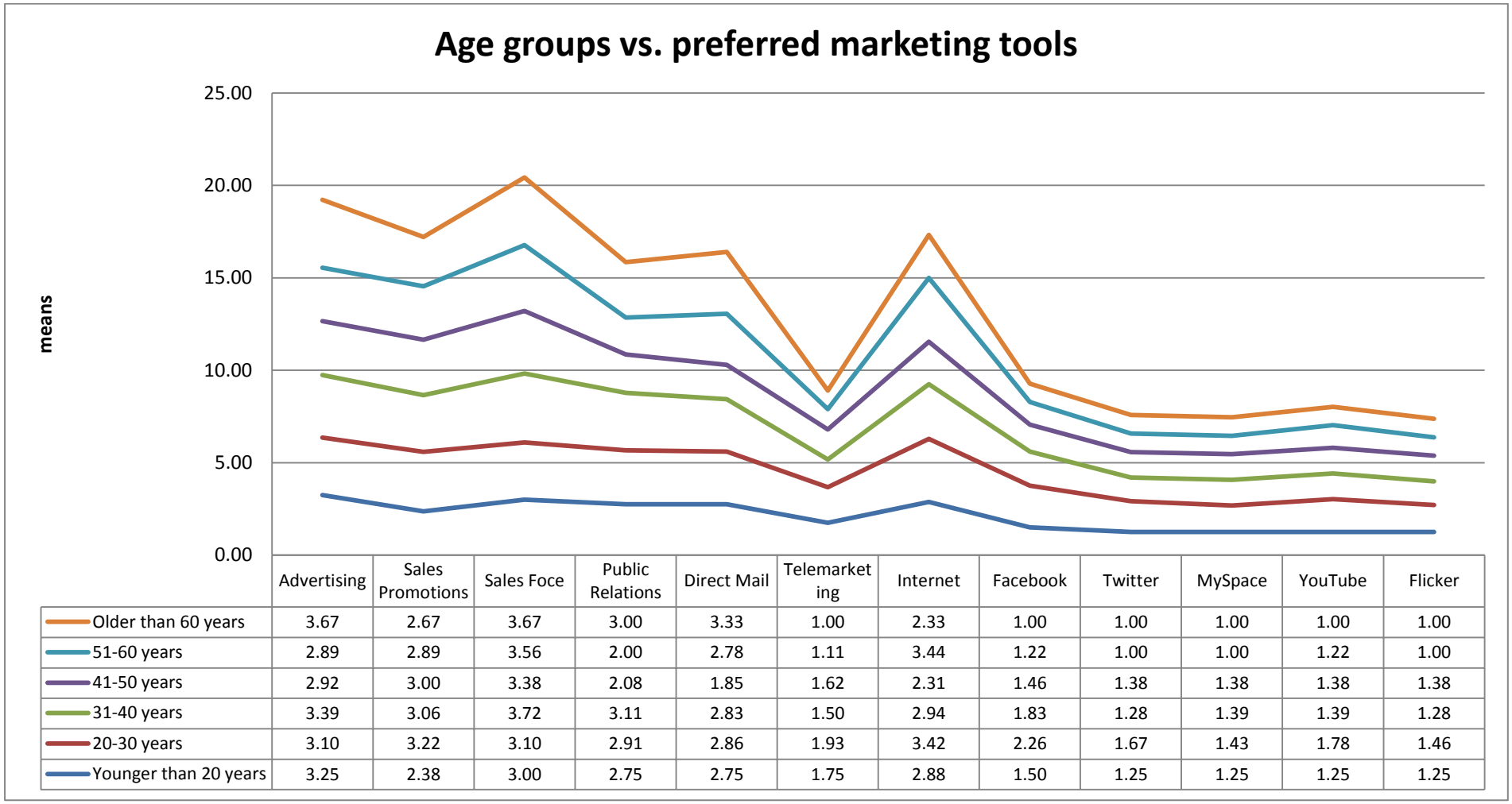
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Marketing Channel: **Telemarketing**	Equal variances assumed	8.028	**.005**	2.407	118	.018	.471	.196	.083	.858
	Equal variances not assumed			2.260	78.645	**.027**	.471	.208	.056	.885
Marketing Channel: **Facebook**	Equal variances assumed	8.674	**.004**	2.382	118	.019	.495	.208	.084	.907
	Equal variances not assumed			2.283	89.065	**.025**	.495	.217	.064	.927

Table 5.4 shows that the *p*-value is less than .050 and confirms thus that there is a distinct difference in the question of what marketing channels the client would choose to purchase a vehicle. The mentioned Table features statistics regarding the difference in the preferred marketing channels, the means of the male and female samples, with specific emphasis placed on the 2-tailed values for Telemarketing (p = .027) and Facebook (p = .025).

Facts of telemarketing - why gender differentiate: Overall, 42% of mobile network usage is men and 58% of mobile network usage is female (Gilbert, 2012).

Facts of social media - why gender differentiate: Overall, 62% of men and 71% of women use a variety of social media sites. Each person generally has 1 to 3 social media platforms and refers to these alternately depending on their activities, job or lifestyle. In the United States alone, there are almost 130 million social media users (Faruque, 2013).

5.5.3 Age groups vs. marketing tools



	Advertising	Sales Promotions	Sales Foce	Public Relations	Direct Mail	Telemarketing	Internet	Facebook	Twitter	MySpace	YouTube	Flicker
Older than 60 years	3.67	2.67	3.67	3.00	3.33	1.00	2.33	1.00	1.00	1.00	1.00	1.00
51-60 years	2.89	2.89	3.56	2.00	2.78	1.11	3.44	1.22	1.00	1.00	1.22	1.00
41-50 years	2.92	3.00	3.38	2.08	1.85	1.62	2.31	1.46	1.38	1.38	1.38	1.38
31-40 years	3.39	3.06	3.72	3.11	2.83	1.50	2.94	1.83	1.28	1.39	1.39	1.28
20-30 years	3.10	3.22	3.10	2.91	2.86	1.93	3.42	2.26	1.67	1.43	1.78	1.46
Younger than 20 years	3.25	2.38	3.00	2.75	2.75	1.75	2.88	1.50	1.25	1.25	1.25	1.25

Figure 5.12: Age groups

Table 5.5: ANOVA – Age groups

		Sum of Squares	df	Mean Square	F	Sig.
Marketing Channel: Advertising	Between Groups	3.320	5	.664	.410	.841
	Within Groups	184.546	114	1.619		
	Total	187.867	119			
Marketing Channel: Sales Promotions	Between Groups	6.211	5	1.242	.969	.440
	Within Groups	146.114	114	1.282		
	Total	152.325	119			
Marketing Channel: Sales Force	Between Groups	7.600	5	1.520	1.221	.304
	Within Groups	141.867	114	1.244		
	Total	149.467	119			
Marketing Channel: Public Relations	Between Groups	15.246	5	3.049	2.124	.068
	Within Groups	163.679	114	1.436		
	Total	178.925	119			
Marketing Channel: Direct Mail	Between Groups	12.526	5	2.505	1.780	.123
	Within Groups	160.465	114	1.408		
	Total	172.992	119			
Marketing Channel: Telemarketing	Between Groups	8.863	5	1.773	1.547	.181
	Within Groups	130.603	114	1.146		
	Total	139.467	119			
Marketing Channel: **Internet**	Between Groups	18.378	5	3.676	2.520	**.033**
	Within Groups	166.289	114	1.459		
	Total	184.667	119			
Marketing Channel: **Facebook**	Between Groups	19.109	5	3.822	3.144	**.011**
	Within Groups	138.591	114	1.216		
	Total	157.700	119			
Marketing Channel: Twitter	Between Groups	6.445	5	1.289	1.679	.145
	Within Groups	87.521	114	.768		
	Total	93.967	119			
Marketing Channel: Myspace	Between Groups	2.055	5	.411	.758	.582
	Within Groups	61.811	114	.542		
	Total	63.867	119			
Marketing Channel: YouTube	Between Groups	7.017	5	1.403	1.630	.158
	Within Groups	98.149	114	.861		
	Total	105.167	119			
Marketing Channel: Flicker	Between Groups	2.519	5	.504	.783	.564
	Within Groups	73.347	114	.643		
	Total	75.867	119			

Table 5.5 shows the relation between each marketing channel across the entire sample of 120 usable questionnaires regarding age groups. It is clear that the difference in age groups differ in the marketing channels *Internet* and *Facebook*. An ANOVA analysis confirms these results. There is also a significant difference in the age groups of the samples of Internet with $p = .033$ and Facebook $p = .011$.

As mentioned above, the ANOVA analysis (Table 5.5) identifies significant differences between the groups for the marketing channels: Internet ($p = .033$) and Facebook ($p = .011$).

5.5.4 Which channels would clients recommend when searching for information to help them in the purchasing decision?

Figure 5.13: Recommended marketing mix

Figure 5.13 shows the relation between the averages of each marketing channel across the entire sample of 120 usable questionnaires.

It is clear that the top five marketing channels that a client would recommend in the purchasing process of a vehicle are advertising (3.1), sales promotions (3), sales force (3), Internet (2.6), public relations and direct mail (2.3).

Statement:

By referring to the average of the preferred marketing channels and the average of recommended marketing channels, the following statement could be made:

• Customers prefer and recommend the same top five marketing channels that are the most useful, effective and reliable channels to purchase a vehicle.

• Clients choose traditional marketing channels as the best option to purchase a vehicle.

• By referring to Section B and C, a clear distinction can be found between social media and traditional marketing channels, therefore customers prefer traditional marketing channels when they wish to obtain information to make their purchase easier.

Two questions were added at the end of the questionnaire. The first question (Q35) was "Will you recommend Social Media Marketing Tools for purchasing a car as most effective and useful?" and the second question (Q36) was "Will you recommend Traditional Marketing tools for purchasing a car as most effective and useful?" The responses to the questions are as follow:

Table 5.6: Recommendations - Social Media

- **Q35: Will you recommend Social Media marketing tools for purchasing a car most effective and useful?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**Yes**	22	**18.3**	18.3	18.3
	Neutral	62	**30.0**	51.7	70.0
	No	36	**51.7**	30.0	100.0
	Total	120	100.0	100.0	

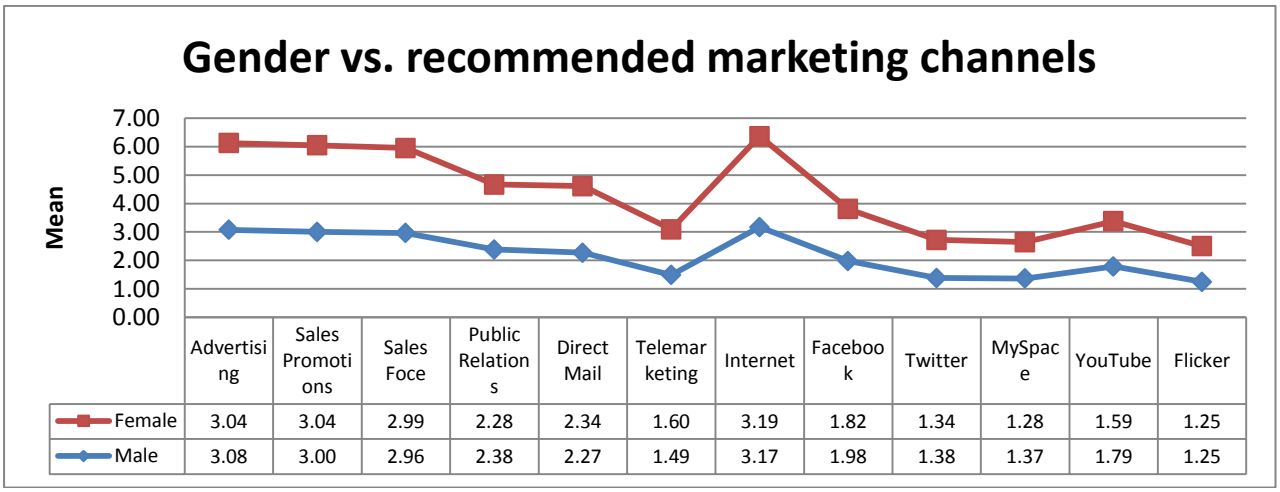
Table 5.7: Recommendations - Traditional Marketing

- **Q36: Will you recommend Traditional marketing tools for purchasing a car most effective and useful?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**Yes**	77	**64.2**	64.2	64.2
	Neutral	40	**33.3**	33.3	97.5
	No	3	**2.5**	2.5	100.0
	Total	120	100.0	100.0	

According to above two questions is it clear that 64.2% of the respondents feel that traditional marketing tools are the most effective and useful tools to purchase a vehicle. Figures 5.10 and 5.13 once again prove the statement.

5.5.5 Which channels would males and females recommend when searching for information to help them in the purchasing decision?



	Advertising	Sales Promotions	Sales Foce	Public Relations	Direct Mail	Telemarketing	Internet	Facebook	Twitter	MySpace	YouTube	Flicker
Female	3.04	3.04	2.99	2.28	2.34	1.60	3.19	1.82	1.34	1.28	1.59	1.25
Male	3.08	3.00	2.96	2.38	2.27	1.49	3.17	1.98	1.38	1.37	1.79	1.25

Figure 5.14: Gender vs. recommended marketing channels

Group Statistics

Table 5.8: Independent T-Test vs. age groups

Question	Gender	N	Mean	Std. Deviation	Std. Error Mean
32.1 Advertising	Male	52	3.08	.967	.134
	Female	68	3.04	.953	.116
32.2 Sales Promotions	Male	52	3.00	.840	.117
	Female	68	3.04	.921	.112
32.3 Sales Force	Male	52	2.96	.928	.129
	Female	68	2.99	1.044	.127
32.4 Public Relations	Male	52	2.38	.973	.135
	Female	67	2.28	.934	.114
32.5 Direct Mail	Male	52	2.27	.866	.120
	Female	68	2.34	1.141	.138
32.6 Telemarketing	Male	51	1.49	.612	.086
	Female	68	1.60	.949	.115
32.7 Internet	Male	52	3.17	1.061	.147
	Female	68	3.19	.950	.115
32.8 Facebook	Male	52	1.98	.980	.136
	Female	68	1.82	.897	.109
32.9 Twitter	Male	52	1.38	.771	.107
	Female	68	1.34	.614	.074
32.10 Myspace	Male	52	1.37	.742	.103
	Female	68	1.28	.569	.069
32.11 YouTube	Male	52	1.79	1.073	.149
	Female	68	1.59	.885	.107
32.12 Flicker	Male	52	1.25	.653	.091
	Female	68	1.25	.583	.071

There are no appropriate differences between men and women in respect of which channels a client would advise to retrieve information from to purchase a vehicle.

No statistically relevant differences were identified in either of the tables and further analysis will therefore prove irrelevant.

5.5.6 Which channels would age groups recommend when searching for information to help them in the purchasing decision?

Table 5.9: ANOVA vs. Age groups

Question		Sum of Squares	df	Mean Square	F	Sig.
32.1 Advertising	Between Groups	2.178	5	.436	.467	.800
	Within Groups	106.414	114	.933		
	Total	108.592	119			
32.2 Sales Promotions	Between Groups	2.047	5	.409	.514	.766
	Within Groups	90.878	114	.797		
	Total	92.925	119			
32.3 Sales Force	Between Groups	10.334	5	2.067	2.210	.058
	Within Groups	106.591	114	.935		
	Total	116.925	119			
32.4 Public Relations	Between Groups	6.702	5	1.340	1.522	.189
	Within Groups	99.517	113	.881		
	Total	106.218	118			
32.5 Direct Mail	Between Groups	4.400	5	.880	.828	.532
	Within Groups	121.191	114	1.063		
	Total	125.592	119			
32.6 Telemarketing	Between Groups	1.686	5	.337	.490	.783
	Within Groups	77.709	113	.688		
	Total	79.395	118			
32.7 Internet	Between Groups	2.732	5	.546	.540	.745
	Within Groups	115.235	114	1.011		
	Total	117.967	119			
32.8 Facebook	Between Groups	7.926	5	1.585	1.889	.102
	Within Groups	95.666	114	.839		
	Total	103.592	119			
32.9 Twitter	Between Groups	4.086	5	.817	1.809	.117
	Within Groups	51.505	114	.452		
	Total	55.592	119			
32.10 Myspace	Between Groups	3.705	5	.741	1.826	.113
	Within Groups	46.261	114	.406		
	Total	49.967	119			
32.11 YouTube	Between Groups	5.991	5	1.198	1.285	.275
	Within Groups	106.334	114	.933		
	Total	112.325	119			
32.12 Flicker	Between Groups	3.369	5	.674	1.868	.105
	Within Groups	41.131	114	.361		
	Total	44.500	119			

No statistically relevant differences were identified in either of the tables and further analysis will therefore prove irrelevant.

5.6 Reliability statistics

This analysis proves the reliability of the Likert-scale type questions used in the questionnaire. A value of > 0.7 will show a reliable scale type question. Forty-one Likert-scale questions were tested.

Table 5.10: Case Processing

Case Processing Summary

		N	%
Cases	Valid	120	100.0
	Excluded[a]	0	.0
	Total	120	100.0

Table 5.11: Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
.704	41

Cronbach's Alpha = .704 > .7 which indicates reliable scale type questions.

Chapter 6

Conclusion and Recommendations

6.1 Introduction

The primary objective of this study was to compare social media versus traditional marketing channels on customer buying behavior in the South African motor industry. The data were collected between October 2012 and April 2013 by approaching several clients who have purchased a vehicle. The sample was collected from the top three motor industries.

As mentioned and discussed in theories presented in this dissertation, it can acknowledged that marketing is a journey or a process in which the marketer tries to discover the customer's needs and to satisfy those needs. There are different tools, and by using any of them or a mix thereof, can take the business closer to its goal. This goal for both theories of traditional marketing and social media marketing is to satisfy the customer's needs. Every business considers their growth potential and ways to build and maintain a strong clientele base. Promoting and advertising the business are the key elements to obtain its objectives. There are different methods used for advertising; some of them include traditional marketing as well as the more modern ones like social media marketing. Business owners often have this challenging question: *What form of marketing communication should I use that will attract more customers?* Business owners are struggling with the idea of how to conduct marketing without spending too in the process. However, the opposite is true in most cases. Businesses that are not doing as well as others typically need to increase their marketing efforts. Spending the right amount of money on the right marketing strategies can drive the success of any business.

To help marketing managers and organizations make the right decisions, the author will focus on her secondary goals and provide the reader with results on which marketing channels are the most effective and successful in die decision-making process.

6.2 Theoretical and empirical summary and recommendations

After analyzing the data captured, the following conclusion may be drawn from the author's secondary objectives and will allow the author to deliver results and recommendations to connect to the primary objective of the study.

The first goal to be discussed is to determine the effectiveness of traditional marketing mix on the decision-making process.

Traditional media is a method of communication or a form of publication traditionally used to distribute news and information. Traditional methods of marketing typically involve advertising through newspapers, magazines, telephone directories, radio, and TV. These advertisements are usually placed at a cost that corresponds with the size of the advertisement as well as the medium in which it is published. Although many of the traditional marketing opportunities have either completely disappeared or changed dramatically, there are still a large number of opportunities available to business owners. For many businesses, traditional marketing tactics are still extremely suitable for reaching the right audience and are effective for any type of business, big or small. Traditional marketing is thus still alive according to Figure 6.1; participants in this study prefer traditional marketing tools when purchasing a car. Traditional marketing methods are recognized and according to this study, it has a high success rate because *64.2%* of the participants will recommend traditional marketing tools for purchasing a car as most effective and useful.

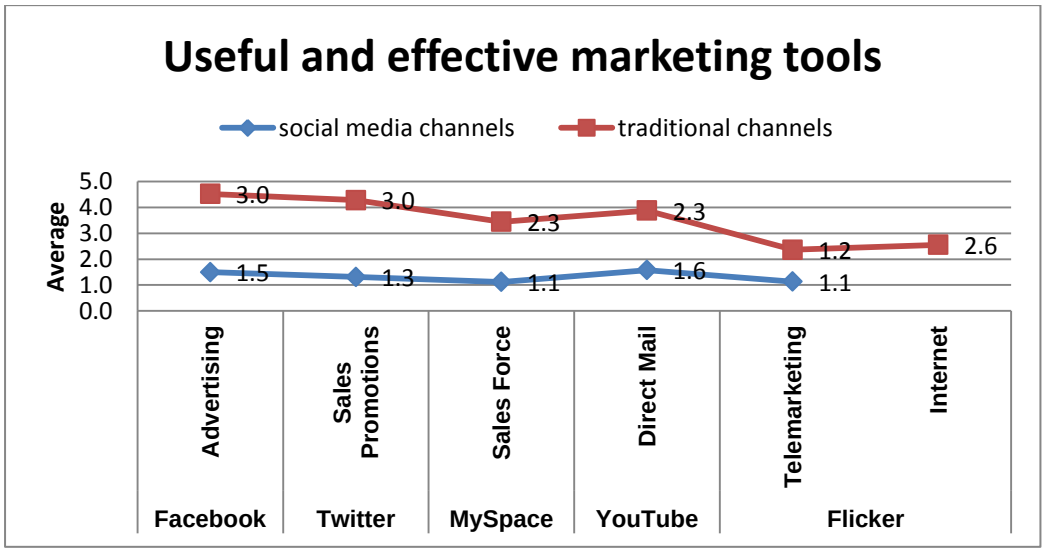


Figure 6:1: Clients of the study prefer the following marketing tools

Recommendations*:*

- Businesses need to know their target-market and the needs of that market to make sure that they reach them in the most effective way.
- Focus mainly on marketing strategies that previously worked for the organization.
- Organizations must create the exact marketing mix that they used for investigating their target market. What is a marketing mix really? It comprises the product, price, distribution network and how organizations sell their products or services. One of the most important aspects of the promotion strategy is the marketing mix.
- Focus on successful marketing tools. According to this study, advertising and sales promotions are the two main successful traditional marketing channels when purchasing a vehicle. Today's marketplace is highly competitive and fragmented. It is difficult to stand out from the companies offering similar services or products. To succeed, a brand must differentiate and communicate. An integrated and diversified marketing communications plan is critical for success, and advertising should still be a key component of the media mix. The reason for that being that customers still want to negotiate in person, view the item and collect all available information.

  During this research where customers could fill in their questionnaires with open-end questions and provided their own opinion, some of the marketing techniques they used, emerged.

  These are responses retrieved from Question 34 in the questionnaire:

  - Participants mentioned that they use Business Cards. Customers can contact a particular person directly if the contact details are readily available.
  - Quick Response (QR) codes are another advertising tool that participants used to get information. QR codes are a special pictogram that you can scan with a phone, like a barcode, that will then take you to a specific webpage. Organizations advertise these codes anywhere: in magazines, newspapers, pamphlets or on TV and could be accessed easily.

The next goal to be discussed is to determine the effectiveness of social media channels on the decision-making process.

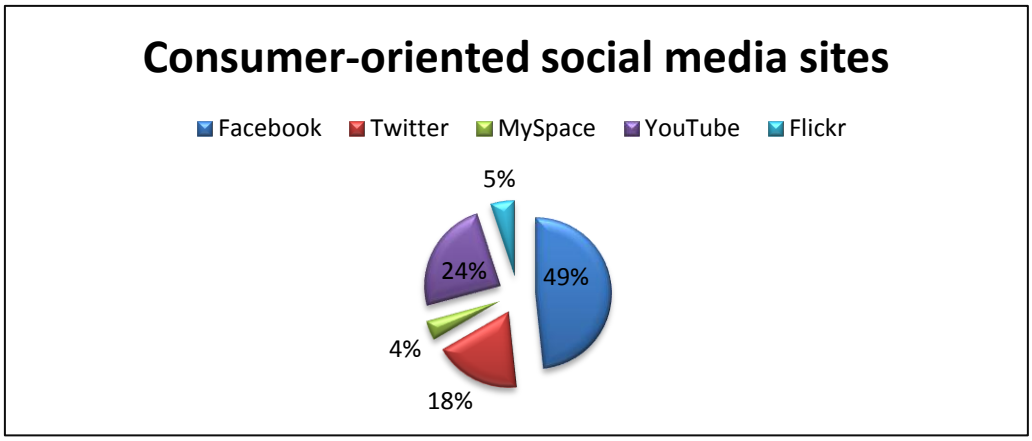
The introduction of online communities has linked the communication gap between brands and consumers by creating a two-way communication platform. Social Media is all about socializing and sharing opinions. These opinions could be conversed as written entries in the form of blog posts or comments, podcasts, video presentations, and votes on social media sites like Facebook, Twitter, YouTube and Flicker. According to this study, and based on the questionnaires, one might consider traditional marketing to be the most important aspect in making the decision to buy a vehicle. More than half (*51.7%)* of the participants will not recommend Social Media marketing tools for purchasing a car and *64.2%* of the participants indicated that social media could not be trusted. Some aspects of social media such as Internet search, Facebook opinions and YouTube videos, are important for clients to search for information before making a purchase. Opinions are also a very important aspect. People tend to change their decisions as they receive opinions and information on other social networks. During the research, where customers could fill in their questionnaires that contained open-end questions, the following information about trusted social media sites, became available:

- These are responses retrieved from Question 35 in the questionnaire:

  Participants use

  - *Facebook:* It has photos, messaging, chats, reviews, and so much more that can help them in the decision-making process. People usually use Facebook for their personal lives but it can be used for their professional lives as well. Users frequently engage in discussions of brands giving positive or negative feedback based on their experience or perception.
  - *Twitter*: A micro-blogging site allows anyone to publicly share their thoughts with the world and get information, reviews and opinions on different brands.
  - *YouTube:* it offers consumers the opportunity to watch videos, presentations, demonstrations and testimonials. Organizations upload videos to YouTube and people see the video, comment, or potentially share it with their other social media network friends or peers.

Figure 5.4 on page 82 shows the most important social media sites. According to this study, Facebook, YouTube and Twitter are the most important and current consumer-driven social media sites and the most popular among the auto industry. These sites were also used by the participants to gather the necessary information before they made a transition to traditional media to complete the buying process.



Recommendations

- People tend to regard opinions of other people very high; organizations therefore need to provide the consumer with the correct, relevant and necessary information.
- Organizations need to allow customers to provide them with both positive and negative comments and then to use that information to better their clientele services.
- Organizations must manage their own social media pages.
- Customer service is another crucial area for social media marketing and therefore organizations must have a thoughtful customer service system.
- Organizations should allow clients to make purchases from the consumer-driven sites.

Organizations must develop a framework that will explain which approach contains the most used and effective marketing tools according to the chosen companies.

From the above goals, it is clear that both marketing channels are used when a customer purchases a motor vehicle. To focus only on the most effective

marketing channels of traditional and social media, a framework has been developed that will explain which approach contains the most used and effective marketing tools according to the chosen companies. There is no specific way of marketing that would guarantee a success for any company. Every marketer searches for the best approach to reach his customers and to get the message across.

Based on this study, the author can suggest which approach is better after comparing traditional marketing tools with social media channels, depending on the questionnaire completed by 120 respondents who bought a vehicle in the period of 6 to 12 months prior to this research. Reflecting on the answers given by the participants, the advantages of traditional marketing were pointed out.

The following advantages derived from the two open-ended questions:

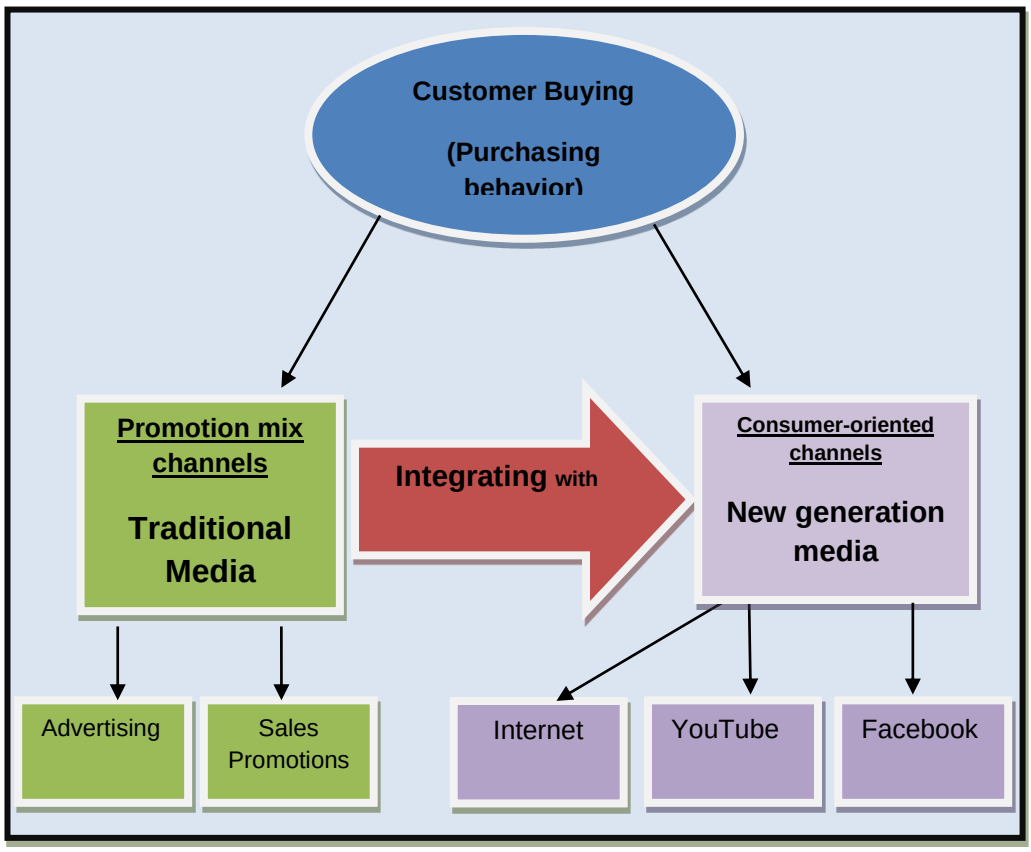
- Question 35: Which social media channels are most useful and effective in your purchasing process and indicate why.
- Question 36: Which traditional marketing channels are most useful and effective in your purchasing process and indicate why.

Social Media advantages:	**Traditional marketing advantages:**
• Fast speed of a large amount of information • Easy accessible • Communicating with different groups and blogs • Different opinions and references	• Face to face communication • Quick feedback • Quicker and easier measurement of results/responses • Physical access to products and atmosphere of physical store

The outcomes indicate that both traditional and social media marketing techniques can be incorporated which would result in a more effective approach to supplement your current marketing and advertising campaigns. You will not only be able to make your business successful locally, but will also be able to promote it internationally via online marketing techniques.

By looking at Figure 6.1, the following integrated framework could be compiled by identifying the most important channels being used when purchasing a motor vehicle. Integrating traditional tools with social media help companies to create strong, engaging campaigns that connect with consumers through several channels, which ultimately lead to successful brand and message awareness.

According to the comparison model in Chapter 1, there could be a combination of tools in the purchasing behavior of clients. Reflecting on the answers given by the respondents, it is clear that clients use both traditional marketing and social media tools when searching for information, but when the purchasing process starts, clients prefer traditional marketing tools. The comparison model was not presented to the respondents in order to avoid leading them to the author' understandings of the theory of traditional and social media marketing.



From the above framework, the following could be observed:

The following marketing channels are used to help the customer in the purchasing process, namely Advertising, Sales Promotions, Internet, YouTube and Facebook. A customer is searching for all possible information to help with the final choice.

Traditional marketing:. With sales promotions, the client will go to the dealer in person to gather all the information available. This leads to the buying process.

Social Media Marketing: The consumer will gather any type of information available on the Internet, i.e. the company's website, books, billboards, newspapers, pamphlets or motor shows or through advertising, opinions and websites as well as watch videos available on the Social media sites before making the final choice.

The consumer will then change to traditional marketing and will visit the car dealer to gather more information and test-drive the car, which will then lead to the buying process.

Based on the above, the author believes it is important to make a comprehensive comparison between traditional marketing and social media marketing in order to summarize different aspects of the marketing tools found in the empirical results. This comparison is presented in a table format that illustrates the different elements of the two marketing approaches.

Basic Elements	Traditional Marketing	Social Media Marketing
Simple Definition	The process of performing market research, promotion and selling products	The process of reaching out to customers through socializing, engaging and empowering
Direction of communication	Unidirectional (one to many)	Multidirectional (many to many)
Communication with consumer	Well considered & reviewed (one-way interaction/communication is only between the company and consumer)	Fast(conversational, multi-directional / all conversations with the consumer is public and everyone can read and comment on it)
Availability	During working hours	Permanent (24/7)
Focus	Advertising and branding	People, Community
Customer perception	Intrusive	Inclusive and Participatory
Marketing Mix elements	Product, Price, Place and Promotion	People, Platform, Participation and Promotion
Feedback handling	Not feedback-friendly due to the communication style used (fixed and unchangeable once published)	Provides a real-time feedback handling opportunity (instantly, easily, and continuously updateable)

It has become more and more clear that the combination of both traditional marketing and social media marketing would be the most effective approach, but if there is a need of making a choice between the two, a company should consider what is to be achieved and which approach would be appropriate specifically for

reaching that goal and target group. Placing both traditional marketing and social media marketing against each other to figure out the more effective one, was difficult because they complement each other. There are different kinds of benefits in using either one, which makes it difficult to weigh them against each another.

Based on the gathered information in this dissertation, social media marketing does not seem to be a contemporary version of traditional marketing but it appears to be complementary to traditional marketing. Social media, as marketing tool, add value to the marketing concept in general, and together with the traditional marketing tool, completes the marketing process.

Inform marketing managers and assist them in making more effective marketing media decisions by integrating these marketing tools.

As the author of this dissertation has realized through this study, there is not one correct way of marketing when comparing traditional marketing with social media marketing. Both of these approaches have different positive qualities that can help an organization reach its target group and gain revenue. For this study the most effective and successful way for customers to buy a vehicle is the traditional marketing methods, but these clients also use social media tools in their search for information that help them through their decision-making process. Consumers will recommend traditional marketing tools because *91%* of participants said that they can trust these tools as it is safe, reliable and successful to use when purchasing a vehicle.

These recommendations are based on the information gathered and the way this information was perceived by the author. It is important to keep in mind that the empirical data and feedback in this dissertation were received from companies operating in the motor industry, their products and customers, and could differ from industry to industry.

There are many different ways of marketing; there can also be different goals to achieve and different types of target groups to reach, which can have an effect on the right choice of marketing tools. Even though it can seem confusing, it appears that all aspects in the marketing process depends on each other and affect the

decisions made about marketing approaches used. Organizations need to compare the pros and cons of the different types of marketing tools and then develop a good balance between them. The 60/40 rule can apply here as well: Invest in 60% traditional marketing and 40% social media marketing or vice versa.

One negative aspect of social media is that organizations cannot control it: They should therefore attract the customer to be part of their social media sites. Give consumers a convincing reason to follow your business/brand when viewing your traditional TV commercial, print advertisement or radio commercial, for instance entertaining online videos on YouTube or exclusive rewards for followers on Facebook and Twitter. Before sending consumers to your social media channels, make sure that these channels or websites are attractive with the image and brand you want to project. Marketers want to make advertising more effective by giving consumers a complete experience. The goal is to utilize multiple channels to encourage interaction.

Lastly, the author concludes that there is no means available to measure the efficiency of either way of marketing in order to give a 100% correct answer. There are many available theories that support specific ideas about this subject, some marketers' own experiences and points of view. In the framework of this dissertation, with the available possibilities and limitations, there has been some relevant data gathered that has assisted the author to make this conclusion. The conclusion is that traditional marketing is more effective, successful and trustworthy than social media marketing, although participants used combined channels (traditional and social media tools) to get the relevant information that satisfy their needs and lead to the decision-making process where participants buy a vehicle. The author hopes that marketing managers can use the relevant information about marketing channels to boost their business and increase their revenues.

6.3 Recommendations to further research

Traditional marketing tools will always be a part of successful marketing; clients will therefore always prefer one or more of these techniques. It would be interesting to dig deeper into social media tools and the effect it has on companies, because "*The exponential growth of social media, from blogs, Facebook and Twitter and YouTube,*

offers organizations the chance to join a conversation with millions of customers around the globe every day" (Faruque, 2013, p. 34-36).

There could be researches done to find out the impact that social media had on marketing and how to control it as social media could be seen as risky and tricky for organizations. Organizations need to control the communication protocol to some extent because opinions and views are a very important element of social media. Researching a wide range of companies, one can get a view of how social media are used in practice, how valuable it is and why and how successful it is in organizations. An interesting area for future research would be social media marketing and traditional marketing in different industries in order to find out if there are differences between the industries' marketing mixes. It is important to remember that industries differ from each other and that each industry uses its own marketing mix to gain customers.

The comparison model created by the author in this dissertation could be developed further. It could contain more detail about the advantages and disadvantages on both sides (traditional marketing and social media). This could result in a more general comparison model that covers more aspects on both approaches and could be applied to all industries.

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Appendix

Questionnaire

- Afrikaans
- English

UFS·UV

Kantoorgebruik:

1	2

Geagte Respondente

Hierdie vraelys is vir navorsingsdoeleindes ten opsigte van verskillende bemarkingsmetodes.
Ek is tans besig met my Meestersgraad by die Universiteit van die Vrystaat. **Die tema van my tesis is: Sosiale Media Bemarking versus Tradisionele Bemarking in die Motorindustrie.**

Ons is geintresseerd in u mening oor en gebruik van bemarkingskanale vir die aankoop van 'n motorvoertuig. U mening is baie belangrik en om u anonimiteit te beskerm, word u antwoorde in die veiligheidsdatabasis van die universiteit gestoor.

Dit sal ongeveer vyf minute neem om die vraelys te voltooi. Baie dankie vir u deelname.

Afdeling A: Demografiese Inligting

1 Dui jou geslag aan:

	Manlik		Vroulik	
				3

2 Dui jou ouderdom aan:

Jonger as 20 jaar	
20 - 30 jaar	
31 - 40 jaar	
41 - 50 jaar	
51 - 60 jaar	
Ouer as 60 jaar	

4

3 Dui jou rassegroep aan:

Asiaat	Swart	Kleurling	Blank	Ander

5

4 Dui jou maandelikse inkomstevlak aan:

Minder as R5 000	
R5 000 - R9 999	
R10 000 - R 14 999	
R15 000 - R19 999	
R20 000 - R24 999	
R25 000 en meer	

6

5 Hoe dikwels koop jy 'n motorvoertuig?

Elke 6 maande	Elke 6-12 maande	Elke 1-3 jaar	Elke 3-5 jaar	Elke 5-10 jaar

7

Afdeling B : Sosiale Media

6 Hoe dikwels gaan jy op Internet

Een maal per maand	Een maal per week	2-3 maal per week	Een maal per dag	Meer as een maal per dag

8

7 Hoeveel tyd spandeer jy gewoonlik aanlyn per sessie?

0 - 5 ure	
6 - 10 ure	
11 - 15 ure	
16 - 20 ure	
21 - 24 ure	

9

8 Hoe dikwels gebruik jy Internet om inligting te bekom voor 'n aankope?

Selde	Soms	Dikwels	Gereeld

10

9 Dui alle verbruikersgeörienteerde sosiale media-webblaaie aan waar jy 'n persoonlike profiel geskep het:

Facebook	
Twitter	
MySpace	
YouTube	
Flickr	

11

10 Hoekom maak jy gebruik van sosiale aanlynnetwerke?

Kies alle antwoorde van toepassing:

Om kontak te hou met vriende en familie	
Om nuwe mense aanlyn te ontmoet en om te sosialiseer	
Om professionele en besigheidskontakte op te bou	
Om ondervinding van verskillende produkte / dienste te deel	
Om nuwe geleenthede van verskillende produkte / dienste te ontdek	
Om inligting en terugvoer te kry op produkte / dienste	
Om by 'n spesifeke groep aan te sluit	
Om te help met aankoopbesluite	

12

11 Wat is jou gevoel oor advertensies op sosiale netwerke? (Facebook, Twitter, MySpace, YouTube, Flicker)

Baie irriterend	Ietwat irriterend	Onbelangrik	Nuttig	Baie Nuttig

13

12 Wat is jou gevoel oor promosies op sosiale netwerke? (Facebook, Twitter, MySpace, YouTube, Flicker)

Baie irriterend	Ietwat irriterend	Onbelangrik	Nuttig	Baie Nuttig

14

13 Wat is jou gevoel oor mondelinge verwysings (WOM) op sosiale netwerke?

Baie irriterend	Ietwat irriterend	Onbelangrik	Nuttig	Baie Nuttig

15

14 Is aanlynadvertensies leersaam?

	Verskil heeltemal	Stem nie saam nie	Neutraal	Stem saam	Stem volkome saam
Wanneer jy 'n advertensie sien, is jy geneig om daarop te kliek vir meer inligting?	1	2	3	4	5
Wanneer jy 'n advertensie sien, is jy geneig om die produk te koop?	1	2	3	4	5
Oor die algemeen, dink jy jy kan aankope doen op sosiale netwerke se webblaaie	1	2	3	4	5

16

15 In jou laaste vyf aanlynbesoeke op sosiale netwerke, het jy enige advertensies of nuusstrome oor die aankoop van motorvoertuie gesien?

Ja, op	Facebook	
	Twitter	
	MySpace	
	YouTube	
	Flickr	

Nee

17

16 Het jy al ooit 'n motorvoertuig gekoop a.g.v. 'n advertensie op 'n sosiale netwerk?

Ja, ek het

Nee, nog nooit

18

17 In "ja" geantwoord by bogenoemde vraag, wat is jou ondervinding van die webblad?

Baie swak	Gemiddeld	Goed	Uitstekend

19

18 Oor die algemeen, voel jy dat jy 'n voertuig op sosiale netwerke se webblad kan koop?
Kies al die antwoorde van toepassing:

Ja	
Ja, indien dit deur vriende/kollegas aanbeveel word	
Ja, indien dit van maatskappye se amptelike profiel/ bladsy is	
Ja, ek vertrou hierdie webblaaie en dit maak dit makliker om die aankoop te doen	
Nee, ek is krities oor die inligting aangesien ek mislei voel deur advertensies, terugvoer en inligting wat ek ontvang en gelees het op hierdie webblaaie	

20

19 Oor die algemeen, voel jy dat jy inligting kan vertrou wat jy deur middel van sosiale netwerke bekom het?

Ja Nee

21

Indien nee, verskaf jou rede: …….....

…….....

20 As jy nie op 'n sosiale netwerk geregistreer is nie, wat is die belangrikste rede vir jou besluit?

Ek het nie tyd nie	
Ek stel nie belang in sosiale netwerke nie	
Ek wil geen publisiteit hê nie	
Ander - spesifiseer asb.	

22

Afdeling C : Tradisionele Bemarkingskanale

21 Hoe voel jy oor tradisionele bemarkingskanale?
(Reklameborde, Plakkate, Brosjure, TV-advertensies)

Hoogs ontevrede	Ontevrede	Neutraal	Nuttig	Uiters Nuttig

23

22 Hoe voel jy oor mondelinge verwysings by die aankoop van 'n voertuig?

Hoogs ontevrede	Ontevrede	Neutraal	Nuttig	Uiters Nuttig

24

23 Hoe voel jy oor persoonlike aandag by die aankoop van 'n voertuig?
(aangesig tot aangesig)

Hoogs ontevrede	Ontevrede	Neutraal	Nuttig	Uiters Nuttig

25

24 Hoe voel jy oor openbare betrekkinge by die aankoop van 'n voertuig?

Hoogs ontevrede	Ontevrede	Neutraal	Nuttig	Uiters Nuttig

26

25 In die breë gesien, wat is jou gevoel oor tradisionele bemarkingshulpmiddele?
(Reklame, Promosies, Persoonlike Verkope, Openbare Betrekkinge, Direkte Bemarking)

Hoogs ontevrede	Ontevrede	Neutraal	Nuttig	Uiters Nuttig

27

26 Watter promosiemengsel sal jy gebruik by die aankoop van 'n motorvoertuig?

	Gebruik glad nie	Gebruik baie min	Gebruik redelik baie	Gebruik gereeld	Baie nuttig
Reklame	1	2	3	4	5
• Reklameborde					
• Brosjures					
• Rolprente					
• Logo's					
• Video's / Radio-advertensies					
Promosies	1	2	3	4	5
• Wedstryde / Speletjies					
• Belonings					
• Skoue / Uitstallings					
• Kontinuïteitsprogramme					
Persoonlike Verkope	1	2	3	4	5
• Persoonlike verkoopsaanbiedinge					
• Persoonlike verkoopsvergaderings					
• Aansporingsprogramme					
Openbare Betrekkinge	1	2	3	4	5
• Publikasies					
• Jaarverslae					
• Seminare / Toesprake					
• Donasies					
• Verbruikersgedrewe webblaaie					
• Gemeenskapsverhoudinge					
Direkte Bemarking	1	2	3	4	5
• Telebemarking					
• TV-aankope					
• E-pos					
• Webblaaie					
• Elektroniese aankope					
• Katalogusse					

28

27 Oor die algemeen, voel jy dat jy 'n motorvoertuig kan aankoop deur tradisionele bemarkingshulpmiddels?
(Reklame, Promosies, Persoonlike Verkope, Openbare Betrekkinge en Direkte Bemarking)
Kies al die antwoorde wat van toepassing is:

Ja, dit is die beste bemarkingshulpmiddel by die aankoop van 'n voertuig	5
Ja, met aanbeveling van my vriende en kollegas	4
Ja, indien dit van 'n professionele verkoopspersoon by 'n maatskappy is	3
Ja, professionele advertensies, boeke en katalogusse, Auto Trader	2
Nee, ek gebruik nie hierdie bemarkingshulpmiddels nie	1

29

28 Oor die algemeen, is bostaande bemarkingshulpmiddels effektief, suksesvol en nuttig?

Ja Nee

Indien "nee", gee 'n rede: .....

.....

30

Aankoopgedrag : Sosiale Media vs. Tradisionele kanale

29 Deur middel van watter bemarkingskanale sou jy verkies om 'n voertuig aan te koop?
Kies almal wat van toepassing is:

	Primêre gebruik	Gebruik baie	Gebruik gereeld	Gebruik baie min	Gebruik glad nie
Reklame					
Promosies					
Verkoopspersoneel					
Openbare Betrekkinge					
Direkte Bemarking					
Telefoonbemarking					
Internet-soektog					
Facebook					
Twitter					
MySpace					
YouTube					
Flickr					

31

30 Hoe dikwels het jy die afgelope ses maande die volgende inligtingsbronne gebruik om jou te help met jou besluit t.o.v. die aankoop van jou voertuig? Watter elemente was die nuttigste?

	Baie belangrik	Belangrik	Neutraal	Minder belangrik	Glad nie belangrik
Reklame					
Promosies					
Verkoopspersoneel					
Openbare Betrekkinge					
Direkte Bemarking					
Telefoonbemarking					
Internet-soektog					
Facebook					
Twitter					
MySpace					
YouTube					
Flickr					

32

31 Kies uit onderstaande stellings waarmee jy saamstem ten opsigte van jou koopbesluite:

	Stem heeltemal saam	Stem saam	Neutraal	Stem nie saam	Stem glad nie saam nie
Sosiale Media gee jou meer as een opinie, bespaar tyd en jy het 24-uur toegang	5	4	3	2	1
Webblaaie het 'n wye verskeidenheid goedere wat tradisionele aankoopkoste verminder	5	4	3	2	1
Aanlyninkopies is net so veilig as tradisionele inkopies	5	4	3	2	1
Ek verkies tradisionele inkopes bo inkopies by sosiale netwerke	5	4	3	2	1

33

32 Sosiale Media vs. Tradisionele Bemarkingskanale - watter een sal jy aanbeveel om inligting te bekom om om jou te help met jou aankoopbesluite? Kies almal wat van toepassing is:

	Baie Effektief	Ietwat Effektief	Effektief	Oneffektief
Reklame				
Promosies				
Verkoopspersoneel				
Openbare Betrekkinge				
Direkte Bemarking				
Telefoonbemarking				
Internet-soektog				
Facebook				
Twitter				
MySpace				
YouTube				
Flickr				

34

33 Watter sosiale media-kanale is die mees doeltreffende en nuttig in jou aankoopproses?

……..
……..
……..
……..

34 Watter tradisionele bemarkingskanale is die mees doeltreffende en nuttig in jou aankoopproses?

……..
……..

35 Sal jy sosiale media-bemarkingshulpmiddels aanbeveel as die mees doeltreffende en nuttigste manier om 'n voertuig aan te koop?

Ja | Neutraal | Nee

35

36 Sal jy tradisionele bemarkingskanale aanbeveel as die mees doeltreffende en nuttigste manier om 'n voertuig aan te koop?

Ja | Neutraal | Nee

36

Dankie vir u tyd!

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Office use

1	2

Dear respondents,
This questionnaire is for research purpurses concerning the different marketing methods
Currently completing my Master degree in Marketing at the University of the Freestate
and my thesis is on Social media marketing versus traditional marketing in the motor industry.
We are interested in your usage and view about which marketing channel you use when purchasing your car.
There are no right or wrong answers , only your honest response is required.It is very important for me to learn
your opinion and to ensure your anonymity, all your answers of are sent directely to the sure university database.
The questionnaire will take approximately 5 minutes to complete. Thank you for your participation.

Section A: Demographic Informantion

1 Indicate your gender ?

☐ Male ☐ Female ☐ 3

2 How old are you?

Younger than 20 years	
20 - 30 years	
31 - 40 years	
41 - 50 years	
51 - 60 years	
Older than 60 years	

☐ 4

3 Your Race ?

Asian	African	Coloured	White

☐ 5

4 What is the level of your montly income ?

Less than R5000	
R5000- R9999	
R10 000- R 14 999	
R15 000- R19 999	
R20 000 - R24 999	
R25 000 and above	

☐ 6

5 How often do you buy a car?

Every 6 months	Every 6-12 Months	Every 1-3 years	Every 3-5 years	Every 5-10 years

7

Section B: Social Media

6 How often do you go on the Internet?

More than once a day	Once a day	2-3 times a week	Once a week	Once a month	Less than once a month

8

7 Usually, per session, how much time you spend online?

0-5 hours	
6-10 hours	
11-15 hours	
16-20 hours	
21-24 hours	

9

8 How often do you use Internet for information prior to a purchase?

Rarely	Sometimes	Often	Very Often

10

9 Please select all consumer-oriented social media sites for which you have created a personal profile?
Please select all that apply

Facebook	
Twitter	
MySpace	
YouTube	
Flickr	

11

10 Why do you use online networks: Select all aswers that apply.

To keep in touch with friends and family			
To meet new online people and to socialize			12
To make professional and business contacts			
To share experiences on different products/ services			
To discover new opppurtunities on differnet producs/ services			
To find information and feedback on product/ services			
To join a spesific group/ business			
To help make purschasing decisions			

11 How do you feel about advertising on social networks (Facebook, Twitter, MySpace, YouTube, Flicker) ?

Very Annoying	Somewhat Annoying	Indifferent	Somewhat useful	Very Useful

13

12 How do you feel about promotions on social networks(Facebook, Twitter, MySpace, YouTube, Flicker)?

Very Annoying	Somewhat Annoying	Indifferent	Somewhat useful	Very Useful

14

13 How do you feel about WOM on social networks (Facebook, Twitter, MySpace, YouTube, Flicker)?

Very Annoying	Somewhat Annoying	Indifferent	Somewhat useful	Very Useful

15

14 Is an online advertesiment informational?

	Strongly Dissagree	Disagree	Neutral	Agree	Strongly Agree	
When you see an advertisement are you likely to click on it to get more information about the product/ service?	1	2	3	4	5	16
When you see an advertisement are you likely to buy it.	1	2	3	4	5	
In general, do you feel you can purchase from social media newsfeeds	1	2	3	4	5	

15 In the last five visits, did you notice any advertising or newsfeeds about purchasing cars on a social networking website?

Yes on	Facebook		NO	
	Twitter			17
	MySpace			
	YouTube			
	Flickr			

16 Have you ever purchase a motor based on an advertisement on a social networking website?

	Yes, I have		NO, I have never

18

17 If yes to the above question, what was your purchasing experience from the above website?

Terrible	Average	Good	Excellent	
				19

18 In general, do you feel you can purhase a motor from newsfeeds on social networking websites? Select all answers that apply

Yes		20
Yes if it comes from my friends/ connections		
Yes if it comes from company official profiles/ pages		
Yes, because I trust these social websites and it makes is easier to purchase		
No, I'm always critical to such kind of information because I felt misled by newsfeeds, feedback and information I receive and red on these websites		

19 In general, do you feel you can trust information you obtain via social networking websites?

	Yes		NO

21

If no please give a reason…….

…….

20 If you're NOT participating with any of social networking sites, what is the main reason why?

I don't have time		22
I am not interest in social media websites		
I do not want any publicity		
Other please specify:		

Section C: Traditional Marketing Channels

21 How do you feel about traditional advertisements (Billboards, Posters, Brochures, TV advitesements)

Very Annoying	Somewhat annoying	Indifferent	Somewhat useful	Very Useful	
					23

22 How do you feel about WOM (word-of-mouth) when purchasing a car?

Very Annoying	Somewhat annoying	Indifferent	Somewhat useful	Very Useful

23

23 How do you feel about personal selling when purchasing a car? (Face-to face selling)

Very Annoying	Somewhat annoying	Indifferent	Somewhat useful	Very Useful

24

24 How do you feel about public relations when purchasing a car?

Very Annoying	Somewhat annoying	Indifferent	Somewhat useful	Very Useful

25

25 Overall how do you feel about the traditional marketing tools? (Advertising, sales promotions, personal Selling, Public relations, Direct mail)

Very Annoying	Somewhat annoying	Indifferent	Somewhat useful	Very Useful

26

26 Which elements of the promotion mix will you use when purchasing a car?

	Do not Use	Use very Rarely	Use quite Often	Use Often	Very Useful
Advertising	1	2	3	4	5
• Billboards					
• Brochures & Booklets					
• Motion Pictures					
• Logos					
• Videotapes/ Social Media Broadcast ads					
Sales Promotions	1	2	3	4	5
• Contest Games					
• Premiums					
• Trade Shows, exhibits					
• Continuity Programs					
Personal Selling	1	2	3	4	5
• Face-Face Sales presentations					
• Face-Face Sales meetings					
• Incentive Programs					
Public Relations	1	2	3	4	5
• Publications					
• Annual Reports					
• Seminars/ Speeches					
• Charitable Donations					
• Consumer-Driven networking sites					
• Community Relations					
Direct Mail	1	2	3	4	5
• Telemarketing					
• TV Shopping					
• E-mail					
• Websites					
• Electronic shopping					
• Catalogs					

27 In general, do you feel you can purhase a motor from traditional marketing tools? (Advertising, Sales Promotions, Personal Selling, Public relations &Direct mail)
Please select all answers that apply.

Yes it's the best marketing tools when purchasing a car	5	
Yes- WOM from my friends and colleques	4	28
Yes if it comes from a proffessional salesmen @ the company	3	
Yes- Proffesional advertisement, books and catalogs ex. Autotrader	2	
No, I don't use these marketing tools.	1	

28 In general, are the above mentioned traditional marketing tools effective, succesfull and userfull?

		Yes		NO	
If no please give a reson	……				29
	……				

Purshasing Behaviour Social Media vs traditional channels.

29 On which of these marketing channels , would you prefer to purchase a car?
Please select all that apply

	Primary way to use	Use Often	Use quite Often	Use very rarely	Do not use	
Advertising						30
Sales Promotions						
Sales Force						
Public Relations						
Direct Mail						
Telemarketing						
Internet						
Facebook						
Twitter						
MySpace						
YouTube						
Flickr						

30 During the last 6 months, how often have you used the following information sources to help you in your car purchasing decisions? Which of the elements are the most userfull?

	Very Important	Important	Neutral	Less Important	Not Important	
Advertising						31
Sales Promotions						
Sales Force						
Public Relations						
Direct Mail						
Telemarketing						
Internet-search						
Facebook						
Twitter						
MySpace						
YouTube						
Flickr						

31 In your purchasing decision: Please select your level of agreement to the following questions.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	
Social Media gives more than one opinion, it saves time and you have 24h access	1	2	3	4	5	31
Selection of goods on websites are very broad and this websites reducces the montary costs of traditional shopping to a great extent.	1	2	3	4	5	
Online shopping is as secure as traditional shopping	1	2	3	4	5	
I prefer traditional shopping over social media shopping	1	2	3	4	5	

32 Social media vs Traditional marketing channels what would you recommend when searching for information to help you in your purchasing decision? Please select all that apply

	Very Effective	Somewhat effective	Effective	Not Effective
Advertising				
Sales Promotions				
Sales Force				
Public Relations				
Direct Mail				
Telemarketing				
Internet-search				
Facebook				
Twitter				
MySpace				
YouTube				
Flickr				

33

33 Which social media channels is most userful and effective in your purchasing process? Why?

……..
……
……..
……

34 Which traditional marketing channels is most userful and effective in your purchasing process? Why?

……..
……

35 At last will you recommend Social Media marketing tools for purchasing a car most effective and userfull?

YES | Neutral | NO

34

36 At last will you recommend Traditional marketing tools for purchasing a car most effective and userfull?

YES | Neutral | NO

35

Thank you for taking the time to fill in this survey.