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# Business to business purchasing behaviour in South Africa

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**2022**

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# Business to business purchasing behaviour in South Africa

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**A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management Strategic Marketing (MMSM)**

**Johannesburg, 2022**

# ABSTRACT

Business-to-business (B2B) buying behaviour continues to be heavily influenced by changes taking place in the external environment. Businesses are faced with a challenge of understanding their customers through non-conventional communication channels. The purpose of this research was to explore what factors influence business-to-business purchasing intention within the Fast-moving Consumer Goods (FMCG) industry in South Africa. Further, the research aimed to gain in-depth insight into how B2B organisations within the FMCG sector can make use of social media to influence purchasing decisions and ways to create competitive advantage. The target population consisted of business owners and managers in small and medium sized businesses. Data was collected through questionnaires facilitated and distributed online using Qualtrics. The researcher made use of the Statistical Package for Social Science (SPSS) analysis software programme to analyse data. This enabled the researcher to establish whether there was a statistical relationship between the variables. The results of this research established that B2B purchasing intention is directly influenced using professional social media, the sharing of preferred content, perceived social presence, business reputation, brand identity, traditional brand communication and social media brand communication.

# DECLARATION

I, Nezaro Novela, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing (MMSM) at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Nezaro Novela

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Signed at ……Alberton South……

On the ……22……. day of February…… 2022

# ACKNOWLEDGEMENTS

First and foremost, I would like to thank my beautiful wife, Harriet Novela, for all the support you have given me throughout this master's programme. All the late nights you spent with me ensuring that I get work done, even on days I was not feeling like working. Thank you for all the sacrifices that you had to make for me to complete this qualification. I know that we had many plans that we did not get to do because of the financial requirements of this master's programme. In the midst of all this, never did you complain no matter how inconvenient this was. I am humbled and forever grateful for all you did to ensure that I reach this major milestone in my life. This could have not been possible if you had not been by my side.

Secondly to my supervisor, Neale Penman, words cannot express how grateful I am to have walked this journey with you. You made this journey seamless; I know at times I was not pulling my weight and giving you my best work, but I cannot recall a single occasion where you made me feel that way. You always found a way to encourage me, looking at the positives. Thank you for taking all my calls, for answering my emails, my texts and for agreeing to all my meeting requests no matter how hectic your schedule was. You really made my Wits experience a memorable one and for that I am grateful.

Thirdly, I would like to thank all the participants that took part in this study. As business owners and managers who were working under extreme economic conditions due to the COVID-19 pandemic, when you received my emails and follow-up phone calls to complete the surveys you ensured that they were done. This made it possible for me to compete this master's programme.

To my friend, Nadine Munsamy, thank you for your contribution in helping me complete this master's programme. Thank you for all our long calls, texts, and discussions. You were always a step ahead which became a benchmark for me to push and complete this qualification.

Last but not least, my best friend, Ishmael Mereyotlhe, for always being my voice of reason. I am grateful for all the support you gave me throughout this journey until completion. I know I can always count on you.

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# CHAPTER 1: INTRODUCTION

## 1.1 Purpose of the study

The purpose of this research was to explore what factors influence business-to-business purchasing intention within the Fast-moving Consumer Goods (FMCG) industry in South Africa. Further, the research aimed to gain in-depth insight into how B2B organisations within the FMCG sector can make use of social media to influence purchasing decisions and ways to create competitive advantage.

## 1.2 Context of the study

Fast-moving Consumer Goods (FMCG) are also known as Consumer-Packaged Goods (CPG), referring to products that have a high sales volume, and sold at a relatively low price. An example of these products includes non-durable household products such as: packaged foods, toiletries, cosmetics, dry foods, beverages, over the counter medications, detergents, and stationery (Diba, Sweden, Vella, & Abratt, 2019). The South African FMCG industry is characterised by both local and international brands (Chizema, Kleynhans, Bezuidenhout, & Mhonyera, 2021). The scope of this study is limited to Small and Medium Size businesses, producing non-durable products listed above.

Business-to-Business buying behaviour has become a topical issue in the FMCG industry and has created opportunity for companies to make use of professional and non-professional social media platforms to build strong brand identities and drive cost savings (Aspara, Grant, & Holmlund, 2021). For the purpose of this study, professional social media platforms consist of LinkedIn and Xing. Non-professional social media platforms consists of Facebook, Twitter, and Instagram.

According to Cheng and Shiu (2019), the use of social media marketing has been heavily utilised within Business-to-Customer compared to Business-to-Business. B2C companies make use of social media platforms to engage with target customers (Mattil, Yrjölä, & Hautamäki, 2021). This results in a high level of engagement, where customers feel that they are directly interacting with the brand, regardless of the geographic boundaries that may exist (Cao, Ajjan, Hong, & Le, 2018). On the other hand, B2B companies heavily rely on interpersonal relationships to build strong brand identities. This continues to limit

the amount of customer engagement while prolonging purchasing decision processes within the FMCG industry (Rachinger, Rauter, Müller, Vorraber, & Schirgi, 2019).

## 1.3 Problem statement

### *1.3.1 Main problem*

According to NapoleonCat (2021), there were currently 886 000 LinkedIn users recorded in April 2021. 59.8% of these users are represented by people between the ages of 25 to 34 years. These users are representing both the employed and the unemployed who are currently seeking jobs. Large organisations, such as Unilever, have identified LinkedIn as a tool not only to recruit the best candidates, but a marketing tool used to build its brand for B2B purposes within the FMCG industry. With their current following of 13,965,837 on LinkedIn, Unilever uses this professional social media platform to communicate with its B2B market, the organisation values, sustainability goals and achievements, its Corporate Social Investment (CSI) initiatives, research, projects, and its new product lines (Diba, et al., 2019).

In contrast, SMEs within the FMCG industry do not make use of professional social media platform to influence purchasing decisions, while communicating their value propositions (Arifin, 2015). For SMEs, LinkedIn is used for recruitment purposes. This professional social media platform is not effectively used to influence customer buying process and purchasing decisions. Small and Medium sized businesses within the FMCG industry are continually relying on the traditional methods of marketing to communicate their value proposition to its customers. These methods include direct marketing, word of mouth and customer relationship management (CRM) (Grissa, 2017).

Lilien (2016) emphasises that with the current global trends and rapid changes taking place in the market, small and medium sized businesses are faced with a challenge of having to look for alternative ways of communicating their value propositions to B2B customers other than the traditional methods. The use of professional social media platforms, such as LinkedIn and Xing, provides both small and medium sized businesses with new ways to build brand identity and brand credibility that is sustainable.

With more customers spending over 50% of their time online, it is becoming critical for businesses to establish a stronger online presence, not only for B2C, but also for B2B

(Diba, et al., 2019). This is important because decision makers within organisations are made up of people who spend their time online with different brand preferences. As customers are looking to decrease time spent on information search and minimising business costs, small and medium sized businesses need to strategically position themselves to influence B2B buying processes effectively and efficiently (Halima, Skandrani, & Ayadi, 2017).

SME business leaders within the FMCG sector do not recognise the factors influencing purchasing intention and are not making use of professional social media to influence buying in the B2B environment.

### *1.3.2 Sub-problems*

1. The first sub-problem is small and medium sized business do not make use of professional social media platforms, such as LinkedIn, to influence purchasing intention within the FMCG industry.
2. The second sub-problem is small and medium sized businesses within the FMCG industry rely heavily on traditional brand communication to build brand identity for B2B.

## 1.4 Research Objectives

- To explore the factors that influence B2B purchasing intention within the Fast-moving Consumer Goods industry in South Africa
- To identify the determining activity with the closest relationship to B2B purchasing decisions in the South African FMCG sector
- To make recommendations on how B2B purchasing intention can be influenced using professional social media platforms
- To make recommendations on areas of continuous improvement with an aim of reducing costs as a competitive advantage for the company

## 1.5 Research Question

What factors influence B2B purchasing intention within the Fast-moving Consumer Goods industry in South Africa?

### *1.5.1 Research Sub-questions*

- RQ1: What factors contribute to B2B purchasing intention within the Fast-moving Consumer Goods industry?

  The aim of this question is to explore the causes of B2B purchasing intention within the Fast-moving Consumer Goods industry
- RQ2: How do these factors impact on each stage of the buying processes within the Fast-moving Consumer Goods industry?

  The aim of this question is to gain insight into which determining activity has the closest relationship to B2B purchasing decision
- RQ3: How can managers in the FMCG industry influence B2B purchasing intention by making use of professional social media platforms?

  The aim of this question is to obtain a managerial perspective on how actions and decisions can be used to influence B2B purchasing intention
- RQ4: Why are small and medium sized businesses within the FMCG sector not making use of professional social media platforms to influence the B2B purchasing process?

  The aim of this question is to understand why businesses within the FMCG sector are not using LinkedIn and Xing to influence purchasing intention
- RQ5: How can companies build a strong brand identity by making use of professional social media platforms to reduce costs?

  The aim of this question is to probe managers on the possible minimisation of B2B marketing costs while building strong brand identity

## 1.6 Significance of the study

This study is important for four (4) reasons. Firstly, this research adds to the existing body of knowledge on factors influencing B2B purchasing decisions within the FMCG industry. There is little knowledge available on factors influencing B2B purchasing intention within the FMCG industry in developing countries

Secondly, as it cannot be confirmed whether findings of studies in other countries, such as the United States of America (USA) are applicable to South Africa (FAO, 2011), this study will generate findings specific to the South African FMCG sector.

Thirdly, understanding the reasons for a lower implementation and usage of professional social media platforms to influence B2B purchasing intention within the FMCG industry will enable the researcher to make recommendations to the businesses in this sector on possible strategies that can be implemented.

Fourthly, following the research, findings can be used by business leaders who participate in this study to develop more individualised digital marketing strategies that will result in their businesses achieving sustainable competitive advantage.

## 1.7 Delimitations of the study

- This study was based on small and medium sized businesses within the FMCG sector.
- The study excluded large business. These are business that have 250 employees or more.
- Furthermore, this study excluded micro sized businesses
- This study excluded distributors and retailers within the FMCG sector but only focused on FMCG manufacturers.
- The study also excluded all the other businesses in the other industries other than FMCG.
- The research participants included business owners within small businesses.
- This study also included general managers within medium sized businesses.

## 1.8 Definition of terms

The definitions below are South African context classification for FMCG, small and medium size businesses:

1. Fast-moving Consumer Goods (FMCG) “are regarded by means of marketing goods commonly transacted and consumed in a short period of time, or in one year” (Nemtajela & Mbohwa, 2018, p. 2)
2. Small Business - is defined as an enterprise, which has fewer than 50 employees (Ayandibu & Houghton, 2017).
3. Medium Business - is defined as an enterprise, which has between 50 to 249 employees (Ayandibu & Houghton, 2017).

## 1.9 Assumptions

The most evident assumption about this study is that SMEs in the B2B sector within the manufacturing (FMCG) industry do not invest resources in integrated marketing strategies compared to B2C companies. SMEs within the B2B sector use traditional marketing strategies to ensure business continuity and success. While this is not the case of large business within the same industry, the use of social media can create opportunities for SMEs within the FMCG industry to better influence purchasing intention.

# CHAPTER 2: LITERATURE REVIEW

## 2.1 Introduction

According to Lekhanya, Olajumoke and Nirmala (2017), small, and medium enterprises (SMEs) play a vital role in the South African economy. When supported, they can be key drivers of economic growth (Muriithi, 2017). This is one of the reasons why the South African government does not only recognise the role they play in the economy, but they are always on the lookout to support them (Chizema, Kleynhans, Bezuidenhout, & Mhonyera, 2021). Having to not only rely on the support offered by the government, but SMEs also have a responsibility to look for innovative ways in which they can grow their businesses and achieve a sustainable competitive advantage. The traditional B2B marketing strategies are not the only channels that organisations can use to market, grow, and establish profitable business relationships (Cortez & Johnston, 2017).

"The digital era and subsequently the emergence of social media networks has created unparalleled opportunities for businesses" (Diba, et al., 2019, p. 9). However, these opportunities are not fully utilised by SME businesses in the FMCG sector to influence buying processes which results in purchasing intention. Although the introduction of professional social media platforms has improved the B2B relationship building process (Manjarrez, 2020), additional layers of complexity have been added. Social media has accelerated the propinquity of network formations and interactions. "Rapid relationships are being built yet importance is still attached to gradual business relational development versus rapid transactional exchanges" (Quinton & Wilson, 2016. p. 2).

In addition, through social media networks, as well as their extended reach, strategic network developments continue to remain prominent over emergent network development, irrespective of potential relationship opportunities that have been realised (Borst, Moser, & Ferguson, 2018). Furthermore, collaboration can be easily enhanced using social media while building trust. On the other hand, businesses can acquire information about their competitors which may result in competitive advantage being realised. Thus, social media allows businesses to build brand identity by communication through shared content, which results in brand awareness built through perceived firms' social presence (Odoom, Dorson, & Acheampong, 2017). A strong business reputation is

achieved in the process, which influences purchasing intention and results in purchasing decisions (Ismail, Bakri, & N, 2021). Therefore, understanding the importance of building business relationships using social media networks will result in effective utilisation of social media networks and sustainable value creation (Ramanathan, Subramanian, & Parrott, 2017). This research paper extends the influences of B2B purchasing intention by building a strong brand, valuable B2B relationships and networks using social media. It is important to understand how social media affects purchasing intention within the B2B environments. Thus, this study aims to first establish the impact of social media on the firm's brand identity, brand communication and brand awareness through shared content and perceived social presence while establishing a strong business reputation. Secondly, it investigates how these influence purchasing intention and purchasing decisions within the FMCG sector, within two social media networks, LinkedIn and Xing. The first principles of marketing strategy are used to conceptualise the use of social media networks to influence buying processes.

To assist the reader and provide more clarity on this study, the following key concepts have been explained; B2B buying processes, buying decision, social networks, business networks and customer relationship development. B2B buying processes refers to the actual organisation procedure of acquiring goods or services to meet a specific identified need in an organisation (Rodríguez, Svensson, & Mehl, 2019). Purchasing intention refers to "a component of a consumer's cognitive behaviour revealing the way an individual intends to purchase a specific brand" (Zarrad & Debabi, 2012, p. 3). Buying decision is defined as the actual purchasing decision carried out by individuals, while consulting other related parties within an organisation, as well as other external stakeholders directly involved (Leung, 2017). Social network refers to a website or application designed for the purpose of enabling users to communicate through posting information, comments, images, likes and messages (Kim, Kandampully, & Bilgihan, 2017). Pagani and Pardo (2017, p. 2) defined business network as "a network consists of the tangible and intangible investments that comprise the connected relationships between two or more businesses". Customer relationship development refers to the organisation efforts to increasing value offerings and profitability to its existing customers (Guha, Harrigan, & Soutar, 2017).

This study makes several important theoretical contributions, through the developed model establishing the relationships between variables that impact buying processes and decisions using social media (Lim, Radzol, Cheah, & Wong, 2017). Furthermore, the study contributes to the development of research needed within the B2B environment in the FMCG sector on how SMEs utilise social media to influence Purchase Intention. Having provided the rationale for this research, literature review now follows.

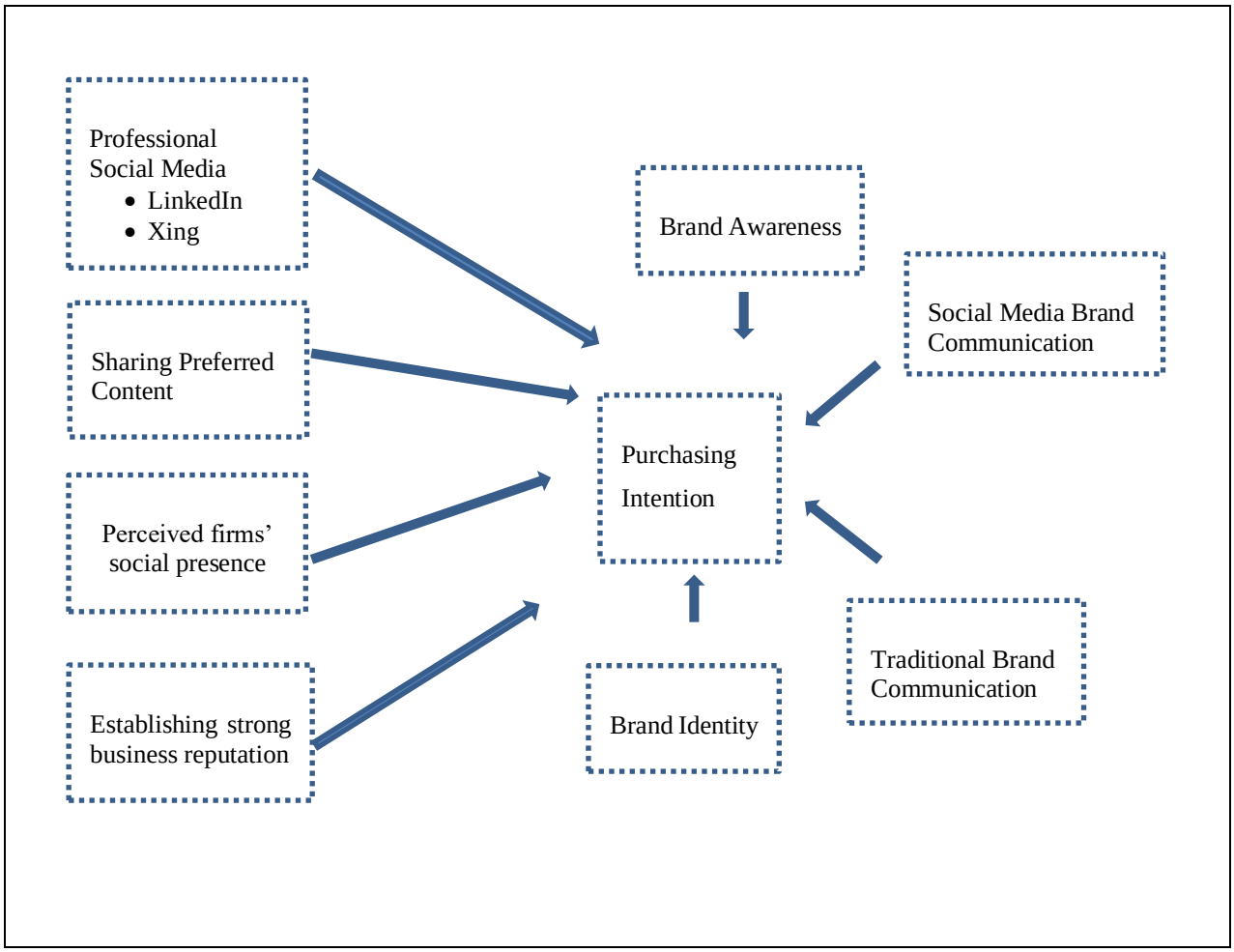



**Figure 1: Influences of B2B buying process (compiled by the Researcher, 2021)**

## 2.2 Definition of topic

The topic of this study is: Business to business purchasing behaviour in South Africa. This topic is defined within the terms of small and medium sized businesses in a business-to-business environment. The study also looks at professional social media platforms, namely LinkedIn and Xing, brand Identity, sharing preferred content, brand communication, perceived firms' social presence, brand awareness, establishing strong

business reputation as key drivers of B2B buying processes and purchasing intention (Diba, et al., 2019).

According to Sensini and Vazquez (2021), small and medium sized businesses play a vital role in the South African economy. They are perceived to be the future main drivers of economic growth, innovation, as well as employment creation. On the other hand, the competitive landscape in the business-to-business environment has not made it easy for businesses to make the desired economic growth. Large sized businesses have a major influence on the competitive landscape due to their ability to access resources to which both small and medium sized businesses do not have access (Herrera, 2015). SMEs have not been left with more options but to innovate. They must look for methods in which they can market, network, and attract new customers that are unique. Social media presents SMEs with a platform to influence purchasing intention and decision. The definitions have been discussed in the introduction (Muriithi, 2017).

### *2.2.1 First Principles of Marketing Strategy*

The following table shows the first principles of marketing strategy. This framework is used to establish the link between the use of professional social media and how it can influence purchasing intention through the following variables: sharing content, perceived firms' social presence, and establishing strong business reputation.

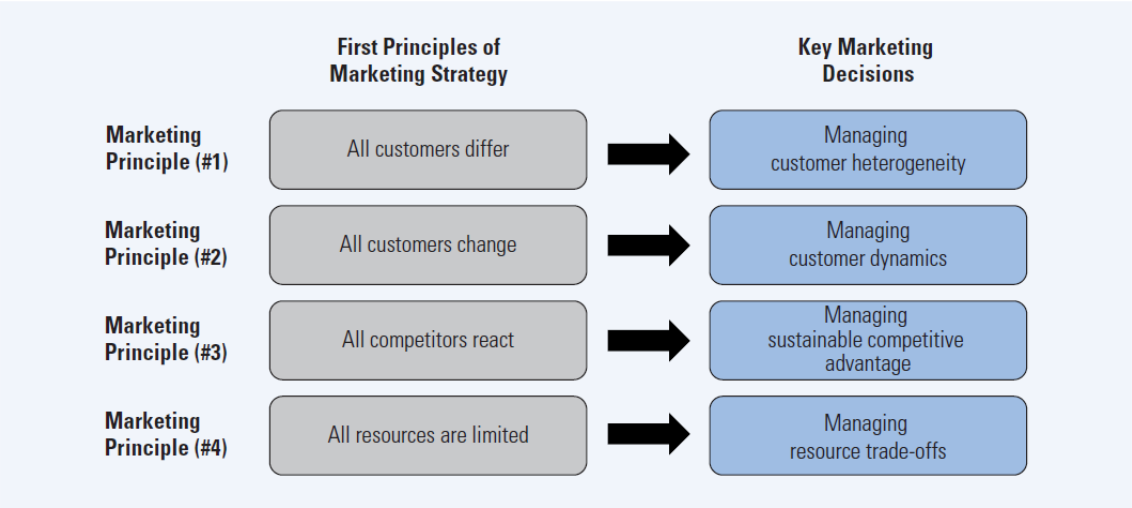



**Figure 2: First Principles of Marketing Strategy (Palmatier & Sridhar, 2017).**

## 2.3 B2B Purchasing Behaviour

When considering B2B buying behaviour, the significance and nature of the type of products and services being purchased plays a major role in the purchasing structures, criteria, and processes that business follow (Gomes, Fernandes, & Brandão, 2016). However, Diba et al. (2019) urge that it is vital to acknowledge that businesses do not exist in a vacuum. Both success and failure of the business depends on the ability to work together with its customers and suppliers. Notably, decisions made by government, regulators, competitors, and other stakeholders do have an impact on a business (Inoni, Salami, & Olannye, 2019).

To understand B2B buying behaviour, it important to identify the main elements that characterise B2B markets and market mechanisms. For example, B2B markets are characterised by dynamism and customisation (Sivarajah, Zahir, Gupta, & Mahroof, 2020). Based on traditional marketing theory, more specifically the consumer product market, has categorised marketing as a process of managing the marketing mix concurrently with the predetermined customer preferences derived from market research. This then depicts and portrays the customer as a passive player while the marketer is seen as the active party, which is an incorrect representation of what is happening in consumer markets (Moisander, Närvänen, & Valtonen, 2020). The majority of FMCG manufacturers supply retailers and wholesalers with their products and do not sell directly to the end users (Kina, 2019).

Thus, they are operating within the B2B environment, displaying similar features as those of industrial markets i.e., vehicle components. This, therefore, proves that suppliers face concentrated markets where individual customers may be critically important (Kina, 2019). According to Diba et al. (2019), these customers are actively searching, interacting with suppliers, and requiring customised products. This further shows that the market is characterised by interaction, trust, and mutual dependency. Furthermore, Kina (2019) urges that business success, in this case, is determined by the ability of individuals to negotiate and manage customer relationship over a sustained period. People from the different organisation functions and levels may be involved in these interactions. Therefore, customer relationship remains the most important success determinant (Appio & Lacoste, 2018).

### *2.3.1 Buying Structure*

According to Appio and Lacoste (2018), an organisation is defined as a group of individuals using co-ordinated activities to pursue a common goal. These are characterised by structure, activities, and goals. Using these three factors to analyse organisation buying, it is feasible to emphasise the important aspects of B2B buying behaviour. This process is often facilitated by a group of individuals at different levels within an organisation (Kina, 2019). It is very rare that an individual within an organisation has sole responsibility to make all the decisions involved in the buying process. The stakeholders involved in the B2B buying process are usually described as a decision-making unit. The identification of these key individuals that constitute this decision-making unit, their roles, as well as the organisational goals being pursued, is one of the major challenges facing B2B marketers (Saura, Ribeiro-Soriano, & Palacios-Marqu´es, 2021).

## 2.4 First Sub-Problem

The first sub-problem is small and medium sized business do not make use of professional social media platforms to build B2B relationships to influence purchasing intention within the FMCG industry.

### *2.4.1 Professional Social Media*

The businesses within the B2B environment relies heavily on building meaningful business relationships to influence purchasing intention. The nature and channels in which these relationships are being built have been the same (Cao, Ajjan, Hong, & Le, 2018). Businesses have always relied on human interactions and networking to build meaningful business relationships. The introduction of the internet has revolutionised the way business has been done for the past 30 years. This has been more evident in the B2C environment where social media has drastically changed how businesses communicate with customers (Guha, Harrigan, & Soutar, 2017).

According to Saberi, Kouhizadeh, Sarkis and Shen (2018), the management of business relationships continues to be heavily reliant on computer mediated technologies. Productive dialogues in building business relationships are shifting towards internet-based communities. The influence of social media on businesses has attracted the

attention of researchers, with some authors highlighting the value that social media brings to the business environment while other authors highlight the ethical implications and dangers that comes with businesses using social media. For example, Rathore and Ilavarasan (2013) emphasise the transformative impact of social media platforms on business relationships and networks. On the other hand, Diba, et al. (2019) outline the impact of social media on businesses as well as the ethical considerations that are being unaccounted for.

Whether it is B2B or B2C environments, building customer relationships using social media networks rely on people communicating and sharing relevant content, with the receivers of that content responding by means of comments, likes and augmenting the shared content (Manjarrez, 2020). The sharing of content is incorporated within the concept of reciprocity. One element to strengthening business relationships is the concept of reciprocity, since it involves co-ordinated behaviours from people involved with a business relationship or network over a period for specific mutual benefits (Kozlenkova, Palmatier, Fang, Xiao, & Huang, 2017). This relevant content shared by the creator and distributor has potential value for the targeted recipient at two levels: individual and business. The creator of content realises the development of their ideas which are made available to others, while the distributor of content receives recognition for the discovery and redistribution of that content, others within the reciprocity network. Lastly, the recipient of that content benefits from its usefulness which then influences purchasing intention and behaviours (Kim, Kandampully, & Bilgihan, 2017).

Within the B2B environment in the FMCG sector, SMEs are more reliant on traditional methods of building relationships and networks to influence buying process and buying behaviours, while research shows that customers within the B2B environment complete 57% of the buying process before contacting suppliers and undertake 67% all their buying activities online (Steward, Narusb, Roehm, & Ritz, 2019). Furthermore, a study conducted by Bryan (2018) found that over 80% of B2B customers revisit online channels during the later stages of the purchasing processes to search for more information. Artificial intelligence, that is chatbot enabled, is also growing as the highest contributor and generator of information that can be accessible more efficiently by B2B customers. “These trends are suggested to be shaped by the emergence and widespread usage of

online, digital technologies which allow fast access to a widespread of user-directed resources" (Steward, Narusb, Roehm, & Ritz, 2019, p. 1). From the research and academic perspective, the current discoveries made about influences of social media on buying behaviour provides an opportunity to give consideration on new ways in which the models of B2B purchasing intention have evolved (Sensini & Vazquez, 2021). If B2B purchasing intention and behaviours have changed over time, have the changes also been implemented within the FMCG sector by SMEs? This research looks to addressing how SMEs in the FMCG sector can take advantage of these changes.

H1: There is a positive association between professional social media platforms and purchasing intention

### *2.4.2 Sharing Content*

Professional social media platforms can be used as a medium for businesses to engage with their customers. Businesses connect with professional social media users, who are connected to other users, and these connections form the professional social network (Ahmad, Ahmad, & Bakar, 2018). The content share by businesses on social media is accessible to their network. In turn, users can share this content with other users (Mergel, 2017). For example, on LinkedIn, users can press the "share" button on the content that they have received to share the post with other users. When marketers understand the key drivers that influence the sharing of posted content on professional social media platforms, this will result in the effective dissemination of shared content (Li & Xie, 2020).

Professional social media platforms allow for businesses to share content about their business, CSI initiatives, value propositions, product line extensions, etc. It enables businesses to engage with their B2B customers more efficiently, allows for timeless and borderless communication. This way businesses have an opportunity to engage their B2B customers without the boundaries that exist in traditional business networks and relationships (Sadek, Elwy, & Eldallal, 2018).

H2: Sharing preferred content positively affects B2B purchasing intention

### *2.4.3 Perceived Firms' Social Presence*

Presence is defined as the extent or the amount of knowledge of which a user is aware, the availability and online or physical presence of other users. This allows organisations to gain and develop an understanding of the habits of other users, by leveraging shared locations or availability by users to determine their presence (Cheng & Shiu, 2019). Through this received information, organisations are now able to analyse and understand customer preferences. This enables organisations to establish whether users prefer their information presented in real time. Similarly, B2B organisations can create a sense of perceived social presence by making use of professional social media, which will ultimately have a positive impact on customer attitudes, through high responsiveness to customer issues which will result in customer trust (Hassanein & Head, 2007).

### *2.4.4 Influences*

Influences refers to factors that affect the B2B purchasing intention and determine how these factors are interrelated, while assessing their impact. "These efforts signify an advance in the field toward a more holistic view of the buying process. Such factors examined included not only operational activities, but also psychological and behavioral issues encountered by decision-makers" (Steward, Narusb, Roehm, & Ritz, 2019, p. 6). Webster and Wind (1972) provided an insight towards concepts of the customer journey maps and alignment. Behavioural factors emphasise the modern concepts of customer experience, customer engagements and touchpoints. Further research that has been conducted has now focused on variables that influence purchasing intention while categorising transaction as an output. Samli, Grewal, and Mathur (1988) argue that decisions are based on six influence agents, namely individual, organisational, environmental, cultural, uncertainty and regulatory factors.

There are other influence agents that have been identified by researchers. These include search effort, emotions, and organisational climate. B2B buying behaviours integrated models have been introduced (Arifin, 2015). For example, Sheth (1973) suggested that characteristics of individuals involved during a purchasing decision should be predicted and assessed. He further assessed new behavioural concepts which included negotiations, conflict, sources of information and risk.

H3: There is a positive association between perceived firms' social presence and B2B purchasing intention

### *2.4.5 Establishing Strong Business Reputation*

Reputation refers to the extent which social media users understand that the social standing of other social media users, including the content that they share, varies through social media platforms, and is used to categorise the attitude of the community towards a user (Guha, Harrigan, & Soutar, 2017). Although the social standing is determined through likes, comments, shares, and view count, both the ever-present online customers, as well as the less active, need to be constantly observed. Within the B2B environment, it is critical that managers do not merely consider social media platforms as another communication channel, or tool to manage their brand and business reputation. This should be treated as a tool that builds intangibles, such as goodwill, trust, and brand equity (Sadek, Elwy, & Eldallal, 2018).

It is critical that organisations develop messages to groups based on the purpose. Within the B2B environment, these messages are more likely to reflect the different types of stakeholders, including those that constitute formal and informal business relations and previously might have not been identified (Li & Xie, 2020). For example, businesses within the B2B environment are making use of crowdsourcing to generate new ideas, receive feedback and solutions to improve their offerings.

In addition, LinkedIn mainly focuses on providing professionals with a platform to connect and build relationships (Saberi, Kouhizadeh, Sarkis, & Shen, 2018). According to the Content Marketing Institute (2017), 80% of B2B content marketers agree that businesses tend to focus on building audiences, most of whom 97% use LinkedIn. This social media platform allows organisations to connect their corporate identity with the corporate audience, not only to recruit talent, but to network with other organisations.

### *2.4.6 Market Dynamics*

*"Because all customers change over time, unless a firm's time horizon is extremely short, a failure to understand and address customer dynamics ultimately will undermine virtually any marketing strategy" (Palmatier & Shridhar, 2017, p. 15).*

Implementing a marketing strategy and analysing the results can be a lengthy process, especially in the B2B environment. The effectiveness of a marketing strategy cannot be efficiently tracked by making use of lagging indicators, such as sales, since this will result in an organisation simply reacting to customer dynamics instead of proactively identifying and anticipating changing customer needs (Rudawska, 2019). The marketer's ability to timeously identify B2B customer dynamics will enable them to diagnose changes that makes profitable segments less profitable and enable marketers to formulate new strategies that would lead to identifying new profitable segments. This can be achieved through the development of effective marketing strategies facilitated through professional social media platforms (Saura, Palos-Sanchez, & Blanco-González, 2019).

Refer to Figure 3 below. Marketers within the B2B environment can manage customer dynamics effectively by utilising this framework since it combines Customer Lifecycle, Dynamic Segmentation, AER model, Lost Customer Approach and Customer Lifetime Value. These are all taken into consideration at the input stage, the management of customer dynamics as well as the outputs (Palmatier & Shridhar, 2017).

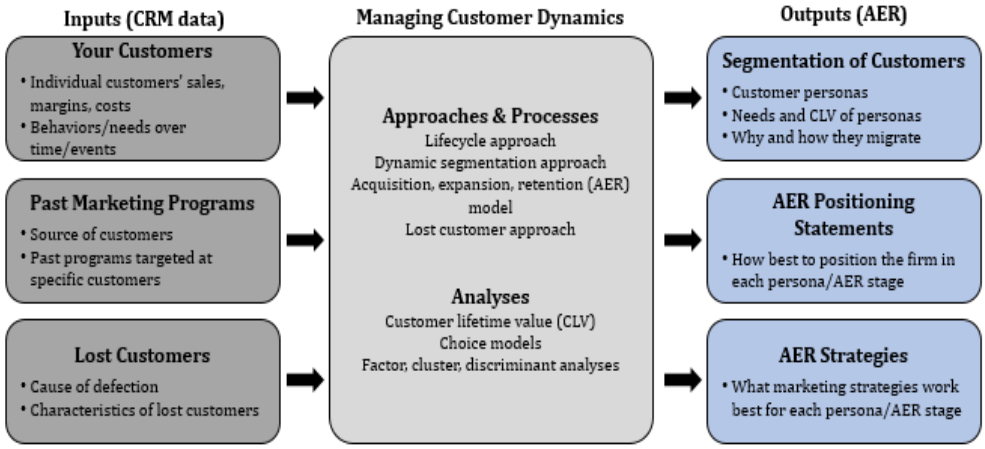



**Figure 3: Inputs and Outputs from managing customer dynamics (Palmatier & Shridhar, 2017)**

This framework enables marketers within the B2B environment to effectively conduct an analysis of changes taking place within their existing customers and to develop effective AER strategies through professional social media platforms at each stage for these customers. In addition, marketers are also able to develop the best positioning messages

for customer acquisition, expansion, and retention using professional social media platforms (Palmatier & Shridhar, 2017).

H4: Establishing strong business reputation has a positive impact on purchasing intention

## 2.5 Second Sub-Problem

The second sub-problem is small and medium sized businesses within the FMCG industry rely heavily on traditional brand communication to build brand identity for B2B.

### *2.5.1 Brand Identity*

Research conducted on B2B branding shows that a strong brand provides strategic benefits for industrial suppliers (Sadek, Elwy, & Eldallal, 2018). This includes distribution power, brand extension, premium prices, referrals and stronger buyer and supplier relationships. However, there is limited research done to investigate the role of professional social media platforms' influence on B2B branding to enhance purchasing intention and purchasing decision. Intricate market environments and the development of strong brand communities have challenged the supposition of brand identity as a static managerial creation. Von Wallpach (2017) argues that brand identity is dynamic and socially developed through network interactions between the organisation, the brand, and multi-stakeholders.

Branding is a critical component to organisations' marketing strategies. Thus, organisations are constantly looking for innovative ways in which they can improve their brand. Branding is a concept that was developed from the FMCG industry, as a way of adding value to an organisation's offerings. Building a strong brand enables an organisation to differentiate itself from competitors, while cultivating customer loyalty, alleviating entry barriers, and increasing profit margins, since customers are willing to pay premium prices for their preferred brand offerings. The value of the brand is reflected in the organisation's financial statements. A brand is considered an intangible asset, which is recorded in the balance sheet upon requirement (Chizema, Kleynhans, Bezuidenhout, & Mhonyera, 2021).

With research emphasising the significance of psychology and emotions during a purchasing process of industrial offerings, initial studies have underlined the importance

of trust as a key variable in B2B exchanges based on theories of interpersonal exchange. These variables are characterised by stable and long-term relationships (Lilien, 2016). The current studies have examined the interrelationships between B2B buyers and sellers using inductive methods and concluded that there is an element of stress involved. B2B purchasing intention and purchasing decisions are not only organisational, but also consist of an element of individual purchasing. When individual decision makers purchase a product or service, they are not looking to meet the organisation goals but also their desires for personal and professional success (Lilien, 2016). Therefore, the decision to buy specific products or services reflect the emotional and rational factors (Tsay, 1999).

Walley (2007) argues that B2B purchasers are brand sensitive, specifically in complex buying circumstances consisting of a high degree of uncertainty. Brand loyalty, in this case, becomes a catalyst to purchasing habits and re-purchasing intentions. Lastly, brands consist of an element of mitigating risk level and uncertainty perceived during the buying process by the B2B purchasers. According to Mudambi (2002), B2B purchasers can be categorised into three types, based on reactions: the rule books, the uninvolved and the brand sensitive. Other studies have identified that branding offers an organisation numerous benefits within the B2B environment, similar to those in B2C organisations. For example, the perceived B2B product or service quality can be influenced by a strong brand. “Thus, a brand is an effective way for a firm to differentiate itself from competitors, justify a superior price and increase its bargaining power toward distribution channels” (Viardot, 2017, p.3).

H5: Brand identity positively affects purchasing intention

### *2.5.2 Traditional Brand Communication*

Traditional brand communication refers to brand communication or promotion that aims to reach its target audience through offline marketing activities by making use of advertising media, such as print media, direct mail, phone, broadcast, and outdoor advertising, such as billboards (Dressler & Paunovic, 2021). SMEs within the FMCG sector invest a great deal of time developing successful traditional marketing campaigns to engage with the target audience and generated substantial revenue (Bashir, Papamichail, & Malik, 2017).

The challenge with traditional marketing campaigns is that they are no longer as effective as they used to be due the rapid growth in the use of social media. Irrespective of how well developed, priced, and distributed a product is, without effective marketing communication, that product will not succeed (Dressler & Paunovic, 2021). Different marketing strategies need to be developed and employed during the different stages of the product life cycle. Marketers need to communicate their offerings or brand with the aim of achieving the following: to inform, persuade, and remind their current and potential customer base directly or indirectly about their brand. The aim should be to influence customer purchasing decisions or to elicit a response (Palmatier & Shridhar, 2017).

SMEs within the FMCG sector are not fully formulating brand communication strategies that are co-aligned with their current customer preferences. This is limiting their growth in the industry and preventing them from competing with large organisations in the same sector that are employing integrated brand communication strategies (Bashir, Papamichail, & Malik, 2017). Belch and Belch (2018) argue that marketers who employ integrated marketing brand communication strategies are more likely to succeed since they use a combination of these four elements, namely, advertising, public relations, personal selling, and sales promotion. The use of these elements enables the marketers within the B2B sector to meet customer heterogeneity (Palmatier & Shridhar, 2017).

The use of traditional brand communication does not allow marketers within the B2B FMCG sector to fully meet customer heterogeneity and compete with large organisations. Therefore, this has resulted in a negative impact on the organisation marketing mix and desired customer reach (Palmatier & Shridhar, 2017).

H6: Traditional brand communication positively affects B2B purchasing intention

### *2.5.3 Social Media Brand Communication*

Social media platforms have become an integral part of communication, and the sharing of information and content (Khalid, 2016). It has brought innovative communication channels, allowing suppliers and customers within the B2B industry to interact, co-operate, participate, and collaborate (Sadek, Elwy, & Eldallal, 2018). Social media platforms, particularly LinkedIn, are not only used by professionals, but they also provide

businesses with moderately efficient and low-cost methods of connecting with other organisations. In the past, marketers regarded value creation as a concept developed internally and then offered to customers, who in turn, would decide their willingness to buy. This has changed, value creation has now become a process of co-creation involving both B2B customers and suppliers. Communication takes place through an ongoing dialogue of experiences (Kim, Kandampully, & Bilgihan, 2017).

Organisational communication, using social media, has become an essential part of business and plays a vital role in the different stages of buying process and touchpoints. According to Jang (2008), there are three benefits that an organisation can achieve by communicating their brand through social media. Firstly, it becomes an additional borderless communication channel accessed internationally. Secondly, social media platforms can be used to reduce advertising costs and can also be utilised in improving customer services and customer retention strategies. Lastly, brand communication through social media platforms can be used as a tool to increase sales, while building a strong brand image and customer satisfaction (Lilien, 2016).

The emergence of user generated social media brand communication has resulted in a paradigm shift from the publisher to the user-centric media model. User generated social media brand communication refers to content created in and outside professional practices that has been shared online (Kozlenkova, Palmatier, Fang, Xiao, & Huang, 2017).

### *2.5.4 Responses*

Communication is sent out to the targeted audience to influence the purchasing intention and purchasing decision. There are four operational sub-models for an organisation's purchasing intention. The first one, is an awareness model which links an ongoing marketing effort to the probability that an organisation would know about the product or service. The second one, is an acceptance model which estimates that a B2B customer will find an offering feasible. Thirdly, an individual evaluation model. This model determines the probability of the buyer selecting the product. And lastly, a group decision model. This model determines the probability of selecting the proposed offering by the organisation collective (Herrera, 2015).

H7: There is a positive association between social media brand communication and B2B purchasing intention

### *2.5.5 Brand Awareness*

Brand awareness refers to the buyer's ability to recall and identify that a specific brand belongs to a particular product category (Sadek, Elwy, & Eldallal, 2018). Strong brands normally benefit from the high level of customer brand awareness. Since B2B customers are exposed to many products and services from different brands, buyers are likely to consider buying brands with which they are familiar. Recognisable or identifiable brands are favoured and are normally purchased. Research shows that brand communication is critical in the B2B industry since it improves brand equity. Therefore, increasing the probability of a brand will result in B2B customers shortening their buying decision process, turning that decision into repeat sales. Hutter (2013) argues that there is a strong direct relationship between customer engagement and brand awareness.

### *2.5.6 Networks*

The concept of networks has been embedded by researchers in the buying process. "Researchers argued that any dyadic relationship between a customer firm and a supplier firm was comprised of and influenced by a multitude of relationships not only among individuals within the two firms but also with other third parties such as second and third tier suppliers, intermediaries, consulting and advertising agencies, financial institutions, governments, and professional peers in other organizations, among many others" (Steward, Narusb, Roehm, & Ritz, 2019, p. 9). As a result, a network has been defined as the combination of the relationships that directly impact both B2B customers and suppliers. There are three variables in which networks can be structured: actors, resources, and activities. Actors are defined as groups of individuals, individuals, groups of organisations, parts of organisations and organisations. These have control of activities taking place in a network. On the other hand, activities are defined as processes whereby "actors combine, develop, exchange, or create resources by utilizing other resources" (Hakansson & Johanson, p. 30). Lastly, resources are defined as valuable items controlled by actors and used or altered by activities. Conceptualisations of B2B purchasing behaviour needs to account for these three factors.

The conceptualisation foundation of digital purchasing, marketing and online has been laid through the concept of networking. The importance of business communities and their influence on relationship development, customer loyalty and purchasing decisions has been portended by this concept of networking. This further emphasises the importance of using social medial platforms to facilitate networking (Halima, Skandrani, & Ayadi, 2017).

### *2.5.7 Sustainable Competitive Advantage through Professional Social Media*

Developing and maintaining a sustainable competitive advantage within the B2B environment means that marketers are able to anticipate customer dynamics as well as the competitor moves. This allows an organisation to develop and maintain customer loyalty and enables them to be a step head of competitors (Palmatier & Shridhar, 2017). Professional social media provide organisations with an opportunity to achieve Service Component Architecture (SCA) by enabling marketers to connect with their target customers 24/7, receiving customer feedback timeously that enables them to improve their offerings as well as their touchpoints (Kozlenkova, Palmatier, Fang, Xiao, & Huang, 2017).

Palmatier and Sridhar (2017) argue that markets can achieve SCA by focusing on the following core areas, namely, branding, offering and relationship (BOR). All three core areas can be achieved using professional social media platforms since marketers can use it to constantly communicate their brand with the target audience. Secondly, marketers communicate their offerings with the intended target market using social media and lastly, through constant 24/7 engagements with the target market via the professional social media platforms, marketers will be in a good position to build long-lasting customer relationships.

### *2.5.8 Managing Trade-offs*

The allocation of resources is required for marketing decisions across the different business objectives. This is because marketers do not have unlimited resources to address the different business needs. For example, marketers usually allocate fixed resources for the purpose of developing new products, brand advertising and sales growth. These all contribute to enhancing sustainable customer relationships and to achieving competitive

advantage. Therefore, the fact that marketers have limited resources, the critical trade-offs are unavoidable. Traditional marketing requires more resources to be allocated compared to resources required for professional social media platforms which have a higher customer reach than traditional marketing, allowing marketers to respond to customer heterogeneity and customer dynamics more efficiently (Palmatier & Shridhar, 2017).

Trade-offs requires marketers to make ongoing decisions based on the changes taking place in the external environment. Since marketers have limited resources, it is critical that trade-offs are managed effectively and not allocated to marketing strategies that require an extended period to change. Professional social media platforms allow for marketers to make these changes efficiently as compared to traditional marketing. Professional social media marketing strategies are more cost effective and allow marketers to free up resources that can be allocated to other marketing activities within a business (Palmatier & Shridhar, 2017).

H8: There is a positive association between brand awareness and B2B purchasing intention

### *2.5.9 Purchasing Intent*

Purchasing intention refers to "a component of a consumer's cognitive behavior revealing the way an individual intends to purchase a specific brand" (Zarrad & Debabi, 2012, p. 3). Purchasing intention means that the customers plan to buy a product or make use of a service offered. It refers to the customer intention or desire to purchase an offering of a specific brand. Engel, Blackwell and Miniard (1995) developed a purchase intention model that has been well recognised. The model describes the customer purchase process in five (5) stages, namely, Need recognition, Information search, Evaluation of alternatives, Decision making and Post purchase behaviour.

Purchase intention consists of three different buying decisions namely: planned purchase, partially planned purchase, and unplanned purchase. Consumers intention is shown when making unplanned purchases which are normally referred to as impulse buying. These are normally low-cost products or services (Petzer & De Meyer-Heydenrych, 2011). On the other hand, in a partially planned purchase, the customer has thought about buying

the product or service before going to the store and only makes the decision in terms of which brand to buy after arriving at the store (Russo, Confente, Gligor, & Cobelli, 2017). Lastly, fully planned buying decision means that the customer has decided on the product or service, as well as the brand they intent to buy before entering the store (Engel, Blackwell & Miniard, 1995). In the context of B2B, buying decisions are normally planned purchases. Therefore, unplanned, and partially planned purchases would not apply.

### *2.5.10 Behavioural Intention*

According to Petzer and de Meyer-Heydenrych (2011), product or service satisfaction has a positive influence on behavioural intention since satisfied customers can easily be retained and committed to a specific brand. Product or service satisfaction drives favourable behavioural intentions which can be translated to future purchases or re-purchases. Behavioural intention is often used by marketers to predict future customer actions towards a brand. Saha and Theingi (2009) defined behavioural intention as the probability of a customer acting in a certain behavioural way towards a brand by spreading positive word-of-mouth repurchase intentions and loyalty towards the brand.

## 2.6 Conceptual Framework

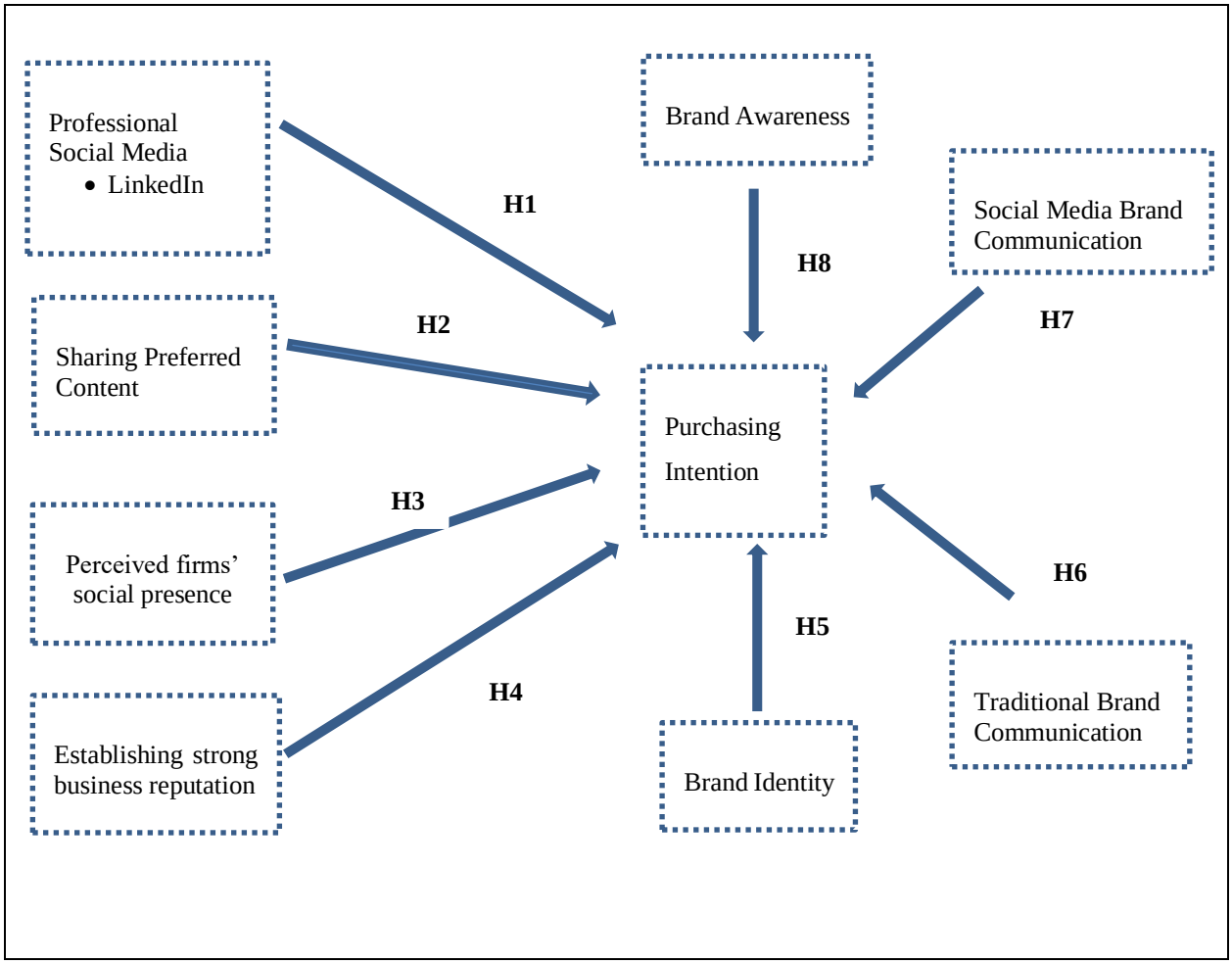



**Figure 4: Influences of B2B buying process (compiled by the Researcher, 2021)**

**Table 1: Hypotheses and References**

| Hypothesis | Reference |
|---|---|
| **H1:** There is a positive association between professional social media platform and purchasing intention | (Guha, Harrigan, & Soutar, 2017)<br>(Kozlenkova, Palmatier, Fang, Xiao, & Huang, 2017)<br>(Steward, Narusb, Roehm, & Ritz, 2019)<br>(Sensini & Vazquez, 2021) |
| **H2:** Sharing preferred content positively affects B2B purchasing intention | (Ahmad, Ahmad, & Bakar, 2018)<br>(Li & Xie, 2020)<br>(Mergel, 2017)<br>(Sadek, Elwy, & Eldallal, 2018) |
| **H3:** There is a positive association between perceived firms' social presence and B2B purchasing intention | (Cheng & Shiu, 2019)<br>(Hassanein and Head, 2007)<br>(Arifin, 2015) |

| | |
|---|---|
| **H4:** Establishing strong business reputation has a positive impact on purchasing intention<br><br>**H5:** Brand identity positively affects purchasing intention | (Guha, Harrigan, & Soutar, 2017)<br>(Sadek, Elwy, & Eldallal, 2018)<br>(Li & Xie, 2020)<br>(Saberi, Kouhizadeh, Sarkis, & Shen, 2018)<br>(Palmatier & Shridhar, 2017) |
| **H5:** Brand identity positively affects purchasing intention | (Sadek, Elwy, & Eldallal, 2018)<br>(Chizema, Kleynhans, Bezuidenhout, & Mhonyera, 2021)<br>(Lilien, 2016)<br>(Tsay, 1999) |
| **H6:** Traditional brand communication positively affects B2B purchasing intention | (Dressler & Paunovic, 2021)<br>(Bashir, Papamichail, & Malik, 2017)<br>(Dressler & Paunovic, 2021)<br>(Palmatier & Shridhar, 2017) |
| **H7:** There is a positive association between social media brand communication and B2B purchasing intention | (Sadek, Elwy, & Eldallal, 2018)<br>(Kim, Kandampully, & Bilgihan, 2017)<br>(Lilien, 2016)<br>(Kozlenkova, Palmatier, Fang, Xiao, & Huang, 2017) |
| **H8:** There is a positive association between brand awareness and B2B purchasing intention | (Sadek, Elwy, & Eldallal, 2018)<br>(Halima, Skandrani, & Ayadi, 2017)<br>(Kozlenkova, Palmatier, Fang, Xiao, & Huang, 2017)<br>(Palmatier & Shridhar, 2017) |

## 2.7 Conclusion of Literature Review

Professional social media plays an important role in B2B environment, not only for SMEs in the FMCG industry, but for SMEs across industries. SMEs in the FMCG sector can make use of social media platforms to share valuable business content relating to their business offerings, internal processes, and achievements, such as sustainability goals, building networks, new product lines and line expansions. This will help businesses in the FMCG sector to accelerate and influence customer B2B purchasing intention and through customer perceived firms' social presence.

Furthermore, through the shared content and perceived firm's social presence, SMEs within the FMCG sector will also be able to build strong business reputations, which will enable them to anticipate the different customer situations and better position themselves to gain a competitive advantage. In addition, through the use of social media platforms, such as LinkedIn and Xing, SMEs in the FMCG sector will not only use these as recruitment tools, but as business platforms to build customer relationships and strong business networks.

The use of social media platforms will enable SMEs in the FMCG sector to build their business brand identities, through the communication of their brand, better positioning themselves as credible brands in the minds of their customers which will fast-track the B2B buying processes since their brand will be highly trusted by B2B buyers. Through brand communication, brand awareness will be raised. As a result, social media brand communication will have a positive impact on brand awareness.

This study addresses the following research questions:

- What factors contribute to B2B purchasing intention within the Fast-moving Consumer Goods industry?

  The aim of this question is to explore the causes of B2B purchasing intention within the Fast-moving Consumer Goods industry
- RQ2: How do these factors impact on each stage of the buying processes within the Fast-moving Consumer Goods industry?

  The aim of this question is to gain insight into which determining activity has the closest relationship to B2B purchasing decision
- RQ3: How can managers in the FMCG industry influence B2B purchasing intention by making use of professional social media platforms?

  The aim of this question is to obtain a managerial perspective on how actions and decisions can be used to influence B2B purchasing intention
- RQ4: Why are small and medium sized businesses within the FMCG sector not making use of professional social media platforms to influence the B2B purchasing intention?

  The aim of this question is to understand why businesses with the

  FMCG sector are not using LinkedIn to influence purchasing intention
- RQ5: How can companies build a strong brand identity by making use of professional social media platforms and reduce costs?

  The aim of this question is to probe managers on the possible minimisation of B2B marketing costs while building strong brand identity

# CHAPTER 3: RESEARCH METHODOLOGY

The following sections consist of the research methodology which defines the research paradigm as well as the research method that the researcher followed. It further contains the research design, populations, sampling the research instrument, the procedure that was followed to collect data, data analysis and interpretation, the limitations, as well as the validity and reliability of the study.

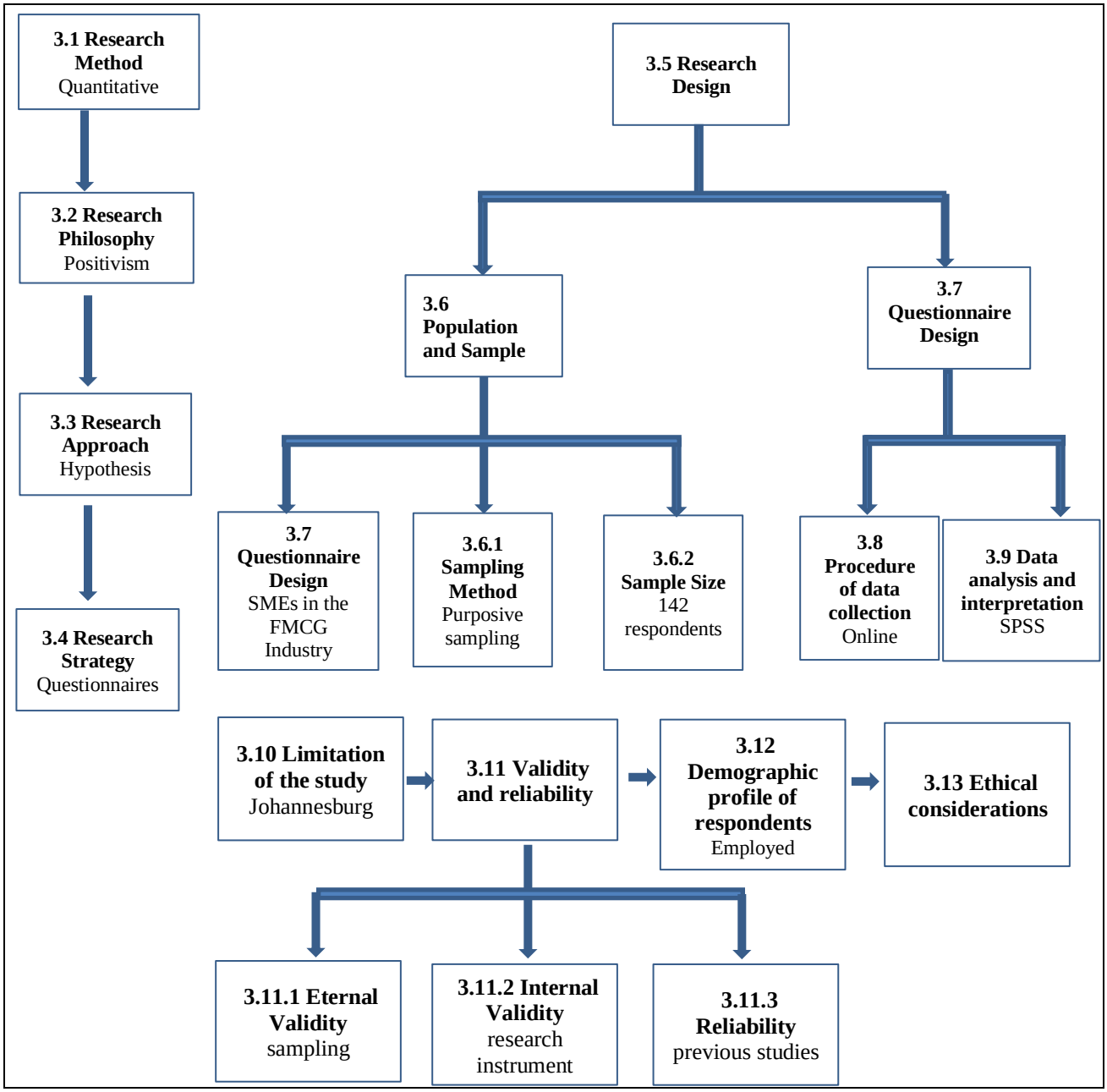



**Figure 5: Research Philosophy and Design (Compiled by Researcher, 2021)**

## 3.1 Research Method

The research method provides the details of how the research was conducted. There are three methods by which research can be conducted, and this can be through: quantitative, qualitative or mixed methods. Quantitative research employs the measurement procedures incorporating actual specifications of the phenomenon of interest (Westerman, 2014). On the other hand, qualitative research seeks to understand the phenomenon (Clark, 2012). Lastly, mixed methods entail the researcher gathering data, and analysing persuasively and rigorously (Creswell & Plano Clark, 2011).

A quantitative approach was followed for this research. This is because the researcher already had access to the target population since the population is part of his portfolio at his workplace. For the purpose of this study, data that was collected, needed to be quantified in order to measure the impact that professional social media platforms have on customer purchasing intention. Quantitative approach allows an efficient data collection, especially due to the limited time that the research allows as well as the objectives that this study wanted to achieve.

## 3.2 Research Philosophy

Research philosophy entails the researcher's views based on what constitutes acceptable knowledge as well as the process by which it is developed (Saunders & Tausey, 2012). There are four main research philosophies namely: positivism, interpretivism, pragmatism and realism.

Positivism is normally linked with quantitative research. The researchers normally use the cause-and-effect rationale to make their claim for the knowledge base. This consists of selected variables to interrelate, testing of theories, detailed observations as well as the measurements of those variables (Creswell & Plano Clark, 2011).

This study followed the positivism philosophy as it sought to investigate and explore factors influencing purchasing process and purchasing intention for SMEs within the FMCG sector. Data was collected from business owners as well as business managers to build understanding.

## 3.3 Research Approach

According to Kolb (2008), the research approach entails a decision by the researchers whether their study requires exploratory, descriptive, or causal research. This is the nature of research that was carried out to address the research question(s). There are three research approaches that the researcher could have followed namely: deduction, induction, and abduction approach.

According to Cooper and Schindler (2011), quantitative research is normally associated with a deductive approach. This is because it bases its arguments on rules, laws, and accepted principles. Deduction's approach forms its arguments based on conclusive meaning and these conclusions are followed by reasons. This is done through the testing of theories and conclusions are drawn from more than one fact (Creswell & Plano Clark, 2011).

This study aimed to understand what influences B2B purchasing process within the FMCG sector as well as purchasing intention. Therefore, the research approach that was followed for this study was a deductive approach. Hypotheses were developed, and their validity was tested using regression and exploratory factor analysis to reach a conclusive meaning.

## 3.4 Research Strategy

A research instrument was developed, piloted, and distributed for data collection. The structure, outline as well as the limitations of this strategy are discussed more in detail in the research design section. The questions were standardised, closed ended and phenomenological, facilitated using Qualtrics, a credible online data collection platform to collect data efficiently.

## 3.5 Research Design

"A research design is a blueprint for the collection, measurement and analysis of data, based on the research questions of study" (Sekaran & Bougie, 2014, p. 95).

The methodological approach that this study followed was a survey, since this study aimed to quantify data collected. A close ended questionnaire was developed for the

purpose of conducting these surveys. The advantage of conducting surveys is that it allowed the researcher to collect quantitative data on many types of research questions. It was easy to collect data through surveys since they were distributed electronically and took a short time to complete. The disadvantage of these surveys is that they were limited to only provide data on questions on the instrument. They did not allow research participants to elaborate their answers since they consisted of close ended questions. Data collected was also difficult to consolidate and interpret.

## 3.6 Population and sample

### *3.6.1 Population*

"The population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate" (Sekaran & Bougie, 2014, p. 240)

This study was conducted on small and medium sized businesses in the FMCG industry that are situated in Gauteng. These businesses were manufactures/producers of products within the FMCG sector and the study did not include retailers and distributors of their products.

### *3.6.2 Sample and sampling method*

"A sample is a set of the population. It comprises some members selected from it" (Sekaran & Bougie, 2014, p. 241).

**Table 2: Profile of respondents**

| | |
|---|---|
| Small business managers | Number that was sampled: 70 |
| Medium sized business managers | Number that was sampled: 72 |

The researcher had planned a total sample of 210 persons in which two questionnaires would need to be completed per SME. The first 10 samples were to be used for the

purpose of piloting the research instrument to determine its validity and the 200samples would be the actual sample to be collected. Due to Covid-19 thirty (30) of out of the one hundred and thirty (130) SMEs were liquidated, meaning that the researcher only had 100 existing businesses to sample. Since Boksburg has 100 registered FMCG SME businesses, two questionnaires were sent to be completed by business managers and business owners per business, meaning that the researcher would have a total sample of two hundred (200). The aim was to get a total sample of one hundred and five (195) and the first five samples were used to pilot the study. The 195 sample was a good representation of the target population and would result in data saturation (CHEP, 2021). With these unforeseen challenges caused by COVID-19, the researcher only manged to collect a total sample of 142 out of the planned 195. Out of the 53 samples that were sent, 32 participants started the survey, but they did not complete it and opted to exit the survey. The participants of the remaining 21 questionnaires that were sent out did not respond at all, regardless of the efforts the researcher made to contact each participant out of the 195 to follow-up if they had completed the survey.

## 3.7 The research instrument

"A questionnaire is a preformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives" (Sekaran & Bougie, 2014, p. 147).

Data was collected through a conjoint questionnaire which consisted of two sections: the first section consisted of non-scaled questions and was followed by the second section which consisted of close ended questions derived from the main research questions and hypotheses.

## 3.8 Procedure for data collection

"Data can be obtained from primary or secondary sources. Primary data refers to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study. Secondary data refers to information gathered from sources that already exist" (Sekaran & Bougie, 2014, p. 113).

Questionnaires were facilitated and distributed online using Qualtrics. Participants completed the questionnaire which required all questions to be completed and once a participant submitted the questionnaire, the researcher was able to instantly access the results on Qualtrics. This did ensure participation and reduced the number of incomplete questionnaires. Due to the current global COVID-19 pandemic, the online distribution of the questionnaire through Qualtrics ensured data collection efficiency, as well as credibility.

## 3.9 Data analysis and interpretation

The researcher made use of the Statistical Package for Social Science (SPSS) analysis software programme to analyse the collected data. This helped the researcher to establish the statistical relationship between the variables. After data was collected through Qualtrics, the researcher then converted and downloaded data into an Excel spreadsheet divided into the two sections of the questionnaire. The researcher then had to do data cleaning and the data coding for section A of the questionnaire since it consisted of non-scaled questions. Once the researcher had completed data coding and data cleaning, he then uploaded the Excel spreadsheet into the SPSS analysis software.

Variance inflation of the independent variables were determined by the condition index as well as the detrimental multicollinearity. The researcher then used the standard or profile deviation to measure the variation that existed from the average mean. This helped the researcher to measure the average distance between the values of the data in the set and the mean.

The researcher then tested the independent variables if they were indeed independent of each other through factor analysis. This was then followed by regression analysis to test the nature of the relationship between dependent variables and independent variables.

The SPSS enable the researcher to generate tabulated reports, plots of distribution charts and trends. Furthermore, this helped the researcher to generate descriptive statistics such as means, medians, modes, and frequencies, in addition to more complex statistical analyses like regression models. This also helped the researcher to determine the relationship between variables.

## 3.10 Limitations of the study

- The study only included small and medium sized businesses that are situated to the east of Johannesburg.
- The sample was not inclusive of a larger population and only consisted of 142 samples.
- The samples did not meet the initial targeted population of 195.
- This study needed be completed within a specified time frame which did not afford the researcher sufficient time.
- 53 participants did not want to take part in this study.

## 3.11 Validity and reliability

The validity of this study means the extent to which results can measure what they are intended to measure, through checking how well the results correspond to establish theories and other measures of the same concept (Sekaran & Bougie, 2014).

The reliability of this research means that the outcomes can be repeated when this study is redone in the same environment. This can be done by examining the "uniformity of outcomes across a period of time, across different observers, and across parts of the test itself" (Sekaran & Bougie, 2014, p. 9).

### *3.11.1 External validity*

The researcher compared findings of this research with the current results that have been done in similar areas of the study. This was first done by making use of sampling, which enabled the researcher to identify if there were discrepancies on the types of questions asked and the way they were structured. Furthermore, the researcher conducted a comparison, based on the preliminary results obtained from the pilot study that was conducted and the findings of studies that had been conducted previously in this area. Although the results of this pilot study were not clear enough, this enabled the researcher to make amendments to the research instrument before distributing the final research instrument of the study (Sekaran & Bougie, 2014).

### *3.11.2 Internal validity*

The researcher developed a research instrument that enabled him to collect data. Furthermore, the researcher made use of the exploratory factor analysis (EFA) to explore the validity of the research instrument where the principal axis factoring method was applied as an extraction technique to produce factors (Alsmadi & Alnawas, 2018).

### *3.11.3 Reliability*

Based on the literature review, this study was consistent with research that had previously been done in this area of study. The researcher verified the study's reliability by tested the hypotheses using Pearson's product-moment correlation coefficient based on Cohen's (1988, p. 40) guidelines. This included both independent variables (IV) and the dependent variable (DV). Furthermore, the researcher used Cronbach alpha (α), which measures the reliability of constructs (Zainol, Yasin, Omar & Hashim, 2014).

## 3.12 Demographic profile of respondents

The researcher collected data from both male and females. Race included Blacks, White, Indians, Coloureds, and Chinese. Age was inclusive to all business owners and managers. The research was inclusive of all participants with different education levels and employed on a full-time basis.

## 3.13 Ethical considerations

The researcher ensured that the research was ethically sound, that it was not subjective or expressing of his own opinions. An ethical clearance was obtained by the researcher before the administration of the instrument. No participants were compelled by the researcher to participate in this research and all participants' identities were kept anonymous. Data has been kept in a laptop that is password protected

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# CHAPTER 4: RESULTS

## 4.1 Sample profile

The total number of respondents was 142. Of the 142 respondents, 59% make use of Facebook as a social media platform for their business, while more respondents make use of Instagram (50%) than they do LinkedIn (23%). Only 2% of respondents use Xing, indicating that it is not a popular platform for SMEs, as illustrated in figure 6 below.

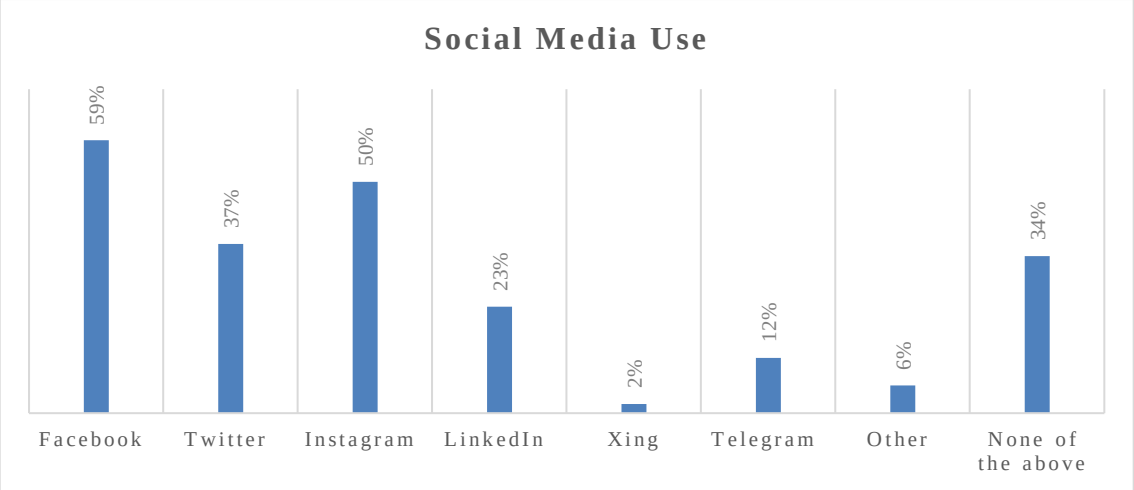



**Figure 6: Social Media Use**

Figure 7 shows that price (96%), brand reliability (56%), brand loyalty (52%), relation ties (68%) and brand reputation (58%) play a major role in B2B supplier selection criteria.

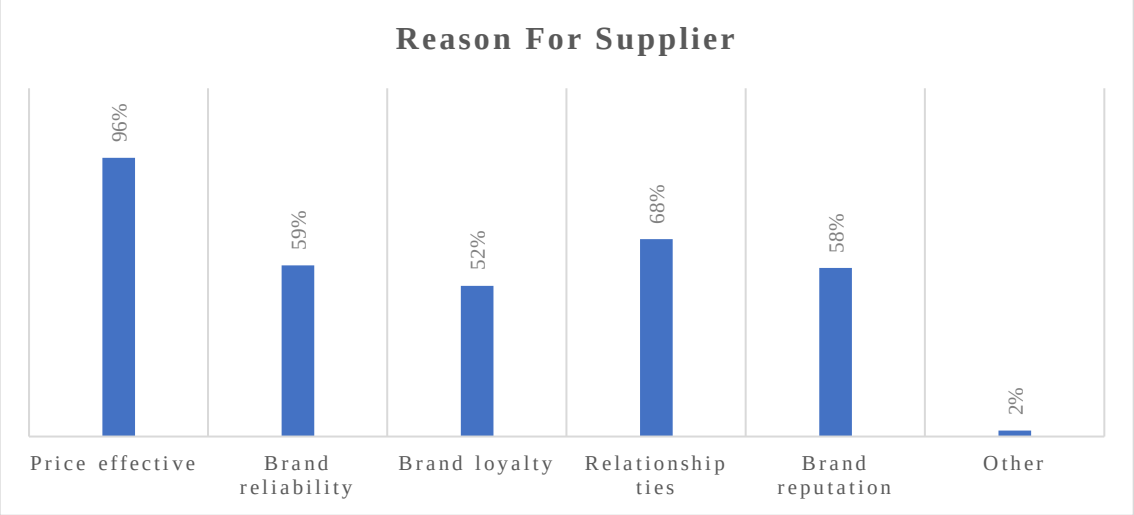



**Figure 7: Reason for Supplier**

Figure 8 illustrates that the decision-making process takes between 0 to 90 days depending on the level of purchase that is needed to be made by the business.

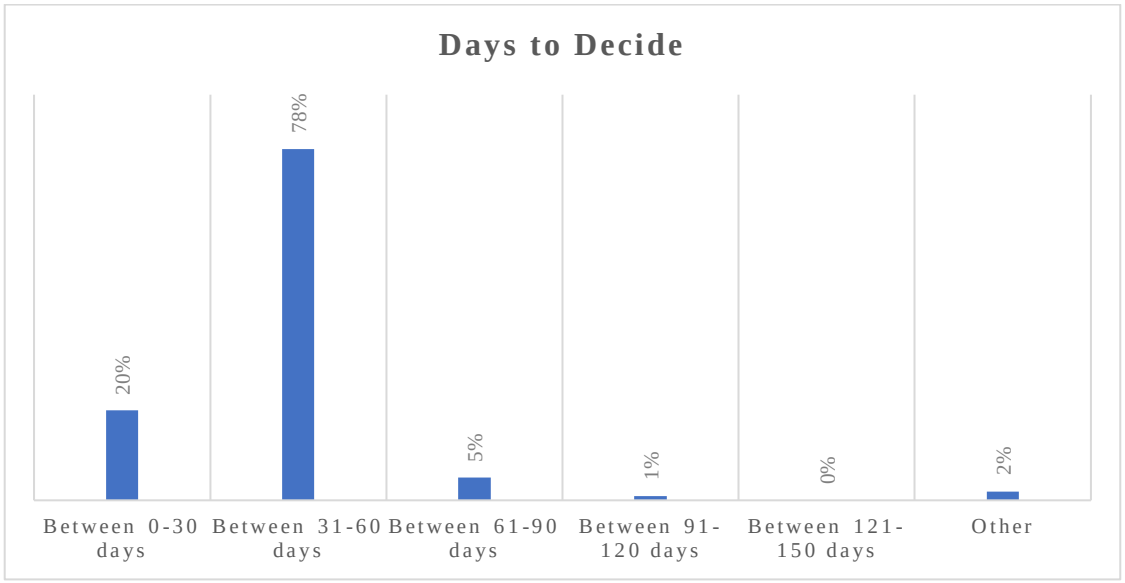



**Figure 8: Days to Decide**

Based on figure 9, 60% B2B organisations make use of social media platforms to interact with their customers.

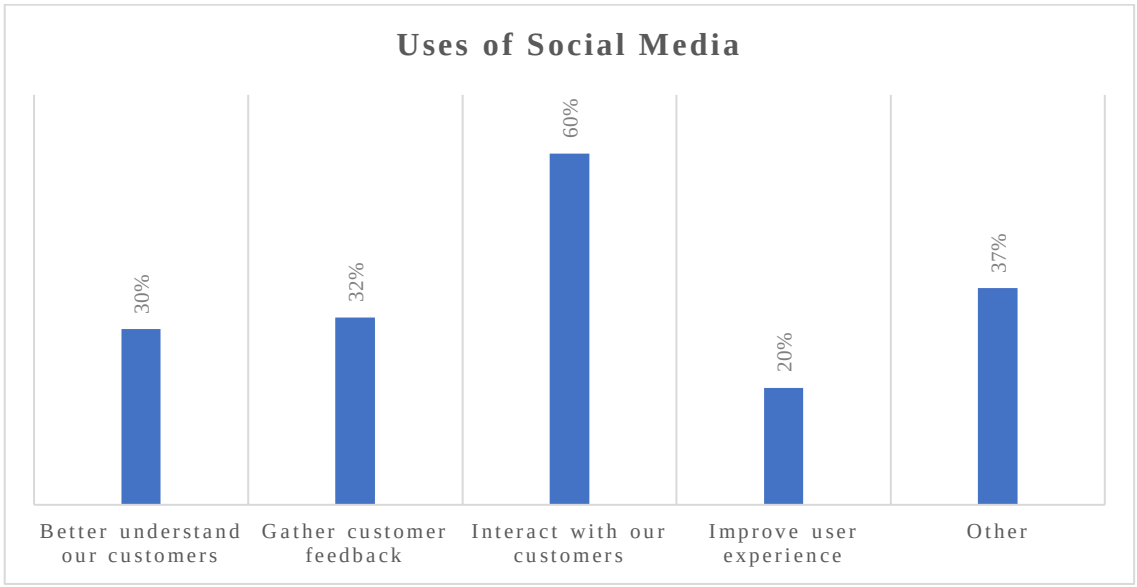



**Figure 9: Uses of Social Media**

Figure 10 shows that 58% of B2B organisations finds social media helpful and 41% of the B2B organisations find social media to be value-adding, while 23% find it to be time wasting and 24% finding it to be irrelevant.

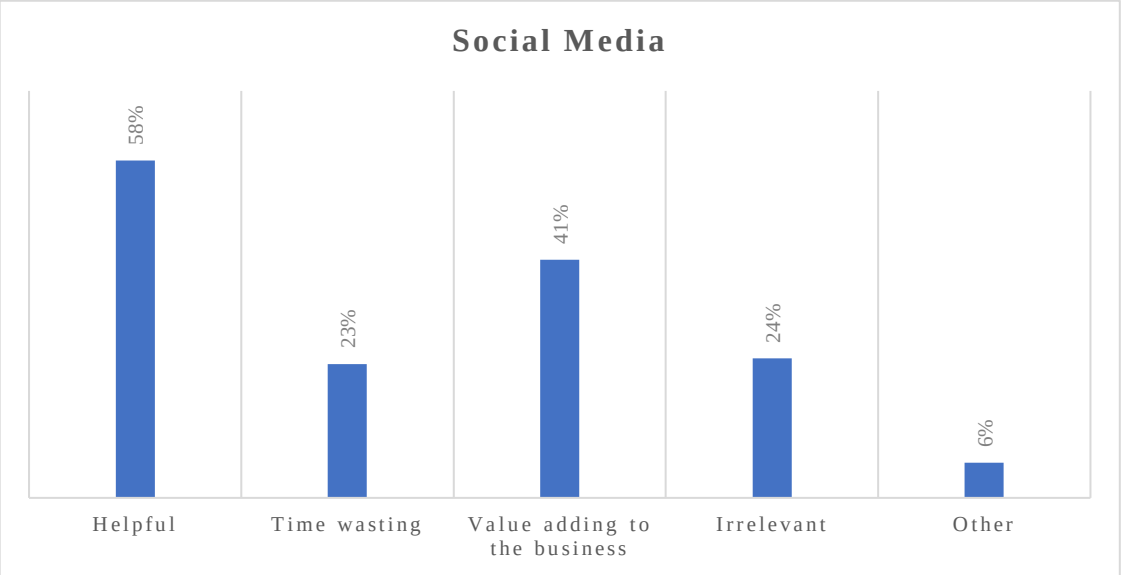



**Figure 10: Social Media**

Figure 11 shows that 59% of B2B organisations manage their own social media platforms instead of outsourcing this function and while 41% of businesses finds social media to be adding value to their businesses, in contrast 24% find social media to be time irrelevant and time wasting.

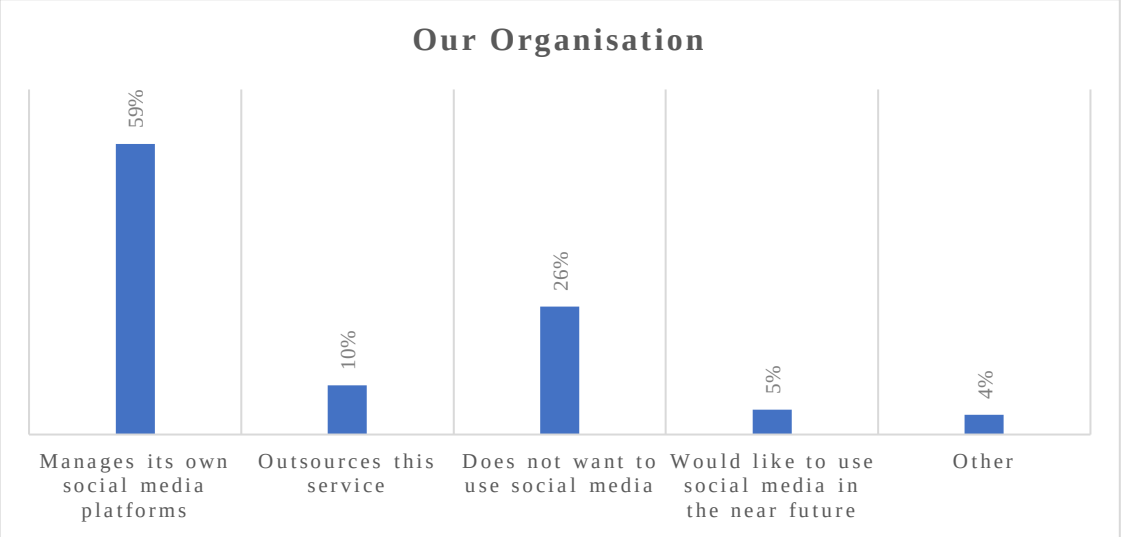



**Figure 11: Our Organisation**

Figure 12 shows that 57% of businesses use social media to market their product and service offerings, however, only 18% use it as a business transacting tool to buy and sell products and services.

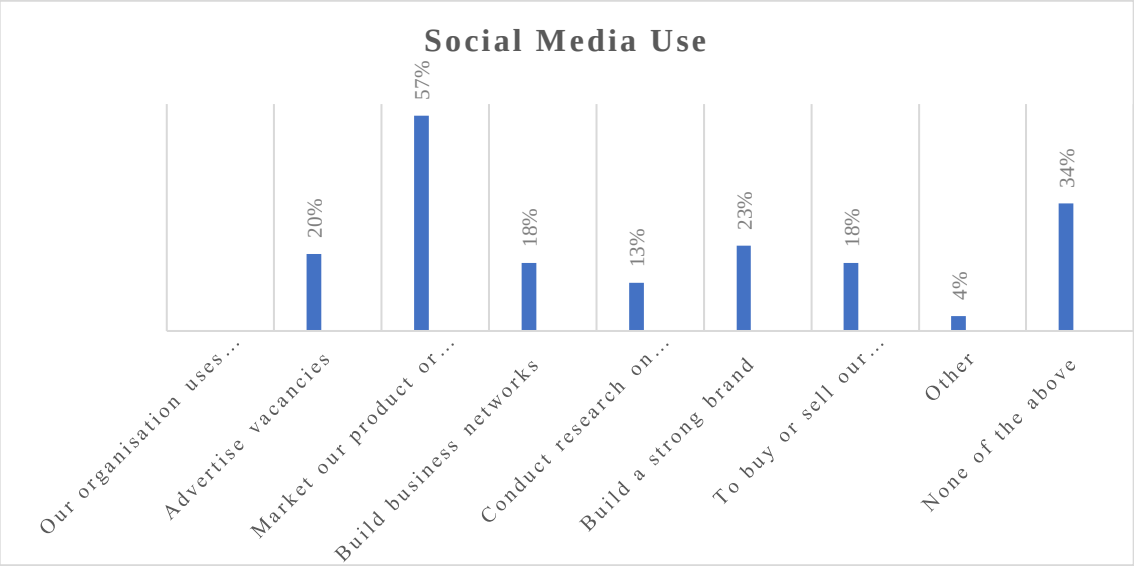



**Figure 12: Social Media Use**

Following this, most organisations have an annual turnover of between 5 to 10 Million Rand (28%) and 10 to 15 Million Rand (27%) as illustrated in figure 13.

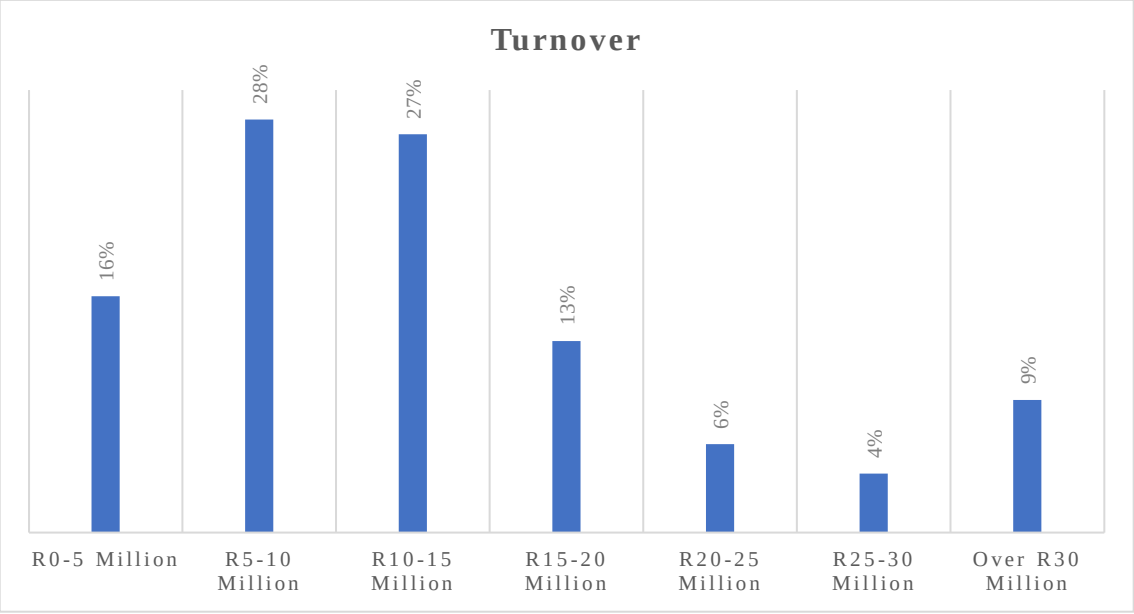



**Figure 13: Turnover**

Figure 14 shows that information that is shared on social media helps businesses look for alternative suppliers (44%) as well as to find out more information about a brand (44%) to assist in their purchasing decisions.

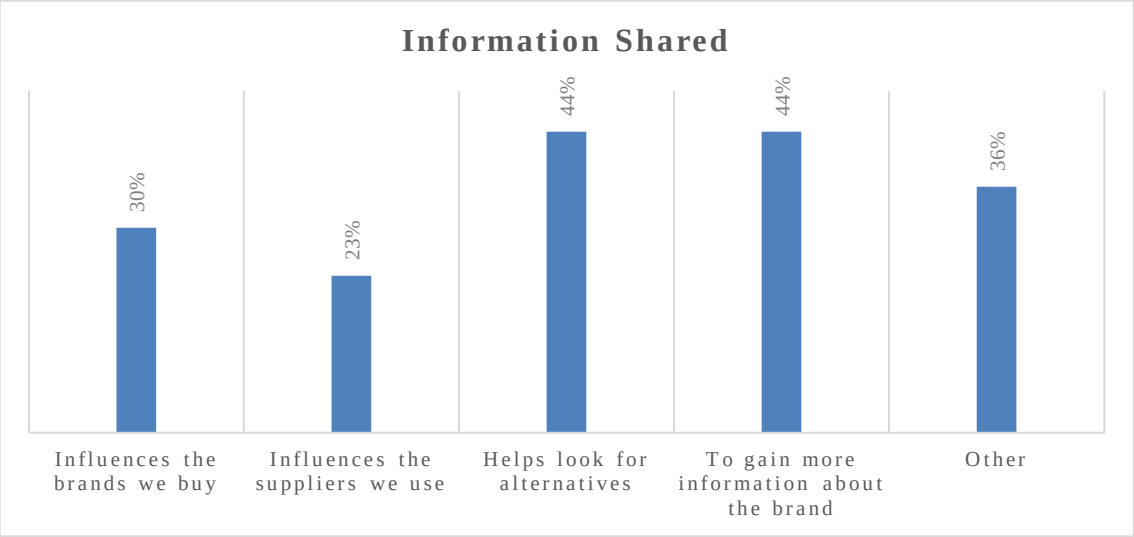



**Figure 14: Information Shared**

SMEs still focus on traditional forms of marketing by making use of newsletters and direct mails to customers (68% and 63% respectively) as illustrated in figure 15.

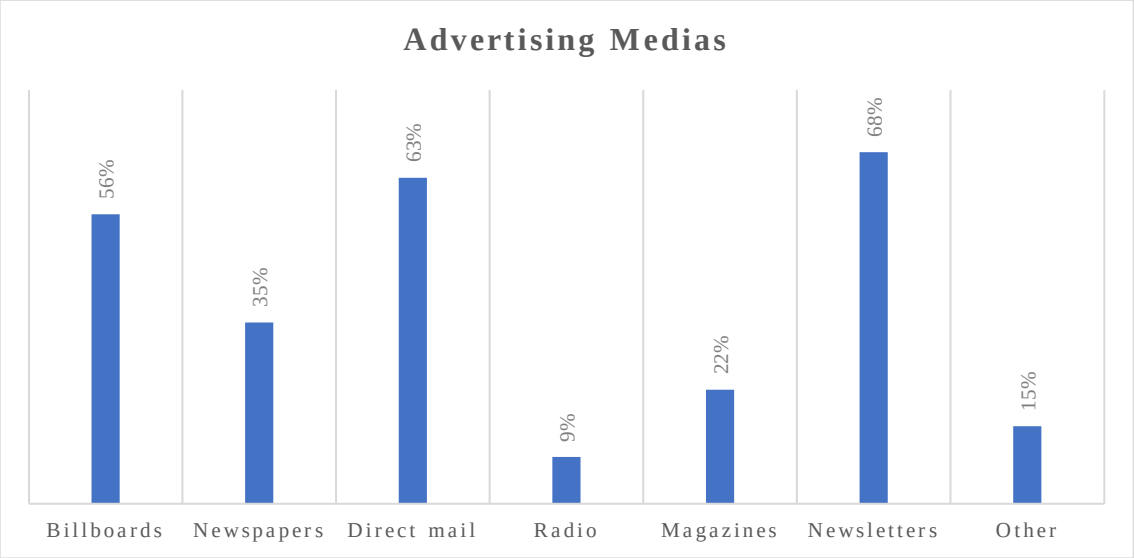



**Figure 15: Advertising Medias**

## 4.2 Validity and reliability

An exploratory factor analysis (EFA) was conducted to explore the validity of the research instrument where the principal axis factoring method was applied as an extraction technique to produce factors (Alsmadi & Alnawas, 2018). An EFA is an essential data reduction technique for many items within a dataset to be categorised into descriptive groups called factors (Bhattacherjee, 2012).

Tables illustrates descriptive statistics, reliability results as well as the extracted variable factor loadings. Five factor items were excluded as they cross-loaded onto one another and thereafter a satisfactory convergent and discriminant validity was represented (Aurier & Séré de Lanauze, 2012). The EFA yielded a successful overall Kaiser-Meyer-Olkin (KMO) value of 0.891 which was greater than the acceptable value of 0.6 (Bhattacherjee, 2012). The data was considered fitting as the Bartlett's test of sphericity was significant ($p < 0.05$). Table 3-11 shows that the Cronbach alpha ($\alpha$), which measures the reliability of constructs (Zainol, Yasin, Omar, & Hashim, 2014), was above the recommended value for a reliability coefficient of 0.7 (Bhattacherjee, 2012) for all the variables, excluding brand identity. Furthermore, the convergent validity was evaluated by means of the average variances extracted (AVE) which should be above 0.5 (Alsmadi & Alnawas, 2018) but was not for two of the nine variables, and eight of the nine variables had composite reliabilities which surpassed a value of 0.7 (Bhattacherjee, 2012) for all the factors as reported in table 1.

**Table 3: EFA and validity of the constructs (1)**

| Labelled Item | Mean | Std. Dev | Factor Loading |
|---|---|---|---|
| **Professional social media platform (IV): M = 2.651; α = 0.767; AVE = 0.566; CR = 0.812** | | | |
| Our organisation uses LinkedIn to communicate value proposition | 2.07 | 1.195 | 0.772 |
| Our organisation uses LinkedIn to inform our customers about new products | 2.04 | 1.196 | 0.754 |

| | | | |
|---|---|---|---|
| Our organisation to do not see the value of using LinkedIn to interact with our customers | 2.85 | 2.147 | 0.615 |
| Our customers do not use LinkedIn to look for information about our offerings | 3.38 | 2.172 | 0.607 |
| Our organisation does not see the value to looking for suppliers on social media | 2.91 | 2.241 | 0.645 |

**Table 4: EFA and validity of the constructs (2)**

| **Labelled Item** | **Mean** | **Std. Dev** | **Factor Loading** |
|---|---|---|---|
| **Sharing preferred content (IV): M = 3.663; α = 0.957; AVE = 0.766; CR = 0.942** | | | |
| Our organisation knows the kind of content that our customers want | 3.72 | 2.125 | 0.833 |
| Our organisation constantly shares relevant content with the target audience | 3.68 | 2.109 | 0.905 |
| Our organisation has attracted new customers through content share on social media platforms | 3.63 | 2.079 | 0.893 |
| Our customers are always informed about our business activities through the information we share on social media platforms | 3.51 | 2.086 | 0.949 |
| Our suppliers constantly share content on social media that is relevant | 3.79 | 1.89 | 0.787 |

**Table 5: EFA and validity of the constructs (3)**

| **Labelled Item** | **Mean** | **Std. Dev** | **Factor Loading** |
|---|---|---|---|
| **Perceived firms' social presence (IV): M = 3.430; α = 0.763; AVE = 0.510; CR = 0.723** | | | |
| Our organisation has a high response rate on social media through (likes, shares, comments etc) | 2.87 | 2.084 | 0.778 |

| | | | |
|---|---|---|---|
| Our organisation measures social media traffic performance on regular basis | 2.68 | 2.064 | 0.722 |
| Our organisation does not see the value of social media | 3.37 | 1.855 | 0.376 |
| Our suppliers have a strong social media presence | 4.8 | 2.094 | 0.607 |

**Table 6: EFA and validity of the constructs (4)**

| **Labelled Item** | **Mean** | **Std. Dev** | **Factor Loading** |
|---|---|---|---|
| **Establishing strong business reputation (IV): M = 6.502; α = 0.811; AVE = 0.409; CR = 0.727** | | | |
| We have established a strong business reputation in the industry | 6.55 | 0.71 | 0.802 |
| Our business reputation is sufficient to attract and retain the current customer base | 6.63 | 0.541 | 0.693 |
| We have realized sales growth because of our strong business reputation | 6.66 | 0.657 | 0.566 |
| Our current suppliers have a strong business reputation | 6.27 | 0.875 | 0.443 |

**Table 7: EFA and validity of the constructs (5)**

| **Labelled Item** | **Mean** | **Std. Dev** | **Factor Loading** |
|---|---|---|---|
| **Brand Identity (IV): M = 5.415; α = 0.529; AVE =0.523; CR = 0.781** | | | |
| Our organisation has built a strong brand identity | 6.42 | 0.697 | 0.750 |
| Our organisation makes use to LinkedIn to build brand identity | 2.13 | 1.971 | 0.752 |
| Our brand identity is perceived by customer as that of a high-quality brand | 6.35 | 0.774 | 0.593 |

| | | | |
|---|---|---|---|
| We have established a stronger brand identity compared to those of our competitors | 6.28 | 0.854 | 0.640 |
| We only use suppliers who have established a strong brand identity | 5.90 | 1.081 | 0.476 |

**Table 8: EFA and validity of the constructs (6)**

| **Labelled Item** | **Mean** | **Std. Dev** | **Factor Loading** |
|---|---|---|---|
| **Traditional Brand Communication (IV): M = 5.773; α = 0.762; AVE = 0.312; CR = 0.687** | | | |
| Face to face customer relationship building process is still better that the use of social media platforms | 6.41 | 1.086 | 0.501 |
| Our organisation relies on networking to build meaningful business relationships | 6.44 | 0.903 | 0.532 |
| Our organisation has heavily invested on advertising media such as: billboards, newspapers, telemarking and direct mail | 4.72 | 1.951 | 0.554 |
| None-social media brand communication marketing activities increase our sales volume | 5.95 | 1.499 | 0.729 |
| Our suppliers use advertising media such as: billboards, newspapers, telemarking and direct mail to inform us about their current offerings | 5.35 | 1.488 | 0.435 |

**Table 9: EFA and validity of the constructs (7)**

| **Labelled Item** | **Mean** | **Std. Dev** | **Factor Loading** |
|---|---|---|---|
| **Social Media Brand Communication (IV): M = 3.574; α = 0.980; AVE = 0.831; CR = 0.967** | | | |
| We constantly use social media to communicate our brand with our customers | 3.60 | 2.187 | 0.928 |
| Our organisation uses social media to build a strong brand reputation | 3.63 | 2.201 | 0.945 |

| | | | |
|---|---|---|---|
| Our customers are knowledgeable about our brand through constant brand communication campaigns that we run on social media | 3.52 | 2.169 | 0.915 |
| We have built a strong social media brand communication strategy to enable customers to easily make decisions to buy our brand | 3.46 | 2.113 | 0.942 |
| Through social media brand communication, we have managed to increase our sale volume | 3.43 | 2.078 | 0.940 |
| Our suppliers constantly use social media to communicate their brand | 3.80 | 1.918 | 0.791 |

**Table 10: EFA and validity of the constructs (8)**

| **Labelled Item** | **Mean** | **Std. Dev** | **Factor Loading** |
|---|---|---|---|
| **Brand Awareness (IV): M = 6.419; α = 0.907; AVE = 0.715; CR = 0.936** | | | |
| Our customers can easily familiarize with our brand | 6.60 | 0.533 | 0.885 |
| Our organisation has built a strong brand awareness | 6.48 | 0.692 | 0.902 |
| Our strong brand awareness has resulted on repeat sales | 6.48 | 0.681 | 0.921 |
| Through our strong brand awareness, we have built a strong customer loyalty | 6.54 | 0.615 | 0.925 |
| Customers are more aware of our brand than those of competitors and this has resulted in more sales been generated | 6.27 | 0.931 | 0.809 |
| Our suppliers have built a strong brand awareness | 6.15 | 0.867 | 0.576 |

**Table 11: EFA and validity of the constructs (9)**

| **Labelled Item** | **Mean** | **Std. Dev** | **Factor Loading** |
|---|---|---|---|
| **Purchasing Intent (DV): M = 4.623; α = 0.721; AVE = 0.659; CR = 0.945** | | | |

| | | | |
|---|---|---|---|
| Our organisation uses social media to influence what customers buy | 3.46 | 2.255 | 0.830 |
| Our organisation uses LinkedIn to research the products we want to buy | 2.25 | 2.047 | 0.773 |
| The content we share on social media is critical for helping our customers make informed buying decisions | 3.53 | 2.116 | 0.934 |
| Our current suppliers' posts content that we find useful when making purchasing decisions | 3.68 | 1.980 | 0.817 |
| Our organisation makes use of social media to acquire new suppliers | 3.11 | 2.031 | 0.870 |
| Customers buy our products because of our strong business reputation | 6.61 | 0.557 | 0.795 |
| Our business relies on our business reputation to influence customer buying decisions | 6.54 | 0.805 | 0.805 |
| Our customers can easily identify our brand and consider it when making buying decisions | 6.41 | 0.686 | 0.688 |
| Our organisation only relies on customer relationships to influence their buying decisions | 6.02 | 1.355 | 0.771 |

## 4.3 Multiple Regression

Multiple regression is a correlation-based technique that analyses the relationship between dependent and independent variables (Bhattacherjee, 2012). Although not all hypotheses were accepted, a multiple regression analysis was used to determine whether professional social media, sharing preferred content, perceived firm's social presence, brand identity, social media brand communication, traditional brand communication, establishing a strong business reputation and brand awareness (IVs) had any collaborative influence on purchasing intent (DV). The basic assumptions of the standard multiple regression analysis are normality, linearity, homoscedasticity, and independence of residuals (Allen & Burnett, 2010).

As illustrated in appendix 2, it was required that the following assumptions be met before conducting the analysis.

As illustrated in Table 12, a confirmatory factor analysis using coefficients test was conducted to analyse the variance in the means of scores (Woodrow, 2014) which indicated that the regression model predicts purchasing intention well with a statistically significant value of $p < 0.001$). Professional social media, sharing preferred content and business reputation have a significant relationship with purchasing intention ($p = 0.000$), whereas perceived firm's social presence ($p = 0.077$), brand identity ($p = 0.002$), traditional brand communication ($p = .010$), social media brand communication ($p = .035$) and brand awareness ($p = .048$) do not have a significant relationship with purchasing intention. Table 12 shows the coefficient of determination for the model which describes 89.8% of the variance of purchasing intention.

**Table 12: Model Summary**

| Coefficients | | | |
|---|---|---|---|
| Model | B | 95,0% Confidence Interval | β |
| (Constant) | -1.004 | -8.793 - 6.786 | |
| Overall professional SM | 0.155 | .042 - .267 | 0.156 |
| Overall Sharing preferred content | 0.478 | .325 - .630 | 0.544 |
| Overall Perceived social presence | 0.159 | -.018 - .336 | 0.118 |
| Overall Business Reputation | 0.752 | .421 - 1.084 | 0.203 |
| Overall Brand identity | 0.405 | .146 - .664 | 0.167 |
| Overall Traditional Brand Comms | 0.180 | .044 - .315 | 0.110 |

| | | | |
|---|---|---|---|
| Overall SM Brand Comms | 0.133 | .009 - .256 | 0.192 |
| Overall Brand Awareness | -0.232 | -.462 - -.002 | -0.101 |
| $R^2$ | | 0.904 | |
| Adjusted $R^2$ | | 0.898 | |

### *4.3.1 Hypothesis Testing*

The hypotheses were tested using Pearson's product-moment correlation and coefficient based on Cohen's (1988) guidelines. Table 3-11 above presented the correlations between the independent variables (IV) and the dependent variable (DV). There were no correlations above 0.9 (Pallant, 2013). The majority of the IVs, namely, professional social media, sharing preferred content, perceived firm's social presence, brand identity and social media brand communication, correlate with purchasing intention (DV), as they fall within the parameters of 0.3 and 0.9 (Pallant, 2013). The other IVs, business reputation, traditional brand communication and brand awareness do not correlate with purchasing intention (DV). Additionally, positive correlations exist between IVs where professional social media correlates with sharing preferred content, perceived firm's social presence, brand identity and social media brand communication. Sharing preferred content has a positive relationship with a firm's perceived social presence and social media brand communication. A firm's perceived social presence has a direct relationship with social media brand communication. Business reputation is directly linked to brand identity and brand awareness. And lastly, brand identity correlates with brand awareness. These correlations have values less than 0.9 (Pallant, 2010), thus proving the relationships that exist between the IVs.

The results of the correlation standardised coefficients in table 12 have now been summarised on table 13 indicating the following correlations:

**Table 13: Hypothesis Testing**

| Hypothesis | 95,0% Confidence Interval for B | | P Value | Outcome |
|---|---|---|---|---|
| **H1:** There is a positive association between professional social media platform and purchasing intent | 0.042 | 0.267 | 0.000 | Hypothesis was accepted |
| **H2:** Sharing preferred content positively affects B2B purchasing intent | 0.325 | 0.630 | 0.000 | Hypothesis was accepted |
| **H3:** There is a positive association between perceived firms' social presence and B2B purchasing intent | -0.018 | 0.336 | 0.077 | Hypothesis was accepted |
| **H4:** Establishing strong business reputation has a positive impact on purchasing intent | 0.421 | 1.084 | 0.000 | Hypothesis was accepted |
| **H5:** Brand identity positively affects purchasing intent | 0.146 | 0.664 | 0.002 | Hypothesis was accepted |
| **H6:** Traditional brand communication positively affects B2B purchasing intent | 0.044 | 0.315 | 0.010 | Hypothesis was accepted |
| **H7:** There is a positive association between social media brand communication and B2B purchasing intent | 0.009 | 0.256 | 0.035 | Hypothesis was accepted |
| **H8:** There is a positive association between brand awareness and B2B purchasing intent | -0.462 | -0.002 | 0.048 | Hypothesis was rejected |

Hypothesis 1 (H1) stating *that there is a positive association between professional social media platform and purchasing intention* was accepted as results confirmed a small, positive correlation between the two variables (Beta = 0.156, n = 142, $p < 0.01$). Hypothesis 2 (H2) stating that *sharing preferred content positively affects B2B purchasing intention* was accepted as results confirmed a large, positive correlation between the two variables (Beta = 0.544, n = 142, $p < 0.01$). Hypothesis 3 (H3) stating that *there is a positive association between perceived firms' social presence and B2B purchasing intention* was accepted as results confirmed a small, positive correlation between the two variables (Beta = 0.118, n = 142, $p < 0.01$). Hypothesis 4 (H4) stating that *establishing strong business reputation has a positive impact on purchasing intention* was accepted as results confirmed a medium, positive correlation between the two variables (Beta = 0.203, n = 142, $p > 0.01$). Hypothesis 5 (H5) stating that *brand identity positively affects purchasing intention* was accepted as results confirmed a small, positive correlation between the two variables (Beta = 0.167, n = 142, $p < 0.01$). Hypothesis 6 (H6) stating that *traditional brand communication positively affects B2B purchasing intention* was accepted as results confirmed a small, positive correlation between the two variables (Beta = 0.110, n = 142, $p > 0.01$). Hypothesis 7 (H7) stating that *there is a positive association between social media brand communication and B2B purchasing intention* was accepted and the results prove a large, positive correlation between the two variables (Beta = 0.192, n = 142, $p < 0.01$). Lastly, hypothesis 8 (H8) stating that *there is a positive association between brand awareness and B2B purchasing intention* was rejected as results indicate a negative correlation between the variables (Beta = -0.101, n = 170, $p > 0.01$).

# CHAPTER 5: ANALYSIS AND DISCUSSION OF FINDINGS

## 5.1 Introduction

The main purpose of this research was to explore factors that influence business-to-business purchasing decisions within the Fast-moving Consumer Goods (FMCG) industry in South Africa. Further, the research aimed to gain in-depth insight into how B2B organisations within the FMCG sector can make use of social media to influence purchasing intention and create competitive advantage. The research key findings suggest the main influencers of business-to-business purchasing intention are driven by price, relationship ties and brand reliability. On the other hand, professional social media is not being utilised by businesses with the FMCG sector to influence purchasing intention. Furthermore, the findings of this study shows that businesses find social media helpful but only value adding to a certain extent.

## 5.2 Professional social media

The use of social media continues to change the business environment and B2B buying behaviour (Appio & Lacoste, 2018). Information on products and services offered by organisations can easily be accessed online using social media platforms (Bashir, Papamichail, & Malik, 2017). Organisations that maximise the use of professional social media platforms within the B2B environment increase their product and service exposure, influencing purchasing intention (Cheng & Shiu, 2019).

The result of this study shows that only 23% of SMEs within FMCG sector make use of professional social media platforms, such as LinkedIn. 20% out of the 23% of B2B organisation make use of professional social media platforms to advertise internal vacancies, meaning that only 3% are making use of professional social media platforms to market their product or services offerings and communicating value propositions with their target audience. This then provides an explanation of the growth difficulties or challenges that SMEs within the FMCG sectors have encountered over the years.

Large FMCG organisations, such as Tiger Brands and Unilever, continue to grow their market share through formulated professional social media marketing strategies regardless of new entrants and existing rivalry in the market. This has also allowed them

to form strategic partnerships and even acquire SMEs that have the potential of growing their existing market share by making use of online marketing strategies (Diba, Sweden, Vella, & Abratt, 2019).

The results of this study further confirmed a large, positive association between professional social media platforms and purchasing intention. Furthermore, 77% of businesses within the FMCG sector are not making use of professional social media to influence purchasing intention. This further explains the slow market share growth rate experienced by SMEs within the FMCG sector. The use of professional social media can help businesses influence the initial stages of the buying process and not only influence purchasing intention but enable the business to develop sustainable competitive advantage (Sensini & Vazquez, 2021).

Furthermore, the result of the coefficient test from the study has proven that there is a moderate, positive correlation between the two variables (Kim, Kandampully, & Bilgihan, 2017). For professional social media, the slope has a t statistic 2.727 and the p value (quoted under Sig.) is .007 (reported as $p < .001$) which is more than 0.05. The researcher therefore has significant evidence to accept the null hypothesis that the slope on professional social media is zero.

## 5.3 Content Sharing

Understanding existing and potential customers that make use of online platforms is essential for the formulation of strategic content sharing (Cao, Ajjan, Hong, & Le, 2018). This study shows that 44% of businesses make use of shared content to look for alternative products or services. In addition, 44% of businesses also make use of shared information to further conduct research about a specific brand and gain more information to make purchasing decisions for future purchasing purposes.

Information shared online influences 30% of B2B purchasing intention in terms of brands that organisations buy and with 23% influencing suppliers that businesses use. The more a business shares relevant information, the more exposure it gains, and the more exposure gained the more customers are willing to purchase that specific brand. In contrast, SMEs within the FMCG sector are making use of traditional advertising media, such as newsletters (68%), direct mail (63%) and billboards (56%).

This therefore further shows that SMEs within the FMCG sector are not fully adjusting to the current market conditions when it comes to investing in online marketing strategies, further allowing large organisations to dominate the market share since they are already investing in these online marketing strategies. Although the factor of access to resources comes into play when comparing the two, the rapid customer changes taking place in the external environment are not favourable to SMEs.

The organisation's ability to share preferred content confirmed a large, positive correlation on purchasing intention as proven by this study. Businesses within the FMCG sector can leverage this, by constantly being on the look-out for customer changes in their preferred content and even the methods by which its shared (Mergel, 2017). This will result in businesses not only attracting new customers but retaining the current customer base. Furthermore, the customer's intention to buy will be easily influenced during different stages of the buying process (Li & Xie, 2020).

In addition, for sharing preferred content, the slope has t statistic 6.195 and the p value (quoted under Sig.) is .000 (reported as $p < .001$) which is less than 0.05. The researcher therefore has significant evidence to reject the null hypothesis that the slope on sharing preferred content is zero.

## 5.4 Perceived Firms' Social Presence

Customer interaction through multiple touchpoints adds value to the overall customer experience when interacting with a specific brand or organisation (Diba, Sweden, Vella, & Abratt, 2019). Social presence is no exception, and this has further been proven by the current COVID-19 pandemic which has drastically changed how businesses used to interact with its customers and suppliers. Although an organisation's products or services may not be accessible 24/7, customers still want to interact with the organisation 24/7, which enhances the overall customer experience.

The more customers feel engaged, the more they are willing to interact with the brand. The more customers interact with the brand, the more they will have information about the brand (Dressler & Paunovic, 2021). This further translates to B2B decision makers having their purchase intention influenced, allowing for repeat sales through customer

relationships that would have been developed in the process (Cyr, Hassanein, Head, & Ivanov, 2007).

The results of this study confirmed a large, positive association between a firm's perceived social presence and purchasing intention. This therefore shows that the more active the business is through its professional social media platforms, the more both the current and potential customers are aware of its social presence (Cheng & Shiu, 2019). This then allows businesses to present shared content in real time, which influences purchasing intention (Cyr, Hassanein, Head, & Ivanov, 2007).

Furthermore, for perceived firms' social presence, the slope has t statistic 1.779 and the p value (quoted under Sig.) is .077 (reported as $p < .001$) which is more than 0.05. The researcher therefore has significant evidence to accept the null hypothesis that the slope on perceived firms' social presence is zero.

## 5.5 Establishing Strong Business Reputation

Within the B2B environment relationships built through networking, direct interactions with the customers as well as product or service performance all contribute towards building strong business reputation (Pagani & Pardo, 2017). The more a business has established a strong business reputation, the more customers have confidence in the overall brand and performance (Zainol, Yasin, Omar, & Hashim, 2014). This therefore influences the customers' intention to buy, even if they are presented with alternatives (Steward, Narusb, Roehm, & Ritz, 2019).

The results of this study show that B2B organisations chose suppliers mainly based on price effectiveness (96%), relationship ties (68%) and how reliable a brand is (58%). This therefore translates into decision makers generally taking a period of 31-60 days to decide on which supplier to purchase from (78%). These are all influenced by how buyers perceive the reputation of the organisation to be. The less reputable an organisation, the less likely customers are willing to consider making a purchase from that specific organisation and vice versa.

Based on the results of the study, the researcher established that there is a moderate, positive correlation between establishing a strong brand reputation and purchasing

intention. This aligns with previous studies that have been conducted showing that there is a positive correlation (Guha, Harrigan, & Soutar, 2017; Sadek, Elwy, & Eldallal, 2018). The results of this study have proven a medium correlation as Li and Xie (2020) agree that within B2B, establishing a strong business reputation is significant to ensure repeat sales and results in customer retention.

For example, the case of KPMG having been linked and found to be doing business with the Gupta family for years, resulted in both the existing and potential customer base questioning KPMG's business reputation. Although the business had established a strong business reputation for years, this led to KPMG losing some of its major client base, since they did not want any association with the brand.

For business reputation, the slope has a t statistic 4.486 and the p value (quoted under Sig.) is .000 (reported as $p < .001$) which is less than 0.05. The researcher therefore has significant evidence to reject the null hypothesis that the slope on business reputation is zero.

## 5.6 Brand Identity

Within the B2B environment, brand identity plays a major role in customers or suppliers identifying the brand through the name of the organisation, logo, etc. (Manjarrez, 2020). Building a strong brand identity relies heavily on the organisation's ability to build strong customer relationships (Petzer & De Meyer-Heydenrych, 2011). The more an organisation has built a strong business relationship with its customers, the stronger the organisation's brand identity (Muriithi, 2017).

Based on the results of this study, 52% of B2B organisations are loyal to certain specific brands due to the ability of an organisation to develop and maintain a strong brand identity. The organisation's ability to build strong business networks through a consistent medium of communications enables and allows business-customer relationships to be cultivated and enhanced (Li & Xie, 2020).

The results of this study further confirmed that there is a moderate, positive correlation between brand identity and purchasing intention, based on the result of this study. This further shows the impact and role that branding plays during the customer decision

making process (Von Wallpach, 2017). Within the FMCG sector, establishing a strong brand identity not only adds value to the organisation offerings, but enables the business to provide strategic benefits for industrial suppliers (Sadek, Elwy, & Eldallal, 2018), strategically positioning the organisation to influence the different touchpoints during the different stages of buying process (Lilien, 2016).

Furthermore, for brand identity, the slope has a t statistic 3.095 and the p value (quoted under Sig.) is .002 (reported as $p < .001$) which is less than 0.05. The researcher therefore has significant evidence to reject the null hypothesis that the slope on brand identity is zero.

## 5.7 Traditional Brand Communication

This study confirms that 37% of B2B businesses have built a strong customer base and therefore 30% of those businesses do not see the need to invest in marketing strategies. 42% of these businesses are generating an annual turnover between 0-10 million. This is because the main aim of these businesses is to focus on their core business and not on any other additional activities of the business. Their resources are tied up on these core business functions. Furthermore, 36% of these businesses have a strong customer base that knows their business.

Traditional brand communication media remains the major communication channels used by SMEs within the B2B environment to communicate with their target audience. 68% of B2B organisations make use of newsletters, while 63% uses direct mail, with 56% making use of billboards and 35% making use of the local newspapers to communicate their brand with the target audience.

Furthermore, the results of this study confirm that there is a small, positive correlation between traditional brand communication and purchasing intention. According to Palmatier and Shridhar (2017), brand communication influences purchasing intention using this factor which includes: informing customers about the brand, persuading the customer to buy the brand, and reminding the customer to repurchase the brand. Furthermore, Dressler and Paunovic (2021) also agree and argue that even if a product can be well developed, priced, and distributed, without effective brand communication, that product will not succeed.

In addition, for traditional brand communication the slope has a t statistic 2.627 and the p value (quoted under Sig.) is .010 (reported as $p < .001$) which is less than 0.05. The researcher therefore has significant evidence to reject the null hypothesis that the slope on traditional brand communication is zero.

## 5.8 Social Media Brand Communication

The used of social media to communicate an organisation's brand is constantly proving to be more effective than traditional brand communication (Cheng & Shiu, 2019). Social media communication allows for brands to interact with the target audience 24/7 without the geographic limitations posed by traditional brand communication (Pagani & Pardo, 2017). The online communication channel is proving to be even more cost effective, especially during the COVID-19 pandemic, with more people spending more time on social media.

As a result, this has led to 56% of businesses creating social media accounts and managing them for their respective businesses. The rise in social media engagements saw a rise in more businesses creating Facebook accounts (59%) and Instagram accounts (50%). The two social media platforms are used by businesses to market both products and service offerings, with less emphasis on building strong business networks (18%) which should be taking place on LinkedIn. Only 3% of businesses are making use of LinkedIn to communicate their value proposition with their target population. Furthermore, 26% of businesses are not willing to use social media and 34% do not make use of any social media at all.

The result of the study shows that there is a moderate, positive corelation between social media brand communication and purchasing intention. Through ongoing communication that an organisation has with its customers through social media, customers are more likely to be cognisant of the brand on a regular basis (Kim, Kandampully, & Bilgihan, 2017). This plays a major role in decision makers within the business to purchase the same brand regularly, but also develops a sense of ownership and loyalty to the brand (Sadek, Elwy, & Eldallal, 2018).

Furthermore, for social media brand communication, the slope has a t statistic 2.129 and the p value (quoted under Sig.) is .035 (reported as $p < .001$) which is less than 0.05. The

researcher therefore has significant evidence to reject the null hypothesis that the slope on social media brand communication is zero.

## 5.9 Brand Awareness

B2B brand awareness is critical for influencing the different levels of the buying process (Bashir, Papamichail, & Malik, 2017), including problem recognition, information search, evaluation of alternatives and the purchasing decision (Arifin, 2015). Bashir, Papamichail and Malik (2017) confirm that brand awareness helps customers filter through the different product and service offerings in the market and position the brands that they are aware of at the top of their preferred brands, as confirmed by this study that 52% of businesses are loyal only to certain specific brands.

Furthermore, the results of this study have confirmed that there is no positive correlation between brand awareness and purchasing intention. This does not align with previous studies that were previously conducted stating that the more business decision makers are aware about a specific brand, the more likely they will purchase it (Sadek, Elwy, & Eldallal, 2018). In the B2B environment, businesses can use social media to build strong networks with customers, vice versa, and this can result in more long-term relationship being developed. This can enable businesses to achieving sustainable competitive advantage (Palmatier & Shridhar, 2017).

This researcher further established that the reason this hypothesis failed, is due to how the researcher structured the statements on the research instrument. The questions were not clear enough to allow participants for provide more accurate answers relating to this hypothesis.

Furthermore, for brand awareness, the slope has a t statistic -1.993 and the p value (quoted under Sig.) is .048 (reported as $p < .001$) which is less than 0.05. The researcher therefore has significant evidence to reject the null hypothesis that the slope on brand awareness is zero.

## 5.10 Discussion of Findings

### *5.10.1 Introduction*

The following section looks at the impact of each variable to purchase intention. The aim of this section is to provide a more detailed summary of the eight variables from the highest to the lowest impact these have on purchase intention. The higher the standardised coefficients, the higher the impact this will have on purchase intention. The researcher can then create a hierarchy based on the weight each variable has on purchase intention.

### *5.10.2 Discussion*

Based on the results of this study on the coefficients test that was conducted, the researcher established that, overall, sharing preferred content has a bigger effect on purchasing intention. One unit change in preferred share content will lead to a .478 change in units of purchase intention. Preferred shared content has a ripple effect in influencing purchase intention, since it not only forms part of the business social network but the users' social networks (Mergel, 2017).

Overall, business reputation also has a bigger effect on purchasing intention. The results of the study show that one unit change in business reputation will lead to a .752 change in units of purchase intention. Within the B2B environment, establishing a strong business reputation is critical for business success (Li & Xie, 2020). A strong business reputation means that the business can be trusted by both suppliers and customers, which translate to more valuable and sustainable business networks (Sadek, Elwy, & Eldallal, 2018).

Overall, brand identity has a bigger effect on purchasing intention. The coefficients result of this study show that a unit change in brand identity will lead to a .405 change in units of purchase intention. A well-established brand can be used as a differentiator between a business and its competitors (Von Wallpach, 2017). This allows businesses to add value to their value proposition, enabling marketers to achieve sustainable competitive advantage (Chizema, Kleynhans, Bezuidenhout, & Mhonyera, 2021).

Overall, traditional brand communication has a medium effect on purchase intention. Based on the results of this study, a unit change in traditional brand communication will lead to a .180 change in units on purchase intention. This is in line with literature stating

that traditional marketing campaigns are no longer as effective as they used to be due to the rapid growth of social media users (Dressler & Paunovic, 2021). Different marketing strategies need to be implemented in the different stages of the product life cycle (Palmatier & Shridhar, 2017).

Overall, perceived social presence has a small effect on purchase intention. The results of this study show that a unit change in perceived social presence will result in a .159 change in units of purchase intention. This result is a contradiction to the literature which argues that the more users are aware of the organisation's social presence, the more they are willing to interact with the brand (Cheng & Shiu, 2019). In turn, this enables the organisations to know their target audience, their likes, and dislikes, helping marketers to predict futures trends (Arifin, 2015).

Overall, professional social media has a small effect on purchase intention. Based on the results of this study, a unit change in professional social media will result in a .155 change in units of purchasing intention. Professional social media enables organisations to build meaningful and sustainable business relationships and networks, allowing marketers to interact with customers without any geographic or time restrictions (Guha, Harrigan, & Soutar, 2017). This enables customers to share their views on ways to improve the brand, building customers' loyalty and sustainable competitive advantage (Palmatier & Shridhar, 2017).

Overall, social media brand communication has a small effect on purchase intention. The results of this study show that a unit change in social media brand communication will result in a .133 change in units of purchasing intention. Social media brand communication has brought about innovation and how businesses market their brand, as a result, suppliers and customers can interact with brands on a single platform, allowing for efficient co-operation, participation, and collaboration (Sadek, Elwy, & Eldallal, 2018).

Overall, brand awareness has a negative effective on purchase intention. Based on the results of this study, a unit change in brand awareness will result in a -.232 in units of purchase intent. This is contrary to literature which argues that brand awareness is critical for brand recall and repeat sales (Sadek, Elwy, & Eldallal, 2018). B2B customers are less

likely to purchase any brands with which are not familiar. Recognisable or identifiable brands are favourable and are normally purchased (Herrera, 2015).

The following figure demonstrates the hierarchy of each variable to purchasing intention as per the discussion above.

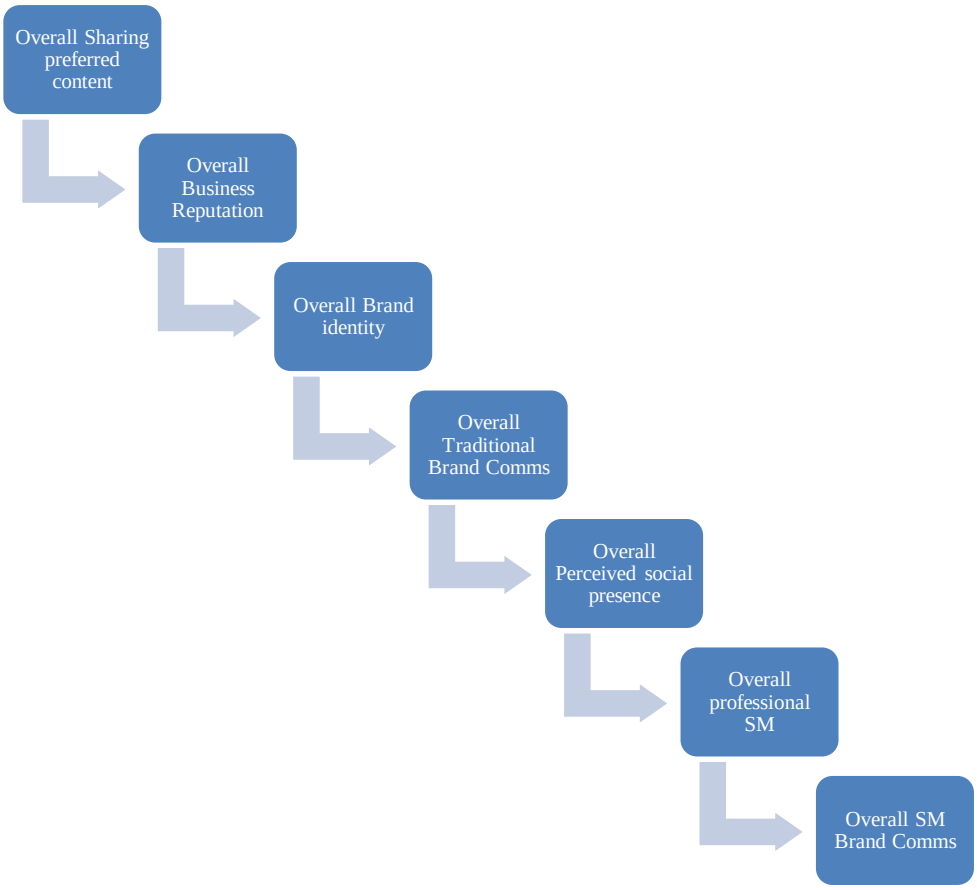



**Figure 16: Variable Hierarchy to Purchasing Intention (Compiled by Researcher, 2021)**

# CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

## 6.1 Introduction

This chapter outlines the research conclusion and recommendations based on chapter 5, as well as recommendations for further research. The conclusion emphasises a broader understanding of factors impacting SME's B2B purchasing decisions within the FMCG sector, the use of professional social media to influence purchasing intention and findings of this research. The recommendations propose the use of professional social media as a tool to have real time interactions with customers, building strong business networks, brands and achieving sustainable competitive advantage.

## 6.2 Conclusion

In conclusion, this study aimed to explore B2B purchasing and the factors influencing purchasing intention. This study provided and demonstrated valuable insight on B2B purchasing and the use of professional social media to influence purchasing intention. It was found that there is a positive correlation between the dependent variable (DV), purchasing intent, and the following independent variables, namely, professional social media, sharing preferred content, perceived social presence, business reputation, brand identity, traditional brand communication and social media brand communication.

In contrast, the study found that there is no positive correlation between brand awareness and purchasing intention. This was contrary to literature from previous studies that were conducted in this area of research. To understand these results, the researcher conducted further analysis to gain an understanding of these results and it was found that the types of questions that the researcher asked for this hypothesis were unclear to the participants. Furthermore, the structure of these questions did not allow for participants to provide accurate responses which could have provided a different outcome of the results aligned with literature. Although a sampling process to pilot the study was followed by the researcher, this was not highlighted until after the completion and running of the collected data. This therefore allows for further improvements for future research which are discussed in the recommendations section.

## 6.3 Recommendations

The study was not without limitations as it was conducted during the COVID-19 pandemic. The sample size of 210 SMEs was planned by the researcher but only 143 samples were collected. This was because thirty (30) SMEs closed and were liquidated due to the economic downscale resulting from the COVOD-19 pandemic. This would have resulted in an additional 60 samples that would have been collected by the researcher.

For future studies, a recommendation is that further research be carried out with a more diverse sample. Secondly, since 60% of the SMEs sample worked from home due to the COVID-19 pandemic, and due to this economic decline caused by the pandemic, the results of this study could have been more accurate and aligned with literature since business owners and managers were operating under stressful conditions. Therefore, the researcher recommends that future studies be replicated with the same population, post COVID-19 pandemic, as this will improve results and the outcome of this study.

The hypothesis stating that there is a positive association between brand awareness and B2B purchasing intention was rejected due to the type and structure of the questions included on the research instrument. For future studies, the researcher recommends that a thorough pilot study be conducted first to determine any discrepancies that may exist on the types of questions and structure on the research instrument, as this could result in a different outcome from the results of this study.

The results on the coefficients tests that were done showed a relative medium correlation between the dependent variable (purchase intent) and the following independent variables, namely, professional social media, sharing preferred content, perceived social presence, business reputation, brand identity, traditional brand communication and social media brand communication. The researcher recommends data be recollected post COVID-19 pandemic so that these results can be compared with the current results. The outcome of the study should improve from medium to high correlations between the dependent variable and independent variables.

## 6.4 Areas for future research

This study mainly focused on factors that influence B2B purchasing intention within the Fast-moving Consumer Goods (FMCG) industry in South Africa. Furthermore, the research aimed to gain in-depth insight into how B2B organisations within the FMCG sector could make use of social media to influence purchasing decisions and ways to create competitive advantage.

Future research could focus on understanding the different purchasing processes inside the purchasing organisation. This will allow for a more meaningful and robust understanding of this process from a different point of view. Furthermore, the journey of the buyer is different when the purchasing organisation is acquiring the same or a different product or service for the purpose of either using it for their current operation or to expand to an unknown business territory; these cases could be explored and expanded in detail.

This study was conducted during one of the most difficult economic conditions caused by the COVID-19 pandemic; the study could be repeated post the COVID-19 pandemic to determine the outcome. Furthermore, the study could be replicated in other provinces in South Africa and other African countries. Lastly, this study could also be extended to other industries, such as the automotive and technological industries, since they have their own qualities and processes when buying products or services.

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# APPENDIX 1: CONSISTENCY MATRIX

| Sub-problem | Literature Review | Hypotheses or Propositions or Research questions | Source of data | Type of data | Analysis |
|---|---|---|---|---|---|
| 1. The first sub-problem is small and medium sized business do not make use of professional social media platforms such LinkedIn and Xing to influence buying processes within the FMCG industry. | (Diba, Sweden, Vella, & Abratt, 2019) (Kim, Kandampully, & Bilgihan, 2017) | 1. A well-established business reputation influences B2B buying processes, which then determines purchasing decision<br>2. Social media platforms influences buying process and purchasing decision | Primary date collected through questionnaires | Continuous | Descriptive analysis: Variance inflation of the independent variables will be determined the condition index as well as the detrimental multicollinearity. The standard or profile deviation will also be used to measure the variation that exists from the average mean. This will help the researcher to measure the average distance between the values of the data in the set and the mean. |
| 1. The second sub-problem is small and medium size businesses within the FMCG industry heavily rely on traditional marketing activities to build brand identity for B2B. | (Steward, Narusb, Roehm, & Ritz, 2019) (Rodríguez, Svensson, & Mehl, 2019) | 1. There is a direct correlation between professional social media platform with building a business brand identity<br>2. Effective brand communication is directly impacting the type of content shared by the organisation<br>3. Perceived social media presence enables the organisation to raise and increase brand awareness | Actual interview / questionnaire questions Primary date collected through questionnaires | Continuous | Descriptive analysis: Variance inflation of the independent variables will be determined the condition index as well as the detrimental multicollinearity. The standard or profile deviation will also be used to measure the variation that exists from the average mean. This will help the researcher to measure the average distance between the values of the data in the set and the mean. |

# APPENDIX 2: CORRELATION MATRIX BETWEEN CONSTRUCTS OF THE STUDY

| | | DV | IV (1) | IV (2) | IV (3) | IV (4) | IV (5) | IV (6) | IV (7) | IV (8) |
|---|---|---|---|---|---|---|---|---|---|---|
| Pearson Correlation | Purchasing Intent (DV) | 1 | .695** | .855** | .757** | -0,018 | .441** | -.229** | .842** | 0,105 |
| | Professional social media IV (1) | .695** | 1 | .645** | .632** | -0,128 | .412** | -.518** | .632** | -0,069 |
| | Sharing preferred content IV (2) | .855** | .645** | 1 | .829** | -.296** | .187* | -.357** | .914** | -0,059 |
| | Perceived firm's social presence IV (3) | .757** | .632** | .829** | 1 | -.313** | .224** | -.437** | .837** | -0,025 |
| | Business reputation IV (4) | -0,018 | -0,128 | -.296** | -.313** | 1 | .426** | .328** | -.271** | .578** |
| | Brand identity IV (5) | .441** | .412** | .187* | .224** | .426** | 1 | 0,034 | .283** | .619** |
| | Traditional brand communication IV (6) | -.229** | -.518** | -.357** | -.437** | .328** | 0,034 | 1 | -.313** | .247** |
| | Social media brand communication IV (7) | .842** | .632** | .914** | .837** | -.271** | .283** | -.313** | 1 | 0,017 |
| | Brand awareness IV (8) | 0,105 | -0,069 | -0,059 | -0,025 | .578** | .619** | .247** | 0,017 | 1 |

| | | DV | IV (1) | IV (2) | IV (3) | IV (4) | IV (5) | IV (6) | IV (7) | IV (8) |
|---|---|---|---|---|---|---|---|---|---|---|
| Sig. (2-tailed) | Purchasing Intent (DV) | | 0,000 | 0,000 | 0,000 | 0,836 | 0,000 | 0,006 | 0,000 | 0,214 |
| | Professional social media IV (1) | 0,000 | | 0,000 | 0,000 | 0,128 | 0,000 | 0,000 | 0,000 | 0,413 |
| | Sharing preferred content IV (2) | 0,000 | 0,000 | | 0,000 | 0,000 | 0,026 | 0,000 | 0,000 | 0,488 |
| | Perceived firm's social presence IV (3) | 0,000 | 0,000 | 0,000 | | 0,000 | 0,007 | 0,000 | 0,000 | 0,770 |
| | Business reputation IV (4) | 0,836 | 0,128 | 0,000 | 0,000 | | 0,000 | 0,000 | 0,001 | 0,000 |
| | Brand identity IV (5) | 0,000 | 0,000 | 0,026 | 0,007 | 0,000 | | 0,689 | 0,001 | 0,000 |
| | Traditional brand communication IV (6) | 0,006 | 0,000 | 0,000 | 0,000 | 0,000 | 0,689 | | 0,000 | 0,003 |
| | Social media brand communication IV (7) | 0,000 | 0,000 | 0,000 | 0,000 | 0,001 | 0,001 | 0,000 | | 0,840 |
| | Brand awareness IV (8) | 0,214 | 0,413 | 0,488 | 0,770 | 0,000 | 0,000 | 0,003 | 0,840 | |
| N | | 142 | 142 | 142 | 142 | 142 | 142 | 142 | 142 | 142 |

# APPENDIX 3: RESEARCH INSTRUMENT

## PARTICIPATION SHEET: INVITATION TO PARTICIPATE IN RESEARCH

**Dear Participant,**

We are inviting you to participate in research on understanding business-to-business purchasing behaviour in South Africa. I am a registered student at the University of Witwatersrand. By participating, you will be providing very important information that will help provide findings on factors that influence business purchasing behaviour.

### Purpose of the Research

The purpose of this research is to explore what factors influence business-to-business purchasing decisions within the Fast-moving Consumer Goods (FMCG) industry in South Africa. Further, the research aims to gain in-depth insight into how B2B organisations within the FMCG sector can make use of social media to influence purchasing decisions and ways to creating competitive advantage. What are you required to do if you agree to be part of this research? Participants are invited to complete a questionnaire. By participating in this study, you are providing valuable and important data that can greatly assist in the development of this study.

### Research Agreement

I guarantee the following: Your participation is voluntary, and you may withdraw from the study at any point; There are no negative consequences for choosing not to participate in the research; We will only include your name in the study if you give us your written consent to do so; We will not use your name in the study; your responses will be anonymous.

### Instructions

This questionnaire comprises of close ended questions which requires you, the respondent, to specify information or select where there are numbers already given. Carefully read the questions and the extremes in which they are asked. If you have any

concerns about the research, you are welcome to speak to me.

**Researcher**

Nezaro Novela

Email: Nezaronovela@gmail.com

**Supervisor**

Neale Penman

## Section A

### What social media platform(s) does your organisation use

☐ Facebook

☐ Twitter

☐ Instagram

☐ LinkedIn

☐ Xing

☐ Telegram

☐ None of the above

☐ Other_____

### Our organisation uses social media to:

☐ Advertise vacancies

☐ Market our product or service offerings to other business

☐ Build business networks

☐ Conduct research on products or services we need to purchase

☐ Build a strong brand

☐ To buy or sell our products or service

☐ None of the above

☐ Other_____

### What are the main reasons for choosing a specific supplier to buy from

☐ Price effective

☐ Brand reliability

☐ Brand loyalty

☐ Relationship ties

☐ Brand reputation

☐ Other_____

### Its takes_____ days to decide on which supplier to work with

☐ Between 0-30 days

☐ Between 31-60 days

☐ Between 61-90 days

☐ Between 91-120 days

☐ Between 121-150 days

☐ Other_____

### Our organisation uses social media to_____

☐ Better understand our customers

☐ Gather customer feedback

☐ Interact with our customers

☐ Improve user experience

☐ Other_____

### Our organisation finds social media

☐ Helpful

☐ Time wasting

☐ Value adding to the business

☐ Irrelevant

☐ Other_____

### Our organisation_____

☐ Manages its own social media platforms

☐ Outsources this service

☐ Does not want to use social media

☐ Would like to use social media in the near future

☐ Other_____

### Information shared on social media

☐ Influences the brands we buy

☐ Influences the suppliers we use

☐ Helps look for alternatives

☐ To gain more information about the brand

☐ Other_____

**Our organisation only uses the following advertising medias**

☐ Billboards

☐ Newspapers

☐ Direct mail

☐ Radio

☐ Magazines

☐ Newsletters

☐ Other_____

**Our Turnover is between**

☐ Between 1-5 Million

☐ Between 5-10 Million

☐ Between 10-15 Million

☐ Between 15-20 Million

☐ Between 20-25 Million

☐ Between 25-30 Million

☐ Over 30 Million

**Our organisation does not invest in marketing strategies because**

☐ We have a strong customer base

☐ Ours customers are loyal to our brand

☐ We have built strong long term customer relationships

☐ We do not see a need to allocate resources in marketing

☐ Customers know about our brand

☐ None of the above

☐ Other_____

## Section B: Professional Social Media

On a scale of 1 to 7 where 1 = Strongly Disagree, 2= Disagree, 3= Somewhat disagree, 4 = Neither Disagree nor Agree, 5=Somewhat Agree,
6 = Agree and 7 = Strongly Agree, indicate the extent to which you agree with each of the following statements.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Disagree nor Agree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| Our organisation uses LinkedIn to communicate value proposition | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation uses social media to influence what customers buy | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation uses LinkedIn to inform our customers about new products | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation to do not see the value of using LinkedIn to interact with our customers | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our customers do not use LinkedIn to look for information about our offerings | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation uses LinkedIn to research the products we want to buy | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation does not see the value to looking for suppliers on social media | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

## Section C: Sharing Preferred Content

On a scale of 1 to 5 where 1 = Strongly Disagree, 2= Disagree, 3 = Neither Disagree nor Agree, 4 = Agree and 5 = Strongly Agree, indicate the extent to which you agree with each of the following statements.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Disagree nor Agree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| Our organisation knows the kind of content that our customers want | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation constantly shares relevant content with the target audience | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation has attracted new customers through content share on social media platforms | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our customers are always informed about our business activities through the information we share on social media platforms | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| The content we share on social media is critical for helping our customers make informed buying decisions | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our current suppliers' posts content that we find useful when making purchasing decisions | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our suppliers constantly share content on social media that is relevant | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

## Section D: Perceived firms' social presence

On a scale of 1 to 5 where 1 = Strongly Disagree, 2= Disagree, 3 = Neither Disagree nor Agree, 4 = Agree and 5 = Strongly Agree, indicate the extent to which you agree with each of the following statements.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Disagree nor Agree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| Our organisation makes use of social media to acquire new suppliers | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation has a high response rate on social media through (likes, shares, comments etc) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation measures social media traffic performance on regular basis | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation does not see the value of social media | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our suppliers have a strong social media presence | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

## Section E: Establishing strong business reputation

On a scale of 1 to 5 where 1 = Strongly Disagree, 2= Disagree, 3 = Neither Disagree nor Agree, 4 = Agree and 5 = Strongly Agree, indicate the extent to which you agree with each of the following statements.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Disagree nor Agree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| We have established a strong business reputation in the industry | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Customers buy our products because of | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| our strong business reputation | | | | | | | |
| Our business reputation is sufficient to attract and retain the current customer base | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our business relies on our business reputation to influence customer buying decisions | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| We have realized sales growth because of our strong business reputation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our current suppliers have a strong business reputation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

## Section F: Brand Identity

On a scale of 1 to 5 where 1 = Strongly Disagree, 2= Disagree, 3 = Neither Disagree nor Agree, 4 = Agree and 5 = Strongly Agree, indicate the extent to which you agree with each of the following statements.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Disagree nor Agree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| Our organisation has built a strong brand identity | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation makes use to LinkedIn to build brand identity | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our customers can easily identify our brand and consider it when making buying decisions | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our brand identity is perceived by customer as that of a high-quality brand | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| We have established a stronger brand identity compared to | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| those of our competitors | | | | | | | |
| We only use suppliers who have established a strong brand identity | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

## Section G: Traditional Brand Communication

On a scale of 1 to 5 where 1 = Strongly Disagree, 2= Disagree, 3 = Neither Disagree nor Agree, 4 = Agree and 5 = Strongly Agree, indicate the extent to which you agree with each of the following statements.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Disagree nor Agree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| Face to face customer relationship building process is still better that the use of social media platforms | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation relies on networking to build meaningful business relationships | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation has heavily invested on advertising media such as: billboards, newspapers, telemarking and direct mail | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation only relies on customer relationships to influence their buying decisions | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| None-social media brand communication marketing activities increase our sales volume | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our suppliers use advertising media such as: billboards, newspapers, telemarking and | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| direct mail to inform us about their current offerings | | | | | | | |

## Section H: Social Media Brand Communication

On a scale of 1 to 5 where 1 = Strongly Disagree, 2= Disagree, 3 = Neither Disagree nor Agree, 4 = Agree and 5 = Strongly Agree, indicate the extent to which you agree with each of the following statements.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Disagree nor Agree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| We constantly use social media to communicate our brand with our customers | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation uses social media to build a strong brand reputation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our customers are knowledgeable about our brand through constant brand communication campaigns that we run on social media | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| We have built a strong social media brand communication strategy to enable customers to easily make decisions to buy our brand | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Through social media brand communication, we have managed to increase our sale volume | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our suppliers constantly use social media to communicate their brand | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

## Section I: Brand Awareness

On a scale of 1 to 5 where 1 = Strongly Disagree, 2= Disagree, 3 = Neither Disagree nor Agree, 4 = Agree and 5 = Strongly Agree, indicate the extent to which you agree with each of the following statements.

| | Strongly Disagree | Disagree | Somewhat Disagree | Neither Disagree nor Agree | Somewhat Agree | Agree | Strongly Agree |
|---|---|---|---|---|---|---|---|
| Our customers can easily familiarize with our brand | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our organisation has built a strong brand awareness | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our strong brand awareness has resulted on repeat sales | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Through our strong brand awareness, we have built a strong customer loyalty | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Customers are more aware of our brand than those of competitors and this has resulted in more sales been generated | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Our suppliers have built a strong brand awareness | 1 | 2 | 3 | 4 | 5 | 6 | 7 |