The use of social media business tools by SMEs in Gauteng, South Africa

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ABSTRACT

Social media platforms have business tools that businesses can use to maximise their interaction with new and potential customers. In addition, these business tools to make it easier to market products and services exponentially if adopted well. Therefore, social media marketing has become extremely important for any business trying to grow and adapt to the digital world. Through social media business tools, brands are able to trace what is working for their business as well as co-create products with customers in order to best serve them. This emphasises Mark Granovetter's philosophy on the strength of weak ties.

Currently most SMEs in South Africa fail within two to three years of operating. Some of the reasons to this failure rate include lack of access to market, lack of funding as well as poor marketing of the business. Using social media business tools allows companies to access great numbers of people that are active on social media platforms world-wide. This makes social media a conducive place for businesses to use in order to access those active, existing and new customers. Customers are every company's most imperative asset and acquiring more customers improves the performance of a company, which in turn contributes to the growth of the SME. Therefore, SMEs need to understand how to use social media business tools effectively in order to be able to increase their customer acquisition. The purpose of this research is to evaluate the use of social media business tools on SME performance specifically focusing on increased customer acquisition.

The study adopted a quantitative and positivist manner. A survey was distributed through an online survey link, emails as well as physical hand-outs. The study showed a positive perspective of SMEs in terms of using social media business tools to increase their customer-base. The findings of this paper contribute to the knowledge of SME growth and social media.

Key words: Social media marketing, SME growth, weak ties, online customers, Social media activity

DECLARATION

I, Tlalane Leah Maphathe, 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 the Field of Entrepreneurship at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Tlalane Leah Maphathe

Signed at Wits Business School

On the 28th day of February 2019.

DEDICATION

This thesis is dedicated to my parents, for the sacrifices you have both made for me to finish this degree and always believing in me. Thank you for being the best support system I could ever ask for. I am extremely blessed to still have you both.

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Professor Boris Urban, my supervisor, it was such a great honour being supported by a well-respected professor like yourself in the field of entrepreneurship. Thank you for contributing to this process and guiding my thinking and writing until the very end. Many more students are going to benefit greatly from your wisdom. I hope you like the final product.

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To my classmates who have become my friends, Shekinah Osih and Itumeleng Monnanyane. Thank you for always pushing me throughout the course and making sure I didn't drop out when the course got challenging.

To my sister, Liopelo Maphathe and my friends, thank you for always encouraging me and reminding me that I'm bright enough to finish what I started, and praying for me. You are all incredible women in my life.

And lastly, the almighty God. It was a tough year and I definitely grew stronger spiritually. I am grateful for you have been with me throughout this entire journey. I give you all the Glory!

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CHAPTER 1: INTRODUCTION

1.1 Introduction

The internet and social media have changed the way in which brands communicate with their consumers and also reach a wider market access with no time or geographic restrictions (Dahnil, Marzuki, Langgat, & Fabeil, 2014). Social media has also given firms an opportunity to connect with the world and communicate with its consumers without physically being in each other's presence (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). The activity on social media also allowed people a platform to express themselves and share their interest in the brands with other users.

1.2 Theoretical background to the study

Technology has also evolved over the years and social media has changed the way in which companies and consumers communicate, and also how product demand can be created (Burmann & Zeplin, 2005). Social media is proof of the strength of weak social ties in that consumers believe strongly in products and services that are referred to by another users on social media platforms (Dahnil et al, 2014). This adds to the entrepreneurship theory that suggests that weak ties are useful for information sharing (Venter, 2015).

The use of the internet and smartphones used for accessing social media platforms has seen exponential growth in South Africa and the world as a whole, which indicates that social media plays a vital role in customers everyday life. In South Africa, according to Stats SA (2017), 22.5 million people have internet access and in Gauteng 72.2percent have online access. In terms of individuals on social media, Snyman (2016, p.4) mentions that the 2016 to 2017 statistics were sitting on over 13 million Facebook users, 7.4 million users on Twitter, 8.74 million YouTube subscribers and monthly active users and 2.68 million on Instagram. Instagram is also said to be the fastest growing platform (Statista, 2018). According to (BlueMagnet, 2018), currently in South Africa there are 16 million active Facebook users accounting for 29percent of the population, 8

million Twitter users and 3.8 million Instagram users. These statistics indicate a high social media activity in the country and also shows that the online community that users create can be used by small and medium-sized enterprises as a business opportunity by integrating social media business tools to co-create products with consumers to best serve them (Qwerty, 2017).

Social media platforms help brands get instant feedback on their products or services from their customers as well as gaining insight into the needs of their customers. In addition, these platforms allow engagement between brands and the consumer and therefore customers can co-create the brand's product offering or service that the target market wants. SMEs adopting social media business tools can also gain insight on which social media platforms and tools are currently beneficial to their company's performance.

1.3 Context of the study

Social media platforms allow users to engage with one another and share information or knowledge about specific matters of interest (Kietzmann et al, 2011). Customers also use social media platforms to gain information about a brand, get familiar with the brand's product or service offering and share their experience of the brand with their peers (Mangold & Faulds, 2009). The information that is shared by users allows for other individuals or potential customers to "experience" the offering before buying it.

There are various business tools that social media offers to companies in order to allow potential customers to experience of their brand and improve their digital presence. Social media allows brands to interact with customers which is important in how customers make choices to purchase a specific brand or product (Culnan, McHugh, & Zubillaga, 2010). It allows the brand to understand the attitude of its consumers which contributes to their buying decision process. With so many brands in the market, it is important for any firms to be different and be noticed easily by customers and in turn influence their buying intention (Öztamura & Karakadılarb, 2014).

Wang, Pauleen, & Zhang, (2015) mention that in order for companies to grow their businesses it is important for brands to maintain good customer relationships as it allows for firms to give product offerings that are needed by the consumer. Because customers spend time on social media platforms, this is a good way for brands to get to know their customers better and improve on their product offering suitable for their target market and potential consumers (Kaplan & Haenlein, 2010).

Currently in South Africa, SMEs are failing within the first 2 to 3 years because of lack of funding, access to markets and also failing to effectively market their product offering due to lack of resources amongst other reasons (jtbconsulting, 2016). However with the use of social media as a resource at their disposal, SMEs can use various popular platforms effectively to overcome some of the constraints that lead to their failure and grow their businesses (Obschonkaa, Fisch, & Boyd, 2017).

This study adds value because SMEs are said to have fewer resources and therefore they need to ensure that they use their resources effectively to cut costs, use cheaper marketing strategies such as using social media marketing that can benefit their business (Margaret McCann, 2015). In addition, SMEs need to gain market access in order to grow, therefore social media platforms can be used as a tool in order to grow because potential customers are also active on these various platforms. Furthermore social media platforms can be used to target the right audience for the SME's brand by using the Instagram business tools that are currently been available as well as Facebook and Twitter business tools. The way in which these social platforms and business tools are used can allow brands to measure the performance of the company (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015). According to Wang et al, 2015, when SMEs grow, this contributes to the economy of a country therefore South Africa is no exception in this case.

1.4 Problem statement

SMEs are important as they contribute to the economy of a country as they provide new jobs as the business grows, therefore it is important to any country to ensure that SMEs are fostered in order to contribute to the country's GDP (Dahnil, Marzuki, Langgat, & Fabeil, 2014). In South Africa, some of the reasons for the high failure rate of SMEs within the first 2 to 3 years of operating are lack of funding, gaining market access and marketing products or services effectively (McCann, 2015).

A large portion of the population in South Africa, focusing on Gauteng, is active on various platforms and therefore SMEs can use these platforms to overcome their inability to gain access to markets and financial constraints that come with marketing strategies (BlueMagnet, 2018). SMEs can also focus on targeting the right target audience in order to overcome the various challenges they face by using social media offerings. Furthermore, SMEs can learn which social media platforms and business tools are currently contributing to the performance of SMEs that are currently using social media business tools in the country. This will assist many entrepreneurs in different fields to know which business tools are currently working in the different industries that they operate in. In this way, SMEs can be knowledgeable and use social media business tools in a way that will lead them to better SME performance and ultimately reduce the high SME failure rate. Furthermore, customers play a very important role in SMEs because they contribute to the revenue of a company, which also adds to the SME's grows therefore it is vital to best serve them and allow co-creation of products and services (McCann, 2015). In addition, social media helps in cutting costs of the marketing budget which can be utilised in other important parts of the business.

1.4.1 Sub –Problem 1

Examine the social media business tools contributing to the non-financial performance of SMEs using social media.

1.5 Research purpose, research question and aims of the study

The purpose of this study is to examine the social media business tools that are currently contributing to the performance of the SMEs in Gauteng. This study will focus on only three social media business tools being Facebook business tools, Instagram business tools and Twitter business tools. It also examines the contribution of social media business tools usage on the non-financial performance of SMEs in Gauteng. The non-financial performance of SMEs will be measured using increased customer acquisition. The aim of this study is to also contribute to the body of knowledge regarding social media usage by SMEs and the business tools that SMEs can consider in order to adopt the phenomenon effectively in the South African context.

1.5.1 How do Facebook business tools contribute to the non-financial performance (customer acquisition) of SMEs?

1.5.2 How do Instagram business tools contribute to the non-financial performance (customer acquisition) of SMEs?

1.5.3 How do Twitter business tools contribute to the non-financial performance (customer acquisition) of SMEs?

1.6 Conceptual/theoretical definition of terms

Facebook business tools: The use of Facebook business features that facilitate reaching the right target audience such as ‘AdEspresso’. The purpose of these business tools is to help businesses scale by also providing various tools to help the firm’s online presence grow.

Instagram business tools: using tools such as ‘SocialDrift’ to grow a company’s followers on this platform to improve brand awareness and build engagement with consumers on Instagram. The use of ‘Owlmetrics’ also helps companies to understand what type of content that performs best.

Twitter business tools: using tools such as ‘Buffer’ to manage social media posts, monitor conversations and analyse the performance of the channel used to interact with consumers.

Thus the social media platforms - Facebook, Twitter and Instagram are the main focus of this study.

Influencers: individuals with a big following on various social media platforms with which brands collaborate in order to reach their target audience (Jin & Phua, 2014).

SMEs: Small and medium-sized companies with an annual turnover of less than R64 million, with 2 or more employees and a direct involvement by the owner(s) of the company (Margaret McCann, 2015).

Social media marketing: marketing opportunities arising from the usage of social media platforms (Dahnil et al, 2014).

1.7 Contribution of the study

This study is vital because it will help SME owners to understand how to adopt the use of social media business tools effectively. This study also increases the knowledge that is centred on the use of social media business tools as an effective co-creation tool for a company’s products and services, and in assisting entrepreneurial ventures as well as how social media adoption can enable SME performance in the South African context. This study will also fill the knowledge gap on how social media business tools can be used effectively in new ventures for entrepreneurs who want to reach customers at a lower cost and effectively because of the limited resources that SMEs usually have.

Furthermore SMEs and new ventures need to access markets in order to scale or grow, and social media business tools assist brands to scale their business by offering analytics that help SMEs to target the right audience and run campaigns that are specific for the targeted audience (Facebook, 2018). SMEs will benefit

from this study because brands have come to understand that because of the way in which communicating with customers has changed, it is important for firms to be able to strategically communicate with consumers and expand their customer base in order to grow as a business. SMEs inability to access markets is another prohibiting factor for SME growth in South Africa (Qwerty, 2017). For instance, credit providers such as SEDA require SMEs to have existing market access in order to provide funding for them (SEDA, 2018). Social media business tools when used correctly by SMEs can help eliminate this problem because they can help SMEs acquire customers and have access to those customers not only locally, but globally as well.

Using online influencers has also become very popular for brands using social media business tools because online influencers are individuals with a following on their social media platforms and therefore brands create a working relationship with them in order to tap into their followers in order to drive word of mouth (Keller & Fay, 2016). It is also said that individuals are most likely to buy a brand or consider a brand that is recommended by their friends or individuals they relate to on social media platforms (Quinton & Wilson, 2016). Furthermore SMEs tend to have financial resource constraints and therefore traditional marketing can be costly for a firm that is looking to acquire more customers and gain market access through traditional advertising channels. (Zhu & Chen, 2015) did a study in the United States to determine whether social media marketing is indeed cheaper than traditional marketing and the findings of the study were that social media marketing can be cheaper if companies utilise their social media marketing efforts to be in line with the needs of their target market. This study also found that using social media business tools for companies can help with congruency for social media usage to be effective for SMEs because they assist in spreading information at a fast pace which reaches large numbers of people in a short space of time, which in turn saves costs for the business.

With various benefits that social media brings forth, various social media business tools are still under-researched in terms of their ability to aid SMEs to acquire

customers in order to grow. This study has theoretical implications for current owners or managers of SMEs using social media business tools to acquire customers in order to grow their brand or business as well potential SME owners or managers who would also consider using these business tools effectively. This study will also provide important information on how various social media business tools can be used by SMEs in order to increase the non-financial performance of the firm focusing on customer acquisition. The focus will be on Facebook, Instagram and Twitter business tools as they are the top three most used in South Africa (Qwerty, 2017).

1.8 Delimitations of the study

The delimitations of this study include:

1.8.1 Geographic area: Only SMEs based in Gauteng, South Africa will be surveyed.

1.8.2 SMEs: SMEs that are using social media marketing and social media business tools to interact with customers in Gauteng, South Africa will be used for this study. SMEs used for this study are entities with an annual turnover less than R64 million, with 2 or more employees and a direct involvement by the owner(s) of the company (Gray, 2018).

1.9 Assumptions of the study

The assumptions of this study include:

- Brands, companies, businesses or firms used interchangeably refer to the same thing
- The SMEs surveyed use social media platforms and at least one of the above-mentioned business tools to engage with customers for their product offerings.

- SMEs are truthful in how they engage with customers using the various platforms.

1.10 Conclusion

This chapter of the research topic gave insight on how social media business tools influence SME non-financial performance in terms of customer acquisition in the South African context. Furthermore this chapter gave an introduction of the internet and its advancements as well as social media as a whole. It also looked at the participation South Africans using social media compared to the rest of the world.

The researcher also looked at how social media has evolved as marketing medium but also as a phenomenon in providing vital business tools that can help in optimising businesses. Social media has been identified as a way to help businesses gain access to markets which helps in resolving some of the challenges that SMEs face such as funding and marketing products and services effectively in South Africa. SME performance is also highlighted to be imperative because when SMEs grow, they benefit the economy of South Africa.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter looks at social media and the different ways in which different scholars define the phenomenon. This chapter also looks at the social capital theory and how it ties in with the evolvement of social media. Furthermore this chapter will discuss Granovetter's findings on the strength of weak ties in relation to social media business tools. Statistics regarding the growth of social media will be discussed and a display of the presence of the South African population on various sites will also be shown. Social media business tools and their different elements will also be discussed as well as SME performance in terms of increased customer acquisition. A link will then be established between these elements and a conceptual framework is also created.

2.2 Literature background

According to (Venter & Urban, 2015) social capital entails the relationships and networks that individuals form in order to gain support and be able to potentially have access to the resources of the network in which they belong to. Furthermore social capital theory looks at the ability of individuals to benefit from their social structures, memberships and networks. Social capital is valuable in giving well-connected people access to various resources such as financial-, intellectual- and cultural resources. Scholars such as Bourdieu look at social capital as a resource of an individual instead of a collective. The scholar also says that social capital is an enabler for an individual to utilise their power on the people or the individual that organises the resources (Lin, 2017).

Other scholars refer to social capital as the people that individuals may know, such as friends, family, colleagues and acquaintances through which you gain opportunities in order to make use of your human and financial capital. The common theme from many scholars regarding this theory is that social capital theory looks at the ties which individuals hold and how they can be used for different purposes. In entrepreneurship studies social capital theory is imperative

because entrepreneurs are set in an environment that can either enable or constrain their behaviour. Social capital is also vast in that it includes both individual and organisational levels (Venter & Urban, 2015). Furthermore in the field of entrepreneurship, social capital can be used to gain other forms of capital such as human capital. The social capital theory entails networks as a form of social capital whereby network diversity is included, network ties, network relations and trust, networks and spatial distance. Entrepreneurial heritage also forms part of the forms of the social capital theory in terms of institutional legacy and family background. Culture is also another form of social capital in terms of cultural values (Venter & Urban, 2015). This study will focus more on networking as a form of social capital and networking ties highlighting the strength of weak ties.

2.2.1 Social network theory

Networking as a whole refers to the social capital base of an entrepreneur and that social capital is imperative for entrepreneurs to get actual and potential resources from their relationship networks (Erickson, 2017). Networking in the field of organisational behaviour looks at knowing the right people for making beneficial connections to accomplish common works of interest. In terms of strategy, networking refers to the effort put in by a firm in establishing long term relationships with other companies to gain a sustainable competitive advantage in the market place (Venter & Urban, 2015). Overall networks are considered to be the relationships that a business has with the actors in the business network which are the customers, suppliers, distributors, competitors and the government. Networking in the entrepreneurship field however is known to assist entrepreneurs in expanding their knowledge of opportunities, gaining access to vital resources as well as dealing with various obstacles that entrepreneurs face.

The social network theory looks at how people and firms interact with others inside their network (Granovetter, 1983). This theory also looks at the role of social relationships in transferring information and social media influence which enables attitude and behaviour changes (Lin, 2017).This theory also entails

nodes and ties in terms of weak and strong ties that stem from networks created by organisations and individuals. In practise this theory can explain how the content put out by firms using social media business tools can go viral and increase traffic on various social media platforms that companies use as well as the co-creation of products and services that these tools may offer SMEs.

2.2.2 Networking ties

Networking ties can either be seen as formal and informal, whereby informal network ties are usually between individuals with the purpose of sharing information, gaining mutual support, learning and collaborating with no formal contract involved (Keppler & Leonardi, 2017). These types of ties are usually those between individuals. Formal ties are usually between companies whereby there is a contractual agreement with each other to work on projects together and buy and supply goods for example (Venter & Urban, 2015). Networking ties may also be viewed as either direct or indirect in terms of their intensity in which they are popularly referred to as weak and strong ties (Tian & Lin, 2015).

Weak ties are considered as loose relationships between individuals (Granovetter, 1983) and these weak ties are critical when obtaining information that would not easily be located or very costly to get (Venter & Urban, 2015). It is important for individuals and businesses to tap into weaker ties in order to best understand how to leverage from them. According to (Tian & Lin, 2015) for businesses to be developed well, weak ties must also be considered and leveraged in job hunting or getting job opportunities and aligning the right candidates with the right jobs, deal flows in venture capital firms and getting business by referral of others. Strong ties on the other hand are those ties that are secure and provided by trustworthy relations of individuals which gives individuals or companies consistency in accessing resources (Quinton & Wilson, 2015). Strong ties are usually formed with time as some networking ties may start off as weak ties and later develop into strong ties.

Social capital's bridging view also argues that entrepreneurs with weak ties usually discover new and great opportunities, however struggle to assemble resources in order to be able to exploit those novel opportunities (Gloor, Woerner, Schoder, Fischbach, & Colladon, 2017). The bonding view of social capital on the other hand states that entrepreneurs with strong ties from their personal networks are more effective in mobilising resources for new projects, however the lack in bringing novel ideas. Both strong and weak ties have strengths and they both bring novelty in different situations or environments (Venter & Urban, 2015). For example in a situation where people have to deal with each other for an extended period of time, strong ties have more strength and result in bringing trustworthiness and predictability. Weak ties are said to flourish more in situations where there is less need for frequent contact and also dealings of a shorter period of time (Quinton & Wilson, 2015).

With this said, the next section looks at the social media phenomenon as a whole and the different social media business tools that are currently used to reach customers followed by a link with the theory.

2.2.3 Social media

According to Kietzmann, Hermkens, McCarthy & Silvestre (2011) social media is the use of mobile and web-based technologies which leads to the creation of platforms that people and societies can use to connect, share content, produce content as well as discuss it. In addition, social media comprises of various online platforms such as blogs, vlogs, social networking applications and platforms (Twitter, Instagram, Facebook etc.), YouTube channels, company-based websites, forums, chat rooms, consumer-to- consumer email (Mangold & Faulds, 2009). These channels have become a key source of communication for people and now a vital messaging channel for companies and brands, which is a big aspect in the influencing of consumer behaviour in terms of building brand awareness, attitude towards the brand which leads to brand commitment, purchasing behaviour and gaining information which leads to a customer's buying intention (Kilgour, Sasser, & Larke, 2015). This therefore indicates that social

media is a completely new landscape whereby communication occurs. Kietzmann et al. (2011) provide a seven functional building block framework that explains the functionality of online media.

According to Kietzmann, Hermkens, McCarthy, & Silvestre (2011), the first block is “identity” and this block represents the amount of personal information that a person is willing to disclose which then represents the identity of the user. Some users can opt to be known using their real names whilst others prefer to use their nicknames often referred to as social media “handles” (Murthy, 2015). How users name themselves or choose their identity is very critical because it counts as the initial contact for other users to be recognised with (Mount & Martinez, 2014).

The second block discusses “conversation” and this refers to the extent of dialogue happening between users (Kietzmann et al., 2011). Conversation is reason behind the power of social media in terms of its high influence on individuals, because people are comfortable with conversing with other people about different issues on a daily basis (Hanna, Rohem, & Crittenden, 2011). The third block is “sharing” and this speaks of the content distribution that happens between users (Murthy, 2015). Sharing is an imperative aspect because the content being distributed to others reflects the user’s identity (Ngai, Tao, & Moon, 2015). “Presence” represents the fourth block and this entails the extent of the user’s accessibility to others. This function is what in essence bridges the gap between a simulated environment and reality (Hanna et al., 2011). Social media “apps” such as Facebook and Instagram allow brands to give users a virtual experience of their reality when “checking in” to a place (Kilgour, Sasser, & Larke, 2015).

Kietzmann et al. (2011) further mention that the fifth block of the framework is “relationships”. This function refers to how users are able to relate with each other in order to build relationships with one another. These social media relationships can be categorised as either formal or informal, and at times these relationships can end up materialising in reality (Khamis et al., 2016). “Reputation” appears in the sixth block and this block relates to the extent to which users find themselves

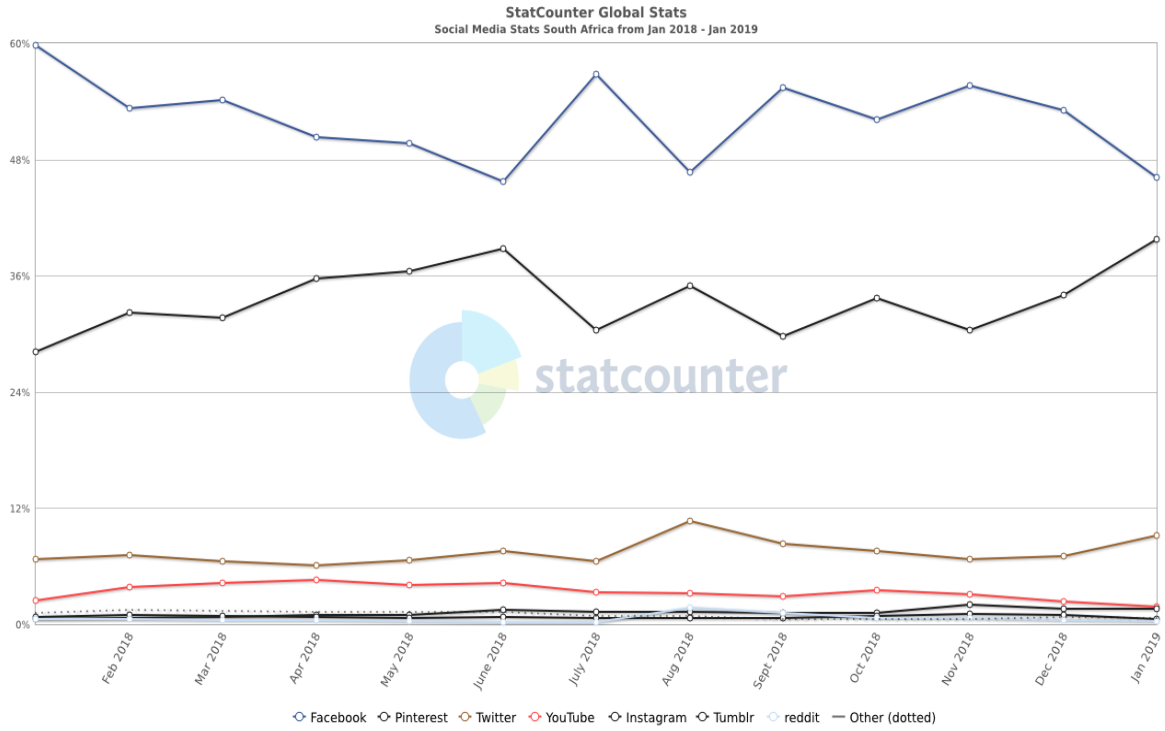
trusting and having a relationship with each other by identifying the type of content that a user shares on their social platforms and the manner in which the content is shared by the user (Ngai et al., 2015). Lastly on the social media functionality framework is “groups”. Groups looks at the crowds that a user attracts on social media. The bigger the crowd attracted, the bigger the network created, which tends to be more influential (Hashim, 2017).

According to (Kemp, 2018) there are 3.196 billion active social media users in the world currently and this number has increased by 13 percent from 2017. Kemp (2018) also mentions that Facebook is the most popular social media platform globally with 2.23 billion users that are active monthly and users are said to spend over 20 minutes on average engaging on this platform and sharing different types of content they are interested in with other users. An average user is also said to be connected with 150 other (Statista, 2018). Smartphones are also said to be the preferred device for going on social media standing at 52percent with a 4percent increase from 2017 (Statista, 2018).

According to Qwerty, 2017, 15 million users utilise social media platform and from that number, 13 million use their mobile devices to access various platforms which indicate that SMEs should focus on social media marketing that is conducive for mobile social media platforms. South Africans are said to spend on average about 2.54 hours per day on social media platforms and spend 70percent of their weekly activities on these various platforms which indicates that brands should focus on improving their social media marketing because most consumers spend a significant amount of time on their online activities on social media.

Figure 1 below shows the digital platforms growth in South Africa from January 2018 - January 2019.

Figure 1: Social media Stats South Africa



Source: http//www.qwertydigital.co.za

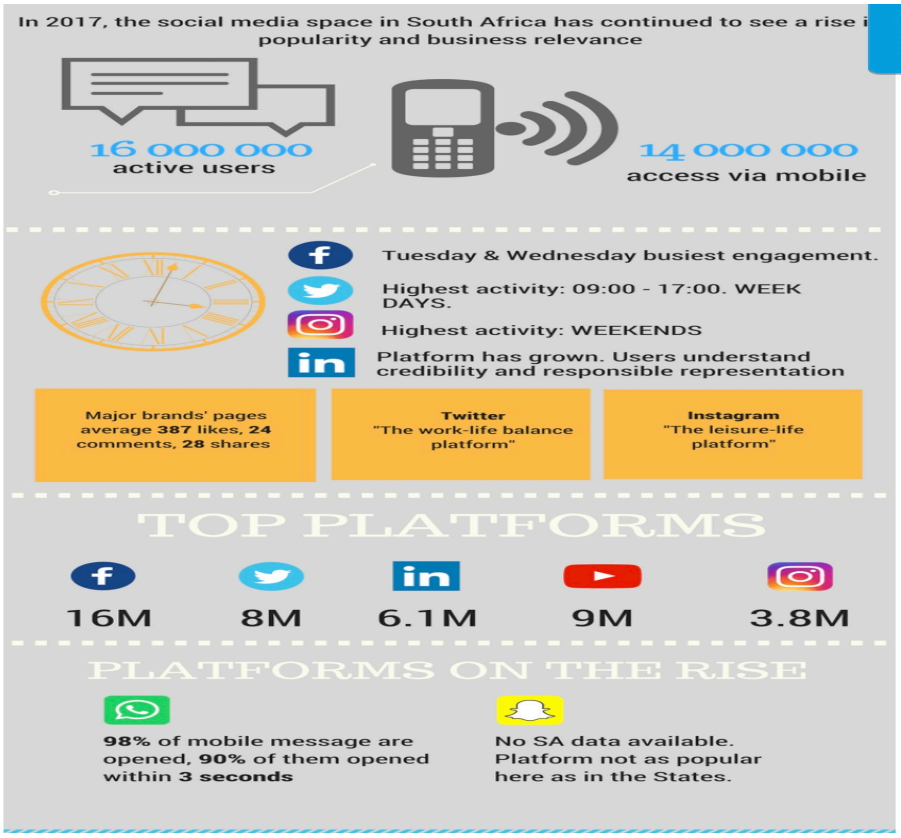
2.3 Social media business tools

According to (Bryant, 2016), firstly it is important for any small business who wants to have a social media presence to maintain the same username on all platforms that they decide to choose for their business. Secondly, the business must have a website that is linked to its social media platforms to make it easier for people who view their websites to connect with the brand on their platforms (Bryant, 2016). Thirdly, SMEs should make a list of their competitors as well as their industry leaders to study their patterns. This way they can find patterns from the brands that are currently excelling in the adoption of social media platforms and find ways to incorporate those patterns into their own businesses (Kalkan, 2017). This will also indicate what other brands are doing to consistently build their brand.

According to (Packer, 2011), social media is a new business practice that is used to market products and services via various social media platforms. Saravanakumar & SuganthaLakshmi (2012) and notes that social media marketing uses different social media platforms to extend traditional marketing practices. Furthermore, social media marketing is said to give allowance to for information to be distributed among users at a very rapid pace using mobile phones and web technologies whereby these users share information, post about products, repost shred information, co-create content and discuss and generate content on products and services they come across on social media (Kaur, 2016). Bryant (2016) mentions that it is highly important that any business that embarks on social media marketing must post daily on at least one platform in order to generate traffic and grow their business.

Social media business tools on the other hand help businesses to reach their target audience and leverage from maximum results through. Social media business tools are also effective when SMEs know what it is that they want to achieve in selecting business tools that are the most effective in achieving that objective (Gray, 2018). In addition, social media business tools also help businesses manage their social media platforms and the content they display to prospective customers and current consumers. Furthermore, social media business tools form part of management tools which help businesses in monitoring and engaging with audiences on social media. Social media business tools are effective in that they provide busineses with reports for companies to analyse and gauge whether using social media in their firms is beneficial or not. There are various business tools in the market available for different social media pltaforms which businesses can utiilise such as Hootsuite, Adespresso, Agora Pulse, bitly, buffer, feedly to mention a few (Gray, 2018). These various business tools provide businesses with publishing and scheduling, competitor analysis, analytics , automation and management. According to Metcalfe's law, a network becomes more effective when more people join it and therefore social media business tools become increasingly effective the more businesses can get involved in utilising them well (Hove, 2014).

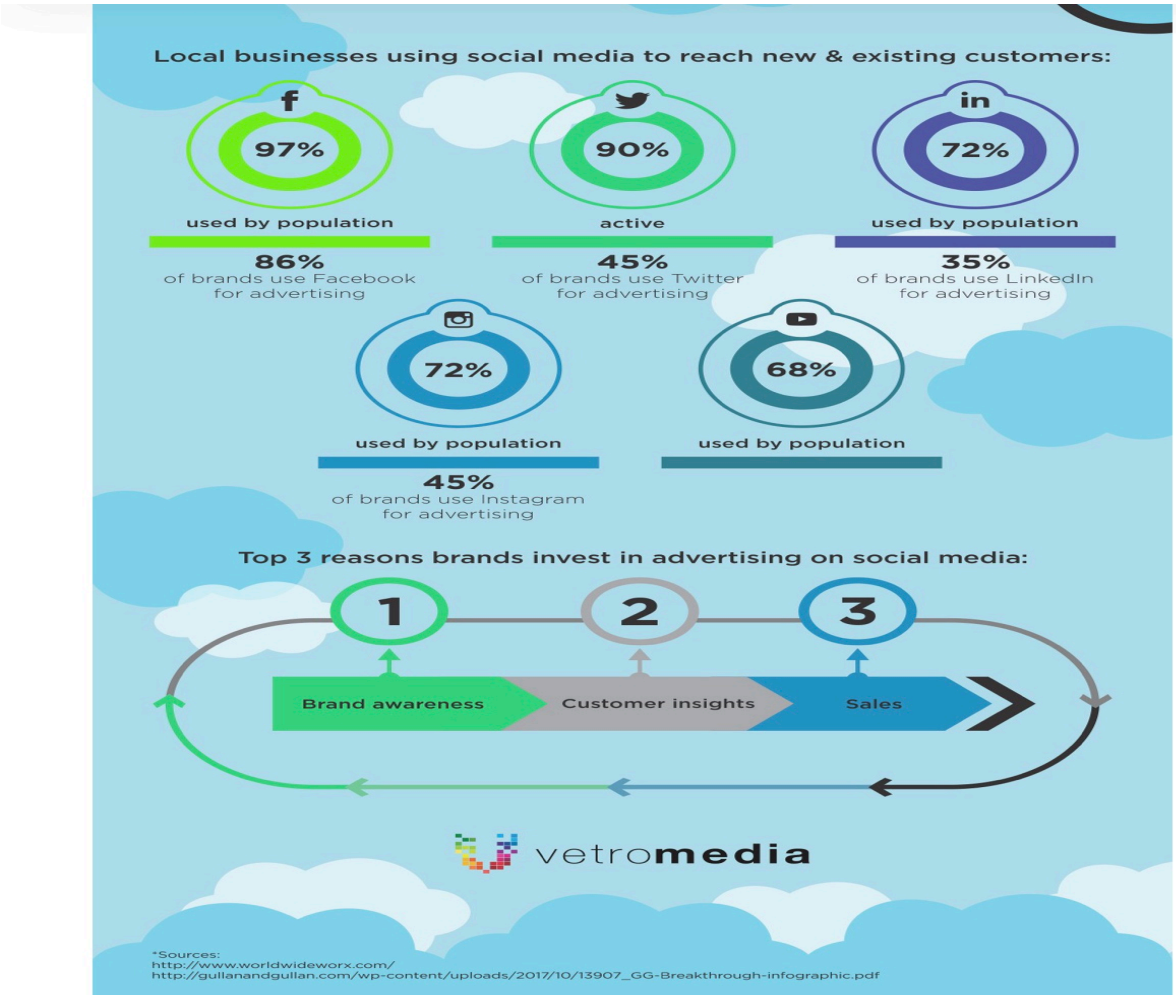
Figure 2: Consumption of the top social media platforms used in South Africa.



Source: http//www.BlueMagnet.co.za

Figure 3 below shows the stats of local businesses using social media to reach new and existing customers.

Figure 3: Local businesses using social media to reach new and existing customers.



Source: http//www.vetromedia.co.za

2.3.1 Facebook business tools

Facebook is the most popular social media platform with over 2 billion users worldwide (Kaur, 2016). In South Africa, there are 16 million active Facebook users which accounts for 29percent of the population (BlueMagnet, 2018). Facebook has business tools that assist companies with getting more traffic to their social media platforms, distributing appropriate advertising and content creation in order to engage with customers effectively and increase a company's customer-base. A tool that has recently been introduced for Facebook business

is AdEspresso whereby companies can create ad campaigns in one place and allows the engagement of customers to co-create the campaigns with the brands. This allows for a great amount of interactivity between the consumer and the firm (Carmody, 2018).

Another tool that works well with Facebook business accounts is Hubspot. This tool helps with monitoring and publishing to social media accounts and also get reporting data on the posts that drive the most customer engagement as well as the posts that drive the actual sales and leads (Forbes, 2017). Social Flow is another popular tool that can be used on Facebook business as its function is to optimise posts based on real time data by giving a prediction of the best times to post content in order to gain attention from the audience that is targeted. Figure 3 above indicates that local businesses rae currently using social media to reach new and existing customers.

According to Vetro Media, 2018, 86percent of local businesses use Facebook for advertising, 45percent use Instagram business for advertising and 45percent use Twitter business to acquire customers. Ainin, Parveen, Moghavvemi, Jaafar, & Shuib (2015) and Kalkan (2017) also mention in their studies conducted in Malaysia and Turkey, that over 90percent of businesses used the Facebook business feature to gain traffic and attract new customers. Hassana, Nadzimb, & Shiratuddin, 2015 mention that they conquer with Mc Cann (2015), in that small businesses should not ignore the number of people who are regularly on these platforms and communicating with brands. Therefore, SMEs would be foolish not to ignore the evolvment of these platforms to better their businesses and grow their customer base. However both authors agree that a plan needs to be in place on the SME's reasons for using social media tools as well as outlining its objectives clearly in light of growing the business, so that these objectives can be monitored and met using those tools. Facebook being the most popular platform led the author into formulating the following hypothesis:

2.3.1.1 Hypothesis 1

There is a positive relationship between the use of Facebook business tools by SMEs and customer acquisition.

2.4 Instagram business tools

Instagram is a social media application used to communicate with the target audience and create unique visual content for a business. In South Africa, there are currently 3.8 million active users of this platform (BlueMagnet, 2018). It is said to have seen exponential growth since its inception with approximately 1 billion people users in the world. (Kemp, 2018) mentions that it has gained a lot of attention since its inception and it seems to be a platform that most customers are having more of an inclination towards. SocialDrift is a tool for Instagram in order for companies to grow their following on the platform and engage with their target audience on the platform. This in turn improves brand awareness and drives an increase in followers who can potentially become customers of a brand. Another popular business tool for Instagram is Owlmetrics which helps brands to gain information on the engagement of customers on the platform and the performance of types of content among the target audience. This tool is especially important for brands who need to grow their Instagram presence.

According to (Drummonda, McGratha, & O'Toole, 2018) managing a company's Instagram platform well can yield great results for the firm by knowing what consumers want, what kind of posts are appealing to them and how to engage with consumers effectively to grow your customer acquisition and increase the awareness of the brand which potentially leads to making sales. Parveen, Noor, Jaafar, & Ainin (2018) mention that it is highly important for SMEs to establish the type of brand they want to portray to customers and a good understanding of their target audience, to know which social media business tools would work best for growing that brand. For example, brands that are highly concerned about aesthetics would opt to be more social on Instagram and therefore use social media business tools that work hand in hand with what they are trying to achieve.

Therefore the following hypothesis is proposed;

2.4.1 Hypothesis 2

There is a positive relationship between the use of Instagram business tools by SMEs and customer acquisition.

2.5 Twitter business tools

Some consumers use Twitter as a platform to discover companies online and follow their tweets for as long as they hold interest for them (Obschonkaa, Fisch, & Boyd, 2017). Twitter is also used by companies for job searches and recruitment which helps engage job seekers and for companies to attract the right pool of talent. In South Africa there are currently 8 million active Twitter users (BlueMagnet, 2018). Moreover, it is important for companies to use this platform effectively in order keep customers engaged with the brand and acquire new customers that may find the brand desirable based on their tweets and the content shared.

Twitter business tools also enhance features that make the company aware of what others are saying about the brand. Buffer is a tool used by businesses in order to manage their social media marketing (Gray, 2018). It simplifies the way in which brands can schedule their posts and publish them automatically according to the posting schedule created by the company as well as to analyse the performance of the platforms used and manage all accounts in one place. This tool makes it easy for companies to maintain a consistent presence on social media to build a great following and influence. This tool also helps firms to track their engagement and interactions on the posts they share to see how their content is performing across all social media accounts.

Another popular business tool is called bit.ly analytics. This tool offers rich analytics that include the amount of times a link in a “tweet” has been clicked as well as the network provider used. “Tweetdeck” is another social media management tool and known to be one of the best priced ways to be present on

Twitter. It is a great way of scheduling content quickly and in following a number of conversations on twitter at once. Because of the immediacy and fast pace of twitter. This tool makes it much more enjoyable and helps brands to be easily visible and followers which would lead into acquiring customers easier. According to Iankovaa, Daviesb, Archer-Brownc, Marderd, & Yaue (2017) companies or brands focused on acquiring customers mainly through engagement in terms of following conversations, would find Twitter to be the best platform, and Twiter's business tools would be beneficial to help connect and gain prospective customers. With this said the following hypothesis is proposed;

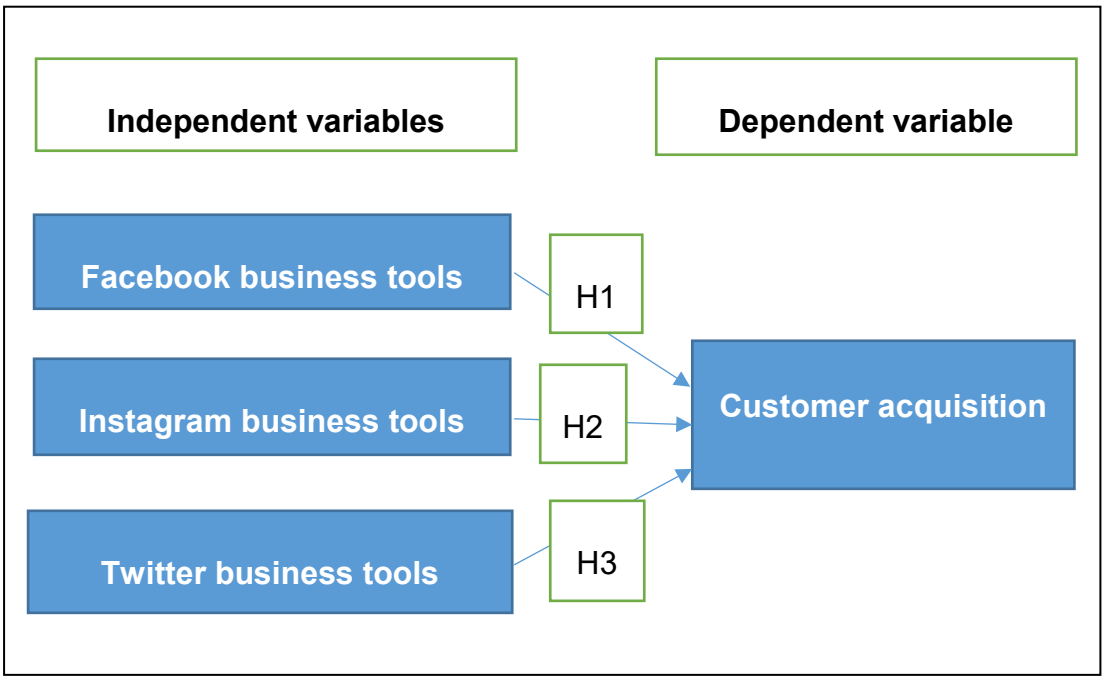
2.5.1 Hypothesis 3

There is a positive relationship between the use of Twitter business tools by SMEs and customer acquisition.

2.6 Conceptual framework of hypotheses

The conceptualisation of the variables of this framework is guided by the literature from (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015), (Dahnil, Marzuki, Langgat, & Fabeil, 2014), (Öztamura & Karakadılarb, 2014) in which each paper indicated a positive relationship of one business tool to customer acquisition.This then brought this study to combine all three business tools against customer acquisition to test its hypotheses. The framework shows a link between the independent variables (Facebook business tools, Twitter and Instagram business tools) with the dependent variable (SME performance). The conceptual framework is shown in **Figure 4** below:

Figure 4: Conceptual framework



Adapted from: ((Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015), (Dahnil, Marzuki, Langgat, & Fabeil, 2014), (Öztamura & Karakadılarb, 2014).

This conceptual framework indicates the following hypotheses:

Hypothesis 1 (H1): There is a positive relationship between the use of Facebook business tools and customer acquisition.

Hypothesis 2 (H2): There is a positive relationship between the use of Instagram business tools and customer acquisition.

Hypothesis 3 (H3): There is a positive relationship between the use of Twitter business tools and customer acquisition.

2.7 Conclusion of Literature Review

This section looked at the social capital theory and its value, then continued to the social network theory which entails networking ties. Networking ties are discussed in terms of weak and strong ties, zooming in mostly into Granovetter's take on the strength of weak ties, which is evident in the adoption social media as a significant part of everyday life and a huge platform for businesses to establish and grow their brands. It further looked at the various ways in which scholars are observing social media's evolvement in terms of social media marketing and business tools. Moreover, this section looked at the most popular business tools and how various scholars are emphasising the need for SMEs to set out their objectives first in order to establish which platforms to be active on and establish which social media business tools will work best for the business and get maximum effectiveness from utilising those tools.

From this literature review, it is evident that very limited research is done on social media business tools, especially in the South African context. Most scholars referred to in this literature review are from other countries and therefore this paper will be an addition to existing knowledge-base in the South African context. The literature review also provides knowledge on different tools for different platforms and what they are specifically used for. Furthermore, it provided information on other scholars' thoughts and theories surrounding these tools, which led into developing a conceptual framework. The conceptual framework presented is based on the suggested relationships between the dependent variable (customer acquisition) and the independent variables (Facebook, Instagram and Twitter business tools).

CHAPTER 3: RESEARCH METHODOLOGY

This section of the study looks at the research methods, research design, the population, sampling method, data collection, validity and reliability of the data, the research instrument and limitations of this study.

3.1 Research Methodology /Paradigm

A cross-sectional quantitative study was chosen for this research and the study and therefore takes on a positivist paradigm based on other studies that took a similar approach such as (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015). The researcher has no influence on the outcome of the results because the research was based on facts and no biasness, and will remain detached from the participants of the study. Primary data is used to conduct and collect data by the use of questionnaires conducted from a survey software which was distributed electronically. Some questionnaires were distributed physically by the author to the relevant participants. This survey asked a series of questions which were then evaluated by statistical analysis and the responses from the physically handed out surveys were manually added to an excel spreadsheet before running a statistical analysis using Qualtrics. The link between the independent and dependent variables of this study were then established.

3.2 Research Design

By using the positivist paradigm, hypotheses are tested to see whether the collection of data being analysed supports or rejects the hypotheses. Both online and hard copy surveys were used to capture the data and the questionnaires entailed a series of scaled questions. The online survey was created from Qualtrics software which the Wits Business School supplies. The purpose of the study, as well as the respondents' rights and protection of personal information were explained to the respondents and the participants were briefed about the research study. The respondents' right to privacy was also made clear in the data collection process.

3.3 Population and Sample

3.3.1 Population

This is a set of participants selected to partake in the study. The population selected assists in narrowing down the scope of the task. SME can be defined in terms of turnover or the number of employees in the business. Existing SME owners, managers and employees in Gauteng who are currently using social media business tools in their workplace were asked to participate in this research. SMEs in South Africa are companies with an annual turnover less than R64 million, with 2 or more employees and a direct involvement by the owner(s) of the company (Maduku, Mpinganjira, & Duh, 2016).

3.3.2 Sample and sampling method

A sample in research is used as a description of the population. It is beneficial to use a sample in representing a population because sampling lowers costs, it can give greater accuracy of results, it makes data collection quicker and it also allows availability of population elements (Blumberg, Cooper, & Schindler, 2014).The population interest for this study are SME owners, managers and employees in Gauteng, South Africa who use social media business tools in their workplace. A convenience sampling methodology was used for this study by distributing the questionnaire to the target SMEs from the researcher's circle of family and friends who either own, work or manage these SMEs. A database was also sourced from the Department of Small Business Development, some from a database that was provided by the National Small Business Chamber (NSBC).The National Small Business Chamber which is a non-profit organisation that focuses on fuelling the growth of small businesses (NSBC, 2018). A Qualtrics link was distributed to the target population from that database as well. Some of the responses had to be done physically by attending NSBC meetings and giving out the physical questionnaires to some of the SME owners, workers and managers because of a slow response rate that the researcher experienced. The sample of the businesses were selected using the following criteria:

- The SME operates in the Gauteng province
- They have a social media presence on at least one social media platform between (Facebook, Twitter and Instagram)
- They post content one at least one of the above mentioned platforms

The survey of this study entailed twenty nine (29) questions and took respondents approximately five minutes to complete.

The general rule is that for every twenty (20) questions, a hundred (100) should respond to make the sample relevant (Skilling, 2006). The survey of this study entailed twenty nine (29) questions, and the targeted sample size was one hundred and forty five (145) respondents. However, the author could only access 113 respondents which can still be considered a good sample size. The success rate to reach the target sample was 77.9 percent which still makes it a good sample size to analyse.

Table 1: Summary of survey

Variable	Description
Target population	SMEs owners, managers and employees
Population size	500
Geographical survey	Gauteng Province
Sampling unit	SMEs using at least one social media platform
Sampling error (confidentiality level)	95percent
Target respondents	100-150

Adapted from: (Ainin, 2015)

Table 2: Summary of survey response by medium

Distribution medium	Audience size	Number of responses	Response rate (Percentage percent)
Email	65	10	15.5percent
Physical hand-outs	150	67	44.7percent
Anonymous link	Unknown	36	Not quantifiable

3.4 The research instrument

Data was collected using questionnaires that were administered and distributed using Qualtrics software, as well as the printed out format of the survey (Appendix 1). Emails were also sent to some SMEs from the list provided by the Department of Small Businesses. The questionnaire consists of four parts.

Section A contained three questions based on the demographics of the SME in terms of the company size, the number of years that the company had been operating and the industry in which the SME operates in.

Section B had four questions which looked at how SMES acquire customers. This section looked at on which social media platform the SME has the most presence, how many times they post content weekly, how active they would rate themselves and their understanding of using social media business tools effectively. These questions were adopted from previous papers by Ainin et al, (2015), Hutter et al (2013), Dahnil, Marzuki, Langgat, & Fabeil, (2014), Jin & Phua (2014), Keppler

& Leonardi (2017), Maduku, Mpinganjira, & Duh (2016), Melanthiou, Pavlou, & Constantinou, (2015), Wang, Pauleen, & Zhang, 2015.

Section C was divided into three parts and as a whole comprised of the constructs of interest of this study which are the social media business tools usage on firm performance in terms of increasing customer acquisition.

The first part focused on Facebook business tools usage and customer acquisition with the following questions that indicate how their firm uses social media business tools. There were ten items as follows:

• Advertise and promote product and services (FB1)
• Create brand visibility (FB2)
• Conduct marketing research (FB3)
• Get referrals (word of mouth via likes, shares and followers on Facebook, Instagram, Twitter) (FB4)
• Develop customer relations (FB5)
• Communicate with customers (FB6)
• Conduct customer service activities (FB7)
• Receive customer feedback on existing product/services (FB8)
• Receive customer feedback on new/future product/services (FB9)
• Reach new customers (FB10)

These questions were adopted from Dahnil et al, (2014), Jin & Phua, (2014), Maduku, Mpinganjira, & Duh, (2016), Wang, Pauleen, & Zhang (2015).

The Second part of the section focused on Instagram business tools usage and customer acquisition and the questions that were intended to answer this variable there were seven items as follows:

• Our customers easily recognize us based on our social media usage than other media (INS1)
• Social media gives our business a positive image (INS2)
• Our customers make purchases based on the content posted on our social media (INS3) platforms
• Our customers easily distinguish us from our competitors because of our social media posts (INS4)

• Our product offerings are easily distinguished because of our social media posts (INS5)
• Reduced the cost of advertising and promotion (INS6)
• Improved customer relationship management (INS7)

These questions were adopted from the following studies; Ainin et al (2015), Hutter et al (2013), Jin & Phua (2014), Kalkan (2017), Macdonald & Sharp (2000), Melanthiou, Pavlou, & Constantinou (2015).

Lastly, Twitter business tools usage and customer acquisition was measured according to the following five items:

• Enabled faster delivery of information to customers (TWI1)
• Reduced the cost of customer service and support (TWI2)
• Customers buy our offerings based on interaction with us within 3 months (TWI3)
• Customers interact with us based on the pop-up ads seen on social media and conversations created by us (TWI4)
• Customers buy from us based on the product reviews from their social media networks (TWI5)

These questions were adopted from Ainin, et al (2015), Keppler & Leonardi, 2017), Margaret & McCann (2015), Obschonkaa, Fisch, & Boyd (2017).

The statements of the survey were measured using a seven-point Likert scale where 1 represented “strongly disagree” and 7 representing “strongly agree”.

3.5 Procedure for data collection

Data was collected from SMEs using a structured research instrument. The data was collected from November 2018 to January 2019. The questionnaire was sent to existing SMEs with a social media presence. These SMEs were selected from a database from the Department of Small Business Development and from the researcher’s network of friends and family who work, manage and own SMEs. The physical hand-outs were distributed at various NSBC meetings that took place in November and January.

The questionnaire was initially distributed via Qualtrics which had a very slow response rate and led the author to sending out direct emails of the link, asking friends and family to share the link and hiring two individuals visit the target audience's meetings to physically hand-out the questionnaires. Whatsapp messages and statuses as well as the author's Instagram statuses were also used to distribute the link to the survey. Friends and associates were also asked to share the survey link to the relevant people using their various social media sites such as Instagram, Twitter and Facebook platforms.

However, Physical hand-outs worked best for this research and the majority of the responses for this project were received in this way, regardless of the fact that this was a study conducted about social media usage. The author then captured the data from the physical hand-outs on excel and combined the responses from Qualtrics together to form one database which was later converted into SPSS after cleaning the data in excel. Five people from the author's circle of friends with a large following on various social media platforms were also rewarded with lunch vouchers. Moreover, the two individuals that assisted with the physical hand-outs were also compensated.

Qualtrics software was used to record and track the online responses from the participants. A welcome message was on the questionnaire explaining the purpose of the study, what is required from the participant, a confidentiality clause as well as the required time it takes to complete the questionnaire. The same was also done for the physically handed out questionnaires. Follow up phone calls, messages and emails were also made to ensure that responses were received according to the target that the author set each week during the data collection period. Once the target number of responses were received data was captured, cleaned and integrated for analysis using SPSS. Descriptive statistics were used to represent the demographics of the SMEs. Reliability and validity analysis were also done to analyse the scales.

According to Blumberg, Cooper, & Schindler (2014), ethics are the standards or norms that must be followed so that no person is harmed or suffers any

consequences by participating in this research. In ensuring that this was enforced, the benefits of the study were explained to the participants as well as the rights and protection. A consent form was filled out by participants with a “yes” or “no” option on the questionnaire and the guidelines of the university were followed.

3.6 Data analysis and interpretation

3.6.1 Descriptive statistics

After validating data, descriptive statistics were drawn using SPSS. Demographic statistics is important in order to determine the sample characteristics and these demographics are important in checking if the sample used is a good representation of the population it was taken from as whole (Field, 2013). The demographics of this study include, company size, years of operating, industry of SME. The demographics of the SMEs give a better understanding of the context of where the study was performed and the respondents of the study. Descriptive statistics entails using graphs, tables and numbers for classification of data as well as for presenting and analysing data (Blumberg, Cooper, & Schindler, 2014). The data collected was run through SPSS and chapter 4 of this report looks at the various figures and tables of the results.

3.6.2 Exploratory Factor Analysis

The main conditions for an exploratory factor analysis includes; a relationship between variables must exist. Secondly, an adequate sample size must be present because a larger sample size is ideal when conducting this analysis in order to get more outcome factors that are reliable (Kenett et al, 2015). An exploratory factor analysis was completed to analyse the scale items and converged into factors to explore the relationships in the data. Firstly, the author needed to check that the conditions were good enough to conduct a factor analysis by checking the sample size of this study, any outliers present in the data, any missing values in the data, normal distribution as well as the types of variables being analysed. After that was done, the number of factors were

determined. New items were concluded, and the results were interpreted accordingly. This then required a reliability and validity check.

In this study SMEs were surveyed to determine if Facebook, Instagram and Twitter business tools increase customer acquisition. Results of the analysis are presented in chapter 4.

3.6.3 Correlation Analysis

Before a regression analysis can be done, it is important to do a correlation analysis in order to test if there is a relationship between the variables of the study (Kenett, Huang, Vodenska, Havlin, & Stanley, 2015). This analysis gives an indication of the strength of the relationship of the variables and whether there is either a positive or a negative relationship between the independent and the dependent variables. In order to test the correlation, Spearman or Pearson tests are used. For this study, the author used a Pearson test to correlate with the 7 point Likert scale of the survey that was used to collect data. For a Pearson correlation, the measure of the coefficient correlation denoted as r ranges between -1 and 1. -1 indicates that there is strong negative relationship and 1 representing a strong positive relationship whereas 0 represents no correlation (Field, 2013).

A positive correlation simply means that as one variable increases the other increases in the same direction or when one decreases the other variable also decreases. A negative correlation means that when one variable increase the other decreases. A correlation analysis was done for this research paper to determine if the usage of social media business tools by SMEs positively influences their customer acquisition. Correlations were evident in this study as well as the strength of their relationships and evidence is presented in chapter 4 of this research study.

3.6.4 Regression Analysis

After it has been discovered that there is a linear relationship present within the variables of the study. A regression analysis is done in order to look at the association of the independent (predictor) and dependent (outcome) variables of this study (Field, 2013). A simple linear regression was done for this study because it consists of independent variables on one dependent variable with no mediators, specifically looking at the association between Facebook, Twitter and Instagram business tools usage by SMEs and increased customer acquisition. A regression analysis outcome shows a model summary with the Pearson correlation coefficient (R). This coefficient correlation gives an indication of the variable relationship strength whereby a value close to 1 shows a strong positive relationship and a value close to -1 shows a strong negative relationship. In turn 0 shows that there is no relationship.

A positive R value gives an indication that when the predictor variable increases, the outcome value also rises and when there is a negative R value, it simply means that the outcome value reduces when the predictor value rises. On the other hand, regression analysis entails (R-squared) which is known as the coefficient of determination. This measures the model's projections capacity. Once a regression analysis is done, the researcher is able to interpret the data and conclude if the data supports the hypotheses being tested.

3.7 Validity and reliability of research

3.7.1 External validity

This refers to an observed causal relationship that can be generalised across settings, people and times (Blumberg, Cooper, & Schindler, 2014) which this study tested. Similar existing papers projected positive relationships between the use of social media business tools and customer acquisition as well as a positive relationship between using social media platforms business features to grow SMEs. Those studies were from (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015; Dahnil, Marzuki, Langgat, & Fabeil, 2014; Drummonda, McGratha, &

O'Toole, 2018; Hassana, Nadzimb, & Shiratuddin, 2015; Kalkan, 2017; Keller & Fay, 2016; Maduku, Mpinganjira, & Duh, 2016; McCann & Barlow, 2015; Obschonkaa, Fisch, & Boyd, 2017; Parveen, Noor, Jaafar, & Ainin, 2018; Wang, Pauleen, & Zhang, 2015 and Öztamura & Karakadılarb, 2014).

3.7.2 Internal validity

This looks at whether the instrument measures exactly what it is intended, and in this case is the predictor for outcome variables (Blumberg et al, 2014). The variables of this study were measured separately in order to see the validity of the research design.

3.7.3 Reliability

Reliability looks at how consistent and stable a questionnaire is in terms of the constructs that it intends to measure. The reliability of this study was measured using the Cronbach alpha which is a statistical reliability measure. According to Field (2013), Cronbach alpha uses a zero to one range and acceptability ranges from 0.65-0.8. Any items that fall out of this range will therefore be deleted.

3.8 Limitations of the study

- There are currently a few papers done on this topic and therefore a comparison of results is limited especially in the South African context.
- Most papers from other scholars don't specifically focus on the exact business tools and information is generalised from a social media marketing perspective, which limited this study compared with other research papers.
- Some SMEs that participated may use social media platforms but lack an understanding of the social media business tools used in their company.
- Some SMEs may be using social media platforms in general, but not the business tools of those platforms which might have affected the results.
- This research was conducted using a survey therefore interviews or follow up conversations could not be done in case of other issues arising.

CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

These are the completed results from the respondents of the research study. The results from the participants were analysed using SPSS software and explained the basis of the concepts written in the previous chapters. The questionnaire for this study was distributed via Qualtrics, Whatsapp Links, Instagram links, emails as well as physical hand-outs to relevant focus groups in which the results of physical hand-outs were captured on an excel spreadsheet and later converted into SPSS.

This chapter starts with presenting the demographics of the SMEs who participated in this study, followed by a presentation on the usage of three social media business tools used by the sampled SMES by testing the three hypotheses made and lastly, a closing summary of the chapter.

4.2 Demographic profile of respondents

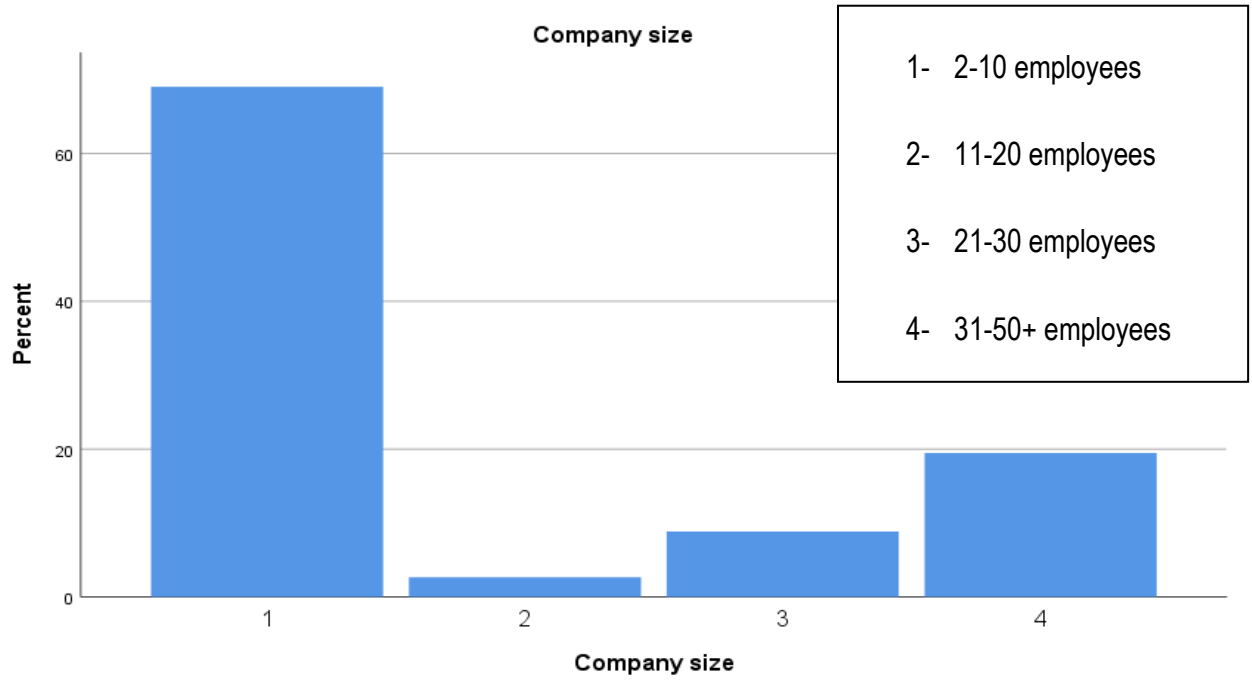
The data set consisted of 115 respondents. For all the demographics constructs namely; company size, years of operating, number of weekly posts, most social media presence, there were no missing values. Two respondents from this data set had 80percent missing values therefore the author deleted those two cases and was left with 113 responses. One case on the data set had 2 missing values, however the author decided to keep it as majority of the questions were completed making it good enough to keep for analysis. The below tables and figures present the analysis of the demographics of this study.

Table 3: Company size frequency table

Company size

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2-10 employees	78	69.0	69.0	69.0
	11-20 employees	3	2.7	2.7	71.7
	21-30 employees	10	8.8	8.8	80.5
	31-50+ employees	22	19.5	19.5	100.0
	Total	113	100.0	100.0	

Figure 5: Company size



Source: Primary data

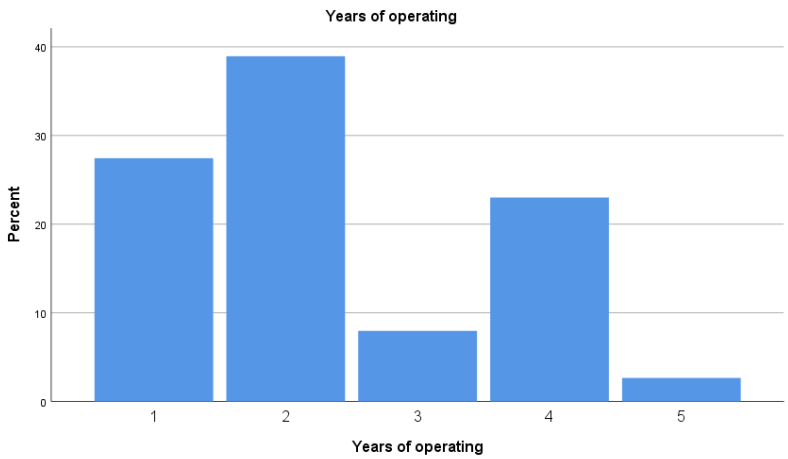
From **Figure 5** the total number of participants were 113. 69percent of the SME respondents have 2-10 employees in their company, 2.7percent of the SMEs have 11-20 employees, 8.8percent have 21-30 employees and 19.5percent have 50 plus employees in their firm. Most of the survey respondents were from a smaller company size of 2-10 employees.

Table 4: Years of operating frequencies

Years of operating

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 years	31	27.4	27.4	27.4
	3-4 years	44	38.9	38.9	66.4
	5-6 years	9	8.0	8.0	74.3
	7+ years	26	23.0	23.0	97.3
	5	3	2.7	2.7	100.0
	Total	113	100.0	100.0	

Figure 6: Years of operating



1- 1-2 years

2- 3-4years

3- 5-6 years

4- 7+ years

Source: Primary Data

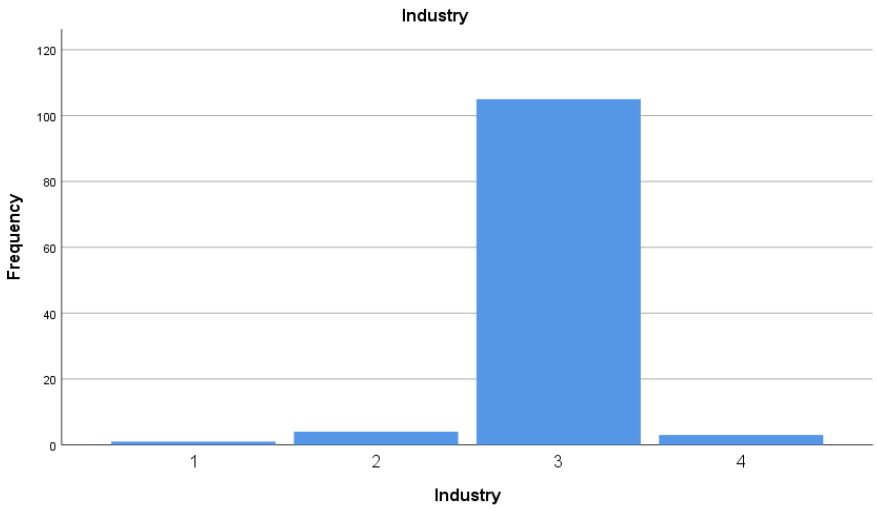
From **Figure 6,** 113 SMEs responded and 27.4 percent have been operating for 1-2 years, 38.9percent have been operating for 3-4 years, 8.0percent have been operating for 5-6 years and 23percent have been operating for 7 plus years. The majority of the respondents fall under the 1-2 years of operating which could indicate that the new SMEs are adopting these tools more.

Table 5: Industry frequencies

Industry

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Raw materials	1	.9	.9	.9
	Manufacturing	4	3.5	3.5	4.4
	Products and Services	105	92.9	92.9	97.3
	Intellectual services	3	2.7	2.7	100.0
	Total	113	100.0	100.0	

Figure 7: Industry frequencies



1- Raw materials

2- Manufacturing

3- Products and services

4- Intellectual services

Source: Primary data

From **Figure 7** all 113 participants responded. 0.9percent of the SMEs are in the raw materials industry, 3.5percent from manufacturing industry, 92.9percent from

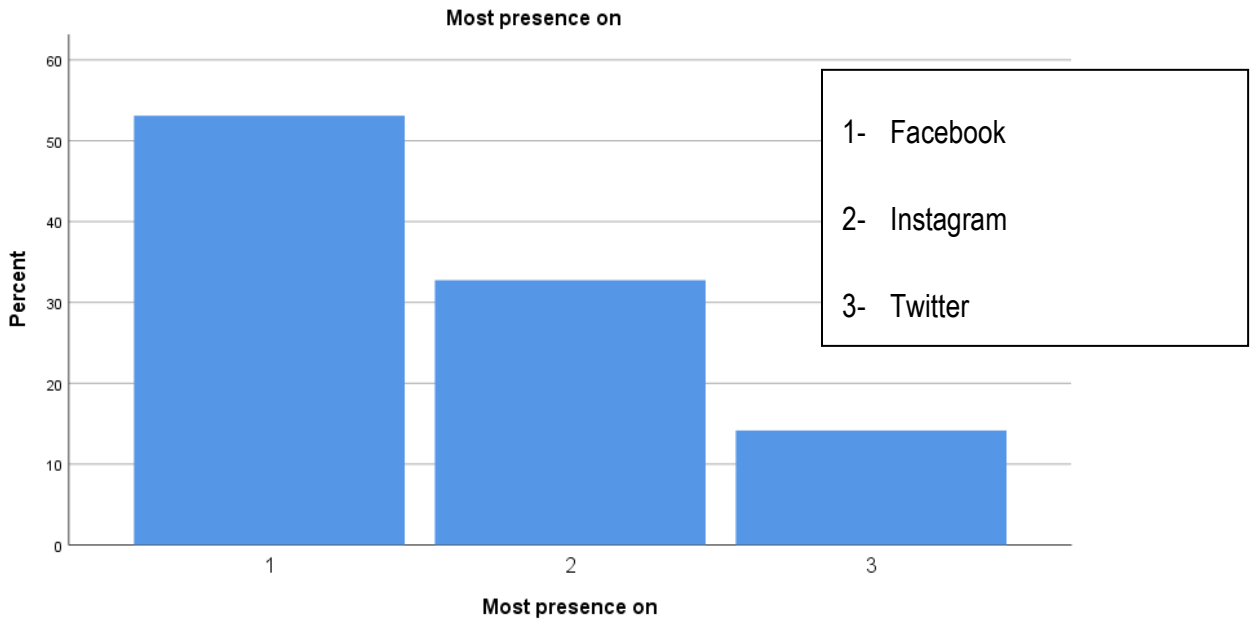
the products and services industry and 2.7percent from the intellectual service industry. This indicates that majority of the SMEs that participated in this study are from the products and services industry.

Table 6: Social media presence frequencies

Most social media presence on:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Facebook	60	53.1	53.1	53.1
	Instagram	37	32.7	32.7	85.8
	Twitter	16	14.2	14.2	100.0
	Total	113	100.0	100.0	

Figure 8: Social media presence



Source: Primary Data

Figure 8 above indicates that there were 113 respondents. 53.1percent of the SMEs have a strong presence on Facebook, 32.9percent have a strong presence on Instagram and 14.2percent have a strong presence on Twitter. Just above 50percent of the respondents of this study have a strong presence

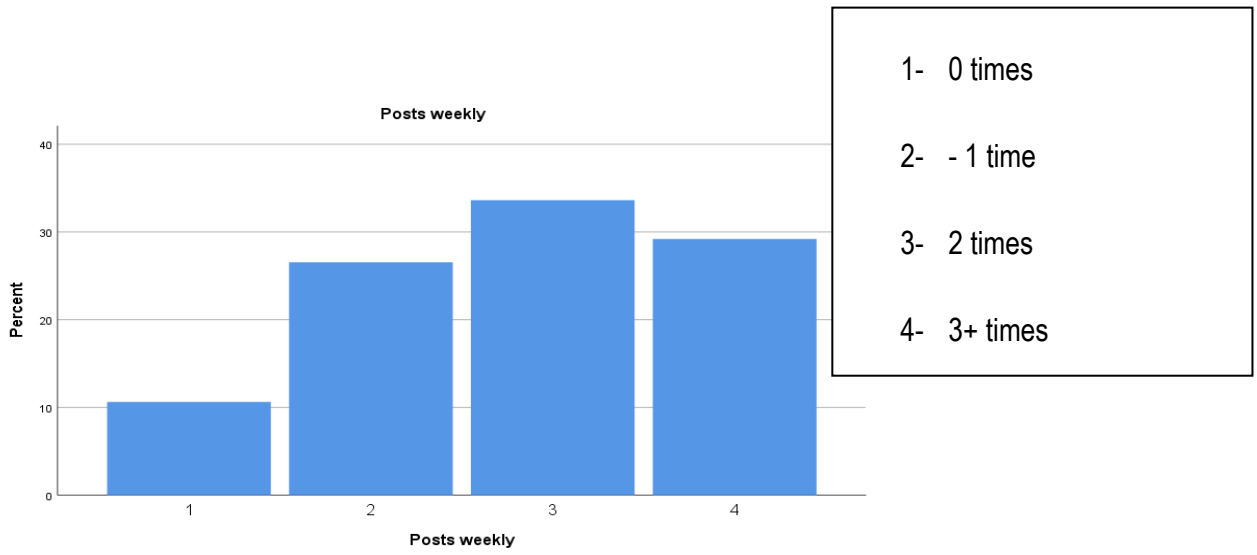
on Facebook. All participants of this study fell into the three social media platforms that the author specifically wanted to focus on which makes the participants of the study the right target market to get an understanding of the usage of three social media business tools discussed in this paper.

Table 7: Content posts per week

Posts weekly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 times	12	10.6	10.6	10.6
	1 time	30	26.5	26.5	37.2
	2 times	38	33.6	33.6	70.8
	3+ times	33	29.2	29.2	100.0
	Total	113	100.0	100.0	

Figure 9: Content posts per week



Source: Primary Data

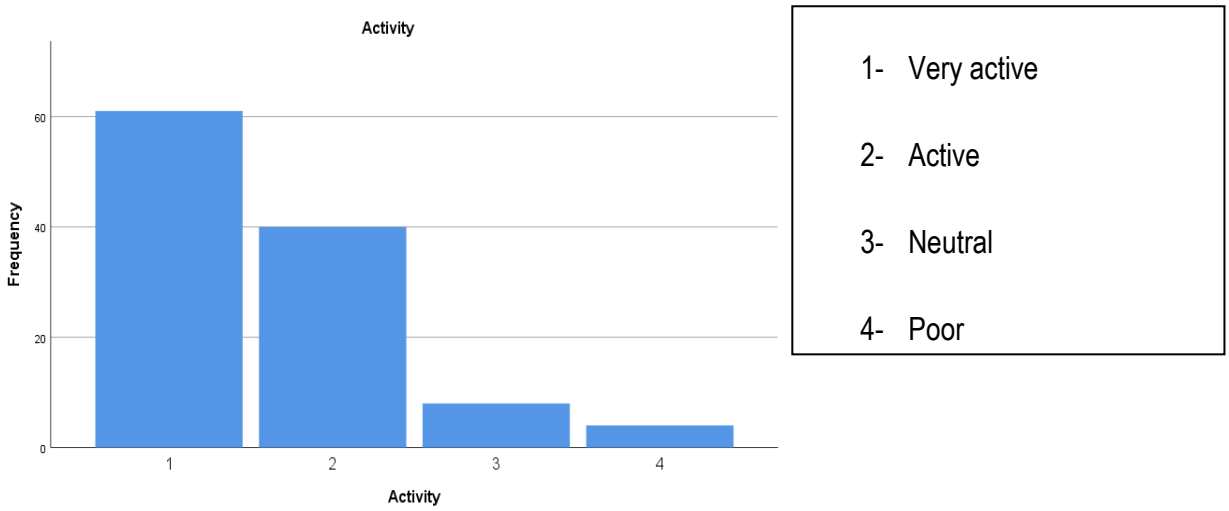
From **Figure 9** above, there were 113 respondents and 10.6percent of the SMEs posts 0 times per week. 26.5percent post content at least once a week. 33.6percent of the respondents post at least twice a week and 29.2percent post content 3 times and more per week. This question was of importance and results indicate that only 10.6percent posted 0 times a week meaning that majority of the respondents posted weekly and were the right target for the study, therefore they could respond to the series of questions accordingly.

Table 8: *Social media Activity*

Activity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very active	61	54.0	54.0	54.0
	Active	40	35.4	35.4	89.4
	Neutral	8	7.1	7.1	96.5
	Poor	4	3.5	3.5	100.0
	Total	113	100.0	100.0	

Figure 10: Social media Activity



Source: Primary Data

From **Figure 10,** all 113 participants responded to this question and 54percent of the SMEs indicate that they are very active on their social media platforms. 35.5percent of the SMEs indicate that they are active on their social media platforms. 7.1 percent of the SMEs indicate that they are neither active nor not active on their social media platforms. Lastly 3.5percent of the SMEs indicate that their activity on their social media platforms is poor. Majority of the SMEs responded that they are active on their social media platforms which makes this data set reliable to conduct this study.

4.3 Analysis of customer acquisition

To understand the dependent variable - customer acquisition, the researcher asked SMEs if they currently understand how to use social media effectively to in order to grow their customer base.

From **Table 9** below, 1.8percent disagree with the statement, 4.4percent somewhat disagree, 23.9percent neither agree nor disagree, 16.8percent somewhat agree, 36.3percent agree and 16.8percent strongly agree.

Table 9: Customer acquisition frequency table

CA1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	1.8	1.8	1.8
	Somewhat Disagree	5	4.4	4.4	6.2
	Neither agree/ disagree	27	23.9	23.9	30.1
	Somewhat agree	19	16.8	16.8	46.9
	Agree	41	36.3	36.3	83.2
	Strongly agree	19	16.8	16.8	100.0
	Total	113	100.0	100.0	

Source: Primary data

Figure 11: Customer acquisition

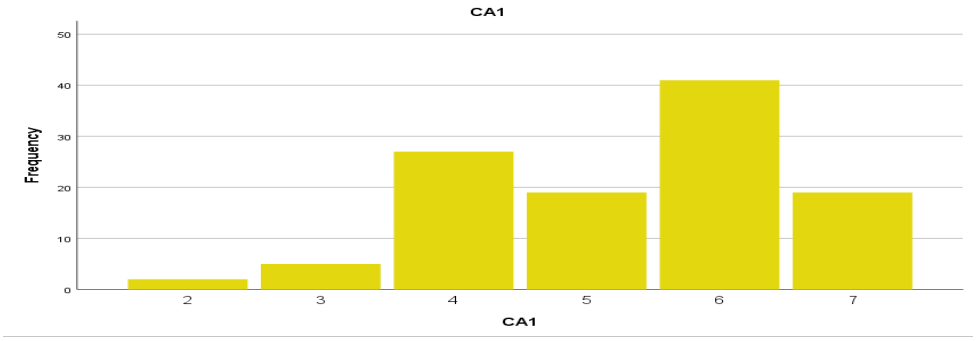


Table 10: Summary of descriptives

DESCRIPTIVE	HIGHEST SCORE CATEGORY	PERCENTAGE (PERCENT)
Company size	(2- 10 employees)	69percent
Years of operating	(3-4 years)	38.9percent
Industry	(Products and services)	92.9percent
Most social media presence	(Facebook)	53.1percent
Number of posts on a weekly basis	(2 Times)	33.6percent
Activity on social media platforms	(Very active)	54percent
Customer acquisition analysis	(Agree)	36.3percent

4.4 Exploratory factor analysis

Before the researcher conducted a factor analysis, the main conditions were checked. Firstly the researcher checked if they had an adequate sample size of which must be at least 100 cases. This study has 113 cases therefore it qualifies for an exploratory factor analysis. The researcher also looked at having at least three variables per likely factor to conduct this. In the 113 cases, the author discovered 2 missing values on FB9 and INS6 on case number 20. These missing values were replaced by conducting a series mean. This then led to all fields with no missing values and a factor analysis was conducted. A factor analysis is simply used for representing multiple relationships between variables (Field, 2013). It also shows the items that received a similar response from respondents. In order to validate assumptions of the study a Keiser-Meyer-Olkin (KMO) test was run together with a Bartlett's test of Sphericity. **Table 11** below shows the results from conducting a KMO and Bartlett's test:

Table 11: KMO and Bartlett's test

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.833
Bartlett's Test of Sphericity	Approx. Chi-Square	2471.581
	Df	253
	Sig.	.000

The KMO test checks whether there is a sufficient items in each factor of the sample, and anything below 0.5 is not acceptable. Any value above 0.5 and preferable 0.6 is acceptable. According to this study, the KMO measure of sampling adequacy is 0.833 which then gives a confirmation that there are enough items for each factor.

The Bartlett's test of Sphericity checks if the sample is from a population with equal variances. Any value below 0.5 is accepted and gives an indication that the

factor analysis will provide useful data. From this study significance value is 0.00 which is a good indication that the variables are correlated enough to give a reasonable source of factor analysis.

In terms of factor extraction, the researcher used an orthogonal method called varimax for the rotated factor matrix even though in the beginning the author used direct oblimin which is an oblique method that assumes that there is a relationship in the variables. The results of the analysis are shown in **Table 12** as follows;

Rotated Component Matrix[a]

	Component			
	1	2	3	4
FB1	.337	.612	.171	.246
FB2	.714	.111	.130	.108
FB3	.423	.021	.345	.513
FB4	.731	.165	.162	.479
FB5	.628	.400	-.034	-.006
FB6	.673	.569	.169	-.043
FB7	.662	.321	.338	.244
FB8	.696	.300	.311	.323
FB9	.832	.209	.097	.134
FB10	.255	.740	.053	.364
INS1	.291	.438	.636	.324
INS2	.138	.266	.097	.810
INS3	.448	.419	.385	.444
INS4	.243	.752	.314	.371
INS5	.300	.652	.256	.367
INS6	-.091	.271	.771	.334
INS7	.143	.737	.492	.061
TWI1	.218	.788	.373	-.155
TWI2	.370	.112	.767	.037
TWI3	-.028	.256	.818	.187
TWI4	.499	.083	.614	-.057
TWI5	.248	.247	.806	.047

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

Table 13: Total variance Explained

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	percent of Variance	Cumulative percent	Total	percent of Variance	Cumulative percent	Total
1	11.346	49.330	49.330	11.346	49.330	49.330	7.738
2	2.220	9.650	58.980	2.220	9.650	58.980	6.739
3	1.569	6.823	65.803	1.569	6.823	65.803	7.068
4	1.266	5.502	71.305	1.266	5.502	71.305	3.921
5	.983	4.274	75.579				
6	.875	3.802	79.381				
7	.796	3.460	82.841				
8	.582	2.530	85.371				
9	.555	2.412	87.783				
10	.483	2.100	89.883				
11	.393	1.710	91.593				
12	.354	1.538	93.130				
13	.293	1.273	94.404				
14	.251	1.091	95.495				
15	.237	1.031	96.526				
16	.183	.794	97.320				
17	.171	.746	98.066				
18	.109	.473	98.539				
19	.100	.437	98.976				
20	.079	.342	99.318				
21	.067	.293	99.610				
22	.059	.255	99.865				
23	.031	.135	100.000				

Extraction Method: Principal Component Analysis.

Table 12 indicates that the variance is divided amongst 23 possible factors of extraction and only four out of the 23 had eigenvalues greater than one which is a common criteria that determines the usefulness of a factor. Eigenvalue simply means a measure of explained variance (Osbourne, 2015). Out of the four factors that were extracted, Factor 1 has the strongest influence because it

explains 49.3percent of the variance. Factor 2 then follows with 9.7percent, factor 3 explains 6.8percent and lastly factor 4 explains 5.5percent of the variance.

In order to understand the factors extracted a rotated factor component was observed in **Table 12** below:

Table 12: Rotated component matrix

Rotated Component Matrix[a]

	Component			
	1	2	3	4
FB1	.337	.612	.171	.246
FB2	.714	.111	.130	.108
FB3	.423	.021	.345	.513
FB4	.731	.165	.162	.479
FB5	.628	.400	-.034	-.006
FB6	.673	.569	.169	-.043
FB7	.662	.321	.338	.244
FB8	.696	.300	.311	.323
FB9	.832	.209	.097	.134
FB10	.255	.740	.053	.364
INS1	.291	.438	.636	.324
INS2	.138	.266	.097	.810
INS3	.448	.419	.385	.444
INS4	.243	.752	.314	.371
INS5	.300	.652	.256	.367
INS6	-.091	.271	.771	.334
INS7	.143	.737	.492	.061
TWI1	.218	.788	.373	-.155
TWI2	.370	.112	.767	.037
TWI3	-.028	.256	.818	.187
TWI4	.499	.083	.614	-.057
TWI5	.248	.247	.806	.047

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

When conducting a rotated component matrix, loadings with a value below 0.32 were supressed to have a simple structure of the matrix and a clear indication of the factors extracted. The items that had a loading in multiple loading were ignored because they indicated a measurement purity lack but instead the author chose to select the highest factor loading on that item selected.

The analysis yielded a four-factor solution as reinforced by the scree plot: 9 FB items converged onto factor 1: Facebook business (items FB2-FB9), 4 items converged onto factor 2: Instagram business INS3, INS4, INS5, INS7), 5 items converged onto factor 3: Twitter business (TWI2, TWI3, TWI4, TWI5). Lastly 6 items converged onto factor 4: Instagram business INS2, INS3, INS4, INS5, and INS6). The researcher chose to delete FB1, FB4, FB5,FB6, FB10, INS1 and TWI1 because they cross-loaded on multiple factors and the other items were discarded because they had a value less than 0.32. The remaining items still made sufficient factors to support the hypotheses and the reliability of the remaining items were as follows;

4.5 Reliability of scales

Cronbach alpha was used to check the reliability of the scales after some items were discarded. According to Field, 2013 any coefficient above 0.7 indicates a reliable scale. A reliability analysis was done to make sure that the scales are reliable. The results are shown in **Tables 14, 15, 16** and a summary of the reliability scales in **Table 17** below:

Table 14: (FB) reliability

Reliability Statistics

Cronbach's Alpha	N of Items
.860	5

Table 15: (INS) reliability

Reliability Statistics

Cronbach's Alpha	N of Items
.884	6

Table 16: (TWI) reliability

Reliability Statistics

Cronbach's Alpha	N of Items
.861	4

Table 17: Summary of reliability scales

Construct	Number of items	Cronbach Alpha	Level of reliability
Facebook Business	5	0.86	Good
Instagram Business	6	0.88	Very good
Twitter Business	4	0.86	Good

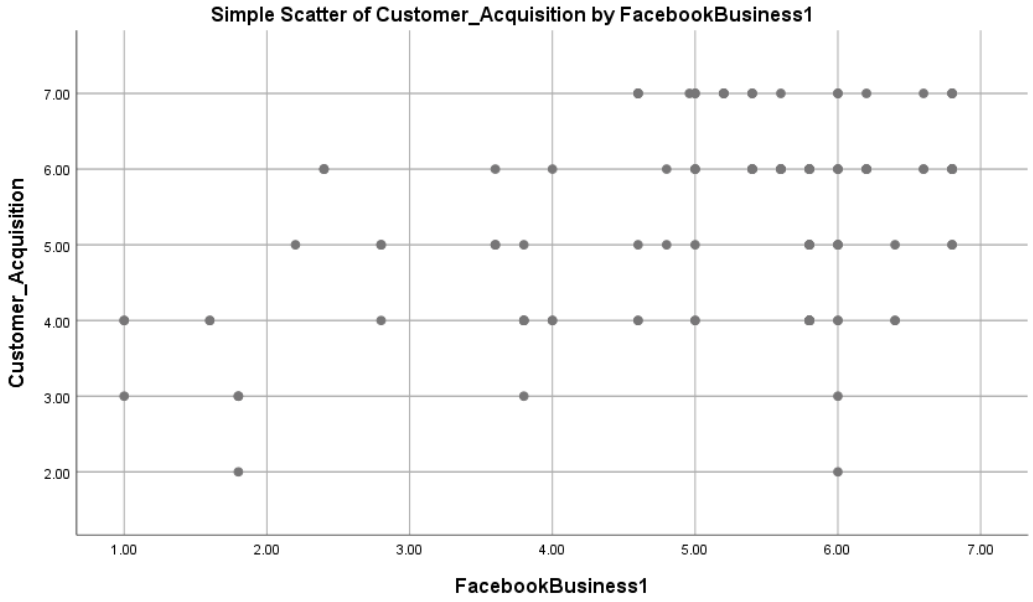
A reliability analysis was done on these scales for internal consistency of all the coefficients for Facebook Business tools, Instagram business tools and Twitter business tools and met the requirements for reliability using Cronbach alpha. With this said, the study has met the reliability test as all the Cronbach Alpha coefficients are above 0.7 (Kenett et al, 2015).

4.6 Results pertaining to Hypothesis 1

There is a positive relationship between the use of Facebook business tools and customer acquisition of SMEs in Gauteng.

To determine if there is a correlation between the three social media business tools, scatterplots were generated and examined for trends. **Figure 12** below shows the results from customer acquisition and use of Facebook business tools.

Figure 12: Correlation between the use of Facebook business tools and increased customer acquisition



The scatterplot above indicates that when customer acquisition increases, Facebook business tools also increases and this suggests a positive correlation between customer acquisition and Facebook business tools usage.

Table 18 below shows the correlation between the two variables:

Table 18: Correlation between Facebook business tools usage and Customer acquisition

Correlations

		Customer Acquisition	FacebookBusiness1
Customer Acquisition	Pearson Correlation	1	.407**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	170.531	83.975
	Covariance	1.523	.750
	N	113	113
FacebookBusiness1	Pearson Correlation	.407**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	83.975	249.322
	Covariance	.750	2.226
	N	113	113

**. Correlation is significant at the 0.01 level (2-tailed).

According to Field, 2013 correlation is done in order to indicate the strength between two variables. Correlation coefficients are between -1 and +1. Correlations above 0.4 are considered to be strong and those between 0.2 and 0.4 are considered to be weak. The correlation between the two variables above as shown in **Table 18** is 0.41 which indicates an adequate positive correlation with an appropriate significance level of p-value <0.05.

4.5 Results pertaining to Hypothesis 2

Figure 13: Correlation between the use of Instagram business tools and increased customer acquisition

4.5.2 Hypothesis 2: There is a positive relationship between the use of Instagram business tools and customer acquisition of SMEs in Gauteng.

Figure 13 below shows the results from the use of Instagram business tools and customer acquisition.

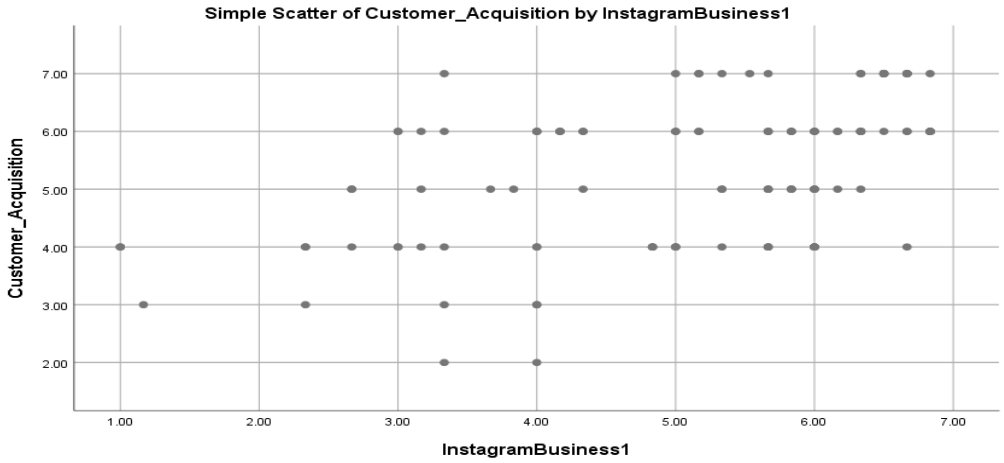


Figure 13 above indicates that when the usage of Instagram Business tools increases so does customer acquisition which suggests that the two variables are positively related. A Pearson correlation analysis was also done to test the correlation between the variables and the results are shown in **Table 19** overleaf:

Table 19: Correlation between the use of Instagram business tools and increased customer acquisition

Correlations

		Customer Acquisition	Instagram Business1
Customer Acquisition	Pearson Correlation	1	.493**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	170.531	98.636
	Covariance	1.523	.881
	N	113	113
InstagramBusiness1	Pearson Correlation	.493**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	98.636	235.035
	Covariance	.881	2.099
	N	113	113

**. Correlation is significant at the 0.01 level (2-tailed).

These two variables show a stronger correlation between them with a correlation coefficient of 0.49 which suggests a strong positive correlation. This means that the usage of Instagram business tools by SMEs has an influence of increased customer acquisition. The relationship is also at a statistically significant level where p-value<0.05.

4.6 Results pertaining to hypothesis 3

Hypothesis 3: There is a positive relationship between the use of Twitter Business tools and customer acquisition of SMEs in Gauteng.

Figure 14: Correlation between the use of Twitter business tools and increased customer acquisition

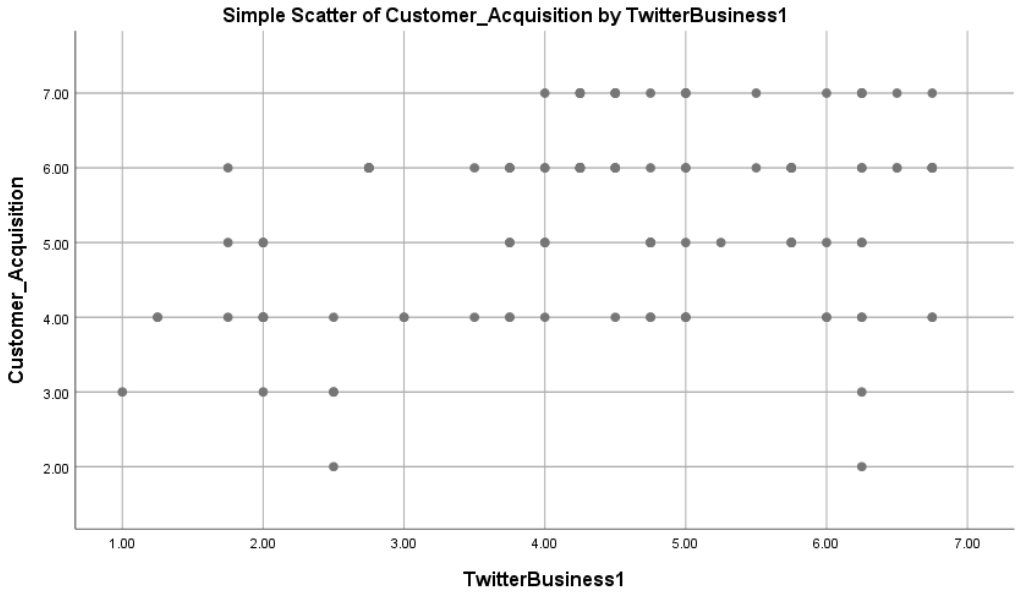


Figure 14 above shows that when Twitter Business tools usage increases, somewhat customer acquisition also increases which gives an indication of a positive correlation between the two variables. In order to clarify the strength between the two variable, a Pearson correlation analysis was done and the results are shown in **Table 20** below:

Table 20: Correlation between the use of Twitter business tools and increased customer acquisition

Correlations

		Customer Acquisition	TwitterBusiness1
Customer Acquisition	Pearson Correlation	1	.325**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	170.531	68.876
	Covariance	1.523	.615
	N	113	113
TwitterBusiness1	Pearson Correlation	.325**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	68.876	262.996
	Covariance	.615	2.348
	N	113	113

**. Correlation is significant at the 0.01 level (2-tailed).

Table 20 above indicates that the strength between these two variable is moderate with a correlation coefficient of 0.33 at a statistically significant level of p-value<0.05. This correlation is lower than the other two relationships mentioned previously, however, this is still a positive relationship between the use of Twitter business tools and increased customer acquisition.

Table 21: Summary of correlations

	CORRELATION COEFFICIENT	SIGNIFICANCE LEVEL	LEVEL OF CORRELATION
Use of Facebook business tools and customer acquisition	**0.407**	p-value <0.05	Adequate positive correlation
Use of Instagram Business tools and customer acquisition	**0.493**	p-value<0.05	Strong positive correlation
Use of Twitter Business tools and customer acquisition	**0.325**	p-value<0.05	Weak positive correlation

4.7 Regression Analysis pertaining to Hypotheses

Importantly, a regression analysis is done when there is a linear relationship between two variables. Based on the correlation analysis done in 4.5 for all the variables, it was concluded that there is a positive relationship between the use of Facebook, Instagram and Twitter tools and increased customer acquisition.

A regression analysis is further done as a model technique that is an extension of a Pearson correlation. The results from the regression analysis on Facebook business tools usage and increased customer acquisition are shown below

4.7.1 Regression analysis between Facebook business tools and increased customer acquisition

Table 22: Model 1 summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.407[a]	.166	.158	1.13204	.166	22.071	1	111	.000	1.544

a. Predictors: (Constant), FacebookBusiness1

b. Dependent Variable: Customer Acquisition

R is the value of the Pearson correlation coefficient. For this study R= 0.407 which indicates a moderate relationship between the use of Facebook business tools and customer acquisition. Rsquared is a representation of the coefficient of determination. It shows the measure of how well the model is able to give a prediction and how well the model fits the data (Field, 2018). It also explains the variance proportion that can be explained by the predictor variable. In this study, R-squared is 0.166 which indicates that 16.6percent of the variance seen in customer acquisition can be explained by the use of Facebook business tools. The adjusted R-squared value adjust the model fit based on sample size.

Table 23: Model 1 Coefficients

Coefficients[a]

Model		Un-standardised Coefficients		Standardised Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	3.613	.378		9.546
	FacebookBusiness1	.337	.072	.407	4.698

a. Dependent Variable: Customer Acquisition

The (constant) is the value of customer acquisition when the use of Facebook business tools=0. It is a useful way to understand how one variable may be predicted by the other. The intercept and customer acquisition both have positive values, in which the intercept value is 3.613 and this indicates that when one the use of Facebook business tools increases, customer acquisition also increases. Based on the results shown above, when the use of Facebook business tools is zero, customer acquisition can be expected at 3.613 units. In addition, for every 1 unit of using Facebook business tools, customer acquisition increases by 0.337 units. The standard error associated to the model is 0.072

Table 24: Model 1 ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	28.284	1	28.284	22.071	.
	Residual	142.247	111	1.282		
	Total	170.531	112			

a. Dependent Variable: Customer_Acquisition

b. Predictors: (Constant), FacebookBusiness1

The ANOVA results above give an indication that all group means are qual. Results show that F=22.071 and p<0.05. The overall regression is significant and therefore hypothesis 1 is accepted. This means that there is a positive relationship between the use of Facebook business tools and customer acquisition. Therefore, the data is in support of Hypothesis 1.

Table 25 below shows a summary for regression model 1

Table 25: Model 1 Regression Summary

Model 1	R-coefficient	R-squared	Intercept	St. error	F-value	P-value
Predictor variable: Facebook business tools Dependent variable: Customer acquisition	0.407	0.166	3.613	0.072	22.071	0.000008

4.7.2 Regression analysis between the use of Instagram business tools and customer acquisition

Table 26: Model 2 Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.493[a]	.243	.236	1.07861	.243	35.580	1	111	.000	1.588

a. Predictors: (Constant), InstagramBusiness1

b. Dependent Variable: Customer_Acquisition

For this study R= 0.493 which indicates a strong relationship between the use of Instagram business tools and customer acquisition. In this study, Rsquared is 0.243 which indicates that 24.3percent of the variance seen in customer

acquisition can be explained by the use of Instagram business tools. The adjusted Rsquared value adjusts the model fit based on sample size.

Table 27: Model 2 ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.394	1	41.394	35.580	.000[b]
	Residual	129.137	111	1.163		
	Total	170.531	112			

a. Dependent Variable: Customer_Acquisition

b. Predictors: (Constant), InstagramBusiness1

The ANOVA results above give an indication that all group means are equal. Results show that F=35.580 and p<0.05. The overall regression is significant and therefore hypothesis 2 is accepted. This means that there is a positive relationship between the use of Instagram business tools and customer acquisition. Therefore, the data is in support of Hypothesis 2.

Table 28: Model 2 Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.186	.372		8.573	.000
	InstagramBusiness1	.420	.070	.493	5.965	.000

a. Dependent Variable: Customer_Acquisition

The (constant) is the value of customer acquisition when the use of Instagram business tools is equal to zero. It is a useful way to understand how one variable may be predicted by the other. The intercept and customer acquisition both have positive values, in which the intercept value is 3.186 and this indicates that when the use of Instagram business tools increases, customer acquisition also increases. Based on the results shown above, when the use of Instagram business tools is zero, customer acquisition can be expected at 3.186 units. In

addition, for every unit of using Instagram business tools, customer acquisition increases by 0.420 units. The standard error associated to the model is 0.070.

The p-value is 2.9699E-8, which indicates that Instagram business tools usage correctly predicted increased customer acquisition and therefore Hypothesis 2 is supported(F=35.580, p-value<0.05). **Table 29** below shows a summary for regression model 2.

Table 29: Model 2 Regression Summary

Model 2	R-coefficient	R-squared	Intercept	St. error	F-value	P-value
Predictor variable: Instagram business tools Dependent variable: Customer acquisition	0.493	0.243	3.186	0.070	35.580	2.9699E-8

4.7.3 Regression analysis between the use of Twitter business tools and increased customer acquisition

Table 30: Model 3 summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.325[a]	.106	.098	1.17210	.106	13.130	1	111	.000	1.586

a. Predictors: (Constant), TwitterBusiness1

b. Dependent Variable: Customer_Acquisition

For this study R= 0.325 which indicates a weak relationship between the use of Twitter business tools and customer acquisition. In this study, R-squared is 0.106 which indicates that 10.6percent of the variance seen in customer acquisition can be explained by the use of Twitter business tools. The adjusted R-squared value adjusts the model fit based on sample size.

Table 31: Model 3 ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.038	1	18.038	13.130	.000[b]
	Residual	152.493	111	1.374		
	Total	170.531	112			

a. Dependent Variable: Customer_Acquisition

b. Predictors: (Constant), TwitterBusiness1

The ANOVA results above gives an indication that all group means are equal. Results show that F=13.130 and p<0.05. The overall regression is significant and therefore hypothesis 3 is accepted. This means that there is a positive relationship between the use of Twitter business tools and customer acquisition. Therefore, the data is in support of Hypothesis 3.

Table 32: Model 3 Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.146	.342		12.133	.000
	TwitterBusiness1	.262	.072	.325	3.624	.000

a. Dependent Variable: Customer_Acquisition

The (constant) is the value of customer acquisition when the use of Twitter business tools is equal to zero. It is a useful way to understand how one variable

may be predicted by the other. The intercept and customer acquisition both have positive values, in which the intercept value is 4.146 and this indicates that when the use of Twitter business tools increases, customer acquisition also increases. Based on the results shown above, when the use of Instagram business tools is zero, customer acquisition can be expected at 4.146 units. In addition, for every unit of using Twitter business tools, customer acquisition increases by 0.262 units. The standard error associated to the model is 0.072.

The p-value is 0.000440 which indicates that Instagram business tools usage correctly predicted increased customer acquisition and therefore Hypothesis 3 is supported(F=13.130, p-value<0.5). **Table 33** below shows a summary of the results for model 3.

Table 33: Model 3 Regression Summary

Model 3	R coefficient	R-squared	Intercept	St. error	F-value	P-value
Predictor variable: Twitter business tools Dependent variable: Customer acquisition	0.325	0.106	4.146	0.072	13.130	<0.05

4.8 Summary of results

69 percent of the respondents of the survey were from the smallest company size of 2-10 employees. 38.9 percent of the SMEs had been operating for 3-4 years,

which shows that they are still in the early stages of growing their businesses. 92.9 percent of the SMEs surveyed are operating in the products and services industry and 53.1 percent of the SMEs have the most social media presence on Facebook, followed by Instagram at a 32.7 percent and twitter at 14.2 percent. 33.6 percent of the SMEs indicate that they post content at least twice a week and 54 percent of the sample indicate that they are very active on their social media platforms. 36.3 percent of the respondents indicated that they understand how to use social media business tools effectively in order to grow their customer-base.

Hypothesis 1 was that the use of Facebook business tools by SMEs positively influences customer acquisition of SMEs in Gauteng. A positive relationship between increased customer acquisition and Facebook business tools usage exists. The r-square was 0.166, suggesting that 16.6 percent of the variation is explained by Facebook business tools. The p-value was 0.00008 which is less than 0.05 therefore it gave an indication that the use of Facebook business tools significantly predicted an increase in customer acquisition. This in turn led to accepting hypothesis 1 ($F=22.071$, $p<0.05$).

Hypothesis 2 was that the use of Instagram business tools by SMEs positively influences customer acquisition of SMEs in Gauteng. A positive relationship between increased customer acquisition and Instagram business tools usage exists. The r-square was 0.243 percent, suggesting that 24.3 percent of the variation is explained by the use of Instagram business tools. The p-value was 2.9699E-8 which is less than 0.05 therefore it gave an indication that the use of Instagram business tools significantly predicted an increase in customer acquisition. This in turn led to accepting hypothesis 2 ($F=35.580$, $p<0.05$).

Hypothesis 3 was that the use of Twitter business tools by SMEs positively influences customer acquisition of SMEs in Gauteng. A positive relationship between increased customer acquisition and Twitter business tools usage exists. The r-square was 0.106, suggesting that 10.6percent of the variation is explained by the use of Twitter business tools. The p-value was 0.000440 which is less than

0.05 therefore it gave an indication that the use of Twitter business tools significantly predicted an increase in customer acquisition. This in turn led to accepting hypothesis 3 (F=22.071, p<0.5). **Table 34** below gives a summary of the results pertaining from the regression analysis of all three models.

Table 34: Summary of Regression Analysis

Model	R	R-squared	Intercept	St. error	F-value	P-value	Testing outcome
1	0.407	*16.6%*	*3.613*	*0.072*	*22.071*	*0.00008*	*Supported*
2	0.493	*24.3%*	*3.186*	*0.070*	*35.580*	*2.9699e-8*	*Supported*
3	0.325	*10.6%*	*4.146*	*0.072*	*13.130*	*<0.05*	*Supported*

Source: Primary data

CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

This chapter of the study discusses and gives an interpretation of the results that were presented in the previous chapter. The research project findings are linked with the literature review to create important insights in response to the problem statement discussed in chapter one. The main problem was that SMEs in South Africa currently have a high rate of failure within 2- 3 years of operating. Some of the reasons to the failure rate include lack of market access, lack of funding and marketing their products and services effectively. With such a high rate of social media adoption in South Africa, SMEs can use social media to market their products and services effectively, gain a bigger customer base and cut marketing costs to develop other areas in their business. However, it was not clear how SMEs are currently using the services offered by social media platforms and, in the case where SMEs have adopted social media business tools, are they actually using these tools effectively in their businesses.

This section of the study discusses the demographic profile of the participants, the outcome of hypotheses testing is studied and lastly, the implications of the findings are also discussed. To conclude the chapter, a synopsis of the key findings will be made.

5.2 Demographic profile of respondents

The researcher found that majority of the respondents (68percent) fell in the 2-10 employees which indicates that the smallest enterprises have a higher rate of social media adoption. This did not come as a surprise to the researcher because (Melanthiou, Pavlou, & Constantinou, 2015) also mention that smaller enterprises might be new in the industry or market place and opt to use social media business tools more to create their brand awareness because of their lack of resources and help the firm cut down on marketing expenses.

The most dominate category was SMEs operating for 3 - 4 years at 38.9percent, followed by 1-2 years category at 27.4percent. This shows that most of the SMEs were fairly new and are probably studying social media trends in order to adopt its use effectively. What came as a surprise to the researcher was that 23percent of the SMEs indicated that they have been operating for 7 plus years. However, this gave the researcher an indication that even older SMEs are probably adopting social media to remain competitive and grow their firms.

92.9percent of the respondents were from the products and services industry and this indicates that most companies use these social media business tools to sell their products and services to their consumers. This supports Vetro Media, 2017 statistics that demonstrate that the top three reasons in which brands invest in using social media business tools is to create their brand awareness, to gain customer insights and to grow their sales. Over half of the respondents indicated that their biggest presence is on Facebook at 53.1 percent, followed by Instagram at 32.7 percent and Twitter with 14.2 percent. These results support the Qwerty, 2017 statistics report that Facebook is the most dominant platform used in South Africa and the world. Instagram is also said to be the fastest growing platform in the world and in South Africa, therefore these results support that SMEs are aware and therefore benefit from using the most popular platforms, and by ensuring their presence on them.

The SMEs indicated that they post content at least twice on a weekly basis at 33.6 percent, more than three times weekly at 29.2 percent, and at least once a week at 26.5 percent. This indicates that SMEs support that for these platforms to work, content needs to be posted as often as possible to allow interaction with customers and to allow weak networking ties to disseminate information which would lead to greater awareness of brands and a possibility of acquiring more customers. Over half of the respondents considered their firm to be very active on social media platforms at a 54 percent rate, followed by 35.4 percent indicating that they are active, 7.1 percent indicating that they are activity is neutral and 3.5 percent indicating that their activity is poor. This gave the researcher an indication

that most of the SMEs that responded to the survey were active on social media sites making them the right pool of candidates for the study. However, it was more fundamental to discover if they understood how to use the business tools provided by social media effectively and to benefit more from these platforms aside from just getting brand recognition but through turning recognition into sales and gaining more customers. The following section gave the researcher an understanding of how effectively the SMEs thought they used these platforms.

5.3 Analysis of understanding how to use social media business tools effectively

36.3 percent of the respondents agreed that they understand how to use social media business tools effectively, 16.8 percent said they somewhat agree and 16.8 percent said they strong agree. Even though the majority of the SME respondents fall on the positive scale of agreeing, the researcher picked up a slight gap in that there is a high percentage of activity, but a lower percentage of those who strongly agree that they know how to use social media business tools. This implied that SMEs are very active on social media but they may still be lacking understanding on how to fully leverage from the available business tools to target the right audiences and increase their customer-base. The issues surrounding this may be the time intervals at which they post their content weekly and knowing which business tools work best on which specific platform. (BlueMagnet, 2018) found that on Facebook, Tuesdays and Wednesday have the bussiest engagement, and on Twitter, the highest activity happens during the week from 09h00 to 17h00 which are normal business hours in South Africa. (BlueMagnet, 2018) further reported that the highest activity on Instagram is on weekends and this information would be highly valuable for SMEs to know when to engage with customers in order to benefit from the highest activity on these platforms.

5.3.1 Are those SMEs using social media business tools leveraging from their social media adoption to gain customer acquisition?

This study is set out to establish if SMEs adopting social media business tools supports an increase in their customer acquisition in Gauteng. Social media business tools are set out to be a way for businesses to leverage cheaper ways to gain market access, decrease money spent on expensive marketing from their budgets that are limited in terms of resources (Maduku et al, 2016). In addition, consumers are evolving and are highly active on social media platforms which has led to them wanting to co-create products with brands, which is why a firm's online interaction is highly important (Carmody, 2018). Although social media adoption is said to drive an increase in customers for SMEs, currently there is limited empirical evidence in support of this view, which led to the following hypotheses being tested.

5.4 Discussion pertaining to Hypothesis 1

Hypothesis 1: There is a positive relationship between the use of Facebook business tools by SMEs and customer acquisition.

The results of the study indicate that use of Facebook business tools had an adequate positive relationship (0.407) with increased customer acquisition. The R-square for using Facebook business tools was 0.166 which indicates that increased customer acquisition explains 16.6 percent of the variation in SMEs using Facebook business tools and 83.4 percent of the other variations can be explained by other factors. With this said, hypothesis 1 was supported at a significance level of p-value < 0.05.

These results corroborated with similar studies that were done in Turkey by (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015) and (Kalkan, 2017) and these studies agreed that the use of Facebook business tools increases a firms customer-base because most firms have realised the importance of having an online interaction with its current and prospective customers therefore they leverage from social media platforms by promoting and advertising their products

and services. Both these studies also found out that companies that used social media platforms are in the products and services category and therefore a similarity with this study as the majority of their respondents were also from the products and services industry.

However, the author was surprised at the moderate correlation of the variables because the above-mentioned studies indicated a much stronger relationship between these two variables. The author expected the results of Facebook business tools to be stronger than all the other platforms because of what previous studies have indicated due to Facebook being the most dominant platform world-wide at the moment (BlueMagnet, 2018). However this suggested that there might be a shift in perspective.

5.5 Discussion pertaining to Hypothesis 2

Hypothesis 2: There is a positive relationship between the use of Instagram business tools by SMEs and customer acquisition.

The use of Facebook business tools had a strong positive relationship (0.5) with increased customer acquisition. The R squared for increased customer acquisition was 0.243 which indicates that the use of Instagram business tools explains 24.3 percent of the variation in increased customer acquisition and the other 75.7 percent is explained by other factors. Therefore hypothesis 2 was supported at a significance level of p-value <0.05. The results of this study support similar studies in terms of context such as papers from (Carmody, 2018) and (Keller & Fay, 2016) who indicate that Instagram business tools work well for businesses which are constantly looking for new ways to get creative to sell their product or service offerings. This also includes businesses that are selling products to consumers that are more visual-based such as apparel brands than others including business to consumer-based firms. However, the R-square for Instagram business tools is higher than the R-square for Facebook business tools (16.6 percent and 24.3 percent), which comes as a surprise to the researcher because Facebook is the most dominant social media platform not only in the

world, but also in South Africa, therefore the use of its Business tools is also expected to be the most beneficial in terms of customer acquisition compared to other social media business tools.

This gave the researcher an indication that because Instagram is said to be the fasted growing social media platform, more companies must be adopting its business tools at a higher rate because Instagram offers 10 times more engagement than Facebook (Obschonkaa, Fisch, & Boyd, 2017). It is also said that Instagram offers a cleaner style of viewing product offerings compared to the cluttered view of Facebook and this is mainly due to the fact that Facebook has a longer shelf life when it comes to posts (Keller & Fay, 2016). With this said, this implies that the sample of this study relies more on Instagram business tools than Facebook business tools for the reasons mentioned, and in addition the researcher also assumes that the SMEs' target audience engages more on Instagram with brands than on any other social media platform and that information about their product is disseminated more using weak ties from social media influencers which increase their ability to gain more customers.

These results however, are not in agreement with a lot of previous studies such as (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015), (Kalkan, 2017), (Dahnil, Marzuki, Langgat, & Fabeil, 2014), (Maduku, Mpinganjira, & Duh, 2016), (Qwerty, 2017), (Vetromedia, 2018) that maintain that Facebook has been leading all other social media platforms and its business tools are used by most companies. This however suggests to the researcher that lately there might be a shift in perspective from SMEs and that companies may have realised that customers are being receptive more towards what Instagram business tools are offering brands.

5.6 Discussion pertaining to Hypothesis 3

Hypothesis 3: There is a positive relationship between the use of Twitter business tools by SMEs and customer acquisition.

The relationship between the predictor and outcome variables was a weak positive relationship where R=0.325. As mentioned previously, Twitter is a platform of engagement and stimulating conversations and not so much about posting content. This gave an indication that the respondents in this study were not particularly using this platform's tools to get customers engaged in their brand compared to the other two platforms. This also shows that Twitter business features are not used as much as the other two platform's tools among these SMEs. The R-square for twitter business tools was 0.106 which indicated that Twitter business tools explained 10.6 percent of an increase in customer acquisition and the other 89.4 percent can be explained by other factors. Therefore hypothesis 3 was supported at a significance level where p-value is less than 0.05. Twitter business tools seem to have a weaker relationship with increased customer acquisition, and this came as no surprise to the author because Twitter activity is said to be lower compared to Instagram and Facebook in South Africa currently. This is in line with the statistics reviewed in the literature review from (Qwerty, 2017).

5.7 Conclusion of results

This study's focus was on examining whether the use of SMEs using social media business tools positively influences an increase in customer acquisition. **Table 35** below shows a summary of the three propositions of the study.

Table 35: Summary of the three Hypotheses

Hypotheses	Pearson correlation coefficient	p-value	Supported or not supported
H1: there is a positive relationship between the use of Facebook	0.41	0.00008	Supported

business tools by SMEs and customer acquisition.			
H2: There is a positive relationship between the use of Instagram business tools by SMEs and customer acquisition.	0.50	2.9699E-8	Supported
H3: There is a positive relationship between the use of Twitter business tools by SMEs and customer acquisition.	0.33	<0.05	Supported

Source: Primary Data

CHAPTER 6: CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

6.1 Introduction

The purpose of this chapter is to provide a conclusion of the findings and to also make suggestions from the collected data of the study. The discussion centres on the implications of these conclusions for SMEs currently using social media business tools and SMEs that have not adopted social media for their brands. Recommendations are made based on these suggestions for future research and is also aimed at researchers that are interested in this field of study to add to the body of knowledge that is currently lacking in South Africa.

6.2 Conclusions of the study

This report studied the use of social media business tools by SMEs and in increasing customer acquisition. The main business tools that were studied were Facebook, Instagram and Twitter business tools. As defined in Chapter 1 of this paper, technology advancements have introduced new ways of interacting, sharing information as well as communicating, and has led to geographic and time restrictions being eliminated. These advancements have also allowed brands and customers to be able to engage with each other without any restrictions or limitations between them, and for information about brands to be disseminated at a much quicker pace. The increase of internet connectivity as well as the usage of smartphones in South Africa has been a big contributor to enabling the use of social media. Social media as a whole has also evolved from just being about interaction to being an enabler for businesses to have encounters with its consumers and potential customers because consumers have also evolved into wanting to co-create products with brands they interact with.

SMEs play a vital role in the economic growth of South Africa, however, there is a high failure rate of SMEs in South Africa due to challenges such as gaining market access, lack of funding and poor marketing of products and services. With

this said, social media has evolved to help overcome the above-mentioned challenges faced by SMEs. This dissertation aimed to fill a gap in research on SME performance and growth. Specifically, it was to establish SMEs' perspective on using social media business tools to increase their customer acquisition which will help business performance as well as growing ventures and as a result contribute to the economic growth of the country.

With this said, the important findings of this study are that the use of Facebook, Instagram and Twitter business tools by SMEs increases customer acquisition. The results of these hypotheses however were not as high as previous studies from other countries such as Malaysia (Ainin et al, 2015) and Turkey (Kalkan, 2017), which gives an impression that South Africa might have a lower adoption rate of these tools. The results show that Instagram business tools increase customer acquisition the most, followed by the use of Facebook business tools and then the use of Twitter business tools. The overall results showed positive use of these business tools towards customer acquisition by SMEs that have adopted social media and its business offerings.

6.3 Implications and Recommendations

This study focused on the perspectives of SMEs when using social media business tools to gain customer acquisition. Their perspectives are what shapes whether these tools are being used effectively or not, and also whether these tools are enablers to gain access to markets, reduce marketing costs and spend marketing budgets on improving other areas of the business. Therefore SMEs need to understand these social media business tools, how to use them and how to best leverage them to improve and grow their businesses.

To grow a business it is important to keep customers happy in order to sustain current customers and also gain prospective customers. It is also important to keep up with competitors to see how best they are serving their markets. With the shifting trends and emphasis on the importance of businesses to have an online presence due to consumers being online, it is important for businesses to

understand how they will leverage from having an online presence and how to best satisfy their customers and acquire more customers in order to grow. It is also important for these businesses to know how to use social media platforms in line with their company's strategies for it to be beneficial and coherent with the interests of the business.

This study indicates a positive perspective by SMEs towards the usage of business tools which presents an opportunity for SMEs to learn how to use these tools effectively. As policy-makers strive to foster growth in small-medium enterprises as a means to improve the economic growth and reduce the high unemployment rate in South Africa, training hubs and courses can be put in place for SMEs and entrepreneurs to access those supporting services in different regions they operate in.

As indicated in the beginning of this paper, social media is said to be more cost-efficient or cheaper than traditional media, therefore SMEs having a positive perspective of using social media business tools to grow their business could contribute to SMEs who have an intention to gain more market access and reduce marketing costs associated with traditional media and use those funds for improving other areas of their business. This paper will also contribute to SMEs who do not know how to go about the social media business tools adoption effectively.

6.4 Limitations of the study

- Data collection started in November however most of the questionnaires and the link to the questionnaire was distributed in December and January. According to research experts the December holiday period is not a good time to collect data. Consequently, the results may be skewed due to SMEs respondents' split focus.
- There was no pilot study done for this research to ensure that the questions from the questionnaire were understandable for the target

population to produce useable results. This study would have benefited from this.

- This quantitative research was focused on SMEs, therefore the results of this paper cannot be transferred to large enterprises.
- Some SMEs may have confused having an online presence with the actual use of social media business tools that are currently available for different platforms.

This study was accomplished using a self-administered online survey and physical hand-outs of which both were not accompanied by interviews, and for that reason, this research may not provide a deeper insight of the results.

6.5 Suggestions for further research

In conclusion of this paper, several questions have arisen which will foster future research studies.

1. This paper's man focus was on SMEs that have adopted social media in their businesses, but there needs to be an inquiry on how quickly the firms implement their social media platforms as part of their marketing strategy. Disclosing that adoption rate or non-adoption in other cases could also have significant results on studies relating to social media. With this said, future research studies could look at the SMEs adoption rate of social media platforms and how the adoption impacts the growth of the SMEs.
2. The focus for this study was on three social media business tools; and measuring their impact was not precise in that some business tools can be used on more than one platform which led to items cross loading. Future studies could look into a platform and the business tools associated to it, for example, Instagram Business, which has its own unique features and tools that aim to promote SMEs. In this way SMEs can understand what influence the business tools can have by opting for that platform and its business features.

3. This study only had a sample size of 113 respondents. Future studies could look into analysing a bigger sample size to ensure how valid the findings are based on comparing the three social media platforms business tools.
4. This paper's focus was on utilizing business tools to gain customers, however it did not measure financial performance by also measuring the return on investment on utilising these social media business tools to gain customers and the return on investment. There is currently very limited research on the return on investment of utilising social media business tools yet alone utilising the new business features of the various platforms.
5. This study did not focus on SMEs in a single industry even though majority of the respondents were in the products and services industry. It would be beneficial to know how these business tools are working for different industries and how those SMEs are excelling in utilising those business tools effectively. Future studies could look into specific industries and how the use of the various social media platforms business tools are impacting their businesses.
6. The results of this study showed that majority of the respondents were newer SMEs of 1-4 years of operating. Future studies could actually investigate how the older SMEs who have passed the South African SME failure benchmark are adopting social media platforms.
7. This paper only studied social media business tools from the SMEs perspective. Future research studies could look into customers that engage with SMEs on social media and understand what draws the customers to those online brands. Future studies could also look into what type of online content attracts customers to engage with those brands. This kind of research would be beneficial to new SMEs in going about adopting social media and it will also give them a guide for attaining results from their adoption.

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APPENDIX A

Research instrument

Section A

This section will assist in getting to know about your company. Please tick the box that most represents your company

1. Company size

2-10 employees	11-20 employees	21-30 employees	50+ employees

2. Years of operating

1-2 years	3-4 years	5-6 years	7 +years

3. Industry

Raw materials industry	Manufacturing and construction	Products and Service industry	Intellectual service industry

Section B

This section tells us more about how your company acquires customers using social media.	1	2	3	4
4. My company has the most presence on	Facebook	Instagram	Twitter	Other
5. How often does your company post content weekly	0 times	1 time	2 times	3+ times
6. How active is your company on social media	Very Active	Active	Satisfactory	Poor

Please indicate how much agree or disagree with the following statements by circling one option in each line: (1 representing strongly disagree to 7 representing strongly agree)	Strongly disagree	Disagree	Somewhat disagree	Neither agree/disagree	Somewhat agree	Agree	Strongly agree
7. Our company understands how to use social media effectively to gain customers	1	2	3	4	5	6	7

Section C: This section will help us understand how you use social media platforms

Please indicate how much agree or disagree with the following statements by circling one option in each line: (1 representing strongly disagree to 7 representing strongly agree)	Strongly disagree	Disagree	Somewhat disagree	Neither agree/disagr	Somewhat agree	Agree	Strongly agree
(Facebook business tools usage and SME performance) Our firm uses social media business tools to:							
8. Advertise and promote product and services	1	2	3	4	5	6	7
9. Create brand visibility	1	2	3	4	5	6	7
10. Conduct marketing research	1	2	3	4	5	6	7
11. Get referrals (word of mouth via likes, shares and followers on Facebook, Instagram, Twitter)	1	2	3	4	5	6	7
12. Develop customer relations	1	2	3	4	5	6	7
13. Communicate with customers	1	2	3	4	5	6	7
14. Conduct customer service activities	1	2	3	4	5	6	7
15. Receive customer feedback on existing product/services	1	2	3	4	5	6	7
16. Receive customer feedback on new/future product/services	1	2	3	4	5	6	7
17. Reach new customers	1	2	3	4	5	6	7

Please indicate how much agree or disagree with the following statements by circling one option in each line:	Strongly disagree	Disagree	Somewhat disagree	Neither agree/disagr	Somewhat agree	Agree	Strongly agree
(Instagram business tools usage and SME performance							
18. Our customers easily recognize us based on our social media usage than other media	1	2	3	4	5	6	7
19. Social media gives our business a positive image	1	2	3	4	5	6	7
20. Our customers make purchases based on the content posted on our social media platforms	1	2	3	4	5	6	7
21. Our customers easily distinguish us from our competitors because of our social media posts	1	2	3	4	5	6	7
22. Our product offerings are easily distinguished because of our social media posts	1	2	3	4	5	6	7
23. Reduced the cost of advertising and promotion	1	2	3	4	5	6	7
24. Improved customer relationship management	1	2	3	4	5	6	7

Please indicate how much agree or disagree with the following statements by circling one option in each line:	Strongly disagree	Disagree	Somewhat disagree	Neither agree/disagr	Somewhat agree	Agree	Strongly agree
Twitter business tools usage and SME performance							
25. Enabled faster delivery of information to customers	1	2	3	4	5	6	7
26. Reduced the cost of customer service and support	1	2	3	4	5	6	7
27. Customers buy our offerings based on interaction with us within 3 months	1	2	3	4	5	6	7
28. Customers interact with us based on the pop-up ads seen on social media and conversations created by us	1	2	3	4	5	6	7

29. Customers buy from us based on the product reviews from their social media networks	1	2	3	4	5	6	7

APPENDIX B

Consistency matrix

The use of social media business tools on SME performance.					
Aims of research	**Literature Review**	**Hypotheses or Propositions or Research questions**	**Source of data**	**Type of data**	**Analysis**
Facebook business tools influence the non-financial performance of SMEs.	(Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015), (Kalkan, 2017), (BlueMagnet, 2018) (Culnan, McHugh, & Zubillaga, 2010) (Granovetter, 1983), (Kaplan & Haenlein, 2010) (Kietzmann, Hermkens, P.McCarthy, & Silvestre, 2011), (Packer, 2011)	**H1:** There is a positive relationship between the use of Facebook business tools by SMEs and customer acquisition.	Section C Q8-17	Interval	Simple regression analysis, correlational analysis, Descriptive analysis, Factor analysis

The use of social media business tools on SME performance.					
Aims of research	**Literature Review**	**Hypotheses or Propositions or Research questions**	**Source of data**	**Type of data**	**Analysis**
Instagram business tools influence the non-financial performance of SMEs.	(BlueMagnet, 2018), (Dahnil, Marzuki, Langgat, & Fabeil, 2014), (Jin & Phua, 2014), (Kaur, 2016) (Mangold & Faulds, 2009), (Margaret McCann, 2015), (Packer, 2011)	**H2:** There is a positive relationship between the use of Instagram business tools by SMEs and customer acquisition.	Section C, Q18-24	Interval	Simple regression analysis, correlational analysis, Descriptive analysis, Factor analysis

The use of social media business tools on SME performance.					
Aims of research	**Literature Review**	**Hypotheses or Propositions or Research questions**	**Source of data**	**Type of data**	**Analysis**
Twitter business tools influence the non-financial performance of SMEs.	(Culnan, McHugh, & Zubillaga, 2010), (Duggan & Brenner, 2012), (Obschonkaa, Fisch, & Boyd, 2017), (Wang, Pauleen, & Zhang, 2015), (Saravanakumar & SuganthaLakshmi, 2012), (Packer, 2011).	**H3:** There is a positive relationship between the use of Twitter business tools by SMEs and customer acquisition.	Section C, Q25-29	Interval	Simple regression analysis, correlational analysis, Descriptive analysis, Factor analysis

APPENDIX C

Cover letter

Dear prospective SME owner or manager,

SME growth is important for the growth of the South African economy and therefore, I am conducting academic research to help with understanding the use of Social Media business tools on the non-financial performance of SMEs in Gauteng. Non-financial performance will be looked at in terms of increased customer acquisition.

SMEs stands for Small and Medium Enterprises and is defined as per the National Small Enterprise Act, No. 102 of 1996. Social media has become a prevalent phenomenon in conducting business and overcoming some of the constraints that SMEs in South Africa are facing and therefore it would be important to investigate the social media business tools adoption that are currently contributing to SME performance and contribute to the body of knowledge in this area of study.

I am, therefore, requesting your assistance to complete the questionnaire. It will take you approximately 3 minutes to complete.

Your views are important! Your responses will be kept strictly confidential and your participation will not prejudice you in any way.

Regards,

T.L.Maphathe

Email address: 1935639@students.wits.ac.za./ tlalane.maphathe@gmail.com

APPENDIX D: Consent form

INFORMATION SHEET AND CONSENT FORM

My name is Tlalane Maphathe. I am conducting research for the purpose of completing my Masters in Entrepreneurship and Venture Creation at Wits Business School. I am conducting research on the use of social media business tools on SME performance in Gauteng, South Africa.

Your participation

I am asking you to complete a questionnaire that has 26 questions and it will take you 3 minutes to complete. I have provided the link to the electronically administered survey. Should you experience any difficulty please contact me so I can administer the survey electronically. Your participation in this study will not subject you to any prejudice.

Please understand that your participation is voluntary and you are not being forced to take part in this study. You may withdraw consent once given and are free to leave the study at any point you feel you need to.

Confidentiality

Any study records that identify you will be kept confidential to the extent possible by law. The records from your participation may be reviewed by people responsible for making sure that research is done properly, including my academic supervisor/s. (All of these people are required to keep your identity confidential.)

All study records will be destroyed after the completion and marking of my thesis. I will refer to you by a code number or pseudonym (another name) in the thesis and any further publication.

Benefits

There are no immediate benefits to you from participating in this study. However, this study will be extremely helpful to us in understanding the use of social media business tools on SME non-financial performance in terms of increased customer acquisition from an SME owner or manager perspective.

If you would like to receive feedback on the study, I can send you the results of the study when it is completed sometime after June 2019.

Who to contact if you have been harmed or have any concerns

This research has been approved by the Wits Business School. If you have any complaints about ethical aspects of the research or feel that you have been harmed in any way by participating in this study, please contact the Research Office Manager at the Wits Business School, Mmabatho Leeuw. Mmabatho.leeuw@wits.ac.za

If you have concerns or questions about the research you may email my academic research supervisor Prof. Boris Urban at boris.urban@wits.ac.za**.**

Consent form

I hereby agree to participate in research on the use of social media business tools and SME performance in Gauteng, South Africa.

I understand that I am participating freely and without being forced in any way to do so. I also understand that I can stop participating at any point should I not want to continue and that this decision will not in any way affect me negatively.

In understand that this is a research project whose purpose is not necessarily to benefit me personally in the immediate or short term.

I understand that my participation will remain confidential.

…… ……

Participant signature