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# Barriers to the use of digital marketing by Small and Medium Enterprise in Soweto

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# Barriers to the use of digital marketing by Small and Medium Enterprise in Soweto

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**A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business**

**Johannesburg, 2023**

# ABSTRACT

Soweto is one of the largest townships in South Africa, predominantly inhabited by black people; it holds promise for economic growth and development in South Africa. Small and Medium Enterprises (SMEs) in Soweto are vital to this growth and development. Digital marketing represents a crucial avenue for success for these SMEs, given its potential to reach a widespread audience, increase brand awareness, and boost sales. However, limited resources, financial constraints, and skills gaps present substantial barriers to SMEs' adoption of digital marketing strategies in Soweto.

This study seeks to investigate the limitations faced by SMEs in Soweto in the realm of digital marketing, utilizing a qualitative interview approach involving 12 SME owners or managers in Soweto. Despite the potential for growth and development in Soweto, SMEs encounter hurdles in leveraging digital marketing for brand awareness and sales.

The study addresses the limitations SMEs face in Soweto when adopting digital marketing, particularly concerning reaching the right audience, security concerns, resource and financial constraints, market relevance, operational limitations, and skills gaps.

The paper highlights the significance of digital marketing for SMEs in Soweto, emphasizing its potential benefits such as broader audience reach, business growth, and adaptation to new marketing methods. Additionally, it underscores the need for targeted interventions such as improving digital skills, providing infrastructure support, and overcoming financial constraints to enhance SMEs' ability in digital marketing.

Key findings reveal several obstacles inhibiting SMEs' effective engagement in digital marketing activities, including resource and financial constraints, market relevance, operational limitations, and skills gaps. Many respondents are receptive to outsourcing digital marketing activities due to a perceived lack of expertise and cost considerations.

The findings stress the importance of addressing the lack of awareness and understanding of digital marketing's potential, suggesting an informed strategy that could help SMEs overcome barriers and maximize digital marketing benefits for business growth.

This research illuminates the varied levels of awareness about the effectiveness of digital marketing tools and platforms among SMEs in Soweto, emphasizing the need for education, training, and support to bridge the gap in understanding and utilizing digital marketing. By adopting a comprehensive digital marketing strategy, SMEs can enhance their competitiveness and long-term success.


## KEYWORDS

Small and Medium Enterprises (SMEs)

SMEs in Soweto

Digital Marketing

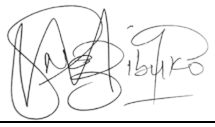
Effective use

Barriers to effective use

SMEs reluctance to use digital marketing

# DECLARATION

I, ___Nkululeko Mazibuko_, declare that this research report is my own work except as indicated in the references and acknowledgments. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Name: Nkululeko Mazibuko Signature: 

Signed at …Johannesburg ……

On the ……24…….. day of …….May…… 2024..

# DEDICATION

This dedication is intended for my family, who believed in me since day one. I dedicate this in loving memory of my late parents, Zandile and Aubrey Mazibuko, whom I wish could have been here to witness this significant milestone in my life.

Additionally, I extend this dedication to every young individual from under-resourced black communities (especially Soweto-Zola & Bethal-eMzinoni) who faces discouraging circumstances that may lead them to believe their dreams are unattainable, and that achieving a high level of education is impossible due to their circumstances. I want to convey that if I have reached this point, you can further surpass it. There are always ways to overcome obstacles, regardless of your circumstances. Your task is to believe in yourself and diligently work towards your goals. The world is brimming with opportunities.

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To my cousins, I'm grateful for the walk of life with you all. Thank you for the constant check-ins and the support you've shown me in my personal and academic journey.

To my handsome nephews and beautiful nieces - I am a respected uncle today because of you all. Remember, education will get you a foot in the door – and

that is what you'll need to embark on your journey to change the world and build a better life for yourselves.

A big shout out to my boy Lungile – “ngiyabonga ntwana yam”. Thank you for being a son, brother, and friend – Thank you for challenging me to be a responsible adult. You mean the world to me. Your existence in my life motivated me to finish this journey so you can see that all your dreams are possible.

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# LIST OF ACRONYMS

KPIs - Key Performance Indicators

PPC - Paid Per Click

ROI - Return on Investment:

SEM - Search Engine Marketing

SEO – Search Engine Optimisation

SME – Small Medium Enterprises

# CHAPTER 1. INTRODUCTION

## 1.1 Statement of purpose

This qualitative study seeks to identify and analyse factors contributing to Small and Medium Enterprises' (SMEs) reluctance to adopt digital marketing tools and platforms in Soweto.

## 1.2 Background of the study

### I. SMEs

Small Medium Enterprises (SMEs) are companies with low annual revenues, assets, or employee count. Though they have low revenues, they still play an essential role in the economy, as they are the backbone of many countries' working class and create many jobs (S. Lee, Park, Yoon, & Park, 2010).

These types of companies have existed for centuries, and their history can be traced back to the early forms of commerce and trade. In the 20th century, SMEs played a vital role in economic growth and development (Hartigan & Lever, 2005). Today, SMEs continue to account for a significant portion of global economic activity, with millions of small businesses operating in countries around the world (Ayyagari, 2003).

In Africa, SMEs started emerging during the 1980s. Since then, they have played a significant role in Africa's economic development, with many African countries implementing policies and initiatives to improve the business environment for SMEs. These include access to financing, business development services, and technology adoption. Such programs have helped improve SMEs' performance in Africa, leading to increased economic activities and job creation (Mamman, Bawole, Agbebi, & Alhassan, 2019).

According to (Ladzani & Van Vuuren, 2002), SMEs have played a significant role in the economic development and growth of South Africa. The country's government introduced the Small Business Act post-democracy, which created a

supportive environment for SMEs to thrive. The Act established the Small Enterprise Development Agency (SEDA), whose primary function was supporting SMEs (SEDA, 2016). Since then, the South African government has implemented various initiatives and policies that have helped SMEs gain prominence in the country's economy. Johannesburg is regarded as a hub of entrepreneurship and innovation (Soke & Wiid, 2016). SMEs in Johannesburg continue to shape the economic landscape and drive growth and development, with Soweto being one of the townships which has shown a significant increase in entrepreneurship (Olawale & Garwe, 2010).

SMEs are vital to South Africa's economy, significantly contributing to job creation, poverty alleviation, and economic growth. However, SMEs face challenges such as limited access to finance due to stringent lending criteria and perceived high risk, making it difficult for them to secure funding for expansion and investment. Additionally, the regulatory environment, characterized by bureaucratic inefficiencies and complex compliance requirements, poses a burden for SMEs with limited resources. Support programs and initiatives, such as from SEDA offer training, mentorship, and networking to help SMEs thrive. Addressing issues like access to finance, regulatory burdens, and skills development can enhance SME performance and sustainability, enabling them to contribute more effectively to South Africa's economic growth (SEDA, 2016).

## II. **Marketing**

Business marketing is a fundamental cornerstone of every business (Yasmin, Tasneem, & Fatema, 2015). When done right, marketing is a crucial driver for the success of a business by driving sales and brand awareness and subsequently increasing revenues. Marketing is a process by which a business promotes and sells its products or services to its target market (D. Lee, 2013). Marketing is achieved by formulating a strategic plan that identifies the target audience, their needs, preferences, and various promotional strategies to attract and retain customers. Business marketing is crucial for SMEs to raise awareness, differentiate from competitors, build customer loyalty, increase sales, and enable growth (D. Lee, 2013).

With innovation, the marketing field has transitioned from traditional to digital ways. Traditional marketing focuses on mass media and reaches a large audience to promote products or services (Todor, 2016). It comprises communication and advertisement through television, radio, print, direct mail, billboards, and other forms of print media (Todor, 2016). It is an approach that has been used for many years; in recent years, traditional marketing channels have continuously been challenged by digital marketing in their effectiveness in reaching and engaging audiences (Kumar, Choi, & Greene, 2017).

Digital marketing, on the other side, is characterized by using online channels to reach its target audience (Visser, Sikkenga, & Berry, 2019). It is highly targeted, measurable, and efficient and allows businesses to track and analyse the success of their campaigns in real-time (Visser et al., 2019). Digital marketing uses digital channels such as social media, search engines, email, mobile applications, and other digital platforms to reach and engage with target audiences (Taiminen & Karjaluoto, 2015). It enables businesses to reach a larger audience and build valuable customer relationships by providing personalized and relevant content based on their interests, behaviour, and preferences (Langan, Cowley, & Nguyen, 2019).

While traditional and digital marketing has advantages and disadvantages, in today's digital age, digital marketing has become an essential approach for businesses of all sizes to stay competitive and achieve their marketing goals (Todor, 2016). Digital Marketing has revolutionized how businesses interact with their customers and has become an integral part of modern business strategies (Chaffey, 2018).

## III. **SMEs in Soweto**

Soweto is one of the biggest townships in South Africa, predominantly occupied by black people. It is situated in the South-Western part of Johannesburg, with a diverse and dynamic economic landscape, reflecting the area's complex history, demographics, and cultural diversity (Soke & Wiid, 2016).

While Soweto is still essentially a low-income area with noticeable levels of poverty and unemployment, the township has seen significant economic growth

and development, mainly through formal and informal SMEs (SEDA, 2016). In recent years, the township's economy has been dominated by the growing creative industry and many young entrepreneurs launching start-ups and innovation hubs to boost local economic activities and create employment opportunities (Rogerson, 2008).

While there are still many economic challenges facing Soweto, there is a sense of optimism and potential for growth and development. With the proper support and investment, Soweto could become a thriving hub of innovation and entrepreneurship, providing opportunities for residents to achieve economic success and self-determination (Rogerson, 2008).

Today, SMEs continue to account for a significant portion of global economic activity, with millions of small businesses operating in countries around the world. While the challenges and opportunities facing SMEs have evolved, their importance in driving economic growth and innovation remains unchanged (Strydom, 2017).

According to (SEDA, 2016), SMEs in South Africa contribute significantly to the country's economy, accounting for a reasonable GDP and employing the majority of the workforce.

The marketing landscape in South Africa is becoming more and more diverse and dynamic, fuelled by advances in technology and connectivity (Kallier, 2017). Digital marketing is becoming an increasingly popular strategy, with businesses of all sizes leveraging social media and online platforms to reach customers. By adapting to these trends and remaining agile, businesses in Soweto can thrive in these dynamic and competitive markets (Kallier, 2017).

Overall, SMEs in Soweto continue to play a critical role in economic growth and development. As a result, there is a need for continued support and investment in this sector to unleash its potential further. Digital marketing is seen as one of the drivers for the success of SMEs in the township. To successfully implement digital marketing tools and platforms, SMEs must overcome the barriers they face.

## 1.3 Research problem

Research has shown that digital marketing can significantly benefit SMEs. Using online platforms such as social media and websites can help reach a wider audience, increase brand awareness, and drive sales (Taiminen & Karjaluoto, 2015). Additionally, digital marketing can help SMEs establish a more substantial online presence, making it easier for customers to find and engage with the business (Pradhan, Nigam, & Ck, 2018). SMEs must have a digital marketing strategy leveraging all digital channels to ensure they target the right audience and create meaningful content (Hänninen & Karjaluoto, 2017). This research seeks to look at the SMEs in Soweto and the limitations they face when adopting digital marketing strategies.

## 1.4 Research questions

This research aims to answer the following:

**Main research question**

Why are small and medium enterprises reluctant to adopt digital marketing tools and platforms?

**Sub questions;**

- What is the level of awareness about the effectiveness of digital marketing tools and platforms among small and medium enterprises in Soweto?
- Are SMEs in Soweto utilizing the full scope of digital platforms and channels to market their businesses?
- What are the barriers faced by small and medium enterprises in Soweto in terms of accessibility to digital marketing tools and platforms?
- What are the benefits of utilizing digital marketing tools and platforms for small and medium enterprises in Soweto?

## 1.5 Rationale

Digital transformation is one of the prevalent technological advances that has been disrupting how organizations operate and manage their businesses (Furr, Ozcan, & Eisenhardt, 2022). With consumers and customers shifting to digital forms of communication, it is paramount to conduct a research study that could recognize the crucial role that digital marketing plays in today's business world, especially for SMEs in Soweto.

The research study on barriers to the use of digital marketing by Small and Medium Enterprise in Soweto is based on some of the research findings observed, indicating a low adoption rate of digital marketing tools and platforms by small and medium enterprises (Strydom, 2017).

A similar study in Durban focused on digital marketing usage among SMEs. Results from SMEs in Durban showed a low adoption rate of digital marketing strategies, indicating a need for SMEs to familiarize themselves with digital marketing. The study suggested that failure to embrace digital marketing puts SMEs at risk of losing customers to competitors. It is strongly recommended that SMEs in Durban improve their understanding of digital marketing and incorporate it into their business operations to enhance prospects. It further revealed that limited knowledge of digital marketing among SMEs in Durban leads to underutilization in business practices. As a result, ignoring this rapidly advancing field may result in SMEs losing customers to other offerings. Therefore, the study urged SMEs to seize the opportunity and embrace digital marketing to improve their operations (Chapman & Chapman, 2019).

Thus, conducting a similar study is critical to understand if the findings are typical for other SMEs in different locations. Therefore, the proposed research will be conducted in Soweto, located in the Gauteng province of South Africa, which has unique economic, sociocultural, and demographic characteristics. This will provide an opportunity to compare and contrast the findings, which can help identify region-specific differences in barriers SMEs face, such as customer behaviour, market dynamics, infrastructure availability, and various cultural factors. Conducting this research in Soweto allows for identifying potential

barriers that may be unique to the region and may not have been captured in the Durban study.

Soweto and Durban have different socioeconomic dynamics, including income levels, employment rates, and industrial composition. Furthermore, the different geographical locations may have distinctive customer behaviour patterns and preferences. The industries in Soweto may differ from those in Durban, leading to unique challenges and barriers SMEs face in adopting digital marketing. Thus, the study in Soweto will provide an opportunity to explore how these dynamics influence the barriers faced by SMEs in effectively using digital marketing tools.

Therefore, this study will aid policymakers, marketers, and researchers in tailoring strategies and interventions specific to Soweto, and they can work towards improving in targeted areas, ensuring a more conducive digital marketing environment for SMEs.

According to (Taiminen & Karjaluoto, 2015), digital marketing is growing in the modern business landscape. The importance of digital marketing in business operations and marketing strategies is becoming increasingly apparent.

The interest of the study is to understand why SMEs in Soweto are not embracing digital marketing tools and platforms despite the potential benefits that these tools and platforms offer businesses (Makhubela, Makhitha, & van Scheers, 2022). Furthermore, the study seeks to highlight and sensitize SMEs in Soweto about the importance of digital marketing and offer recommendations for how SMEs can overcome the barriers that deter them from utilizing digital marketing tools and platforms.

Soweto is regarded as one of the most vibrant and diverse townships in South Africa, with a high concentration of small businesses (Rogerson, 2008). It is an area of interest to understand how SMEs leverage digital marketing tools and platforms to improve their marketing strategies and reach more customers. If they are not - it therefore calls for research to understand what challenges they may be facing on this (Soke & Wiid, 2016).

According to research (Makhubela et al., 2022), there are low adoption rates of digital marketing by SMEs in Soweto, where (SMEs) in the township are not effectively using digital marketing tools and platforms to market their products and services. Research also highlights the need to understand SMEs' perceptions and attitudes towards digital marketing as there may be limited knowledge and access to digital marketing tools and platforms for SMEs in Soweto (Rogerson, 2008).

Therefore, empirical research in Soweto may be necessary to understand how SMEs can navigate digital marketing limitations and how they can effectively integrate digital marketing into their core business operations. Furthermore, the study may be conducted to facilitate the integration of digital marketing tools and platforms into SMEs' operations.

The study has produced empirical data on the challenges preventing SMEs in Soweto from effectively utilizing digital marketing tools and platforms. The information is of value to digital marketing practitioners and digital business consultants who work with SMEs in Soweto and other similar environments.

In summary, this study was worth conducting because it contributes empirical evidence to the understanding of digital marketing adoption barriers, the value of digital marketing to SMEs, and the ways to improve their digital marketing. It also contributes to the literature on digital marketing adoption by SMEs in Soweto. Furthermore, the study provides valuable insights that can contribute to inclusive economic growth, improving the competitiveness of SMEs in Soweto and enhancing digital business practices. The insights and recommendations gained from the study can be transferred to other developing economies with a similar business environment and conditions to Soweto.

## 1.6 Delimitations of the study

I. SMEs' Lifespan and how long they have been operating

II. The influence of cultural factors on SMEs' uptake of digital marketing in Soweto.

III. The impact of regulatory frameworks on SMEs' ability to leverage digital marketing tools in Soweto.

IV. The level of customization required in digital marketing tools to meet the unique needs of SMEs in Soweto.

V. The influence of ethical considerations on the utilization of digital marketing tools by SMEs in Soweto.

VI. The impact of language barriers on SMEs' use of digital marketing tools in Soweto.

VII. The gender of SME owners

## 1.7 Definition of terms

I. Digital Marketing: Promoting products or services through digital technologies, such as the internet, social media, mobile devices, search engines (Z. A. Malik, Srisusilawati, Silviany, Fajaria, & Tsania, 2022).

II. Small and Medium Enterprises (SMEs) Refers to businesses with fewer employees that are not dominant in their respective markets (Taiminen & Karjaluoto, 2015).

III. Soweto is a township in Johannesburg, South Africa, with a population of over 1 million people (Strydom, 2017).

IV. Barriers: Factors or obstacles that prevent or discourage SMEs' use of digital marketing tools and platforms (Maheswari, 2017).

V. Digital Divide: The gap between individuals or groups with access to digital technologies and those without access (Van Dijk, 2006).

VI. Innovation: Introducing new ideas, products, or processes that add value or improve existing operations (S. Lee et al., 2010).

VII. Customer Engagement: Building and maintaining customer relationships through various channels such as email marketing, social media, and customer service (Mazzarol, 2015).

VIII. Marketing Strategy: The overall plan and approach for promoting products or services, including positioning, target audience, and channels used (Visser et al., 2019).

## 1.8 Assumptions

I. Small and medium enterprises (SMEs) in Soweto lack access to reliable internet connectivity, a hindrance to effectively utilizing digital marketing tools and platforms.

II. There is a lack of knowledge among SMEs in Soweto on how digital marketing tools and platforms work, making these tools overwhelming to navigate.

III. SMEs in Soweto prefer traditional marketing methods like radio and print media and are less likely to venture into digital marketing, and they believe that their target market isn't tech-savvy, so they resort to conventional methods that are known to them.

IV. SMEs in Soweto do not have adequate funding to invest in digital marketing tools and platforms. Thus, they perceive digital marketing as only effective for big corporations and overlook those platforms.

V. Digital marketing requires a lot of time and attention, which might be a limitation for SMEs who operate on limited resources.

VI. SMEs in Soweto are unsure and apprehensive about the ROI (Return on Investment) of digital marketing.

VII. There is a lack of trust around data security and online privacy issues among SMEs in Soweto.

VIII. Social media is the most popular form of digital marketing. Therefore, SMEs in Soweto may regard social media as the complete scope of digital marketing.

IX. SMEs in Soweto may not have enough time to allocate to creating a digital marketing plan while taking care of day-to-day operations.

## 1.9 Chapter Outline

The paper is structured into six comprehensive chapters to elucidate each aspect of the research process and foster a straightforward understanding of the research proposal.

In Chapter One, sets a solid foundation by providing an introduction that contextualizes the research proposal. This chapter lays the groundwork by outlining the problem statement and providing the pertinent research questions. Sub-questions, which are essential to the study, will also be introduced.

Chapter Two delves into the literature review, it conducts an in-depth review of the latest and relevant research studies related to the research questions. The chapter also highlights critical theories that are used to reinforce the study.

Chapter Three presents an overview of the proposed research methodology. This section explains the methodology chosen and why it aligns with the research aims. A comprehensive discussion of the qualitative approach and research design is included. This methodology uncovers and explains the underlying concepts, principles, and phenomena within the research subject matter.

In Chapter Four, the findings from qualitative interviews about barriers to using digital marketing by Small and Medium Enterprises in Soweto are presented proposition by proposition, along with participant responses and relevant quotes. The analysis uses anonymous participant identification to understand challenges and opportunities related to digital marketing for SMEs in Soweto.

Chapter Five provides a detailed discussion and analysis of findings within the literature presented earlier, focusing on challenges SMEs face in digital marketing, available resources, employee expertise, and perceptions of digital marketing. It concludes by summarizing key insights and findings.

In Chapter Six, the integration of findings into the original research questions stated in Chapter One is explored, addressing the main research question: "Why are small and medium enterprises reluctant to adopt digital marketing

tools and platforms?" This chapter also offers valuable recommendations and suggestions for further research to enhance understanding of the digital marketing landscape for SMEs in Soweto.

# CHAPTER 2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

## 2.1 Introduction

According to (Furr et al., 2022), digital transformation is a significant topic affecting various aspects of society, including politics, economics, and social elements. (SMEs) are no exception to disruption as a result of digital transformation. Digital marketing is one aspect of digital transformation SMEs can benefit from. It is an effective method of building and maintaining customer relationships. The disruption brings about an opportunity for SMEs to benefit from using digital tools in business activities, which can improve their competitiveness and opportunities (Taiminen & Karjaluoto, 2015). Research shows that implementing digital marketing strategies is essential for SMEs' long-term performance (Chaffey, 2018).

It is, therefore, crucial for (SMEs) to utilize digital marketing as it presents an effective way to reach their target audience, build their brand, and grow their business (Taiminen & Karjaluoto, 2015). Furthermore, digital marketing offers a cost-effective way to reach a wider audience, target specific demographics, measure results, foster customer engagement, and build brand awareness and loyalty, which, by no doubt, SMEs stand to benefit from (Chaffey, 2018).

This chapter aims to explore the literature on SMEs, digital marketing strategies, and their effects on SMEs.

## 2.2 Definition of topic or background discussion

The study on barriers to the use of digital marketing by small and medium enterprises (SMEs) in Soweto aims to investigate the factors that prevent or discourage SMEs in the township from using digital marketing to promote their products or services.

SMEs are perceived to be critical to the development of the economy in Soweto (SEDA, 2016), and digital marketing tools can provide them with a cost-effective way to reach potential customers and grow their businesses (Visser et al., 2019). However, despite the potential benefits of digital marketing, many SMEs in Soweto may not utilize these tools and platforms to their fullest extent (Soke & Wiid, 2016).

The study aims to better understand how SMEs in Soweto can leverage digital marketing to grow and thrive in an increasingly digital business environment.

Key concepts that are relevant to this study include:

- Digital marketing tools and platforms: This concept refers to the various mediums for businesses to market their products or services online. Examples of digital marketing tools and platforms include social media, email marketing, search engine optimization (SEO), and content marketing (Chamboko-Mpotaringa, Tichaawa, University of Johannesburg, Hospitality, & Economics, 2023).
- Small and medium-sized enterprises (SMEs): This concept refers to businesses with fewer employees and low annual revenue. SMEs are an important part of the economy and often face unique challenges when utilizing digital marketing tools and platforms (S. Lee et al., 2010).
- Barriers: This concept refers to the factors that prevent or discourage SMEs from using digital marketing tools and platforms. Barriers include lack of knowledge or expertise, insufficient resources, or trust in the newly introduced process/technology such as digital marketing (Maheswari, 2017).
- Utilization: This concept refers to how SMEs use digital marketing tools and platforms to market their products or services. Utilization can range from not using digital marketing at all to using it extensively and effectively (Agus Masrianto 2022).
- Soweto: This concept refers to the specific geographic location where the study will occur. Soweto is a large township area in South Africa, and it has a diverse range of SMEs operating in different sectors (Soke & Wiid, 2016).

The concepts of digital marketing tools and platforms, SMEs, and barriers will be the most applicable in this study. These concepts will provide a framework for understanding the challenges that SMEs face when it comes to using digital marketing and the factors that contribute to these challenges. Furthermore, the study will explore the specific digital marketing tools and platforms that SMEs in Soweto are using or not using and the reasons behind their usage patterns.

## 2.3 Unpacking SMEs' reluctance to use digital marketing

The main research question is: “Why are small and medium enterprises reluctant to adopt digital marketing tools and platforms?” The research question seeks to understand the reasons behind the hesitation of SMEs in implementing digital marketing technologies. The goal is to identify the underlying factors that prevent these businesses from embracing digital marketing, which can help them remain competitive in the digital landscape.

Identifying the barriers and understanding them can help identify ways to encourage the adoption of digital marketing. This research question can provide relevant insights and recommendations to help SMEs successfully implement digital marketing.

### 2.3.1 *SMEs and the grasp of digital marketing*

Small and Medium Enterprises are entrepreneurial businesses that operate with limited capital and are established to manufacture or sell innovative products or services to customers (Olawale & Garwe, 2010). SMEs are identified based on criteria like annual sales turnover or number of employees and are generally businesses that have been in operation for a short period. While the number of employees defining an SME varies across countries, these businesses are typically seen as independent firms that employ fewer people than giant corporations (S. Lee et al., 2010).

(Hartigan & Lever, 2005) Argues that SMEs are essential for many economies, particularly in developing countries where they can contribute to the national

income or GDP. Governments worldwide have become increasingly interested in SMEs due to their economic contribution and role in supporting employment.

(Mazzarol, 2015) suggests that using digital technologies to market products and services is essential for small businesses that want to do well in the long run. Small businesses need to be creative with their marketing efforts, and digital marketing can help them attract and keep new customers.

Businesses use different online tools to market their products, such as social media, websites, and advertisements (Taiminen & Karjaluoto, 2015). By doing this, they can engage with people interested in what they offer (Wilson & Makau, 2018). Digital marketing can help small businesses compete with more prominent companies and show people what makes their brand special (Chaffey, 2018).

Digital marketing strategies are essential for SMEs because they offer a strong growth outlook, whereby SMEs can promote their brand and products on relevant online platforms, leading to sustainable success, argued by (Chaffey, 2023; Mazzarol, 2015). However, a study found that many SMEs still need a clear digital marketing strategy despite its importance (Pradhan et al., 2018).

It is, therefore, paramount to understand why most SMEs do not have concrete digital strategies. The lack of strategies could contribute to SMEs missing out on the opportunity to access global markets and be creative with product and service offerings that are affordable and attractive to customers (Chaffey, 2023).

### 2.3.2 *Digital marketing elements relevant to SMEs*

Digital marketing is a rapidly expanding industry encompassing a wide range of online platforms, strategies, and tools designed to help businesses connect with their target audience online (Pradhan et al., 2018). More people worldwide are spending an increasing amount of time online, and this has become a space that businesses need to utilize to reach their audience. Therefore, digital marketing has become the most effective way to reach new customers (Chaffey, 2023). For SMEs, digital marketing is particularly beneficial since it is often a cost-effective way to advertise and can offer a high return on investment (Visser et al., 2019).

In South Africa, where access to high-speed internet connectivity and infrastructure is gradually increasing, digital marketing can offer SMEs a unique way to connect with customers, who are increasingly using their mobile devices to access social media platforms like Facebook (Van Scheers, 2016). SMEs need to consider utilizing the complete package presented by digital marketing and various digital marketing strategies. Through various elements of digital marketing platforms and tools, SMEs in Soweto can increase their online visibility, build brand awareness, and drive traffic to their websites, resulting in increased sales and revenue (Strydom, 2017).

Elements of digital marketing should not be executed in isolation. It's essential to recognize that all digital marketing elements are interconnected components of a comprehensive plan. Therefore, maximizing all digital elements is at the core of a company's website, and effective digital strategies need to be interconnected and cantered around the website (Chaffey, 2023).

According to (Kotler, 2002), when implemented intelligently, an online marketing strategy will integrate seamlessly with traditional tactics, which will not break the bank. It will open the business up to a previously invisible market.

Elements of digital marketing include the following:

- Website: A company's website is its online front door and central hub. It should provide relevant, up-to-date, engaging content and a positive user experience (R. Malik, 2017).
- Search engine optimization (SEO): It is optimizing a website's content to rank higher in searches and drive more organic (free) traffic to the site(R. Malik, 2017).
- Search engine marketing (SEM): This digital marketing technique increases a website's visibility in search engine results pages (SERPs) via paid advertising(R. Malik, 2017).
- Paid Advertising: Paid advertising involves paying to place ads on search engines (PPC) or social media platforms such as Facebook Ads(R. Malik, 2017).

- Social Media: Social media marketing is an excellent way to connect with consumers, build brand awareness, and establish a positive brand image(R. Malik, 2017).
- Mobile Marketing: As a result of the fact that almost everyone owns a mobile device, mobile marketing is becoming more critical every day. Mobile marketing is the distribution of marketing messages to mobile device users(R. Malik, 2017).
- Email Marketing: Email marketing is one of the most effective forms of digital marketing, and it involves the distribution of promotional messages to a company's subscribers via email(R. Malik, 2017).
- Reporting: Measuring performance is crucial to optimizing digital marketing efforts. In digital marketing, it refers to evaluating metrics such as website traffic, conversion rates, bounce rates, click-through rates, and other key performance indicators(R. Malik, 2017).

### 2.3.3 *Barriers to accessibility to digital marketing tools and platforms*

Some barriers prevent SMEs from accessing digital marketing tools and platforms. The barriers could be due to various factors, such as a lack of resources or knowledge, technology incompatibility, or inadequate infrastructure (Kallier, 2017). These barriers could make it difficult for businesses to take advantage of digital marketing opportunities, causing them to fall behind their competitors (Mazzarol, 2015).

Traditional marketing approaches are seen as not readily applicable to SMEs. Thus, marketing techniques tend to be informal and unplanned (Todor, 2016). Despite the affordability and efficiency of Internet marketing, some SMEs are still hesitant to adopt digital marketing.

SMEs' adoption of digital marketing faces many obstacles, including lack of knowledge, difficulty determining returns on investment, and perception issues (Kallier, 2017). Digital marketing requires proper training and staying informed of new developments and technology to meet business and customer expectations,

which most SMEs might lack. Therefore, education is perceived as one of the vital tools for SMEs' success in the digital marketing world (Royle & Laing, 2014).

(Wilson & Makau, 2018) Argues that (SMEs) struggle to keep up with digital marketing due to limited resources and an ever-changing technological environment.

According to (Van Scheers, 2016), SMEs in Tshwane face similar challenges to those identified in the literature review, such as inadequate access to technologies, security of information, limited market research, and a lack of funds.

### 2.3.4 *Benefits of utilizing digital marketing tools and platforms*

(Phiri, 2020) argues that small and medium-sized enterprises (SMEs) are not fully aware of the financial benefits of using digital marketing. However, SMEs using digital marketing tend to focus on social media, which is crucial for marketing communications and branding. However, this tool doesn't cover the holistic view of digital marketing. As a result, SMEs are not fully benefiting from digital marketing.

Combining the various digital marketing tools and platforms through a strategic approach presents significant benefits for business (Taiminen & Karjaluoto, 2015). Some key benefits of digital marketing for SMEs include developing brand awareness, increasing sales, boosting visibility, improving customer engagement, reducing marketing budgets, tracking return on investment (ROI), generating leads, influencing purchasing decisions, and increasing online conversion rate (Chaffey, 2023).

- Developing brand awareness and boosting visibility: Digital marketing provides SMEs with a cost-effective way to build brand recognition, reach new audiences, and promote their products or services. It can increase SMEs' visibility by improving their search engine ranking and driving more online traffic to their website Building and expanding brand awareness can lead to increased sales and customer loyalty (Z. A. Malik et al., 2022).

- Increasing online conversation rate and reducing marketing budget: SMEs can optimize their website and social media pages for better conversion rates through digital marketing. This leads to more actionable leads and a higher probability of converting visitors into customers. Digital marketing offers SMEs an affordable way to connect with customers and achieve their marketing goals. Businesses can significantly reduce their marketing budget by leveraging digital channels instead of traditional advertising methods (Chaffey & Ellis-Chadwick, 2019).

- Improving customer engagement, influencing purchasing decisions, and Generating leads: Digital marketing allows SMEs to engage with their customers in real time through various digital channels, such as social media messaging and email marketing. This improves customer engagement and loyalty and helps build long-term customer relationships (Chaffey & Ellis-Chadwick, 2019). SMEs can target specific audiences and influence purchasing decisions through targeted messaging and personalized deals. This makes the decision-making process faster, more efficient, and more effective. Furthermore, digital marketing enables SMEs to attract customers and generate leads through various digital channels, including websites, email, social media, and search engines. Prospective customers can easily connect with the business and receive information about their products or services (Yasmin et al., 2015).

- Tracking return on investment: By tracking relevant KPIs (Key Performance Indicators) such as website traffic, social media engagement, and sales, SMEs can measure and analyse their marketing performance, identify areas for improvement, and optimize their campaigns to maximize their ROI. This helps businesses understand the value and impact of their digital marketing strategy in real-time (Visser et al., 2019).

### 2.3.5 *Proposition*

**Proposition1:**

SMEs need help in adopting digital marketing due to limited access to infrastructure and resources (Mazzarol, 2015). According to research, developing countries generally have slower adoption rates of digital technologies because of financial constraints and inadequate infrastructure supporting digital marketing. The lack of resources, such as computers and internet access, is the main barrier for SMEs. Overcoming these barriers is crucial to facilitating the successful adoption of digital marketing among SMEs and promoting their growth in developing economies (Wilson & Makau, 2018).

Therefore:

Insufficient technological infrastructure and limited financial resources may impede SMEs from effectively engaging in digital marketing activities.

**Proposition 2:**

The size of a SME directly affects the skillset available within the business. Given the limited personnel typically found in SMEs, there is a higher likelihood of lacking individuals with the necessary knowledge, training, and understanding of digital marketing platforms. This poses a significant challenge for SMEs in adopting and utilizing digital marketing effectively. Research suggests that insufficient knowledge about digital marketing technologies leads to a lack of awareness regarding digital marketing business models within SMEs. This, in turn, creates internal resistance to change and doubts about the benefits of digital marketing (Westerman, Bonnet, & McAfee, 2014).

Therefore:

The absence of employees or external experts with digital marketing expertise can hinder SMEs from implementing and managing digital marketing campaigns.

**Proposition 3:**

Many SMEs are not fully utilizing the potential of digital marketing despite the widespread use of the internet. This poor adoption can be attributed to SMEs' lack of expertise in digital marketing and SME owners' lack of the necessary background and knowledge (Taiminen & Karjaluoto, 2015). In many cases, SME owners handle marketing efforts unorganized and informally, lacking necessary technical knowledge. For such SMEs, the owner's behaviours and perceptions often influence decision-making processes for marketing strategies. These factors hinder the capacity of SMEs to adopt and effectively use digital marketing approaches (Wilson & Makau, 2018).

Therefore:

SME owners' lack of knowledge and understanding of digital marketing concepts and techniques can be a deterrent to its utilization.

**Proposition 4:**

According to (Chaffey, 2023), digital marketing can enhance a company's digital competence and create a positive customer experience. Digital marketing is a highly effective solution for addressing product marketing challenges and enabling easy sales promotion through social media platforms, leading to business development, improved brand value, and increased visibility. Organizations that embrace digital marketing experience cost-effectiveness, heightened brand awareness, and efficient customer reach. SMEs can leverage digital marketing tools and platforms to gain insights into customer behaviours and preferences (Z. A. Malik et al., 2022).

Therefore:

The lack of awareness about the advantages of digital marketing undermines its perceived value and inhibits SMEs' willingness to invest in and engage with digital marketing practices.

## 2.4 ANALYTICAL FRAMEWORK

In today's digital age, digital marketing tools and platforms have become indispensable for small and medium enterprises (SMEs). However, research suggests that SMEs, especially those in developing nations such as Soweto, face deterrents in utilizing these tools and platforms. This study aims to identify these deterrents and examine their possible associations with the following four theories: resources theory, appropriation theory, digital divide theory, and capability approach theory.

### 2.4.1 *Theoretical Framework*

SMEs in Soweto face various challenges in adopting and utilizing digital marketing tools and platforms. There are several reasons why SMEs in Soweto and other similar contexts may find it challenging to adopt digital marketing. A few of these reasons can be explained using resource theory, appropriation theory, digital divide theory, and capability theory. These analytical frameworks will explore the factors that deter SMEs' utilization of digital marketing tools and platforms in Soweto.

Resources theory posits that organizations with more resources have greater access to opportunities, are more likely to pursue them, and are more likely to succeed in their efforts (Chen, Westman, & Eden, 2009). In the case of SMEs, those with limited resources can experience barriers in their attempt to adopt digital marketing. A lack of resources such as capital, staff expertise, technical infrastructure, and time, to name a few, may limit an SME's ability to experiment, learn, and adopt digital marketing.

Appropriation theory further argues that socio-economic and cultural constraints may influence the adoption of new technologies, including digital marketing. An SME's perception of a new technology's relevance, ease of use, compatibility, and authenticity may play a vital role in the adoption process. The social, cultural, and geographical context of SMEs and their ability to adapt to these changes may also influence their willingness to embrace digital marketing (Dix, 2007).

The digital divide theory asserts a gap between those who can access and use digital technology and those who cannot. The digital divide can exist due to socioeconomic status and geographic location (Van Dijk, 2006). This theory will be helpful in identifying the inequality of technology access, which can limit SMEs' adoption of digital marketing technologies in Soweto.

The capability approach theory argues that individuals and organizations require access to tools and resources to develop the skills necessary to participate in social and economic activities (Clark, 2005). In the case of digital marketing technologies, SMEs require access to digital tools and resources, such as internet connectivity and training, to acquire the necessary skills and capabilities to utilize these technologies. This theory will be helpful in highlighting digital technology limitations to skills and how it can impact the SMEs' ability to utilize digital marketing effectively.

Adopting digital marketing technologies can be a significant challenge for SMEs in Soweto, facing barriers such as inequality, limited access to digital technologies, and limited technical skills. This study will reveal the importance of understanding the contextual factors that influence the effectiveness of digital marketing strategies.

Overall, these theories suggest that SMEs' adoption of digital marketing in Soweto depends on the availability of resources, the willingness of SMEs to allocate resources for digital marketing, and their perception of the attributes of digital marketing tools and platforms. These theoretical frameworks will help explain the challenges that SMEs face when adopting and using digital marketing tools and platforms.

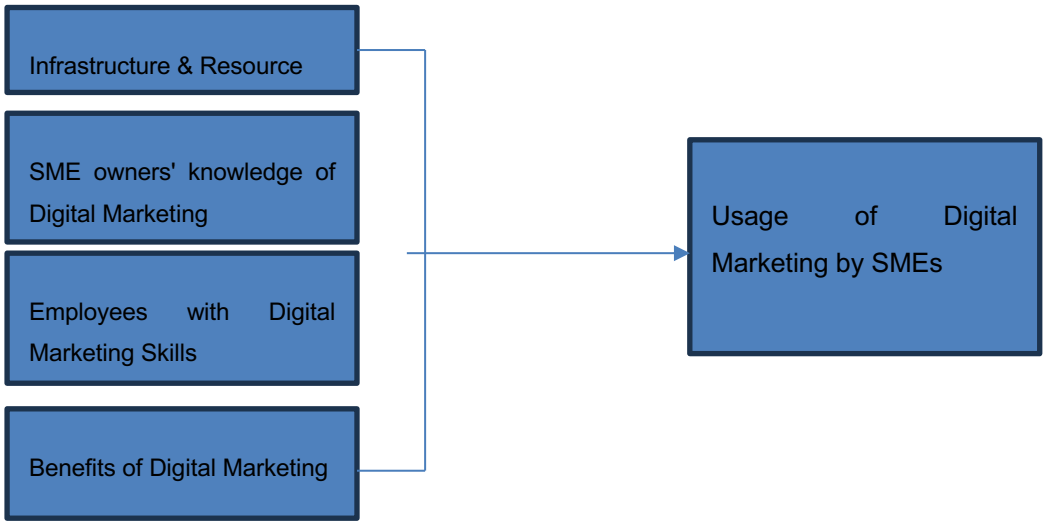
### 2.4.2 *Conceptual Framework*

Digital marketing has become increasingly important for SMEs to compete effectively in the modern business landscape. However, several deterrents may hinder SMEs from fully embracing digital marketing practices. This conceptual

framework aims to highlight the key variables that contribute to SMEs' underutilization of digital marketing, including infrastructure and resources, knowledge of digital marketing by owners, lack of employees with digital marketing skills, and a limited understanding of the benefits of digital marketing.

The combination of these deterrents contributes to SMEs' lower adoption rate of digital marketing practices. As a result, SMEs may miss out on the potential benefits of digital marketing, such as cost-effectiveness, enhanced brand awareness, improved customer reach, and valuable insights into customer behaviours and preferences.

This conceptual framework highlights the identified variables as significant factors that can deter SMEs from utilizing digital marketing strategies. Addressing these deterrents is crucial in promoting SMEs' adoption and effective utilization of digital marketing.




## 2.5 Conclusion of Literature Review

The literature in the study aims to provide insights into the potential and current digital technology limitations to skills faced by the SMEs in Soweto, ultimately leading to recommendations and valuable strategies that enable effective adoption and utilization of digital marketing technologies by SMEs in Soweto.

### 2.5.1 *Propositions for the study are as follows:*

#### *Proposition 1*

Insufficient technological infrastructure and limited financial resources may impede SMEs from effectively engaging in digital marketing activities.

#### *Proposition 2*

The absence of employees or external experts with digital marketing expertise can hinder SMEs from implementing and managing digital marketing campaigns.

#### *Proposition 3*

SME owners' lack of knowledge and understanding of digital marketing concepts and techniques can deter its utilization.

#### *Proposition 4*

The lack of awareness about the advantages of digital marketing undermines its perceived value and inhibits SMEs' willingness to invest in and engage with digital marketing practices.

# CHAPTER 3. RESEARCH METHODOLOGY

## 3.1 Research approach

A qualitative research approach for the topic “Barriers to the use of digital marketing by small and medium enterprises in Soweto" has been identified as suitable. This approach explores participant experiences, perceptions, and attitudes towards digital marketing tools and platforms (McLeod, 2019). The approach involves collecting information through in-depth one-on-one interviews with representatives from small and medium enterprises in Soweto. The qualitative approach allows for a more detailed understanding of the specific challenges and limitations the SMEs in Soweto face when utilizing digital marketing tools and platforms (Kleining & Witt, 2001).

According to (Makhubela et al., 2022), utilising digital marketing tools and platforms can be a complex task for small and medium enterprises, especially in areas such as Soweto where access to resources and expertise may be limited. Therefore, a qualitative approach allows for the collection of detailed data on the complexity of this topic (McLeod, 2019).

The data collected provide a deeper understanding of the unique challenges and opportunities small and medium enterprises face in this area. The data helped explore and understand the underlying reasons behind specific challenges and obstacles SMEs face in Soweto (Gill, Stewart, Treasure, & Chadwick, 2008). This data led to insightful results that could improve the use of digital marketing by SMEs in Soweto.

Qualitative research allowed the flexibility and freedom to explore the study through in-depth data collection methods, where questions were asked based on the emerging data to ensure that the information collected is relevant and address the research question and encourage participants' engagement (Gill et al., 2008).

## 3.2 Research design

A one-on-one interview study design was appropriate for this research topic because it allowed for a more in-depth exploration of small and medium enterprises' challenges. It also allowed the researcher to collect detailed information from each participant on their specific experiences (Dowling, Lloyd, & Suchet-Pearson, 2016).
Interviews in their nature allows for privacy, which reduce the chances of participants being influenced by social pressure, group dynamics or being shy about sharing their thoughts. This approach further allowed for follow up with participants and seek clarification on their responses (Owen, 2014). Participants were allowed to provide more information on specific topics where necessary.

Conducting a qualitative study on barriers to using digital marketing by SMEs in Soweto presented an opportunity to provide knowledge and a Soweto-focused perspective compared to a similar study conducted in Durban. This study provided a deeper understanding of SMEs' specific challenges and opportunities in Soweto. Comparing the findings from Soweto to Durban allowed for a cross-regional comparison, helping researchers and policymakers gain broader insights and identify best practices that can be applied across different regions to support SMEs in their digital marketing efforts.

## 3.3 Data collection methods

The interview process was preferred in collecting data for this research topic because of the nature of the research question, which is aimed at understanding the views and motivations driving the slow adoption and reluctance towards digital marketing by SMEs (McLeod, 2019). One-on-one interviews with the participants provided an opportunity for more detailed discussions about each participant's experiences, challenges, or solutions for using digital marketing tools and platforms. This approach allowed for obtaining rich data, through follow up questions which also helped in identifying the circumstances, cultural differences, and socio-economic background impacting the use of digital marketing tools in a detailed and specific manner (Owen, 2014).

Data collection through one-on-one interviews involved the following steps to gather data on the research topic:

I. Planning and developing interview questions prior to the actual interview with participants
II. Identifying and recruiting potential participants through purposive population sampling
III. Interviewing open-ended questions related to the research topic.
IV. Audio recording of the participant's responses, with full ethical considerations
V. Analysing the data collected by transcribing the recordings, through narrative analysis approach

## 3.4 Population and sample

The population for this study is small and medium enterprises (SMEs) located in Soweto, a township in Johannesburg, South Africa. The reason for choosing SMEs in Soweto was because they represent a specific population segment that might face unique challenges different from other areas, and because it is a large and rapidly growing township where digital marketing could be useful (Makhubela et al., 2022).

The sample for this qualitative interview study is a purposive sample of 12 SME owners or managers in Soweto. These individuals were selected based on their experience with digital marketing and willingness to participate in an interview. The following criteria were followed: The participants are SME owners or managers in Soweto, not limited to specific industries or company sizes. The participants were identified through existing SME databases, business directories, and professional networks of SME owners or managers in Soweto. These included SMEs that are actively engaged or have previously engaged in digital marketing and have faced challenges in this area.

### 3.4.1 *Population*

The population for this research topic is small and medium enterprises located in Soweto, South Africa. These are the owners and managers of SMEs in Soweto from various industries and sectors who have access to and are aware of digital marketing tools and platforms but are not utilizing them to their full potential (Makhubela et al., 2022). They have been using traditional marketing or attempted to utilize digital marketing tools and platforms in the past, but were unsuccessful in achieving their desired marketing goals, and some have not attempted to market their business fully yet.

### 3.4.2 *Sample and sampling method*

The purpose of the research was to understand the reasons why SMEs in Soweto are not using digital marketing tools and platforms. Therefore, the study focused on selecting participants who are small- and medium-sized enterprise owners in Soweto. And this was achieved through purposive sampling, a non-random sampling method that involves selecting participants who meet specific criteria or characteristics (Rai & Thapa, 2015). This sampling method was appropriate for this study as it ensured that the sample represents the population regarding the studied characteristics (Etikan, Musa, & Alkassim, 2016).

The planned number in the sample is between 12 participants. The age range of the participants is between 20 to 45 years, with an even distribution across the age groups. The study attempted to include a diverse demographic profile with participants from different ethnic backgrounds that represent the diversity of Soweto.

A pilot study was conducted with three participants from the sample size to assess the feasibility of a larger research project. The aim was to test the research process, improve research questions, identify challenges, and establish necessary rapport with participants. The study allowed for the trial of the interview research instrument and helped hone interviewing skills. Three one-on-one interviews were conducted to gather qualitative data. The collected data was analysed to revise and improve the research instruments for the main study. The

pilot study provided valuable feedback and insights to improve the study design for more effective and efficient data collection and analysis (Lees, Walters, & Godbold, 2022).

For this study, the sample criteria to identify participants included, Soweto participants with:

- A registered business
- A business that has been operating for a minimum of 6 months
- No specific requirement on educational background

According to (Tongco, 2007), having a diverse sample allowed the study to understand the challenges associated with utilizing digital marketing by SMEs in Soweto. It formulated evidence-based recommendations that acknowledge and accommodate different demographics' needs.

## 3.5 The research instruments

This study used the unstructured interview research instrument to gather qualitative data from SMEs in Soweto regarding their barriers to utilizing digital marketing tools and platforms.

According to (Jamshed, 2014) this instrument consists of open-ended questions allowing SME owners to share their thoughts and experiences in their own words. The questions covered various topics, including the SMEs' current marketing strategies, their perceptions of digital marketing and the strategic elements, and their obstacles to adopting digital marketing tools and platforms.

The advantage of using an unstructured interview research instrument for this study is that it provided in-depth information about the SMEs' perspectives and experiences. It allowed the interviewer to follow up on interesting or unexpected responses, and to gain a deeper understanding of the SMEs' thought processes. It further helped identify unanticipated issues or barriers that may not have been apparent in a more structured survey (Zhang & Wildemuth, 2009).

The disadvantages of unstructured interviews are that conducting and analysing was time-consuming and labour-intensive. Participants' responses were too diverse to compare easily and presented vulnerability to interviewer bias (Patton, 2014).

## 3.6 Procedure for data collection

Data was collected by conducting a face-to-face, one-on-one interview with the participants at a location comfortable to them. The process of data gathering included the following phases:

a) Recruiting Participants

Recruiting participants included identifying and approaching relevant participants willing to participate in the study. The participants were sourced through business associations and networking organizations that support SMEs in Soweto. Referrals from other SMEs that had already participated in the study were also encouraged to broaden the scope. Willing participants were given a clear explanation of the study's purpose and objectives, and asked if they would be interested in participating in an unstructured interview.

b) Arranging Interviews

For those willing to participate in the study, interview time and date was scheduled at their convenience. Upon confirmation from the participants, research guidelines were shared with them in order for them to prepare for the one-on-one in-person interview conducted at the SME’s business premises and, for some, at a location of their choice.

c) Conducting Interviews

To conduct the interviews, a mobile device was used to record audio. This process was explained to the participants and only happened upon receiving consent from them. The research guidelines were shared with the participants

prior to the interview to help them think about how to respond to the study and for them to be in a better position to provide deeper insights. The interviews were guided by the prepared research open ended questions, and included additional probing questions based on the participants responses. To begin the interview - a proper introduction, aims and objectives of the study were explained to the participant.

During the interview, participants were allowed to speak freely without interruptions, and encouraged to express their views, opinions, and experiences without interference. Follow-up probing questions were asked for clarity and elaboration.

d) Data Analysis

Once all required interviews were completed, the next step was to transcribe recordings into a document, then the data was analysed. To analyse the data, a narrative analysis of the SME's answers transcribed was arranged into similar stories and narrative blocks across all responses. The aim of the analysis was to compare and contrast the narrative to come up with core narratives (Esin, 2011).

e) Interpretation and Reporting

Identified narratives were then interpreted and compiled into a report summarizing the key findings. Recommendations were then proposed for further research study that may be required to improve and contribute to the knowledge around digital marketing and SMEs.

## 3.7 Data analysis strategies and interpretation

This study used the narrative analysis approach. This approach is a systematic process that is used to examine and interpret stories or narratives shared by individuals or groups, it explores how narratives shape and reflect human experiences. It involves analysing these narratives' content, structure, and context to understand the meanings, themes, and underlying messages they

convey. The analysis recognizes that people make sense of their experiences and construct their identities through storytelling (Esin, 2011).

The approach is used to help understand participants' life stories, by exploring patterns of thoughts and behaviours. It can aid in understanding participants' learning experiences and challenges, and further assist in capturing their experiences and needs (Esin, 2011). It provides a powerful means of exploring diverse human perspectives and lived experiences, and further provides an opportunity to gain deeper insights into the complexities of individuals and communities. It is flexible and offers the possibility of interpreting data inductively, which will help derive meaning from it. The results obtained will be conceptually grounded on the participants' perceptions, experiences, and interpretations (Daiute & Lightfoot, 2004).

Through this approach a richly-detailed nuanced understanding of human experiences and an opportunity to explore the intricacies of emotions, motivations, and beliefs on the SMEs' experiences and perspectives regarding digital marketing adoption was reported. This analysis helped compile a report with comprehensive findings and provided recommendations that may help solve the SME's digital marketing adoption barriers and facilitate further research related to the topic. This analysis also helped to unearth underlying social structures, power dynamics, and discourses that influence the formation and reception of narratives (Daiute & Lightfoot, 2004).

The process for narrative analysis that was followed includes the following steps:

- Transcription of the Interviews
- Familiarization with the Data
- Coding the Data
- Developing Themes
- Theme Review and Refinement
- Data Analysis Report
- Interpret the findings

- Presenting report findings and recommendations

## 3.8 Possible limitations and challenges of the study

Qualitative study is popular for its advantages in providing in-depth insights on a research topic (Queirós, Faria, & Almeida, 2017). However, there are potential limitations and challenges for using this research method and these may include:

I. Small sample size - A small sample size of the SMEs' is not representative of the broader SME population in Soweto. This may challenge generalizing the findings (Robinson, 2014).

II. A representative sample of the study - The selected sample must be an accurate representation of SMEs in Soweto. And this should be captured through a diverse size, industry, experience, and digital marketing tools and platforms (Marshall, 1996).

III. Researcher bias and social desirability bias - If the study is approached with preconceived ideas and desired results, this bias might influence the data gathering and interpretation process, creating potential discrepancies between the interpretation and participants' perspectives (Queirós et al., 2017). Participants might answer questions in a way they think is socially acceptable or expected, leading to potentially inaccurate responses.

IV. Trustworthiness and Credibility - There are no strict measures to ensure the researcher acknowledges and accounts for possible inaccuracies or weaknesses within the research process. This may impact ensuring that the data is trustworthy, credible, appropriate for the study, and influential in producing reliable findings (White, Oelke, & Friesen, 2012).

Despite these challenges and limitations, using an unstructured interview research instrument in combination with narrative analysis still offered a valuable research approach to exploring the barriers to SMEs' use of digital marketing in

Soweto. The study also followed a quality assurance approach, which helped minimize the limitations and ensured the quality of the research.

## 3.9 Quality Assurance

Transferability, Dependability, Credibility, and Confirmability form part of quality assurance for the qualitative study on barriers to the use of digital marketing by small and medium enterprises (SMEs) in Soweto. These concepts played an integral part in maintaining the quality of the research and ensured that the findings obtained do not suffer from issues related to subjectivity, bias, and reliability (White et al., 2012).

Transferability looks at the degree to which the findings from qualitative research can be applied to other contexts or settings outside the present research context (Shenton, 2004). For this study, transferability was enhanced by ensuring a diverse sample of SMEs is selected and the research methods used are transparent and documented.

Dependability refers to the consistency and stability of qualitative research methods that collect and analyze data over time. To ensure dependability on this study, the research process was documented and provided detailed descriptions of the data collection and analysis processes such that it can be replicated (McGinley, Wei, Zhang, & Zheng, 2021).

Credibility will examine how the research accurately reflects the participants' views, experiences or perceptions. A rapport was developed with participants to enhance credibility, which helped with the interview process and data accuracy (Treharne & Riggs, 2015).

Confirmability is the ability to confirm research findings as they are presented. For confirmability, the research process will be made transparent and have a well-documented and consistent approach to analysing the data. Data interpretations were supported by reference to the text from the participants' interviews (Abdalla, Oliveira, Azevedo, & Gonzalez, 2018).

In the study on digital marketing barriers for SMEs in Soweto, the quality as mentioned above assurance was ensured by documenting the research process rigorously, establishing rapport with participants, and engaging the data collected in critiquing and reviewing research findings.

Implementing these concepts helped deliver high-quality research findings, allowing the study to achieve its research goals. And further, establish to future researchers that qualitative research can produce meaningful and valid findings.

### 3.9.1 *Transferability*

Proposed steps undertaken in order for the study to meet transferability included:

I. The study was conducted in Soweto, a township in the Gauteng province of South Africa. The study findings can, therefore, be transferred to other similarly situated townships in Gauteng province that have small and medium enterprises that face the same challenges when it comes to utilizing digital marketing tools.

II. The unstructured interview research instrument allowed for a deeper understanding of the issues faced by SMEs in Soweto. The interview further allowed for the collection of rich and detailed data transferable to contexts beyond Soweto.

III. The themes and core narratives identified can be used to inform and guide the development of strategies that address the challenges SMEs face regarding digital marketing tools, not only in Soweto but in other similar contexts.

### 3.9.2 *Credibility*

The research design and methodology were the key drivers in ensuring the credibility of this qualitative study, and the proposed approach for this included the following:

I. Using an unstructured interview research instrument enabled the interviewer to explore the challenges and experiences of participants in-depth. This interview will allow for a more detailed and informative data to be collected.

II. The interviews were conducted through face-to-face direct engagement with the participants. This allowed the interviewer to build a rapport with the participants, which made them more comfortable and willing to share their experiences.

III. Using narrative analysis ensured that the study's findings are credible by identifying common themes, core narratives and patterns in the data.

IV. A member-checking approach was put in place. This approach means participants were allowed to verify their responses - the interview recording and transcribed notes were shared with participants.

### 3.9.3 *Dependability*

The proposed steps undertaken for the study to meet dependability can be assessed by examining the research design and methodology, with the key focus on the stability and consistency of the results. This included the following:

I. Using an unstructured interview research instrument, which allowed the respondents to express their views and experiences, enabled the researcher to gather rich and detailed data.

II. The interviews were conducted face-to-face, allowing the researcher to ask follow-up questions and clarify participants' answers.

III. Using narrative analysis maximized the study's dependability by identifying common patterns, themes, and core narratives in the data and providing consistent and systematic results.

IV. The research used a more diverse sample from the population, ensuring the results were more representative and consistent.

## 3.10 Ethical considerations

The qualitative study on “Barriers to the use of digital marketing by Small and Medium Enterprise in Soweto”, with data gathered using the unstructured interview research instrument through a face-to-face direct engagement with respondents and further analysed using thematic analysis, followed ethical considerations stipulated by the Wits University ethics policy guidelines. The policy guides researchers to conduct their research in the most trustworthy manner demonstrating integrity. The ethical considerations ensure that the study is conducted responsibly and respectfully.

The study was submitted for ethical review by the Wits University ethical team to ensure that the study was conducted following ethical, legal, and professional standards. Ethical considerations followed included:

Participants were made aware of the study's nature, risks, and benefits and allowed to agree or disagree to participate. Consent forms were signed, and participants were informed that they could withdraw their participation without penalty.

I. Participants' anonymity and confidentiality were protected throughout the study. Their personal information was not divulged unless necessary, and data was stored securely.

II. The participants' preferences, values, and beliefs were respected throughout the study, and they were allowed to express their views freely without coercion.

III. Participants were not exposed to any psychological or physical harm. The study did not draw any negative consequences towards the participants as a result of participating.

IV. Sensitive information was handled with care, and necessary referrals were made to the participants for any critical issues that need attention.

Ethical considerations were important to this research study as it dealt with human participants, therefore human rights were always protected. Adherence to ethical considerations was imperative for developing trust and maintaining integrity when conducting research with human participants (Cohen, Manion, & Morrison, 2007).

## 3.11 Proposed schedule and timelines

I. Proposal writing: 2-3 months

The process involved determining the research questions and objectives, created a research plan.

II. Ethics approval: 3-6 weeks

Applied for ethics approval with the ethics committee

III. Participant recruitment: 2-4 weeks

Recruited participants for the study.

IV. Data collection: 4-6 weeks

Conducted one-on-one interviews with recruited participants

V. Data Transcribing: 2-4 weeks

Converted the audio version of the interview into written text

VI. Data Analysis: 4-6 months

Examined collected data to identify patterns, themes, and overall findings.

VII. Writing up of results and report: 4-6 weeks

Compiled a research report documenting the research questions, methods, findings, and conclusions.

VIII. Submission

# CHAPTER 4. PRESENTATION OF FINDINGS

## 4.1 Introduction

The following chapter presents the findings obtained from qualitative interviews with twelve participants on the research topic "Barriers to the effective use of digital marketing by Small and Medium Enterprises in Soweto." The results are presented proposition by proposition, along with a detailed description of the various responses from the participants. The approach involved posing specific questions to participants to gather insights into four propositions related to obstacles, employee expertise, knowledge and understanding of digital marketing, and the awareness of its advantages. Additionally, relevant quotes/remarks from the participants are included to enhance the validity of the research on case by case. For anonymity, identifying numbers assigned during the analysis are used in place of participants' names. This approach helped to provide a comprehensive understanding of the challenges and opportunities related to digital marketing for SMEs in Soweto.

## 4.2 Results pertaining to Proposition 1: Insufficient technological infrastructure and limited financial resources may impede SMEs from engaging in digital marketing activities effectively.

To determine the results for this proposition, participants were asked four different questions: *What are the key challenges or obstacles you face when you consider using digital marketing as a whole? Regarding resources and infrastructure, would you say you have the required resources to conduct or use digital marketing in your business, and is your business equipped enough? What additional insight or information would you like to share regarding the challenges that small businesses face when it comes to using digital marketing? And what can be done to improve digital marketing for SMEs in Soweto?* The four questions

provided insight pertaining to Proposition 1. In the following section, we unpack the results of each of the questions.

### 4.2.1 *Challenges and obstacles faced by SMEs*

The summarized responses reflect a range of challenges, including reach and message delivery, resource and financial constraints, security concerns, market relevance, and issues related to the online presence and operational limitations. These challenges emphasize the multi-faceted nature of barriers faced by SMEs in Soweto when considering the effective use of digital marketing.

Based on the responses gathered, the key challenges and obstacles faced by SMEs in utilizing digital marketing can be summarized as follows:

- Respondent 1 highlighted the challenge of effectively reaching the right audience in a specific location. They expressed concerns over whether people receive digital marketing messages in a specific area like Soweto, indicating potential issues with message delivery.

  > "I would use Facebook and would obviously tag people so that the message can spread. And the digital world is broad, is big. And remember I'm in Soweto Zola, Mndeni which is a specific place. And then if I send something, it needs to go to the right people."

- Respondent 2 mentioned the obstacles of potential scams and hacking on social media platforms, highlighting the security concerns associated with using digital marketing channels.

  > "The obstacles sometimes of using social media. You can get scammed and hacked via social media platforms."

- Respondent 3, identified resource challenges, including limited financial resources to hire additional staff for digital marketing, constraints in time to focus on digital marketing due to day-to-day business operations, and the need for additional resources such as computers and software for creating digital content.

- Respondent 4, explained the financial challenges related to the cost of data for using social media and running advertisements, particularly for small businesses with limited financial resources.

- Respondent 5, emphasized the impediment related to accessing capital that can enable SMEs to fully exploit the opportunities within the social media space, pointing to the challenge of operational capital for utilizing digital marketing effectively.

    > "I could say our impediment is not necessarily accessing social media, but it's just like having access to capital that will enable us to exploit all the avenues that are there within the social media space."

- Respondent 6, highlighted the challenge of establishing and maintaining a strong presence on social media, suggesting that this absence could pose a long-term challenge for businesses in engaging with their audience.

- Respondent 7 mentioned challenges with product delivery and its associated costs, which can impact profits and resource allocation.

- Respondent 8, underscored the importance of dedicated staff for planning and managing digital platforms, noting that insufficient human resources and poor management could hinder effective digital marketing efforts.

- Respondent 11, discussed challenges related to the target market's age demographics, indicating that the older customer base might not be present on digital platforms, leading to perceived inefficacy in digital marketing efforts.

    > “Our target market, people who are supporting us are the older guys. So, they are not there in those platforms. So, to me that, should be the challenge."

- Respondent 12, raised concerns regarding monetization, suggesting that SMEs face challenges in effectively leveraging digital marketing efforts for monetary gains.

### 4.2.2 *Availability of Resources and Infrastructure*

The responses suggest a mix of optimism, concerns, and challenges related to resources, infrastructure, and skills for digital marketing within the context of small and medium enterprises in Soweto. They show a range of perspectives on resource availability, highlighting issues around technology access, infrastructure, and digital skills, as well as the impact of external factors such as network coverage and load shedding on digital marketing for SMEs in Soweto.

Below is the summarized overview of the respondents' answers:

- Respondent 1 feels that the accessibility of phones and the ease of using them mitigate the resource challenge.

  > “Nowadays I think the phones that we have, they do a lot of things. I think that in terms of resources, it's not it's not that much of a challenge”.

- Respondent 4, mentions that resources and infrastructure might be lacking due to the disparity in exposure and understanding of digital marketing, particularly in areas like Soweto.

  > “In most cases, you will find that not everybody actually moves with technology. In most cases you would find you that people are still comfortable with the old ways of doing business. So then when you look at Soweto, people that are educated, we move out of Soweto and we don't go back and invest and empower people that are left there. So those that are left are left without getting a lot of exposure in a lot of things."

- Respondent 5 emphasizes the shift towards remote work and the impact of the fourth industrial revolution on business practices.

- Respondent 6, highlights the struggle with internet connections and the need for access to data for easier business operations and information retrieval.

- Respondent 8 focuses on the impact of network coverage and load shedding on the ability of SMEs to use digital marketing effectively.

- Respondent 9, expresses confidence in having the necessary resources, primarily citing the use of a phone.

- Respondent 10, indicates a lack of required resources for digital marketing.

- Respondent 11, identifies skills as a limitation, stating that though there is some knowledge of social media, there is a lack of expertise in comprehensive digital marketing.

    “I think the skills are something that we don't know."

### 4.2.3 *Additional insight on the challenges faced by SMEs*

The responses from the interviewees in Soweto reveal several common challenges faced by small and medium enterprises (SMEs) in utilizing digital marketing. Challenges such as lack of education, resources, infrastructure, and limited understanding of digital marketing capabilities pose significant barriers for SMEs in Soweto. These barriers impact the effective use of digital marketing and hinder the growth and sustainability of small businesses in the region.

Below is the summary of the responses, outlining the respondents' key points and direct quotations from their answers:

- Respondent 1 emphasized the lack of knowledge and usage of digital marketing in Soweto. They also highlighted the need for education and training:

    *"People don't know about digital marketing. In Soweto, we do not use it there's only a few people using it."*

    "*It would be fine if they get like a course to attend if they have a business and enroll in a short course on how to market their business digitally."*

- Respondent 2, pointed out the lack of formal education in business strategies among SMEs in Soweto:

  *"Some we are not educated to do businesses. Strategies. We are self-taught."*

- Respondent 3, highlighted various challenges, including lack of resources, infrastructure issues, skills gap, and financial constraints. They also emphasized the lack of understanding of the full capabilities of digital marketing among SMEs:

  *"The critical one is the understanding of what digital marketing is and what it can do for the business."*

- Respondent 4, advocated for government involvement in empowering SMEs through training and resource allocation:

  *"The government really needs to come through and make sure that in the programs that they are running, they need to start including the training and also allocate resources to empower the SMEs."*

- Respondent 5, stressed the importance of community support and brand association:

  *"It's quite hard for us to buy a brand in the singular. but if the same brand comes with Smith I'm going to pay for it and I'm not going to question it."*

- Respondent 6, shared their experience of using social media and business groups for finding services, and supplier groups for networking.

- Respondent 7, highlighted the challenge of reaching customers who are not active in the digital world:

  *"It's hard to reach them. The only way you can reach them is if you see them in person."*

- Respondent 8, raised concerns about the regulation of digital platforms and the inundation of marketing content without consent.

- Respondent 9, emphasized the challenge of creating and maintaining a website due to lack of expertise and financial constraints:

  *"I think the big challenge is on the website, you know, because us we don't have a website yet and we don't know how to create it ourselves."*
- Respondent 10, expressed the desire to learn digital marketing skills to benefit their own business and potentially teach others.

- Respondent 11, advocated for changing the mindset from viewing small businesses as merely a second income to recognizing them as proper businesses in need of growth and investment.
- Respondent 12, identified ignorance, resistance to change, and belief systems as reasons for some SME owners' hesitancy to engage with digital marketing.

### 4.2.4 *How to improve digital marketing for SMEs*

The improvement of digital marketing for SMEs in Soweto seems to be centered around the need for training and education. Respondents emphasize the importance of acquiring the necessary skills and knowledge to effectively utilize digital marketing tools. One respondent reinforced the need for training and outsourcing expertise, while another emphasized the owner's initiative to understand the digital space and acquire the required skills. The consensus among the respondents revolved around the idea that education and empowerment are crucial for SMEs to employ digital marketing tools effectively. This might involve pumping in financial resources for training, exposure to digital marketing platforms, and utilizing seminars or webinars to unify small businesses in their digital marketing efforts. The recommendations included conducting awareness campaigns and practical training on opening and managing social media platforms like Facebook and Instagram. Overall, the key themes were training, education, empowerment, and awareness campaigns to support effective digital marketing for small businesses in Soweto.

Summary of the respondents' responses, along with direct quotations:

- Respondent 1, Training and Outsourcing: *"People need training, people need to outsource people that know the marketing thing, people need to use it, even if it's basic training just to get yourself out there."*

- Respondent 3, Key for Small Businesses: *"I think training, you know, I think trainings, seminars, workshops, I think that is key for small businesses."*

- Respondent 4, Education and Empowerment: *"I think education. I think they need to be educated around digital marketing and being empowered."*

- Respondent 5, Exposure and Training: *"So as to improve digital marketing, I think money needs to be pumped in... excessive training and usually that requires employing services of people trained in the space to advise those who are not necessarily privy to that."*

- Respondent 6, Familiarization and Unified Approach: *"The first point will be just to familiarize ourselves with it... I think seminars and webinars can assist with regards to that... if we're using the same method, I think that can also have customers to interact with us."*

- Respondent 8, Awareness Campaigns and Infrastructure: *"It all needs some various interventions which will mean some awareness campaigns... if we can have a way of putting them in, of putting them out there, I think it can start by a form of awareness campaigns and follow by a mechanism that supports that."*

- Respondent 9, Skills and Education: *"I think, maybe training if we can be educated about digital marketing, like how to create a website, you know, that can help us... I think we need to get people to actually learn about more about digital marketing."*

- Respondent 11, Accessibility and Practical Training: *"I think what can be done is skills, skill skills... if we can have like a platform for small businesses and the costs are not as expensive... I think they need to be*

*taught how to do this thing. How to open a Facebook. It needs to be practical."*

The collected responses indicate the numerous obstacles faced by small and medium enterprises (SMEs) in Soweto when it comes to effectively engaging in digital marketing activities. These challenges include issues with reaching the right audience, security concerns, resource and financial constraints, market relevance, operational limitations, and skills gaps. The findings emphasize the need for targeted interventions to address these multi-faceted challenges, including improving digital skills, providing better infrastructure and resource support, and developing strategies to overcome financial constraints. Addressing these challenges is crucial to enhancing the ability of SMEs to effectively engage in digital marketing activities, confirming the proposition that insufficient technological infrastructure and limited financial resources may impede SMEs from engaging in digital marketing activities effectively.

## 4.3 Results pertaining to Proposition 2: The absence of employees or external experts with digital marketing expertise can hinder SMEs from implementing and managing digital marketing campaigns

To determine the results for this proposition, participants were asked to answer the following question: *Do any of your employees have training in digital marketing, and have you ever considered outsourcing or seeking external assistance for managing your digital marketing activities?* The following section will unpack the responses.

### *4.3.1 Employee training and outsourcing skills*

The responses demonstrate a range of perspectives on digital marketing training among employees and the consideration of outsourcing, highlighting factors such as resource limitations, time constraints, and cost concerns.

Below is a summarized overview of the responses:

- Respondent 1 indicated that they do not have employees.
- Respondent 2 mentioned that none of their employees have training in digital marketing.

  “No, none of my employees they don’t have that kind of training for how to use the digital training.”
- Respondent 8 mentioned that their employees have IT backgrounds, but specific training in digital marketing seems to be lacking.
- Respondent 9 stated that their employees, being hairstylists, do not have training in digital marketing.

  “No, my employees don’t have training in digital marketing, they are hair stylists. So no, no training for digital marketing.”
-

Respondents' views on considering outsourcing for digital marketing:

- Respondent 1 expressed interest in outsourcing for digital marketing, particularly due to recent issues affecting their ability to handle marketing on their own.
- Respondent 3, has considered outsourcing but indicated resource constraints as a barrier in doing so and tends to manage tasks themselves due to time and financial limitations.

  “Well, I've considered outsourcing, but like I said earlier resources are an issue, I still do not have enough money to hire people and what not.”
- Respondent 4, mentioned that their employees do not engage in digital marketing tasks, and while they have considered outsourcing, they plan to explore it once their business grows.
- Respondent 5 stated that they currently employ the services of an external provider for digital marketing activities.

  "We employ the service of an external service provider. We outsource."
- Respondent 6 and 7, both mentioned that they have considered outsourcing for specific digital marketing services, viewing it as a means to aid business growth.

- Respondent 8, revealed that they have explored outsourcing for tasks such as website development and social media management, but have faced challenges with service providers in the past.

  > “Yes I have considered outsourcing, I think at some stage I did tap into that especially it was for firstly the website development.”

- Respondent 9 expressed a disinclination towards outsourcing due to the perceived ease of handling social media postings and cost considerations.

  > “No,. I've never considered outsourcing. I mean, posting on social media is not that difficult. Is easier.”

- Respondent 10 and 11, indicated that they have not considered outsourcing, with cost and knowledge barriers being significant factors.
- Respondent 12 mentioned considering outsourcing but expressed concerns about potential risks and costs associated with doing so.

Overall, it is apparent that a majority of the respondents have considered or are open to the idea of outsourcing digital marketing activities. However, barriers such as resource constraints, cost considerations, and a perceived lack of expertise in digital marketing have influenced their decisions.

## 4.4 Results pertaining to Proposition 3: SME owners' lack of knowledge and understanding of digital marketing concepts and techniques can be a deterrent to its utilization.

To determine the results for this proposition participants were asked two different questions: *What do you understand by digital marketing - and can you describe your current level of familiarity or understanding with digital marketing tools and platforms? Do you have the necessary skills and resources that are required for your business to use digital marketing?* The two questions provided insight pertaining to proposition 3. In the following section, we unpack the results on each of the questions.

### 4.4.1 *Understanding Digital Marketing*

The responses demonstrate varying levels of understanding and familiarity with digital marketing among the respondents. Their perspectives provide valuable insights into the current landscape of digital marketing practices among small and medium enterprises in Soweto.

- Respondent 1, Recognizes digital marketing as advertising on social media and the internet, with less direct usage of these platforms.

  > “My level of understanding digital marketing would be to advertise on social media, that is your Facebook, Twitter, Instagram, and so on, and the internet directly which I don’t use that much.”

- Respondent 2: Familiar with social media platforms such as Facebook, Twitter, and Instagram.

- Respondent 3, Views digital marketing as a new way of marketing using digital platforms and innovative technology, expressing a high level of familiarity, rating themselves a nine out of ten.

  > “I would say it's the new way of marketing a business using digital platforms and using digital techniques and using the innovative technology.”

- Respondent 4, Actively uses digital marketing, particularly on social media platforms like Instagram, Facebook, and WhatsApp, acknowledging their effectiveness.

- Respondent 5, Views digital marketing as a modern form of marketing, distinct from traditional methods like billboards, emphasizing the use of social media platforms. Additionally, indicates excellent familiarity due to the use of external service providers.

- Respondent 6, Recognizes digital marketing as a new way of advertising a business online, particularly through social media and ads, expressing familiarity despite not having an in-depth understanding.

- Respondent 7, Describes digital marketing as marketing through social media and digital gadgets, differentiating it from traditional print methods.

  > “It's marketing, But via social media and digitally, so it’s not like you in your old ways.”

- Respondent 8, Associates digital marketing with leveraging various digital platforms to reach a broad audience, without formal education in digital marketing.

- Respondent 9, Identifies digital marketing as the modern way of promoting through social media, expressing familiarity through the use of a Facebook page for advertising.

- Respondent 10, Acknowledges limited knowledge of digital marketing but recognizes its association with social media and the internet, expressing a willingness to use it in the future.

  > “I don't know much about it, but I know that it might be something regarding your social media and such platforms and yeah, I've heard about digital marketing a lot from social media and your internet and stuff.”

- Respondent 11, Associates digital marketing with advertising on platforms like Facebook, Instagram, radio, TV, and WhatsApp, highlighting familiarity with Facebook for digital marketing and advertising.

- Respondent 12, Perceives digital marketing as a modern alternative to traditional marketing methods, emphasizing familiarity with its workings, particularly SEO, with a readiness to assist others.

### 4.4.2 *Required skills and Resources for Digital Marketing*

Based on the responses provided by the respondents, there seems to be a mix of expertise, interest in improvement, and a lack of formal training among the respondents. This highlights the diverse landscape concerning the skills and

resources for digital marketing within the small and medium enterprises in Soweto.

It seems opinions on digital marketing skills and resources are varied among the respondents. Below is a summary overview from the respondents:

- Respondent 1, expressed a desire to appear in online searches but lacks specific knowledge on how to achieve this beyond using social media.

  > “Because I would like when a person searches transport to Lenasia online, I would like for my business card to appear, but I'm not sure how to go about it.”

- Respondent 2 mentioned not having received any formal training in digital marketing.
- Respondent 3, indicated having studied communications and marketing with a short course in digital marketing, claiming to have the required skills and understanding.

  > “I studied communications and marketing and then later did a short course in digital marketing. So I have the required skills and understanding of digital marketing.”

- Respondent 4, simply stated "No."
- Respondent 5, admitted to being self-taught but uncertain about their knowledge.
- Respondent 6 acknowledged living in a digital age and expressed an interest in taking a class to fully understand digital marketing.
- Respondent 7, claimed to possess the ability to articulate words effectively for marketing, despite lacking formal training.

  > “I can market my own thing. And people look into what you’ve written as well, whenever you're promoting something or you're marketing something. So, I'm able to articulate words in a way that can capture or attract people or customers.”

- Respondent 8, mentioned having only covered digital marketing as part of a module in a marketing course.
- Respondent 9, emphasized using social media as easy, suggesting no formal training is necessary.

- Respondent 10, expressed a desire to have digital marketing skills but admitted to currently lacking them.

  "No, I would love to have the skills. But no, I don't have the skills."
- Respondents 11 and 12 both indicated a lack of skills in digital marketing, with respondent 12 specifically mentioning taking online classes for digital marketing.

Based on the responses provided, there is a diverse range of understanding and familiarity with digital marketing among SME owners in Soweto. While some respondents exhibit a high level of familiarity and actively use digital marketing tools, others express limited knowledge and a desire to improve their skills in this area. The responses also highlight a mix of expertise, interest in improvement, and a lack of formal training, which underscores the varying landscape of skills and resources for digital marketing within the small and medium enterprises in Soweto.

## 4.5 Results pertaining to Proposition 4: The lack of awareness about the advantages of digital marketing undermines its perceived value and inhibits SMEs' willingness to invest in and engage with digital marketing practices.

To determine the results for this proposition participants were asked four different questions: *What were your reasons, your main reasons for your decision to use the social media platforms? What are the components of digital marketing that you are familiar with, and what platforms or elements of digital marketing have you utilize in your business? How would you perceive the importance of digital marketing for SMEs in Soweto and its role in the overall growth and sustainability of your business? compared to traditional marketing, do you think digital marketing can help your business grow? Do you think there's anything that your business can achieve through the use of Digital Marketing - What do you want your business to achieve through the use of digital marketing?* The four questions provided the insight pertaining proposition 4. In the following section, we unpack the results on each of the questions.

### 4.5.1 *Perception of digital marketing*

Based on the responses provided, it's clear that digital marketing holds significant importance for SMEs in Soweto. The general consensus is that digital marketing is crucial due to the widespread use of digital platforms and the internet. Overall, the respondents largely favored digital marketing over traditional methods, stressing its potential to reach wider audiences and contribute to business growth. Below is the summarized overview of the respondents' views:

- Respondent 1 emphasized how prevalent digital technology is, noting that everyone has access to phones and the internet, making digital marketing a key focus. They believe that digital marketing can greatly assist in growing a business as it helps in getting the message out to potential customers.

- Respondent 2, expressed the potential benefits of using social media for recognition and visibility.

- Respondent 3 highlighted the importance of adapting to the new wave of marketing, acknowledging that there is still a place for traditional media but stressing the importance of embracing digital marketing.

- Respondent 4, favored digital marketing over traditional methods, mentioning that it contributes to the growth of their business by bringing in orders.

- Respondent 5, underlined that digital marketing can help reach clients outside the immediate geographical area, and having a digital presence is key for engagement and brand visibility.

- Respondent 6, voiced the necessity of keeping up with the digital economy for SMEs, even if it requires hiring someone with expertise. They also pointed out that digital marketing has the potential to expand the business footprint.

- Respondent 7 agreed that digital marketing is important, given the shift to digital platforms, and underscored the need to keep up with the changing times.

- Respondent 8 stressed the importance of digital marketing in the current and future business landscape and its potential to expand nationally and enhance the business's image.

- Respondent 9 highlighted the significance of digital marketing in reaching customers and indicated plans to utilize platforms like Instagram and WhatsApp to grow the business.

- Respondent 10, commented on the decline of traditional marketing methods while praising the potential of podcasts and digital marketing. They expressed the need for skills to implement digital marketing effectively.

- Respondent 11, shared the view that Soweto's population is modern and smartphone-savvy, making digital marketing a potential driver for business growth.

- Respondent 12 emphasized the power of digital marketing in reaching wider audiences and its potential to sustain and grow the business in the modern era.

### 4.5.2 *Elements of digital marketing used*

The responses from all respondents reflect a range of digital marketing components and platforms utilized by small and medium enterprises in Soweto, providing insight into both familiarity and practical application of these elements in their businesses. Most are familiar with social media platforms, some with additional components such as websites, SEO, and email marketing, while a few have not extensively utilized digital marketing elements due to the nature or scale of their business.

- Respondent 1 used Twitter, Facebook, and TikTok for marketing but found them to be ineffective.
- Respondent 2 is familiar with social media platforms like Facebook, Twitter, and Instagram.
- Respondent 3, is familiar with various digital marketing elements including websites, social media platforms (Facebook, Twitter, WhatsApp, Instagram, TikTok), SEO, paid adverts, tracking (pay per click), email marketing, and SMS marketing. Has used social media, SMS marketing, and emails for their business and plans to create a website in the near future.
- Respondent 4, is aware of websites but hasn't utilized them yet. Relies on social media for marketing.
- Respondent 5 has utilized websites and social media for their business.
- Respondent 6, does not rely on digital marketing for their business, instead focuses on submitting proposals and approaching clients.
- Respondent 7 has utilized WhatsApp, Facebook, and Twitter but hasn't created any websites.
- Respondent 8 has utilized a company website, WhatsApp, and Facebook for marketing purposes.
- Respondent 9: is familiar with and currently using social media for their business, specifically Facebook.
- Respondent 10, has used Facebook, WhatsApp, and Twitter for marketing. Plans to create a website in the future.
- Respondent 11, primarily uses social media for advertising the business.
- Respondent 12, is familiar with SEO, paid traffic, PPC ads, and various social media platforms for promotion. They use Facebook, Instagram, YouTube, LinkedIn, and TikTok for marketing.

### 4.5.3 *Reasons for using social media*

The responses collectively highlight diverse reasons for utilizing social media platforms, including reaching specific demographics, expanding customer base, adapting to digital trends, and overcoming traditional marketing constraints.

- Respondent 1 highlighted the importance of using social media due to the shift towards online registrations and the need to reach parents throughout the year:

  > *"If you didn't do it at the beginning of the year when parents do the registration and stuff, you have to use other means which for me was social media."*

- Respondent 2 emphasized the importance of using digital marketing tools and platforms to gain recognition.

- Respondent 3 mentioned the desire to grow their business, increase their customer base, and adapt to the digital age:

  > *"The main reason for using digital marketing... is to grow my business... because things are becoming digital now... it's reaching people where they are."*

- Respondent 4 expressed how social media is a powerful tool for reaching a larger audience in their specific type of business.

- Respondent 6, mentioned a previous lack of success with social media, echoing the sentiment of feeling pressured to use digital marketing but not seeing tangible results:

  > "I was doing it because everyone else was doing it... we were told that we actually need to have a presence in social media."

- Respondent 7, highlighted the ability to reach a wider audience across different locations:

  > "I'm able to reach people from other provinces and cities."

- Respondent 8, underscored the utilization of digital marketing to support revenue generation, increase the number of people they train, and boost their credibility through storytelling and showcasing their impact.

- Respondent 9, pointed out the use of Facebook to market their salon services, engage with customers through inquiries, and provide essential information such as the salon's address.

- Respondent 10, stressed the necessity of digital marketing for acquiring customers and attracting more business:

    > "Obviously we're going to need those sorts of style fluency... we need to market the business because obviously you can't get customers, without marketing your business."

- Respondent 11, explained the challenge of reaching their target market, indicating that word of mouth is more effective than social media for reaching their mostly older clientele.

### 4.5.4 *What can your business achieve with digital marketing*

The respondents expressed a range of goals, including expanding clientele, transitioning to online platforms, achieving business growth, and establishing authority and expertise within their respective industries through the use of digital marketing in Soweto. They are seeking to use digital marketing to achieve various business objectives, including increasing visibility and establishing industry authority. Below is the summarized overview of the respondents' views:

- Respondent 1, stated that the key goal is to spread awareness and generate interest in their transportation services for children, ultimately fostering the efficient operation of the business.

- Respondent 2 stated that the aim is to expand clientele for future business growth and heightened recognition within the Soweto area.

- Respondent 3 expressed a strong desire for overall business growth, aiming to expand the customer base and increase revenue through digital marketing efforts.

- Respondent 4 stated that the primary objective is to transition the business fully online in response to changing consumer behavior, particularly during the COVID-19 pandemic, emphasizing the need for a website and ordering systems.

- Respondent 6, expressed a desire to leverage digital marketing skills and knowledge to handle entire event management, particularly focusing on the marketing aspects.

- Respondent 9, stated the goal of growing the clientele and effectively marketing the business to enhance visibility and recognition.

- Respondent 11, highlighted the aim of encouraging online purchases and delivery to effectively reach customers, shifting the focus towards online transactions rather than physical visits to the business.

- Respondent 12, expressed a desire to establish authority within the digital space, aiming to be perceived as knowledgeable and competent in their field.

Many small and medium enterprises (SMEs) in Soweto lack awareness of the advantages of digital marketing, which undermines their willingness to invest in it. Respondents in a study highlighted the importance of digital marketing for reaching wider audiences, contributing to business growth, and adapting to the new wave of marketing. They discussed utilizing social media, websites, SEO, email marketing, and more, but some SMEs have not fully embraced these elements due to the nature or scale of their business. This indicates a need for greater education about the potential benefits of digital marketing in the area. However, those who are using digital marketing expressed reasons for engaging with social media and other digital platforms, such as reaching specific demographics, expanding their customer base, and achieving various business objectives. This suggests that while there is a lack of awareness, those who have

engaged with digital marketing have seen potential benefits and have clear goals in mind for implementing these strategies.

## 4.6 Summary of the results/findings

| Propositions (Pn) | Summarised Findings |
|---|---|
| P1: **Insufficient technological infrastructure and limited financial resources may impede SMEs from engaging in digital marketing activities effectively.** | • SMEs in Soweto face obstacles in digital marketing, including reaching the right audience, security concerns, resource and financial constraints, market relevance, operational limitations, and skills gaps.<br>• Findings highlight the need for interventions such as improving digital skills, providing infrastructure support, and overcoming financial constraints to enhance SMEs' ability in digital marketing.<br>• It's crucial to address these challenges to confirm that technological infrastructure and financial resources can hinder SMEs' effective engagement in digital marketing activities. |

| | |
|---|---|
| P2: **The absence of employees or external experts with digital marketing expertise can hinder SMEs from implementing and managing digital marketing campaigns** | • Many respondents are open to outsourcing digital marketing activities.<br>• Common barriers include resource constraints, cost considerations, and perceived lack of expertise.<br>• These factors have influenced many respondents' decisions regarding outsourcing digital marketing. |
| P3: **SME owners' lack of knowledge and understanding of digital marketing concepts and techniques can be a deterrent to its utilization.** | • SME owners in Soweto exhibit a diverse range of understanding and familiarity with digital marketing.<br>• Some show high familiarity and actively use digital marketing tools, while others express limited knowledge and a desire to improve their skills.<br>• The responses highlight a mix of expertise, interest in improvement, and a lack of formal training, emphasizing the varying landscape of skills and resources for digital marketing within SMEs in Soweto. |
| P4: **The lack of awareness about the advantages of digital marketing undermines its perceived value and inhibits SMEs' willingness to invest in and engage with digital marketing practices.** | • Many SMEs in Soweto lack awareness of the benefits of digital marketing, hindering their investment in it.<br>• Respondents emphasized the importance of digital marketing for wider audience reach, business growth, and adapting to new marketing methods.<br>• Some SMEs have not fully embraced digital marketing due to the nature or scale of their business, highlighting a need for greater education, while those who have used digital |

| | |
|---|---|
| | marketing have seen potential benefits and have clear goals in mind. |

**Overall Summary:**

The study focuses on the challenges faced by small and medium enterprises (SMEs) in Soweto regarding digital marketing activities. It highlights issues such as limited resources, financial constraints, and skills gaps that hinder effective engagement in digital marketing. The absence of digital marketing expertise and awareness about its advantages also poses significant barriers for SMEs. The findings stress the need for targeted interventions to address these challenges and enhance SMEs' ability to utilize digital marketing effectively.

# CHAPTER 5. DISCUSSION OF THE FINDINGS

## 5.1 Introduction

This chapter provides a thorough exploration and evaluation of the research findings in the context of the presented literature findings within the context of the literature presented in the previous review. Structured around four key propositions, it sheds light on the digital marketing landscape for small and medium-sized enterprises (SMEs). The chapter delves into the challenges and obstacles SMEs face in digital marketing, exploring the availability of resources and technological infrastructure. It also provides additional insights and suggest improvements for digital marketing operations. Furthermore, it addresses how lacking employees or external experts with digital marketing expertise may hinder SMEs, considering potential solutions such as employee training and outsourcing skills. The chapter also discusses understanding the digital marketing landscape relevant to SMEs and identify the skills and resources required for effective digital marketing. Additionally, it examines the perceptions of digital marketing among SMEs, analyzing the elements being used and potential achievements for businesses through digital marketing. The chapter will also discuss the findings in line with the theories mentioned in the theoretical framework. Finally, the chapter summarizes the key insights and findings presented.

## 5.2 Discussion pertaining to Proposition 1: Insufficient technological infrastructure and limited financial resources may impede SMEs from engaging in digital marketing activities effectively.

### 5.2.1 *Challenges and obstacles faced by SMEs*

Based on the results provided by the respondents, it is evident that SMEs in Soweto face several challenges and obstacles when effectively leveraging digital marketing. The challenges faced in digital marketing seem to revolve around

limited resources, including financial and technical capabilities, and an incomplete understanding of the target audience's digital behavior.

The results reflect a range of barriers, including issues regarding reach and message delivery, security concerns, market relevance, and operational limitations. These challenges signify that they are prevalent hindrances for individuals and small businesses using digital marketing.

These challenges align with the existing literature, as noted by (Makhubela et al., 2022), indicating low adoption rates of digital marketing tools and platforms by SMEs in Soweto. Additionally, the study emphasizes a need to understand SMEs' perceptions and attitudes toward digital marketing, suggesting limited knowledge and access to such tools and platforms within the township.

Furthermore, the findings are consistent with the study (Kallier, 2017), which identifies barriers preventing SMEs from accessing digital marketing tools and platforms. These barriers include a lack of resources or knowledge, technology incompatibility, and inadequate infrastructure, all of which resonate with the challenges highlighted in the findings from the respondents.

The literature (Wilson & Makau, 2018) highlights how SMEs struggle to keep up with digital marketing due to limited resources and the ever-changing technological environment, aligning with the financial and resource constraints mentioned by the respondents.

(Van Scheers',2016) study on SMEs in Tshwane further supports the challenges identified in the findings, emphasizing issues related to inadequate access to technologies, security of information, limited market research, and a lack of funds, all of which mirror the obstacles faced by the SMEs in Soweto.

Respondents specifically mentioned challenges such as limited financial resources to hire additional staff for digital marketing, constraints in time due to day-to-day business operations, the need for additional resources such as computers and software for creating digital content, and the cost of data for using social media and running advertisements. These findings correspond with the literature, emphasizing the lack of resources and knowledge, technology

incompatibility, and inadequate infrastructure as barriers to SMEs' taking advantage of digital marketing opportunities (Mazzarol, 2015).

### 5.2.2 *Availability of Resources and Infrastructure*

From the responses, It is clear that there is a range of perspectives on the availability of resources and infrastructure for digital marketing within SMEs in Soweto. The responses suggest that while some businesses show readiness and confidence in utilizing digital resources for marketing, others face challenges stemming from limited access to technology, lack of digital literacy, and financial constraints. The responses indicates that businesses with better access to digital resources and digital solid literacy are more equipped to engage in digital marketing activities. The challenges highlighted by some respondents may stem from a lack of access to essential resources, infrastructure, and financial capacity, inhibiting effective participation in digital marketing efforts.

The literature supports these findings by emphasizing that limited resources, including capital, staff expertise, technical infrastructure, and time, can hinder the adoption of digital marketing in SMEs. Additionally, the perception of the relevance and ease of use of new technology and the social, cultural, and geographical context all play crucial roles in SMEs' willingness and ability to embrace digital marketing, as mentioned (Phiri, 2020).

The various perspectives from the respondents and the literature highlight the potential impediments SMEs face in Soweto with limited technological infrastructure and financial resources.

### 5.2.3 *Additional insight on the challenges faced by SMEs*

Based on the findings provided, it is clear that several challenges are impeding SMEs from effectively engaging in digital marketing activities. The responses from respondents highlight several key issues, including lack of education, resources, infrastructure, and limited understanding of digital marketing capabilities, which resonate well with existing literature.

The response aligns with the literature, which emphasizes the importance of access to digital tools, resources, and training for SMEs to acquire the necessary skills and capabilities to utilize digital marketing effectively, as proposed by the capability approach theory (Clark, 2005). Furthermore, the barriers of limited access to infrastructure and resources due to financial constraints and inadequate support for digital marketing in developing countries, as highlighted by (Mazzarol, 2015) and (Wilson & Makau, 2018), reflect the challenges identified by the respondents.

The literature also echoes the issues raised by the respondents regarding barriers preventing SMEs from accessing digital marketing tools and platforms, such as technology incompatibility and inadequate infrastructure, which can impact their ability to take advantage of digital marketing opportunities (Kallier, 2017). The shared emphasis on the significance of overcoming these barriers to facilitate the successful adoption of digital marketing among SMEs and promote their growth aligns with the proposition outlined.

### 5.2.4 *How to improve digital marketing for SMEs*

Based on the findings, the majority of the respondents emphasized the need for training, education, and skills development in digital marketing; this is a result of the limited exposure of SME owners to digital marketing, the perceived complexity of digital marketing tools, and the lack of resources to invest in digital marketing. The respondents mentioned the importance of workshops, seminars, and practical training courses to empower SME owners with the knowledge and tools to utilize digital marketing effectively. The findings further suggests that the lack of understanding and skills in digital marketing is a significant barrier for SMEs in Soweto. Providing education and training initiatives tailored to the specific needs of these businesses can potentially bridge the gap and empower SMEs to leverage digital marketing for their growth and success.

The literature complements these findings, highlighting the need for proper training and staying informed of new developments and technology to meet business and customer expectations. The findings resonate with the argument

that education is vital for SMEs' success in digital marketing (Royle & Laing, 2014).

The literature further supports the idea that limited access to infrastructure and resources, such as internet connectivity and computers, poses a significant barrier for SMEs in adopting digital marketing technologies, particularly in developing countries (Phiri, 2020). The literature aligns with the challenges identified in the findings, where respondents emphasized the lack of knowledge, resources, and infrastructure as critical hindrances to effective digital marketing (Z. A. Malik et al., 2022). The capability approach theory, as discussed by (Clark, 2005), is especially relevant in this context, emphasizing the need for access to resources to develop the skills necessary for participation in economic activities.

The combined findings from the research and existing literature strongly support the notion that inadequate technological infrastructure and limited financial resources can hinder SMEs from effectively engaging in digital marketing activities. The observed challenges align with the barriers identified in the literature, highlighting the need for tailored interventions to address these issues and aid SMEs in utilizing digital marketing for sustainable growth. This integration provides a comprehensive understanding of the obstacles impeding SMEs from effective digital marketing engagement, emphasizing the necessity for targeted support and initiatives, such as government assistance and community programs, to empower SMEs in overcoming these challenges.

## 5.3 Discussion pertaining to Proposition 2: The absence of employees or external experts with digital marketing expertise can hinder SMEs from implementing and managing digital marketing campaigns

### *4.3.1 Employee training and outsourcing skills*

The responses indicate that most SMEs do not have employees with digital marketing training. Additionally, there are various remarks indicating some level

of consideration for outsourcing. However, it is often held back due to financial constraints or a lack of trust in the available options.

Below is the breakdown and analysis of the findings regarding the challenges faced by SMEs in terms of digital marketing skills within their organizations and the considerations around outsourcing about the literature and provide possible explanations:

- Lack of Employee Expertise - The responses from the SMEs reveal that many employees lack specific training in digital marketing. The responses aligns with the literature's findings that SMEs, due to their limited size and resources, often face challenges in having personnel with requisite digital marketing knowledge and skills (Westerman et al., 2014). The notion that employees in SMEs may not possess the necessary digital marketing expertise is further supported by (Royle & Laing's, 2014) assertion that education is vital for SME success in the digital marketing sphere.

- Consideration of Outsourcing - The consideration of outsourcing for digital marketing activities is prevalent among the respondents, primarily due to resource limitations, including time constraints and cost concerns. The findings aligns with the resources theory, which posits that organizations with more resources are more likely to succeed in their efforts (Chen et al., 2009). It also relates to the digital divide theory, highlighting how resource limitations can create barriers for SMEs in adopting digital marketing.

Based on the literature and the survey responses, it can be argued that SMEs often face resource constraints, which hinder their ability to foster digital marketing skills internally, and may lead SMEs to consider outsourcing. However, as outlined by the respondents, outsourcing also comes with challenges, such as cost considerations and potential risks. These findings emphasize the need for SMEs to develop digital marketing expertise internally or find more effective ways to overcome the resource limitations that impede their digital marketing efforts.

## 5.4 Discussion pertaining to Proposition 3: The absence of employees or external experts with digital marketing expertise can hinder SMEs from implementing and managing digital marketing campaigns

### 5.4.1 *Understanding Digital Market*

Based on the responses, people's understanding of digital marketing is predominantly associated with social media and digital platforms, and their familiarity levels vary widely, with some having a solid understanding while others have a limited understanding.

Respondents demonstrate a range of familiarity with digital marketing, from recognizing it as a new way of marketing through social media and digital platforms to actively using it on platforms such as Instagram, Facebook, and WhatsApp. These findings align with suggestions in the literature, particularly the burgeoning potential of digital marketing for SMEs in South Africa (Van Scheers, 2016). The literature emphasizes the importance of utilizing various digital marketing strategies to enhance online visibility, enhance brand recognition, boost website traffic, and ultimately drive an uptick in sales revenue (Strydom, 2017).

The variance in familiarity from the responses could be attributed to differences in individual exposure and experience with digital marketing tools and platforms. While some respondents express a high familiarity and extensive use of digital marketing, others admit to a more limited understanding, with plans to explore it further. The responses align with existing research indicating that SMEs do not have a clear digital marketing strategy despite its importance (Pradhan et al., 2018). Furthermore, leveraging various digital marketing platforms to reach a broad audience, as expressed by respondent 8, resonates with Mazzarol's suggestion that using digital technologies to market products and services is crucial for small businesses to succeed in the long run (Mazzarol, 2015).

People with higher familiarity might have actively used digital marketing for their businesses, while those with limited understanding may not have engaged with digital marketing tools as extensively.

Additionally, the strong association between digital marketing and social media platforms suggests that people's perceptions are heavily influenced by the accessibility and visibility of advertising on these platforms. The emphasis on social media platforms as a primary channel for digital marketing may stem from the accessibility and widespread usage of these platforms within the community, shaping the business owners' perceptions and understanding of digital marketing.

(Chaffey, 2018) and (Taiminen & Karjaluoto, 2015) also highlight the significance of digital marketing for SMEs in reaching their target audience and growing their business. The literature emphasizes that SMEs can benefit significantly from implementing digital marketing strategies, as this opens up opportunities to increase online visibility, build brand recognition, boost website traffic, and ultimately drive an uptick in sales revenue. The literature aligns with the responses from some respondents who actively use digital marketing on platforms like Facebook, Instagram, and WhatsApp, acknowledging the effectiveness of these channels.

However, (Mazzarol, 2015) and (Taiminen & Karjaluoto, 2015) suggest that many SMEs do not fully utilize digital marketing due to a lack of expertise and knowledge among owners. The literature is consistent with the findings that SME owners' understanding and familiarity vary. In many cases, they handle marketing efforts in an unorganized and informal manner, lacking necessary technical knowledge (Wilson & Makau, 2018).

Based on the responses and the literature, we can argue that the lack of knowledge and understanding of digital marketing concepts and techniques among SME owners can hinder its effective utilization. By drawing on existing research, such as the study (Taiminen & Karjaluoto, 2015), which highlighted the impact of owners' behaviours and perceptions on marketing strategies for SMEs, we can infer that a lack of expertise and formal education in digital marketing might hinder the efficient adoption of digital marketing approaches.

The findings from respondent 10 highlight the limited knowledge of digital marketing, yet recognition of its association with social media and the internet indicates a potential willingness to adopt it. The findings resonate with the identified issue in the literature where SMEs do not fully utilize the potential of digital marketing, often due to lacking expertise and technical knowledge in this area (Taiminen & Karjaluoto, 2015).

Moreover, the literature also suggests that the owner's behaviours and perceptions often influence the decision-making processes for marketing strategies. Which indicates that the lack of knowledge and understanding of digital marketing concepts among SME owners, as reflected in the results, may hinder the effective adoption of digital marketing approaches (Wilson & Makau, 2018).

It becomes evident that the lack of knowledge and understanding of digital marketing concepts and techniques among SME owners in Soweto is a barrier to its effective utilization. The varying levels of comprehension and adoption of digital marketing practices among the respondents highlight the need for educational interventions and capacity-building efforts to fully support SMEs in leveraging digital marketing. Offering training and support for SME owners could potentially bridge the gap in understanding and utilization, ultimately leading to improved digital marketing success.

In conclusion, the presented findings and existing literature underscore the significance of addressing the knowledge gap regarding digital marketing among SME owners. By doing so, SMEs can unlock the full potential of digital marketing, enabling them to compete effectively, reach their target audience, and achieve sustainable business growth.

### 5.4.2 *Required skills and Resources for Digital Marketing*

The responses suggest the respondents' diverse experiences and knowledge levels. While some have formal education and training in digital marketing, others lack the necessary skills and resources. Self-teaching and online courses seem to be popular avenues for learning digital marketing.

Respondents 3, 5, and 12 indicate a relatively high familiarity and understanding of digital marketing, including social media platforms. On the other hand, respondents 1, 8, and 10 display more limited knowledge and a willingness to learn and use digital marketing in the future. These findings indicate that while some SME owners have a high level of familiarity and actively use digital marketing platforms like social media and SEO, others have limited knowledge or understanding. These results align with the literature and point to a possible lack of expertise in digital marketing and a dearth of formal education in the area, hindering the capacity to effectively adopt and utilize digital marketing approaches by SMEs, as mentioned (Taiminen & Karjaluoto, 2015) and (Wilson & Makau, 2018).

To bridge this gap, it is essential for SME owners to further educate themselves on digital marketing concepts and techniques. This can be achieved through training programs, workshops, or seeking assistance from digital marketing professionals. Additionally, governmental or industry-led initiatives can provide support and resources for SMEs to enhance their digital marketing capabilities.

By addressing this knowledge gap and providing access to relevant resources, SMEs in Soweto can potentially capitalize on the benefits of digital marketing and improve their overall performance and competitiveness in the market.

To conclude, the findings support the proposition that SME owners' lack of knowledge and understanding of digital marketing concepts and techniques can be a barrier to its utilization. The respondents' variations in familiarity and expertise highlight the need for SMEs to consider adopting a comprehensive digital marketing strategy to augment their competitiveness and long-term success. Integrating these results with the existing literature underscores the potential benefits of digital marketing for SMEs. It highlights the existing gaps in knowledge and understanding that could impede its effective utilization.

## 5.5 Discussion pertaining to Proposition 4: The absence of employees or external experts with digital marketing expertise can hinder SMEs from implementing and managing digital marketing campaigns

### 5.5.1 *Perception of digital marketing*

Based on the responses, it's evident that most business owners recognize the significance of digital marketing. They highlight the expansive reach of digital platforms and the potential to connect with a larger audience. Furthermore, they express preferences for digital marketing over traditional methods due to its direct impact on lead generation and business growth.

Given the responses, it can be assumed that a strong positive association exists between the perceived importance of digital marketing and its role in the growth and sustainability of businesses in Soweto. This positive association can also be extended to the belief that digital marketing can help businesses grow compared to traditional methods.

Based on the evidence from these responses, it is clear that most respondents perceive digital marketing as crucial for the growth and sustainability of SMEs in Soweto, offering wider reach and potential for engagement compared to traditional marketing methods.

The findings align with the literature, emphasizing the potential benefits of digital marketing for SMEs. (Malik, 2017) highlight the cost-effectiveness, increased visibility, and customer insights gained through digital marketing. Additionally, it's noted that SMEs in Soweto play a critical role in the local economy, and digital marketing tools could provide them with a cost-effective means to reach potential customers and grow their businesses.

Respondents highlighted the importance of adapting to the modern wave of marketing and the prevalence of digital technologies in Soweto, which echoes the idea (Mazzarol, 2015) that digital technologies are crucial for long-term success in small businesses.

Moreover, the literature suggests that SMEs using digital marketing tools and platforms can attain critical insights into customer behaviors and preferences, which resonates with the respondents' emphasis on the value of social media for recognition, visibility, and engagement with potential customers.

Despite the apparent advantages of digital marketing, the literature also suggests that barriers prevent SMEs from fully embracing digital strategies. These obstacles include a lack of concrete digital strategies, difficulty determining returns on investment, and the need for proper training and education in digital marketing. The literature corresponds to the findings in the study, where respondents highlighted the need for expertise in navigating the digital marketing landscape and the challenges faced in implementing digital strategies effectively.

The results from the study and the existing literature converge on the importance of digital marketing for SMEs in Soweto and the potential benefits it can offer. However, there are also shared concerns regarding the barriers to adopting digital marketing and the need for education and training in this area.

### 5.5.2 *Elements of digital marketing used*

The results indicate that various elements of digital marketing, such as social media platforms, websites, SEO, email marketing, and paid advertising, are being utilized by SMEs in Soweto. However, the respondents differ in the effectiveness and extent of usage. Respondents 3, 5, 8, and 12 appear to have a more comprehensive approach to digital marketing, utilizing a wider array of platforms and tools. Respondent 1, conversely, found social media marketing ineffective, while Respondent 6 preferred the traditional client approach over digital marketing.

The literature suggests that digital marketing can enhance a company's digital competence and create a positive customer experience (Chaffey, 2023). It allows for cost-effectiveness, heightened brand awareness, and efficient customer reach and can help SMEs gain insights into customer behaviors and preferences (Malik et al., 2022). However, the findings also align with previous studies showing that many SMEs do not have a clear digital marketing strategy despite

its importance (Pradhan et al., 2018). This discrepancy may explain why some respondents find certain digital marketing efforts ineffective.

Furthermore, the literature also emphasizes that digital marketing can help small businesses attract and retain new customers and compete with larger companies; further, digital marketing can enhance a company's digital competence (Mazzarol, 2015; Taiminen & Karjaluoto, 2015). It is worth noting that while digital marketing is particularly beneficial for SMEs due to its cost-effectiveness and potential for a high return on investment (Chaffey, 2018; Visser et al., 2019), some respondents in the study may not fully realize these advantages. This lack of awareness about the advantages of digital marketing could be one of the reasons inhibiting SMEs' willingness to invest in and engage with digital marketing practices, as stated in the proposition.

While the findings point to a varied use of digital marketing among SMEs in Soweto, they also highlight a potential gap in understanding the overall value of digital marketing. The findings align with the proposition and is consistent with the existing literature, emphasizing the importance of a clear digital marketing strategy for small businesses. By bridging this gap in awareness and understanding, SMEs may be more willing to invest in and engage with digital marketing practices.

### 5.5.3 *Reasons for using social media*

Based on your findings, there is a variation in the extent of digital marketing components used by different businesses, with some relying solely on social media platforms. In contrast, others have employed a more diverse range of digital marketing elements such as websites, SEO, and email marketing. However, most respondents primarily opt for social media marketing to expand their customer base, increase brand visibility, and adapt to the shift in consumer behavior toward digital mediums. From the responses, it's evident that businesses are leveraging social media for marketing based on the necessity to grow, reach broader audiences, and align with the digital shift in consumer behavior.

In comparing the findings to the literature, it's clear that there are some overlaps. For instance, the literature highlights the potential benefits of digital marketing, such as improved brand value, increased visibility, and efficient customer reach, all of which align with some of the reasons mentioned by some respondents. Respondent 3's desire to grow their business, increase their customer base, and adapt to the digital age seems to echo these points. Furthermore, the literature emphasizes the interconnectedness of different digital marketing elements, which echoes the diverse reasons mentioned by your respondents.

Additionally, the literature emphasizes the interconnected nature of various digital marketing elements, such as the website, SEO, SEM, paid advertising, social media, mobile marketing, email marketing, and reporting (Malik, 2017). However, barriers such as a lack of resources, knowledge, technology incompatibility, or inadequate infrastructure could prevent SMEs from effectively utilizing these tools (Kallier, 2017; Mazzarol, 2015).

There seems to be a focus on social media as the primary digital marketing tool among the respondents. The findings align with the literature's point that SMEs focus on social media for marketing communications and branding. However, the literature also highlights the importance of utilizing various digital marketing strategies, which might not fully align with the focus on social media in the respondent's feedback. Respondent 11's mentioning of the challenge of reaching their target market via social media, indicating that word of mouth is more effective, also contrasts with the literature's emphasis on the effectiveness of digital marketing.

About the literature, there seems to be a consensus on the importance of digital marketing for SMEs and the potential benefits it can bring. For instance, (Chaffey, 2023) highlighted the cost-effectiveness and increased visibility of digital marketing. Additionally, (Mazzarol, 2015) emphasized the ability of digital marketing to help SMEs attract and retain new customers.

The findings also indicate that the respondents expressed the need to use digital marketing for various purposes, such as reaching specific demographics, expanding the customer base, and adapting to digital trends. These findings

resonate with existing literature, such as (Chaffey, 2023) and (Visser et al., 2019), which highlight the effectiveness of digital marketing for business development, improved brand value, and increased visibility, especially for SMEs. Moreover, the findings align with (Strydom, 2017) and (Van Scheers, 2016), emphasizing the importance of SMEs in South Africa leveraging the full spectrum of digital marketing tools and platforms to build brand awareness and drive sales, particularly in a context where internet connectivity and mobile device usage are increasing.

The finding that the lack of awareness about the advantages of digital marketing undermines its perceived value and inhibits SMEs' willingness to invest in and engage with digital marketing practices is consistent with existing literature. This proposition aligns with the argument put forth by (Phiri, 2020) that SMEs may not fully understand the financial benefits of digital marketing, particularly the broader scope of digital marketing beyond just social media. This lack of understanding hinders SMEs from fully benefiting from the potential of digital marketing. One possible explanation for some SMEs' lack of awareness and underutilization of digital marketing elements could be related to the need for more education and training on how to leverage these tools for business growth effectively. Similarly, the scale or nature of their businesses may constrain their ability to explore digital marketing opportunities fully.

The results show that SMEs are using social media primarily but might not fully leverage the range of digital marketing elements available. The results contrast with the literature's emphasis on utilizing a comprehensive range of digital marketing strategies.

### 5.5.4 *What can your business achieve with digital marketing?*

After examining the responses, respondents wanted to expand their customer base, grow their business, reach new clients, and make more money. Additionally, some respondents mentioned the shift to online platforms and incorporating digital ordering systems to meet the changing consumer behavior, indicating a belief in the potential of digital marketing to drive their business forward.

The responses indicate that while there might be barriers to effective digital marketing, there is an underlying understanding among these small and medium enterprises of the potential business growth, increased clientele, and improved brand recognition that can be achieved through effective digital marketing strategies. The potential explanations for this alignment could be related to a growing awareness of the shift toward online business operations, the need to reach and engage with customers through digital platforms, and the recognition of the importance of establishing authority and expertise in the digital space, particularly in the context of the COVID-19 pandemic and evolving consumer preferences.

The goals expressed by the respondents, such as expanding clientele, transitioning to online platforms, achieving business growth, and establishing authority and expertise within their industries, all reflect the potential benefits of digital marketing as outlined in the literature. For instance, leveraging digital marketing for raising awareness, reaching new clientele, and transitioning to online operations resonates with the idea that digital marketing can enhance brand recognition, customer engagement, and online visibility, as noted by (Chaffey, 2023) and (Taiminen & Karjaluoto, 2015).

Moreover, the respondents' desire to use digital marketing for various marketing objectives aligns with the benefits highlighted in the literature. As expressed by the respondents, enhancing visibility and establishing industry authority is highlighted as a critical advantage of digital marketing for SMEs in scholarly work (Malik et al., 2022).

The literature also supports the idea that digital marketing can aid in increasing customer engagement, influencing purchasing decisions, and generating leads, all of which are echoed in your respondents' goals. Literature by (Ellis-Chadwick, 2019) and (Yasmin et al., 2015) emphasize how digital marketing can contribute to effective customer engagement and lead generation.

From the literature, digital marketing provides a cost-effective way for SMEs to build brand recognition, reach new audiences, and promote their products or services, ultimately leading to increased sales and customer loyalty (Malik et al.,

2022). It also allows businesses to engage with customers in real time through various digital channels, thereby improving customer engagement and influencing purchasing decisions (Chaffey, 2023) & (Ellis-Chadwick, 2019).

The goals expressed by the respondents, such as expanding clientele, transitioning to online platforms, achieving business growth, and establishing authority and expertise within their industries, all reflect the potential benefits of digital marketing as outlined in the literature.

Moreover, as expressed by the respondents, enhancing visibility and establishing industry authority is highlighted as a critical advantage of digital marketing for SMEs in scholarly work (Malik et al., 2022).

## 5.6 Discussion pertaining to theories in the theoretical framework:

The findings from the study on digital marketing for SMEs in Soweto can be summarized in line with the following theories:

Resource Theory: This theory emphasizes the importance of resources such as time, money, and technology in adopting digital marketing practices. The study indicates that SMEs in Soweto faces significant resource constraints, such as cost considerations and limited access to technological tools, affecting their ability to implement digital marketing strategies. Addressing these resource barriers through targeted support and funding can aid SMEs in overcoming these challenges.

Appropriation Theory: This theory involves the process through which technology is adopted and used within different contexts. The findings highlight that SMEs in Soweto are at varying levels of appropriating digital marketing, with Soweto SMEs facing barriers related to resource constraints and a perceived lack of expertise.

Digital Divide Theory: This theory focuses on the gap between those who have access to technology and digital skills and those who do not. The studies reveal a digital divide for SMEs, with disparities in awareness, understanding, and familiarity with digital marketing. This points to the necessity for tailored

educational programs to bridge the digital divide and enable SMEs to harness digital marketing effectively.

Capability Theory: This theory suggests that enhancing individuals or organizations' capabilities enables them to make effective use of available opportunities. The findings underscore the crucial role of education and training in building SMEs' capabilities to utilize digital marketing. SMEs in Soweto would benefit from tailored interventions aimed at equipping them with the necessary skills and knowledge, enhancing their operational capabilities and competitive edge.

The studies indicate that while digital marketing holds significant potential for SMEs, there are specific barriers that need addressing. Through resource allocation, tailored educational programs, and efforts to bridge the digital divide, SMEs can develop the capability to fully leverage digital marketing for business growth.

## 5.7 Conclusion

The study and existing literature emphasize the significance of digital marketing for SMEs in Soweto and its potential benefits. It also highlights concerns about barriers to adoption and the need for education and training. There is a suggestion for future research and interventions to focus on creating educational programs and resources to equip SMEs with the skills and knowledge to utilize digital marketing effectively. Overall, the findings underscore the importance of addressing the lack of awareness and understanding of digital marketing's full potential. The findings suggests that an informed strategy could help SMEs overcome barriers and maximize digital marketing benefits for business growth.

When comparing and contrasting the findings between the Durban and Soweto studies, both studies shed light on the importance of digital marketing for SMEs yet underline region-specific barriers and differences.

In the case of Durban, the study emphasizes the low adoption rate of digital marketing strategies and the subsequent need for SMEs to familiarize themselves with these strategies to avoid losing customers to competitors. It suggests that limited knowledge of digital marketing leads to underutilization, urging SMEs to embrace this rapidly advancing field to improve their operations and enhance prospects.

On the other hand, the Soweto study touches upon how barriers such as resource constraints, cost considerations, and perceived lack of expertise influence SMEs' decisions regarding outsourcing digital marketing. It also highlights a diverse range of understanding and familiarity with digital marketing among SME owners in Soweto, suggesting a need for more excellent education and training. Finally, it underscores the importance of addressing the lack of awareness and understanding of digital marketing's full potential.

Overall, both studies reveal the need for education and training, although the specific barriers and levels of familiarity with digital marketing differ by region. These findings emphasize the importance of tailored approaches to support SMEs in embracing and effectively using digital marketing to maximize its benefits.

# CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

## 6.1 Introduction

This chapter integrates the findings about the propositions into the original research questions stated in Chapter 1. The chapter explores these questions to offer insightful answers. Specifically, the chapter addresses the main research question: "Why are small and medium enterprises reluctant to adopt digital marketing tools and platforms?" This is complemented by an in-depth examination of the sub-questions, including the level of awareness of digital marketing tools and platforms, the extent of utilization of digital channels among SMEs in Soweto, the barriers faced in accessing digital marketing tools, as well as the potential benefits for SMEs. Furthermore, this chapter concludes by providing valuable recommendations and suggestions for further research areas, enhancing the understanding of the digital marketing landscape for SMEs in Soweto.

## 6.2 Conclusions regarding the main research question: Why are small and medium enterprises reluctant to adopt digital marketing tools and platforms?

The reluctance of small and medium enterprises (SMEs) in Soweto to embrace digital marketing tools and platforms can be attributed to varying levels of awareness and understanding among business owners. The study's findings reveal a diverse range of experiences and knowledge levels among respondents, with some demonstrating a solid understanding and active utilization of digital marketing tools on platforms such as Instagram, Facebook, and WhatsApp, while others have limited awareness. Some SME owners lack the necessary skills and resources for effective digital marketing. This lack of knowledge and understanding is a significant barrier to utilizing digital marketing. The study

implies that educational interventions and capacity-building efforts are essential to bridge the knowledge gap and subsequently enhance the adoption of digital marketing strategies among SMEs in Soweto.

### 6.2.1 *Conclusions regarding research sub-question 1: What is the level of awareness about the effectiveness of digital marketing tools and platforms among small and medium enterprises in Soweto?*

The awareness of the effectiveness varies among SMEs. Some recognize its potential for growth and reach, while others may not fully grasp the broader scope and advantages beyond just social media.

The study shows varied awareness about the effectiveness of digital marketing tools and platforms among SMEs in Soweto. Some respondents demonstrate a strong understanding and active usage of digital platforms, while others have limited familiarity with digital marketing. This disparity highlights the need for educational interventions and capacity-building efforts to support SMEs in fully leveraging digital marketing. Most respondents perceive digital marketing as crucial for the growth and sustainability of SMEs in Soweto, citing its potential to connect with a broader audience and its direct impact on lead generation and business growth. However, the study also points out the barriers that hinder fully realizing its benefits, such as a lack of concrete digital strategies, difficulty determining returns on investment, and the need for proper training and education in digital marketing.

### 6.2.2 *Conclusions regarding research sub-question 2: Are SMEs in Soweto utilizing the full scope of digital platforms and channels to market their businesses?*

The usage of digital platforms varies; while some employ a more comprehensive array of tools, there seems to be a potential gap in understanding the overall value of digital marketing.

The responses indicate that while SMEs in Soweto are utilizing various elements of digital marketing, such as social media platforms, websites, SEO, email marketing, and paid advertising, there is a disparity in the effectiveness and extent of usage among the respondents. Some demonstrate a more comprehensive approach to digital marketing, while others prefer traditional marketing approaches or a limited understanding of digital marketing's total value. The responses imply a potential gap in awareness and understanding among SMEs regarding the complete spectrum of digital marketing. Bridging this gap is essential for SMEs to invest in and engage with digital marketing practices fully, ultimately augmenting their competitiveness and long-term success.

### 6.2.3 *Conclusions regarding research sub-question 3: What barriers faced by small and medium enterprises in Soweto regarding accessibility to digital marketing tools and platforms?*

The study identifies several barriers SMEs face in Soweto regarding accessibility to digital marketing tools and platforms. These barriers include a lack of knowledge and understanding of digital marketing concepts and techniques, insufficient skills and resources, and challenges in formulating concrete digital marketing strategies. Furthermore, difficulties in determining returns on investment and the need for proper training and education in digital marketing are highlighted as additional obstacles. Addressing these barriers through educational interventions, capacity-building efforts, and adopting comprehensive digital marketing strategies is essential to enhance SMEs' accessibility to digital marketing tools and platforms.

### 6.2.4 *Conclusions regarding research sub-question 4: What are the benefits of utilizing digital marketing tools and platforms for small and medium enterprises in Soweto?*

The potential benefits include expanding clientele, achieving business growth, reaching new clients, improving brand recognition, and establishing industry authority and expertise.

The study indicates that small and medium enterprises in Soweto recognize the potential benefits of utilizing digital marketing tools and platforms. Respondents wanted to expand their customer base, grow their businesses, reach new clients, make more money, transition to online platforms, and incorporate digital ordering systems to meet changing consumer behaviour. Moreover, they recognize the potential for increased clientele, improved brand recognition, and business growth through effective digital marketing strategies. Enhancing visibility, establishing industry authority, reaching wider audiences, and aligning with the digital shift in consumer behaviour are potential advantages of digital marketing for SMEs. However, to fully realize these benefits, educational interventions and capacity-building efforts are necessary to address the barriers hindering the effective use of digital marketing among SMEs in Soweto.

## 6.3 The overall conclusion of the study

The study's overall conclusion "Barriers to the Effective Use of Digital Marketing by Small and Medium Enterprises in Soweto" centers around the understanding that small and medium enterprises (SMEs) in Soweto face various barriers to adopting digital marketing. The main conclusions revolve around the following key points:

Lack of Awareness and Understanding - The study notes varying levels of awareness and understanding among SME owners in Soweto, while some demonstrate a strong understanding and active utilization of tools like Instagram, Facebook, and WhatsApp, others have limited awareness. This disparity in understanding is a significant barrier to effectively using digital marketing.

Varied Perceptions about Digital Marketing - There are diverse perceptions about the effectiveness of digital marketing tools and platforms. While some recognize its potential for growth and reach, others do not fully grasp the broader advantages beyond just social media. Despite this, most respondents perceive digital marketing as crucial for the growth and sustainability of SMEs in Soweto.

Diverse Usage of Digital Platforms - The study highlights the varied usage of digital platforms among SMEs. While some use a wide array of tools such as

social media, websites, SEO, and email marketing, there is a potential gap in understanding the overall value of digital marketing. The study suggests the need for more excellent education and training to support SMEs in fully leveraging digital marketing strategies.

Barriers to Accessibility - Several barriers to accessibility were identified, including a lack of knowledge, insufficient skills and resources, and challenges in formulating concrete digital marketing strategies. The study emphasizes addressing these barriers through educational interventions and capacity-building efforts.

Potential Benefits - Despite the barriers, SMEs in Soweto recognize the potential benefits of utilizing digital marketing tools, such as expanding clientele, achieving business growth, improving brand recognition, and establishing industry authority and expertise.

When comparing the study with the Durban study, both underscore the significance of digital marketing for SMEs and highlight region-specific barriers and differences. The Durban study emphasizes the low adoption rate of digital marketing strategies and the need for SMEs to familiarize themselves with them to avoid losing customers to competitors. On the other hand, the Soweto study discusses how barriers such as resource constraints, cost considerations, and perceived lack of expertise influence SMEs' decisions regarding outsourcing digital marketing. It also points out the diverse range of understanding and familiarity with digital marketing among SME owners in Soweto, emphasizing the need for more excellent education and training. In conclusion, both studies show the necessity for tailored approaches to support SMEs in effectively using digital marketing to maximize its benefits, considering the specific barriers and levels of familiarity with digital marketing that differ by region.

## 6.4 Recommendations

### Overall Summary of Recommendations

Based on the expressed desire to expand their customer base, grow their business, reach new clients, and adapt to online platforms, SMEs should devise targeted strategies to achieve these goals through effective digital marketing.

For SME owners, the varying levels of comprehension and adoption of digital marketing practices among the respondents highlight the need for educational interventions and capacity-building efforts. SMES need training and support to bridge the gap in understanding and utilizing digital marketing, ultimately leading to improved success. Additionally, SMEs should consider adopting a comprehensive digital marketing strategy to augment their competitiveness and long-term success. SMEs should effectively integrate digital marketing elements such as social media platforms, websites, SEO, email marketing, and paid advertising to reach a wider audience and maximize engagement.

Furthermore, the research indicates that SMEs perceive digital marketing as crucial for growth and sustainability. However, barriers are preventing them from fully embracing digital strategies. To address this, SMEs should focus on developing concrete digital strategies, understanding returns on investment, and investing in proper training and education in digital marketing. Such efforts would enable them to unlock the full potential of digital marketing, allowing them to compete effectively, reach their target audience, and achieve sustainable business growth.

Additionally, SMES must understand the significance of using a comprehensive range of digital marketing strategies beyond social media. Since most businesses primarily use social media marketing to expand their customer base and increase brand visibility, they need to be aware of the broader scope of digital marketing elements available to ensure they fully leverage the potential benefits of digital marketing.

Finally, SMES need to receive support in understanding the potential benefits of digital marketing for expanding clientele, transitioning to online platforms,

achieving business growth, and establishing industry authority. This support can help SMEs realize the potential growth, increased clientele, and improved brand recognition that can be achieved through effective digital marketing strategies, ultimately leading to sustained business success.

## 6.5 Limitations of the study

While the study sheds light on the challenges SMEs face in utilizing digital marketing strategies, it is essential to acknowledge the inherent limitations of the research. These limitations pose opportunities for future studies to build upon and enhance the understanding of the challenges faced by SMEs in Soweto. The following vital limitations are worth noting:

- Limited Representativeness: The study may not cover the entire spectrum of SMEs in Soweto, potentially leaving out diverse perspectives and challenges faced by different types of businesses. This limitation highlights the need for a broader sampling strategy that captures a more comprehensive picture of the SME landscape in Soweto.

- Subjectivity of Responses: The responses from a limited number of interviewees may reflect individual experiences and biases, potentially not capturing a comprehensive understanding of the broader challenges faced by SMEs in Soweto. To address this, future studies should consider incorporating a more diverse set of perspectives to ensure a more holistic understanding of the challenges faced by SMEs in Soweto regarding digital marketing.

- Lack of Quantitative Data: The absence of quantitative data and statistical analysis in the study may limit the depth of insight into the prevalence and impact of the identified challenges. It would be beneficial to supplement qualitative findings with quantitative data to provide a more comprehensive and robust analysis of the challenges faced by SMEs in Soweto in utilizing digital marketing strategies.

- Scope of Perspectives: The study may not fully capture the perspectives of those who have successfully overcome these challenges or those who may have differing views on the effectiveness of digital marketing for SMEs in Soweto. This limitation emphasizes the need for a more inclusive approach to gathering insights from a broader range of SMEs to understand diverse perspectives on digital marketing.

- External Factors: The study does not extensively cover external factors such as market dynamics, industry-specific challenges, or global digital marketing trends that could also influence the effectiveness of digital marketing for SMEs in Soweto. Understanding these external forces is crucial to providing a more comprehensive understanding of the challenges faced by SMEs in implementing digital marketing strategies.

By addressing these limitations, future research can establish a more comprehensive and nuanced understanding of the challenges and opportunities concerning digital marketing for SMEs in Soweto.

## 6.6 Suggestions for further research

It is evident from the research findings that there is a varied understanding of digital marketing among small and medium-sized enterprises (SMEs) in Soweto. The varying levels of familiarity and adoption of digital marketing practices call for a comprehensive approach to further research. Below are suggestions for further research aligned with the findings:

- Educational Interventions and Capacity Building:

Given the knowledge gap in digital marketing understanding and utilization, a detailed study can be conducted to develop and evaluate educational interventions and capacity-building efforts for SME owners. This research could focus on designing training programs tailored to bridge the gap in understanding and utilization, ultimately leading to improved digital marketing success. It is essential to assess these interventions' effectiveness in enhancing SMEs' digital marketing capabilities.

- Comprehensive Digital Marketing Strategy:

Another area of research could involve studying the development and implementation of comprehensive digital marketing strategies for SMEs. This research would delve into understanding the specific elements of digital marketing most effective for SMEs in Soweto and how these can be integrated into a comprehensive strategy. The goal would be to assess such strategies' impact on SMEs' competitiveness and long-term success.

- Business Goals and Digital Marketing Alignment:

Exploring how SMEs' business goals align with their understanding and utilization of digital marketing can be a fruitful area for further research. This could involve studying the potential business growth, increased clientele, and improved brand recognition that SMEs aim to achieve through effective digital marketing strategies. Understanding the alignment between business goals and digital marketing practices in the context of evolving consumer preferences, particularly in the COVID-19 era, would provide valuable insights.

The above suggestions provide some guidance for further research in line with the research findings, aiming to address the knowledge gap and facilitate the effective utilization of digital marketing among SMEs in Soweto.

**Table 4. Consistency table: research questions, propositions, data collection and data analysis**

| RQ # | | State Research Question or Objective | Prop/hyp # | State Proposition or Hypothesis | Data collection detail | Data analysis method |
|---|---|---|---|---|---|---|
| 1 | | Why are small and medium enterprises reluctant to adopt digital marketing tools and platforms? | 2 | The absence of employees or external experts with digital marketing expertise can hinder SMEs from implementing and managing digital marketing campaigns. | 10, 11, 12 | Narrative analysis |
| 1.1 | | What is the level of awareness about the effectiveness of digital marketing tools and platforms among small and medium enterprises in Soweto? | 4 | The lack of awareness about the advantages of digital marketing undermines its perceived value and inhibits SMEs' willingness to invest in and engage with digital marketing practices. | 7, 3, 4, 8 | Narrative analysis |

| RQ # | | State Research Question or Objective | Prop/hyp # | State Proposition or Hypothesis | Data collection detail | Data analysis method |
|---|---|---|---|---|---|---|
| 1.2 | | Are SMEs in Soweto utilizing the full scope of digital platforms and channels to market their businesses? | 3 | SME owners' lack of knowledge and understanding of digital marketing concepts and techniques can deter its utilization. | Interview guide questions<br>3, 4, 5, 6, 7 | Narrative analysis |
| 1.3 | | What are the barriers small and medium enterprises face in Soweto regarding accessibility to digital marketing tools and platforms? | 1 | Insufficient technological infrastructure and limited financial resources may impede SMEs from effectively engaging in digital marketing activities. | Questionnaire Likert statement<br>5, 11, 10, 9 | Narrative analysis |
| 1.4 | | What are the benefits of utilizing digital marketing tools and platforms for small and medium enterprises in Soweto? | 4 | The lack of awareness about the advantages of digital marketing undermines its perceived value and inhibits SMEs' willingness to invest in and engage with digital marketing practices. | 13, 14, 15 | Narrative analysis |

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# APPENDICES

## Appendix A: Research tools (In-depth interview guidelines)

1. Can you please describe the nature of your business, what it does, and how many employees it has?

2. Can you describe your current familiarity with digital marketing tools and platforms?

3. What platforms and tools of digital marketing have you utilized in the past for your business?

4. What are the main reasons for your decision to use or not use digital marketing tools and platforms?

5. What are your key challenges or obstacles when considering utilizing digital marketing tools and platforms?

6. How do you perceive the importance of digital marketing for SMEs in Soweto compared to traditional marketing methods?

7. How would you rate your understanding of digital marketing and its relevance to your business growth and success?

8. How does a lack of knowledge or understanding about digital marketing impact your business' adoption and utilization of such tools?

9. How do you perceive the role of digital marketing in your business's overall growth and sustainability?

10. Do you have any training, knowledge, and skills to implement digital marketing in your business?

11. Do your employees have any training or required knowledge and skills to implement digital marketing in your business?

12. Have you ever considered outsourcing or seeking external assistance for managing your digital marketing activities? Why?

13. What would you want your business to achieve through the use of Digital Marketing

14. How can your business benefit from using digital marketing?

15. Do you think Digital Marketing can help your business grow, and why/how?

16. Is there any additional insight or information you would like to share regarding the challenges SMEs face in Soweto in utilizing digital marketing tools and platforms?

## Appendix B: Consent Form

**Title of project:** Deterrents to utilize digital marketing tools and platforms by Small and Medium Enterprise (SMEs) in Soweto

**Name of researcher:** Nkululeko Mazibuko

I, …….., agree to participate in this research project.

I agree to the following:

(Please circle the relevant options below)

| | | |
|---|---|---|
| The research study was explained to me. I understand what this study is about. | YES | NO |
| I understand that I can volunteer to take part in the study. | YES | NO |
| I agree that the interview may be audio-recorded. | YES | NO |
| I agree that direct quotations from my interview may be used by the researcher in their research report. | YES | NO |
| I agree that my participation will remain anonymous (my name or other identifying data will not be used by the researcher in their research report) | YES | NO |
| I agree that other researchers may use the information I provide in my interview (depending on their own ethics clearance being obtained). However, my name and any personal information will not be used or passed on. | YES | NO |

…… (signature)
…… (name of participant)
…… (date)

…… (signature)
…… (name of researcher/person seeking consent)
…… (date)

# Appendix C: Participant Information Sheet

**RE: Request to participate in a research study for a Master's Degree**

Dear Sir / Madam

My name is Nkululeko Mazibuko; I am a master's student in Masters of Management in Digital Business at the University of the Witwatersrand, Johannesburg. My supervisor is Dr Nakuze Chalomba. I am conducting a research study about the challenges SMEs in Soweto face in using digital marketing. The study title is Barriers to the Use of Digital Marketing by Small and Medium Enterprises (SMEs) in Soweto.

I am inviting you to take part in a face-to-face interview. If you decide to participate, participating in this research study will last about 45 minutes. The interview will take place in person at a place convenient for you.

With your permission, I would like to audio record the interview/. This data will be stored on my laptop for two years and/or deleted after two years. Only the researcher - Nkululeko Mazibuko, will have access to the data.

The face-to-face interview will be confidential and anonymous. When I share the research study results, I will not include your name or anything else that could identify you. With your permission, other researchers may use the data collected from this study, but your name and personal information will not be used or passed on.

If you decide to participate in the research study, it should be because you want to volunteer. You do not have to take part. You can stop being in the study at any time. You do not have to answer any questions if you do not want to. You will not get any direct benefits if you choose to join the research study. You will not lose any services, benefits, or rights you usually have if you decide not to join. Taking part in the research study will not cost you anything. You will not be paid for being in this research study. Your travel/data costs to attend the interview, depending on the agreed place of interview, will be reimbursed to a maximum of R100.

The risks for this research study are no more than what happens in everyday life / some of the questions asked may make you sad or upset. If this happens, I will stop the interview as per your indication and continue another time.

This research study will be written up as a research report. If you would like to receive a summary of this report, I will gladly send it to you.

If you have any questions about this research study during or afterward, feel free to contact me or my supervisor at the details listed below. Suppose you have any concerns or complaints about the ethical procedures of this research study. In that case, you can contact the University Human Research Ethics Committee (Non-Medical) by telephone at +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za.

Yours sincerely,
Nkululeko Mazibuko

Researcher:
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Supervisor:
Dr. Nakuze Chalomba, nakuze.chalomba@wits.ac.za

# Appendix D: Ethics Approval

**Graduate School of Business Administration**
**University of the Witwatersrand, Johannesburg**

**Wits Business School Ethics Committee**
Constituted under the University Human Research Ethics Committee (Non-Medical)

## Ethics Clearance Certificate

**Ethics protocol number:** WBS/DB1654318/111
*This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).*

| | |
|---|---|
| **Project title** | Barriers to the use of digital marketing by small and medium enterprises Soweto |
| **Investigator / Researcher** | Mr. Nkululeko Mazibuko |
| **Nature of Project** | MM (Digital Business) |
| **Decision of the Committee** | Approved, provided stakeholders and participants are guaranteed confidentialty. |
| **Issue Date of Certificate** | 9/11/2023 |
| **Expiry date** | Date of submission of the project / research report |
| **Chairperson** | Dr Pius Oba<br>☎ +27 11 717 3976<br>+27 82 733 6587<br>pius.oba@wits.ac.za |

**Declaration by Researcher**

*One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Et Committee.*

I fully understand the conditions under which I am authorized to carry out the abovementioned research a guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

Signature

13 September 2023
Date: