The impact on brand product sales of transitions from traditional to digital marketing solutions

Moseki Sekati

Student number: 2390432

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DECLARATION

I, Moseki Tom Sekati, declare that this research article is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Moseki Tom Sekati

Signed at Johannesburg, South Africa

On the 28th day of February 2023

DEDICATION

I dedicate my research project to my loving parents Louis Sekati and Maki Sekati, who have sacrificed a lot for me to be where I am today, and I shall forever be grateful to them for that. To my brother Rudy Sekati and sister Masechaba Sekati, thank you for always rallying behind me through every step. To my lovely daughter Mpho, hard work and dedication will always bear the fruits, keep on dreaming and always remember that the sky is the limit.

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	Statistical analysis

† Including abstract references, etc.

ABSTRACT

A lot of FMCG companies have been investing money in marketing activities with the aim of improving their business sales turnover, and this has been seen in both traditional marketing and digital marketing. However, literature show that there has been lack of knowledge on which strategy, digital or traditional, to invest in and what their benefits are. This study serves to address the identified research gap with regards to FMCG companies in South Africa. The main objective of this study is to investigate the positive effect of investment, implementation and understanding of digital marketing on financial performance. This study engages a quantitative research approach and collection of data through a research questionnaire that was constructed to answer the research questions. A causal design with a purposive sampling technique was used to collect data from a sample size 100 participants. The data was analysed using SPSS. The research findings had 4 out of 5 the hypotheses that were found to be significant, and another 6th additional hypothesis that was computed. These hypotheses proved that investment in digital marketing; implementation and utilization of digital marketing have a positive impact on financial performance; and utilization of traditional marketing has a positive impact on financial performance. The 6th computed hypothesis test showed that financial performance has an impact on preference for digital marketing. Companies in the FMCG and students in marketing can benefit from the finding of this study. This study makes recommendations for future research for understanding or knowledge of digital marketing, and what other important operations are a benefit of digital marketing.

Keywords: digital marketing, traditional marketing, media, financial performance, FMCG

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1. CHAPTER ONE: INTRODUCTION

1.1. Purpose of the study

The main aim of this study is to investigate the impact of digital marketing on sales revenue in Fast Moving Consumable Goods (FMCG) industry in South Africa. In addition, assess whether digital marketing will have more effect on sales revenue than traditional marketing.

1.2. Context and background

To define Marketing, Story and French (2004) informs that it is an occasion that an organization participates in, in order to exchange between themsleves and their customer base.

According to Tasneem, Fatema, and Yasmin (2015), traditional marketing is a form of marketing that entails promotion of products without the use of digital as it includes the usage of print, post mail, and broadcasting. It has no personal interaction with consumers, and it also has prohibitive costs and takes long to implement. Tasneem *et.al.* (2015), indicated further that the success of this kind of strategy is dependent on the reach of large mass, yet the number reach has limitation due to the kind of technology available. A single campaign can also run for a prolonged period with no opportunity to go viral.

Digital marketing is defined as the type of marketing that is used to reach existing and potential consumers through digital platforms to promote brands, products, or services (Erdogan & Guneren , 2021).

Tasneem *et.al.* (2015) also contrasted traditional to digital marketing, which is expensive and involves marketing of products to consumers using digital platforms. This includes social media, emails, SMS, and web searches among others. They further observed that digital marketing has consumer interaction and is a cheaper way to promote products or services. Success with this kind of strategy can be achieved with just a certain number being targeted. Other related studies indicated that digital marketing gives access to a wider reach of consumer base due to the technology available.

As noted by Swerdlick (2008), FMCG organizations rely on marketing to build brand awareness that then result into sales. As the years progressed, they had observed that evolution and technology changed this brand marketing from a traditional way, which was the only way available, to a more digital way and doing so successfully. To add to this, this format (digital) of marketing has been noted to be a more economical and modern way of consumer interaction (Ahmed, 2016). Furthermore, organizations have been studied to have achieved higher market shares whilst building penetration, as well as additional sales revenue through digital format such as online shopping (Yessica C.Y. Chung, 2021). The bulk of marketing spend had sat under traditional marketing; however, it had been rapidly declining in terms of revenue (Schmitt, 2013).

Durmaz and Efendioglu (2016) had also indicated companies that had the technological muscle could have an interactive communication on a business-to-consumer level, whilst being able to render services and supply products to them. The author, Durmaz *et.al*. (2016), also indicated that just like with traditional marketing, digital marketing also needed to drive consumer communication and fulfilment of their needs and satisfaction. Further highlighting that companies that had digital marketing strategy had more access to a wider population and were able to reach their target audience using social media and internet searching tools, thus outran their traditional marketing counterparts that eventually lost relevancy over time. To further add to this statement, Nadanyiova, Majerova, and Gajanova (2021) stated that brands implementing digital marketing stand to gain a competivement advantage than those only using traditional marketing.

It has been noted that the motive behind digital marketing is not to fully substitute traditional marketing, (Nadanyiova, Majerova, & Gajanova, 2021). As such it is reasonable to also investigate and test if traditional marketing generated positive sales revenue.

1.3. Research Conceptualisation

1.3.1. Research Objectives

The objective of this research article is to:

- To investigate if investment in a digital marketing strategy has a positive effect on company financial performance.
- To investigate if the implementation of a digital marketing strategy has a positive effect on company performance.
- To investigate if understanding of a digital marketing strategy has a positive effect on company performance
- To investigate if utilisation of a digital marketing strategy will have a positive effect in a company’s financial performance.
- To investigate if the utilisation of traditional marketing strategy will have a positive impact on sales revenue.

1.3.2. Research Questions

- Does investment in a digital marketing strategy have a positive effect on company financial performance?
- Does implementation of a digital marketing strategy have a positive effect on company performance?
- Does understanding of a digital marketing strategy have a positive effect on company performance?
- Does utilisation of a digital marketing strategy have a positive effect in a company’s financial performance?
- Does utilisation of a traditional marketing strategy have a positive impact on sales revenue?

1.3.3. The research problem

According to Sahni (2016) most organisations have been spending huge sums of money in advertising their products with a view to improving their turnover but have not yielded the desired results. This has been attributed to the type of medium of advertisement used. A study by Gordon, *et al*., (2021) added that organizations do a measurement of their marketing investments in order to determine if it yielded the desired return and which method worked better, however it had not been an easy exercise when linking them to their related profits.

Another study by Story and French (2004), indicated that organizations invest heavily in digital marketing in the interest to build their brand awareness as well as brand loyalty.

It has however, been argued by Pritchard (2021) that there are some wastages behind digital marketing investments due to lack of knowledge and transparency that resulted in the inability to measure the results from media channels the investment was put in for it. Pritchard (2021) later added in his argument that the costs of measurement would reduce the potential sales revenues as third-party organization would need to be deployed to conduct the measurement.

It is therefore encouraged through literature that there seeks to be a need to bridge the gap by investigating the effect of digital marketing over traditional marketing of organizations or companies, and if there is an appetite for digital marketing by the companies.

1.3.4. Research purpose statement

This study is aimed to investigate several factors that influence a positive financial performance of companies in the FMCG industry in South Africa. The study interrogates if investment, implementation, understanding and utilization of a digital marketing strategy has a positive effect on financial performance of a company. It further contrasts digital marketing strategies to traditional marketing strategies by interrogating if utilization of a traditional marketing strategy has a positive effect on a company's financial performance.

1.4. Delimitations and Assumptions

1.4.1. Delimitations

The interest in carrying out this type of study came from an observation from prior studies that some FMCG companies utilize digital marketing strategies while others remain using traditional marketing strategies. Having worked in the FMCG industry over the 10 years, there has always been the challenge as to how to allocate resources and prioritize strategies between digital marketing and traditional marketing. These delimitations informed the choice of topic.

This study employed a quantitative research methodology. A research questionnaire was generated and housed using Microsoft Forms, then shared with marketing personnel in different FMCG companies in South Africa who have at least a minimum of a Diploma qualification. This questionnaire was shared using a link that was shared via email, WhatsApp, and LinkedIn. Anonymity was guaranteed as no questions around identity were asked, but demographic and 5-point Likert scale type questions were asked.

Data was then collected from the questionnaires and analysed using a statistical software called IBM SPSS, to test the descriptive statistics and hypothesis testing. This study did not look at the actual turnover generated by companies as it is private and confidential information, therefore did not calculate the absolute financial performance in numbers.

Another delimitation is that there was limited time to do data collection and analysis, as response rates to filling the surveys were slow.

1.4.2. Assumptions

There are a couple of assumptions considered in this study. The study assumed that 1) digital marketing drives financial performance of companies, 2) companies implement digital marketing strategies, 3) companies understand and have knowledge of digital marketing, 4) companies utilize digital marketing strategies, and 5) companies utilize traditional marketing strategies.

It was also assumed that respondents were going to complete the answers truthfully and honestly to all questions in the questionnaire.

1.5. Significance of the study

One of the benefits of this research is that it could be used to motivate and inform marketing practitioners looking to decide as to which marketing strategy (digital or traditional) to implement for their organizations if financial performance is the KPI (key performance index) they are looking to achieve.

It also investigated how important or necessary it was to bridge the gap between the companies spending too much money without any return on their investment and companies investing to improve their financial performances (Sahni, 2016; Gordon, *et al*., 2021; Story & French 2004; and Pritchard 2021). This study could also be useful to students for further research studies.

1.6. Preface to the research report

This research report is made up of six chapters in the following order:

- Chapter 1 – this is the chapter in which background and context of the research report is given. The researcher gives the justification as to why there is a need to carry out the study.

- Chapter 2 – in this chapter the literature review of the study is highlighted. It discusses how the use of a digital marketing strategy and its element aid the financial performance of organizations in the FMCG industry and other industries entirely previously investigated in literature.

- Chapter 3 – this chapter shows the type of research methods conducted, stating why the type of research method was used. It also shows how data was collected and how it analysed.

- Chapter 4 – this chapter shows the results achieved from the test methods used including descriptive statistics and hypothesis test conducted. This also comes with table of results.

- Chapter 5 – in this chapter the researcher discusses the results achieved from the study and informs whether the research questions have been answered.

- Chapter 6 – this is the last chapter of the report and draws a conclusion and recommendation of what was investigated. These recommendations can be used by marketing practitioners seeking to make decisions on the marketing strategy they are looking to employ to enhance their financial performance and by student looking to gain knowledge on how the digital marketing strategy versus traditional marketing strategy differ on financial performance.

2. CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This literature review provides evidence of prior research work around the topic, including any opposition of scientific opinion, around why there is a need to consider digital marketing versus traditional marketing for organizations that are still using traditional ways. This will show proof of credibility around the reason to believe why companies would want to consider the one format over the other in their marketing strategy.

Digital marketing has been defined by Tasneem, *et al* (2015) in a study looking into the effectiveness of digital marketing, as a platform of communicating product or service to consumers by a use of digital formats. The authors also further explained the different digital formats as not just internet-based where they mentioned social media and search engines, but included SMS and MMS, as well digital display advertising. Brands have the capability to connect with their consumers, offering any information that may be useful to them and thereby bringing them closer to the brands. The author also highlighted the advantage of digital marketing by use of social media as it offers more reach for less costs as opposed to traditional marketing which requires physical distributions and in printing.

To add to the comparison for the marketing strategies, Gordon *et al.* (2020) noted that digital ads yielded a more improved consumer targeting and relevance to specific consumers, advertising that have personalized content, more programmatic sales and consumer response behaviours that are measurable.

According to Baltes (2016), digitization has been driving exponential growths in businesses, thereby making it become an imperative way of doing business for companies. This in turn meant that businesses that still use traditional marketing strategies would need to move to digital to take advantage and stay relevant.

However, it would be necessary to highlight what it means not to adapt with the technological changes, especially in an era where age cohorts, Millennials and Gen

Z, have the biggest populations sizes as well as the largest combined buying power as noted by (Munsch, 2021). It then becomes critical to know the touch points with these groups of individuals is through the internet-based media. These two groups have the highest interaction with technology even though, as the author noted, their room for attention with digital marketing and advertising has been to be very minimal and that they also have no desire for traditional ways of marketing. This point becomes key in knowing that to keep this group's little attention, companies need to be brief and straight to the point to capitalize on the little time being offered to them and their content.

This is a sizeable opportunity that can be measured to see how much can be realized in sales; brand equity building and consumer-brand interaction, so to allow companies an advantage to stay abreast of the evolving market and clientele. This will address a question of why companies without digital marketing must implement it and what the benefits are from implementing it are versus just sticking to traditional methods.

This information and facts can be used by industry experts in marketing and educational students and practitioners who seek to know the information.

2.2. Sales turnover

According to Abdullahi (2014), the best way to measure advertising effectiveness is through sale turnover, therefore adverting should increase sales more than what would be achievable without an additional advertising input.

However, in an article on digital marketing turnover, Imran and Ghouse (2017) highlighted that users or consumers, would reject a sale if the website by a company does not have optimal features to work with mobile phones, as they take advantage of the growth in smartphone practices that has also seen high traffic in smartphone internet usage due to the nature of users accessing content on the go, on their way to work or whilst they are multitasking between watching tv and using their phones. The authors have also suggested that the user behaviour is that mobile internet users spend more money than desk top ones as they want to do things quickly.

Costa, Porto, and Watanabe (2017) discussed how investments from marketing function do not only serve to benefit the marketing itself, but the company at large. They added that such investments not only bring out a sales revenue benefit, but also help to build brands as well as clientele.

2.3. Brand Equity

Matiza, Oni, and Shumba (2014) shared insights from their study that social media can be used for brand awareness building, brand overall visibility, getting to know more about the brand, any new product innovations, and developments, as well as doing promotions at an economical cost.

According to Abu-Rumman and Alhadid (2014), brand equity is defined as what customers perceive as value beyond what they see and touch, and what companies have to offer over and above that. The author continues to list customer brand awareness, brand attitude and ethics of the brand as the three main drivers of brand equity. The author also highlighted that brand equity serve a role of being an emotional bond between company and customer, being a reminder to customers of what products and services a company offers, and a centre of attraction for inviting customers to the company's product offerings.

2.4. Consumer interaction with the brand

In another study conducted Matiza *et.al.* (2014) showed that companies like Coca Cola, have an active social media page such as Facebook, that provides power to interact with consumers of a size as big as 32 million in population count through a user-generated content which allows interactions through comment options, videos as well as photos. The author continued to cite a Pull and a Push digital marketing strategy. Where a Pull strategy involved user engagement by getting them to click and view content from a link in a blog or website, whilst a Push strategy was more focused around email and SMS communication. The author also suggested that consumer and brand interactions through social media as a digital marketing platform, have gained loyalty between the two parties.

According to Hudson, Huang, Roth and Madden (2015), the relationship between brands and consumer have become an important aspect to companies' marketing strategies. The authors have identified this relationship as a win-win, where consumer acquire satisfaction from being attached to the brands, and the companies also get a feel of what their consumer needs are and therefore are able to satisfy them and build loyalty which comes with profits.

In addition to this, Paramita, Nhu, Ngo, Tran and Gregory (2021) have also indicated that responses from consumer and their behaviours are connected to the stimulus presented by the brands themselves, their attractive packaging and communication, as well as the experience. The authors highlighted that this meant that consumer brand experiences could be fulfilled through such stimulus which are connected to their vision, feelings, and behaviour; and, that positive investment came from consumes who fell in love with the brands, forming special bonds and loyalty.

2.5. Traditional marketing

2.5.1. TV advertising

A study carried out by Rufino (2008), established that sales from advertising on television were not realized immediately and were also dependent on the time slot allocated, as well as the TV channel and the shows between which the advertisement was being aired. Another article by Aukofer, Bauer, Butt and Rammohan (2014), they had predicted a decline in advertising shares for TV at -5,9% versus digital advertising that was showing growth of +12,6% when measure of 5 years.

2.5.2. Print advertising

Chew and Adis (2014), highlighted that print media is still popular even in the age where the internet of things is the passageway for communication, adults still switch from tablet to traditional newspapers and magazines, as it was what they had been used to for a long time and can't let go easily. The author further indicated that a study showed that consumers still spent more time-consuming content from printed media than digital media, as well as printed media having a higher potential of presenting product and increase interest to the consumer.

A research study that looked at the worthiness of print paper in advertisement, Hampel, Heinrich and Campbell (2012) showed that colour printed adverts had a positive impact on consumers and were attractive to consumers to and their willingness to make a purchase, and these included prints with photos. The authors indicated that advertising companies continue to look for better way to reach their consumers and acknowledged that this saw the reallocation of budgeting funds from traditional marketing in above the line, which included TV and printed media, to digital marketing that constituted the use of internet. However, they argued that these print adverting companies continue to improve their printing capabilities to ensure that they do not use their clientele. This saw them implement refining of print advertising, applying techniques that high gloss paper and metallic paper, tangible feel of shapes and structures, and high-density paper and cardboard for better high quality. Hampel *et.al.* (2012) also debated that; even though, this betterment came in at a higher cost, it played a favourable role for them as it improved brand perception to consumers.

2.5.3. Out of home (OOH) advertising

Out of home advertisements, which consists of outdoor displays and billboards, have been used for a long number of years and have a wide scales penetration, (Roux & van der Waldt, 2014). This form of advertisement has been described as having revolutionized from just being billboards, to wall paintings and buildings, branding on moving vehicles, branding in of taxi ranks, branding of trolley and store entrances, and poster in public areas to name a few. The authors have also added that OOH have now evolved to being digitized and has therefore become fast growing as it incorporated the aspects of mobile and social media. This new feature allowed the OOH adverts to be able to customize their communication by targeted location and by environmental changes in that location at any time of the day. Technology has also enabled these OOH displays to be fully digital with ability to play back motional animations and videos that noticeable to consumers. The authors arguably defended that this continuous improved would protect OOH from being superseded by digital marketing as, outside of the cost benefit it comes with, it is still the best way to reach consumers that haven't evolved of digital marketing.

In addition to this, Mposi, Roux and van Zyl (2020) have established that with consumers being responsive to what they feel and need at a specific time, the digitization of OOH (out of home) to DOOH (digital out of home) has enabled marketing and advertising to switch and change messaging based on the changing message targeting and content communication.

In supporting the evolution of normal OOH to DOOH, Roberts (2018) indicated that DOOH were fast growing and had mobile and social media attributes that enable them to scale up to locations where they could have the impact of capturing consumers attention.

2.6 Digital marketing

Durmaz and Efendioglu (2016) indicated the day-on-day growth of technology and communication usage by companies to bring product introduction to the markets and to learn about their consumers.

Advantages of digital marketing as noted by Tasneem *et.al.* (2015) are that:

- Consumers can stay up to date with the brand products or services at any time and place whenever companies update their information.
- There is better engagement between consumer and companies as products and service are available online with products details and purchase options
- Online availability of product and service information, making it clearer what the product entails to drive better purchase decisions.
- Ease of product comparison with competitor offerings with convenience and cost-effective way as there is no need to physically visit the store.
- Anytime shopping with a 24/7 shopping window as websites are always open to trade and there is no time restriction.

- Ease of content sharing as users can share product or service information with each other over online reviews and social media.
- Pricing visibility as companies share their prices online, giving consumers transparency.
- Option of instant purchase as unlike traditional marketing, consumers do not wait to see an advertisement on TV or print and then make a trip to their stores, but they can immediately buy from the website.

2.6.1 Social media marketing

Social media marketing, as described by Abu-Rumman and Alhadid (2014), is a way of marketing using social medial platforms, for companies to be in the same universe as the people who use online networks, highlighting how the use of Facebook was of benefit to Business-to-Consumer companies. Sectors such as entertainment, music, book publishing and film companies have shown to be the first to use the platform and continue to dominate. The author also showed the different uses of social media marketing by way of (i) Online community, where companies build and improve their product through community interaction; (ii) Interaction, where social media pages notify targeted customer base on relevant information; (iii) Content sharing, where users get to exchange and also get to distribute their content; (iv) Accessibility, allowing users to access to content in an inexpensive way and with no special skill requirement; and (v) Credibility, through landing the right message to the users and building credibility which will then convert into loyalty and trust, and thus eventually motivate sales.

In contrast, Jamali and Khan (2018) argued that to maintain loyalty of consumer remained to have been challenging as consumers tend to disengage with brands and switch to other ones should they feel negatively about certain posts or content. The author added that too much sharing could be overwhelming to consumers and that can lead them being bored and irritated.

2.6.2 Search engine optimization (SEO)

According to Berman and Katona (2013), Search engine optimization entails search links which are tailored to rank and show content exclusively paid for, then sold to the advertising company. Inverse to this is an organic search, which ranks search content according to its natural or organic relevancy. The authors also indicated that SEO is very common in search engine forums and have been showing dominance of 90% of companies that use it and worth billions of dollars, however they have also been causing some disruption as advertisers saw more returns in using sponsored searches through SEOs, than using organic searches and thereby impacting sales from organic searches negatively. The authors however also argued that even though SEO was mostly preferred by advertisers of high standards and spend more money on it, consumers had the ability of finding their search from organic searches without the need to click on paid click searches, which was the way for SEOs to generating revenue.

To add to this, Zilincan (2015) has described the search engine optimization as methods and techniques of manipulating the search engines to retrieve information from a website. The author further emphasized that it is important for the advertiser to understand their consumers and markets, and what it is they themselves are capable of achieving. The author distinguishes SOE as a digital marketing aspect that focuses on being found by consumers, as opposed to the traditional marketing way, where companies set out TV advertisements, print media, emailing etc to find consumers. These traditional ways are losing relevance as the author reported that 88% of TV viewers do not watch advertisements and 46% of shared emails do not get opened.

A point around the importance of search engine optimization was made by Egri and Bayrak (2014), noting that it is still important to be in front of your consumers in the world where technology is growing fast, with Google leading the category, therefore utilizing search engine to retrieve information is very key. Users and consumers can input company names in the search tool as opposed to writing the website name.

2.7 Theoretical framework

2.7.1 The Resource Based View (RBV) theory

In defining what a resource-based view theory is, Madhani (2010) describes it as measure that looks to analyze and interprete a company’s internal resources and capabilites in order to achieve a competive advantage.

Another RBV study revealed market-based resources that focused on startegies that are brand relational and knowledge resources. Various studies are conducted on the effects of resources on a company's performance, including profitability, returns on investments, and market share. (Kozlenkova, Samaha, & Palmatier, 2013).

Further building to the RBV, Srivastava, Fahey, and Christensen (2001) linked market-based assets, as a construct of RBV, to financial perfomance through an investment in customer relationship management, where it was insighted that market based assets such as advertising and promotion drive financial performance of companies, thereby giving those companies a competive advatage and customer retention.

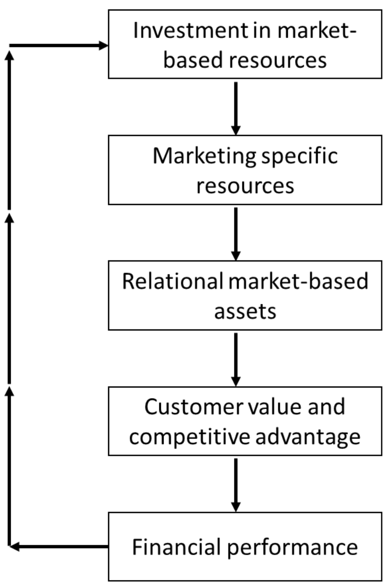

Figure 1. Resource Based View Theory. Adopted from (Srivastava, Fahey, & Christensen, 2001)

Digital marketing strategy is a resource that companies need to invest and implement to see a positive financial performance.

2.7.2 The sales effect model theory

One of the supporting theories referenced in this study was the Sales Effect model which was adopted from Lead and Schultz (1990) entailing that advertising has an effect on product sales revenue (as cited in Abdullahi, 2014). This same framework was also adopted by in the study on “Assessment of Advertising on the Sales Revenue and Profitability” (Abdullahi, 2014).

2.7.3 The Pareto Principle theory

Another supporting theory is the Pareto Principle, which may also be referred to as the 80/20 rule, as defined by Vilfredo Pareto to describe the unequal wealth in Italy was linked to a management framework for Marketing by Myers (2021) indicating that 80% of results are generated by 20% of the efforts. This statement was further supplemented by Daniel Hopper (2021) stating that 80% of sales revenue come from 20% of advertising.

The reason this framework was chosen was due the justification of the importance or driving advertising through marketing to promote financial performance.

2.8 Conceptual Framework

The conceptual framework is a researcher’s conceptualization of the interactions between the variables of a study. It explains graphically the general constructs of the variables to be studied and the relationships amongst them. In this study, the relationship between the independent variables and the dependent variables is graphically presented below:

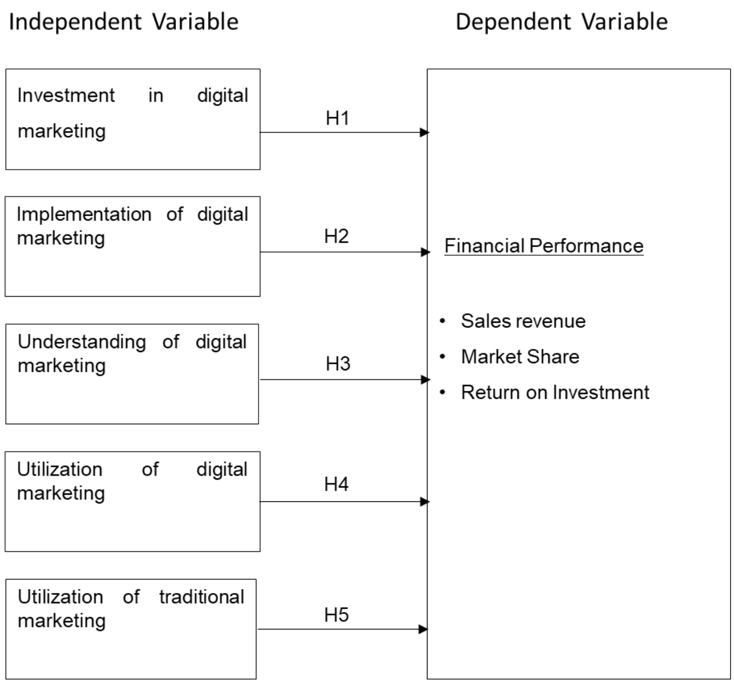

Figure 2. Research framework

Source: Researcher's construct

2.9 Hypotheses development

2.9.1 Evaluating financial performance

This section is a sub-hypothesis and does not form part of the main hypotheses but was rather created to evaluate whether financial performance has an effect to driving influence on preference of digital marketing. This was done as literature suggested that when companies establish their strategies and goals, it was important that they consider their various performance indicators, that can then be used to measure their success (Jaganjac & Obhodaš, 2019).

To further encourage the need to test this hypothesis, a gap was indicated stating that despite the importance of various performance indicators, it was still not clear how a company's financial performance suggested if the strategy was conducive (Zahra, 1996).

This loops back into the marketing strategy as illustrated by the RBV framework by (Srivastava, *et al.*, 2001).

H *Evaluating financial performance of digital marketing to influence preference*

2.9.2 Investment in digital marketing strategy

In a study conducted by Erdogan and Guneren (2021), it was established that companies that do not evolve with technology to a digital marketing strategy tend to lose their competive advantage. Stating that sales revenue need to be a paramount important deliverable in order to sustain increasing sales. As such investing in e-commerce had been the most commonly adopted element of a digital markeing strategy by a lot of companies, leaving behind companies that are still on traditional marketing strategies.

To add to this, Costa, Porto, and Watanabe (2017) stated that investing in marketing can help companies achieve faster and more profitable results. It can also help build a stronger customer base and increase revenue flow. Digital marketing has become an integral part of many companies' operations, and it has been claimed that it has led to higher sales and returns (Geyskens, Gielens, & Dekimpe, 2002).

H1 *Investment in digital marketing will drive positive financial* performance

2.9.3 Implementation of digital marketing strategy

According to Correani, De Massis, Frattini, Petruzzelli, and Natalicchio (2020), implementing a digital strategy is a process that involves translating a company's digital plan into action steps. This step is very important to ensure that the goals of the strategy will be met.

As a company continues to develop its digital marketing strategy, it is also important to take a step back and analyze the previous journey. This will help managers make informed decisions and improve the effectiveness of their efforts (Boufim & Barka, 2021).

In a study conducted on the implementation of a digital strategy in a small-to-medium-sized restaurant chain by, Ogbeide and Harrington (2011) revealed that the degree of involvement by management in the strategy was associated with higher success and profitability.

H2 *Implementation of digital marketing will drive positive financial performance*

2.9.4 Understanding of digital marketing strategy

Digital marketing strategy is the latest evolution of marketing which needs to be understood, and not just a traditional marketing strategy supplemented with digital elements. It has its unique dynamics and characteristics that can be used to select effective strategies and tactics. The survey results revealed that many companies are still not able to fully utilize the potential of digital marketing due to various factors. These include lack of knowledge about the technology and human resources. (Taiminen & Karjaluoto, 2015).

In a study conducted on the interaction between companies and their customers on social networks, Nadanyiova *et al*. (2021), noted that understanding the various features of these platforms can help improve the efficiency of a company's social media efforts.

It was argued by Rowley (2008) that research conducted to study the various characteristics of digital marketing should contribute to the development of a deeper understanding of this approach. Further adding that this approach is ideal for digital content marketing as it focuses on the interactions between the company and its customers. It also helps in developing an understanding of the value that the product or service provides.

H3 *Understanding of digital marketing will drive positive financial performance*

2.9.5 Utilization of digital marketing strategy

It should be notable that utilisation of digital channels is very crucial for brands as they help them stay competitive. It is therefore important that small and medium-sized enterprises adopt the same strategy if they want to grow and become successful (Taiminen & Karjaluoto, 2015).

In a study by Correani, *et al*. (2020), it was noted that utilizing digital technologies, companies can now collect and analyse consumption data, which can help them improve their competitive advantage. The failure of marketing managers to use the internet effectively can also affect their company's sales. Due to the changes brought about by the internet, the traditional approach to marketing may no longer be effective (Nkwam-Uwaoma & Asemah, 2020).

A similar study by Matiza, *et al.* (2014) that looked at “The Impact of Social Media-Based Marketing on the Turnover of Retailers Based in Polokwane, South Africa”, concluded that utilising social media as a digital marketing channel, increased sales turnover. As such this will further stretch the hypothesis to test in FMCG industries in South Africa.

H4 *Utilization of digital marketing will drive positive financial performance*

2.9.6 Utilization of traditional marketing strategy

It has been indicated in a study by Cant and Wiid (2016) that despite the technological advancements brought about by online marketing and the rise of internet usage, it is still clear that many companies especially small-medium enterprises are still utilizing traditional marketing strategies to effectively market their products and services. Further adding that, many small and medium businesses are still reluctant to invest in new digital marketing techniques due to the time and complexity of the process.

Contrary to the above statement, Tarik and Sutrovic (2018) argue that companies today use interactive marketing techniques to target their customers' needs, habits, and preferences using modern technology. Although traditional marketing remains an important part of marketing, many experts predict that it will slowly be replaced by online marketing.

H5 *Utilization of traditional marketing will drive positive financial performance*

2.10 Conclusion

Upon thorough review of literature, looking at the two marketing strategies, traditional and digital, hypotheses constructs were built from historic literature and need to be tested in chapter 4 against the dependent variable, financial performance. It can be concluded that based on this literature, evolution of technology has changed how companies implement and utilize their marketing strategies.

The impact of marketing strategies and how companies strive to keep in touch with their consumers, whilst generating profits at the same time, has seen digital marketing coming up first, superseding traditional marketing. This has justified the need to ask the question of how these changes impact companies from a financial performance standpoint, and to see how those companies that do not evolve with this transitioning measure up in their financial performance in the FMCG industry in South Africa.

3. CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the blueprint for the study that can guide the reader to understand how the research was carried out. It highlights the research methods and design, the population, the sample size and sampling units, data collection method and data analysis.

3.2 Research strategy

Research strategy is a step wise plan that enables a researcher to conduct a research study in a way that is systematic and provides a high-quality report in detail (Jenny Dinnen, 2014). A research strategy also provides direction on how to carry out the research based on the research problem and the literature from prior studies (Wedawatta, Ingirige, & Amaratunga, 2011). There are three research strategies, qualitative, quantitative, and mixed. For this research, a quantitative strategy was used by carrying out a research survey that was sent out to participants who work in the marketing departments of FMCG companies. The assumption was that all the participants were going to answer honestly. The selected companies had their own internal marketing department and not outsourced.

The reason for this choice of a research strategy was based on the fact that a quantitative strategy compares dependent variable to independent variables. In this study the independent variables are traditional marketing and digital marketing with sales revenue as the dependant variable. A study by Matiza, Oni, and Shumba (2014) had applied a similar research strategy and their objective was to determine what impact marketing, in relation to social media, had on retail company's turnover. Matiza *el.al.* (2014) had indicated their reason for this choice was because it related directly to their hypothesis testing, and it benefited them by answering their hypothesis and research objectives and used questionnaires. The choice of strategy was influenced by their study.

3.3 Research design

In defining research design the academic book, Research Methods For Business Students (2012), explains this as a process that describes the steps that will be taken to carry out the study. It includes the necessary steps to collect and analyse the data that will need to answer the research question. It also provides a clear understanding of the sources used and any constraints that may have been encountered.

The research design used for this study was a Causal research design. Causal research, also known as Explanatory research, is a type of study that aims to identify the various causes and effects of a particular change in an organization's operations. It can also analyse the impact of the changes on the existing procedures and norms (Business Research Methodology, 2023).

The reason behind choosing this research design is that Causal research helps identify the impacts of changing the processes and existing methods. In causal research, the subjects are selected systematically. Because of this, causal research is helpful for higher levels of internal validity (Hitesh Bhasin, 2020).

Based on the independent variables (digital marketing and traditional marketing) and their impact on the dependant variable (financial performance) the researcher felt it was appropriate to use this design due to its cause-and-effect nature.

3.4 Sampling and Data Collection method

3.4.1 Target population

A study's target population is a group of individuals who share the same characteristics. They are identified as the intended participants for the study

(Asiamah, Mensah, & Oteng-Abayie, 2017). For this study the target population were the marketing employees of FMCG companies in South Africa and had a minimum a of Diploma qualification.

3.4.2 Sampling technique

Sampling is a process utilized in survey research to represent the entire population (Qualtrics, 2023).

The study adopted purposive sampling technique which focused on FMCG companies. Purposive sampling technique was used due to the subject matter requiring people with practical experience to brand investment. Researchers make the selection of the participants based on their knowledge about the study's goal and the nature of the research. This technique, known as judgment sampling, is relatively easy to implement and is not likely to produce a representative sample (Qualtrics, 2023).

3.4.3 Sample size

When it comes to conducting a survey, it is important that the sample sizes are not too small to ensure that the results support the expectations of the researchers. This issue can lead to the conclusion that the relationships between the various variables are not statistically significant. Another issue that can affect the quality of the study is the lack of subjects who can provide a different perspective (Fowler, 2019).

The population for this study is 100 and the sample size is 79. The samples size was adopted from (Saunders, Lewis, & Thornhill, 2012).

3.5 Data collection

3.5.1 Questionnaire design

The questionnaire was developed using measurement items that were collected from literature. Saunders, *et al*. (2012) contend that questionnaires tend to be used for descriptive research. Saunders and Rojon (2014) highlight the strengths of using questionnaires stating that they are less expensive and can be administered to many respondents over a large geographical area; it can also be tailored to specific respondents.

The questionnaire was structured into four sections. The first section was asking questions around Bio data of the participants and had 4 questions. The second section asked questions around Business information and 6 questions. The third section investigated Digital Marketing vs Traditional Marketing and had 18 questions. The fourth and final section asked questions around financial performance and asked 3 questions.

The survey instrument was administered to marketing departments of the selected FMCG companies after obtaining approval from the various heads of the Marketing Department. This distribution was done via email, WhatsApp and LinkedIn.

The research questionnaire is attached as Appendix A

3.5.2 Measurement scale

The survey for this study was made up of a questionnaire as a tool that was used to generate input for the study. It consisted of demographic questions, closed-ended questions and a 5-point Likert scale questions in a form from “Strong agree” to “Strongly disagree” and measured the extensity from “To a large extent” to “Extremely negative”.

One of the most used methods for measuring various affective factors such as self-efficacy and motivation is through Likert-scale surveys. These surveys are very easy to implement and can allow researchers to collect large amounts of data. Unfortunately, there is a lack of information regarding the development and analysis related to the use of Likert- scale questionnaires in second language studies (Nemoto & Beglar, 2014). The questions constructed in the questionnaire were built to create themes that would follow on to prior work done by (Matiza, Oni, & Shumba, 2014).

3.6 Data Analysis and Presentation

The completed data was extracted from Microsoft Forms into an Excel spreadsheet where it was edited and coded to facilitate the data entry. Once all the data were entered, test run was done in a form of frequencies until the data was ready for analysis. Analysis testing was done using IBM SPSS. The study used descriptive statistics about respondents and standard simple and multiple regression analysis to analyse data for inferential statistics. Cross tabulations were also used to show the relationships between some selected study variables. The results were presented in the form of descriptive statistics such as means and standard deviations, regression and statistical hypothesis testing, and histograms and charts. Inferential statistics in this study involved the use of multiple linear regressions to determine the effect of the digital marketing strategies on financial performance.

3.7 Validity and Reliability

Validity and reliability are measuring elements of quality of a research study.
Validity of a quantitative study is a measure of the accuracy of the data that is collected during the study. For instance, a survey designed to investigate depression might not be considered valid if it measures anxiety (Heale & Twycross, 2015).
There are 3 types of validity, namely 1) Content validity (a research instrument's accuracy when it comes to measuring various aspects of a construct being measured); 2) Construct validity (a research instrument's accuracy when it comes to measuring a specified construct) and 3) Criterion validity (a research instrument's relation to other similar instruments measuring the same constructs) (Taherdoost, 2016).

A measurement's reliability is related to its ability to provide a steady and definite result. Another important aspect of this concept is repeatability. For instance, if a test or scale is repeated several times, it is considered to be reliable (Taherdoost, 2016).

Reliability has 3 attributes, namely 1) homogeneity (the degree to which each item on the scale measures a single construct), 2) stability (that is consistency of results obtained with a research instrument upon repetitive testing), and 3) equivalence (consistency of the results obtained from different respondents or with different forms of an instrument) (Heale & Twycross, 2015).

Data reliability and validity was only tested in the final questionnaire results due to lack of time and hence a pilot test could not be carried out. This was done in SPSS through running an Exploratory Factor analysis and an Inter-rater reliability that would show variability above .07 as reliable. Although there are no definite rules regarding the reliability of internal components of scales, most agree that a minimum consistency coefficient should be .70 (Taherdoost, 2016).

3.8 Ethics

As the research study involved human participants, the researcher sought an ethics clearance certificate (Appendix C) before beginning the data collection process. The ethics statement was posted on the body of the email, WhatsApp and LinkedIn posts, leading up the embed questionnaire link. The ethics statement emphasized voluntary of participation; confidentiality and anonymity of the respondents; none identifying information like the identity numbers of participants was asked; security of data collected; and lastly there was no financial gain to the respondents for the participation in the questionnaire.

4. CHAPTER FOUR: PRESENTATION OF RESEARCH RESULTS

4.1 Introduction

In this section the attempt to address the research questions as well as the accompanied hypothesis stated in Chapters 1 & 2. The first step taken was to run the required validity and reliability statistics in to assess the viability of the identified variables derived from the research questionnaire.

The second step was evaluating whether the financial performance of digital marketing has an impact on the preference for digital marketing.

The third step was evaluating whether the understanding, investment, implementation as well as the utilisation of both traditional and digital marketing had an impact on the financial performance of digital marketing.

Lastly, the summary of the results of findings is presented. All annexures regarding the analysis have also been included.

4.2 Descriptive statistics

In this section, the demographics profile of the respondents is be outlined, focusing on their level of qualification, confirmation of their work in Marketing function or at senior management level, number of years of experience in the current company, the number years the company has used digital marketing, the number of years the company has used traditional marketing, and lastly the number of employees within their marketing function.

4.2.1 Sample description

A total of 100 respondents was reached by the end of the survey data collection. Table 1 below shows the descriptive statistic of the participants:

Table 1: Descriptive statistics

Statistics

		What is your highest completed educational qualification?	How much experience do you have working in a Marketing/Marketing related or Senior Management function?	How long have you served at your current company?	How long has your company used digital marketing channels for?	How long has your company used traditional marketing channels for?	What is the total number of employees in your Marketing team?
N	Valid	100	100	100	100	100	100
	Missing	0	0	0	0	0	0
Mean		2.81	2.23	1.39	2.07	2.72	3.00
Median		3.00	2.00	1.00	2.00	3.00	3.00
Mode		3	3	1	3	3	4

Table 1. Research descriptive statistics. Source: IBM SPSS (2023)

What is your highest completed educational qualification? has mode = 3, indicating that most respondents chose answer option number 3 which was *Honours*

How much experience do you have working in a Marketing/Marketing related or Senior Management function? has mode = 3, indicating that most respondents chose answer option number 3 which was *10 and above*

How long have you served at your current company? has mode = 1, indicating that most respondents chose answer option number 1 which was *0 – 3 years*

How long has your company used digital marketing channels for? has mode = 3, indicating that most respondents chose answer option number 3 which was *7 and above*

How long has your company used traditional marketing channels for? has mode = 3, indicating that most respondents chose answer option number 3 which was *7 and above*

What is the total number of employees in your Marketing team? has mode = 4, indicating that most respondents chose answer option number 4 which was *16 and above.*

Table 2: What is your highest completed educational qualification?

	N	%
Diploma	16	16.0%
Bachelors	25	25.0%
Honours	37	37.0%
Masters	14	14.0%
Other	8	8.0%

Table 2. Source: IBM SPSS (2023)

Table 2 above shows the 37% of the respondents completed an honours degree as their highest educational qualification.

Table 3: How much experience do you have working in a Marketing/Marketing related or Senior Management function?

	N	%
0-4 years	23	23.0%
5-9 years	31	31.0%
10 & above	46	46.0%

Table 3. Source: IBM SPSS (2023)

Table 3 above shows that 46% of respondents had spent between 10 and above number of years working in a marketing related or senior management function.

Table 4: How long have you served at your current company?

	N	%
0-3 years	73	73.0%
4-6 years	15	15.0%
7 and above	12	12.0%

Table 4. Source: IBM SPSS (2023)

Table 4 above shows that 73% of the respondents have their current company for 0-3 years.

Table 5: How long has your company used digital marketing channels for?

	N	%
0-3 years	29	29.0%
4-6 years	35	35.0%
7 and above	36	36.0%

Table 5. Source: IBM SPSS (2023)

Table 5 above shows that 36% of the respondents have used digital marketing channels for 7 years and above in their companies.

Table 6: How long has your company used traditional marketing channels for?

	N	%
0-3 years	11	11.0%
4-6 years	6	6.0%
7 and above	83	83.0%

Table 6. Source: IBM SPSS (2023)

Table 6 above shows that 83% of the respondents have used traditional marketing for 7 years and above in their companies.

Table 7: What is the total number of employees in your Marketing team?

	N	%
less than 5	12	12.0%
6-10 employees	23	23.0%
11-15 employees	18	18.0%
16 and above employees	47	47.0%

Table 7. Source: IBM SPSS (2023)

Table 7 above shows that 47% of the respondents have a total number of 16 and above employees in their marketing teams.

4.3 Validity and Reliability analysis

An exploratory factor analysis was run to discover underlying or the latent variables that were derived from the research questionnaire. An Exploratory Factor Analysis (EFA) would also satisfy the requirements concerning construct validity. The results from the factor analysis were interpreted below as follows:

4.3.1 EFA (Exploratory Factor Analysis) Results

Table 8: Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.84	27.810	27.810	5.840	27.810	27.810	3.336	15.884	15.884
2	2.94	13.991	41.801	2.938	13.991	41.801	3.270	15.574	31.457
3	1.78	8.473	50.274	1.779	8.473	50.274	2.677	12.746	44.204
4	1.32	6.285	56.558	1.320	6.285	56.558	1.974	9.400	53.603
5	1.29	6.140	62.698	1.289	6.140	62.698	1.532	7.296	60.899
6	1.14	5.428	68.126	1.140	5.428	68.126	1.518	7.227	68.126
7	.871	4.147	72.273						
8	.766	3.647	75.920						
9	.719	3.422	79.342						
10	.680	3.236	82.578						
11	.590	2.807	85.385						
12	.543	2.587	87.973						
13	.481	2.289	90.262						
14	.442	2.106	92.367						
15	.381	1.816	94.184						
16	.288	1.371	95.554						
17	.240	1.142	96.696						
18	.219	1.042	97.738						
19	.208	.991	98.729						
20	.154	.734	99.464						
21	.113	.536	100.000						

Table 8. Source: IBM SPSS (2023)

The Total Variance explained table (Table 8) shows that EFA managed to obtain a total number of 6 factors. Factors were obtained via the Varimax rotation method and were also extracted using an eigenvalue greater than a value of 1. Moreover, the table (Table 8) above shows that the first factor can explain 27.81% of the variance, which is the most out of all the factors. All relevant factors (with Eigenvalues greater than 1) were able to explain 68.14% of the total values. All variables in the analysis used a 5-point Likert scale

Table 9: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.751
Bartlett's Test of Sphericity	Approx. Chi-Square	957.870
	df	210
	Sig.	<.001

Table 9. Source: IBM SPSS (2023)

Table provides the results concerning the KMO and Bartlett's test of Sphericity. It is used to examine the correlation and the strength thereof between the potential variables to be used further in the analysis. KMOs close to .80 are deemed to be acceptable and that would also require a statistically significant result. Based on the results in Table 2 above, the variables are indeed adequate for further analysis, and can therefore proceed to the next step to interpret the rest of the results concerning the factor analysis (KMO (210) =.751, $p<.01$). Based on these results we can therefore assume that construct validity has been satisfied. The constructs derived from our factor analysis is noted below:

Table 11: Factor Analysis Constructs

Scale	Factor
Financial Performance Digital Marketing	1
Investment to digital marketing	2
Implementation of digital marketing	3
Understanding of Digital marketing	4
Utilization of traditional marketing	5
Utilization of digital marketing	6

Table 11. Source: IBM SPSS (2023)

Variable with factor loading lower than 1 were excluded from the analysis. Additionally, overlapping items were excluded (factors that shared the same variable). The result from the rotation is noted in Table 10 (Appendix section). The variables from our factor analysis were then used to check for inter rater reliability in section 4.3.2 below.4.3.2 Inter-rater reliability results.

Table 12: Reliability Statistics

Scale	Cronbach's Alpha	No of Items
Financial performance digital marketing	.818	5
Investment to digital marketing	.860	3
Implementation of digital marketing	.711	4
Understanding of digital marketing	.756	2
Utilization of traditional marketing	.533	3
Utilization of digital marketing	.534	2

Table 12. Source: IBM SPSS (2023)

The reliability statistics in Table 12 show that all the variables have a Cronbach's alpha value above .70 except for the *utilization of traditional marketing scale* as well as the *utilization of digital marketing scale.* This could present a potential limitation in terms of the results in the following analysis. Since the scales have satisfied construct validity, the next phase is to proceed to carry on with the rest of the analysis. The variables above were then constructed by taking the means of the responses.

4.4 Evaluating whether the financial performance of digital marketing has an impact on the preference of digital marketing.

Before going into the analysis of the research question identified in chapter 1, literature revealed that companies used their financial performance KPI (key performance indicator) as one of the contributing factors to drive their preference for a digital marketing strategy. Within this section the following sub-hypothesis has been identified:

***H0**: Financial Performance has no impact or potential effect on digital marketing.*

***H1**: Financial Performance does have an impact or potential effect on digital marketing*

In addition to the variables above, another variable was computed, that is the dependent variable which measures the preference for digital marketing. This was done via averaging the responses of the following questions in the computation:

1. Your company's preference for Digital marketing outweighs that of the Traditional marketing
2. Your company strategy is likely to invest more on Digital marketing than Traditional marketing
3. Your current marketing budget proportion for Digital marketing outweighs that of Traditional marketing
4. Your company should evolve to a Digital marketing strategy
5. Companies that have Digital marketing have more equity than those that do not
6. Employees prefer working on Digital marketing rather than Traditional marketing

It was therefore decided to run a simple linear regression using the Financial Performance variable as the independent variable. The results are as follows:

4.4.1 Descriptive Statistics

Table 13: Simple Linear Regression Descriptive statistics

	Mean	Std. Deviation	N
Digital Preference - Sales	3.4267	.79994	100
Financial Performance of Digital Marketing	3.8240	.66136	100

Table 13. Source: IBM SPSS (2023)

Field (2013) states that the standard deviation is used to measure the distribution of groups from the mean. A small standard deviation indicates that the data point is closer to the mean, while a large standard deviation indicates that the data point is outside the mean.

In Table 13 above, Financial Performance of Digital Marketing presented the highest mean (*M* = 3.8240, SD = .66136) while Digital Preference – Sales showed the highest variance (*M* = 3.4267, SD = .79994). A standard deviation lower than1 means that the variables are closer to the mean and therefore a fair representation of the population

4.4.2 Statistical Hypothesis Testing – Simple Linear Regression Analysis with Digital Preference - Sales as our dependent variable

Table 14: Model Summary - Simple Linear Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.589[a]	.347	.340	.64983	2.083

a. Predictors: (Constant), Financial Performance of Digital Marketing

b. Dependent Variable: Digital Preference - Sales

Table 14. Source: IBM SPSS (2023)

Table 14 above shows that Financial Performance of Digital Marketing shows R square, which measures the degree of variability in the dependent variable because of the independent variables, is .347, which is a 34.7 % of the variance in Digital Preference – Sales. This means that if you were to model Digital Preference for Sales, Financial performance would predict about 34.7% of the time.

Table 15: ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.968	1	21.968	52.023	<.001[b]
	Residual	41.383	98	.422		
	Total	63.351	99			

a. Dependent Variable: Digital Preference - Sales

b. Predictors: (Constant), Financial Performance of Digital Marketing

Table 15. Source: IBM SPSS (2023)

The ANOVA table in Table 15 above shows that the model complies with the linearity assumption concerning the regression model. This is based on the regression model being statistically significant ($F(1,98) = 52.023$, $p < .001$, $R^2 = .347$). This can be interpreted to say that the model is able to explain the Digital Preference - Sales variable in a straight line and is a good fit. If this was not the case, there would have been a need to accept the null hypothesis.

Table 16: Coefficients

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.703	.383		1.835	.070
	Financial Performance of Digital Marketing	.712	.099	.589	7.213	<.001

a. Dependent Variable: Digital Preference - Sales

Table 16. Source: IBM SPSS (2023)

Table 16 above provides a summary regarding the effect that Financial Performance of Digital Marketing has on the Digital Preference - Sales. At the 95% confidence level, the independent variable proved to be statistically significant (β = .712, t=7.213, p<.01). This implies that on average, for every one unit increase in financial performance of digital marketing, Digital Preference - Sales would increase on average by 71.2%.

Based on the results in Table 16 above, there would be a need to reject the null hypothesis and conclude that financial performance of digital marketing does have a significant impact on Digital Preference – Sales.

4.5 Evaluating the impacts that the understanding, implementation, investment, and utilisation in digital marketing as well as traditional marketing has on financial performance of digital marketing.

For this section, the requirement was to run a multiple regression analysis based on the number of independent variables that are available. Therefore, the various null and alternative hypothesis has been identified as follows:

H0: *The independent variable(s)have no impact on the financial performance of digital marketing.*

H1: *Investment in digital marketing has an impact on the financial performance of digital marketing.*

H2 *Implementation of digital marketing will drive positive financial performance*

H3: *Understanding digital marketing has an impact on the financial performance of digital marketing.*

H4: *Utilising digital marketing has an impact on the financial performance of digital marketing.*

H5: *Utilising traditional marketing has an impact on the financial performance of digital marketing.*

The multiple regression analysis was run based on a 90% confidence level due to some of the variables being computed with an unreliable Cronbach's Alpha (less than .70) (Salkind, 2017).

The descriptive statistics are described below:

4.5.1 Descriptive Statistics – Multiple regression analysis

Table 17: Descriptive Statistics – Independent and dependent variables

Descriptive Statistics

	Mean	Std. Deviation	N
Financial Performance of Digital Marketing	3.8240	.66136	100
Investment - Digital Marketing	3.1700	1.11564	100
Implementation- Digital Marketing	3.6500	.70978	100
Understand - Digital Marketing	3.5750	.99335	100
Utilisation - Digital Marketing	3.1967	.67685	100
Utilisation - Traditional Marketing	4.1600	.58552	100

Table 17. Source: IBM SPSS (2023)

The descriptive statistics in Table 17 above shows that Utilization - Traditional Marketing demonstrates the highest mean (M = 4.1600, SD = .58552) while Investment - Digital Marketing showed the highest variance (M = 3.1700, SD = 1.11564). This shows that the average responses for Utilisation of Traditional marketing are on the higher end, while responses for investment in digital marketing varied much more compared to the other variables (>1).

4.5.2 Assumptions for regression model - multicollinearity

Table 18: Correlations

		Financial Performance of Digital Marketing	Investment - Digital Marketing	Implementation- Digital Marketing	Understand - Digital Marketing	Utilization - Digital Marketing	Utilization - Traditional Marketing
Pearson Correlation	Financial Performance of Digital Marketing	1.000	.558	.546	.309	.638	.308
	Investment - Digital Marketing	.558	1.000	.537	.303	.530	.226
	Implementation- Digital Marketing	.546	.537	1.000	.109	.553	.312
	Understand - Digital Marketing	.309	.303	.109	1.000	.286	.105
	Utilization - Digital Marketing	.638	.530	.553	.286	1.000	.158
	Utilization - Traditional Marketing	.308	.226	.312	.105	.158	1.000

Table 18. Source: IBM SPSS (2023)

Table 18 shows the correlations for both our dependent and independent variables. A key assumption regarding linear regression analysis is that the independent variables do not have a relationship with one another. This is referred to as multicollinearity. For multicollinearity to be present, there would have to be correlations that are greater than a value of .80 between a pair of the independent variables. The strongest correlation in the data is that between implementation in digital marketing as well as the utilisation of digital marketing (r (100) = .553) which is positive moderate in terms of magnitude. Therefore, it can be confirmed that multicollinearity is not present amongst the presented independent variables.

4.5.3 Statistical Hypothesis Testing – Model Summary and Goodness of fit

Table 19: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.725[a]	.525	.500	.46759	2.155

a. Predictors: (Constant), Utilization - Traditional Marketing, Understand - Digital Marketing, Utilization - Digital Marketing, Investment - Digital Marketing, Implementation- Digital Marketing

b. Dependent Variable: Financial Performance of Digital Marketing

Table 19. Source: IBM SPSS (2023)

Table 19 above shows that the variables, collectively, can predict 50% of the variance in financial performance of digital marketing.

Table 20: ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.751	5	4.550	20.811	<.001[b]
	Residual	20.552	94	.219		
	Total	43.302	99			

a. Dependent Variable: Financial Performance of Digital Marketing

b. Predictors: (Constant), Utilization - Traditional Marketing, Understand - Digital Marketing, Utilization - Digital Marketing, Investment - Digital Marketing, Implementation- Digital Marketing

Table 20. Source: IBM SPSS (2023)

Table 20 shows that the linearity assumption holds as we obtain a statistically significant result ($F(5,94) = 20.811$, $p < .01$, $R^2 = .500$). This implies that the model is a good fit and that the independent variables explains the dependent variable in a straight line.

4.5.4 Statistical Hypothesis Testing – Coefficients

Table 21: Coefficients Table

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	90.0% Confidence Interval for B Lower Bound	90.0% Confidence Interval for B Upper Bound	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	.762	.403		1.890	.062	.092	1.431		
	Investment - Digital Marketing	.117	.054	.197	2.145	.035	.026	.207	.599	1.669
	Implementation- Digital Marketing	.161	.088	.173	1.827	.071	.015	.307	.566	1.767
	Understand - Digital Marketing	.071	.051	.106	1.390	.168	-.014	.155	.866	1.154
	Utilization - Digital Marketing	.377	.090	.386	4.178	<.001	.227	.527	.592	1.688
	Utilization - Traditional Marketing	.156	.085	.138	1.832	.070	.015	.297	.892	1.121

a. Dependent Variable: Financial Performance of Digital Marketing

Table 21. Source: IBM SPSS (2023)

Table 21 shows the coefficients concerning the independent variables. Utilisation of digital marketing contributes to most of the variance in the financial performance of digital marketing (β = .377, t = 4.178, p <.01) when analysing the standardized betas. Investment, (β = .117, t = 2.145, p = 0.35) and Implementation of digital marketing (β = .161, t = 1.827, p = 0.71) as well as utilization of traditional marketing (β = .156, t = 1.832, p = 0.70) also proved to be statistically significant because the p-values were less than the alpha of 0.10. In the case the null hypotheses were rejected.

Understanding Digital Marketing proved to be the only variable that was statistically insignificant ($\beta = .071$, $t = 1.39$, $p = 1.68$). The null hypothesis is therefore accepted.

It should also be noted that normality and homoscedasticity assumptions were checked and complied with the linear regression assumptions as seen in the figures in the annexures.

4.6 Summary of the results

In this chapter, the research questions and hypotheses outlined within the first chapter were addressed.

The required validity and reliability statistics were run. To check for construct validity, an exploratory factor analysis was run to determine our underlying constructs and variables. The analysis managed to obtain a total of 6 variables that we used in the study. Moreover, regarding inter-rater reliability it was found that 4/6 variables were confirmed to be reliable as per the requirements concerning Cronbach's alpha. The scales from the reliability analysis were then converted into variables by computing their means.

A simple linear regression was run to evaluate whether digital preference for sales was affected or impacted by financial performance of digital marketing. For this case a statistically significant result was achieved.

Lastly, a multiple regression analysis was run to determine whether the variables computed in section 4.3 had an impact on financial performance of digital marketing. It was found that all variables were statistically significant except the understanding of digital marketing.

The results were used for the discussion of the following chapter.

5. CHAPTER FIVE: DISCUSSION

5.1 Introduction

In this chapter, the results and finding of the research study were discussed and linked to the literature. The researcher discusses the results of the hypotheses tested, followed by the link of the hypotheses testing to the literature, and then the closed off with the implication of the results to the FMCG companies.

5.2 Main findings

This section discusses the main findings of the factors that influence a positive financial performance of companies in the FMCG industry in South Africa.

5.2.1 Evaluating whether the financial performance of digital marketing has an impact on the preference of digital marketing.

H0: *Financial Performance has no impact or potential effect on digital marketing.*

H1: *Financial Performance does have an impact or potential effect on digital marketing*

The findings from the computed hypothesis 1, indicate that there is a positive relationship between financial performance as an independent variable, and digital marketing preference as a dependant variable (< .001). As such the null hypothesis is rejected. This means that if companies considered financial performance as a KPI they would consider digital marketing strategy as preferred strategy.

The findings from this study support literature from the previous studies that companies should consider performance indicators as they develop their strategies and goals. (Jaganjac & Obhodaš, 2019). Furthermore, it serves to bridge the gap where still not clear how financial performance can be influenced by a company's strategy (Zahra, 1996).

This result was tested a higher confidence level of 95%. This can inform managers in marketing functions of FMCG companies in South Africa that they should consider reviewing their business financial performance before deciding which marketing strategy to go with, but they can rest assured that financial performance would predict digital marketing strategies 34.7% of the time.

5.2.2 Investment in digital marketing strategy.

H1: *Investment in digital marketing has an impact on the financial performance of digital marketing*

The findings from hypothesis 1 indicate that there is a positive relationship between investment in digital marketing strategy and financial performance (.035). This relationship implies that when there is an investment made into a digital marketing strategy, it will yield a positive financial result. As such, the null hypothesis was rejected.

According to Costa, *et al.* (2017), investing in marketing can help companies improve their business results. This result further substantiates a statement by Geyskens, *et al.* (2002) that digital marketing has been instrumental in boosting companies sales and improving returns.

This information can help inform companies in the FMCG in South Africa to make a decision to invest in digital marketing strategies in order to deliver their finacial results.

5.2.3 Implementation of digital marketing strategy.

H2 *Implementation of digital marketing will drive positive financial performance*

The finding from hypothesis 2 indicate that there is a positive relationship between implementation of digital marketing strategy and financial performance (.071). This positive relationship implies that when a digital marketing strategy is implemented, there will be positive financial results. For this reason, the null hypothesis was rejected.

Prior literature highlighted that it is important to implement a digital markeing plan as it ensures that the objectives of the strategy will be achieved (Correani *et al*., 2020).

Manager involvement in the implementation of a strategy is key, as it is associated with better financial performance (Ogbeide & Harrington, 2011).

5.2.4 Understanding of digital marketing strategy

H3 *Understanding of digital marketing will drive positive financial performance*

The findings in hypothesis 3 indicate that there is no relationship between understanding digital marketing strategy and financial performance (.168). This means that companies do not necessarily need to fully understand digital marketing strategy in order to apply them, even though there is a mean response of 3.5750 for understanding of digital marketing, which agrees to the above point that full understanding may not be an ultimatum before applying the strategy. When considering the standard deviation of 0.99335, being the second highest in the run descriptive statistics of the variables, is it indicative of variance that some participants may have experienced ambiguity in understanding the question itself or that they did not relate understanding digital marketing to performance in a meaningful way. For this finding, the null hypothesis was accepted.

This result has been seen before in from the survey result from (Taiminen & Karjaluoto, 2015) who showed that despite the advantages of digital marketing, many companies still don't fully utilize it due to their inexperience with its various capabilities. It has been, however, argued by Rowley (2015) that being knowledgeable about digital marketing can help a company understand how improve their value.

This still opens room for companies and their employees to understand or learn digital marketing and what other benefits come along with it besides financial performance.

5.2.5 Utilization of digital marketing strategy

H4 *Utilization of digital marketing will drive positive financial performance*

The findings from hypothesis 4 indicate that there is positive relation between utilizing digital marketing strategy and financial performance (<.001). This means that when utilizing digital marketing strategy, there will be a positive financial performance. The significance value shows a very strong relationship and is the highest of all variables.

This outcome substantiates literature by Taiminen & Karjaluoto (2015) that utilization digital channels is very important for a company as it allows them to stay competitive. A similar study by Matiza, *et al*. (2014) also concluded that digital marketing strategy has a positive impact financial performance.

This information can help marketing employees and manager justify the need for a digtal marketing strategy, as well as help educate marketing research students.

5.2.6 Utilization of traditional marketing strategy.

H5 *Utilization of traditional marketing will drive positive financial performance*

The findings from hypothesis 5 also indicated that there is a positive relationship between traditional marketing strategy and financial performance (.070). This means that when utilizing a traditional marketing strategy there will be a positive financial performance. As such, the null hypothesis was rejected.

This result does substantiate a study by Cant and Wiid (2016) that traditional marketing strategies are still being used despite the advancement to digitization.

With the significance value not as strong as digital marketing, it can be justified by the statement by Tarik and Sutrovic (2018), traditional marketing strategy remains important.

5.2.7 Summary of findings

This chapter discussed the findings of the hypothesis computed H and all other hypotheses H1 to H5. H as a computed variable testing financial performance as a independent to preference of digital marketing tested positive. H1, H2, H4 and H5 have a positive relation to financial performance as a dependent variable. H3 is the only hypothesis that didn't have a positive relationship to financial performance. All hypotheses are summarised in Table 22 below:

	Hypothesis	**Results**
H	*Financial Performance does have an impact or potential effect on digital marketing*	Accepted
H1	*Investment in digital marketing has an impact on the financial performance*	Accepted
H2	*Implementation of digital marketing will drive positive financial performance*	Accepted
H3	*Understanding of digital marketing will drive positive financial performance*	Rejected
H4	*Utilization of digital marketing will drive positive financial performance*	Accepted
H5	*Utilization of traditional marketing will drive positive financial performance*	Accepted

6. CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter brings together the overall finding of the research study, the limitations and recommendation for future research.

6.2 Conclusion

The study results showed that 4 out of the 5 hypotheses were found to be significant, including the 1 hypothesis that was computed to test if financial performance, as an independent, has a positive relation with preference of digital marketing as a dependent variable. It can be concluded that there is a positive relationship between in investment in digital marketing, implementation of digital marketing, utilization of digital marketing and utilization of traditional marketing have a positive impact on financial performance in FMCG companies in South Africa. However, understanding of digital marketing has no positive impact on financial performance in FMCG companies in South Africa.

6.3 Limitations

The research was conducted under the assumption that participants would fully participate and could not be forced to participate. Honesty of participants could not be controlled.

This study was limited to the channels of marketing (digital and traditional) without going into the contents of each of them, i.e., TV ads, social marketing platforms, programmatic marketing.

This study focused only on investigating FMCG companies in South Africa but there are other companies, such telecommunication and other customer services, which would have been useful for a study of this nature. One of the challenges encountered was that some participants were not filling in the surveys and other were not completing all the answers.

6.4 Research gap and recommendations for future research

This study was limited to FMCGs in South Africa, without broadening it to cover the other parts of Africa which are predominantly traditional trade. It would be interesting to understand how these same concepts impact marketing spends in other part of Africa. It is therefore recommended that a similar study be conducted across the rest of Africa.

This study's findings revealed that understanding digital marketing didn't have a positive impact on financial performance. It would be interesting to learn from future research why there is a lack of understanding or knowledge of digital marketing, and what other important operations are a benefit of digital marketing. Lastly, to understand how the different individual marketing channels impact financial performance of companies in the FMCG industry and other industries.

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APPENDIX

1. Participation info sheet

Dear Respondent,

My name is Moseki Sekati, and I am a Master of Business Administration student at the University of the Witwatersrand. As part of my studies, I am investigating **the difference between the impact of traditional marketing and digital marketing on sales revenue in FMCG companies in South Africa**.

Participants in this research study need to be employees in the Marketing and Marketing related functions within FMCG companies in South Africa.
Kindly note that:

- Your participation is voluntary
- Responses are completely confidential and anonymous.
- The questionnaire doesn't ask any identifying information like name or ID, and therefore cannot be traced back to you.
- The information shared will be kept securely and not disclosed anyone else.
- There will be no personal cost or benefit from your participation

Kindly access the 4minute questionnaire below:

https://forms.office.com/Pages/ResponsePage.aspx?id=uN-emwhEyUanXYTdnjmuL9jwD446WCxHqX-D3LsgIJlUMzhXNjlHU1hKWlJQSVUwQzZSMVRMQUpBUi4u

If you have any further questions, please contact me via email on 2390432@students.wits.ac.za or you can contact my Supervisor Ms Fikile Mbhokota on 2400348@students.wits.ac.za

2. Research questionnaire

10/17/22, 2:23 PM Traditional Marketing vs Digital Marketing Survey

Traditional Marketing vs Digital Marketing Survey

* Required

Bio Data

1. Are you an employee in a Marketing or Marketing related function or senior management position? *

- ◯ Yes
- ◯ No

2. What is your highest completed educational qualification? *

- ◯ Diploma
- ◯ Bachelor
- ◯ Honors
- ◯ Master
- ◯ PhD
- ◯ Other

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10/17/22, 2:23 PM Traditional Marketing vs Digital Marketing Survey

3. How much experience do you have working in a Marketing/Marketing related or Senior Management function? *

- ◯ 0 - 4years
- ◯ 5 - 9 years
- ◯ 10 years and above

4. How long have you served at your current company? *

- ◯ 0 - 4years
- ◯ 5 - 9 years
- ◯ 10 years and above

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BUSINESS INFORMATION

5. How long has your company used digital marketing channels for? *

- ◯ 0 – 3 years
- ◯ 4 – 6 years
- ◯ 7 years and above

6. How long has your company used traditional marketing channels for? *

- ◯ 0 – 3 years
- ◯ 4 – 6 years
- ◯ 7 years and above

7. Which platform do you use for **Digital** media? (select all applicable responses) *

- ☐ Facebook
- ☐ Instagram
- ☐ YouTube
- ☐ Takealot/ OnedayOnly/ Jumia
- ☐ Other

8. Which forms of **Traditional** media does your company use? (select all applicable responses) *

- ☐ Leaflets
- ☐ POS
- ☐ Radio
- ☐ TV
- ☐ Other

9. What business industry your Company operate in? *

- ◯ Consumer goods
- ◯ Food and Beverages
- ◯ Pharmaceuticals
- ◯ Cosmetics
- ◯ Other

10. What is the total number of employees in your Marketing team? *

- ◯ less than 5
- ◯ 6 – 10
- ◯ 11 – 15
- ◯ 16 and above

TRADITIONAL vs DIGITAL MARKETING

The table below indicates the level satisfaction or agreement on a Likert scale of Strongly Agree to Strongly Disagree, on how companies or Marketing personnel, Marketing related personnel and Senior Managers engage with the two different marketing channels, Traditional and Digital. Please indicate option which accurately reflects your opinion by checking the option.

11. **Revenue, Market share and ROI** *

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Your company's revenue has increased over the period that **Digital** media was used?	◯	◯	◯	◯	◯
Your company's market share has increased over the period that **Digital** media was used?	◯	◯	◯	◯	◯
Your company's ROI has increased over the period that **Digital** media was used?	◯	◯	◯	◯	◯
Your company's revenue has grown over the years using **Traditional** media.	◯	◯	◯	◯	◯
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Your					

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
company's revenue growth under digital media was more pronounced than **Traditional** media	○	○	○	○	○
Your company's preference for **Digital** media outweighs that of the **Traditional** media	○	○	○	○	○

12. **Company investment in Digital vs Traditional** *

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Your company strategy is likely to invest more on **Digital** media than **Traditional** media	○	○	○	○	○
Your current marketing budget proportion for **Digital** media outweighs that of **Traditional** media	○	○	○	○	○

13. **Company perception on Digital vs Traditional** *

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Your company understands how **Digital** marketing strategies work	◯	◯	◯	◯	◯
Your company should evolve to a **Digital** marketing strategy	◯	◯	◯	◯	◯
Companies that have **Digital** media have more equity than those that do not	◯	◯	◯	◯	◯
Companies should stick to **Traditional** Marketing	◯	◯	◯	◯	◯
Your company is likely to list its brands on **Digital** media	◯	◯	◯	◯	◯
Digital media and **Traditional** media need to both coexist in your company's marketing strategy.	◯	◯	◯	◯	◯

14. **Efficiency of the Company on media strategies** *

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Your company utilize **Digital** media to its full capacity?	○	○	○	○	○
Your company utilizes all forms of **Traditional** media to its full capacity	○	○	○	○	○

15. **Employee perception on Digital vs Traditional media** *

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Employees pr efer working on **Digital** media rather than **Traditional** media	○	○	○	○	○
Employees ne ed to be trained on a Digital marketing course to deliver good quality Digital media results	○	○	○	○	○

10/17/22, 2:23 PM Traditional Marketing vs Digital Marketing Survey

Revenue Growth of companies that have **Digital** media

Kindly indicate the extent ('To a large extent' to 'Extremely negative') at which your Company's **Digital** media performs versus **Traditional** media

16. **Digital** media Revenue, Market Share & ROI results

	To a large extent	Some extent	Neutral	Negative extent	Extremely negative
To what extent does your **Revenue** results from Digital media outperform Traditional media?	○	○	○	○	○
To what extent does your **Brand's Market Share** from Digital media outperform Traditional media?	○	○	○	○	○
To what extent does your marketing budget **ROI** from Digital media outperform Traditional media?	○	○	○	○	○

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Microsoft Forms

https://forms.office.com/Pages/DesignPageV2.aspx?origin=NeoPortalPage&subpage=design&id=uN-emwhEyUanXYTdnjmuL9jwD446WCxHqX... 9/10

3. Ethics clearance certificate

Graduate School of Business Administration
University of the Witwatersrand, Johannesburg

Wits Business School

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

Ethics Clearance Certificate

Ethics protocol number:	WBS/BA2390432/418

This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).

Project title	The impact on brand product sales of transitions from traditional to digital marketing solutions
Investigator / Researcher	Mr Moseki Sekati
Nature of Project	MBA (Research Article)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed anonymity and confidentiality.
Issue Date of Certificate	29/11/2021
Expiry date	Date of submission of the project report
Chairperson	Ms Ayanda Magida +27 11 717 3953 ayanda.magida@wits.ac.za

Declaration by Researcher

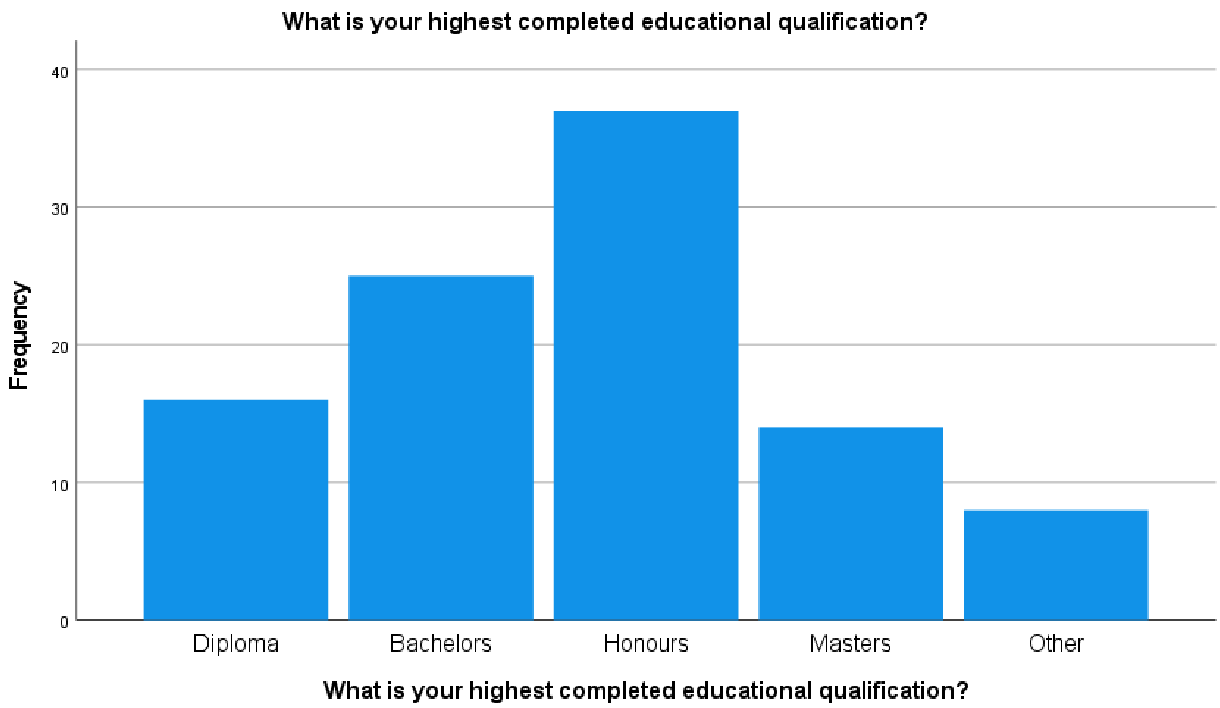
One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I 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.

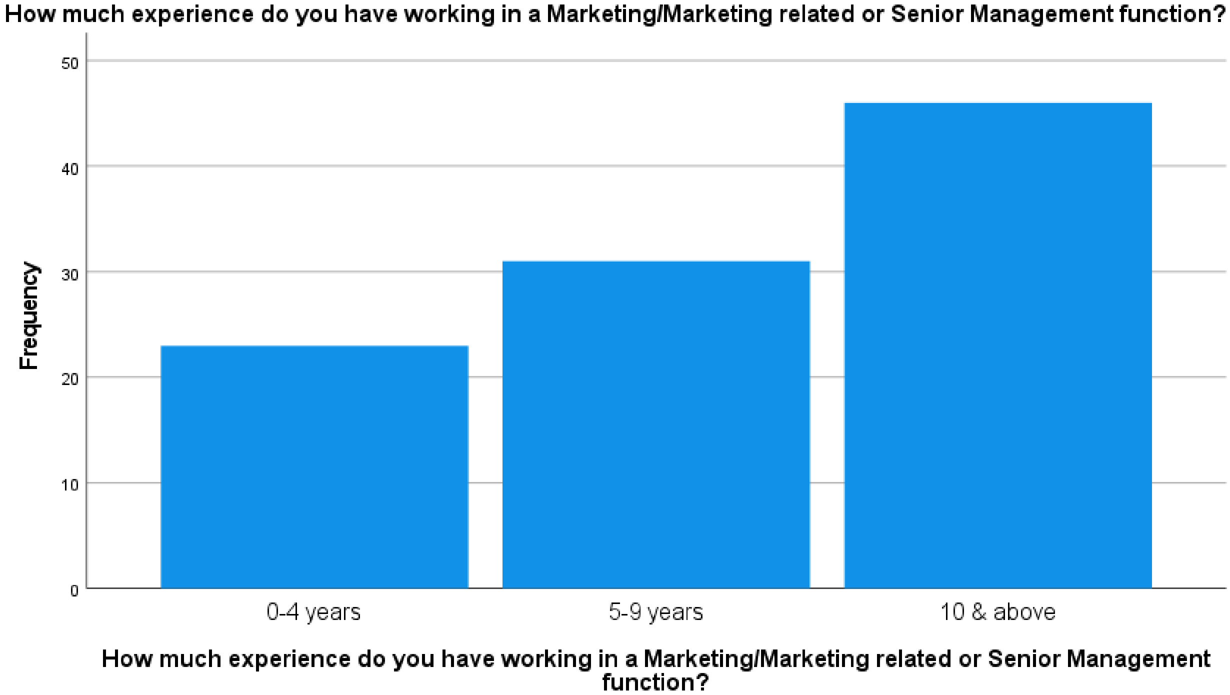
Signature

30 November 2021
Date:

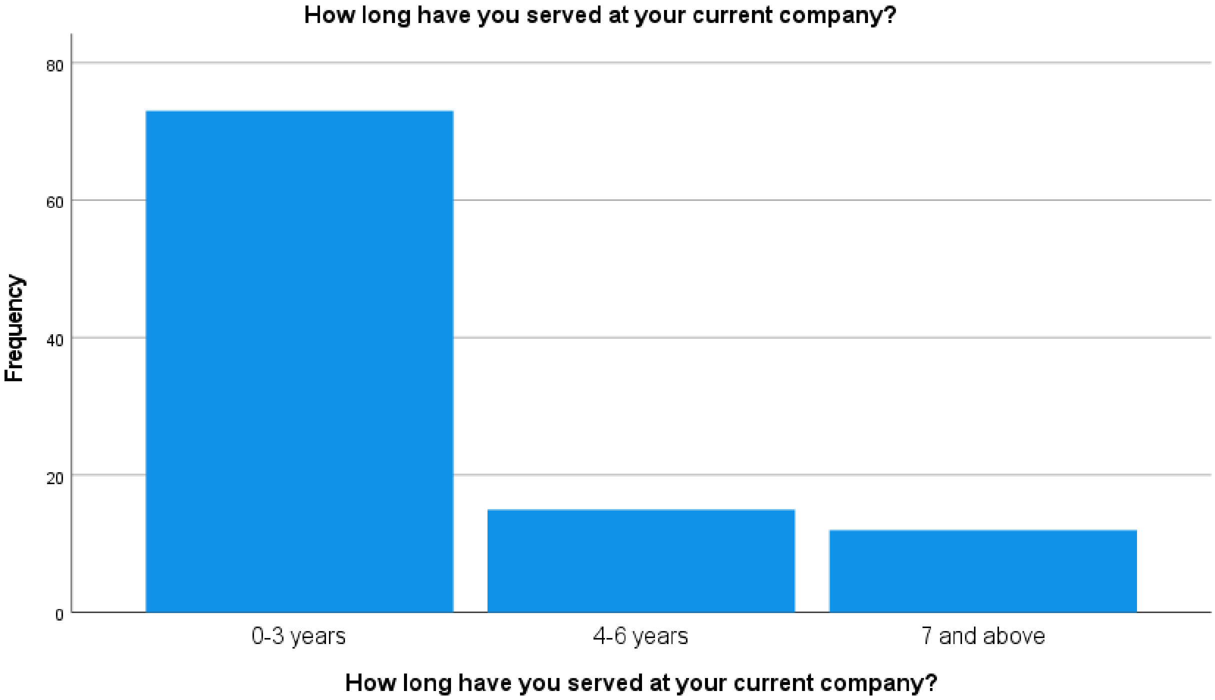
4. Research results tables



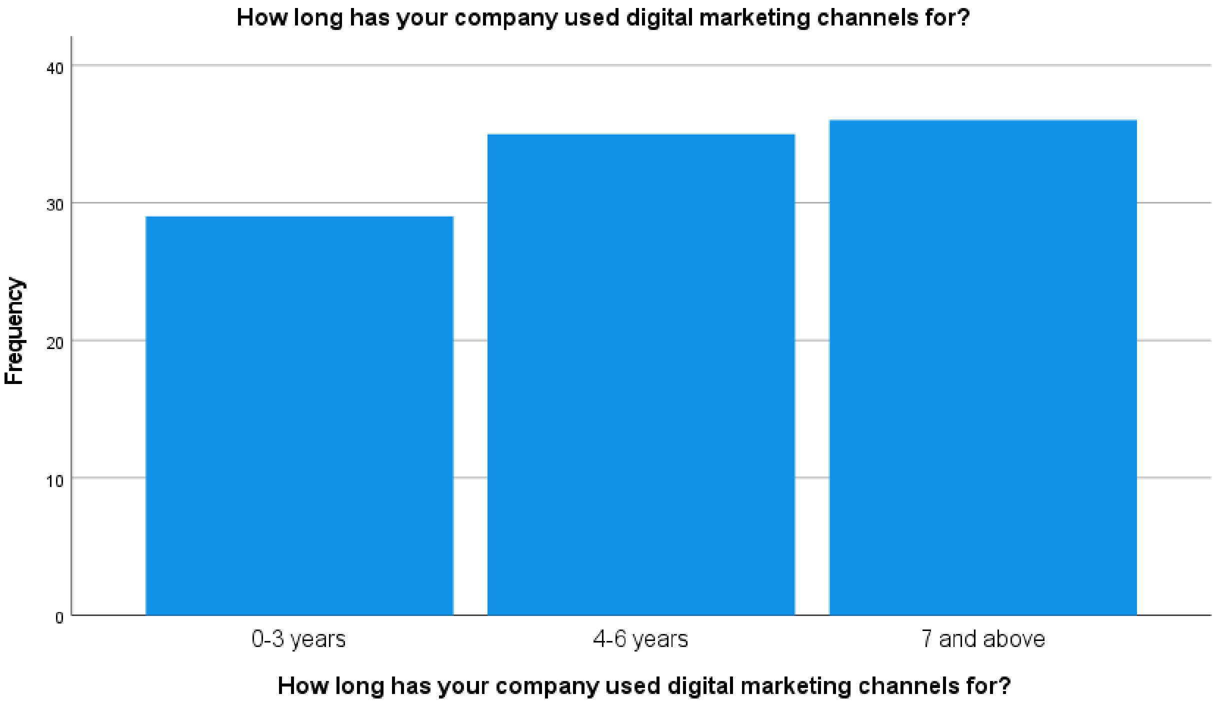
Graph 1. Source: IBM SPSS (2023)



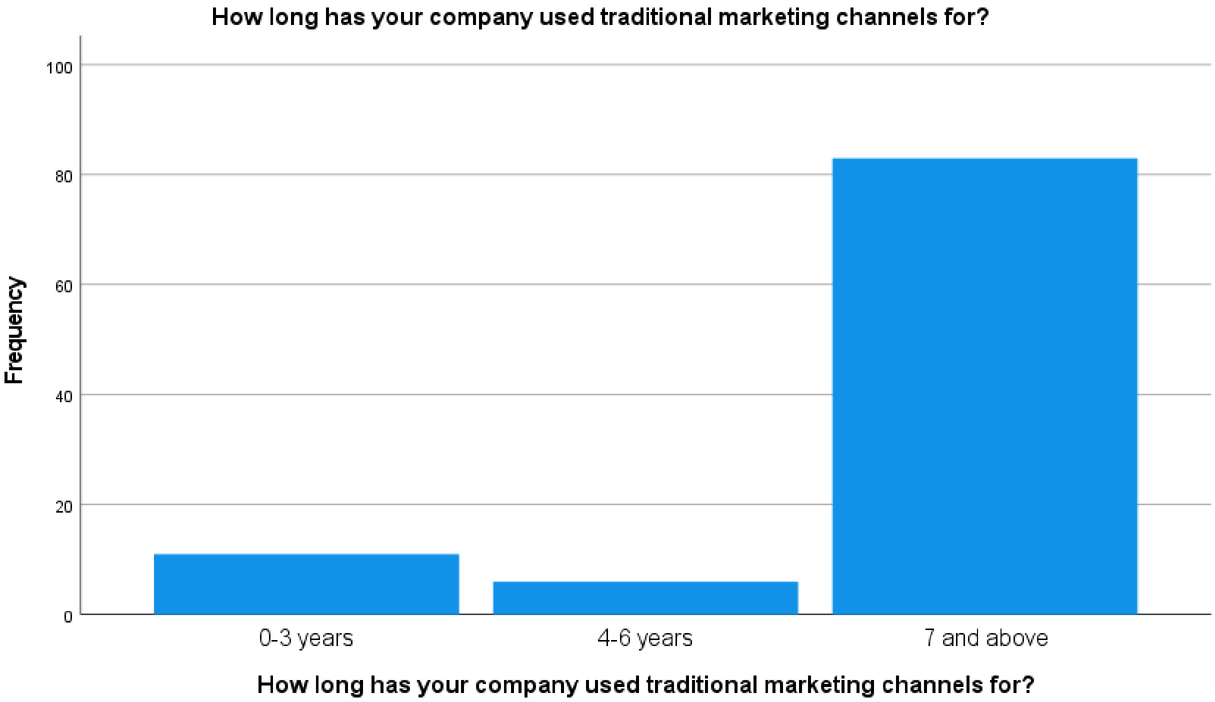
Graph 2. Source: IBM SPSS (2023)



Graph 3. Source: IBM SPSS (2023)

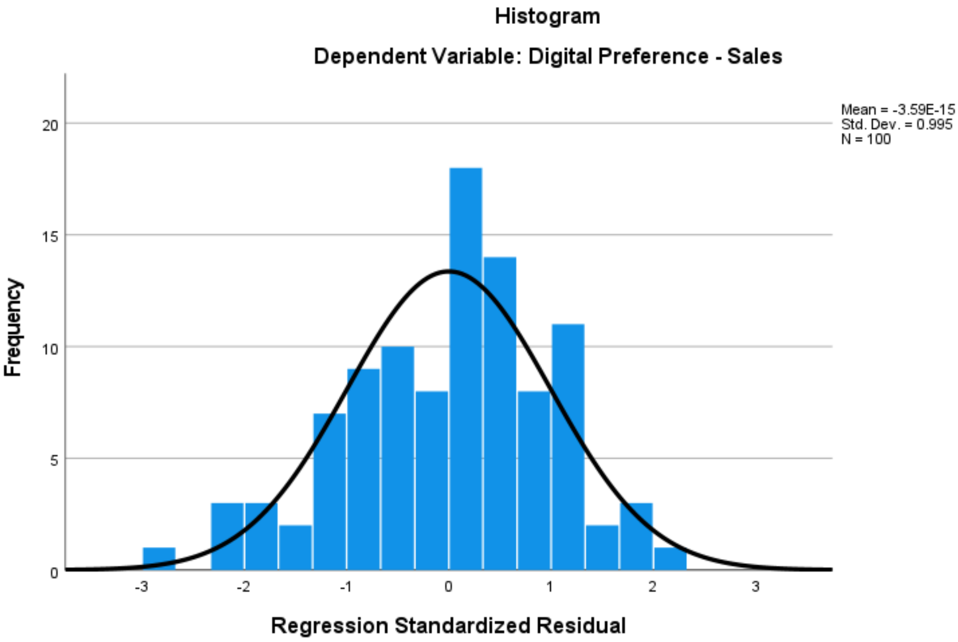


Graph 4. Source: IBM SPSS (2023)

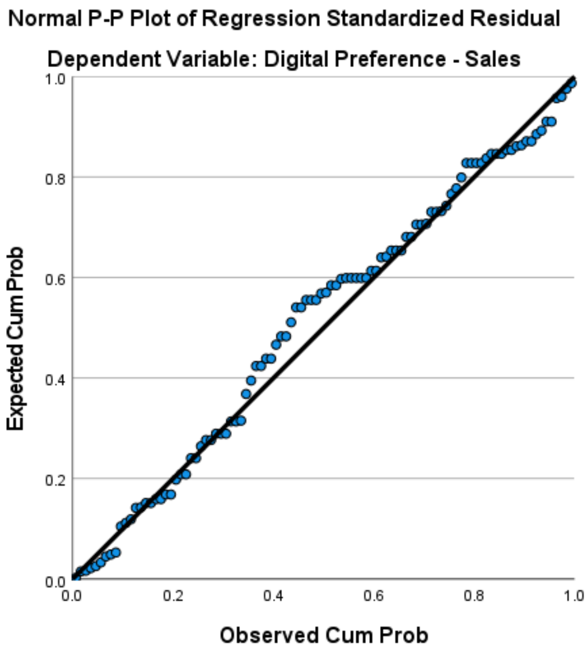


Graph 5. Source: IBM SPSS (2023)

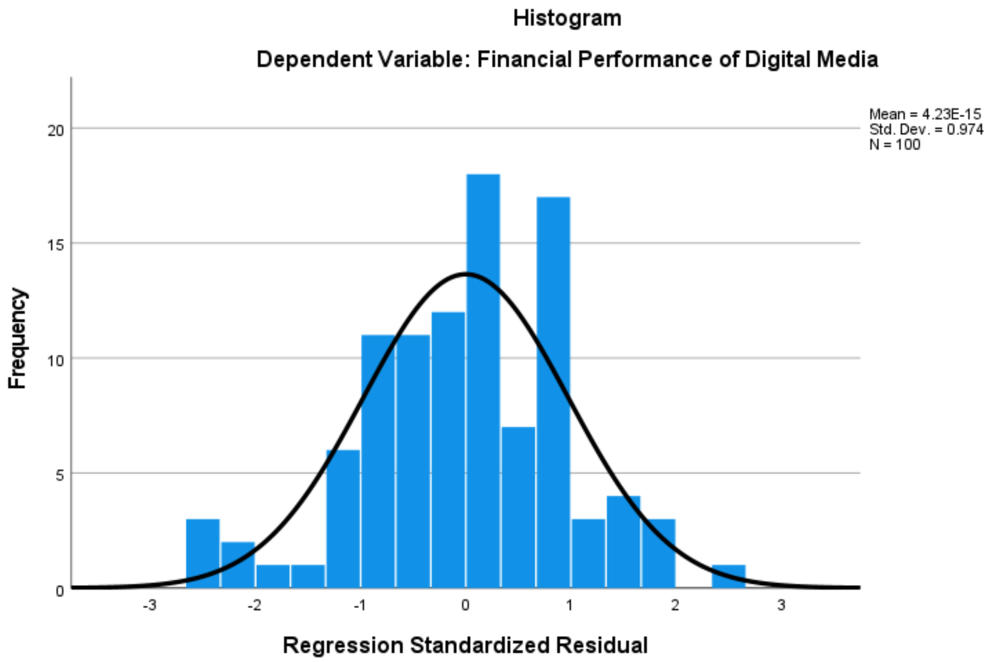
Graph 6. Source: IBM SPSS (2023)



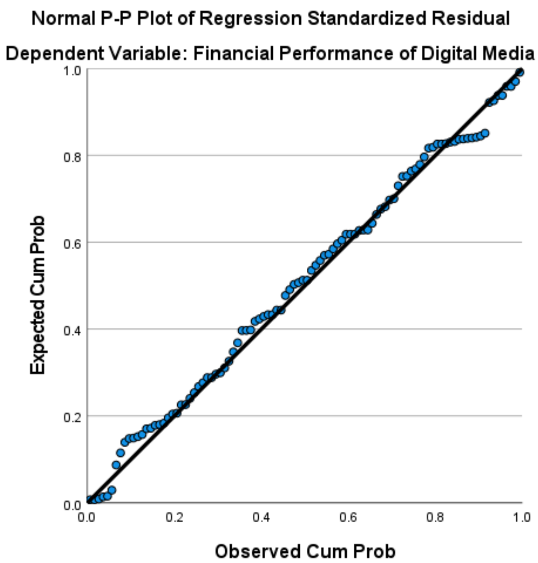
Graph 7. Source: IBM SPSS (2023)



Graph 8. Source: IBM SPSS (2023)



Graph 9. Source: IBM SPSS (2023)



Graph 10. Source: IBM SPSS (2023)

Table 11: Varimax Factor Loadings

	Component					
	1	2	3	4	5	6
Your company’s revenue has increased over the period that Digital marketing was used?	0.808					
Your company’s market share has increased over the period that Digital marketing was used?	0.876					
Your company’s ROI has increased over the period that Digital marketing was used?	0.817					
Your company’s revenue has grown over the years using Traditional marketing.		-0.782				
Your company's revenue growth under digital marketing was more pronounced than Traditional marketing						-0.574
Your company’s preference for Digital marketing outweighs that of the Traditional marketing		0.678				
Your company strategy is likely to invest more on Digital marketing than Traditional marketing		0.536				
Your current marketing budget proportion for Digital marketing outweighs that of Traditional marketing		0.660				
Your company understands how Digital marketing strategies work				0.857		
Your company should evolve to a Digital marketing strategy			0.783			
Companies that have Digital marketing have more equity than those that do not			0.777			
Companies should stick to Traditional Marketing					0.807	
Your company is likely to list its brands on Digital marketing						0.695
Digital marketing and Traditional marketing need to both coexist in your company’s marketing strategy.		-0.703				
Your company utilize Digital marketing to its full capacity?				0.825		
Your company utilizes all forms of Traditional marketing to its full capacity		-0.677				
Employees prefer working on Digital marketing rather than Traditional marketing			0.577			
Employees need to be trained on a Digital marketing course to deliver good quality Digital marketing results						0.679
To what extent does your Revenue results from Digital marketing outperform Traditional marketing?	0.426		0.512		0.407	
To what extent does your Brand's Market Share from Digital marketing outperform Traditional marketing?			0.446		0.533	
To what extent does your marketing budget ROI from Digital marketing outperform Traditional marketing?	0.531					

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 8 iterations.

Table 11. Source: IBM SPSS (2023)