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Influence of Social Media Marketing Capabilities on Business Performance: The Case Study of the Non-Life Insurance Products in South Africa

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

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ABSTRACT

In an evolving digital business landscape, the strategic utilisation of social media has become a vital competitive advantage for attracting customers and enhancing business performance. This study investigates the effectiveness of social media capabilities in pricing, product development, communication, planning, and implementation on business performance.

The primary objective of this research is to determine the specific social media marketing capabilities that significantly influence business performance within the non-life insurance sector in South Africa. Employing a quantitative research approach, an online survey questionnaire was utilised to collect data, which was analysed through regression, structural equation modelling, and partial least squares structural equation modelling. Key statistical findings reveal that innovative pricing strategies (p-value = 0.001), product development (p-value = 0.028), planning (p-value = 0.046), and implementation capabilities (p-value = 0.004) positively influence business performance. However, social media marketing communication capability showed no significant impact (p-value = 0.978).

Key findings unveil that innovative pricing strategies, product development, planning, and implementation capabilities positively influence business performance. Confirmatory Factor Analysis reinforces the interconnected nature of these capabilities, emphasising their collective and holistic impact on each other and the overall business performance.

As non-life insurers navigate the highly competitive and evolving digital landscape in South Africa, a practical understanding of contextual factors shaping the effectiveness of social media marketing becomes imperative for growth and sustained competitiveness. The implications of these findings are significant, providing insurers with actionable insights to optimise their marketing strategies for enhanced performance. This research contributes to both theoretical and

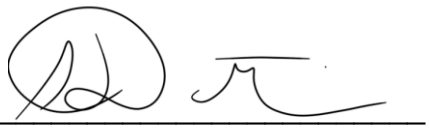
empirical knowledge by highlighting the critical factors that drive business success in the South African non-life insurance sector.

KEYWORDS

Non-life insurance, marketing capabilities, business performance, social media marketing

DECLARATION

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

Name: Sanjeev Datadin Signature: 

Signed at: Johannesburg, South Africa

On the 31st day of December 2023

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LIST OF ACRONYMS

Abbreviation	**Definition**
AIDA	Attention, Interest, Desire, Action
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Officer
CPA	Cost Per Acquisition
CPC	Cost Per Click
CPM	Cost Per Mille
CTR	Click-Through Rate
eWOM	Electronic Word-Of-Mouth
ICT	Information and Communication Technologies
KPI	Keyword Price Index
PLS	Partial Least Squares
RBV	Resource-Based View

SEM	Search Engine Marketing
SEM	Structured Equation Modelling
SEO	Search Engine Optimisation
SME	Small and Medium Enterprises
SMM	Social Media Marketing
TV	Television

CHAPTER 1. INTRODUCTION

The emergence of social media has brought about a significant change in marketing practices (Marchand et al., 2021). In South Africa, social media marketing (SMM) on platforms such as Facebook, X (formally known as Twitter), Instagram, WhatsApp and YouTube has become an increasingly important and cost-effective channel for businesses to reach more customers, share information about products and services, and promote their brand (Goga et al., 2019; Nyagadza, 2022). Most of the research in this field has tended to concentrate on the general utilisation of social media, without specifically addressing the capabilities of organisations in leveraging social media for marketing purposes (Chahal & Kaur, 2014; Day, 1994; Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019).

1.1 Statement of purpose

The purpose of this quantitative study is to examine the relationship between organisations' social media marketing capabilities and business performance, specifically in the non-life insurance sector within the South African market, by employing a capabilities framework developed by Tarsakoo and Charoensukmongkol (2019) which focuses on the organisation's product development, pricing, communication, planning and implementation capabilities.

1.2 Background of the study

Non-life insurance, also known as short-term insurance, is a type of insurance policy that provides coverage for damages or losses to a wide range of risks and uncertainties such as accidents, theft, damage to property, and other similar events.

Digital start-ups such as Discovery Insure, King Price, Pineapple, and Naked Insurance are disrupting the non-life insurance market in South Africa, challenging traditional, personalised insurance experiences offered by brokers and underwriters. These companies are disrupting the traditional insurance industry by utilising

technology to provide a highly efficient and hassle-free insurance purchasing process. Customers can now purchase insurance in under five minutes online, eliminating the need for a tedious 45-minute phone call or meeting with their insurer. In a marketplace where in-person interactions have largely been replaced by digital networking platforms (Husain & Sharma, 2023), traditional players are under pressure to dedicate their strategic resources to providing excellent customer service at a competitive price (Chahal & Kaur, 2014). The growing reliance of customers on online research and the widespread use of digital platforms has prompted businesses to adopt digital marketing strategies, replacing traditional advertising, to effectively reach and cater to customers' changing purchasing behaviour in the digital age (Forghani et al., 2022; Husain & Sharma, 2023).

Despite the perception that the African continent lags behind other regions in terms of ICT development (Nyagadza, 2022), social media marketing spend in South Africa is expected to reach R28 billion by 2026, exceeding the combined spend of TV and magazine advertising (PWC South Africa, 2022). To stay competitive, insurers must adapt and capitalise on the evolving role of social media marketing, which is transitioning from an entertainment platform to a dynamic marketing platform (Brucker, 2022).

1.3 Research problem

In today's tech-savvy world, social media and networks are crucial for marketing (Husain & Sharma, 2023). Previous research suggests that search engine optimisation (SEO) techniques can help websites rank higher in search engine results pages (SERPs), attract more users, increase website traffic, and improve sales and publicity (Chunjiang, 2020; Terrance et al., 2018). However, a major problem with SEO is that it does not always achieve the desired results i.e. it does not always lead to increased click-through rates and conversion rates (Chunjiang, 2020).

Similar to SEO, search engine marketing (SEM) involves improving an organisation's online visibility through higher rankings in search engine result pages, using both free

and paid traffic, as a form of network marketing that targets specific users (Chunjiang, 2020; Nyagadza, 2022; Terrance et al., 2018). Additionally, the selection and utilisation of competitive keywords is the most effective strategy for SEM, as it aims to drive increased website traffic to target qualified traffic and conversions (Panchal et al., 2021; Terrance et al., 2018). While SEM is the fastest-growing sector in online marketing, it can be expensive to maintain top positions due to increased competition (Panchal et al., 2021). Hence, SEO and SEM do not provide organisations with a sustainable competitive advantage. Instead of search engines, there is a trend showing that organisations worldwide are beginning to use social media platforms to attract customers and improve business performance (Alalwan, 2018).

Although social media is becoming an increasingly popular marketing tool, enabling organisations to customise their marketing strategies and product offerings to match the preferences and requirements of their target audience, there exists a knowledge gap regarding the process of achieving such outcomes (Husain & Sharma, 2023). Previous studies have established a correlation between social media and customer metrics but there is still a limited understanding of how social media impacts business performance (Colicev et al., 2019).

Why do social media marketing campaigns fail? In an ideal scenario, non-life insurance companies in South Africa would effectively utilise social media marketing (SMM) capabilities to maximise their business performance. These capabilities would include strategic pricing, innovative product development, effective marketing communication, comprehensive marketing planning, and efficient implementation. This would enable insurers to reach a wider audience, engage customers more effectively, and convert leads into sales, thus driving growth and maintaining a competitive edge in the market. Currently, the non-life insurance sector in South Africa faces significant challenges in leveraging social media marketing to its full potential. Many instances of unsuccessful social media marketing strategies can be attributed to a lack of awareness regarding its value and the proper utilisation of social media platforms (Husain & Sharma, 2023; Tarsakoo & Charoensukmongkol, 2019). Additionally, even when organisations recognise the value of social media, they may lack the internal resources to implement

social media marketing campaigns and may need to rely on outsourced professionals or invest in developing their skills (Apasrawirote et al., 2022; Culnan et al., 2010; Quaye & Mensah, 2019).

The gap between the ideal and current scenarios lies in the underutilisation of social media marketing capabilities. While the ideal scenario envisions comprehensive and effective SMM strategies driving business performance, the current situation shows a disconnect, where many insurers are not fully capitalising on these digital tools. This disparity highlights a critical need for insurers to enhance their social media marketing capabilities to stay competitive and meet evolving customer expectations.

There is an increase in digital insurance start-ups in South Africa. Start-ups face a high-risk scenario when allocating substantial funds to advertisement and marketing, necessitating an alternative approach to reach potential customers while struggling to raise funding (Prasanna & Parida, 2021). Leveraging social media marketing presents an opportunity for start-ups to establish trust, create brand awareness, and effectively target new customers, thereby addressing the funding challenges associated with traditional marketing strategies (Husain & Sharma, 2023). Although previous studies (Chahal & Kaur, 2014; Tarsakoo & Charoensukmongkol, 2019) have established that pricing, product development, marketing communication, marketing planning, and marketing implementation influence business performance, it is unknown which of these influence business performance of South African non-life insurers.

Insurers need to boost their marketing skills to stand out and gain a competitive edge due to negative consumer attitudes and growing industry competition (Anyadighibe et al., 2021; Kajwang, 2022; Tarsakoo & Charoensukmongkol, 2019). This indicates a significant opportunity for social media marketing to target customers who prefer to transact online.

To improve the likelihood of implementing a successful social media marketing strategy in the banking sector, Chahal and Kaur (2014) developed a social media capability framework. Their framework suggests that capabilities in pricing, product development, marketing research, marketing planning, and marketing implementation

can have a positive impact on business performance. Tarsakoo and Charoensukmongkol (2019) applied this framework to online SMEs in Thailand and concluded that product development and marketing implementation capabilities contribute positively to business performance. Applying a similar framework to Nigerian non-life insurers, Anyadighibe et al. (2021) found that direct marketing through social media had a positive impact on business performance.

The research problem, therefore, is the inadequate utilisation of social media marketing capabilities by non-life insurance companies in South Africa and its impact on business performance. This study aims to identify which specific SMM capabilities have the most significant influence on business performance and how they can be optimized to close the gap between the ideal and current scenarios. By applying the social media capability framework developed by Chahal and Kaur (2014) in the banking sector, Tarsakoo and Charoensukmongkol (2019) in Thailand online retailers and Anyadighibe et al. (2021) in Nigerian non-life insurers, the study seeks to provide a detailed analysis tailored to the South African market.

1.4 Research objectives

The main objective of the study is to determine which social media marketing capabilities significantly impact business performance. The research was directed by the subsequent specific objectives:

1. To examine the influence of pricing capability and business performance
2. To examine the influence of product development and business performance
3. To examine the influence of marketing communication and business performance
4. To examine the influence of marketing planning capability and business performance
5. To examine the influence of marketing implementation on business performance

This study will also analyse if there are any causal relationships between these five social media marketing capabilities.

1.5 Rationale

This research project aims to contribute a South African perspective to an existing framework originally designed for the Asian market. Specifically, the focus will be on analysing the system dynamics of the framework's capabilities, including social media pricing, product development, marketing communication, planning, and implementation. By exploring these capabilities through a South African lens, this study aims to provide valuable insights into the use and effectiveness of social media marketing strategies in the South African context. This research will be particularly relevant for businesses operating in South Africa, as it will offer practical recommendations for optimising their social media marketing efforts.

1.5.1 Theoretical Significance

The theoretical significance of this study lies in its contribution to existing knowledge by adding a South African perspective to an established framework. By analysing the system dynamics of social media marketing capabilities, the study aims to provide insights into how these capabilities interact and influence each other, thereby deepening our understanding of the complexity of social media marketing strategies.

Additionally, the study may identify best practices for social media marketing in South Africa that can be applied to other emerging markets, helping businesses improve their social media marketing efforts and achieve better outcomes.

1.5.2 Empirical Significance

From an empirical perspective, this research offers practical recommendations for businesses operating in South Africa on how to optimise their social media marketing capabilities. This can help businesses enhance their social media presence, engage more effectively with customers, and drive sales conversion.

The study can also identify key success factors for social media marketing in South Africa, enabling businesses to focus on the most impactful areas. Furthermore, it can validate the existing framework developed for the Asian market and demonstrate its applicability in a South African context.

By examining social media marketing strategies in South Africa, the study explores cultural differences that influence the effectiveness of these strategies, offering insights into the unique challenges and opportunities of marketing in a diverse and multicultural environment.

1.6 Delimitations of the study

The delimitations of the study include its focus on the non-life insurance sector within the South African market. The study will analyse the system dynamics of Chahal and Kaur's framework, which may not capture other factors impacting social media marketing effectiveness. The sample size may be limited due to time and resource constraints, with a minimum of 317 responses required to achieve a 95% confidence level. Data collection will be conducted through online surveys, which might not capture the full range of factors influencing social media marketing effectiveness. Additionally, despite South Africa's 11 official languages, the survey will be limited to English-speaking respondents.

1.7 Definition of terms

Non-life insurance, which is also known as short-term insurance, is a type of insurance policy that provides coverage for damages or losses to a wide range of risks and uncertainties such as accidents, theft, damage to property, and other similar events. In the context of this study, non-life insurance refers to a policy that comprehensively covers motor vehicles, buildings, and valuable possessions.

Search engine marketing (SEM) allows organisations to target consumers by placing ads on search engines and social media platforms (Panchal et al., 2021). SEM encompasses a range of activities, including Search Engine Optimization (SEO) and

Social Media Marketing (SMM), aimed at generating revenue rather than solely increasing web traffic (Ramya Terrance et al., 2018). In the context of this study, SEM refers to Google ads, Facebook adverts, sponsored Instagram posts, and YouTube ads.

Sales conversion is the conversion of leads into sales (Deiss & Henneberry, 2020). For non-life insurance, a lead refers to a potential customer who has shown some intent on purchasing an insurance product and has provided their contact information (name and telephone number or email address) to the insurance company.

Social media refers to the online environment where people and businesses with common interests come together to share their thoughts, comments and ideas (Husain & Sharma, 2023; Li et al., 2020). For the context of this study, social media is limited to Facebook, Twitter, Instagram, YouTube, and Pinterest.

Pricing capability refers to the capacity to competitively price an organisation's products or services and effectively monitor pricing strategies and market changes implemented by competitors (Chahal & Kaur, 2014; Tarsakoo & Charoensukmongkol, 2019; Vorhies & Morgan, 2005). Pricing entails the ability to establish a pricing strategy that maximises revenue by obtaining the most favourable returns from the market (Santos-Vijande et al., 2012).

Product development refers to an organisation's ability to create new products and services, continuously adjusting to meet the changing demands of the market (Santos-Vijande et al., 2012).

Marketing communication capability is the ability of an organisation to effectively meet its customers' communication needs (Ritter, 2006).

Social media marketing planning capability refers to an organisation's ability to develop strategies for social media marketing while appropriately allocating resources for the successful implementation of social media marketing tasks (Tarsakoo & Charoensukmongkol, 2019).

Implementation capability refers to an organisation's proficiency in effectively carrying out, managing, and assessing its marketing strategy (White et al., 2003).

Digital marketing encompasses all forms of advertising conducted exclusively on digital platforms or through electronic devices (Al Adwan et al., 2023). Digital marketing is also described as an approach for the development of a brand, product or service online (Panchal et al., 2021). This study focuses on direct marketing efforts via social media (Facebook, Twitter, Instagram, YouTube, and Pinterest) and electronic word of mouth (eWOM).

1.8 Assumptions

The assumptions for this study are as follows: Despite cultural differences between the Asian and South African markets that can affect the effectiveness of social media marketing strategies, it is assumed that the framework developed for the Asian market remains relevant and applicable to the South African context. It is also assumed that the data collected through online surveys is reliable and accurately reflects the experiences and opinions of the participants. A minimum sample size of 317 respondents is deemed necessary to confirm the hypothesis with 95% certainty and to ensure that the sample is representative of the target population. Additionally, the study assumes a causal relationship between social media marketing capabilities and their effectiveness on business performance.

1.9 Conclusion

The rise of social media has revolutionised marketing, making platforms like Facebook, Twitter (now X), Instagram, WhatsApp, and YouTube essential for South African businesses to reach customers and promote their brands. This study addresses the gap in understanding how social media marketing capabilities impact business performance in the non-life insurance sector. By applying Tarsakoo and Charoensukmongkol’s (2019) framework, the research examines key areas such as product development, pricing, communication, planning, and implementation.

The study aims to validate this framework in a South African context, offering practical recommendations for optimising social media marketing efforts. It seeks to identify best practices and key success factors, considering cultural differences that influence marketing strategies.

In summary, this study enhances understanding of social media marketing capabilities and their influence on business performance, contributing theoretical and practical insights to help South African businesses develop more effective strategies.

CHAPTER 2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter explores the current competitor landscape of non-life in South Africa and compares the findings of social media marketing trends and capabilities from previous studies. Additionally, the literature review will also explore the theoretical foundations of the Resource-based view (RBV) framework, which guides the exploration of the relationship between social media capability and business performance.

2.1.1 *Competitive Landscape of non-life Insurance in South Africa*

South Africa's traditional non-life insurance sector is being disrupted. Traditional insurers sell their products through brokers and agents who offer advice and charge the insurer a monthly commission. The increasing competition and advancements in technology have led to higher customer expectations (Chahal & Kaur, 2014; Forghani et al., 2022). Today's generation of insurance consumers seek products that cater to their individual behaviours, such as safe driving practices, daily travel patterns, and reduced vehicle usage (KPMG, 2022). This new demand in the market for digital insurance in South Africa is being fulfilled by new insurtech startups such as King Price, Discovery Insure, Pineapple, and Naked Insurance. Insurtechs, not constrained by legacy systems, can sell products through online platforms with no brokers involved. This lowers the insurtech's cost to serve and widens their distribution footprint which enables them to compete on price and digital distribution channels. This digital strategy gives insurtechs a sustainable competitive position that can generate superior, long-lasting profits which is disrupting the traditional insurance business model (Lee & Armstrong, 2021).

Traditional insurers have refused to be left behind in the digital race; they have also taken steps to meet evolving customer demands. Santam, South Africa's oldest and largest non-life insurer, introduced MiWay Blink, a digital insurance product that offers

a pay-as-you-drive option, allowing customers to pay based on the distance they travel (KPMG, 2022). Meanwhile, Old Mutual is actively developing on-demand insurance products like Comma Insure, which grants customers the flexibility to activate or deactivate their coverage as needed (KPMG, 2022). Absa Insurance Company responded to the changing landscape by introducing Activate in 2020, a digital insurance product that is exclusively sold and managed through online channels (Absa, 2021). This shift reflects a response to evolving customer demands and has led to intensified competition within an already mature and saturated market as insurers strive to attract new business and expand their market share (Figure 1).

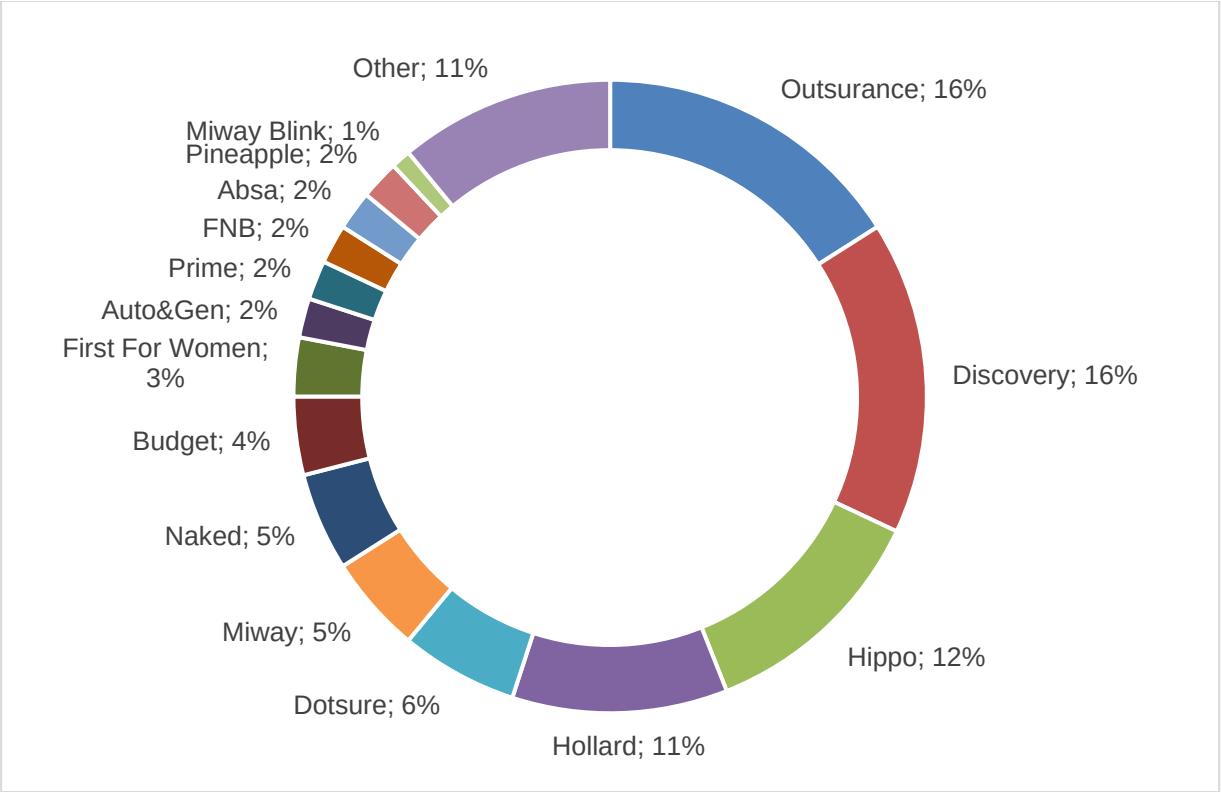


Figure 1: Annual web-traffic market share of non-life insurers in 2023, (similarweb.com, 2024)

Table 1 provides an overview of the intense competition among the companies operating in the industry. The data for the year 2023 shows a significant movements from the prior year, with a decline in the number of visitors to the websites of Discovery Insure, Outsurance, and Hippo as compared to the previous year (similarweb.com,

2024). This is a clear indication of the intense competition in the market, with these companies struggling to maintain or attract website traffic. The variations in the changes in web traffic across different companies highlight the dynamic nature of the insurance market. It is evident that companies are evolving their unique value propositions and innovative approaches to be better placed to capture the attention of consumers and increase their online presence (Panchal et al., 2021).

Table 1: Movement in web-traffic from 2022 to 2023 (similarweb.com, 2024)

Insurance Company	Web-traffic market share	Change in number of visitors (2023 vs 2022)
Discovery Insure	16%	↓ 13%
Outsurance	16%	↓ 6%
Hippo	12%	↓ 16%
Hollard	11%	↑ 78%
Naked Insure	5%	↑ 34%
First for Women	3%	↑ 222%
Prime	2%	↑ 115%
Pineapple	2%	↑ 64%
Miway Blink	>1%	↑ 67%

In the competitive insurance industry, products are often commoditised, leading companies to engage in fierce competition based on innovative pricing strategies (e.g., King Price reduces premiums every year) and product features (e.g., Discovery rewards clients for good driver behaviour) to attract customers. Such interest in attracting new customers is also demonstrated by the large amount of money spent by organisations on acquiring customers; for instance, the digital marketing spend for South Africa is expected to reach R28 billion by 2026 compared to R16 billion for both TV and radio advertising combined; this is an 8.5% CAGR from 2021 to 2026 (PWC South Africa, 2022).

Digital marketing such as search engine optimisation, search engine marketing and social media marketing offers cost-effective solutions for organisations to reach a wider

customer base, build trust, and enhance brand awareness, mitigating the risks associated with investing significant funds into traditional advertising and marketing methods (Prasanna & Parida, 2021). Despite the rapid growth and potential cost-effectiveness of digital marketing, it is essential to recognise its intensely competitive landscape and the expenses associated with competing for prime advertising spaces and search engine keywords (Panchal et al., 2021).

2.1.2 *Hypothesis Development of Social Media Marketing capabilities*

Social media consists of online resources that were initially designed as communication means for people to connect with family and friends (Kajwang, 2022). It has evolved into a crucial tool for interpersonal communication, where individuals share ideas and experiences, impacting consumer decisions through the information exchanged within their social circles (Husain & Sharma, 2023). As a result, of the viral uptake of social media usage, businesses worldwide are considering the advantages of using social media platforms to attract customers and establish profitable marketing relationships (Alalwan, 2018; Uzcátegui-Sánchez et al., 2024). Social Media Marketing (SMM) refers to the practice of utilising one or multiple social media channels to connect with customers, establish and nurture relationships with them, and advertise products or services (Terrance et al., 2018).

Social media platforms can provide insurance organisations with opportunities to improve customer engagement, brand reputation, and sales. The use of Facebook adverts, Instagram-sponsored posts, and LinkedIn for business-to-business marketing can be effective (Kajwang, 2022). The type of social media platform used can also affect brand awareness due to its characteristics and consumer demographic segment (Prasanna & Parida, 2021). Social media marketing has a low cost and high efficiency, such as Dell’s use of Twitter to generate $1 million in incremental revenue (Kaplan & Haenlein, 2010).

Although social media marketing is an effective tool for organisations to gain access and target a large group of potential customers (Tarsakoo & Charoensukmongkol, 2019), the adaptability of technology trends in Africa is seen as slow, leading to a

negative impact on social media usage for business and marketing purposes (Nyagadza, 2022). The underutilisation of social media in the insurance industry has resulted in negative impacts on customer interactions and feedback, alongside excessive paperwork in claims processing, leading to customer discouragement (Mburu, 2017). Kaplan and Haenlein (2010) argue that the increasing utilisation of mobile devices and the surge toward mobile social media can help democratise the internet and close the digital divide between developed and emerging countries.

There are also privacy concerns, leading to campaigns being shut down, such as Burger King's "Whopper Sacrifice" campaign on Facebook (Kaplan & Haenlein, 2010). Studies have found that audiences had negative attitudes towards Facebook's advertising, which was not closely related to their requirements and information (Alalwan et al., 2017). Other studies reported that advertising complaints through Facebook did not have any impact on the behavioural intention to purchase or the purchasing habits (Alalwan et al., 2017; Tarsakoo & Charoensukmongkol, 2019). Furthermore, while evidence does indicate that Facebook is no longer the most effective platform for social media marketing, as most of its users are now above retirement age (Nyagadza, 2022), a recent study by Uzcátegui-Sánchez et al. (2024), established that Facebook remains a stable digital marketing platform.

The modern social media marketing capability is originally based on Day's (1994) marketing capability framework, which classifies marketing capabilities into three dimensions, i.e., outside-in capabilities, inside-out capabilities, and spanning capabilities. Outside-in capabilities revolve around comprehending market dynamics and enhancing competitiveness. Inside-out capabilities focus on an organisation's internal resources and capabilities. Spanning capabilities seamlessly integrate both outside-in and inside-out capabilities (Day, 1994).

In its original form, spanning capabilities was defined as encompassing activities such as customer order fulfilment, pricing, purchasing, customer service delivery, new product or service development, and strategy development (Day, 1994). Vorhies and Morgan (2005) confirmed that product development, pricing, marketing communications, selling, marketing planning, and marketing implementation had a

significant impact on the overall business performance. Chahal and Kaur (2014) confirmed that marketing capabilities are multidimensional (i.e., outside-in capabilities, inside-out capabilities, and spanning capabilities) but that the outside-in capabilities had the strongest influence on business performance. These studies confirm that the combination of inside-out and outside-in capabilities plays a critical role in determining the performance of organisations in social media marketing. Based on prior research (Chahal & Kaur, 2014; Day, 1994; Vorhies & Morgan, 2005), Tarsakoo and Charoensukmongkol (2019) proposed five dimensions of social media marketing capabilities (Figure 2) which will be used in this study:

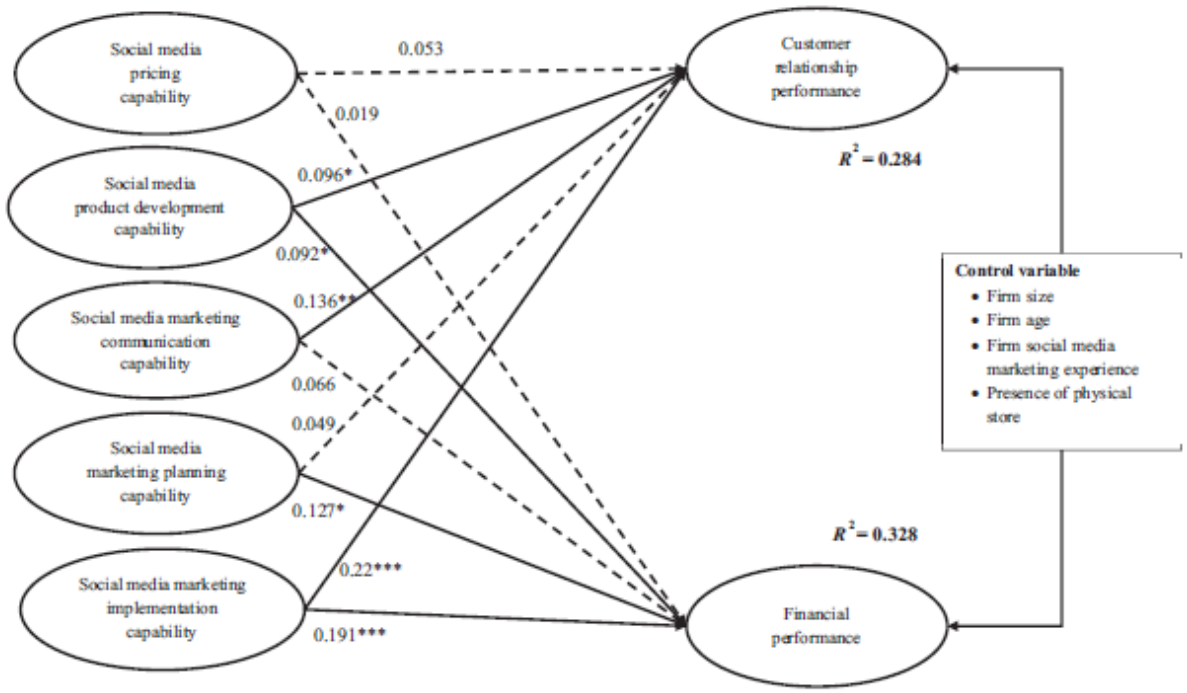
1. social media pricing capability,

2. social media product development capability,

3. social media marketing communication capability,

4. social media marketing planning capability, and

5. social media marketing implementation capability.



Notes: $*p \leq 0.05$, $**p \leq 0.01$, $***p \leq 0.001$; Standardized coefficients are reported; solid lines represent statistically significant paths

Figure 2: Conceptual model of the five dimensions of social media marketing capabilities (Tarsakoo & Charoensukmongkol, 2019)

2.1.3 *Pricing capability*

Pricing capability refers to the capacity to competitively price an organisation's products or services and effectively monitor pricing strategies and market changes implemented by competitors (Chahal & Kaur, 2014; Tarsakoo & Charoensukmongkol, 2019; Vorhies & Morgan, 2005). Pricing entails the ability to establish a pricing strategy that maximises revenue by obtaining the most favourable returns from the market (Santos-Vijande et al., 2012). Interestingly, Tarsakoo and Charoensukmongkol (2019) did not reveal any significant relationship between pricing and business performance due to businesses (in their sample) offering a similar price for the product or service. However, the hyper-competitive and technology-driven landscape in other parts of the world has led to increased customer demand for high-quality customer services at a competitive price (Chahal & Kaur, 2014; Forghani et al., 2022). With the advancement

in technology, insurers have started to use telematics devices and apps to create compelling value propositions with innovating pricing based on driver behaviour (Maichel-Guggemoos & Wagner, 2017). Research has indicated that such pricing strategies can contribute to increased sales conversion rates and offer a sustainable competitive advantage (Hu & Tracogna, 2020; Quaye & Mensah, 2019). In marketing, innovative pricing methods are crucial as they involve the implementation of new approaches and adaptive pricing to accommodate demand fluctuations, along with the use of differential pricing techniques (Quaye & Mensah, 2019).

2.1.4 *Product development capability*

Product development refers to an organisation's ability to create new products and services, continuously adjusting to meet the changing demands of the market (Santos-Vijande et al., 2012). Product development also forms part of the spanning capabilities (Chahal & Kaur, 2014; Vorhies & Morgan, 2005). Studies confirm that an organisation's product development capability has a positive relationship with business performance and creates a sustainable competitive advantage (Quaye & Mensah, 2019; Tarsakoo & Charoensukmongkol, 2019). Organisations can gain a competitive edge by introducing new product designs, offering variety, extending product life, and enhancing customer satisfaction (Forghani et al., 2022; Quaye & Mensah, 2019).

To successfully promote a product on social media, Panchal et al. (2021) and Terrance et al. (2018) found that it is essential to choose appropriate keywords based on factors such as competition for those words, click-through rates, search volumes, and bid amounts. This will ensure that the selected keywords are affordable, relevant and have a significant search volume. Organisations in the Western world are increasingly allocating resources to social media communication as a means to gain insights into customer preferences and enhance their product development (Durgam, 2018). Such insight can be used to enhance insurance product offerings and cross-sell other products to the existing customer base (Maichel-Guggemoos & Wagner, 2017). Insights that can inform product development can also be gained through the use of

Opensource Intelligence Techniques (OSINT) which collects data from the internet (Husain & Sharma, 2023).

2.1.5 *Social media marketing communication capability*

Marketing communication capability is the ability of an organisation to effectively meet its customers' communication needs (Ritter, 2006). Selecting the right social media platform, designing the right message, and engaging the right users are crucial factors in the success of a campaign (Kumar & Mirchandani, 2012). To make communication effective, Husain and Sharma (2023) highlight the importance of collecting and analysing data to understand which customers really need. Understanding what customer need creates opportunities for promotion, receiving feedback, and learning more about consumers which contributes to better communication between businesses and their customers.

Falahat et al. (2020); Husain and Sharma (2023) and Tarsakoo and Charoensukmongkol (2019) did not find any relationship between communication and business performance. However, communication does have a positive effect on customer relationship performance (Tarsakoo & Charoensukmongkol, 2019). Clear and effective communication is of utmost importance in the insurance industry, especially during the claims stage. It serves as a critical factor in achieving favourable outcomes and fostering high levels of customer satisfaction. Direct insurers communicate with their customers through online channels or telephonically which reduces their operating costs and improves their profitability (Maichel-Guggemoos & Wagner, 2017).

2.1.6 *Social media marketing planning capability*

Social media marketing planning capability refers to an organisation's ability to develop strategies for social media marketing while appropriately allocating resources for the successful implementation of such social media marketing tasks (Tarsakoo &

Charoensukmongkol, 2019). Planning the allocation of resources is important because marketing capabilities rely on combining an organisation's resources with the skills of its employees to carry out marketing activities, ensuring customer needs are met and the organisation stays competitive (Chahal & Kaur, 2014; Day, 1994).

Having a strong social media marketing planning capability means that an organisation can allocate resources skilfully to make marketing strategies work successfully. Previous research has confirmed that social media planning capability has a significantly positive relationship with business performance (Anyadighibe et al., 2021; Chahal & Kaur, 2014; Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019).

2.1.7 *Social media marketing implementation capability*

Implementation capability refers to an organisation's proficiency in effectively carrying out, managing, and assessing its marketing strategy (White et al., 2003). Research demonstrated that companies exhibiting exceptional implementation capability achieve significantly higher levels of business performance (Chahal & Kaur, 2014; Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019; White et al., 2003). Specifically for insurance, the capability to successfully implement the organisation’s marketing strategies will lead to higher levels of sales in the future (Anyadighibe et al., 2021).

An organisation’s ability to implement is therefore a crucial capability for effective execution, management, and evaluation of marketing strategies, demonstrating a strong correlation with improved business performance. This holds particular significance in the insurance sector, where successful implementation is directly tied to future sales growth (Anyadighibe et al., 2021).

2.1.8 *The impact of social media marketing capabilities on business performance*

In 1898, Lewis introduced the AIDA model, which stands for Attention, Interest, Desire, and Action (Lewis, 1898). This model is commonly known as the marketing funnel. The marketing funnel is a model that describes how customers move through different stages of the buying process. The funnel metaphor (Figure 3) suggests that customers start at the top of the funnel (awareness stage) and then move down to the bottom (conversion stage) as they become more familiar with a product or service and make a purchase decision (Stokes, 2018). For this study, business performance refers to the organisation's ability to grow sales profitably (sales conversion and profitability).

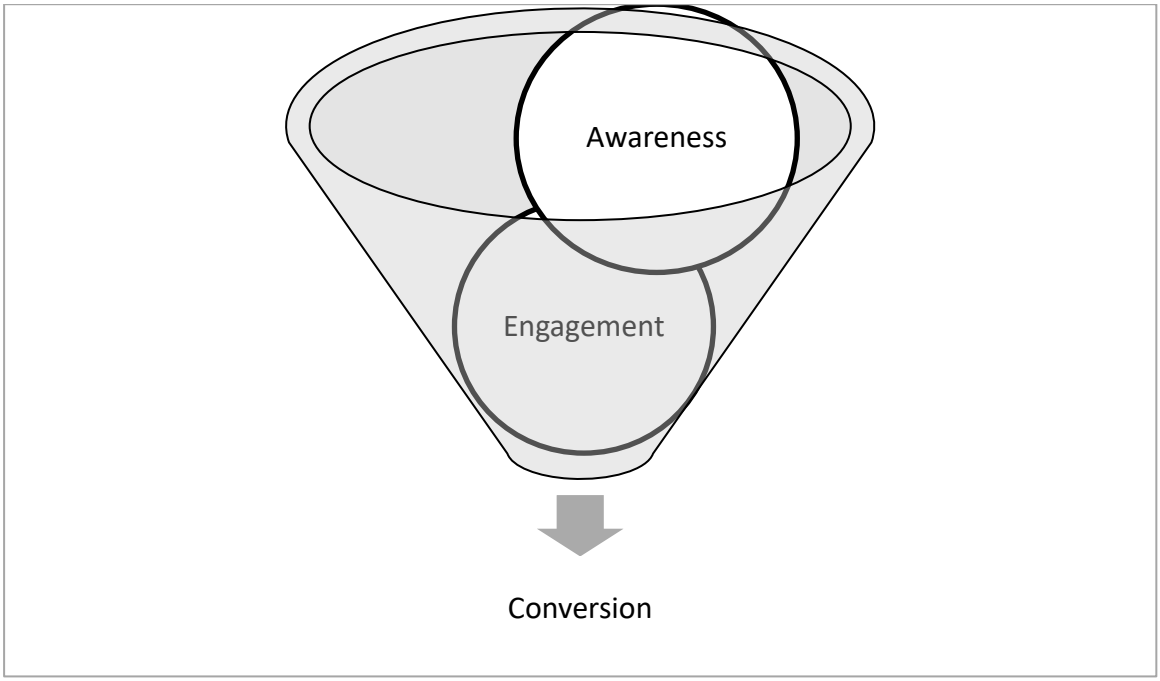


Figure 3: Adaption of the AIDA model for digital marketing (Stokes, 2018)

Funnel analysis is a technique that breaks down the customer journey into smaller steps or "funnels" to identify where customers are dropping off and why, and to analyse customer behaviour and conversion rates on a website. Organisations should leverage insights from these metrics and analytical tools to inform campaign and strategy

development, thereby enhancing marketing effectiveness, conversion rates, and fostering customer loyalty (Al Adwan et al., 2023). A list of these metrics is defined in Table 2. The goal of funnel analysis is to identify areas of improvement in the customer journey and make data-driven decisions to improve website performance (Stokes, 2018).

Table 2: Key performance indicators applied to the marketing funnel

Funnel stage	**KPI**	**KPI application**
Awareness	Cost per mille (CPM)	Cost per mille (CPM) is the cost of displaying an advertisement to one thousand viewers, and advertisers are charged for every thousand impressions served (Stokes, 2018).
Engagement	Click-through-rate (CTR)	Click-through rate (CTR) is the percentage of people who click on a digital advert compared to the total number of people who see it. When CTR is high, it means more people find the ad interesting. This helps improve the website's ranking (Ramya Terrance et al., 2018).
Engagement	Cost per click (CPC)	Cost per click (CPC) is a form of payment for advertising where the advertiser is charged only when someone clicks on their ad. This results in a visitor to their website, usually from a search engine, in the context of pay-per-click search marketing or programmatic CPC buying engines (Stokes, 2018).

Engagement	Keyword Price Index (KPI)	The Keyword Price Index (KPI) is used to measure the price volatility of the search market and compare the cost-effectiveness of search engine marketing campaigns. This tool has revealed that some industries have higher payouts justifying higher CPCs, while others do not (Panchal et al., 2021).
Conversion	Cost per acquisition (CPA)	Cost per acquisition (CPA) is the cost of gaining a new customer, where the advertiser only pays when a specific action is completed, which is sometimes referred to as cost per lead (Stokes, 2018).

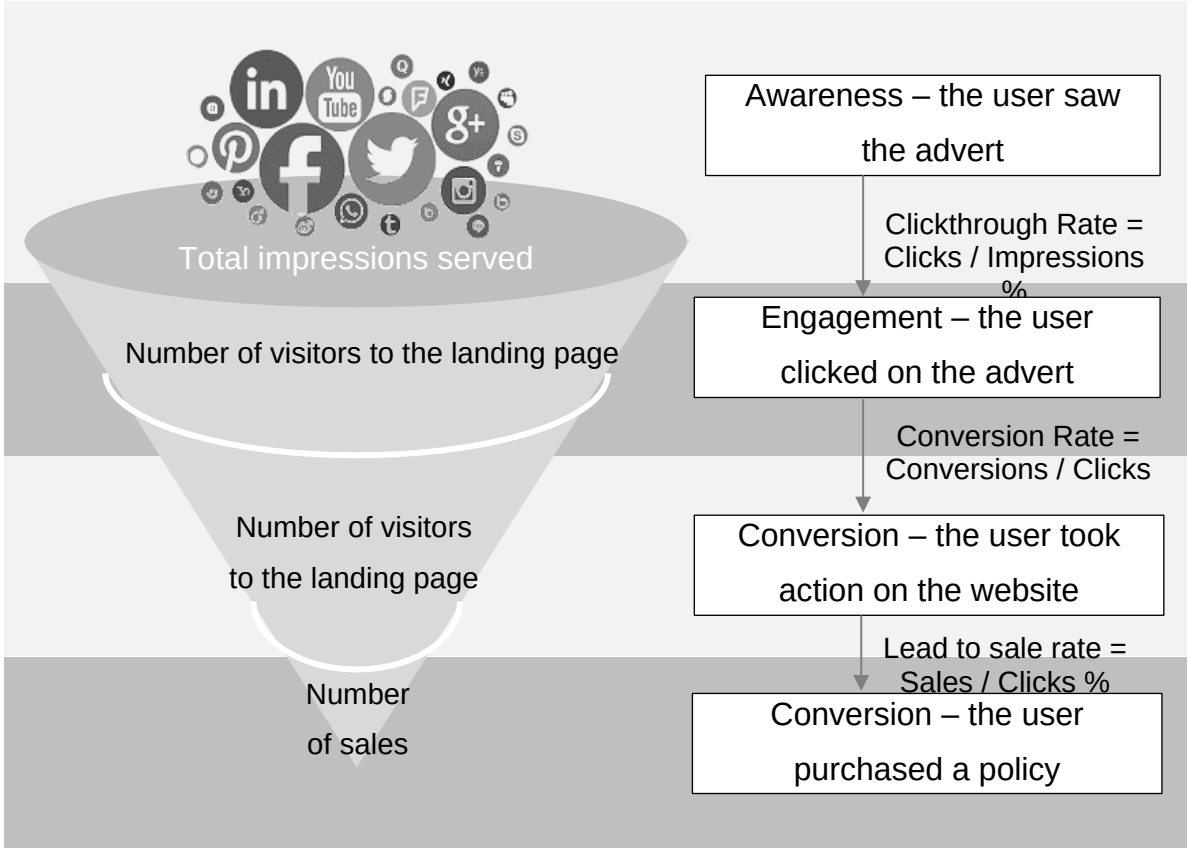


Figure 4: Aligning clickthrough and conversion rates to the marketing funnel. Adapted from Stokes (2018).

With the evolution of social media from a single marketing tool to a marketing intelligence source, allowing organisations to observe, analyse, and predict customer behaviours, it has become imperative for organisations to strategically utilise and leverage social media to attain competitive advantage and superior performance (Lamberton and Stephen 2016). Social media analytics can be valuable in various stages of a product's lifecycle, including design, development, and utilisation. These analytics can assist in gathering competitive intelligence, predicting demand changes, generating new product ideas, and evaluating social media effectiveness based on brand awareness, engagement, and word-of-mouth metrics (Fan & Gordon, 2014).

2.2 ANALYTICAL FRAMEWORK

2.2.1 *Theoretical Framework: Resource-based view of organisation*

The resource-based view (RBV) framework, introduced by (Barney, 1991), offers a theoretical basis for understanding the connection between social media capability and business performance. RBV focuses on how superior business performance is influenced by its internal resources (Barney, 1991; Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019). The resource-based view of the organisation is considered relevant in understanding the impact of social media on the organisation’s business performance, as it recognises social media as a strategic resource and capability that organisations can utilise to compete, despite its relative uniqueness in business practice and limited research on its combined effects (Rodríguez Gutiérrez et al., 2022).

The competitive advantage of an organisation relies on its capacity to obtain, integrate, and deploy valuable resources (Barney, 1991). When social media technology is integrated with essential marketing capabilities, it empowers organisations to cultivate unique social media marketing abilities that are difficult for competitors to replicate (Mohammedhussen & Abdulnasir, 2020; Tarsakoo & Charoensukmongkol, 2019).

These superior capabilities can generate additional profits for the organisation and are known as Ricardian rents (Lee & Armstrong, 2021).

In this study, the RBV framework serves as the foundation for understanding how social media capabilities contribute to organisational performance. By adopting RBV, the study aims to uncover the specific resources and capabilities within organisations that enable them to leverage social media effectively, thereby gaining a competitive advantage in the marketplace

2.2.2 *Conceptual Framework*

Based on a comprehensive review of the literature, a conceptual model (Figure 5) has been developed to investigate the interrelationships among the key constructs of this study, which include social media, marketing capabilities, and performance. In line with the findings from previous researchers (Chahal & Kaur, 2014; Day, 1994; Tarsakoo & Charoensukmongkol, 2019), this study considers social media marketing capability as consisting of various aspects of an organisation’s ability to utilise social media for marketing purposes. To initially understand this capability in South Africa, the study concentrates on five specific capabilities used by Tarsakoo and Charoensukmongkol (2019) that span across organisations: pricing, product development, marketing communication, marketing planning, and marketing implementation within social media. For this study, business performance refers to the organisation's ability to grow sales profitably.

This model serves as a framework for examining how these constructs influence and interact with each other:

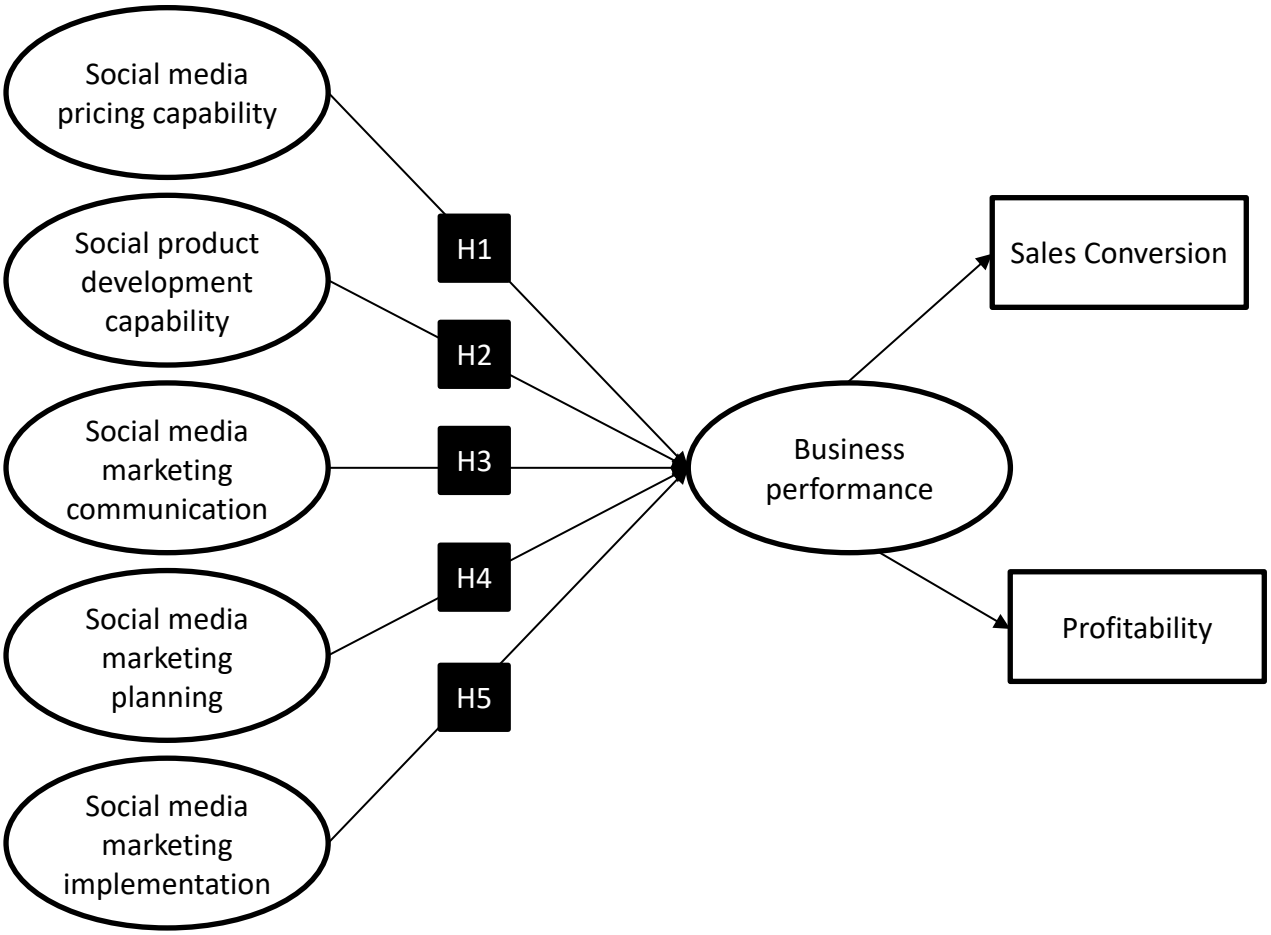


Figure 5: Conceptual research model adapted from Tarsakoo and Charoensukmongkol (2019)

2.3 Conclusion of the literature review

In conclusion, the competitive landscape of short-term insurance in South Africa is evolving due to the emergence of disruptive insurtech startups that leverage digital strategies and online platforms to offer cost-effective and convenient insurance options. Traditional insurers are also adapting by introducing digital insurance products and exploring innovative pricing and coverage options. Social media marketing has the potential to enhance customer engagement, brand reputation, and sales in the insurance industry, although its adoption and effectiveness vary. The success of social media marketing relies on various organisations' capabilities such as pricing, product development, marketing communication, marketing planning, and marketing

implementation. Ultimately, effective social media marketing capabilities can positively impact business performance by creating awareness, engagement, and conversion. Based on the insights gained from the literature review, the following hypotheses were generated to guide the research:

H1. There is a positive relationship between social media pricing capability and business performance,

H2. There is a positive relationship between social media product development and business performance,

H3. There is a positive relationship between social media marketing communication and business performance,

H4: There is a positive relationship between social media marketing planning capability and business performance,

H5: There is a positive relationship between social media marketing implementation with business performance.

The consistency matrix (APPENDIX D: CONSISTENCY MATRIX) confirms that all the independent and dependent variables are linked to an objective. It further confirms that data will be collected for all the research questions.

CHAPTER 3. RESEARCH METHODOLOGY

Chapter 3 outlines the methodology employed to investigate the relationship between social media marketing capabilities and business performance in the South African non-life insurance sector. A quantitative research approach was chosen, emphasising the use of a structured survey questionnaire. The chapter details the data collection methods, including population selection and snowball sampling for participant recruitment. The data analysis techniques such as exploratory and confirmatory factor analysis and ordinal regression are explored. This section also addresses potential limitations and quality assurance measures. Finally, ethical considerations in the research process are highlighted.

3.1 Research approach

The primary objective of this study was to examine the relationships between social media marketing capabilities and business performance. To effectively test the hypotheses, a quantitative research approach was selected as the most suitable method for this study.

Quantitative research is a deductive approach that involves testing objective theories by examining relationships between measurable variables using statistical analysis (Creswell & Creswell, 2018). This method was best suited to test if the findings from prior studies (Anyadighibe et al., 2021; Chahal & Kaur, 2014; Tarsakoo & Charoensukmongkol, 2019) could be generalised and applied in the South African environment.

3.2 Research design

Quantitative research designs encompass various strategies of inquiry and are associated with the positivist approach. Although the positivist approach ignores the subjective experiences and perspectives of individuals, it does emphasise objectivity

and rigour (Creswell & Creswell, 2018). This approach assumes that the existence of a singular truth or reality can be ascertained through empirical observation, while also expecting that the questionnaire be framed neutrally and objectively (Schindler, 2019).

3.3 Data collection methods

In this study, a descriptive research design was used, employing an online survey questionnaire to collect quantitative data. This design aimed to provide a numerical description of trends, attitudes, or opinions within a population by studying a sample from that population. The survey approach was chosen because it offers benefits such as fast data collection and cost-effectiveness (Schindler, 2019).

3.4 Population and sample

3.4.1 *Population*

The choice of focusing on professionals within the South African non-life insurers for this study was justified for several reasons:

Relevance to the study: The primary objective of the study was to explore the internal social media marketing capabilities of non-life insurers, specifically in areas such as pricing and product development. By selecting professionals in the South African non-life insurance sector as the target population, the study ensured that the insights and data collected were directly applicable and relevant to the South African non-life insurance industry under investigation. This targeted approach allowed for a deeper understanding of the specific challenges and opportunities faced by employees in this context.

Market significance: South Africa possesses its own unique social, economic, and cultural characteristics that can significantly influence the dynamics within the non-life insurance sector. By focusing on professionals in the South African non-life insurance sector, the study acknowledged the importance of considering these contextual

factors. This approach allowed for a more comprehensive examination of the market dynamics within the South African non-life insurance industry, leading to more meaningful and insightful findings.

3.4.2 *Sample and sampling method*

When seeking respondents employed in South African non-life insurers, the identification process was expected to pose challenges, making it beneficial to leverage referral networks like LinkedIn. A search for individuals working in non-life insurance in South Africa yielded 33,000 results (LinkedIn.com, 2023). This figure dropped to 1,800 when the search was refined to only senior managers in the sector. To speed up data collection, a non-probability, snowball sampling technique was utilised. Cochran's formula was used to estimate a sample size of 317, with a margin of error of 5%, and a confidence level of 95%. However, the survey process was closed at 86 respondents as the respondents were well represented across all sector profiles (e.g. organisation size, years in operation, etc.) and no new insight emerged relating to the use of marketing capabilities.

To maximise participation, the survey questions were easy to read with clear response prompts. Email addresses were verified and reminders or follow-ups were sent after the delivery of the initial email request (Schindler, 2019).

3.5 The research instrument

Research instruments refer to the tools used to collect and measure various aspects of the research. For this study, a survey design served as the research instrument, facilitating data collection, and offering a comprehensive comprehension of the impact of marketing capabilities on business performance. The survey involved a structured questionnaire administered to a specific sample, enabling the acquisition of valuable insights about the research question. This approach of utilising a survey questionnaire directly obtained information from professionals in the South African non-life insurance industry, making it well-suited for this research investigation.

The themes for the questionnaire were identified through a thorough review of existing literature and theoretical frameworks relevant to the study objectives. Each theme was selected based on its alignment with the research objectives and its potential to provide insights into the relationships between social media marketing capabilities and business performance in the context of South African non-life insurers. The questionnaire was designed to cover specific areas such as social media pricing capability, product development capability, marketing communication capability, marketing planning capability, implementation capability, and business performance. These themes were chosen to ensure comprehensive coverage of the research objectives and to address key aspects of social media marketing within the non-life insurance sector.

Using a survey made it easier to reach some inaccessible participants e.g. CEOs, at low cost and perceived to be more anonymous (Schindler, 2019). However, using a survey had its drawbacks, such as the small number of respondents leading to skewed results and respondents providing poor answers. The advantages of using a survey outweighed these limitations, as it is a widely used technique that provides valuable data that may not be obtained through other means.

To ensure the validity and reliability of the survey, it was developed following established guidelines (Schindler, 2019) and adapted from the survey used in the Tarsakoo and Charoensukmongkol (2019) study. For this research, a digital survey questionnaire conducted online was chosen as the instrument due to its reliable nature. An online survey was used to administer the questionnaire. The survey was divided into seven sections and utilised a combination of a 5-point Likert scale (sections 2 – 7) and questions (Q1) to gather relevant data for analysis: demographic questions, social media pricing capability, social media product development capability, social media marketing communication capability, social media marketing planning capability, social media marketing implementation capability, and business performance.

3.6 Procedure for data collection

This study used a closed-ended survey that was created on Qualtrics using custom templates and posted online on social media (Figure 6: Survey posted on LinkedIn), emailed, and sent via WhatsApp for participants to complete. The respondents were carefully selected to ensure that they have professional experience in the South African non-life insurance industry. Respondents were encouraged to share the survey with their networks thus creating a snowball effect. Snowball sampling is a sampling technique employed when it is challenging to identify respondents directly, and the most effective way to locate them is through referral networks (Schindler, 2019). This method involved initially identifying a few participants who met the criteria and then asking them to refer other potential participants who fit the study's requirements. This process continued, creating a snowball effect of referrals until the desired sample size was achieved or until the themes became saturated i.e. when gathering more data no longer created new insight (Creswell & Creswell, 2018).

3.7 Data analysis strategies and interpretation

The study tested the relationship between social media marketing capabilities on their impact on business performance (sales and sustainable profitability). The data was prepared and analysed as per the guidelines provided by Schindler (2019): the survey data was exported from Qualtrics into IBM SPSS; responses lacking consent or with 50% or more unanswered questions were removed; imputation addressed cases of missing data; Exploratory Factor Analysis (EFA) was employed to reduce the number of variables; Confirmatory Factor Analysis (CFA) tested the fit of variables selected from the EFA to the theoretical model; and ordinal regression, Partial Least Squares Structural Equation Modelling (PLS-SEM), and structural equation modelling were used to analyse the data.

Ordinal regression and PLS-SEM offered notable benefits when compared to other SEM techniques. Firstly, they required a smaller sample size, making it a practical choice in this scenario were collecting a large dataset from insurers in South Africa

was challenging. Secondly, PLS-SEM and ordinal regression were advantageous because they do not rely on the assumption of normally distributed data, which is typically required by covariance-based SEM approaches (Field, 2009; Hair et al., 2019). This flexibility allowed for the data analysis to deviate from normal distribution, without compromising the reliability and validity of the results.

3.8 Possible limitations and challenges of the study

Scope limitation: This study focused solely on the non-life insurance sector within the South African market. Therefore, the findings may not apply to other sectors or markets, limiting the generalisability of the results.

Participant restriction: The participants in this study were limited to adults who are professionals in the non-life insurance sector. This restriction excluded individuals who do not meet these criteria, potentially limiting the diversity and representativeness of the sample.

Insufficient sample size: Due to scope and participant restrictions in the number of respondents, the sample size may not be large enough to achieve statistical significance. This could reduce the reliability and generalisability of the findings, as a larger sample size is generally preferred for more robust results.

3.9 Quality Assurance

All models were analysed for fit, reliability, and validity using specific criteria. For model fit, the following criteria were applied: statistical significance of $\chi 2$ (Chi-square) >0.05 (Hair et al., 2019); SRMR (Standardized Root Mean Square Residual) <0.1 (Hair et al., 2019); CFI (Comparative Fit Index) >0.90 (Hu & Bentler, 1999); IFI (Incremental Fit Index) >0.90 (Hu & Bentler, 1999); TLI (Tucker-Lewis Coefficient) >0.90 (Hu & Bentler,

1999); and RMSEA (Root Mean Square Error of Approximation) <0.08 (Hair et al., 2019).

To ensure the reliability of the constructs in this study, established specific thresholds: Cronbach's Alpha and Composite Reliability were required to exceed 0.7 (Hair et al., 2019). Discriminant validity was assessed through HTMT analysis. Additionally, for convergent validity, the Average Variance Extracted should be greater than 0.5 (Hair et al., 2019).

3.9.1 *External validity OR transferability*

External validity was performed to determine if the same results can be obtained when sampling a larger population. To ensure external validity, the research instrument was piloted with 5 (5%) participants before a full survey rollout was conducted. The purpose of pilot testing was to identify any errors in the experiment's design and ensure proper control of extraneous or environmental conditions (Schindler, 2019).

3.9.2 *Internal validity OR credibility*

To ensure internal validity, the triangulation strategy was used i.e. data was collected from multiple sources e.g. surveys (primary data) and document analysis (secondary data) (Creswell & Creswell, 2018). By using this approach, the study aimed to corroborate findings across different data sources, enhancing the credibility and robustness of the research outcomes.

3.9.3 *Reliability OR dependability*

To ensure reliability in this study, tested scales from previous peer-reviewed studies (Tarsakoo & Charoensukmongkol, 2019) were used and negatively phrased items were appropriately coded. The initial questionnaire was piloted to ensure that poor wording and vague statements were corrected before the survey was distributed to a wider participation group. Further, the model was tested to ensure that it had a composite reliability score of at least 0.7 (Hair et al., 2019).

In conclusion, external validity was ensured by piloting the research instrument with 5% of participants before the full survey rollout. Internal validity was maintained through a triangulation strategy, collecting data from surveys and document analysis. Reliability was assured by utilising tested scales and pilot testing the questionnaire to ensure clarity before wider distribution.

3.10 Ethical considerations

To ensure that this study was conducted ethically, the following were addressed:

Informed consent was obtained from participants, clearly explaining the purpose, procedures, risks, and benefits of the research. The participant's right to withdraw participation at any time was respected.

The confidentiality and anonymity of participants were protected by using secure data storage and handling procedures. Identifiable information was not collected. Any data collected was used only for research purposes and with proper consent.

Research was conducted impartially and objectively to eliminate biases in data collection, analysis, and reporting.

3.11 Conclusion

In conclusion, this chapter detailed the research approach, design, data collection methods, and analysis strategies employed in this study. A quantitative approach was utilised, employing a structured survey to gather data from professionals in the South African non-life insurance sector. The data analysis involved techniques such as factor analysis and regression to examine the relationships between social media marketing capabilities and business performance. Despite potential limitations, steps were taken to ensure the quality and validity of the findings. Additionally, ethical considerations were addressed throughout the research process.

CHAPTER 4. PRESENTATION OF RESULTS

This chapter focuses on the analysis of the survey responses. The survey questions were designed to explore relationships between social media capabilities (independent variables, X) and business performance (dependent variable, Y). The data was cleaned, and validity and reliability tests were scrutinised before hypothesis testing.

4.1 Introduction

To collect data, a survey was created and coded using Qualtrics. The survey questions were adapted from Tarsakoo and Charoensukmongkol (2019) study. The initial survey was sent to the university's ethics committee for an assessment of content validity. Subsequently, a pilot test was conducted with a carefully chosen cohort of 15 participants through the electronic distribution of the survey via email. During this phase, adjustments were made to certain questionnaire items, and the layout was refined based on valuable feedback from participants, aiming to enhance overall clarity. Out of the 15 pilot survey invitations sent, 5 participants completed the survey successfully, while 3 did not provide consent. Feedback from participants included the following:

I. The large number of questions made it easy to overlook some. A pop-up in the survey highlighting unanswered questions was implemented.
II. Some participants, especially those in non-management roles lacked the necessary data related to the firm's financials and social media marketing activities. The survey was recommended to be distributed towards marketing and executive participants instead of everyone in the non-life insurance industry.
III. Access to the survey link was blocked by a cybersecurity-conscious organisation. To address this, a QR code was created that allowed respondents to access the survey using their mobile devices (Figure 6.)

Following the pilot test, the survey was made available on the professional social media platform, LinkedIn. Members associated with South Africa's non-life insurance industry were not only encouraged to partake in the survey but also urged to share it within their professional networks. The survey was reposted 8 times and had 1,170 impressions.



Figure 6: Survey posted on LinkedIn

In response to a lower-than-anticipated participation rate on LinkedIn, the survey distribution strategy was diversified, spanning channels such as email, WhatsApp, and even through mobile devices at a regional insurance event resulting in a total of 86 respondents.

The data was prepared by exporting the survey responses from Qualtrics to IBM SPSS and coded. Although 86 participants responded to the survey, 9.3% of these participants did not grant consent (Table 3) resulting in 78 usable responses.

Table 3: Proportion of consenting survey participants

	Frequency	Percent
No, I do not consent	8	9.3
Yes, I consent	78	90.7
Total	86	100.0

To ensure the validity of the sample, participants underwent a pre-screening process, where they were surveyed about their use of social media as a marketing tool. Respondents were specifically asked, "Has your organisation utilised social media platforms (such as Facebook, Instagram, Twitter, YouTube, etc.) for marketing?" Only participants who responded “Yes”, indicating active engagement in social media marketing activities, were selected for inclusion in the study. Out of the 86 participants, 3 (3.5%) participants were disqualified because they answered “No” to this question (Table 4).

Table 4: Proportion of participants who use social media marketing

	Frequency	Percent
Missing	10	11.6
No	3	3.5
Yes	73	84.9
Total	86	100.0

Data of the 8 respondents who did not consent and the 3 who did not use social media marketing were deleted from the dataset. Since the sample size was already smaller than planned, deleting missing data would have significantly reduced the size of the

dataset. Therefore, imputation was considered to keep those cases. However, 4 cases had more than 50% missing values which were deleted resulting in 68 usable responses. The Missing Completely At Random (MCAR) test was performed to test if it was feasible to include missing values without affecting the results of the analysis. The p-value (Sig.) of the MCAR was 0.300, which is greater than the conventional significance level of 0.05. This suggested that the data is completely random i.e. not systematically related to the observed data and imputation could therefore be performed to transform the missing values.

4.2 Descriptive Analysis

Descriptive statistics was used to describe and summarise the essential features of the survey results. As shown in Table 5: What is your organisation’s annual revenue (Gross Written Premium)?, most respondents fall into the categories of "R3bn to R5bn" (representing 27% of organisations) and "Greater than R5bn" (representing 26% of organisations), indicating that a significant portion of the surveyed organisations are large insurers with substantial annual revenues. About 23% of organisations have annual revenues less than R1 billion, and 16% of organisations fall into the range of R1 billion to R3 billion, indicating fair representation across all sizes of insurers. There are 6% of organisations where the annual revenue is unknown, but this represents a small portion of the total respondents.

Overall, the distribution suggests a diverse set of insurers, with a notable presence in higher revenue brackets.

Table 5: What is your organisation's annual revenue (Gross Written Premium)?

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than R1bn	17	25.0	25.0	25.0
R1bn to R3bn	12	17.6	17.6	42.6
R3bn to R5bn	18	26.5	26.5	69.1
Greater than R5bn	18	26.5	26.5	95.6
Unknown	3	4.4	4.4	100.0
Total	68	100.0	100.0	

Table 6 represents the distribution of responses to the question about the duration of operation. A significant portion of the surveyed organisations (41% of organisations) has been operating for more than 20 years, indicating a well-established and possibly mature set of companies. The 5 to 20-year category also has a substantial representation, with 37% of organisations falling into this range. The "Less than 2 years" and "2 to 5 years" categories combined represent a smaller proportion, suggesting a smaller number of relatively newer organisations in the survey. There are 8% of respondents where the duration of operation is unknown.

A mix of newer and well-established organisations participated in the survey, contributing to a comprehensive view of different stages of business maturity.

Table 6: How long has your organisation been operating (in years)?

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 2 years	2	2.9	2.9	2.9
2 to 5 years	7	10.3	10.3	13.2
5 to 20 years	25	36.8	36.8	50.0
Greater than 20 years	28	41.2	41.2	91.2
Unknown	6	8.8	8.8	100.0
Total	68	100.0	100.0	

According to Table 7: How long has your organisation been using social media marketing?, a significant portion of the surveyed organisations (47.9%) had been using social media marketing for more than 5 years, indicating a well-established and experienced set of companies in the digital marketing domain. The "2 to 5 years" category also has a substantial representation, with 21.9% of organisations falling into this range. A smaller percentage (6.8%) represented organisations that have started using social media marketing in the last 2 years. There were 15 organisations where the duration of social media marketing usage was unknown. The prevalence of organisations with more than 5 years of experience suggests a mature understanding and likely a well-developed strategy in social media marketing. Organisations with 2 to 5 years of experience also contribute significantly, showcasing a mix of relatively newer digital startups.

Table 7: How long has your organisation been using social media marketing?

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 2 years	4	5.9	5.9	5.9
2 to 5 years	15	22.1	22.1	27.9
More than 5 years	35	51.5	51.5	79.4
Unknown	14	20.6	20.6	100.0
Total	68	100.0	100.0	

Most surveyed organisations (72.6%) sell products in physical branches, indicating a significant presence in traditional, face-to-face retail business models (Table 8.) About 26.0% of organisations do not sell products in physical branches, suggesting they may operate primarily through online channels such as e-commerce or virtual platforms.

Organisations selling in physical branches may have a multi-channel strategy that includes both online and offline sales. Organisations without physical branches may rely on e-commerce or other non-traditional retail methods for their product distribution.

Table 8: Does your organisation also sell products in physical branches (i.e., face-to-face)?

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	50	73.5	73.5	73.5
No	18	26.5	26.5	100.0
Total	68	100.0	100.0	

According to the analysis of the class of business, most surveyed insurers (80.2%) cover personal lines in their business. A substantial portion (21.9%) covers both personal and commercial lines. There are smaller percentages covering only specialised classes of business such as taxis and aerospace. This information is displayed in Table 9.

Table 9: Class of business

	Frequency	Percent	Valid Percent	Cumulative Percent
Commercial lines	22	12.0	12.0	14.2
Other	1	0.6	0.6	14.9
Personal lines	65	40.4	40.4	62.8
Personal lines. Commercial lines	21	21.9	21.9	88.7
Personal lines. Commercial lines. Other	2	2.7	2.7	91.9
Personal lines. Other	5	6.8	6.8	100.0
Total	68	100.0	100.0	

A summary of the descriptive statistics of the response questions is represented in Figure 7.

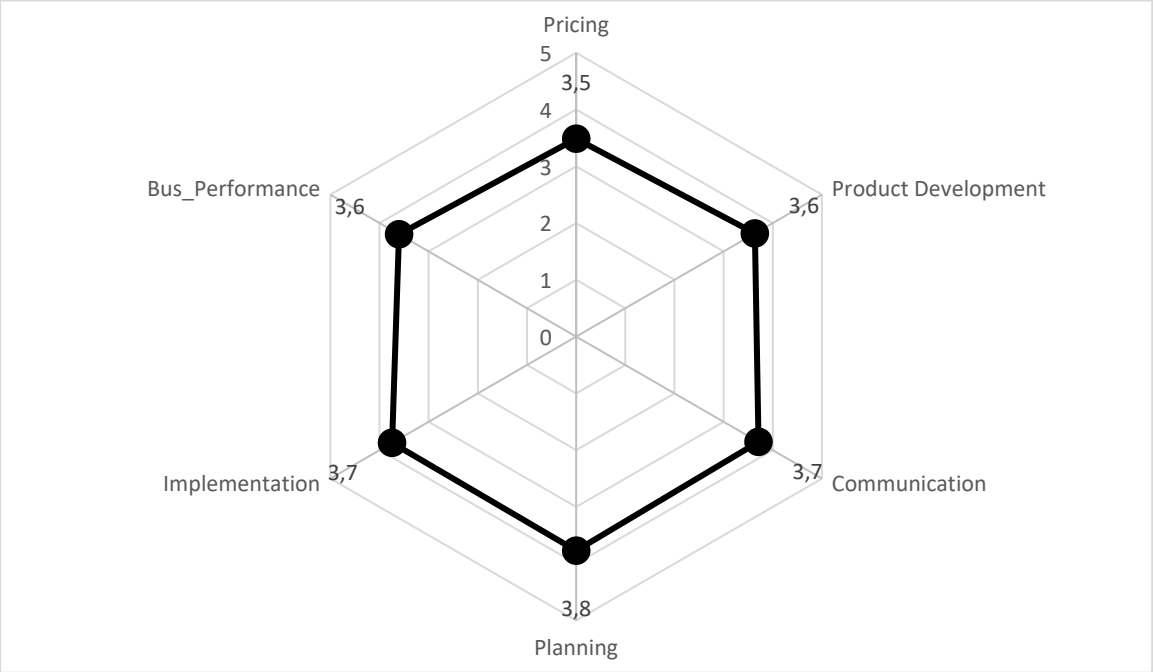


Figure 7: Summary of response questions

a. Pricing: Respondents expressed confidence in their ability to respond promptly to competitors' pricing tactics, leveraging pricing skills integrated with social media technologies, and effectively communicating pricing structures. Mean: Ranged from 3.37 to 3.65 suggesting a relatively symmetric distribution, indicating a balanced perception of respondents in their pricing capabilities; Std. Deviation: Ranged from 1.103 to 1.318.

b. Product Development: Respondents exhibited a notably high perception of their capability to swiftly develop, introduce, manage, and successfully launch new products and services using social media. Mean: Ranged from 3.53 to 3.69 suggesting a relatively symmetric distribution, indicating a balanced perception of respondents in their pricing capabilities indicating a slightly positively skewed distribution. This suggests that most respondents may have higher perceptions

of their product development capabilities; Std. Deviation: Ranged from 1.040 to 1.244.

c. Communication: The respondents rated themselves highly in utilising social media for marketing communications programs. They believed they either matched or surpassed competitors in terms of social media marketing communication skills, effectively managing corporate image, and maintaining a positive reputation through social media. Mean: Ranged from 3.29 to 3.88 suggesting a relatively symmetric distribution, indicating a balanced perception of respondents in their communication capabilities; Std. Deviation: Ranged from 0.919 to 1.173.

d. Planning: Respondents believe they possess superior social media marketing planning skills. They can set clear goals, develop creative strategies, segment, and target the market effectively, and maintain a thorough planning process. Mean: Ranged from 3.44 to 3.94 suggesting a relatively symmetric distribution, indicating a balanced perception of respondents in their planning capabilities; Std. Deviation: Ranged from 0.919 to 1.320.

e. Implementation: Respondents expressed confidence in their ability to allocate social media marketing resources effectively, deliver programs, translate strategies into action, quickly execute strategies, and monitor performance. Mean: Ranged from 3.59 to 3.91 suggesting a relatively symmetric distribution, indicating a balanced perception of respondents in their implementation capabilities; Std. Deviation: Ranged from 0.964 to 1.054.

f. Business Performance: The reported business performance metrics were positive, covering various key financial indicators such as sales volume, sales growth, current profitability, and profit growth. Mean: Ranged from 3.53 to 3.78 suggesting a relatively symmetric distribution, indicating a balanced perception of respondents regarding business performance; Std. Deviation: Ranged from 0.954 to 1.124.

In summary, respondents perceived themselves as competent in utilising social media for a diverse array of business functions, including product development, pricing, communication, planning, and implementation. The reported positive business performance metrics further reinforce an optimistic overall outlook. All this optimism resulted in the data being skewed to the right of the Likert scale. The distribution of the data had to be statistically tested for normality before proceeding with further analysis.

4.3 Test for normality

As discussed above, the means of the responses for Pricing, Product development, Communication, Planning, Implementation, and Business Performance were tested for normality. Since the sample size was less than 100, the Shapiro-Wilk test was preferred. The p-values (Sig) were all lower than 0.05 indicating that the data was not normally distributed. The test results are shown in Table 10: Test for normality.

Table 10: Test for normality

	Shapiro-Wilk		
	Statistic	**df**	**Sig.**
Pricing	0.960	68	0.027
Product Development	0.960	68	0.029
Communication	0.958	68	0.023
Planning	0.946	68	0.005
Implementation	0.945	68	0.005
Bus Performance	0.947	68	0.006

To normalise the distribution, the mean values of the responses were transformed to Log functions and normality was re-tested. Again, the p-values (Sig) were all lower than 0.05 indicating that the data is not normally distributed. Therefore, linear

regression could be used to analyse this data, and ordinal regression was used instead. The normality test of the log variables is shown in Table 11.

Table 11: Test for normality of Log transformation

	Shapiro-Wilk		
	Statistic	**df**	**Sig.**
log_Pricing	0.916	68	<0.001
log_Product	0.926	68	<0.001
log_Communication	0.929	68	<0.001
log_Planning	0.912	68	<0.001
log_Implementation	0.891	68	<0.001
log_BP	0.870	68	<0.001

4.4 Inferential analysis

Inferential statistics was used to determine whether the alternative hypothesis was likely to be true (Field, 2009). Since the data was not normally distributed, a bivariate Spearman's rho analysis was conducted to test the correlation of the independent variables (Pricing, Product Development, Communication, Planning, and Implementation) with Business Performance.

Table 12: Nonparametric Correlation - Business Performance

Capability subscale	Spearman's rho	P value	Comment
Pricing	0.626	<0.001	Moderate positive correlation with sales conversion
Product development	0.676	<0.001	Moderate positive correlation with sales conversion
Communication	0.672	<0.001	Moderate positive correlation with sales conversion
Planning	0.689	<0.001	Moderate positive correlation with sales conversion
Implementation	0.680	<0.001	Moderate positive correlation with sales conversion

According to Table 12, all the capability subscales (Pricing, Product Development, Communication, Planning, and Implementation) show statistically significant, moderately positive correlations with Business Performance. The strengths of these relationships varied slightly, with Planning showing the strongest correlation (0.689) while pricing showed the lowest (0.629) among the listed capabilities. The significant result (p-value) predicts that all five hypotheses are supported.

4.5 Factor analysis

Before proceeding with exploratory and confirmatory factor analysis, Bartlett's Test of Sphericity (shown in Table 13) was used to assess whether the observed variables intercorrelate using the identity matrix. A significant result ($p < 0.05$) indicated that there were sufficient correlations in the data for factor analysis to be meaningful. In this case, the p-value was less than 0.001, indicating that the correlations between variables were statistically significant.

Table 13: The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.910
Bartlett's Test of Sphericity	**Approx. Chi-Square**	1085.022
	df	276
	Sig.	<0.001

The KMO value of 0.910 and the significant result of Bartlett's Test (< 0.001) collectively suggest that the variables were likely to be strongly correlated. This provided a green light for proceeding with Exploratory Factor Analysis.

4.5.1 *Exploratory Factor analysis*

Exploratory Factor Analysis (EFA) was used to determine whether the number of variables to be analysed could be reduced. Deciding on how many components to retain can be based on factors like the scree plot, eigenvalues greater than 1, and the cumulative percentage of variance explained (Field, 2009).

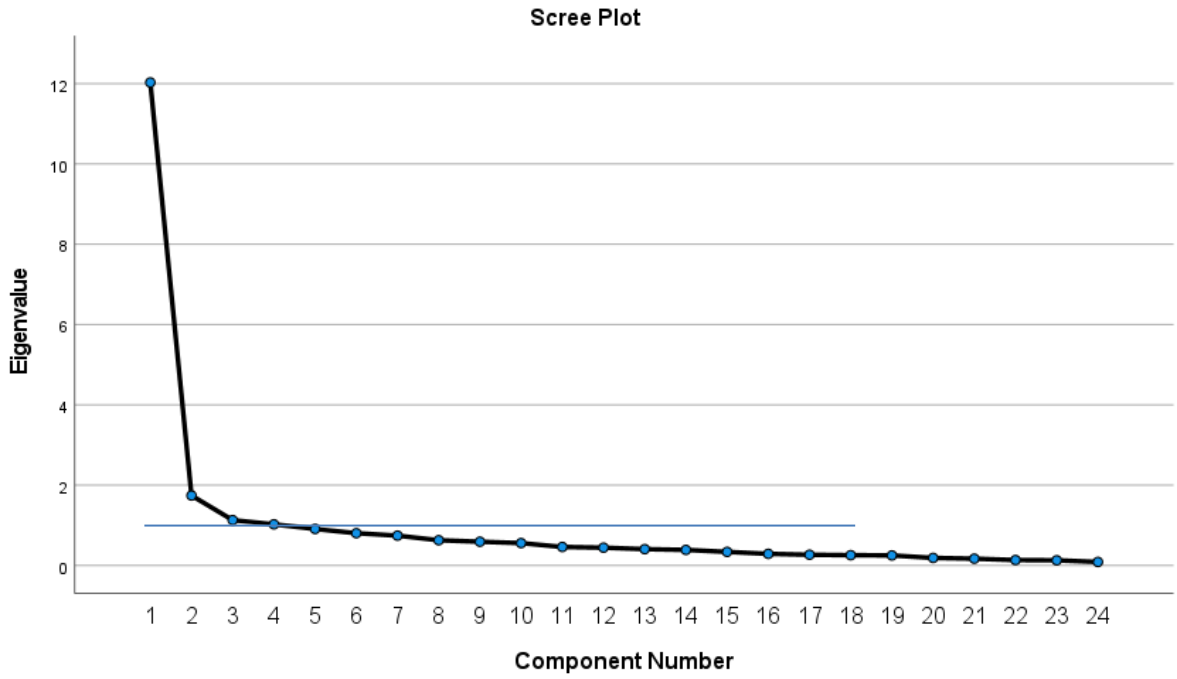
Table 14 details the eigenvalues, percentage of variance, and cumulative percentage for each component. The eigenvalues represent the amount of variance explained by each factor. Components 1 to 4 were selected because they had eigenvalues greater than 1. These components explained 63.5% of the rotated variance.

Table 14: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.031	50.129	50.129	12.031	50.129	50.129	4.862	20.260	20.260
2	1.743	7.264	57.393	1.743	7.264	57.393	3.622	15.090	35.350
3	1.131	4.711	62.104	1.131	4.711	62.104	3.530	14.708	50.058
4	1.026	4.276	66.380	1.026	4.276	66.380	3.230	13.457	63.515
5	0.910	3.794	70.174	0.910	3.794	70.174	1.598	6.659	70.174

Extraction Method: Principal Component Analysis.

The scree plot (Figure 8) is a graphical representation of the eigenvalues obtained in a factor analysis. In a scree plot, the "elbow" of the plot is typically used as a cutoff point for determining the number of factors to retain (indicated by the blue line). In this case, the cut-off point is between 4 and 5 factors. Five factors were therefore chosen for the analysis.



Key: ● eigenvalues

Figure 8: Scee Plot

Based on the number of components corresponding to items (Table 15: Pattern Matrix) the components were assigned to the following social media marketing capabilities:

I. Component 1 corresponds to the Product,
II. Component 2 aligns with Implementation,
III. Component 4 pertains to Pricing,
IV. Component 5 is linked with Planning.

Table 15: Pattern Matrix

	Component				
	Product dev	Implement	Comm	Price	Planning
Pricing Q1				-0.634	
Pricing Q2				-0.900	
Pricing Q3				-0.777	
Pricing Q4			0.858		
Pricing Q5				-0.558	
Product development Q1	0.514				
Product development Q2	0.613				
Product development Q3	0.679				
Product development Q4					-0.580
Product development Q5					
Communication Q1					
Communication Q2					
Communication Q3					
Communication Q4		-0.732			
Planning Q1					-0.616
Planning Q2					-0.653
Planning Q3					
Planning Q4					-0.749
Planning Q5		-0.658			
Implementation Q1		-0.514			
Implementation Q2		-0.715			
Implementation Q3		-0.500			
Implementation Q4					
Implementation Q5		-0.845			

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.
a. Rotation converged in 17 iterations.

The numbers in the table represent factor loadings, which is an indication of the strength and direction of the relationship between each variable and its associated component. Only factor loadings above 0.5 were shown in the above table. The analysis highlighted certain limitations, such as high lateral cross-loadings for variables shown in orange. The impact of the cross-loadings will be discussed under limitations in Chapter 6. Component 3 could not be linked to any capability and Communication could not be linked to any factor. The original number of 24 variables corresponding to the 5 capabilities was reduced to 13. These variables were further reduced during Confirmatory Factor Analysis.

4.5.2 *Confirmatory Factor Analysis*

Confirmatory Factor Analysis was conducted using AMOS to test how well the variables selected from the EFA fit the theoretical model. Since the survey data was not normally distributed (Table 10) the Bollen-Stine Bootstrap technique was used. Testing the null hypothesis that the model is correct, Bollen-Stine bootstrap p-value = 0.870 (>0.05) which meant that the model fit was appropriate.

The model was analysed for fit, reliability and validity. From a chi-square goodness-of-fit test using AMOS (Table 16) the p-value (0.821) was greater than 0.05, suggesting that the model fitted the data well. The ratio of chi-square to degrees of freedom (χ^2) was 0.758, which is generally considered acceptable if it is between 1 and 2 (Carmines & McIver, 1983).

Table 16: Model Fit - CFA

Variable	Value	Acceptable value for good fit
Relative Chi-square (χ^2)	0.758	
Statistical Significance of χ^2	0.821	>0.05 (Hair et al., 2019)
SRMR (Standardised root mean square residual)	0.0318	<0.1 (Hair et al., 2019)
CFI (comparative fit index)	1.000	>0.90 (Hu & Bentler, 1999)
IFI (incremental fit index)	1.018	>0.90 (Hu & Bentler, 1999)
TLI (Tucker-Lewis coefficient)	1.030	>0.90 (Hu & Bentler, 1999)
RMSEA (root mean square error of approximation)	0.000	<0.08 (Hair et al., 2019)

SRMR (Standardised Root Mean Square Residual) is a measure of the discrepancy between the observed and predicted covariance matrices. A lower SRMR value indicates a better fit. In this case, 0.03 was the SRMR result, which suggested a good fit. A CFI of 1.0 was considered a good fit. RMSEA (Root Mean Square Error of Approximation) was 0.000 which suggested an excellent fit.

The overall assessment of the model suggests a reasonably good fit based on the SRMR, CFI, and RMSEA values and the model is suitable for structured equation modelling.

Table 17: Reliability and Convergent Validity – CFA

Item	Estimate	Factor	Cronbach's Alpha	Construct Reliability	Average Variance Extracted
Pricing_3	0.839	Price	0.836	0.835	0.629
Pricing_2	0.743				
Pricing_1	0.794				
Impl_1	0.981	Implement	0.849	0.864	0.764
Impl_2	0.753				
Prod_Dev_3	0.759	Product	0.763	0.765	0.619
Prod_Dev_1	0.814				
Plan_4	0.794	Plan	0.820	0.827	0.614
Plan_2	0.759				
Plan_1	0.798				

Cronbach Alpha and Composite reliability for all 4 social media capability factors were greater than 0.7 indicating acceptable levels of construct reliability.

Average Variance Extracted were all greater than or equal to 0.5 indicating acceptable convergent validity.

Table 18: HTMT Analysis

	Price	Implement	Product	Plan
Price				
Implement	0.615			
Product	0.666	0.614		
Plan	0.687	0.673	0.644	

According to the HTMT analysis, there is no figure above 0.9 which implies that discriminant validity was acceptable. However, a further test for discriminant validity

(Table 19) illustrated that discriminant validity was not established because the shaded values should be higher than their corresponding rows and columns.

Table 19: Discriminant validity

Validity Analysis	Price	Implement	Product	Plan
Price	**0.793**			
Implement	0.717	**0.874**		
Product	0.849	0.755	**0.787**	
Plan	0.823	0.793	0.811	**0.783**

To improve discriminant validity, more of the cross-loaded items identified in Table 15 needed to be excluded from the model. However, this would reduce the construct reliability, making the model invalid.

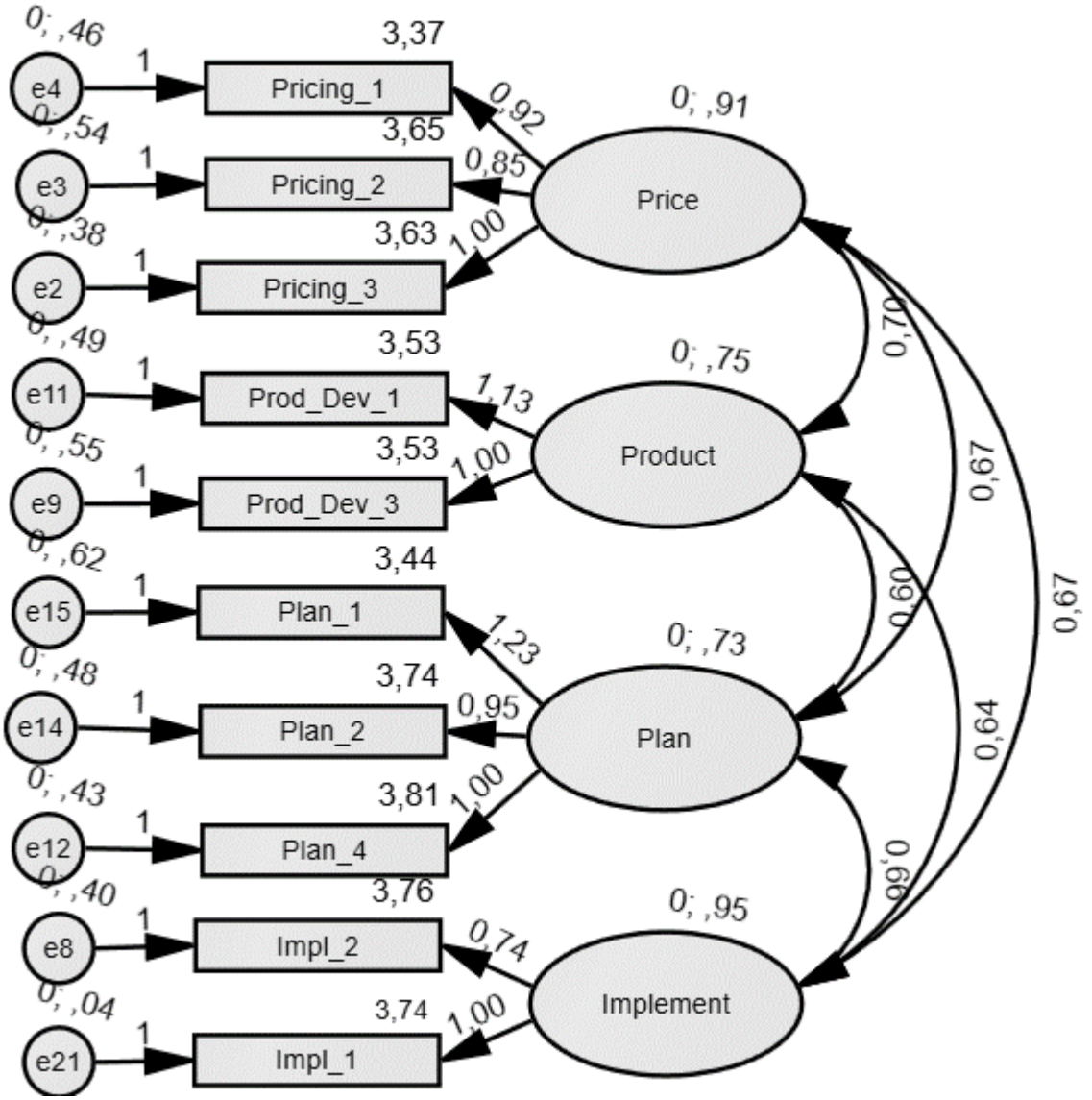


Figure 9: Path diagram from Confirmatory Factor Analysis with bootstrap

The correlation matrix for the confirmatory factor analysis is presented in Table 20. All factors exhibited a strong, positive correlation with each other.

Table 20: Correlations: (Group number 1 - Default model)

			Correlation coefficient estimate	Observation
Price	<-->	Product	0.849	Strong positive correlation
Plan	<-->	Price	0.823	Strong positive correlation
Price	<-->	Implement	0.717	Strong positive correlation
Plan	<-->	Product	0.811	Strong positive correlation
Plan	<-->	Implement	0.793	Strong positive correlation
Implement	<-->	Product	0.755	Strong positive correlation

The regression weights output of the confirmatory factor analysis is presented in Table 21 showing that all the relationships were significant (P < 0.001).

Table 21: Regression Weight – CFA

			Estimate	S.E.	C.R.	P
Pricing_3	<---	Price	1.000			
Pricing_2	<---	Price	0.853	0.129	6.612	<0.001
Pricing_1	<---	Price	0.925	0.128	7.201	<0.001
Impl_2	<---	Implement	0.738	0.104	7.078	<0.001
Prod_Dev_3	<---	Product	1.000			
Prod_Dev_1	<---	Product	1.130	0.181	6.249	<0.001
Plan_4	<---	Plan	1.000			
Plan_2	<---	Plan	0,948	0,147	6,433	<0.001
Plan_1	<---	Plan	1,226	0,180	6,816	<0.001
Impl_1	<---	Implement	1,000			

4.6 Structured Equation Modelling

Structured Equation Modelling was conducted using AMOS. Since the survey data was not normally distributed (Table 10) the Bollen-Stine Bootstrap technique was used. Testing the null hypothesis that the model is correct, Bollen-Stine bootstrap p-value = 0.898 (>0.05) which meant that the model fit was appropriate. This model, shown in Figure 10: Structural Equation Modelling - standardised explained 78% of the variation.

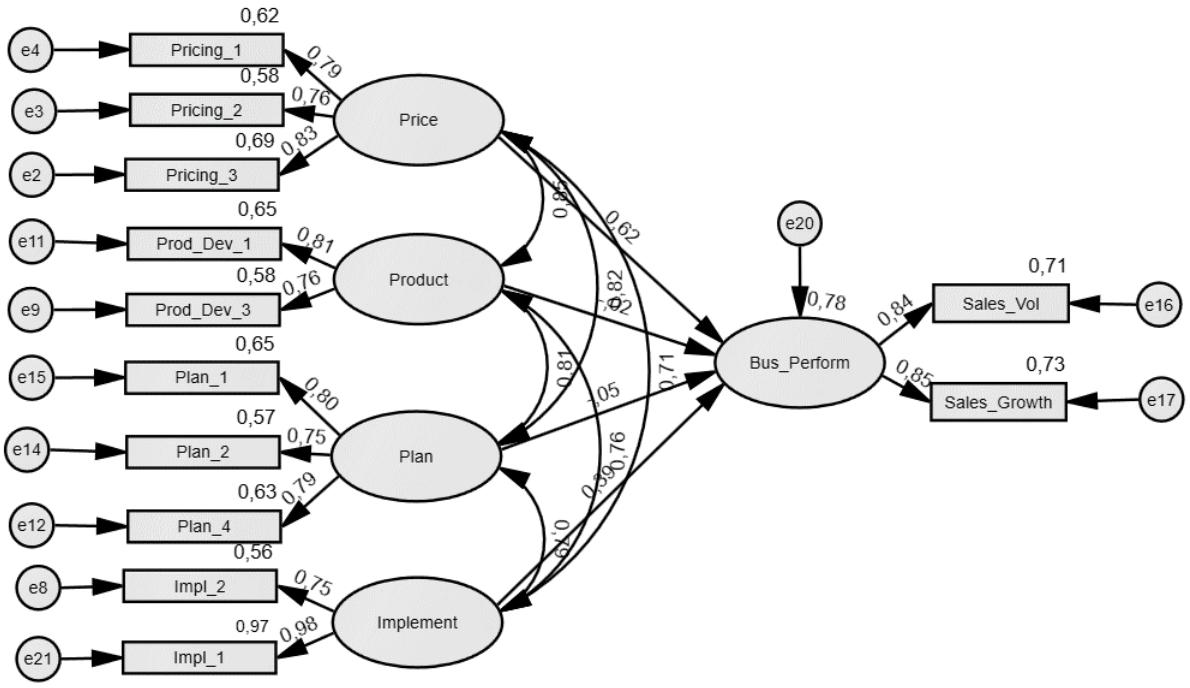


Figure 10: Structural Equation Modelling - standardised

As illustrated in Table 22, the SEM model appeared to be a very good fit for the data. The values for all indices exceeded the accepted thresholds for good model fit.

Table 22: Model Fit - SEM

Variable	Value	Acceptable value for good fit
Relative Chi-square (χ^2)	0.762	
Statistical Significance of χ^2	0.874	>0.05 (Hair et al., 2019)
SRMR (Standardised root mean square residual)	0.0342	<0.1 (Hair et al., 2019)
CFI (comparative fit index)	1.00	>0.90 (Hu & Bentler, 1999)
IFI (incremental fit index)	1.021	>0.90 (Hu & Bentler, 1999)
TLI (Tucker-Lewis coefficient)	1.034	>0.90 (Hu & Bentler, 1999)
RMSEA (root mean square error of approximation)	0.000	<0.08 (Hair et al., 2019)

The reliability and convergent validity measures for the constructs in SEM are shown in Table 23. The construct reliability and average variance extracted (AVE) values for the evaluated constructs provided insights into the internal consistency and convergent validity of the measurement items.

Table 23: Reliability and Convergent Validity - SEM

	Construct Reliability	Average Variance Extracted
Implement	0.775	0.562
Price	0.839	0.568
Product	0.578	0.412
Plan	0.710	0.461

In the case of the Implementation construct, the construct reliability stood at an acceptable level of 0.775, indicating acceptable internal consistency. The AVE for Implementation was deemed acceptable at 0.562, signifying that 56.2% of the variance in this construct was effectively explained by its constituent items, indicating a satisfactory level for convergent validity.

Moving on to the Pricing construct, it exhibited a noteworthy construct reliability of 0.839, denoting strong internal consistency in the measurement of pricing-related items. Additionally, the AVE for Pricing was acceptable at 0.568, meaning that 56.8% of the variability in pricing was captured by its constituent items, demonstrating satisfactory convergent validity.

In contrast, the Product construct displayed a construct reliability that was marginally acceptable at 0.578, indicating moderate internal consistency for the items associated with product-related aspects. The AVE for Product was somewhat lower at 0.412, suggesting that 41.2% of the variance in the product construct was explained by its items, indicating a moderate level of convergent validity.

For the Planning construct, a good construct reliability of 0.710 was observed, reflecting strong internal consistency among the items measuring planning-related aspects. The AVE for Planning was acceptable at 0.461, denoting that 46.1% of the variance in the planning construct was accounted for by its items, indicating satisfactory convergent validity.

In summary, the Implementation and Pricing constructs exhibited good reliability and acceptable convergent validity, the Product construct showed moderate levels of both, and the Planning construct demonstrated good reliability, but slightly lower convergent validity compared to the others. This assessment highlighted areas of strength and potential improvement in the measurement of these constructs within the structural equation model.

Table 24: Discriminant validity – SEM

	Implement	**Price**	**Product**	**Plan**
Implement	0.749			
Price	0.715	0.754		
Product	0.755	0.846	0.642	
Plan	0.790	0.824	0.813	0.679

According to Table 24, discriminant validity was not established because the shaded values should have been higher than their corresponding rows and columns. The SEM results reflected in Table 25 showed that pricing and implementation had a positive, significant relationship with business performance. These results were treated with caution because discriminant validity was not established. Regression and Partial Least Squares SEM were conducted to confirm the results.

Table 25: Regression Weights from SEM Analysis

			Estimate	S.E.	C.R.	P
Bus_Perform	<---	Price	0.624	0.299	2.086	0.037
Bus_Perform	<---	Product	-0.018	0.325	-0.056	0.955
Bus_Perform	<---	Plan	-0.056	0.302	-0.184	0.854
Bus_Perform	<---	Implement	0.383	0.190	2.014	0.044

4.7 Regression Analysis

4.7.1 *Ordinal Logistic Regression*

Logistic regression can be used for non-normal distribution but it is limited to studying one dependent variable at a time (Hair et al., 2019). In this study, the data is non-normally distributed and there is only one dependent variable i.e. business performance. This made ordinal logistic regression suitable for analysing the data.

The tests for model fit were summarised in
Table 26. The independent variables (Pricing, Product Development, Communication, Planning, and Implementation) were compared against Business Performance. The p-value of the model fit was <0.001, indicating a good fit. The p-values for Pearson and Deviance Chi-Square were greater than 0.05 indicating that the model fitted the data well. The test of parallel lines (p-value > 0.05) indicated that the test had not been violated and the parameter estimates in

Table 27: were validated. Ordinal regression was repeated after the exploratory factor analysis (EFA) resulting in an invalid test for parallel lines. Therefore, another model had to be used.

Table 26: Ordinal regression test for model fit

Test	Pre-EFA Value	Post-EFA Value	Acceptable value
Model fitting information	<0.001	<0.001	<0.05
Pearson Chi-Square	0.963	1.000	>0.05
Deviance Chi-Square	1.000	1.000	>0.05
Nagelkerke (Pseudo R-squared)	0.580	0.557	>0.5
Test of parallel lines	0.944	<0.001	>0.05

Table 27: Results of ordinal regression analysis

	Pre-EFA			Post-EFA		
Independent variables	**Estimate**	**Std. Error**	**Sig.**	**Estimate**	**Std. Error**	**Sig.**
Pricing	0.245	0.385	0.525	1.221	0.380	0.001
Prod_Dev	0.474	0.421	0.260	0.356	0.313	0.256
Communication	0.780	0.480	0.104	-	-	-
Planning	0.991	0.485	0.041	0.184	0.356	0.605
Implementation	0.342	0.466	0.463	0.708	0.360	0.050

4.7.2 *Partial Least Square Regression (PLS)*

Since the test for parallel lines resulted in a poor fit for the logistic regression analysis after EFA, Partial Least Squares (PLS) regression was used as an alternative to logistic regression for modelling the relationships.

The most striking result to emerge from the data was that Latent factor 1 could explain 73.9% of the variance in the independent variables (X) and 58.5% of the variance in the dependent variable (Y). This is illustrated in the table below.

Table 28: PLS Regression - Proportion of Variance Explained

Latent Factors	Statistics				
	X Variance	Cumulative X Variance	Y Variance	Cumulative Y Variance (R-square)	Adjusted R-square
1	0.739	0.739	0.585	0.585	0.579
2	0.076	0.815	0.016	0.601	0.588
3	0.091	0.906	<0.001	0.601	0.582
4	0.094	1.000	<0.001	0.601	0.575

The Variable Importance in the Projection (VIP) scores for each variable and latent factor combination are displayed in the table below. These scores indicated the contribution of each variable to the model for predicting the response variable (Business Performance.)

Table 29: PLS Regression - Variable Importance in the Projection

Variables	Latent Factors			
	1	2	3	4
Pricing	1.081	1.088	1.088	1.088

Implementation	1.017	1.009	1.009	1.009
Prod_Dev	0.933	0.934	0.934	0.934
Planning	0.962	0.963	0.963	0.963
Cumulative Variable Importance				

Variables with higher VIP scores were considered more important in explaining the variation in the response variables. Pricing held the highest importance which remained relatively constant across all latent factors, with scores around 1.081 to 1.088. The same pattern was observed for implementation, product development, and planning, i.e. their importance was consistent across all latent factors.

Table 30 shows the weights associated with each variable for different latent factors in a PLS regression analysis. These weights represent the contribution of each variable to the latent factors. From Table 28: PLS Regression - Proportion of Variance Explained, Latent factor 1 was shown to explain the largest proportion of the variance in X and Y. Therefore, Latent factor 1 in the Weights and Loadings table was considered as most relevant for this model.

Table 30: PLS Regression – Weights and Loadings

	Variables	**Latent Factors**			
		1	**2**	**3**	**4**
Weights	Pricing	**0.541**	0.649	0.162	-0.543
	Implementation	**0.509**	0.324	-0.136	0.781
	Prod_Dev	**0.466**	-0.481	0.689	0.094
	Planning	**0.481**	-0.496	-0.697	-0.306
	Bus_Performance	**0.446**	0.228	0.014	0.001
Loadings	Pricing	**0.508**	0.612	0.160	-0.557
	Implementation	**0.493**	0.309	-0.227	0.792
	Prod_Dev	**0.493**	-0.560	0.722	0.037

	Planning	**0.508**	-0.472	-0.640	-0.248
	Bus_Performance	**1.000**	1.000	1.000	1.000

Weights Table: For Latent Factor 1, the variables "Pricing," "Implementation," "Prod_Dev," "Planning," and "Bus_Performance" all exhibited relatively large weights. Larger weights suggest that these variables strongly contribute to the formation of Latent Factor 1.

The Loadings table provided a similar perspective. For Latent Factor 1, the loadings for each variable are also substantial. High loadings indicate a strong association between the variables and the latent factor.

4.7.3 *Summary*

The analysis involved two regression approaches: Ordinal Logistic Regression and Partial Least Squares (PLS) Regression.

Ordinal Logistic Regression was applied due to non-normal distribution and a single dependent variable (business performance). Model fit tests showed good fit (p-value < 0.001). Ordinal regression results indicated the significance of variables (Pricing, Product Development) in predicting business performance. Post-exploratory factor analysis (EFA) revealed invalid tests for parallel lines, necessitating a different model.

Partial Least Squares (PLS) Regression was subsequently chosen as an alternative to logistic regression after EFA. Latent Factor 1 explained a significant portion of the variance in both independent (X) and dependent (Y) variables. Variable Importance in the Projection (VIP) scores in Table 28 highlighted the importance of Pricing, Implementation, Product Development, and Planning. Weights and Loadings confirmed the relevance of Latent Factor 1, with substantial contributions from Pricing, Implementation, Product Development, and Planning.

In summary, PLS Regression, especially Latent Factor 1, emerged as a relevant model for explaining variance in both predictors and business performance, overcoming issues encountered in the Ordinal Logistic Regression post-EFA.

4.8 Partial Least Squares Structural Equation Modelling (PLS-SEM)

Partial Least Squares Structural Equation Modelling (PLS-SEM) was chosen during the proposal phase of this study for two key reasons. First, its suitability arises from the requirement of a smaller sample size, presenting a pragmatic option, especially considering the potential challenges associated with collecting a large dataset from insurers in South Africa. Second, PLS-SEM offers an advantage by not relying on the assumption of normally distributed data, a feature particularly pertinent to this study's context (Hair et al., 2019).

Table 31: Outer Loadings Matrix

	Business Performance	Communication	Implementation	Planning	Pricing	Product
Sales_Growth	0.899					
Sales_Vol	0.845					
Curr_Profit	0.845					
Profit_Growth	0.795					
Comm_1		0.863				
Comm_2		0.783				
Comm_3		0.784				
Comm_4		0.746				
Impl_1			0.901			
Impl_2			0.833			
Impl_3			0.853			
Impl_4			0.872			
Impl_5			0.775			
Plan_1				0.782		
Plan_2				0.820		
Plan_3				0.856		
Plan_4				0.834		

Plan_5				0.662		
Pricing_1					0.856	
Pricing_2					0.828	
Pricing_3					0.873	
Pricing_5					0.807	
Prod_Dev_1						0.818
Prod_Dev_2						0.807
Prod_Dev_3						0.819
Prod_Dev_4						0.735
Prod_Dev_5						0.737

The outer loadings represent the strength of the relationship between each indicator (manifest variable) and its associated latent construct in your model. Higher loadings indicate a stronger relationship. All factor loadings (except for Plan_5) were greater than 7 indicating acceptable item reliability.

Table 32: Model fit – Partial Least Squares Structural Equation Modelling

	Cronbach's alpha	Composite reliability (CR)	Average variance extracted (AVE)
Business Performance	0.869	0.885	0.717
Communication	0.805	0.805	0.632
Implementation	0.903	0.926	0.719
Planning	0.851	0.857	0.630
Pricing	0.862	0.869	0.708
Product	0.843	0.848	0.615
Acceptable values (Hair et al., 2019)	>0.70	>0.70	>0.50

The goodness of fit measures used earlier in CFA and SEM do not apply to PLS-SEM (Hair et al., 2019).

The Cronbach's alpha and Composite reliability scores for all constructs were above 0.70 which implied acceptable Construct Reliability and Convergent Validity.

Table 33: Discriminant validity - Partial Least Squares Structural Equation Modelling

	Business Performance	Communication	Implementation	Planning	Pricing	Product
Business Performance	**0.847**					
Communication	0.641	0.**795**				
Implementation	0.679	0.779	**0.848**			
Planning	0.717	0.742	0.807	**0.794**		
Pricing	0.708	0.714	0.680	0.716	**0.841**	
Product	0.703	0.711	0.707	0.750	0.748	**0.784**

For discriminant validity, the square roots of AVE values (in bold) were compared with the correlations in the matrix. Discriminant validity was supported because the correlation between any two constructs is lower than the square root of the AVE for each of those constructs.

Since validity and reliability requirements have been established, this provided a green light for proceeding with the hypothesis testing using Partial Least Squares Structural Equation Modelling. The path diagram is shown in Figure 11 and was modelled in AMOS.

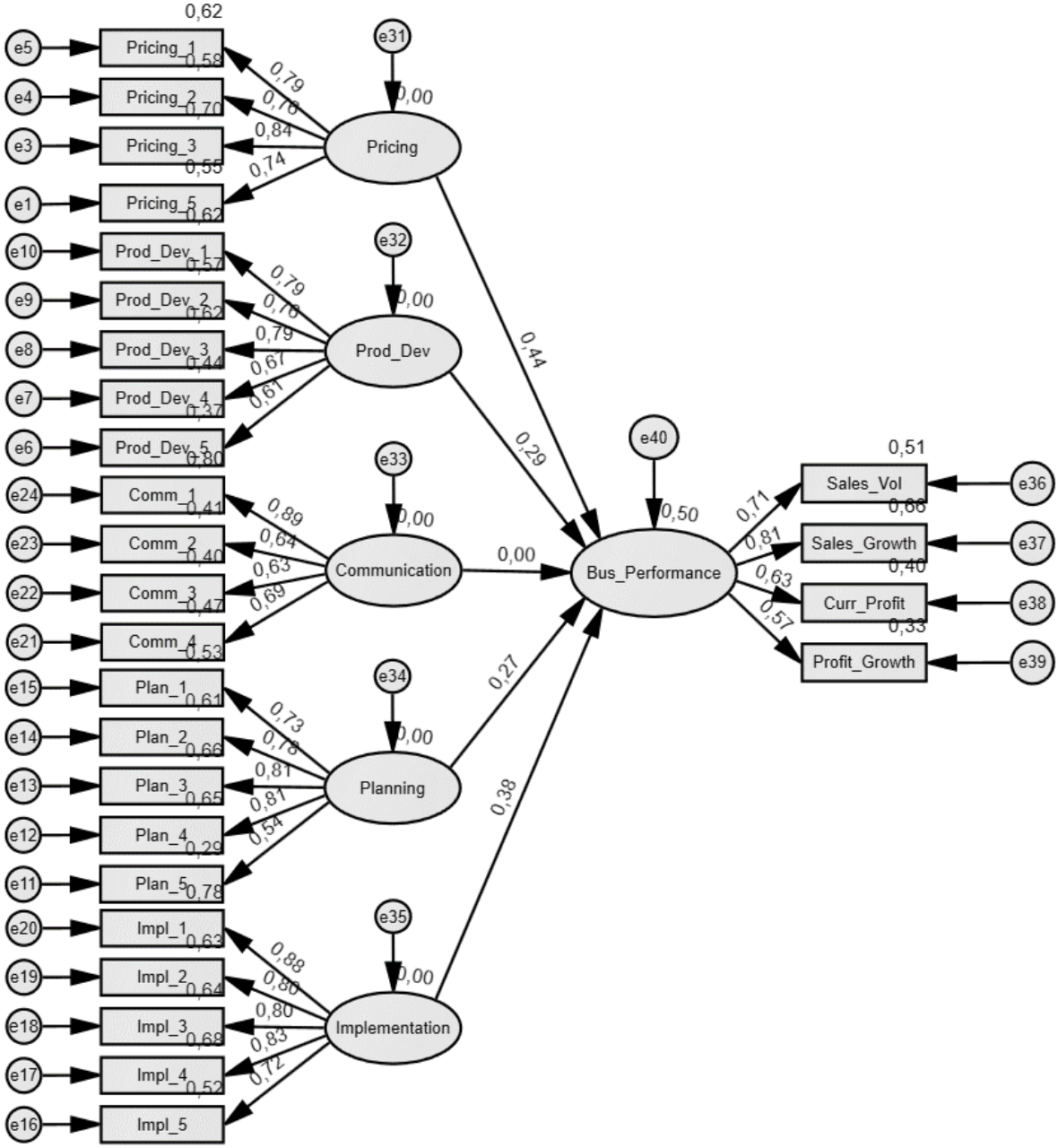


Figure 11: Path diagram for Partial Least Squares Structural Equation Modelling

The regression weights for the paths in PLS-SEM analysis are summarised in the table below. These weights indicate the strength and direction of the relationships between the latent variables. According to the summary of results in Table 34, the paths from

Business Performance to Pricing, Product Development, Planning, and Implementation were statistically significant at significance levels ($p < 0.05$). However, the path to Communication was not statistically significant.

Table 34: Regression Weights: – Partial Least Squares Structural Equation Modelling

			Estimate	S.E.	C.R.	P
Bus_Performance	<---	Pricing	0.272	0.085	3.181	0.001
Bus_Performance	<---	Product Development	0.274	0.125	2.195	0.028
Bus_Performance	<---	Communication	-0.003	0.099	-0.027	0.978
Bus_Performance	<---	Planning	0.316	0.158	1.995	0.046
Bus_Performance	<---	Implementation	0.309	0.108	2.853	0.004

4.9 Summary of the analysis results

The surveyed organisations in the non-life insurance sector in South Africa demonstrated a diverse composition, with a substantial presence of large insurers in higher revenue brackets. Most of these organisations have been operating for more than 20 years, suggesting a well-established and possibly mature set of companies, while the duration of social media marketing usage reveals a significant proportion with over 5 years of experience, indicative of a mature understanding and likely a well-developed strategy in the digital marketing domain. The analysis of business characteristics, including distribution channels, class of business covered, and organisational capabilities in pricing, product development, communication, planning, implementation, and business performance, portrays a comprehensive picture of a mix of well-established and newer entities contributing to a thorough understanding of the social media landscape in the South African non-life insurance sector.

In the analysis, normality tests were conducted for the means of responses, revealing that the data for pricing, product development, communication, planning,

implementation, and business performance was not normally distributed. Attempts to normalise through log transformations were unsuccessful. Subsequently, Spearman's rho analysis and ordinal regression were employed due to the non-normal distribution. The results indicated statistically significant positive correlations between all capability subscales and business performance. The ordinal regression confirmed the predictive significance of pricing, product development, communication, and implementation, supporting positive relationships with business performance.

Factor analysis revealed that the dataset was suitable, and exploratory factor analysis identified four components explaining 66% of the variance. Confirmatory factor analysis validated the model, exhibiting good fit indices. Structured Equation Modelling (SEM) was then conducted, which provided a model with a good fit and explained 78% of the variation. However, discriminant validity was not established. Partial Least Squares Structural Equation Modelling was chosen for its suitability with a smaller sample size and non-normally distributed data.

The results of the Partial Least Squares Structural Equation Modelling (PLS-SEM) indicated the impact of various factors on business performance in the South African non-life insurance sector. Pricing and product development exhibited significant positive effects on business performance, with estimated weights of 0.272 and 0.274, respectively. Communication, however, showed a negligible impact (estimated weight close to zero, p-value of 0.978), suggesting it did not significantly predict business performance. Planning demonstrated a meaningful positive effect with an estimated weight of 0.316 and a p-value of 0.046. Similarly, Implementation significantly influenced business performance, with an estimated weight of 0.309 and a low p-value of 0.004.

CHAPTER 5. DISCUSSION AND FINDINGS

5.1 Introduction

This chapter takes a closer look at how social media capabilities impact business performance in the insurance sector. The study explores the relationships between the various social media marketing capabilities, namely pricing, product development, marketing communication, planning, and implementation, shedding light on their impacts on each other. Based on well-established literature and theoretical frameworks, this discussion provides a definitive understanding of how social media capabilities shape business performance in the insurance industry.

Additionally, the chapter explores causal relationships among these capabilities, uncovering the interconnected nature of their system dynamics. The results offer valuable insights and recommendations to navigate the turbulent landscape of social media strategies in the insurance domain, contributing to the broader conversation on marketing and insurance research.

5.2 Summary of the results

The study examined the non-life insurance sector in South Africa, revealing a diverse landscape with a significant presence of large insurers operating for over two decades. The duration of social media marketing usage among surveyed organisations indicates a mature understanding and well-developed strategies in the digital marketing domain. Studying aspects like how businesses distribute their products, the types of products they offer, and their overall capabilities gives a detailed view of both long-standing and newer companies in the South African non-life insurance sector. The data, non-normally distributed, underwent Spearman's rho analysis and ordinal regression, revealing statistically significant positive correlations between capability subscales (pricing, product development, communication, planning, and implementation) and business performance. Factor analysis identified four components and confirmatory factor analysis validated the model with good fit indices.

Structured Equation Modelling explained 78% of the variation but failed to establish discriminant validity.

Partial Least Squares Structural Equation Modelling, chosen for its suitability with a smaller sample and non-normally distributed data, resulted in a better model fit. The PLS-SEM results highlighted that Pricing and Product Development positively and significantly influenced business performance. Communication exhibited a negligible impact while Planning and Implementation demonstrated meaningful positive effects, both significantly predicting business performance.

A summary of all the hypothesis testing was organised in Table 35.

Table 35: Summary of the hypothesis testing

Hypothesis		Spearman's Rho	Ordinal Regression (pre-EFA)	Ordinal Regression (post-EFA)	Partial Least Squares Regression	Structural Equation Modelling	Partial Least Squares Structural Equation Modelling
H1	social media pricing capability → business performance	Supported	Not supported	Supported	Supported	Supported	Supported
H2	social media product development capability → business performance	Supported	Not supported	Not supported	Supported	Not supported	Supported
H3	social media marketing communication capability → business performance	Supported	Not supported	-	-	-	Not supported
H4	social media planning capability → business performance	Supported	Supported	Not supported	Supported	Not supported	Supported
H5	social media implementation capability à business performance	Supported	Not supported	Supported	Supported	Supported	Supported

5.3 Social media pricing capability and business performance (H1)

Theoretical Foundation:

Pricing capability is defined as an organisation's ability to set competitive prices while monitoring market changes and competitors' strategies (Chahal & Kaur, 2014; Tarsakoo & Charoensukmongkol, 2019; Vorhies & Morgan, 2005). Monitoring changes in the market and adapting pricing accordingly is crucial for staying competitive. In marketing, innovative pricing methods, including adaptive pricing and differential pricing, can provide a significant advantage in the market (Quaye & Mensah, 2019).

Empirical Evidence:

Although Tarsakoo and Charoensukmongkol (2019) did not reveal any significant relationship between pricing and business performance, the context is crucial, as their study focused on businesses offering similar prices for their products or services. However, previous research has supported this hypothesis and demonstrated that pricing can contribute to increased sales conversion rates and offer a sustainable competitive advantage (Hu & Tracogna, 2020; Munizu et al., 2024; Quaye & Mensah, 2019).

Hypothesis and Statistical Support:

It was hypothesised that there is a positive relationship between social media pricing capability and business performance. The p-value of 0.001 provides statistical significance, supporting the hypothesis and confirming the results of Hu and Tracogna (2020) and Quaye and Mensah (2019).

This suggests that organisations with strong social media pricing capabilities are likely to experience improved business performance. The integration of multiple studies adds support for this conclusion, demonstrating consistency across different contexts and research methodologies. This study aligns with the recent insights from the

research conducted by Munizu et al. (2024) which found that pricing had a significant impact on business performance.

Conclusion:

The findings indicate a positive relationship between social media pricing capability and business performance, with a statistically significant p-value of 0.001. This supports the hypothesis that effective social media pricing strategies enhance business performance. Previous studies (Hu & Tracogna, 2020; Quaye & Mensah, 2019) align with these findings, demonstrating that adaptive and innovative pricing methods can provide a competitive advantage and increase sales conversion rates.

5.4 Social media product development and business performance (H2)

Theoretical Foundation:

Product development is defined as the process of creating and adjusting products and services to meet the changing needs of the market (Santos-Vijande et al., 2012). Previous studies have confirmed that an organisation's product development capability has a positive relationship with business performance and creates a sustainable competitive advantage (Quaye & Mensah, 2019; Tarsakoo & Charoensukmongkol, 2019).

Empirical Evidence:

To stay ahead in the market, organisations must constantly strive to innovate and improve their products. Introducing new and innovative product designs, offering a diverse range of products, extending product lifespan, and ensuring customer satisfaction are highlighted as strategic approaches to gaining a competitive edge (Forghani et al., 2022; Quaye & Mensah, 2019).

Hypothesis and Statistical Support:

It was hypothesised that there is a positive relationship between social media product development and business performance. The p-value of 0.028 provides statistical significance, supporting the findings of Quaye and Mensah (2019) and Tarsakoo and Charoensukmongkol (2019).

This highlights the importance of social media in the product development process. The consistency of findings across various studies supports the conclusion, emphasising the applicability of the relationship between social media product development and business performance. This study is in line with recent findings from the research by Munizu et al. (2024), emphasising a significant influence of product quality on business performance.

Conclusion:

The results show a statistically significant positive relationship between social media product development and business performance, with a p-value of 0.028. This confirms the hypothesis that strong product development capabilities lead to improved business performance. Supporting literature (Quaye & Mensah, 2019; Tarsakoo & Charoensukmongkol, 2019) emphasizes the importance of continuous product innovation and diversification in achieving competitive advantage and enhancing business outcomes.

5.5 Social media marketing communication capability and business performance (H3)

Theoretical Foundation:

Previous studies emphasise the importance of an organisation's ability to effectively meet its customers' communication needs (Maichel-Guggemoos & Wagner, 2017; Ritter, 2006). This foundation supports that effective communication is a crucial aspect of organisational success.

Empirical Evidence:

Contrary to the theoretical foundation, Falahat et al. (2020) and Tarsakoo and Charoensukmongkol (2019) did not find any relationship between communication and business performance. However, Maichel-Guggemoos and Wagner (2017) offer a compelling counterargument by emphasising the strategic importance of communication with customers through online platforms and telephonic means. In their study, Maichel-Guggemoos and Wagner (2017) shed light on the transformative power of digital communication methods in reducing operating costs and elevating profitability.

Hypothesis and Statistical Support:

It was hypothesised that there is a positive relationship between social media marketing communication and business performance. Although it is a crucial aspect of an organisation's ability to maintain customer satisfaction (Tarsakoo & Charoensukmongkol, 2019), a p-value of 0.978 does not support this hypothesis. However, this study does confirm the results of Falahat et al. (2020) and Tarsakoo and Charoensukmongkol (2019) indicating a consistent trend across different research contexts.

The discrepancy between theoretical expectations and observed outcomes could be attributed to several factors such as the insurance industry dynamics and competitive landscape, and may be unique to emerging markets such as South Africa and Thailand.

Conclusion:

The hypothesis that social media marketing communication capability positively impacts business performance was not supported, with a p-value of 0.978. This finding is consistent with the results of Falahat et al. (2020) and Tarsakoo and Charoensukmongkol (2019), which also found no significant relationship. The discrepancy between theoretical expectations and observed outcomes may be influenced by industry-specific factors and competitive dynamics unique to emerging markets.

5.6 Social media marketing planning capability and business performance (H4)

Theoretical Foundation:

Social media marketing planning capability refers to an organisation's competence in developing strategies for social media marketing while carefully allocating resources for their successful implementation (Tarsakoo & Charoensukmongkol, 2019). The theoretical foundation rests on the argument that a well-structured and resource-efficient approach to social media marketing planning contributes significantly to an organisation's overall business performance.

Empirical Evidence:

The empirical evidence presented in previous research studies confirms that social media planning capability has a significantly positive relationship with business performance (Anyadighibe et al., 2021; Chahal & Kaur, 2014; Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019). These studies collectively confirm a significantly positive relationship between social media planning capability and business performance. The consistency of these findings across diverse studies adds weight to the argument that effective social media marketing planning plays a crucial role in enhancing business performance.

Hypothesis and Statistical Support:

It was hypothesised that there is a positive relationship between social media marketing planning capability and business performance. The statistical analysis, reflected in a p-value of 0.046, provides support for this hypothesis and support the findings of Anyadighibe et al. (2021), Tajvidi and Karami (2021), and Tarsakoo and Charoensukmongkol (2019). The alignment of this study's results with previous studies supports this conclusion, showing that the trends hold true in various countries, cultures and contexts. Therefore, the current literature strongly supports the conclusion that effective social media marketing planning plays a significant role in enhancing business performance across different settings.

Conclusion:

The hypothesis that social media marketing implementation capability positively impacts business performance is supported, with a p-value of 0.004. This indicates a strong positive relationship, consistent with prior research (Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019; White et al., 2003). Effective implementation of marketing strategies is crucial for achieving higher business performance, particularly in the insurance sector.

5.7 Social media marketing implementation capability and business performance (H5)

Theoretical Foundation:

The foundation of this study lies in the concept of implementation capability, as defined by White et al. (2003). It emphasises an organisation's proficiency in effectively carrying out, managing, and assessing its marketing strategy.

Empirical Evidence:

Research demonstrated that companies exhibiting exceptional implementation capability achieve significantly higher levels of business performance (Chahal & Kaur, 2014; Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019; White et al., 2003). Specifically for insurance, the capability to successfully implement the organisation’s marketing strategies will lead to higher levels of sales in the future (Anyadighibe et al., 2021).

Hypothesis and Statistical Support:

It was hypothesised that there is a positive relationship between social media marketing implementation with business performance. This hypothesis is supported by a p-value of 0.004, indicating a statistically significant positive relationship between social media marketing implementation and business performance. These findings are

strongly supported by the current and previous literature (Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019; White et al., 2003).

5.8 Causal relationships

Confirmatory Factor Analysis was used to study the causal relationships of the independent variables. The analysis, illustrated in Table 36, revealed strong positive correlations between Pricing and Product Development, Pricing and Planning, Pricing and Implementation, and Pricing and Communication. Similarly, substantial positive correlations were observed between Product Development and Planning, Product Development and Implementation, Product Development and Communication, Planning and Implementation, Planning and Communication, and Implementation and Communication.

Gonçalves et al. (2022) identified a positive link between planning and pricing capabilities, asserting that enhancing planning is crucial when competitors improve pricing. Falahat et al. (2020) suggested that while boosting business performance through product development is feasible, pricing capability is essential for leveraging product initiatives. Additionally, Gonçalves et al. (2022) highlighted a positive correlation between planning and product development capabilities, emphasising the importance of regular planning to align products with strategic goals and adapt to market changes. In a separate study, Durgam (2018) discovered causal relationships in organisations allocating resources to social media communication for customer insights and enhanced product development in the Western world.

Table 36: Causal relationships

			Correlation coefficient estimate	Observation
Price	<-->	Product	0.849	There is a strong positive correlation between Pricing and Product Development, suggesting that as one variable increases, the other tends to increase as well.
Plan	<-->	Price	0.823	A strong positive correlation exists between Pricing and Planning, indicating a tendency for both variables to increase together.
Price	<-->	Implement	0.717	There is a strong positive correlation between Pricing and Implementation, suggesting a concurrent increase in both variables.
Plan	<-->	Product	0.811	Strong positive correlation between Product Development and Planning, suggesting a tendency for both variables to increase together.
Plan	<-->	Implement	0.793	There is a strong positive correlation between Planning and Implementation, indicating a positive relationship.
Implement	<-->	Product	0.755	There is a strong positive correlation between Product Development and Implementation, indicating a positive relationship.

These findings suggest a consistent positive association between the examined constructs, emphasising that changes in one construct tend to be positively associated with changes in others.

5.9 Alignment to the Resource-Based View model

The Resource-Based View theoretical framework guided this research process. The results of this study align closely with the principles of the RBV model, which emphasises the strategic importance of internal resources and capabilities in achieving a sustainable competitive advantage (Barney, 1991; Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019).

Pricing Capability (H1): This study supports RBV by showing that when insurance companies are good at pricing on social media, it helps their overall performance. Insurance companies can keep investing in smart tools and strategies for pricing, following RBV's idea of using special and valuable things to gain a competitive advantage (Barney, 1991).

Product Development Capability (H2): RBV says that being good at adapting and creating new things (like products) helps a business stay competitive (Barney, 1991). Insurers can utilise customer feedback and agile methodologies, emphasising the dynamic capabilities aspect of RBV, to continuously adjust and create new products (Rodríguez Gutiérrez et al., 2022). Thus, the positive relationship between social media product development capability and business performance aligns with RBV principles.

Marketing Planning Capability (H4): RBV emphasises the identification of unique and valuable resources that are difficult for competitors to imitate (Barney, 1991). An organisation's Marketing Planning Capability becomes a key internal resource when it is characterised by unique processes, knowledge, and skills that are not easily replicated by competitors. This aligns with the established marketing literature that highlights the importance of the planning capability in gaining a competitive edge and achieving positive business performance outcomes (Tarsakoo & Charoensukmongkol, 2019).

Marketing Implementation Capability (H5): The positive relationship aligns with RBV's emphasis on the effective implementation of strategies as a valuable and potentially rare capability (Barney, 1991). To enhance Implementation Capability, insurers can continue investing in tools and resources that streamline social media activities, aligning with RBV's focus on leveraging internal capabilities for competitive advantage (Mohammedhussen & Abdulnasir, 2020).

Causal Relationships: The strong positive correlations suggest a cohesive and interconnected system of capabilities, echoing RBV principles of leveraging internal resources for sustained competitive advantage (Barney, 1991; Durgam, 2018). Forming cross-functional teams, as suggested, aligns with RBV's emphasis on integrating and leveraging internal resources collectively.

This study's findings support the selection of the RBV theoretical framework by highlighting the strategic importance of internal capabilities and resources in achieving

a competitive advantage in the context of social media marketing within the insurance industry.

5.10 Conclusion

This study investigated various social media capabilities in the context of non-life insurance companies and their impact on business performance. The results supported several hypotheses:

Social Media Pricing Capability (H1): The analysis confirmed a positive relationship between social media pricing capability and business performance, aligning with marketing literature emphasising the advantage of innovative pricing methods and their contribution to increased sales conversion rates and sustainable competitive advantages.

Social Media Product Development Capability (H2): The study found a positive relationship between social media product development capability and business performance. This aligns with established concepts in marketing literature, emphasizing the significance of product development in creating a competitive edge and contributing to positive business performance.

Social Media Marketing Communication Capability (H3): Similar to previous studies not finding a relationship, the analysis did not support a positive connection between social media marketing communication capability and business performance.

Social Media Marketing Planning Capability (H4): The study found a positive relationship between social media marketing planning capability and business performance. This finding was supported by previous research.

Social Media Marketing Implementation Capability (H5): The analysis supported a positive relationship between social media marketing implementation capability and business performance. This aligns with the broader marketing literature highlighting the significance of effective strategy implementation for achieving higher levels of business performance.

Additionally, the study explored causal relationships among the independent variables, revealing robust positive correlations between social media pricing, product development, planning, implementation, and communication capabilities. These findings suggest that changes in one capability are positively associated with changes in others, emphasizing the interconnected nature of these constructs.

Overall, the study provides valuable insights into the specific social media capabilities that impact business performance in the insurance sector, offering nuanced perspectives that contribute to the existing body of knowledge in marketing and insurance research.

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

6.1 Introduction

This concluding chapter serves as a comprehensive overview of the research objectives, presenting practical implications derived from the significant hypotheses regarding social media capabilities and their influence on business performance. The findings offer insights into the connections among social media capabilities and their impact on business performance.

The chapter culminates with an exploration of causal relationships, unveiling robust positive correlations between different constructs, and underscoring the interconnected nature of social media capabilities. Subsequent sections address the study's limitations, propose avenues for future research, and articulate the contribution of the research to both theoretical and empirical knowledge. Importantly, practical recommendations tailored for businesses operating in the South African landscape are provided.

To recap, this study was directed by the subsequent specific objectives:

1. To examine the influence of pricing capability and business performance
2. To examine the influence of product development and business performance
3. To examine the influence of marketing communication and business performance
4. To examine the influence of marketing planning capability and business performance
5. To examine the influence of marketing implementation on business performance

6.2 Conclusions regarding the research objectives

In this analysis, various hypotheses related to social media capabilities and their impact on business performance were examined. The following findings provide valuable insights into the relationships between different social media capabilities and business performance metrics:

H1: Social Media Pricing Capability was found to have a positive relationship with business performance,

H2: Social Media Product Development was found to have a positive relationship with business performance,

H3: Social Media Marketing Communication Capability was shown to have no significant association with business performance, thus suggesting a need for further exploration,

H4: Social Media Marketing Planning Capability was found to have a positive relationship with business performance,

H5: Social Media Marketing Implementation Capability was found to have a positive relationship with business performance, and

Confirmatory Factor Analysis revealed robust positive correlations between various constructs, indicating that changes in one construct are positively associated with changes in others. Strong positive correlations were observed between Pricing and Product Development, Planning, and Implementation, emphasising interconnectedness. These findings reinforce the importance of considering the holistic impact of social media capabilities on business performance.

6.3 Limitations and future studies

6.3.1 *Limited Sample Size*

Limited Sample Size: Overcoming constraints related to the study's scope and participant restrictions posed a significant challenge in obtaining a sufficiently large sample. Cochran's formula suggested an ideal sample size of 317; however, only 68 usable responses were ultimately gathered. The survey was designed to gather insights from professionals in the non-life insurance sector with a deep understanding of their organisation's pricing, product, and marketing strategies. However, due to the specificity of this knowledge requirement, the response rate was lower, as not everyone in the broad audience had this in-depth information about their organisation's strategies.

The limitations of a small sample size in the study could have several implications:

Limited Generalisability: With only 68 usable responses, generalising the results to a larger audience might be challenging, as the sample may not accurately reflect the diversity and variability present in the entire population.

Difficulty in Establishing Causation: A smaller sample size did result in lower statistical power, due to the non-normal data distribution. A small sample may lack the statistical power needed to draw meaningful conclusions about cause-and-effect relationships between variables.

Increased Sampling Error: The smaller the sample, the higher the likelihood of sampling error. A larger sample size usually helps minimise this error, providing more reliable and precise estimates.

To mitigate these limitations, a bootstrapping resample technique recommended by Hair et al. (2019) was applied to the analysis in AMOS to improve the significance of the sample size. Future studies should replicate the current study with a larger sample size, adhering to the ideal sample size recommended by Cochran's formula.

6.3.2 *Non-normal distribution*

The survey data was found to have a non-normal distribution which introduced several limitations.

Statistical Assumptions: Many parametric statistical tests, for example, tests such as t-tests or analysis of variance (ANOVA) could not be conducted reliably with non-normally distributed data.

Validity of Inferential Statistics: The validity of inferential statistics, such as confidence intervals and hypothesis tests, could be compromised due to non-normally distributed data.

Difficulty in Modelling: The reliability of statistical models, such as linear regression and structural equation modelling, that assume the normality of residuals, could be affected by non-normal data. This can lead to biased parameter estimates and unreliable predictions.

To address these limitations, ordinal regression and Partial Least Squares, which do not assume the normality of residuals were therefore used to further confirm the hypotheses. The bootstrapping technique also mitigated the impact of the shape distribution.

6.3.3 *Cross-loading*

The presence of a high degree of cross-loading was detected from the exploratory factor analysis (EFA) which could introduce several limitations. Cross-loading occurs when an item exhibits significant loadings on more than one component as shown in Table 15.

Difficulty in Construct Definition: Cross-loading items created difficulties in defining and conceptualising the latent constructs being measured by the factors. To maintain the construct reliability, only the highest cross-loading item per component was removed before performing the Confirmatory Factor Analysis (CFA). The CFA had to be

conducted with a significant number of cross-loaded items. This reduced the reliability and validity of the CFA and SEM.

Reduced Discriminant Validity: High cross-loadings did contribute to a lack of discriminant validity between factors (Table 19). Discriminant validity is crucial for demonstrating that the factors represent distinct and separate constructs. The prominent cross-loading made it harder to establish that the factors were measuring unique aspects of the phenomenon under investigation. Since discriminant validity was not established, the results of the structured equation model were not validated.

A challenge in Construct Validation: Construct validation (Table 17) involves demonstrating that the measurement instrument accurately assesses the intended constructs. Cross-loading items could complicate the validation process, making it harder to establish the convergent and discriminant validity necessary for robust construct validation.

To address these limitations, confirmatory factor analysis (CFA) was used to assess and confirm the structure of the constructs. Future studies should consider revising survey questions by refining or eliminating items that contribute to cross-loading.

6.3.4 *Other future studies*

Since social media marketing strategies are evolving a longitudinal study designed to track changes over time, collecting data from similar participants at multiple points. This could involve assessing how organisations evolve in terms of pricing, product development, planning, implementation, and communication capabilities and their subsequent impact on the sales conversion KPIs. This approach would help capture changes and trends, providing a more comprehensive understanding of the relationship.

Since the in-depth knowledge regarding pricing, product and marketing resides with a few individuals in the industry, conducting qualitative follow-up interviews or focus groups with some of these key participants to gain a deeper understanding of the

quantitative findings would allow for a deeper exploration of the perceptions, experiences, and challenges encountered.

Based on the result that a relationship between social media marketing communication capability and business performance was not supported, there is an opportunity for further research to deepen the understanding of the role of social media marketing communication in contributing to overall business performance.

The insights gained from the alignment of social media marketing capabilities with key performance indicators (KPIs) provide a foundation for future research and practical applications. Future studies could investigate how external factors, such as economic conditions or regulatory changes, influence the alignment of social media marketing capabilities with KPIs.

6.4 Contribution of the Study

This study bridges theoretical and empirical gaps by not only advancing academic knowledge but also offering practical insights that can directly benefit businesses operating in the South African landscape.

6.4.1 *Theoretical Significance:*

This study enhances the existing body of knowledge by incorporating a South African perspective into a well-established framework originally designed for the Asian market. The expansion not only adds to the global applicability of the Tarsakoo and Charoensukmongkol (2019) framework but also establishes a foundation for further research in this area.

The study presents a comprehensive analysis of the system dynamics inherent in social media marketing capabilities. Through a detailed review of the interactions between pricing, product development, communication, planning, and implementation, it offers valuable insights that enhances the understanding of the dynamic nature of

social media marketing strategies. This study provides a deeper understanding of the complexity involved in executing successful social media marketing campaigns.

Identifying best practices: The study identified best practices for social media marketing in the South African context.

6.4.2 *Empirical Significance:*

Practical recommendations for businesses: The research provide actionable and context-specific recommendations for businesses operating in South Africa, enabling them to optimise their social media marketing capabilities. This practical guidance supports businesses in enhancing their online presence, improving customer engagement, and driving more effective sales conversion.

Identification of key success factors: By pinpointing the key success factors for social media marketing in South Africa, the study offers businesses a strategic focus. This identification allows businesses to allocate resources and efforts to areas with the greatest potential for success, ultimately improving their overall marketing outcomes.

6.5 Recommendations for application

Considering the model's proven validity, the crucial question emerges: how can organisations effectively leverage its practical applications? Within this section, seven vital recommendations are presented, shedding light on the tangible ways in which the model can be applied for real-world benefit.

1. To optimise Social Media Pricing capability, insurers should utilise data analytics to continuously monitor market changes and competitor pricing strategies. Insurers can also use technology such as telematics devices and apps to create compelling value propositions with innovating pricing based on driver behaviour (Maichel-Guggemoos & Wagner, 2017).

2. To enhance Social Media Product Development capability, insurers need to invest in research and development that uses insights from social media platforms to create new product designs, offer variety, extend product life, and enhance customer satisfaction (Forghani et al., 2022; Quaye & Mensah, 2019). Husain and Sharma (2023) recommend the use of Opensource Intelligence Techniques (OSINT) for data mining and analysis.
3. To improve Social Media Marketing Communication capability, insurers need to strengthen their online communication channels to reduce operating costs and enhance profitability (Maichel-Guggemoos & Wagner, 2017). They should also Implement targeted communication strategies based on customer segmentation and utilise social media platforms for effective communication during critical stages, such as claims processing.
4. To improve their planning capability, insurers need to use metrics such as engagement rates, click-through rates, and conversion rates to inform future planning decisions and explore the integration of customer relationship management (CRM) systems with social media planning tools.
5. To optimise Social Media Marketing Implementation capability insurers must enhance their organisational proficiency in executing and managing social media marketing strategies. This can be achieved by investing in training programs to develop the skills required for effective social media implementation monitoring and assessing the performance of implemented strategies and making data-driven adjustments as needed.
6. To practically improve the identified causal relationships between key constructs (Pricing, Product Development, Planning, Implementation, and Communication), insurers should form cross-functional teams that include members from pricing, product development, planning, implementation, and communication departments.
7. Social media marketing capabilities need to be aligned with the Key Performance Indicators (KPIs) in the Marketing Funnel. The goal of funnel analysis is to identify areas of improvement in the customer journey and make data-driven decisions to improve website performance (Stokes, 2018). The alignment of pricing, product development, planning, implementation, and

communication capabilities with key performance indicators (KPIs) is crucial for organisations aiming to enhance their overall business performance:

a. Pricing Capability KPI: Cost per Acquisition (CPA): Competitive pricing and innovative pricing strategies can influence the cost of acquiring a new customer. Monitoring competitors' pricing through social media channels and adjusting pricing strategies accordingly can impact the CPA.
b. Product Development Capability KPI: Click-through Rate (CTR): Introducing new product designs, enhancing variety, and extending product life can generate interest and engagement. Higher CTR indicates effective engagement with new product offerings.
c. Planning Capability KPI: Cost per Mille (CPM): Effective planning in social media marketing can optimise the cost of displaying advertisements to a thousand viewers. Strategic planning ensures efficient resource allocation and cost management.
d. Implementation Capability KPI: Cost per Click (CPC): Proficient implementation of marketing strategies can influence the cost advertisers pay when someone clicks on their ad. Streamlining implementation processes and utilising tools for scheduling and monitoring contribute to cost-effective CPC.
e. Communication Capability KPI: Engagement Metrics (e.g., likes, shares, comments): Clear and effective communication through online channels can enhance customer engagement. Monitoring and responding promptly to customer interactions on social media platforms contribute to positive engagement metrics.

These alignments emphasise the interconnected nature of capabilities and KPIs. Insurers with strong pricing strategies, innovative product development, effective planning, seamless implementation, and clear communication are likely to impact key metrics positively, ultimately contributing to improved business performance. It highlights the importance of a holistic and integrated approach to social media marketing capabilities to achieve optimal results.

6.6 Conclusion

This study examined the impact of various social media capabilities on business performance within the South African non-life insurance sector. The findings revealed that social media pricing, product development, marketing planning, and implementation capabilities positively influence business performance. However, no significant relationship was found between social media marketing communication capability and business performance.

The research highlights the interrelation of these capabilities, highlighting the importance of a holistic approach to social media strategy. Practical recommendations for businesses include leveraging data analytics for pricing, investing in R&D for product development, enhancing communication channels, and aligning social media efforts with key performance indicators.

Limitations such as a small sample size and non-normal data distribution were addressed through statistical techniques like bootstrapping and Partial Least Squares. Future research should focus on larger samples and longitudinal studies to further validate these findings.

This study contributes to the theoretical and empirical understanding of social media marketing, offering valuable insights and practical strategies for enhancing business performance in the insurance sector.

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APPENDIX A: LETTER OF INTENT TO CONDUCT RESEARCH

Good day

My name is Sanjeev Datadin. I am a Masters student in Management at the University of the Witwatersrand. Johannesburg. My supervisor is Prof. Nixon Ochara. I am conducting a research study about social media marketing. The study title is Influence of Social Media Marketing Capabilities on Business Performance: A Case Study of the Non-Life Insurance Products in South Africa.

I am inviting you to take part in this survey. If you decide to take part. your participation in this research study will last about 15 minutes. Please note that your participation is voluntary, and you can withdraw at any time. Your responses will be kept anonymous. The research is for academic purposes only and all the information obtained will be kept confidential.

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

You do not have to answer any questions if you do not want to. You will not get any direct benefits if you choose to join the research study. You will not lose any services, benefits, or rights you would normally have if you decided not to join. Taking part in the research study will not cost you anything. You will not be paid for being in this research study.

This research study will be written up as a research report. The report will be available on the university library website. If you would like to receive a summary of this report, I will be happy to send it to you.

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

Yours sincerely,

Sanjeev Datadin

Researcher:

Sanjeev Datadin (email: 2502347@students.wits.ac.za)

Supervisor:

Prof Nixon Ochara (email: Nixon.Ochara@wits.ac.za)

APPENDIX B: CONSENT FORM

Title of project: **Influence of Social Media Marketing Capabilities on Business Performance: A Case Study of the Non-Life Insurance Products in South Africa**

Name of researcher: Sanjeev Datadin

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

I agree to the following:

The research study was explained to me. I understand what this study is about.

□YES □NO

I understand that I can volunteer to take part in the study.

□YES □NO

I agree that direct quotations from my survey responses may be used by the researcher in their research report.

□YES □NO

I agree that my participation will remain anonymous (my name or other identifying data) and will not be used by the researcher in their research report.

□YES □NO

I agree that other researchers may use the information I provide in my survey responses (depending on their own ethics clearance being obtained) but my name and any personal information will not be used or passed on.

□YES □NO

..... (signature)

..... (name of participant)

..... (date)

..... (signature)

..... (name of researcher/person seeking consent)

..... (date)

APPENDIX C: SURVEY QUESTIONS

Section A

This section is about your demographic information and information about your current employer/insurer. Please indicate your answer by selecting the appropriate answer.

1. Demographic and insurer questions
    a. Has your organisation used social media for marketing (such as Facebook, Instagram, Twitter, YouTube, etc.) for marketing?
        i. Yes
        ii. No (if no, the questionnaire will end)
    b. Does your organisation offer quotes through online markets (such as Hippo, Facebook Marketplace, etc.)?
        i. Yes
        ii. No
    c. What class of business does your organisation cover?
        i. Personal lines
        ii. Commercial lines
        iii. Other (please specify)
    d. What is your organisation's annual revenue (Gross Written Premium)?

Less than R1bn	**R1bn to R3bn**	**R3bn to R5bn**	**Greater than R5bn**
Chubb Insurance	AIG South Africa	Absa Insurance	Bryte Insurance
Clientele	Allianz	Auto and General	Guardrisk Insurance
Dial Direct Insurance	Budget Insurance	Centriq Insurance	Hollard Insurance
Exxaro Insurance	Compass Insurance	Discovery Insure	Old Mutual Insure
Federated Employers	Momentum Insure	Escap SOC	OUTsurance Insurance
First for Women Insurance	Nedgroup Insurance	Miway Insurance	Santam
Safire Insurance		Mutual and Federal Risk	
		Standard Insurance	
Source: **(KPMG, 2022)**			

        i. Less than R1bn

ii. R1bn to R3bn
iii. R3bn to R5bn
iv. Greater than R5bn
v. unknown

e. Does your organisation also sell products in physical branches (i.e. face-to-face)?
    i. Yes
    ii. No
f. How long has your organisation been operating for (in years)?
    i. Less than 2 years
    ii. 2 to 5 years
    iii. 5 to 20 years
    iv. Greater than 20 years
    v. Unknown
g. Approximately how long has your organisation been using social media marketing?
    i. Less than 2 years
    ii. 2 to 5 years
    iii. More than 5 years
    iv. Unknown

Section B

2. Social media pricing capability

Please evaluate your level of agreement or disagreement with the following activities that have been implemented by your company. You will be asked to rate each item on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

a. We can respond quickly to competitors' pricing tactics by using social platforms.
b. We can use pricing skills incorporated with social media technologies to respond quickly to market or environmental changes.

c. We can communicate pricing structures and levels quickly to customers by using social media.
d. We can't effectively use social media for pricing products and services.
e. We can monitor competitors' prices and price changes using social media.

Section C

3. Social media product development capability

   Please evaluate your level of agreement or disagreement with the following activities that have been implemented by your company. You will be asked to rate each item on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

   a. We can quickly develop new products and services by using social media.
   b. We can quickly introduce new products by using social media.
   c. We manage overall new product development systems by using social media.
   d. We successfully launched new products using social media.
   e. We can develop products and services responsibly to customer needs by using social media.

Section D

4. Social media marketing communication capability

   Please evaluate your level of agreement or disagreement with the following activities that have been implemented by your company. You will be asked to rate each item on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

   a. We skilfully use social media for marketing communications programs.

b. We use social media marketing communication skills and processes as well as or better than our competitors.
c. We effectively managed social media marketing communication programs.
d. We effectively manage corporate image and reputation by using social media.

Section E

5. Social media marketing planning capability

   Please evaluate your level of agreement or disagreement with the following activities that have been implemented by your company. You will be asked to rate each item on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

   a. We have superior social media marketing planning skills.
   b. We can set clear social media marketing goals we can develop creative social media marketing strategies.
   c. We can segment and target the market effectively using social media.
   d. We have a thorough social media marketing planning process.
   e. We can develop creative social media marketing strategies.

Section F

6. Social media marketing implementation capability:

   Please evaluate your level of agreement or disagreement with the following activities that have been implemented by your company. You will be asked to rate each item on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

   a. We can allocate social media marketing resources effectively.
   b. We can effectively deliver social media marketing programs.

c. We can translate social media marketing strategies into action effectively.
d. We can quickly execute social media marketing strategies.
e. We can monitor social media marketing performance.

Section G

7. Business performance:

   Please indicate your level of satisfaction with the following business results achieved by your organisation. You will be asked to rate each item on a five-point Likert scale, ranging from 1 (Very Dissatisfied) to 5 (Very Satisfied).

   a. Sales volume
   b. Sales growth
   c. Profit
   d. Profit growth

APPENDIX D: CONSISTENCY MATRIX

Objective	Literature Review	Hypothesis	Research question	Variables*	Source of data	Type of data	Analysis
To examine the influence of pricing capability and business performance	(Hu, 2020; Quaye & Mensah, 2019)	Social media pricing capability has a positive influence on business performance	To what extent does Pricing influence Sales & and profit	IV1: Pricing DV1: Sales & Profit	Questionnaire Section B	Ordinal data Five-point Likert scale	Partial least squares structural equation modelling (PLS-SEM)
To examine the influence of product development and business performance	(Quaye & Mensah, 2019; Tarsakoo & Charoensukmongkol, 2019)	Social media product development has a positive influence on business performance	To what extent does Product development influence Sales & and profit	IV2: Product development DV2: Sales & Profit	Questionnaire Section C	Ordinal data Five-point Likert scale	
To examine the influence of marketing communication and business performance	(Tarsakoo & Charoensukmongkol, 2019)	Social media marketing communication has a positive influence on business performance	To what extent does Marketing communication influence Sales & and profit	IV3: Marketing communication DV3: Sales & Profit	Questionnaire Section D	Ordinal data Five-point Likert scale	
To examine the influence of marketing planning capability and business performance	(Anyadighibe et al., 2021; Chahal & Kaur, 2014; Tajvidi & Karami, 2021; Tarsakoo & Charoensukmongkol, 2019)	Social media marketing planning capability has a positive influence on business performance	To what extent does Marketing planning influence Sales & profit	IV4: Marketing planning DV4: Sales & Profit	Questionnaire Section E	Ordinal data Five-point Likert scale	
To examine the influence of marketing implementation on business performance	(Anyadighibe et al., 2021)	Social media marketing implementation has a positive influence on business performance	To what extent does Marketing Implementation Influence sales & profit	IV5: Marketing Implementation DV5: Sales & Profit	Questionnaire Section F	Ordinal data Five-point Likert scale	

* IV – independent; DV – dependent

APPENDIX E: 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/DB2502347/313
This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below)

Project title	The influence of social media marketing capabilities on business performance: The case study of the non-life insurance products in South Africa
Investigator / Researcher	Mr Sanjeev Datadin
Nature of Project	MM (Digital Business)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed anonymity and confidentiality.
Issue Date of Certificate	25 08 2023
Expiry date	Date of submission of the project / research report
Chairperson	Dr Pius Oba ☎ +27 11 717 3976 +27 82 733 6587 pius.oba@wits.ac.za

Declaration by Researcher

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

13 September 2023
Date: