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Consequences of Social Media Marketing on the Brand Equity of Leading Mobile Telephone Operators in South Africa

Marole Mathabatha

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 Business Administration.

Johannesburg, 2017

ABSTRACT

Whilst the marketing literature on social media marketing in Africa has grown over the past few years, not much has been written about the consequences of social media marketing on the brand equity of leading mobile telephone operators. To address this gap, this research conducted a qualitative study using reports and interviews with social media marketing practitioners from MTN and Vodacom, where the purpose was to investigate evidence of the intended and unintended consequences of social media marketing on brand equity of leading South African mobile telephone service providers.

By means of an open code system, the average 45 minutes interviews' data was collected, transcribed and analysed. Reports were collected from companies, newspapers, social media analysts and commentators. These findings show that social media marketing has had positive consequences on brand loyalty as it allowed companies to form strong long-term relationships through daily interactions. Moreover, MTN and Vodacom's ability to form brand communities on social media has added value to their brand equity. Furthermore, the findings suggest that the consequences of social media are largely intended. Unintended consequences, although limited, were found to be the client's ability to communicate service dissatisfaction in a manner that negatively influences perceptions of other people on the brand.

The study will assist marketing practitioners in marketing plans implementation to avoid unintended harm on brand equity, social media strategies' design and effective integration of social media in the marketing mix to enhance brand equity. Further implications for this study are that it will encourage practitioners to motivate the establishment of social media brand communities, thus enhancing brand equity. Although the consequences of social media can impact on other elements, the study is limited to an impact on brand equity of telecommunications companies in South Africa. Using a quantitative research method, customer perspective and a larger sample, future studies can look at the extent to which social media marketing influences customer purchase intentions.

Key words: Brand Equity, Intended and Unintended Consequences, Social Media, Telephone Operators

DECLARATION

I, Marole Mathabatha, 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 Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

_____

Marole Mathabatha

Signed at _____

On this _____ day of _____ 2017

DEDICATION

For Khutjo and Pleasure

Rest in Peace

ACKNOWLEDGEMENTS

Firstly, let me pass my greatest gratitude in the glory and blessings that God has ushered unto me. Thank you, Lord.

My Supervisors: Nathalie Chinje and Jennifer Croll – I know I am not an easy student to supervise. Thank you for pushing me.

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Go Notlo le Mahlako – I couldn't have asked for better parents. Thank you for understanding that I am an *academicoholic* and giving me blessing to come back to varsity again, and again.

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CHAPTER 1. INTRODUCTION

1.1 Purpose of the Study

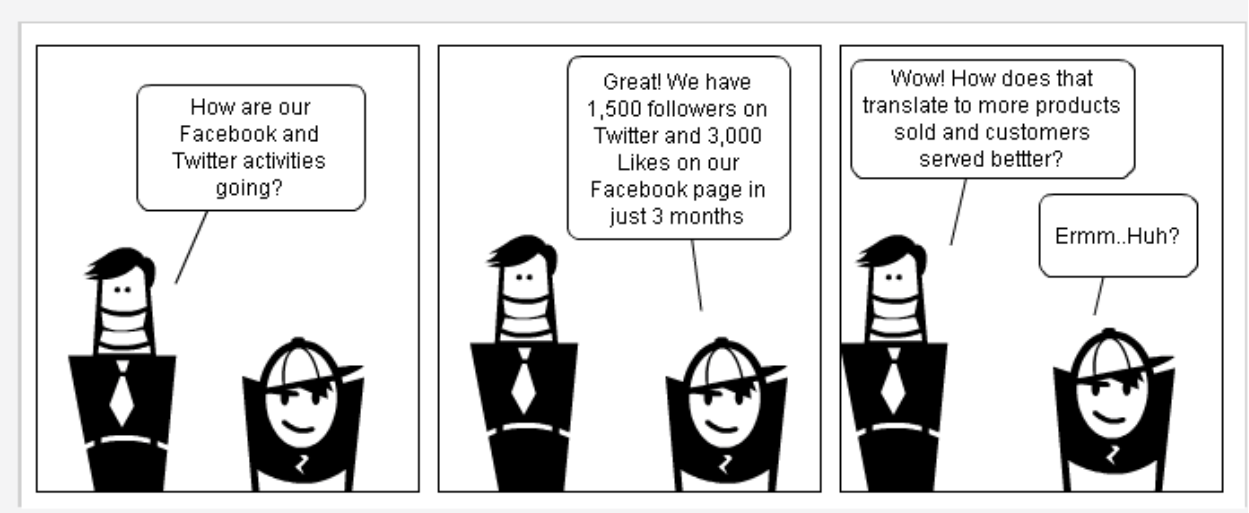

Figure 1.1**The Social Media (SM) ROI** - Image portraying misconceptions of the impact of Social Media (SM) marketing on the brand equity of companies (from Nicholson, 2016)

> *As a rapidly advancing Internet technology, SM has posed both major potential threats and opportunities for advertising. During the course of SM's emergence, the online environment has become fully interactive and collaborative with individuals actively engaging in two-way communication, posting reviews of services and products, uploading self-created videos, and even living virtual lives. Advertising practitioners have recognized the cultural and economic impacts of SM and have endeavored to react to the resultant shift.* (Jung *et al.*, 2016: 1)

It is in light of the above cartoon and extract that Social Media (SM) has attracted the attention of academics and various business practitioners from across the globe. There have been examinations of SM's impact on different companies (Lorisky *et al.,* 2010). The purpose of this research is to investigate evidence of the intended and unintended consequences of SM marketing on the brand equity of leading South African mobile telephone service providers. Drawing on qualitative data from respondents and reports, the study specifically highlights the impact of SM on different businesses from practice and academic perspectives. Most importantly, the study's purpose is to investigate the effect SM has on those companies' brand equity. This is viewed from both the customer asset

and brand perspectives. The key SM constructs that are evaluated against the impact of SM on brand equity of MTN and Vodacom are brand communities, SM information sharing and brand pages advertising. Intended and unintended consequences of SM marketing campaigns are examined, based on their positive or negative effectiveness.

1.2 Context of the study

Kim and Ko (2012) noted that due to economic downtowns experienced globally over the past decade, brands can no more rely solely on the brand symbol. They believe that brands have to drive customer assets through effective communication and SM has offered business take-off opportunities. In a study juxtaposing the telecommunications industry with the tourism and the pharmaceutical industries, Bruhn *et al.* (2012) found that SM can impact on mobile telephone companies/brands, particularly platforms such as Facebook and Twitter as there is user generated content derived from the sites which influences the functionality of the brands. Due to SM influencing the functioning and brand image of such companies, they need to derive adequate SM strategies.

It is evident in the business environment that several companies seek to reach out to their customers. There is use of different marketing mix methods and SM emerged to be one such method (Grant, 2015). As' and Alhadid (2014) state that mobile service providers reach out to their customers through SM marketing in order to increase function ability. This can also have an impact on the company's brand equity. Mangold and Faulds (2009) attribute the need for companies to communicate with hundreds of thousands of people and the people's ability to communicate with one another has shifted the traditional integrated marketing communication paradigm. They further state that companies have lost a degree of control, thus SM managers need to always ensure that they guide discussions around organisations' missions and goals.

Amongst several conceptual models that have been derived, As' and Alhadid (2014) portray the fact that SM applications seek to create a platform for online communities, interaction, sharing of content, accessibility and credibility which in turn, all influence brand equity. In support of this model, Schivinski and Dąbrowski (2013) deduce that SM and user

generated communication impacts on brand equity as well as brand attitude which in turn, ultimately influences the purchase intention.

SM usage carries different perceptions across a variety of industries. According to Zhang *et al.* (2010), SM use has lessened the exclusivity that luxury brands have as it exposed them to different people visually. In the Hospitality industry Leung *et al.* (2013, p. 11) states that “while social networking can help strengthen guest loyalty and satisfaction, it can also lead to unfair negativity, inaccurate information and undue criticism”.

Diga and Kelleher (2009) state that SM presented an opportunity for public relations professionals (PR) to engage different people at a more integrated level. In a study by Sallot *et al.* (2004), which they cite, Sallot *et al.* (2004) state that PR professional’s perceptions of the negativity and positives presented by SM usage was examined and the majority of PR professionals stated that SM impacted on their organisations positively. Thus, the phenomenon that people can share content on content sharing sites, blogs, SM sites and wikis has an impact on different companies’ reputations, sales and long term survival (Porter *et al.*, 2007).

Mobile telephone operators in South Africa are confronted by an opportunity or a constraint of being located in the developing markets. In these markets, there is a high internet access through mobile phones. Popular networking sites in these markets are not necessarily those that are popular in developed markets (Lester *et al.*, 2010). With mobile phones being highly portable, this makes SM available on the go, thus making developing markets’ telephone operators even more accessible or susceptible to their customers (Moreno-Munoz *et al.,* 2016).

The use of SM marketing has become significant in South African businesses. Many of them have invested heavily in SM marketing for different endeavours that range from brand awareness and revenue generation (Mangold & Faulds, 2009). The businesses range from small to large and come from varied industries, including the highly competitive telecommunications industry. Their use of SM has yielded intended and unintended consequences.

In 2012, 60 per cent of all South African adults owned a cellphone (UNICEF, 2012). The percentage has since risen to more than 92 per cent in 2016 (Effective Measure, 2016). These numbers rose drastically considering that in 2000; only 18 per cent of the country's population had access to cellphones (UNICEF, 2012). Mangold and Faulds (2009) attribute the increase in mobile phone usage partly due to popularity in prepaid subscriptions as well as low-cost which have made them more accessible. They further mention that even the poor majority can afford cellphones while previously (early 1990s) it would have been considered an expensive luxury. With regard to the cellphone type ownership, smartphones form part of 92 per cent of phones owned in South Africa (Effective Measure, 2016). This had led to increased access to smart phones, thus has resulted in increased access to Instant Messaging as well as SM. Instant messaging accounts for 27.5 per cent use of mobile phones internet in South Africa while SM accounts for 14.8 per cent and email 23 per cent (Khan & Karadia, 2013). This translates into more than 45 per cent of internet users in South Africa being targeted by marketers daily through these mediums. This also grants a high percentage of consumers an ability to communicate with one another as well as engage with businesses.

A third (1/3) of South African smartphone users interact with online shopping on a daily basis (Kreutzer, 2009, Pillay & Maharaj, 2014). "The percentage of Internet activity on mobile phones is fast increasing in South Africa hence advertisers' appetite to use mobile phone centric strategies" (Khan & Karodia, 2013, p. 32). The prevailing internet usage in the country has also triggered high SM usage (Lekhanya, 2013). Facebook has more than 13 Million subscribers while Twitter has 7.4 Million subscribers with the two being the most popular choices for social platforms in South Africa (WebAfrica, 2016). LinkedIn and Instagram, respectively, then follow Facebook and Twitter in terms of usage in the country. World Wide Worx (2016) proved these through the finding that 95 per cent of major South African brands have adopted some form of SM marketing. The institution further states that only 51 per cent of those brands are performing better on Facebook compared to Twitter.

Khan and Khorodia (2013) noted that there are several reasons why businesses use SM. Among the popular reasons, Khan and Khorodia (2013) note effective public relations

channel and brand awareness being the key drivers. Sales or customer lead generation did not have a huge influence as only 43 per cent of businesses indicated utilising SM for sales or customer lead generation. In addition, Wilson *et al.* (2011) noted that companies could also use SM for customer feedback and networking of internal staff members.

Major telecommunications companies (Vodacom and MTN) in South Africa can therefore be presumed among the 95 per cent that use SM for business to consumer marketing as they are active on Twitter. There are often sponsored Twitter and Facebook posts from South African telecommunications giants on these two SM platforms. Vodacom has a 44 per cent market share in the South African network service provider sector (Effective Measure, 2016), this is well reflected with their SM following. Smaller industry players such as Virgin Mobile do not have high following, as they are not very popular in South Africa. Vodacom and MTN are faced with an opportunity of reaching and marketing to a high number of following on Facebook and Twitter but this means the companies can experience negative publicity that will be seen by their high number of followers. How they deal with this challenge is partly what these study aims to answer.

Bezinger (2014) states that over the past years, South Africans have increasingly adopted SM as part of their lifestyle and for communication reasons. She further noted that in 2014 there were more than 10 Million South Africans that used SM, this number has since risen to 13 Million in 2016 (WorldWideWorx, 2016). While this has presented an opportunity for business to consumer communications, it has the potential of imposing a challenge on businesses. With SM having penetrated the South African market, businesses in South Africa might also endure certain challenges. These challenges might mirror the positive contributions of SM on businesses. The double effects have therefore raised questions such as the way companies deal with the consequences of SM usage. It is within such a context that this study seeks to investigate the thin line between the intended and unintended consequences of SM adoption.

Studies (Bruhn *et al.*, 2012; Gaur & Bathula, 2017' Johnson & Mikeka, 2016) published with the telecommunication industry have focused on customers (particularly service) perspectives and overall quantitative adoption of SM. These studies have all perceived

SM as one bundle. There have been fewer studies conducted on the consequences, diverse components of SM marketing and industry practitioners' perspectives. Thus, this research comprises three main social media components, namely:

- Information sharing on SM
- SM brand communities
- SM brand pages advertising

1.3 Problem statement

1.3.1 *Main problem*

The research assesses the consequences of SM marketing on the brand equity of leading telephone operators in South Africa. The aim is to examine the impact of information sharing, brand communities and brand pages advertising through SM on brand equity.

1.3.2 *Sub-problem One*

The first sub-problem is to examine the impact of information sharing through SM on the brand equity of South African leading mobile telecommunications companies.

1.3.3 *Sub-problem Two*

The second sub-problem is to examine the impact of SM brand communities on the brand equity of South African leading mobile telecommunications companies.

1.3.4 *Sub-problem Three*

The third sub-problem is to examine the impact of SM brand pages advertising on the brand equity of leading South African mobile telecommunications companies.

1.4 The significance of the study

The study adds to the already existing literature on SM as well as the concept of brand equity. The gap this study fills is on academics and practitioners drawing correlations between intended and unintended consequences encountered because of the adoption of SM marketing. There is a gap in this arena, especially from a South African mobile telephone service provider's perspective. Furthermore, the study contributes in guiding the industry on SM strategy development as well as implementation in order to enhance brand equity.

1.5 Delimitations of the study

The study is limited in a sense that it focuses on intended and unintended consequences that arise because of SM usage, and no other forms of integrated marketing communications. Although the consequences can have an impact on other aspects such as customer equity and value equity, the study is concerned with brand equity. The study is also limited in a sense that it is focused on a sample size of six SM marketing practitioners that had to be complemented by more than 10 reports.

Although there are several consequences that might arise as a result of companies' SM usage, the study is mainly based on public relations, sales and brand awareness. The research focuses on telecommunications industry businesses that are network service providers – Vodacom and MTN. The two companies were chosen because as already indicated above, they have the highest SM followers/subscribers, thus suggesting that these brands have high influence/impact on South African customers, directly or indirectly, on a daily basis.

1.6 Definition of key terms in the study

1.6.1 *Social Media*

The concept of Social Media does not have an unanimous definition. Berthon *et al.* (2012) defines SM as an array of sites that encourage and entice interaction between individuals, entities and organisations and can be typically facilitated or disseminated. Kim and Ko (2011) state that SM are online applications or platforms with an aim to facilitate interactions, collaborations as well as content sharing from different individuals. The latter definition introduces content sharing which grants customers power to influence brand equity. However, WhatIs.Com (2012) in Ach (2013, p. 9) defines SM as "a form of Internet marketing that utilizes social networking websites as a marketing tool. The goal of SM is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach". This study adopted Kaplan and Hanlem (2010, p. 61)'s definition of SM: "a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content".

1.6.2 *Brand Equity*

Scholars, such as Styles and Amber (1995), advocate that brand equity is a key marketing asset with a financial and customer perspective that scholars have investigated previously. Aaker (1991, p. 15) has defined brand equity as a "set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". Alternatively, Keller (1993, p. 2) offers a customer centric definition as he defines brand equity as "the differential effect of brand knowledge on consumer response to the marketing of the brand". Thus, this study adopts a definition from Krishnana (1996) who states a cognitive perspective of brand equity and defines it as the driving force through which companies earn market share and profitability from brands based on consumer perceptions. The perception as enhanced on SM is what this study investigates.

1.6.3 *Unintended and intended Consequences*

For scholars such as Elster (1989), unintended consequences are outcomes that have emerged from an incident that was not expected from a purposeful action. The Business Dictionary (2015) defines unintended consequences as “a set of results that was not intended as an outcome …. that are a product of specific actions within a process”, Thus this can be related to how SM marketing intentions are linked to objectives. For the purpose of this study, unintended consequences are defined as aspects that occur but they were not planned or unanticipated. The Oxford Dictionary (2015) contrasts the definition of intended consequences with that of unintended consequences in stating that intended consequences are things which are planned.

1.7 Assumptions of the Study

This research assumes primarily that all the telecommunications companies to be studied use SM as part of their marketing mix, particularly activeness in the two most popular SM platforms in South Africa being Twitter and Facebook. Another assumption of this study is that managers or directors of SM in businesses have set objectives for SM and these are to be studied against outcomes.

1.8 Conclusion

With the above mentioned, it be concluded that given the background and content of the study, there is a need to investigate the consequences of SM marketing on telecommunications companies’ brand equity. This chapter also gave clarity in describing key terms of the study such as SM, brand equity and intended and unintended consequences to make it easier to relate to such terms as the study proceeds. With the First chapter serving an introductory purpose, the Second chapter outlines the literature underpinning the study, derives propositions, and provides the conceptual model and research questions from the study. The Third chapter maps out the methodology adopted in conducting the study. The Forth chapter describes the data collected in order to enable

a thorough analysis of the results in chapter Five. Chapter Six then concludes the study, provides recommendations, limitations and possible future studies.

CHAPTER 2. LITERATURE REVIEW

2.1 INTRODUCTION

The following section gives an overview of the applicable literature pertaining to the problems identified in Chapter One. The major themes that this chapter evaluates and reviews are the impact of SM marketing on telecommunications companies' brand equity, intended and unintended consequences of SM marketing. SM in the context of this paper refers to popular social networking sites that offer content sharing and interaction such as Facebook, Twitter, LinkedIn and Instagram (Kaplan & Haenlein, 2010). This is viewed from a Business to Consumer (B2C) use of SM as part of the marketing mix, often with the aims of increasing brand equity. Furthermore, SM is perceived as a platform where customers have an ability to (negatively or positively) communicate with brands or their fellow SM users about different companies.

The chapter begins by outlining the theoretical frameworks with key focus on media theory. It further moves on to briefly discuss the role of SM in the broader Integrated Marketing Communications as SM does not exist in isolation (Spiller *et al.*, 2011). The third part of the chapter discusses the use and benefits of SM marketing in order to give a full understanding on why people are heavily invested in SM. This is followed by classical and recent definitions of brand equity as well as a discussion on some brand equity constructs. The fifth section discusses three constructs of the study, namely: information sharing, brand communities and brand pages advertising. The constructs are discussed in relation to brand equity and each gives the study an opportunity to explore propositions related to the themes. The chapter is concluded with a conceptual framework as well as the devising of the main research question and the three sub-questions of the study.

2.2 Theoretical Frameworks

Looking at SM in a media theory lens, Short *et al.* (1976) states that media differs in the degree of social presence from a visual and physical ability in terms of allowing

communication between two individuals. They further state that, social presence is lowered by telephone conversations from a mediated communication perspective. In support, Berthon *et al.* (2012) attributed that face-to-face communication was lowered by asynchronous forms of communication, which is the e-mail. Another close theory that was developed is the concept of media richness. This theory, as discussed by Daft and Langel (1986), states that media differs from information that can be transmitted over a certain time interval. The theory views media effectiveness as any media with abilities to communicate information clearly or clear people's uncertainties at a faster pace. For this study, this means communications has also taken different turns just as it is doing with SM.

2.2.1 *Applying Media Theory to Define and Classify SM*

Haenlein and Kaplan (2010) attribute that SM has not been well defined and classified although there are many companies attempting to use SM in order to generate profits. They further advocate that there needs to firstly be a distinction between Web 2.0 and User Generated Content (UGC). Web 2.0 is a term noting migration of World Wide Web into being a space of information consumption i.e. encyclopedia into user content creation platforms i.e. WordPress blogs. While User Generated Content refers to all online platforms fitting the Organisation for Economic Cooperation and Development (OECD)'s criteria of being on open platforms such as SM, being outside professional routines and showing creativity (Lee *et al.*, 2015). Web 2.0 and UGC thus interrelate but have little distinction. Understanding this will help in distinguishing which platforms to undertake in SM Marketing in order to yield efficient results.

2.2.1.1 Media Research and Social Process

The two theories of media research and social processes that can help in broadly differentiating among diverse media platforms are social presence and self-disclosure (Bruhn *et al.*, 2012). Looking at SM from a media theory perspective, Short *et al.* (1976) state that media differs in the degree of social presence from a visual and physical ability in terms of allowing communication between two individuals. They further state that social

presence is lowered by telephone conversations from a mediated communication perspective. In support, Berthon *et al.* (2012) attributed that face-to-face communication was lowered by an asynchronous form of communication, which is e-mail. This, for mobile telephone service providers, impacts on brand equity as the fact that "the higher the social presence, the larger the social influence that communication partners have on each other's behavior" (Kaplan & Haerman, 2010, p. 61)

Another close theory that as developed is the concept of media richness. This theory, as discussed by Daft and Langel (1986), states that media differs in the amount of information that can be transmitted over a certain time interval. The theory views media effectiveness as any media with abilities to communicate information clearly or clear people's uncertainties at a faster pace. For this study, this means communications has also to take different turns, just as it is doing with SM.

2.2.1.2 ***Structure and Flow Social Networks Theory***

Borgatti and Foster (2003) developed on Graovetter (1973)'s Theory of Structure and Flow-From in order to explain how vital different relationships are on SM. This theory seeks to note the number of relationships an individual has and their potential network. Leading social anthropological scholars such as Kietzman *et al.*, (2011., p. 246) state: "research shows that the denser and larger a user's portfolio of relationships is, and the more central his or her position in the portfolio, the more likely that user is to be an influential member ('influencer') in their network". The flow of property thus notes that resources have a capability of influencing relationships and the resource utility, exchange or transformation has an impact on how the relationship will be. Strong relationships last longer than weak relationships. The implications for this on SM is that companies must always try to strengthen their relationships. Given the above, Kaplan and Maenhaen (2010) therefore classify SM according to the social presence and media richness as compared to people's ability to make self-presentation or disclose their daily perspectives.

		Social presence/ Media richness		
		Low	Medium	High
Self-presentation/ Self-disclosure	High	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second Life)
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g., World of Warcraft)

Figure 2.1:-*SM Classifications Through Media Theory*- (After Kaplan & Maemann, 2010, p. 49). Here the two renowned SM scholars portray that SM can be classified in different forms with a focus on the level of self-disclosure first then the level of SM presence and media richness

2.3 Evolution and History of Social Networks

Although we view SM as what we see today - as early as 1950s, Bruce and Susan Abelson founded an online website application called Open Diary that brought online diary writers into one community in a social networking format (Kaplan & Haenlein, 2009). That was around the same time the word “web blog” emerged and evolved into blog in later years. One blogger had jokingly broken down “web blog” into “we blog” thus the word blogging gained momentum (OECD, 2007). In 1979, Tom Truscot and Jim Ellis from Duke University created an interactive system named Usenet, this was a worldwide system that allowed users to post public messages. The Usenet was a building block from concepts such as Open Diary (Hemetsberger & Reinhardt, 2006).

A social networking site that was built in 1997 called SixDegrees which allowed users to create profiles and list of friends as well as add friend of friends to their own lists (Ellison, 2008). Mangold and Faults (2009) however advocate that the growing popularity of fast speed internet resulted in popularity and the fast growth creation of social networking sites such as MySpace in 2003 and Facebook in 2004. Since then SM is expanding to a phenomenon such as Virtual Worlds, which is a social interactive platform where people

live imaginary lifestyles. The most popular in that category is Second Life (Ward & Ostrom, 2006).

2.4 Uses and Benefits of SM

Understanding reasons why people use SM will allow this study to deeply interrogate and investigate experiences and uses that people have on SM. These experiences will be linked to implications for companies' brand equity.

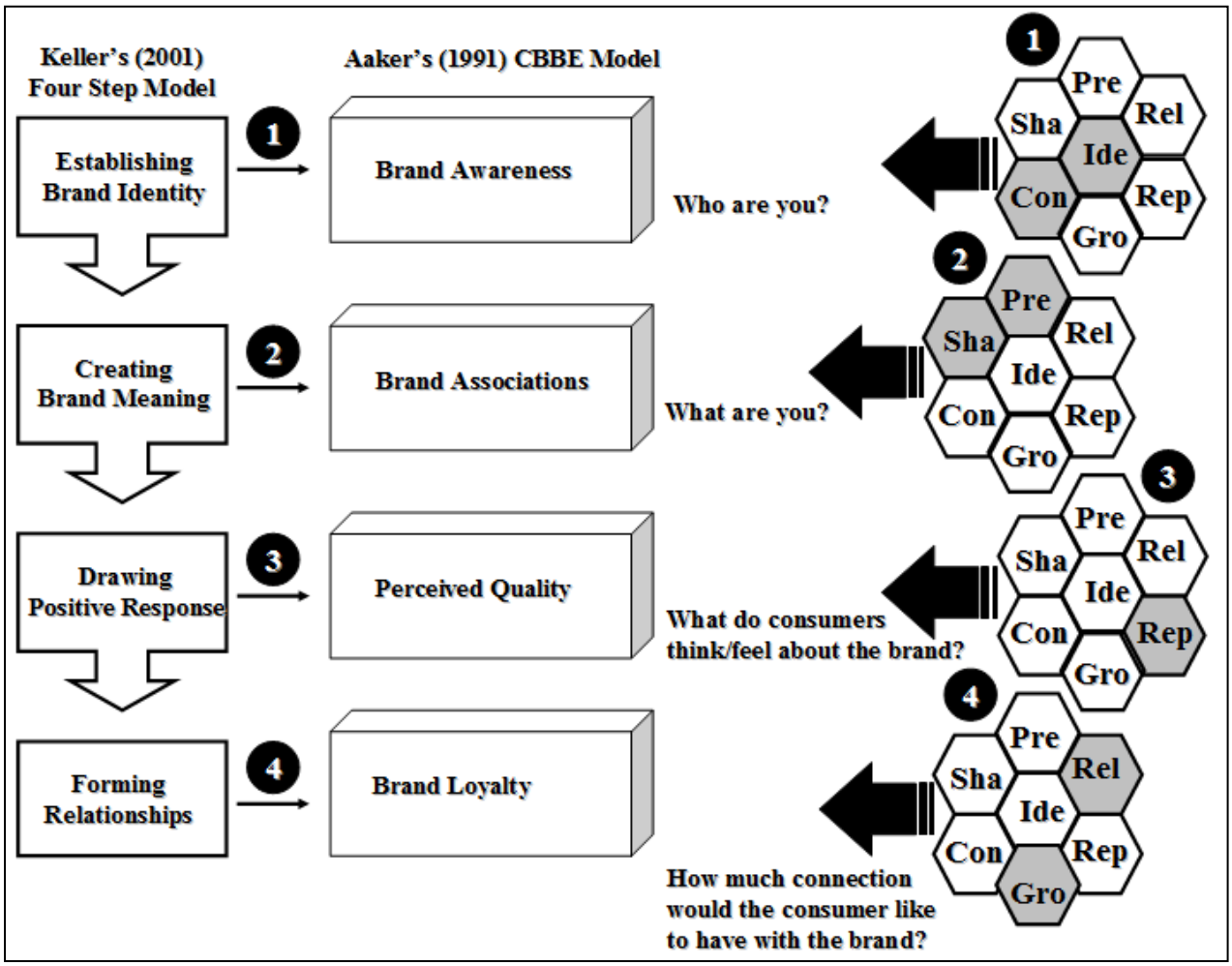

Figure 2.2:-*SM and Brand Equation Relation*- (After Snyman, 2014, p. 12) Relating Keller's Fourstep Model, CBBE Model and the Reasons why people use SM being **Pre**sence, **Sha**ring, **Rel**ationships, **Ide**ntity, **Gro**ups, **Rep**resentation and **Con**versations. The model portrays clearly that there is a strong relationship between SM and Brand Equity.

Using SM for Identification represents the extent to which users reveal their identities in a SM setting (Zailskaite-Jakst & Kuvykaitė, 2013). This has implications for companies that want to develop internal SM or in developing SM strategies, as there are privacy implications to consider. People are often sceptical about giving out their confidential identity details to third party companies for use. Dennis *et al.* (2009) noted that users have also developed strategies of portraying their real identities and virtual identities. They further state that platforms such as Facebook are used for self-promotion while LinkedIn is for career promotion.

Kim and Ko (2012) mentioned that using SM for identification purposes makes it difficult for companies to monitor brand equity as unidentified people can speak negatively or positively about a company but it would be difficult to make a follow up. They further note that Twitter is a conversations platform and not more about identity, and people's identity can be hidden while they are discussing aspects that can affect businesses' brand equity. Companies can therefore use Twitter to set a platform for conversations to begin. A cosmetics brand, Dove, in 2004 created a platform where people conversed on their experiences of using Dove. The campaign was successful as other people also began conversing on the campaign (Berthon, 2012).

Conservations are a big reason why people use SM, Gordon (2012) states that conversations are the extent to which different users communicate with one another on different SM platforms. Different people engage on SM for a variety of reasons ranging from meeting like-minded people, finding love, building self-esteem as well as good causes, such as conveying a positive message to make a good social impact (Gordon, 2012). These diverse reasons mean that there are implications such as consumers adopting a certain brand due to its position on social causes i.e Nedbank's Green Affinity account attracting earth conservationists (Srivasta & Bhano, 2016). It is therefore necessary for companies to keep track of people's conversations, particularly conversations that may affect the company's brand equity. Twitter is centred on engagement through short texts that at times create ambiance (Erdoğmuş & Cicek, 2012).

Companies using such platforms can bear negative or positive implications depending on strategies implemented.

Sharing represents the extent to which SM users can exchange, distribute and receive content. These extents are the deriving factor of the sociality of SM as people meet online to share different objects (Michaelidou *et al.,* 2011). Companies, such as Groupon, have gone to an extent of sharing coupons and discounts online depending on how many people commit to those coupons daily and their ability to share the coupons with other people on SM and platforms such as emails (Michaelidou *et al.*, 2011). Engestrom (2005) states that sharing does not however always result in people interacting on SM. In support, Keitzmann *et al.* (2010) state that the kind of content that is shared on SM depends on the SM platforms' main objective. For example, SM platforms such as Flickr, Pintrest and Instagram are for picture sharing, Sound Cloud and YouTube are music oriented while LinkedIn is career profile sharing oriented.

The reputation reason in SM usage relates to the status of SM users when they compare themselves to others. Reputations that people earn on SM is part of the determining factors of how people trust one another, however, Web 2.0 has very little trust going on (Gordon, 2012). Examples of tools used to measure trust and reputation on SM include measuring the number of SM followers a brand or an individual has. If someone claims that they are a SM expert then the engagement and following on their own SM accounts must attest to that. Reputation is also an issue for representation as it also relates to content. Content with high YouTube views or Facebook likes is often perceived to be reputable (Keitzmann *et al*., 2012). Mangold and Flauds (2009) state that the metric of measuring reputation of followers on Twitter, for example, is flawed as it does not indicate interaction, thus companies need to measure reputation by engagement.

2.5 Brand Equity

Barich and Kotler (1991, p. 442) defines a brand as "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller

or a group of sellers and to differentiate them from those of competitors". In an extension to that, Kochia (2006, p. 8) defines customer-based brand equity "as the differential effect of brand knowledge on consumer response to the marketing of a brand". He further breaks down the major components in the definition through stating the differential effect is determined by comparing the response to the marketing of a brand with a reaction to the same fictitious version of a product or service. Brand knowledge he states, would be determined by how a brand is characterised or the image it portrayed in comparison to its previous versions. Consumer Response to Marketing, he defines as "customer perceptions, preferences, and behavior arising from marketing mix activities" (Kochia, 2006, p. 9).

Vazquez *et al.* (2002, p. 2) state that there are four interrelated forms through which brand equity is viewed. He stated these forms as the customer, the company owning the brand, distribution channel and financial markets. He defined Consumer-based brand equity as "the overall utility that the consumer associates to the use and consumption of the brand; including associations expressing both functional and symbolic utilities."

The above-mentioned definitions thus create awareness of the fact that there are sometimes a building of positive and negative customer-based brand equity. Less favourability to the product, price, promotion or distribution when it is named differently would mean there is negative customer-based brand equity associated with the brand (Kamakura & Russel, 1991). Martin and Brown (1990) thus note that where there is positive customer response, brands can thus earn increased revenue, have lower costs and earn greater profits.

An important factor that needs to be considered is that for a company to build brand equity there needs to be a distinction between the properties of the brand and the product. This is supported by those that define brand equity from a classical perspective that views brand as an addition to a product (Hsu, 2012). Identifying a brand with the product results in three aspects that relate to the definition of a brand. Firstly, it is the fact that companies have to choose between selling brands alone and selling brands together with products. Secondly, they are confronted with adding things that cannot be touched as part of association with

the brand and lastly, separating interests of the brand with those of the product. The latter has gained interest in the business and practice fields (ibid).

There are scholars who argue that consumers associate the brand as a holistic entity with the product. They associate all the attributes and experiences they had with a particular brand to a product (Vazquez, 2010). Yoo *et al.* (2000) argue that by having a holistic perspective on a brand and product, it gives products strong brand linkages, without difficulty. This school of thought further argues that when people view a brand, they do not only view it from a communication point of view rather they also want to consider what a company offers. A third argument brought about by those who are for holistic viewing is that when considering expansion, it is easier because associations are made with both the brand and product, thus companies would work on the holistic relationship.

Amongst other distinctions of brand equity, Boo *et al.* (2009) view it to be consisting of two components that are brand strength and brand value. Brand strength they state, consists of elements that customers associate with the brand. An example is how Sunlight can be associated with the fact that it is a good cleaning powder. Brand value would then be Sunlight's ability to generate current and future profits. Future profits, he argues, can be generated from products such as soaps, dishwashers, shampoos and detergent that can be associated with the brand. Boo *et al.* (2009) further state that brand equity comes from the confidence placed on a brand compared to its competitors. In support, Williams *et al.* (2004) add that the confidence can thus be measured by customers' loyalty to pay a premium for that particular brand. He gives an example that a premium can be paid for brands such as Compaq and IBM, as opposed to Packard Bell.

More recently, scholars such as Chatzipanagiotou *et al*. (2016, p. 1) have defined brand equity as a tool for business strategy because it provides competitive advantages to organisations. Some of the competitive advantages might have been provided due to technological innovations such as SM. A more dualistic definition of brand equity is the one of looking at assets and liabilities that are not only beneficial for companies but for consumers as well (Antonio *et al.*, 2017). The value created for or by the brand in this latter definition also benefits consumers. Bakshi and Mashra (2017) suggest some brand equity

is also driven by the credibility media grants some organisations. This media granted may also influence the relationship consumers will have with a brand, especially SM relationships.

2.5.1 Brand Valuations

The topic of brand valuation is highly contested with different scholars suggesting methods which might best suit certain brands and not others. Park and Srinivasan (1994) suggested that a method that was adopted at the Interbrand Group be adopted as it uses a subjective multiplier based on seven aspects of brands' profits and performance. The Seven dimensions are leadership, stability, support, market stability, internationality, trend and protection. Pope (1993) has suggested a simple method of looking at the difference between acquisition price and fixed assets. This is a method that would only work for newly purchased brands.

Pappu *et al.* (2005) believe that there are two motivations that have resulted in people studying brand equity. They state that brand equity is studied mainly for financial reasons of estimating the value of the brand for accounting purposes such as assert value on the balance sheet. Other financial reasons relate to mergers, acquisitions, and diversification. Pappu *et al.* (2005) mention that a second reason for studying brand equity arises from a strategy based perspective that would add value to the marketing department. This is because competition, flattening demand and high costs of running companies tend to increase marketing expenses.

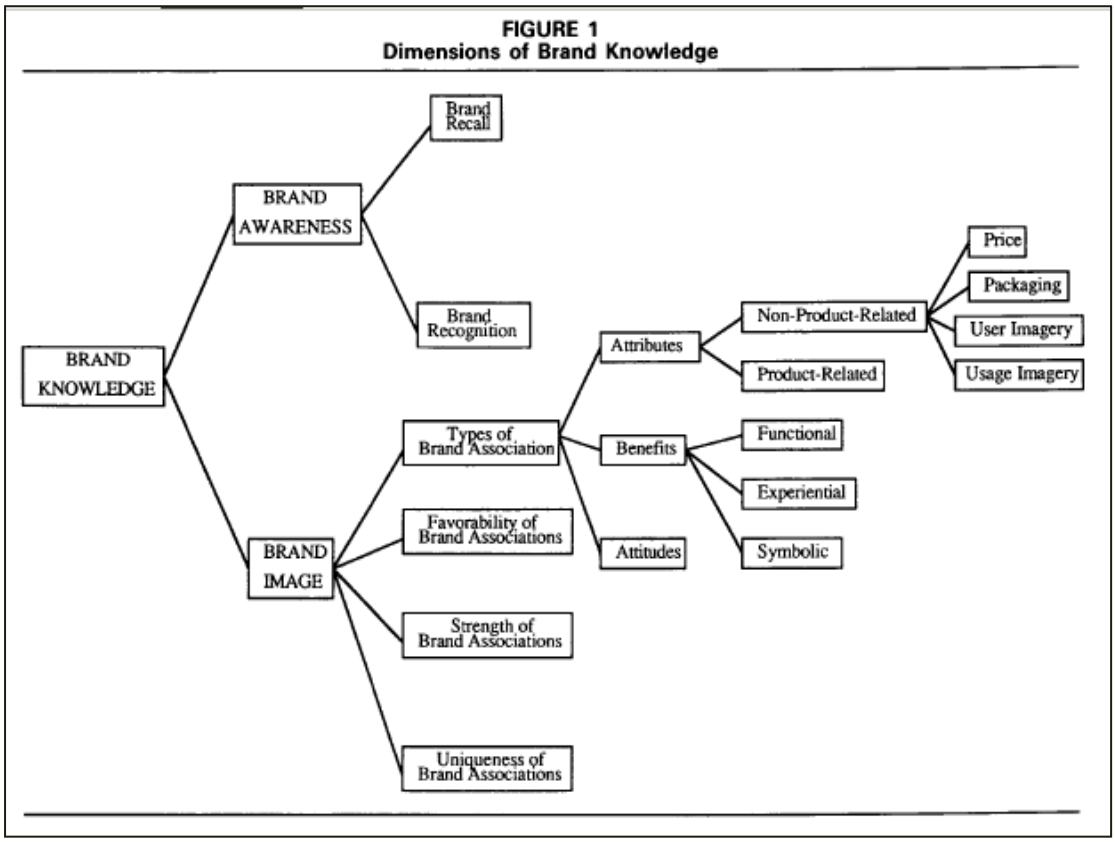

Figure 2.3: -Dimensions of Brand Equity – (after Gordon, 2010, p. 87). The figure portrays different Dimensions through which people might have knowledge on different brands.

2.6 Information sharing on SM and brand equity

> *It has been argued that, compared with traditional information and communication technologies (ICT), SM has more potential for increasing the visibility of published information and also triggering sociality and informal communication among individuals, which may lead to the unexpected discovery of useful or interesting information and hence the facilitation of tacit knowledge creation and sharing (Panahi et al., 2016, p. 1)*

According to Osatuyi (2013), different types of SM such as blogs, forums, wikis and sites have become reliable mediums for sharing information to target audiences at a fast pace. This, he argues, is due to the wide user base as well as the timely manner in which information is generated from these SM platforms subscribed users. On the other hand, brands are increasingly using SM platforms to interact with their customers. The usage

ranges from conducting polls, customer feedback on new products and sharing information on their services (Wu & Pinsonneault, 2011).

“Recent studies indicate that the use of SM such as Facebook, Twitter, Instagram, and Trip Advisor enables travelers to share knowledge and experiences so as to form relationships” (Munar & Jacobsen, 2014, p. 23). A similar study also found that when travelers share travel experiences through SM, their friends can “see” and experience the travelers’ footsteps without physically being together. This will thus indirectly contribute to the brand equity of companies that are giving travelers the positive or negative experience.

The use of SM platforms to share information and engage target audiences by brands has, in most instances, shown to have positive outcomes while on the other hand there are some elements of uncertainty in sharing information on these platforms (Erickson, 2011). This has had impacts in the kind of information brands share on SM as they might also find themselves in “hot water” with regulators or the very same clients that they wish to serve efficiently (ibid). It is within this context that the study argues that:

Proposition 1: Information sharing on SM has a positive impact on the brand equity of leading mobile operators in South Africa.

2.7 SM Brand Communities and Brand Equity

SM marketing helps companies build (or take leverage) of brand communities (Habibi *et al.*, 2014). Muniz and O’Guinn (2001, p. 412) define brand communities as “a specialised non-geographically bound community, based on a structured set of social relations among admirers of a brand”. Through SM, brand communities are able to facilitate information sharing and cement history of a product amongst admirers of a certain brand. Suzan (1974) states that a psychological incentive to joining the community is that they provide people with a sense of belonging. In disputing the fact that social ties through SM are not strong can influence brands (Constant *et al*., 1996) state that the result of co-presence increases connection between different people. For marketers, this grants an opportunity

to be in touch with highly devoted customers. Companies support such initiatives as they contribute to increasing their brand loyalty. However, there are contrasting arguments, as some people believe SM is an ideal environment for businesses to reach their customers while some believe it is the platform through which brands fail (Blanchard, 2011). Brand communities that are both online or offline contribute to strengthening bonds.

A further reason that influences people's activeness on SM is formulating adequate relationships. Gordon (2012) states that this represents the extent in which users have relations and associations that lead them into having conversations, sharing objects of socialisation, meeting up or just appearing on one another's lists. Companies should be wary as it influences the level of information sharing amongst users of this feature.

SM gives people an ability to belong to different groups; this is the extent to which users can form little communities or sub-communities on a particular SM platform (Gordon, 2012). The two types of groups that exist on SM as noted by Boyd and Ellison (2010) are those that people have mobilised their immediate family and friends into secret Facebook groups or Twitter lists. The second group would be with strangers on open invitation with an administrator to manage them. This type of group is popular on Facebook and Flickr (Boyd & Ellison, 2010). Due to unmanaged identity, groups are thus difficult to manage but offer a great opportunity for companies to market to a relevant community if they can get into those groups (Mangold & Flauds, 2012).

Proposition 2: Brand communities have a positive impact on the Brand Equity of leading mobile telephone operators in South Africa

2.8 SM brand pages advertising and Brand equity

Rosenthal and Brito (2017, p. 2) define brand pages as "platforms that allow the brand to be present, to create a community around its users, and to create economic value". In support DeMers (2015) states that brand pages allow companies to invite people to their goods and services through the method of allowing them to "like", "follow" or subscribe to

those brands' pages thus becoming their "fans" or "followers". This positions the followers to be able to contribute effectively to the brand equity of such brands.

Brand pages on social networking sites (SNSs) have become the key platform where consumers interact with brands (Blanchard, 2011). With an increased amount of advertising in the modern world, potential advertisers are exposed to more than 5000 adverts a day but only make an impression on 12 adverts – adverts reach 'reachpocalypse' (DeMers, 2015). This has therefore prompted a need for targeted advertising – which is better implemented on Social Media, especially SM brand pages (Jung, 2017).

Of the different forms of advertising that are offered by SM, Facebook brand pages provide the largest possibility for companies to interact with consumers through direct dialogue (Vries *et al.*, 2012). Members of SM sites can be friends with other members but they can also express their affection for a brand through following or liking dedicated brand fan pages (Knoll, 2016). Through advertising and organic reach, these pages reflect the customers' relationship with the brand, broaden customer knowledge, provide information and social benefits to followers (Cvijikj & Michahelles, 2013).

In a study of more than 70 brand pages, Parsons (2013) attempted to understand the impact of brand pages' advertising on brand equity of multinationals and nationwide corporates. He found that companies are using Facebook pages to develop relationships with customers rather than for simple reasons of purchase intention. This, he argues, has resulted in better engagement than those seen on one way communication technologies such as most corporates' websites.

SM has transformed the traditional one way of communication in which retailers, brands and other customers interacted. It has introduced a new form of customer engagement through participation. One of the many forms of accumulating more fans on SM is brand pages advertising/promotion where a brand pays a SM Site to be visible (Jung *et al.*, 2016). Although brand pages are mainly used as communication/advertising tools Schau, Muñiz, and Arnould (2009) suggest that they are best as platforms for cultivating a communal environment as brand to customer/fan communities.

Proposition 3: SM brand pages advertising positively impact the brand equity of leading mobile operators in South Africa.

2.9 Conceptual model

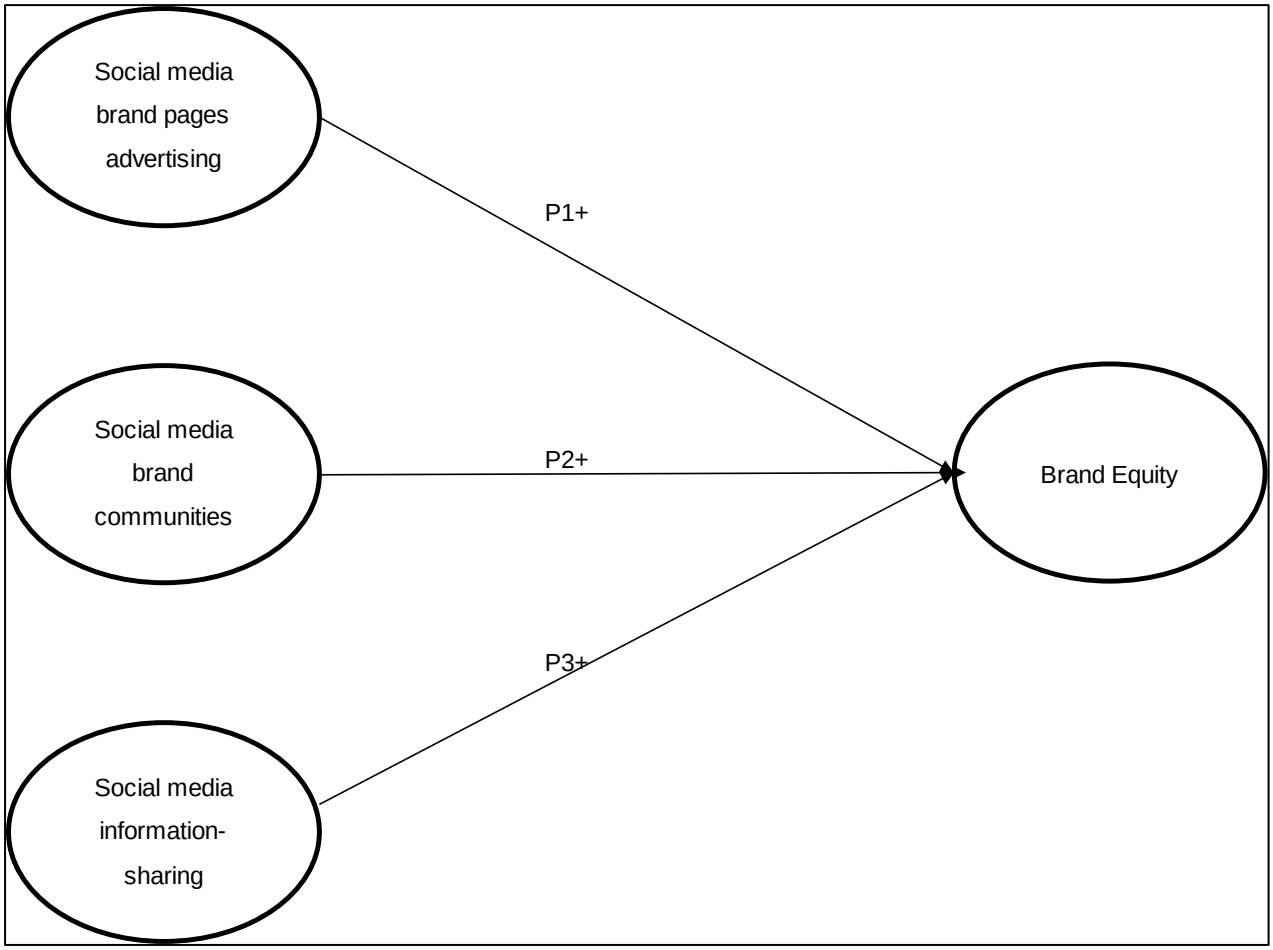

Figure 2.4 – Conceptual Framework – Relationship between the study's three SM constructs and Brand Equity

2.10 Research Propositions

Given the above the study's Main Research Question is:

What are the Consequences of SM Marketing on the Brand Equity of South African Telecommunications companies?

2.10.1 Research Proposition One

What is the impact of sharing information on SM on the brand equity of South African telecommunications companies?

2.10.2 Research Proposition Two

What is the impact of SM brand communities on the brand equity of South African telecommunications companies?

2.10.3 Research Proposition Three

What is the impact of SM brand pages advertising on the brand equity of South African telecommunications companies?

2.11 Chapter End Notes - Conclusion

From the above, it is clear that SM has long existed in the Web 1.0 and Web 2.0 spaces although it was not expressed fully. The impact might have emerged from a lack of access to the internet. As portrayed through media theories, SM has offered a form of engagement that has previously been existent in physical forms of communication. In addition to conveying messages – which is a form of communication that telephones also did – media theory acknowledges that SM added a soft side to communication with emotion and indirect consequences. It is further evident that there are diverse and a variety of reasons that people communicate through SM, hence companies need to be strategic in how they use SM.

Although the Chapter has attempted to define brand equity, it is clear that the term has many definitions. Another problematic factor about brand equity is that there are different opinions on how it should be valued with practitioners confused about taking an accounting perspective or a marketing perspective. This study relates brand equity with the phenomenon that there can be positive and negative brand equity. There is a need to assess how the intentions of building positive brand equity on SM is playing out.

3 RESEARCH DESIGN AND METHODOLOGY

This chapter outlines firstly, the research paradigm or methodology through which this study was undertaken. This is then followed by the research design where methodology is discussed and rationalised on its importance for this study. Furthermore, a population sample for this research is described as well as related to the sampling method. This is followed by a detailed description of the research instruments and outlining of the material that was used in guiding the research. A brief description thus follows suit on how the instrument was used in collecting the data. A data analysis plan then follows in order to outline how the research was collected. As with all other studies, limitations on implementing the research methodology are discussed briefly. The chapter is concluded with reliabilities and validities.

3.2 Research methodology / paradigm

Qualitative, quantitative and mixed research methods are the three most popular forms of methodologies applied in research (Silverman, 1993). Confronted with a predicament of making a relative choice to this study, the qualitative research method was the most relevant in terms of achieving this study's research objectives. Denzin and Lincoln (1998) state that qualitative research is concerned with in-depth studying experiences in order to understand the deeper context within which they occur. This argument is supported by Creswell (2003) who stated that qualitative research is not rigid thus it allows adequate investigation and examination of concepts. It is in that light that this study adopted qualitative methodology as consequences of SM on marketing need to be understood from a broader sense. The qualitative method allows the study to go deeper into the concepts and assists with the explorative nature of the research.

3.3 Research Design

The qualitative research methodology can adopt a variety of research design methodological approaches. This can include a number of ways through which qualitative

research can be conducted including interviews, observations, focus groups and case studies (Leedy & Ormrod, 2005). This research used interviews and online reports.

Leedy and Ormrod (2005) state that there are different forms of interviews that can be used in conducting research. They further state that the semi-structured interview technique is appropriate in research that is exploratory in nature. Reports and interviews were chosen for this research mainly because it is related with data that this research needs. Reports and interviews provide an opportunity to ask questions such as present and past strategies and standards of operations (Silverman, 1993).

Kotler (2003) states that interviews have their pros and cons with the biggest advantage being the fact that interviews provide the ability to have immediate response and allow for interviewers to ask for clarity should there be confusion. He further states that they provide response rates that are higher than other research designs.

McDaniel and Gates (2007) however, noted that although interviews have serious advantages methodologically, there are disadvantaged that can be noted. They note that interviews can be time consuming, although they provide great detail. There is also a challenge of replicating studies that are conducted in interview formats and it is the best study only if the right person is interviewed. The right individuals and relevant reports from leading telecommunications companies were sourced for this study. The study has considered the availability of members from these companies, hence there were few cancellations.

3.4 Population and sample

3.4.1 Population

A proper choice of population target was adequate for the success of a research study. The study had to be chosen appropriately considering aspects such as the level of information that can be gained from interviewing an individual (Taddlie & Yu, 2007). The population of this study is a combination of staff from the SM divisions, marketing, public relations and brand management at MTN and Vodacom’s South African operations based

in Johannesburg. This is a population that has common characteristics and gave legitimate information that was of value to the study. The employees were chosen according to the following criteria:

- Setting of marketing objectives to be executed on SM
- Telecommunications companies brand management
- Public relation management particularly on digital platforms
- SM Managers.

3.4.2 Sample and sampling method

The sample size for this study was more than 10 reports and articles as well as a combined six respondents from both Vodacom and MTN working in the SM, Brand Management, broader Marketing Department and Public Relations. The six respondents were proportioned as followed:

Table 3.1 – Sampling Options for Different Practitioners at MTN and Vodacom

Employees Department	**Vodacom**	**MTN**	**TOTAL**
SM	1	0	**1**
Brand Management	0	1	**1**
Marketing	2	0	**2**
Communications	1	1	**2**
TOTAL			**6**

Appointments for interviews were set up with the different practitioners and semi-structured questions helped guide the interviews.

Table 3.2 – Complementary Reports on MTN and Vodacom used in the Study

Source	**Title**
BusinessTech	Telcos Feeling Impact of Social Disruption
CTNG Africa	Social Media reacts to MTN's huge fine by Nigerian Telecom Authorities
Effective Measure	South African Mobile Report: A survey of Desktop User's Attitudes and Uses of Mobile Phones
Media Update	MTN Gets Serious on Mobile Social Media
MTN	MTN 2014/15 Annual Integrated Report
Unicef	South African Mobile Generation: Study on South African Young People on Mobiles
World Wide Worx	South African Social Media Landscape 2016
The New Age	Vodacom responds to #DataMustFall
ZASocialMedia	Social Media Audit – South African Mobile Network Operators
Telkom Market Research (Mentz *et al*., 2013)	Vodacom and MTN's brand positioning based on the brand associations of Principal Estate Agents in Gauteng
Segey (Tech Blogger)	Meeting with MTN – what an(d) experience.

3.5 The research instrument

Guided questionnaires enable comparison of data to be easier (Flick, 2005). Given the above-mentioned research questions and objections, the study used semi-structured interviews, mainly because structured interviews would limit flexibility of the interviews. The interview agenda is provided as Appendix A. The interview agenda was guided by

themes, concepts and the study's interview questions as well as objectives. The agenda contained open-ended questions in order to extract detailed information without limiting the responses, but there were time considerations.

3.6 Procedure for data collection

Data were collected through face-t-face with respondents and reports were obtained online. The advantage with conducting interviews face-to-face is that elements such as respondents' tone and body language were gained hence telephonic or electronic interviews were not preferred. Bryman (2004) states that face-to-face interviews provide an extra detail due to the physical relation. Preference was given to conducting the interviews at the respondents' work premises (Roodepoort and Midrand); this has benefits of a meaningful context and perspective (Bluhm *et al.*, 2010).

It was high preference that the interviews get recorded as this would have contributed to the accurate capturing of the responses thus resulting in a detailed analysis, but these were written down due to most respondents refusing recording. The collected reports could also not be fully academic as there is not much that was recently written about MTN and Vodacom. Research methodology scholars such as Lincoln and Guba (1985) have however, noted that utilising recorders might have implications such as respondents not being open during the interview.

3.7 Data analysis and interpretation

The recorded and written interview data were then collated and grouped according to relevance to the different research questions. Creswell (2007) has devised several steps to data-analysis processes and these were used in the study. He argues that first statements that relate to the subject must be identified. Thereafter, he states that the data needs to be grouped into units as per relevance to the research subject matter. Diverging perspectives then need to be separated with information that is relevant. Lastly, he states that the information needs to be used in constructing and composing the experiences to achieve research objectives. Other considerable methods that were used for data analysis

and interpretation are when people search for meaningful content in responses (Leedy & Ormrod, 2010).

3.8 Limitations of the study

The complexity and need for detail in conducting this study was an impact on the research methodology. Brand equity is a highly conceptual research focus area whereas SM is based on an industry with high levels of rapid change thus this provided limitations in studying this concepts. The following section further seeks to outline limitations related to methodology, sample, sampling method and analysis.

- The anticipated number of interviews could not be conducted hence the decision to complement the interviews with reports and articles.
- The use of the qualitative method means that in-depth details are needed thus time was a factor in the interviews.
- There has been popularity and exit of some SM over the time of the study, notably SnapChat and MXIT respectively.
- Executive members in corporate affairs and communications could not answer the full questions.
- Guided interview questions resulted in high amounts of divergence from the core focus on the research hence one of the interviews was not fully completed.

3.9 Validity and reliability

There are several definitions of validity that have emerged in methodological literature. This included Bhattacherjee (2012)'s definition that stated that validity is a constructive way of checking on the accuracy or adequacy of an item that is measured against something else. Several reliabilities and validities were used in the study and they are outlined in this section.

3.9.1 External validity

Different companies implement several SM strategies on a daily basis with researchers or marketing practitioners attempting to evaluate the intended and unintended consequences using varied methods. Using a qualitative method of research is a practice that has been undertaken several times in the industry, particularly with guided questionnaires as the form of interviews. If measures of recording data accurately are undertaken then the study can be externally validated. Practitioners succeeding or failing at achieving their SM objectives can be easily measured in quantitative forms.

3.9.2 Internal validity

The study has by all means ensured that reports and interview responses data capturing or errors were kept to a minimum. The questionnaire was clearly marked and numbered in order to ensure that all questions were well answered. Equally, reports and articles topics were introspected to ensure that they relate to the study. In order to ensure accuracy, all questions were double checked.

3.10 Reliability

Riedge (2003) notes that the concept of reliability aligns to the probabilities that a study offers in terms of being replicated – with everything being constant and the same results being attained. Evaluating the intended and unintended consequences of SM on brand equity is in itself a difficult task that can only be achieved if research objectives are clear. Questions were posed efficiently during interviews. Thus, if that is undertaken then the study can be classified as reliable.

3.11 Conclusion of the Chapter

The aim of this Chapter was to clearly outline and detail the process through which this study was undertaken. The study's depth increased as a qualitative method was adopted and semi-structured interviews were conducted. There were time constraints in the

process of the interviews as the questionnaire had more than 20 questions. The reports collected were also a constraint as they could only answer some parts of the questionnaire. The fact that the interviews could not be recorded was another constraint, but the ability to write faster during interviews assisted. With the information being highly important, the responses were stored safely in a cloud storage.

4 DATA DESCRIPTION

4.2 Introduction

After several challenges regarding the data collection process, the following is an attempt to describe the data. The data is a mix of interviews, articles and reports about MTN and Vodacom. The first section describes the profile of respondents in terms of their gender, education, level in company, duration spent in the company, academic qualifications, annual salary and age. The second part then describes the significance of MTN and Vodacom's use of SM marketing in building brand equity, according to respondents and other literature. The third section describes the data according to the proposition that sharing information on SM has a positive impact on brand equity. This is followed by data related to the second proposition that seeks to investigate the relationship between brand communities and brand equity enhancement. Proposition three then follows with a perspective on brand pages advertising. Lastly, the chapter describe the data related to the intended and unintended consequences MTN and Vodacom experienced while carrying out SM marketing.

4.3 Profile of Respondents

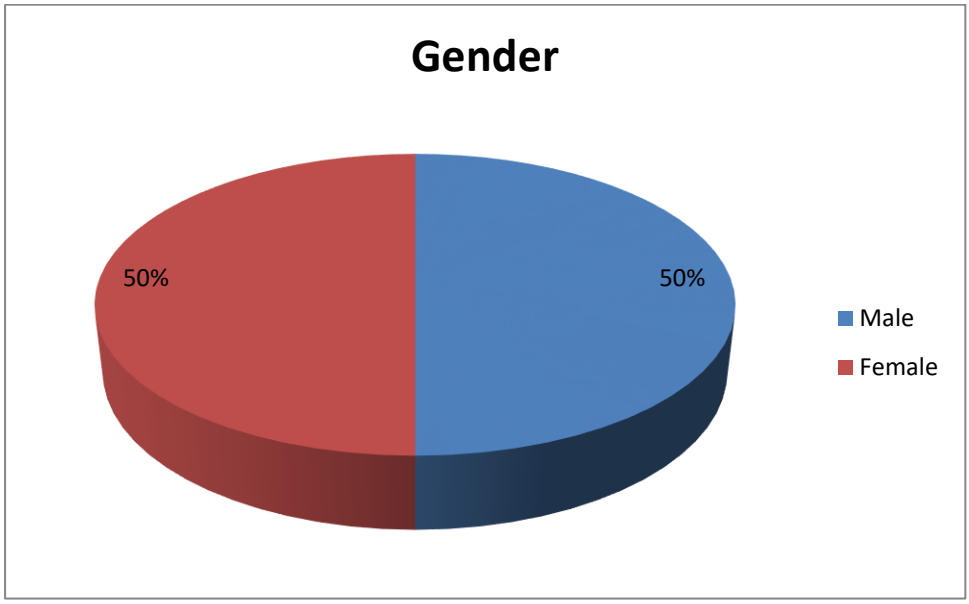

Figure 5.1: Respondents Gender – This figure portrays how positions related to SM are not gender biased roles with MTN and Vodacom.

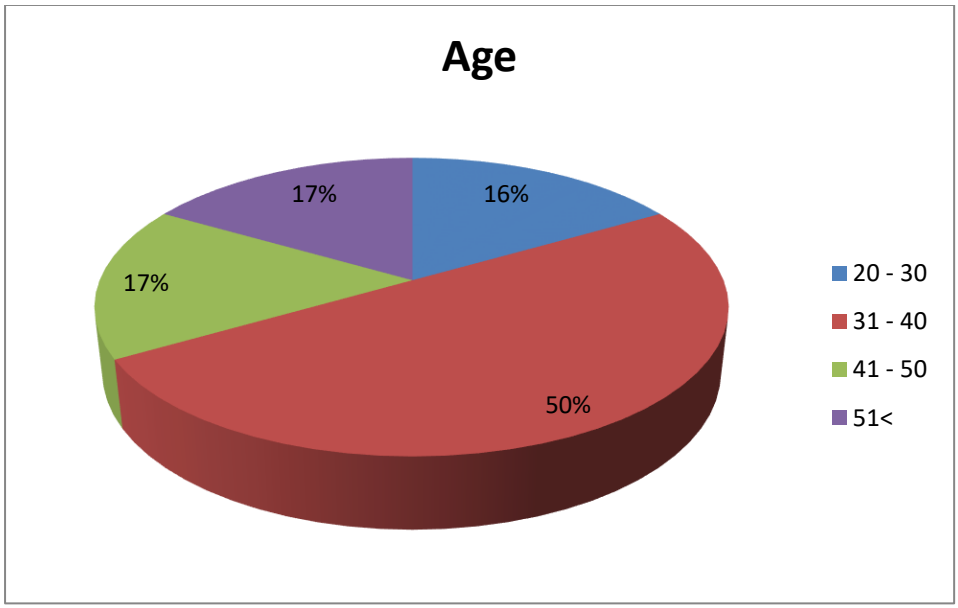

Figure 4.2: Age of Respondents – Respondents are mostly in the 31 – 40 age group but all age groups are represented.

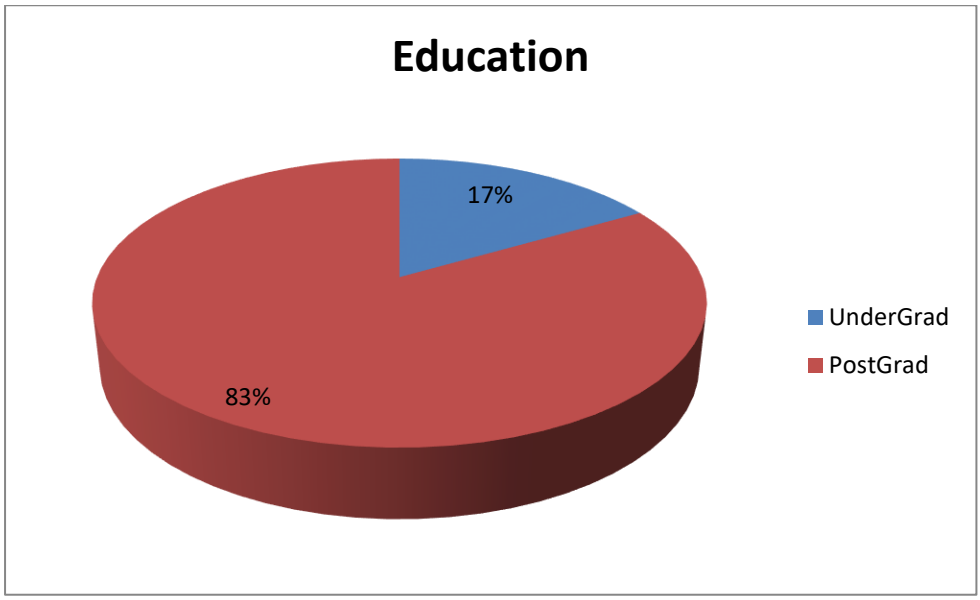

Figure 4.3: Academic Achievements of Respondents – There are a high proportion of respondents that have post-graduate qualifications.

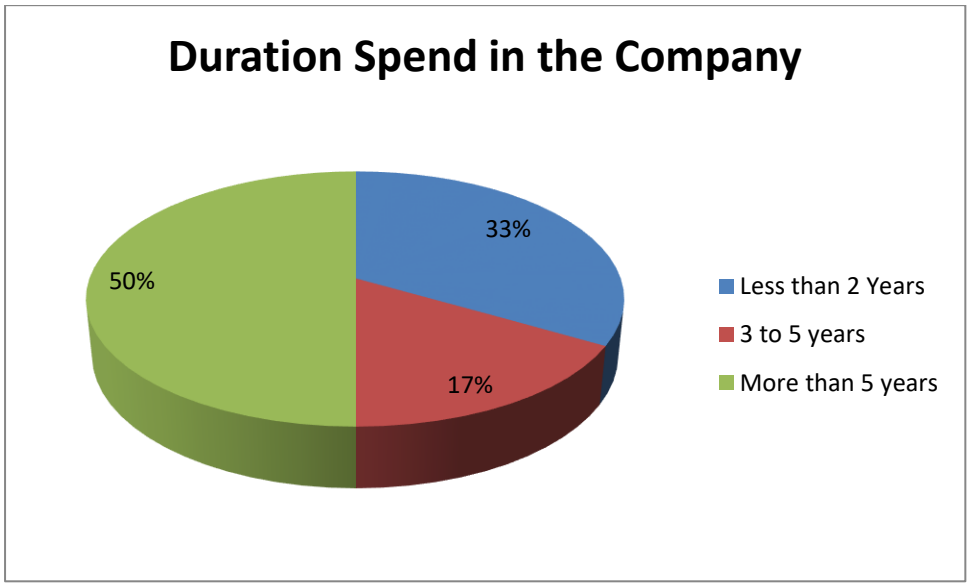

Figure 4.4: Duration Spent in the company – There are a substantial number of people who have spent more than five years in the two companies, with only 17% having spent three to five years in these companies and 33% spending less than two years.

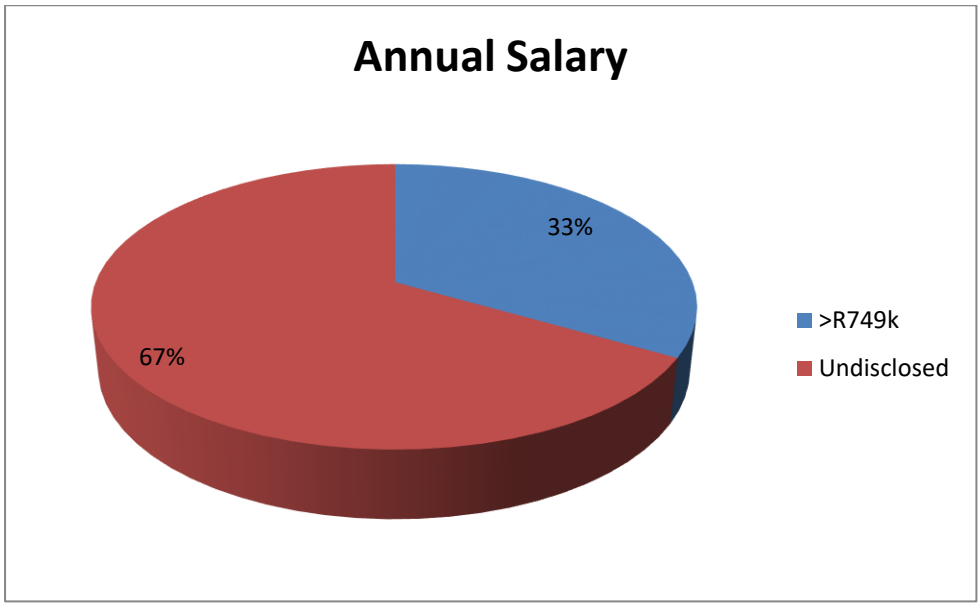

Figure 4.4: Annual Salaries of Respondents – Respondents that disclosed their annual salaries belong to a higher income bracket.

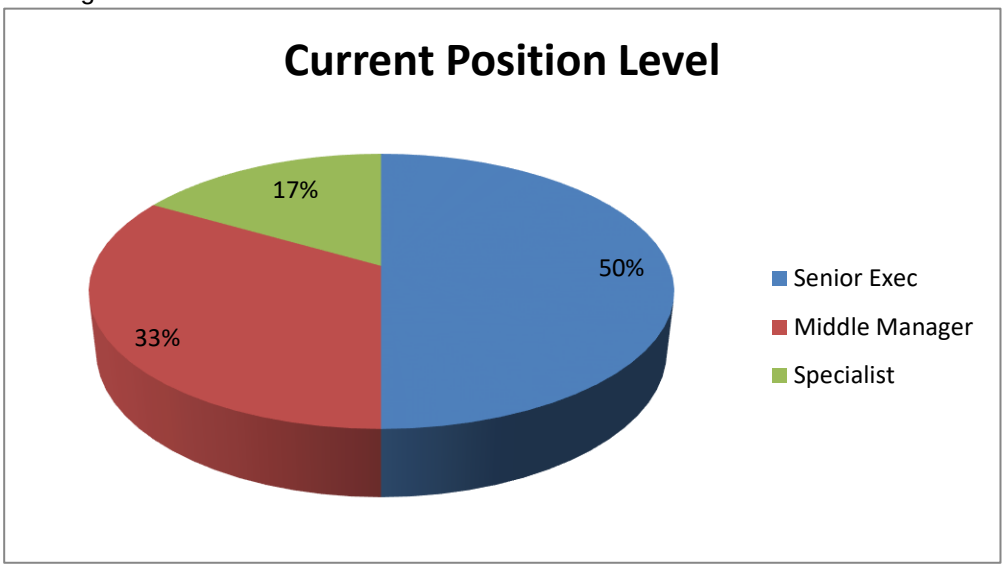

Figure 4.4: Level of Respondents – Senior Executives dominated the list of respondents as more than 50% of the respondents are in this bracket.

Table 4.1: Positions of respondents in their companies – The interviews were conducted mainly with high level respondents in both MTN and Vodacom.

Respondent Number	Company	Full Job Tittles
Respondent 1	vodacom	Executive Head: Corporate Affairs
Respondent 2	vodacom	Executive Head of Department - Online and Self Service
Respondent 3	vodacom	Portfolio Manager - Digital and Content Marketing
Respondent 4	vodacom	Digital Marketing Specialist
Respondent 5	MTN	Manager: Brand Communications & Media
Respondent 6	MTN	Executive: Group Corporate Affairs

4.4 Significance of SM Marketing in South African Telecommunications Companies

4.4.1 Vodacom

There are several reasons why telecommunications companies find it significant to use SM. Vodacom has stated that they implemented SM marketing because the company was

“embracing SM as a channel to sell products and services as well as for the purposes of addressing customer care and complaints”.

This is because the tool is strategically important. Furthermore, they stated that adoption of SM Marketing is non-negotiable since they are a customer centric company and claim to be innovative. The fourth respondent from Vodacom stated that “SM marketing was the next big thing in the industry, we began testing out the different ads units and saw high conversions”.

The primary objectives of Vodacom adopting SM is centred on the fact that the company “wants to be where customers are, increasing our young customers consume content – news, music etc. on SM platforms” said respondent one. This is similar to respondent two’s utterances that the company wants to increase “engagement, service, marketing and conversion”. The conversions are centred in accordance with relevant KPIs by Vodacom.

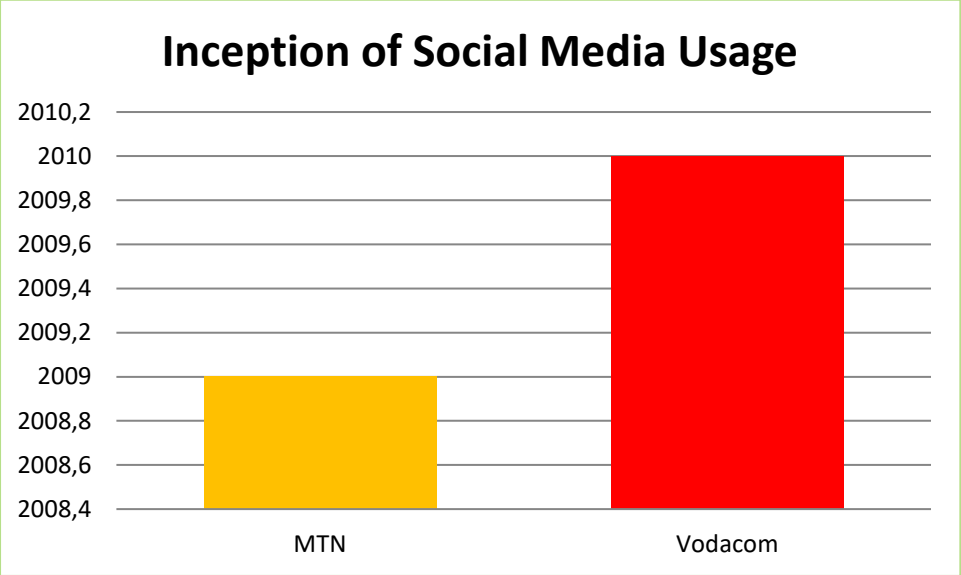

Figure 4.5: Inception of SM Usage –The years 2009 and 2010 are the time these telecommunication giants started to fully embrace SM. This was more than 10 years after their founding and five years post the emergence of Social Media.

Respondent One stated that Vodacom is satisfied with the achievement of the company objectives in the use of SM “although we had to learn along the way”.

There are however possibilities of being faster and more aggressive, stated respondent two. Respondent three mentioned that her department is satisfied overall, but they are working on improving customer service. She mentioned “the connection between customer accounts with Vodacom and their SM alias is not up to scratch. This prevents first line resolution”. Overall, the company is seeing high conversions through SM marketing.

4.4.2 MTN

SM Marketing at MTN has been implemented for several reasons, including its ability to offer instant gratification, speed and offloading the pressure on the call centre. Respondent Five stated that SM is another touch point with the company’s clients. For Respondent Six, SM has been adopted because it is a great form of implementing crisis management and it enhances the quality of service a company can offer. The primary objectives of implementing this medium at MTN are primarily centred around communications. MTN is satisfied with the alignment of objectives in adopting SM and the consequences as it has allowed the company to emphasise more on customer behaviour and they have been successful on Twitter as they share a lot of competitions, news and blogs. A further reason for the satisfaction is the fact that it has helped with client interaction and engagement as they are occurring in a manner that allows the company to measure them. The fourth reason in the satisfaction of objectives mentioned by Respondent Five is that the medium enhanced purchase intention as they are now able to sell more products as a result of using SM.

MTN’s use of SM services for customer service purposes was emphasised by the Brand’s PR and Communications Manager as well as the Chief Technology Officer in that they have been winning awards. Speaking to Liron Segev (2016), they attributed that although they have won the Orange Index award for customer service, they still have some way to go.

In MTN (2016)'s Group Integrated Report the company stated that their "use of SM platforms has opened new platforms of engagement with our stakeholders, especially customers, helping us to improve our turnaround times on service slippage".

According to ZA SM (2013), a small media agency that created a SM audit on all South African telecommunications companies, it found that MTN and Vodacom used SM for promotional, advertising, competitions and sharing of sponsorship content. This is because the companies value the importance of being on SM. IBM Institute for Business Value in BusinessTech (2014)'s reported on the different reasons why South African telecommunication companies should be on SM and found that "55% of South Africans share negative experiences on SM".

An important objective of using SM by telecommunication companies is customer services (Bruhn *et al*, 2012). BusinessTech (2014) however notes that these companies have not been doing well as "Consumers in South Africa tell us they buy on trust and relationships, that they want one-on-one social-style communications and will be more loyal on the back of good experiences, yet telecoms providers locally continue to experience declining revenues. They have to do more – really tune in to digital consumers, better at understand their wants and needs, then responding with compelling user experiences,". Amongst the objectives of MTN's presence on SM is the fact that they wanted to get closer to their customers. Since the re-emergence of MXIT in 2013, MTN has harnessed the platform mainly because it offers an ability to serve the teenage audience better (MediaUpdate, 2014).

4.5 Information Sharing On SM

4.5.1 MTN

Several contributing factors resulted in South African telecommunications companies adopting SM for information sharing. MTN views information sharing as having ignited superior customer service - the company can now interact with clients even more. The respondents also emphasised that it allowed the company to drive their sales better.

Campaigns such as With Love from MTN and below the line activations' information was also shared on SM.

Respondent Six stated that sharing information and conducting marketing through SM had a positive impact on MTN's brand equity, as "we are able to use such platforms to disseminate critical communications information". These are activities such as the release of the Samsung S7 edge, communication regarding the Nigeria court case and information such as annual financial reports. The company also make it a frequent thing to share campaigns such as MTN Joyous Celebration recordings and release of music.

The respondents stated that there are key lessons learned from the use of SM as a marketing and information-sharing tool. The company was able to build its credibility as it has an ability to back-up some of the information stated either by themselves or third parties. The brand equity was strengthened by these activities as MTN also "showcased its care for the consumers and did not just continuously share information about the brand".

Not only has MTN been using the simple abovementioned platforms for information, but the company has been adequately using its blog and newsletter. This was confirmed by the company's winning of the 2014 ITNewsAfrica awards for best blog and newsletter. In addition, using the MXIT community, MTN has also taken advantage of educating their audience about other products and services as the audience is already interacting with the brand (MediaUpdate, 2014).

4.5.2 Vodacom

With regard to Vodacom using SM for information sharing purposes, Respondent Two stated that sharing information of SM helped the company to reach more people and have higher engagements. This is a similar opinion shared by Respondent Four as she mentioned that sharing information on SM has assisted in creating greater awareness on the company's products and services. She added that "SM is a public platform, which means customers can also share their good (and bad) experiences with other customers online".

From a PR perspective, the company admits that SM can damage a brand if not well managed, but they are starting to build a positive sentiment around brand equity. Respondent One attributed that the company currently has one of the biggest corporate accounts because of managing their customer issues well.

Similar to companies, such as Tesla, building their reputation on technology and innovation, Respondent Three believes Vodacom can incorporate SM in their campaigns to enhance brand equity. The company has used paid media to expand their reach beyond their own SM community, thus increasing the extent to which SM can help build Vodacom's brand equity. SM has also helped Vodacom to increase and enhance brand equity online as it helped them provide rich quality information that engages customers.

Table 4.2: MTN and Vodacom information sharing activities on SM – There are several types of content that the two companies develop and for reasons such as marketing, direct selling and others. The frequency of their content also ranges from morning to evening depending on the aim of the content. The content is not only internal rather the companies also use SM influencers. Big data trends and analysis is a determining fact on which contents the companies continue to use.

Content	Frequency	Communities	Other
+Content supporting marketing and other Campaigns +Full time SM management team focusing on customer service and posting relevant content +Direct selling, information on foundation work and quizzes. +Monitoring of good and bad service experiences that customers share	+Weekly content schedule with daily engagements +Engages at least twice a day +7am – 10pm daily	+Have good understanding with SM influencers and engage them routinely. +Engages on all 7 platforms	+Full-time measurement of sentiment, trends and live customer feedback to learn and change strategy in real time +customers react positively to the content but can sometimes use the posts to respond to issues they are experiencing, not relating to the post

Amongst the lessons learnt by Vodacom regarding information sharing and its impact on brand equity, Respondent One feels that "speed is of the essence when dealing with

complaints and other issues" which is in cognisance with what Respondent Four stated. Respondent Two stated, "more interactive and entertaining content is vital". A numerical lesson that respondent three derived is that practitioners need to have effective databases that capture that data, to apply big data principles in SM.

ZASocialMedia (2013) confirmed that Vodacom has adequately been building its brand equity as the company has the highest amount of engagements on their content. This they noted is particularly visible in Vodacom's competitions content. Further aspects that the report noted was that telecommunication companies attempt to enhance their brand equity mostly through sharing information that is promotional while they could at times share their social responsibility work so as not to appear to be over selling.

4.6 Brand Communities

4.6.1 MTN

MTN's response towards the ability of the company to build brand communities is that brand communities have enhanced the company's brand equity. This can be made with reference to the fact that there are football tournaments that the company sponsors, such as the South African MTN 8 tournament. The company also interacts with the gospel market through MTN's Joyous Celebration. All this has enhanced brand equity SM through groups, accounts and pages that make mention of MTN.

Respondents further mentioned that SM brand communities have helped MTN build its brand equity as "brand communities are associated with the creation of relevant content and companies cannot have an umbrella approach in brand communities" (Boo, 2012, p. 45). Through these brand communities, MTN was able to give away tickets, run campaigns such as 8 million and 8 winners that are associated with football.

From an MTN perspective, the brand communities were created mainly with a football and gospel audience. The football audience is engaged at a higher rate during the MTN tournament that runs mostly for a duration of four months. The Gospel audience are mostly

Joyous Celebration fans and the brand engages these people during the music group's performances and album releases.

4.6.2 Vodacom

Some SM brand communities can enhance brand equity while there is no involvement from the brand. Respondent Two stated that they only allow one brand page per platform; however, Respondent Four raised an important point that Vodacom is already an established brand and SM is adding a layer on top of the brand success. She did acknowledge that there is a "community site where customers engage one another to get advice on how to solve their mobile issues".

Respondent One attributed that the more engaged a brand is with a community, the more it has an ability of influencing the community positively. With customers starting to experience fatigue on digital, Respondent Four attributed that word of mouth and SM influencers are becoming important in the decision-making process. Respondent Three stated that, most communities if the brand was to create them internally, could have a profile of being related to education and driving engagement on competitions. The most important lesson learnt by Vodacom is that, at all times, even in brand communities, there has to be a "world class service level".

Given the fact that the African market is strong on feature phones, MTN's use of MXIT in building brand equity was driven by activities such as offering free downloads to their subscribers. This they did because they wanted to add an exclusive value to their subscribers. Dr Smuts, general manager of Electronic Channels at MTN noted "MXIT is a platform where we at MTN can speak to our youth audience in their language, where they are" (MediaUpdate, 2014).

4.7 Brand Pages Advertising

4.7.1 MTN

SM brand pages advertising has helped MTN build its brand equity, as the company is now able to respond to complaints in a much quicker fashion. As noted by Respondent Six: “This also enhances our Brand Capital”. The key learning is that brand pages enable the company to communicate with its clients and other stakeholders in a fashion that was previously unavailable. When there is a crisis, SM brand pages provide MTN with the platform to quickly address the issue.

With the use of in-app purchases called Moolas on MXIT, MTN has been able to attract users through giving away 10 000 Moolas every week. This advertising saw the company growing its following by huge volumes. The company enhances its pages advertising through rewarding loyalty, given the fact that subscribers always want to win something. MTN also gave away a Samsung Note 4. The vice-president of sales at MXIT attributed that “MTN’s spectacular growth since the app launched in November is an indication that the brand is serious about advertising on mobile SM” (MediaUpdate, 2014).

4.7.2 Vodacom

According to respondents, brand pages advertising has helped in building Vodacom’s brand equity in several ways. The company sponsors soccer and rugby because sports related marketing and promotions have an ability to create awareness and affinity. They further stated that advertising on SM pages increases followers and “assists in being top-of-mind to potential clients”.

Respondent Four stated that brand pages advertising increases brand equity as it enhances the company’s reach of potential clients. The extent of brand pages advertising building brand equity has been massive as “by clicking on our adverts and getting to our website for more details, customers have been exposed to our brand and services”. This

Respondents Two and Three stated has helped in increasing reach and engagement with customers.

Most of Vodacom's Brand Pages advertising was carried out on its pages but activity further expanded to partner pages. The company is even paying for adverts on popular websites. According to Respondent Three, the company "uses all the advertising options on Facebook and Twitter (depending on outcome required) and started doing promoted posts on Instagram recently that works very well for us. We are also advertising on LinkedIn with the goal of broadening our B2B market".

Amongst the important lessons Vodacom learnt in the adoption of Brand Pages advertising is that "a mix of exposure helps". Respondent Two made an important point by stating that they learnt a lesson that they should not focus on building communities (following) with paid advertising, they must instead drive with content. A further lesson learnt is that SM drives a lot of sales for Vodacom, thus they are considering to reduce DSPs (Demand Site Platforms) and focus more on SM Advertising.

A contrasting factor noted by ZASocialMedia (2013), in their audit, was that MTN has a lot of adverts on their SM but they do not have engagements, in contrast to Vodacom who are building following through content. The company further added that telecommunication companies must focus on getting shares for their articles and not just likes.

4.8 Consequences of SM marketing

4.8.1 MTN

There are several aspects that MTN has been unable to control due to the emergence of SM. Challenges that clients have faced with regard to data were easily uttered on SM. The company however acknowledges that they then attended to these cases. People have also been complaining about network coverage on different SM platforms on which MTN is present and the company could not censor client complaints. The respondents mentioned that negative comments were "mainly from customer service".

The respondents further stated that MTN enjoyed several positive consequences of SM marketing because sales of the iPhone6s sky rocketed due to SM brand pages advertising. The company now has an ability to use SM influencers in marketing some of their product campaigns and launches. The respondents state that most of the consequences experienced as a result of SM marketing have been intended. A particular example is the company's partnership with Cassper Nyovest –a famous South African hip hop artist - which allowed MTN to grow and extend their customer base by reaching out to the artist's large fan following of more than 1.4 Million fans on Instagram, 2.1 Million fans on Facebook and 940 000 Twitter followers that are highly interactive (as of May 2017).

Instant gratification is perceived by Respondent Five as the most important consequence in the company's adoption of SM Marketing. "This is because SM gives us a chance to respond immediately". They perceive SM brand pages advertising to be a "make or break" platform when it comes to a company building its brand equity. There are many ways through which MTN has experienced the consequences of being present on SM. The Nigeria saga was on top of the list of some of the mentions the company got on SM (CTNGAfrica, 2015). There was also an incident in 2016 when different people, including the then Metro FM Radio personality, Thabo Molefe, pressured South Africans through a popular trending #Hashtag on Twitter named #DataMustFall. This was about costs of data prices from South African telecommunications companies (TheNewAge, 2016).

4.8.2 Vodacom

Consequence of Vodacom's adoption of SM marketing stated by Respondent One is that "with exposure comes an expectation. When there are challenges, the noise definitely gets amplified". The second respondent felt that the company needs to avail itself on all platforms. Respondent Three agreed with Respondent One and stated that "the more you market on SM, the more customers join these platforms and the more customer service queries are logged". She further stated that SM has a snowball effect but the team at Vodacom has grown extensively because of such challenges over the past years.

Consequences of SM marketing as adopted by Vodacom have been both intended and unintended but the company has had positive traction for initiated campaigns as they focus on minimising the negative. The most important lesson on the abovementioned consequences of SM, Respondent Three noted is that “positive sentiment lead to a more positive outlook by customers of the brand”. Respondent Two emphasised that telecommunications companies must always focus on customer feedback. The company further believes that “learning to manage issues with speed” is essential, as “SM responses are as good as a press release”.

Respondents at Vodacom concluded by saying that, “SM is a journey that we have embraced and are all learning as we go. Most importantly that SM is not only about brand and marketing, those are secondary, rather it is about enhancing brand relationships”. ZASociaMedia (2013) revealed that South African telecommunications companies need to start considering building social currency and not just focus on promotions and competitions. He attributed that the companies need to start creating cool content in order to drive engagement. These companies’ consequences are influenced mainly by the fact that “influence of peer on peers has a radical impact on telecommunications providers” (BusinessTech, 2014).

Although the focus of SM is not customer care, this phenomenon has resulted in unintended consequences thus telecommunication companies have realised that they need to focus on it. This is because 83% of people support ratings that were generated through SM and 39% of people are likely not to buy a product because they were discouraged by someone else (BusinessTech, 2014). The higher LSM 7 – 10 have also proven that perceptions, such as market leader and trusted brand, encourage them to use a brand even more when it comes to Vodacom and MTN (Mentz *et al.*, 2013).

4.9 Chapter Conclusion

The above chapter has attempted to discuss the results of the study with the hope of answering the main research question on consequences of SM marketing on the brand equity of leading mobile telephone operators in South Africa. Respondents who

participated in the study are well placed to answer these questions as they served in diverse levels at both Vodacom and MTN. The respondents are also well educated with most of them having obtained post-graduate studies. The generational mix of the respondents also worked in the advantage of the study because there were no biases of digital or below the line preference by the younger and older generations respectively. Most importantly, the fact that most of the respondents had worked in the two companies for more than three years yielded depth for the study. The complementary documents, such as articles and reports, contributed positively to the study as they contained vital information that was not easily extracted from the respondents.

The second part of the chapter outlines results on the significance of adopting SM as a marketing tool in mobile telecommunications companies. The responses show that there is an attempt to strengthen brand equity through embracing digital because most of the younger generation consume content through this medium. That was the main reason why the mobile telephone operators adopted SM. SM has also been adopted because it gave these companies an opportunity and platform to address service issues instantly, hence they both have SM accounts dedicated to service. This is significant as Business Tech (2014) noted that 55% of South Africans share their negative experiences on SM. The mobile telephone companies also mentioned that they adopted SM because it provided a platform to drive engagement and conversions.

The third part of the chapter discussed the impact of sharing information through SM on the brand equity of telephone operators in South Africa. The responses show that mobile telephone providers have used SM to disseminate information on the various campaigns they were running in sports and music. SM has also proven to be advantageous as the companies have been able to communicate the Nigeria debacle as well as deal with #DataMustFall timeously. The respondents also mentioned that given the fact that most of the younger audience spends a lot of time on SM, they were able to educate their audience on the different products offered by the companies.

In answering questions related to research question number Two, the data gathered from reports and other materials as well as responses from participants showed that brand

communities were created around themes such as sports and music. The Brand Communities have also provided a platform through which consumers can interact with one another on topics related to the mobile telephone providers, but be of assistance to one another such as mobile issues. Respondents also stated that they used incentives, i.e. competitions and free downloads, in order to create exclusivity in their brand communities.

The fourth part of the chapter answers research question three as it interrogates the impact of brand pages advertising on the brand equity of leading mobile telephone providers in South Africa. The respondents highlighted the fact that brand pages advertising enabled them to execute targeted advertising through sponsored ads that resulted in an increased number of sales. In order to strengthen brand equity through customer relationships, the companies have also used brand pages to advertise loyalty points and rewards system to their customers. The respondents also mentioned that brand pages advertising enabled them to position their brands as top of mind to brands when it comes to making decisions related to their services. Not only has the two leading companies executed brand pages advertising on their own platforms, they also took advantage of partner pages in order to have a mix of exposures and have higher reach and engagement.

Outside the three constructs of information sharing, brand communities and brand pages advertising, the respondents perceive SM marketing as tricky because it is uncensored. In order to mitigate this challenge, the companies have been responding instantly to all compliments and complaints as they increased their customer service teams. The respondents also stated that the one important thing they are doing is to send positive messages about their brands as that would contribute to increase positive sentiments because they do not have control over other people’s opinions, given the fact that there is peer-to-peer influence.

5 DATA ANALYSIS

5.2 Introduction

This Chapter seeks to analyse the data presented in Chapter Four. The analysis is done through comparing and contrasting the results of the interviews conducted with the literature outlined in Chapter Two. Most importantly, the analysis answers the research questions. The intention is to show how SM marketing affects South African leading mobile telecommunications companies.

The research questions listed in Chapter Two are as follows:

- What is the impact of information sharing on the brand equity of leading mobile telephone operators in South Africa?
- What is the impact of brand communities on the brand equity of leading mobile telephone operators in South Africa?
- What is the impact of brand pages advertising on the brand equity of leading mobile telephone operators in South Africa?

5.3 Demographic Profile of Respondents

Many changes occurred with regard to the sample demographic during the course of the study. Companies initially approached for the study cancelled interviews, citing reasons such as confidentiality. The initial plan was to interview 30 direct and indirect SM professionals but the study ended up interviewing six respondents. Supplemented with reports, media articles and expert analysis, the interviewed demographic has depth as it included two executives, one head of department, two managers and one specialist.

From an age perspective, more than 50% of the respondents were between the ages of 31 to 40. SM is often related with the younger age groups in the millennial bracket (people born after 1984) but these companies are deploying the older generation to engage their customers. The gender balance in these leading telecommunications companies can also

add value when it comes to diversity of views, as there is a 50% representation of males and females alike.

83% of the respondents have post-graduate qualifications and only 17% have undergraduate degrees. This means all respondents have tertiary qualifications. This can contribute to the quality of SM and brand equity understanding. The respondents generally spent enough time in the different companies to understand them comprehensively. More than half of the respondents spent a duration of above five years while 17% spent three to five years. Only a third of the respondents have less than two years in these companies. The quality of respondents is also portrayed by the positions held in the companies being investigated. Senior executives were more than any other position interviewed. The list ranking among the different respondents is a specialist.

5.4 Discussions on the Relevance of SM Marketing on Leading Mobile Telephone Operators in South Africa

Reasons for implementing SM marketing at both companies were centred around service and sales. From a service perspective, MTN's major reason for adoption of SM was to reduce the pressure on the call centre. The medium helped the two companies deal with customer complaints in a much better way. This has improved key KPIs such as improved turnaround times on service slippage. An important element in the use of SM for South African telecommunications companies is engagement with clients beyond customer complaints. This gives the companies an ability to spend time understanding digital consumer's needs and wants. Furthermore, SM engagement has provided an added advantage in that these telecommunications companies have a privilege of measuring engagement.

Another relevance in different telecoms companies' adoption of SM marketing is an ability to lure customers into lucrative sales. With Vodacom's adoption of this medium of communication as a full-on business strategy in 2010, the company was able to test out different advertisements and saw good conversions, thus proving the high relevance of SM.

5.5 Information Sharing on SM

As Osatuyi (2013) says, SM has provided a faster platform for different companies to reach customers. Both MTN and Vodacom attest to having benefitted on this positive consequence as they stated that the platform helped them disseminate information quickly as well as create awareness about their brands. This is in line with what Bakshi *et al*. (2017) regard as an important factor about brand equity. Through an ability to share information about their brands, these companies have been able to gain some form of credibility.

MTN clearly values the timely manner in which SM allows them to distribute news as they were able to communicate news of the issuing of a fine in Nigeria. Vodacom also has a full-time team that monitors how news is being received. The instantaneous communication of news that indirectly relate to local consumers by MTN proved that the company understands that Brand Equity involves different stakeholders (Vazquiz *et al*., 2002).

Information sharing has also contributed to brand equity in that campaigns such as the launch of the Samsung S7 edge and CSI activities are communicated through SM in these leading mobile telephone companies. This aligns with Boo (2009)'s believe that brand equity also encompasses brand values. With this, companies undertaking community work, this lead to association with some current and potential customers' values and they end up enhancing relationships further.

Lessons learned by the telecommunications companies relates mainly to an ability to be competitively advantageous as a tool that enables a business to build brand equity (Chatzipanagiotou *et al*., 2016). In order to maintain competitive advantage, information sharing has thus given the companies an ability to "measure trends and customer feedback to learn and change strategy in real time" as asserted by Respondent Two.

Although it is clear from the above that in line with Proposition One, information sharing indeed has a positive impact on the brand equity of leading telecoms companies, Erickson (2011) notes that there are some elements of uncertainty in sharing information on SM

Platforms. The leading telecommunications companies are also aware of this as they mentioned that SM is an open platform and customers often complain about service issues that have negative implications on their brand equity.

5.6 SM Brand Communities

Vazquez *et al.* (2002) perceive brand equity to be concerned with the customer, the company, distribution and financial markets. The customer elements aspect is what concerns brand communities. Customer based brand equity is concerned with customer associations that may also be functional and symbolic. These customers may also be "admirers of a brand" (Muniz & O'Guinn, 2001, p. 412). In the case of South African mobile telephone operators, there are also observations of communities engaging in order to help one another solve mobile issues.

A prominent impact of brand communities on brand equity is the sponsoring of music and soccer tournaments that bear names of mobile telecommunications companies. This is evident in the MTN 8 competition as well as the MTN Joyous celebrations. Vodacom's sponsorship of the Durban July and sponsorships of Kaizer Chiefs and Orlando Pirates resembles this. This all assists in the adding of the strategy based value addition of brand equity to the marketing department (Pappu *et al.*, 2005).

SM brand communities enable South African telecommunications companies to speak to their audience, particularly the youth, "in a language they understand", through the creation of exclusive groups. The brand communities help enhance brand equity as they give members a sense of belonging. In addition, there are incentives such as MTN's offer of free downloads to people who were in their MXIT group. This is in line with Antonio *et al.* (2017)'s belief that brand equity is created through adding value for the customer and increasing assets.

The respondents believe that the more engaged a brand is with a community, the more ability it has to influence the community positively. This is important for mobile telephone companies' brand equity as the advent of SM has also brought with it influencer marketing. These brands have tapped into SM accounts of influential artists such as Casper Nyovest

to convey messages on new product releases. Brand communities are enabling the brands to exercise an important brand equity construct of enhancing the brands' sustainable competitiveness (Aaker, 2009).

Brand communities have also had an ability to drive connections between different people as well as an element of co-presence (Laroche *et al.*, 2012). This adds to the untouchable elements that help build the brand equity of different companies (Hsu, 2012). The building came with prospects of creating brand communities that are centred mostly on education and driving engagement of competition. This is on the basis that those who are passionate about education will relate to these brands and view them as adding value beyond being service providers.

Gonda (2012) warns that there is an ability for brand communities to be good platforms for brand crashing. Given the fact that there are controlled and uncontrolled brand communities, this is an important aspect to note. It is in this context that telephone mobile providers hope that they influence communities positively. This has not always been the case as in some communities there have been expression of service dissatisfaction. This is a brand equity aspect Kamakura *et al.* (1991) mentions as being less favourable to the product, price, promotion or distribution of a product.

5.7 SM Brand Pages Advertising

SM brand pages advertising has helped leading telecommunications companies in South Africa in several ways. The companies were able to increase brand capital through the use of SM brand pages advertising. This Rosenthal *et al.* (2017) terms as an ability to create value from platforms that were able to be present in the lives of their "likers", followers, fans and subscribers. It is a form of building brand equity through identifying that brand equity is solidified when there are different stakeholders around a brand. The full benefits for the mobile telephone operators has been the fact that Instagram yielded positive advertising results and LinkedIn has given them an ability to tap into the B2B market.

Brand Pages advertising and SM in general, have presented enormous opportunities for targeted advertising because there is advertising clutter in the ubiquitous marketing world (DeMers, 2015). People can be exposed to more than 5000 advertisements in a day, but only make an impression on 12 advertisements (ibid). Telecommunications companies have thus been using competitions and free downloads in order to reach more people through their brand pages.

Brand Pages, especially those on Facebook, give different brands an ability to interact with consumers directly and have opened up an opportunity for consumers to interact with one another in the comments sections (Wang & Wei, 2012). The leading telecommunications companies have thus been enabling dialogue to occur not only on their own Facebook pages, but also on their sports or other sponsorships partner pages. This increases reach and engagement with customers. Brand pages advertising has also been occurring on influencers' pages for quality advertising and broadened reach purposes. It earned the companies; the much needed "… mix of exposure". It is through such forms of advertising and platforms that the companies have been able to differentiate themselves, thus enhancing their brand equity.

5.8 SM Marketing Intended and Unintended Consequences

Kamakura (1991) states that when there are fewer conditions to product, price, promotion or distribution, this can lead to negative customer-based brand equity. Amongst other consequences of SM marketing outside of the three constructs mentioned above, customers used SM to complain about unaccounted data depletions and service challenges. This negative customer-based brand equity was then expanded by the snowball effect due to the nature of C2C interactions that SM provides.

However, to the benefit of these brands, there has also been positive consumer based brand equity as the adoption of SM enabled the companies to skyrocket sales of merchandise such as the iPhone 6s because it was heavily advertised on SM. The instant gratification element that comes with SM also worked to the advantage of the service

providers as they were able to respond immediately to whatever complaints were lodged, thus keeping clients unhappy for a short period.

Due to an ability to drive traction on initiated campaigns, the companies attribute that most of the consequences experienced as a result of the adoption of SM marketing have been intended. This can also be attributed to the fact that they focused largely on minimising the negatives. With usage of influencers such as the famous hip-hop artist Cassper Nyovest, the hype around such campaigns, that were more focused on interaction with an artist than about the telecommunications and prizes in competitions also assisted the companies. However, the MTN Nigeria saga and the #DataMustFall campaigns were aspects beyond the control of these companies.

Amongst the most important lessons learned in SM marketing by these South African mobile telephone companies is the fact that customer service is most important and always has to be on world-class levels. To show that customer service is on high levels and thus impacting brand equity, customers have to be willing to place a premium on a specific company's product or service as opposed to its competitors (Williams *et al.*, 2014). The two surveyed South African mobile telephone operators are heading in the right direction because they understand the importance of service.

The fact that these leading mobile telephone operators view customers to be at the centre if they want to build positive brand equity means that it is important to keep customers happy because a brand wants a positive outlook. Vazquez *et al.* (2002) perceive brand equity to be inundated by different stakeholders, thus these brands are on the right track as they have different stakeholders building their brand equity. With SM being perceived to be as good as press releases, it is good that MTN and Vodacom also value an ability to act with speed in managing issues as this strengthens their brand equity.

5.9 Chapter Conclusion

This chapter has attempted to analyse the study and prove or disprove as well as investigate consequences of SM marketing on the brand equity of South African mobile telephone operators. The adoption of SM by MTN and Vodacom had a positive impact on

their brand equity. The companies were now able to measure engagement which allowed them to serve their customers better. This resulted in improved sales and improvement of turnaround times on complaints, which resulted in happy customers.

Proposition One was proven to be true in that there is evidence that information sharing has a positive impact on the brand equity of these leading mobile telephone operators. The information shared was not only able to reach the right people rather the benefit of information dissemination on SM has been the fact that it is also quick. Through the Nigeria saga and #DataMustFall, the reaction from mobile telephone operators proved that they care about their brands and customers, hence the quick reactions. The stakeholder, that is the customers, were kept in the loop. The brand equity was also enhanced through sharing of CSI activities and people who share the same brand values with the two companies formed an even better bond with them. This Cheng-Hsui Chen (2001) terms as improvement of brand equity by association.

Analysis of the brand communities construct in the text above also prove that brand communities have a positive impact on the brand equity of South African mobile telephone operators. Communities associated with these leading companies did not only have a symbolic attachment rather due to the cloud interactions that SM offers they were also functional. This is seen mainly in instances such as customers being able to interact and solve mobile issues in Facebook groups and other brand communities.

The SM brand communities further impacted the brand equity of the mobile telephone operators in that they were able to tap into youth groups and speak the language the youth understood. This was seen for example, in MXIT groups. It was through the positive feedback realised that Vodacom even mentioned that if they were to have a controlled group, it would be around education. The most interesting aspect noted with brand communities is the fact that some are not controlled and they do not have a negative impact on the brand equity of the two companies. There are, however, cases of a negative impact, given the two companies cannot censor peer-to-peer communication.

SM brand pages have also had a positive impact on the brand equity of leading telephone operators in that it allowed them to extract value on new platforms of advertising. This

enabled them to extract a previously untapped value as there were opportunities of paid advertising in the form of sponsoring posts on the pages themselves. An impact was also created by the ability to have a dedicated B2B audience in platforms such as LinkedIn. Most importantly as brand pages advertising offers a similar reach such as billboards but on SM the brands were able to differentiate themselves and attract/entice their preferred audience.

Although in most instances, SM reactions and interaction with the mobile telephone operators were intended, there were some instances where unintended consequences occurred. Instances such as service complaints at times showed that there has to be a balance in both the product offered and how it is enjoyed. While people enjoy using the leading mobile telephone providers services, the data shows that the right to complain on SM was often also exercised. On the other hand, intended consequences also contributed to the balance sheet brand equity in that there was an increase in sales of products such as the iPhone 6 for example. SM influencers also helped enhance the brand equity of these companies positively in that it increased this company's reach of customers beyond their own SM accounts.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The purpose of this study was to assess the consequences of SM marketing on the brand equity of leading mobile telephone operators in South Africa. The study's main concern was whether the consequences are intended or unintended. Within the confines of the three SM constructs of brand communities, information sharing and brand pages advertising, the study also aimed to investigate if SM marketing adoption was negative or positive. Most importantly, the study considered the mobile telephone industry given its customer facing capability and daily usage as SM marketing adoption would yield stronger implications.

This chapter first looks at the implication of this study, not only in the academic fraternity, but an impact on marketing practitioners as well. The implications are assessed from the perspective of how the study will help add value and assist professionals in understanding the complexity of adopting social networks as marketing tools. Furthermore, the chapter summarises the impact of SM adoption in the two leading mobile telephone providers in South Africa – MTN and Vodacom. The recommendations provided have been narrowed to the results in order to be within context and relatable.

The fact that the study was able to interview social media specialists, managers and executives as well as gather articles from diverse perspectives has helped increase the diversity and thus usability of the research. Junior to Middle level staff members will benefit from the application related findings whiles managers and executives will be well suited to influence strategies in varied companies when it comes to social media managers. Of importance however, will be the study's ability assist in the kind of aspects internal staff media will be able to liaise with in briefing agencies that offer SM services.

6.2 Conclusion and Implications of the study

SM has had several implications in diverse industries around the world. This has also been on the brand equity of companies. This is given by the platform's ability to enable two-way communication, which can result in companies gaining more customers or losing customers. The tourism industry is an industry that benefits a lot from SM usage by people around the world, as people share their travel experience through images, videos and text. The emergence of image and video oriented SM platforms, such as Instagram and Snapchat, have increased exposure in the sharing of such experiences. This has thus affected the brand equity of companies involved in the sector from travel agents, hotels, tour guides, transport providers and city councils. Such has also been the case in the telecommunications sector as SM has had tremendous impact on the industry.

SM marketing and platforms are very challenging to study given the rapid changes that occur in the industry on a daily basis. The ability of a company to change its user interface rapidly has resulted in the retention of members; Facebook is a great example in this regard (Williams *et al.*, 2014). At the beginning of this study in 2015, features such as Live Video had not yet emerged, but now they are a key part of SM platforms. SM platforms such as MXIT were also still in existence in South Africa but due to the constant rapidly changing nature of SM world, companies like MXIT could not keep up. Snapchat had not been adopted or become popular amongst South Africans but now there are a few people using the platform. YouTube and Facebook have, post 2015, also positioned themselves as search engines given the amount of data on their platforms although this was not the case 18 months ago (Haucap & Heimeshoff, 2014). Therefore, some aspects of the study might be seen to be non-relatable or other aspects might be seen to have been omitted.

Since the emergence of Social Media, leading SM marketing scholars such as Kaplan have focused mainly on unpacking features and benefits of SM marketing. Other studies such as that of Bertot *et al*. (2012) have also been focusing on security of data, SM and offline marketing. However, although relationships between SM marketing and brand equity have also been interrogated, there has been little focus on the impact and consequences. It was in the light of the fact that SM has been defined and explained

enough in academia that this study saw the need to study this marketing tool through the three constructs. The identified need has also been that of focusing on intentional or unintentional adoption of SM marketing.

The study has also been fundamentally concerned with SM as a communication tool in an era of disruptive technologies. It is within these confines that the theoretical framework adopted by the study was that of media theory. The media theory lance helped unpack the history of communication and the evolution of online marketing as well as social networks in general. This assisted in the understanding of the evolution of one-way communication into two-way communication and ultimately, user generated content, as well as peer-to-peer communication. The two latter forms of communication have thus been adopted by marketers in an attempt to build brand equity – hence the study's concern with such consequences.

The study has several capabilities in terms of who and how it can benefit businesses in enhancing both the balance sheet brand equity and customer based brand equity. Brand communities will last throughout the existence of SM platforms and the fact that companies cannot control some communities will be a challenge. The study will thus help SM strategists in understanding them better and thus devising well-suited content plans and calendars. The study will also assist in the understanding and attempt to cap negative peer-to-peer communication.

Consequences of SM marketing are often undocumented due to the lack of awareness of such consequences. The study carries with it the fundamental understanding that through knowing the intended consequences of SM marketing, corporates will understand what they need to keep on doing. On the other hand, understanding unintended consequences, particularly negative consequences, can result in devising better strategies in addressing them. The study is even better suited in understanding such aspects from intensively customer facing industries, such as mobile telephone operators.

In building brand equity, there are hard and soft elements that need to be considered. Of importance in the soft elements is the attachments customers form with brands. SM has thus presented an opportunity for brands to enhance this attachment or attract new bonds

or repel some existing bonds. The implications SM brings is that inside brand communities and brand pages there is a need to constantly showcase brand values and other aspects that will create more bonds and enhance brand equity. A full understanding of customers and SM will thus assist practicing marketing professionals. The results should not be generalised to other telecommunications companies, however, other telecommunications companies can learn from MTN and Vodacom's SM strategies.

6.3 Recommendations

In the era before the emergence of SM platforms, a form of reaching many people at once was thread emails. Jokes and other forms of crucial messages were forwarded through threads. This resulted in brands resorting to email spamming as a form of targeting people. This was a good marketing strategy at the time given the fact that the ratio of opened emails was very high. However, this is not the same anymore because communication has evolved into multiple platforms and is still evolving. Brands need to understand that just because they are sending messages, it does not mean it will reach the right audience, as not everything is relevant to everyone. Unsegmented forms of marketing can have unintended negative consequences because the brand followers have no interest in the brand.

SM marketing has contributed largely to the emergence of big data or at least, big data presents greater intended advertising efficiencies when it comes to SM marketing. In order to mitigate some of the challenges identified in the study, analysis of customer data for use in SM marketing is important. This will enable different marketing campaigns to be efficient because it will also mean that companies understand the kind of content that interest certain customers.

Key to fundamental business successes has always been different businesses' ability to add value in people's lives. The same is also true in SM marketing, especially the use of permission marketing and content marketing to build brand loyalty and increase the bottom line. The use of content marketing in adding value to current customers and potential customers' lives will result in an increased brand attachment and have an impact on brand equity. With the resources at their disposal, mobile telephone operators can adopt a certain

course/perspective such as the need to be the best in providing data saving advice and build tribes around that. Content related to such a topic can be published at higher rates than advertising of their own brands, which will eventually lead to brand trust.

SM does not exist in isolation within the marketing division just as marketing does not exist in isolation on the company organogram. Although some aspects of SM professionals are bound to deal with on a daily basis, these aspects are not necessarily related to the marketing division. These are challenges such as constant complaints about the service, contracts and airtime depleting. It would therefore benefit the marketing division to lead companies in inculcating a company culture that will reduce complaints about the company. This can be done in executive committee meetings and in branding around company campuses.

Brand equity is very hard to manage given the fact that it encompasses all sorts of stakeholders. It is even harder to manage through SM. Although mobile telephone operators have deployed dedicated teams that deal specifically with negative feedback, there is also a need to increase the reach of positive feedback. Work that is conducted in CSI foundations should be broadcast in conjunction with the number of happy clients. The dedicated service teams must also have an ability of extracting positive feedback on SM platforms.

6.4 Limitations of the study

There are several aspects that influenced how the study could have turned out that are methodological, theoretical and concerning the IMC profession. The study was affected by the methodological challenges at data collection phase because there were not a lot of respondents willing to participate in the study, citing confidentiality and intellectual property reasons. This resulted in the sample of the study having to be reduced from the original target. The study panned out to be completed as articles related to the topic complemented the interviews.

This study decided to focus on five SM (Facebook, Twitter, Instagram, MXIT and YouTube) platforms based on the popularity of these platforms as well as available data to be able

to conduct a proper analysis. This then meant that the study excluded other SM platforms that telecommunications are using, for example, there are more than 50 SM media platforms used in the US, China, Europe and the rest of the world, some of which are unknown to South Africans. Furthermore, there are also unpopular platforms, which South African telephone operators are using or still experimenting with that were not considered by this study. Thus, the choice to focus on five SM platforms has put limitations on the study in terms of understanding the role that other SM platforms play in influencing brand equity.

The impact of SM marketing was assessed within the confines of brand communities, information sharing and brand pages advertising as per its impact on brand equity. This has thus limited the responses and analysis that could have possibly been obtained about SM or around other key themes. The same is also true in saying that the results of this study, although at times related, do not always apply to all industries and only related to leading mobile telephone operators in South Africa.

6.5 Suggestions for further research

In conducting the study, other related studies were identified as well as studies that can complement this research in order to make it stronger. A potential study around the complaints expressed on social media and mechanisms used in order to reduce them, given their impact on brand equity, would be providing a suitable way forward on the unintended negative consequences of brand equity. With brand equity centered mainly around the balance sheet in order to increase the bottom line, it would also be interesting to have a study around the SM marketing impact on sale conversation. This will help in the understanding who and why people buy certain products that they have seen on SM. With the advent of content competition on SM, it would also be interesting to have a study conducted around the benefits of organic content on SM because of high advertising budgets invested on paid reach – especially by big brands.

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APPENDIX A

1. DEMOGRAPHICS

a. Gender

i. Male
ii. Female

b. Age band (please tick the applicable age bracket):

i. 20 - 30
ii. 31 - 40
iii. 41 - 50
iv. 51 years and above

c. Income band per annum

i. Less than R250 000
ii. between R205 000 – R499 999 per annum
iii. R500 000 and R7499 999 per annum
iv. Other

d. Education level

i. Matric
ii. Undergraduate
iii. Post graduate
iv. Other

e. Length of Service with the Company

i. Current Position
ii. Senior Executive
iii. Middle Level Management
iv. Operational
v. Other

f. Current Full Job Tittle

_____

2. ABOUT SOCIAL MEDIA MARKETING IN YOUR COMPANY

a. Why did you implement Social Media Marketing?
b. What were your primary objectives?
c. How long have you been implementing social media marketing?
d. Are you satisfied with the achievement of your objectives? If so- to what extent? If not- please explain

3. INFORMATION SHARING ON SOCIAL MEDIA MARKETING AND BRAND EQUITY

a. Did information sharing on Social Media help(ed) you build your brand equity? Explain
b. To what extent can information sharing on Social Media help build you company's Brand Equity?

c. Expand on your information sharing activities on SM- content, frequency, responses from virtual community members e.t.c
d. Lessons learnt? Anything you'd want to do differently to ensure that information sharing builds and strengthens your Brand Equity?

4. BRAND COMMUNITIES AND BRAND EQUITY

a. Brand Communities refers to a collective of individuals on Social Media associated with a particular brand in a Group, Page or e.t.c that is not the brand's main form of communication.
b. Did Brand Communities help you build your Brand Equity? Explain
c. To what extent can Brand Communities help build Brand Equity?
d. Expand on your Brand Communities – we are interested in the profile of these community members (i.e. who are they? How often do they engage? What do they talk about? How does that help you build and sustain your Brand Equity?
e. Lessons learnt? Anything you'd want to do differently to ensure that Brand Communities build and strengthen your Brand Equity?

5. BRAND PAGES ADVERTISING

a. Did Brand Pages Advertising help you build your Brand Equity? Explain
b. To what extent has Brand Pages Advertising helped you build Brand Equity?
c. Expand on your Brand Pages Advertising - where was the advertising done? Own social media websites vs third party social media websites, responses, types of advertising? Etc.
d. Lessons learnt? Anything you'd want to do differently to ensure that Brand Pages Advertising build and strengthen your brand equity?

6. INTENDENDED VERSUS UNINTENDED CONSEQUENCES OF SOCIAL MEDIA MARKETING

a. In addition to the above three constructs, what have been the other consequences of social media marketing? And why?
b. Were all of them intended or unintended? Please explain
c. What has been the most important Consequence of Social Media Marketing on your company Brand Equity? Why?
d. Anything else you'd like to add to what has been discussed?

THANK YOU FOR TAKING PART IN THE SURVEY