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Digital marketing as a survival strategy of small businesses in Gauteng, South Africa

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

Johannesburg, 2022

ABSTRACT

Small businesses are critical to the South African economy as they employ over 50% of the labour force. Yet, in South Africa, most businesses fail within five to seven years of operating. There are multiple challenges that affect small businesses, including financial resources, marketing, innovation and others. Using digital marketing allows businesses to reach wider markets; therefore, small businesses can benefit from the effectiveness of digital marketing.

The objective of the study is to explore the perceptions of owners and managers of small businesses regarding the effectiveness of digital marketing, and to examine digital marketing strategies that are essential for survival in small businesses.

The research was qualitative research, with data collected through interviews with small business owners, executives, and digital marketing directors. The participants were recruited via an incubation company. There were eight (8) participants in the study.

The key finding of the study is that there is a perception that digital marketing is effective for small businesses despite the challenges they face, such as a lack of skills, financial resources, legislative and government related challenges. The study found that social media could be key to survival, and the social media tools that were commonly mentioned in this context are Facebook and WhatsApp. Small businesses can use free or cost-effective methods of digital marketing to increase their brand awareness and sales. Small businesses should find creative ways to do cost-effective marketing and take advantage of any free courses offered online or by SEDA.

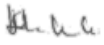
The findings of this study contribute to the knowledge of how small business can survive.

KEYWORDS

Digital marketing, small businesses, digital marketing strategy, digital marketing effectiveness, digital marketing tools

DECLARATION

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

Name: Lungile Khambule Signature: 

Signed at Midrand on the 4th day of August 2023.

DEDICATION

This research project is dedicated to my mother, Dr Amme Mardulate Tshabalala and daughter, Lindokuhle Senamile Khambule. Their unwavering support and sacrifices have helped me complete this degree. I am immensely grateful for their constant belief in me and for being the best support system I could have asked for. I feel incredibly fortunate to have both of them in my life."

Thank you for the encouragement and prayers. I love you both.

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I am truly blessed, and I thank God for the privilege to have reached this point.

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LIST OF ACRONYMS

COVID-19 – A coronavirus that caused a pandemic in 2019

SEDA – Small enterprise development agency

SEO – Search engine optimization

SMME – Small, Medium, and Micro-enterprises

VUCA – Volatility, Uncertainty, Complexity, Ambiguity

CHAPTER 1. INTRODUCTION

1.1 Statement of purpose

The aim of this qualitative study was to explore the perceptions held by small businesses about digital marketing for business survival in Gauteng, South Africa. The study found out the effectiveness of digital marketing for small businesses and examined which tools are essential for survival in small businesses.

1.2 Background of the study

Small businesses are known as the backbone of the South African economy, as they employ locals and provide essential goods or services and tax revenue that contribute directly to the well-being of the community (SEDA, 2020). Moreover, small businesses contribute to the economy by fostering development and innovation (DSBD, 2021). One of South Africa's greatest sources of growth potential is the small businesses that employ between 50 and 60% of South Africa's labour force and contribute approximately 34% to the country's gross domestic product (IFAC, 2021:2). In addition, small businesses make markets more competitive and can adjust more quickly to shifting attitudes and trends than the larger organizations.

Despite the roles that small businesses play, the sector has its own challenges. In 2020 for instance, due to the COVID-19 outbreak, small businesses suffered through quarantines and lockdowns introduced to contain the disease Many small businesses closed down as a result. However, the knowledge gained in the process enabled small businesses to survive the pandemic and emerge more resilient and prepared for the future. The impact of COVID-19 has brought about tools that simplify advertising, financial administration, marketing, e-commerce, social media, and business operations.

Furthermore, most small businesses rely on technology to aid in their everyday operations, such as online/cloud file storage, computers and Web-based

applications which makes things easier. Technology advancements affect small businesses in a variety of ways (SEDA, 2020). Technology can have both beneficial and negative effects on small businesses, depending on the business' objectives, the products it chooses to use, and the entrepreneurs' and employees' ability to adapt to new systems (DSBD, 2021).

One of the ways in which technology can be beneficial for small businesses is through digital marketing. Yasmin et al. (2015) defines digital marketing as the practice of promoting products and services through digital channels, such as social media, email, search engines and websites. This allows businesses to attract and interact with customers. A study by SEDA (2020) states that small businesses should consider the internet as an online global marketplace of prospects and gains from integrating traditional and digital marketing strategies, and that no small business, regardless of its age, should ignore digital channels as a means to generate leads and convert prospects into customers.

The pandemic revealed that small businesses could be highly resilient when equipped with the proper resources (DSBD, 2021). However, their fate depends on how fast they accept digital technology, how effectively they utilise new tools, and whether the government allows large corporations to continue supporting them. One of the digital technologies that they could use is digital marketing, because marketing is a very important component to a business’s success and how competitive it is (Sadiku-Dushi, Dana and Ramadani, 2019). Businesses need to know how to use digital tools effectively for marketing in order for their businesses to survive (Linton and Solomon, 2017).

Therefore, it is important to understand what businesses know about digital marketing, and their perceptions of using it for business survival. This will enable the right people to provide such businesses with support and resources that can help them effectively implement digital marketing strategies.

1.3 Research problem

For a business to survive, it needs to be able to transform itself (IFAC, 2021). The saying ‘evolve or die’ came true for companies such as Kodak (who struggled

with the transition from film to digital photography) and RIM (whose popular BlackBerry phone lost its dominant position to Apple and Android phones). They did not transform in time to remain competitive and attract customers, so they failed. Small businesses need to position themselves as future-ready by embracing digital technologies, such as digital marketing especially as more and more people spend time online. It is not sufficient for small businesses to rely on word of mouth for marketing. Many small businesses fail due to the managers or owners not having sufficient knowledge of the environment, leading to inadequate marketing (Gilmore and Carson, 2018).

In South Africa, small businesses play a crucial role in the economy by providing employment and contributing to economic growth. However, they are faced with challenges such as access to funds, regulations, and a skills shortage (Abor and Quartey 2010). The COVID-19 pandemic has highlighted the importance of digital tools for the survival of small business. Digital marketing is a crucial component for small businesses to stay relevant, remain competitive and attract customers (Engidaw 2022). Embracing digital technologies, such as digital marketing, can help small businesses position themselves for future success and avoid becoming obsolete like some companies that failed to adapt in the past (Lumpkin et al 2022).

Small businesses often struggle to understand and use digital marketing, missing out on potential customers and sales (Alford and Page, 2015). To survive and grow, owners and managers must gain a deep understanding of the digital environment and invest in marketing strategies. Limited resources and skills hinder their ability to effectively market their products and services online.

According to Oji, Iwu, and Haydam (2017), the survival rate of small businesses in South Africa has been hindered by a lack of proper marketing and managerial skills, whereas effective marketing strategies increase the chances of growth.

According to a report by the SEDA (2019), the failure rate of small businesses within the first two years is estimated to be between 70% and 80%, due to various factors such as industry, location, economic conditions, and lack of marketing.

Small businesses often lack the resources to invest heavily in creating and executing successful marketing strategies.

Digital marketing is a more cost-effective way for small businesses to reach their target audience and increase their visibility (Bala, 2018). However, many small businesses may not have the resources or knowledge to effectively implement digital marketing strategies. This is where the perception of small businesses towards digital marketing comes into play. If small businesses perceive digital marketing as a daunting and complex task, they may not invest in it, which can ultimately hinder their growth and survival. On the other hand, if small businesses perceive digital marketing as a valuable tool for business survival, they are more likely to invest in it and see positive results.

1.4 Research questions

1. What are the digital marketing strategies used by small businesses?
2. What are the perceptions of small business owners and managers on the effectiveness of digital marketing?
3. What are challenges faced by small businesses when it comes to digital marketing?
4. What are the digital marketing tools and ways in which small businesses can use to survive?

1.5 Rationale

Small businesses are the backbone of the South African economy, as they play an important role to citizens in providing services and employment. Furthermore, small businesses contribute to the local economy by creating jobs, paying taxes and using local suppliers (Vandenberg, 2006). The challenge is that small businesses do not usually have the luxury of funds for marketing, as traditional marketing has very high costs. However, digital marketing has relatively low costs and has other advantages such as providing a service that a customer can interact with (Alford and Page, 2015). Theoretically then, small businesses should be able to afford digital marketing.

Findings from a study that was conducted in the UK by Alford and Page (2015) showed that small businesses are aware of the impact that digital marketing can have on their businesses and want to implement it.

In addition, digital marketing has become an increasingly important tool for small businesses (Ištvanić et al., 2017). Many small businesses use digital marketing to reach a larger customer base, increase sales, and build customer loyalty (Miller, 2012). However, there are many different perceptions about the effectiveness of digital marketing among small business owners (Ritz et al., 2019).

The COVID-19 pandemic has accelerated the shift to digital marketing and e-commerce (Peter and Dalla Vecchia, 2021). Small businesses have been forced to adapt to the new post-COVID normal and have had to rely more on digital marketing (Alshaketheep et al., 2020).

This research will explore the perceptions that small business owners and managers today have about the effectiveness of digital marketing and examine the digital marketing strategies that are essential for survival for small businesses post-COVID, in 2022 and beyond. To start, it is important to understand the different perceptions that small business owners had in the past about digital marketing. Many small business owners believed that digital marketing was too expensive and time-consuming to be worth the effort (Parsons et al., 1998). They felt that their limited resources meant they could not possibly compete with the large corporations (Covin and Slevin, 1998). Furthermore, some owners felt that digital marketing was not the most effective way to reach their target customers (Miller, 2012).

The survival of small firms is crucial to the South African economy (Bekele and Worku, 2008). This study is significant for small businesses in that it highlights digital marketing strategies or tools being used for small business survival. This can lead to small business continuity and growth of the entire economy of South Africa. The study also adds to the body of knowledge by highlighting how small businesses are using digital marketing as future-ready companies in the digital

era. Findings from this study can help small businesses make decisions about marketing strategies. The study could help small businesses learn how digital marketing can help strengthen their companies, and which tools have proved to be effective.

Digital marketing is an increasingly important aspect of business (Bala, 2018), and many small businesses are investing significant resources in digital marketing strategies (Peter and Dalla Vecchia, 2021). However, they may face stiff competition from larger companies with greater resources (Jagtiani and Lemieux, 2016), and many are struggling to keep up with the latest digital marketing trends and technologies (Olazo, 2022).

Studying the effectiveness of digital marketing in small businesses will help to identify the most effective strategies and tactics, as well as the challenges they face in implementing them (Yasmin et al., 2015). This offers valuable insights for improving future marketing efforts, increasing sales and revenue, and ensuring survival.

The findings of this study should also be useful for digital marketing professionals, larger business owners, academics, and marketers. It will provide first-hand insights about how the small business owners and marketers interviewed have improved their strategies and tactics as they learned to make more informed decisions about their digital marketing efforts.

Customers are becoming more tech savvy and aware of the powerfulness of their devices (Ukpere, 2014). The environment of marketing is undergoing significant changes due to advancements in technology (Gouda, 2022). Marketers are now operating in a dynamic and complex environment where they have limited control over the media and the message they are conveying (Keller, 2016). Customers, on the other hand, are becoming more critical, informed, and proactive (Miller, 2012). As a result, marketers need to develop new skills and approaches to adapt to the changing digital marketing landscape and effectively connect with their target audience (Jain and Yadav, 2017). With the continued advancements in new technologies, such as mobile marketing, the Internet of Things, big data, and

artificial intelligence, marketers must stay up-to-date and use these improvements to their advantage (Jain and Yadav, 2017). Keeping track of these rapidly evolving technological developments is a major challenge, but one that is necessary for marketers to succeed in this ever-changing landscape (Tushman and Nadler, 1986).

1.6 Delimitations of the study

1. The study focuses on small businesses in urban areas in Gauteng.
2. The study focuses only on formal small businesses.

1.7 Definitions of terms

The following definitions are fundamental to understanding this study.

- **Digital marketing** – the use of digital means to advertise products and services to attract customers (Bala, 2018).

- **Digital marketing strategy** – the plan of how a company uses digital means to advertise its products and services. It is derived by the company knowing its products and services, knowing its competitors, what resources it has and creating content that focuses on clients and what the clients need (Ryan, 2016).

- **Effective digital marketing –** digital marketing strategies or tools that help the organisation to reach its marketing goals (Brosan 2012).

- **Social media platforms** – any application or website that allows users to create a profile, whether public or private, to engage, post, or view content in any media format such as text, images, videos, live streaming, or links to other resources (Alharthi et al., 2020).

- **Formal business** – a business that is registered, pays tax, has proper financial records, and is registered for VAT (Value Added Tax) (Deen-Swarray et al., 2013).

- **Informal business** – a business that is typically not officially registered and operates from a temporary structure. Barriers to entry are usually low, there is a minimum resource requirement, and skills are usually acquired informally. (Deen-Swarray et al., 2013)

- **Small business** – there are many possible definitions, but in this study, small businesses are those with less than 100 employees (Zulu, 2019). Refer to Appendix F.

1.8 Assumptions

The following assumptions are applicable:

- Each participant answered truthfully concerning digital marketing strategies for survival of small businesses.
- Participants recruited for the research are either in the executive positions of their companies or they are the digital marketer.

1.9 Chapter outline

Chapter 1 provides the context and an overview of small businesses in South Africa and introduces the research problem.

Chapter 2 includes the literature review and research objectives, propositions, and the theoretical framework.

Chapter 3 details the research methodology employed in this study, including the research design, research instrument, data collection and analysis approach, validity, reliability, and limitations observed.

Chapter 4 presents the results obtained from the analysis of the data collected using interviews, with a description of the findings.

Chapter 5 provides a discussion of the findings that address the research questions designed to meet the study objectives.

Finally, Chapter 6 concludes the research study, offering recommendations for business, research, and government stakeholders, along with a description of the study's limitations.

CHAPTER 2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter covers digital marketing and how it is defined by different authors. The chapter also explores how digital marketing is used by small businesses and discusses its benefits.

2.2 Background discussion

Marketing consists of the activities that a company executes in order to ensure that customers consume its products or services (Todor, 2016). To succeed at this, it is critical for a company to be aware of who their customers are and what their needs are (Todor, 2016).

According to Kapoor (2021), digital marketing consists of all efforts to market the business that use digital devices, some form of electronic connectivity and technology that is digital; further, such digital marketing helps companies build long-term relationships with their customers. Yasmin et al. (2015) posits that digital marketing goes beyond internet marketing; access to the internet is not always needed to use the channels for digital marketing. For example, customers don't need data on their phones to access digital marketing channels such as SMS and MMS (Yasmin et al., 2015). There are multiple forms of digital marketing, such as social media networking, social media marketing, e-marketing, online marketing, and internet marketing (Kannan and Li, 2016). This study will focus on digital marketing, which encompasses all of the above-mentioned terms.

According to Dodson (2016), digital marketing provides the ability to see what people are doing online and how they are interacting with a website and advertisements. For example, one can pay for Google advertising and receive a report of how many people saw and clicked on the advert. By monitoring advert clicks and number of sales completed, it is possible to calculate the conversion rate of Google adverts end to end. People will ordinarily not know about a newly

launched website until it is marketed. Some companies use emailed newsletters to market themselves to potential customers.

As technology continually evolves, digital marketing will evolve as well (Jalaliyoon and Taherdoost, 2014). Kotler, Kartajaya, and Setiawan (2021) speak about new categories of digital marketing such as data-driven marketing, predictive marketing, contextual marketing, augmented marketing, and agile marketing.

In data-driven marketing, big data analytics can be used to predict what a shopper will typically buy next. For example, if a shopper bought a pregnancy test, and then looked at baby clothes, predictive technology can be used by the company to send the person vouchers or coupons for maternity clothes or baby clothes.

Predictive marketing uses artificial intelligence and machine learning to provide foresight to companies using data that was already loaded (Kuleto et al., 2021). In contextual marketing, sensors are used for face recognition, and a person's facial expressions can be recorded to determine their perception of certain products (Chang et al., 2003).
In augmented marketing, humans are provided with digital ways to interact with companies, for example via chatbot (Moriuchi et al., 2021). In agile marketing, the key is quick turn-around time, because we are in a time where VUCA is rife, and long-term plans now need adjustments (Johansen, 2007).
One example of augmented marketing is the use of chatbots, which are software applications that can simulate natural conversations with customers. Chatbots can provide information, answer queries, and offer personalized recommendation, among other function. Augmented marketing aims to create more immersive and interactive relationships between humans and brands, using technology as a facilitator. Grewal et al (2020)

There are many benefits to digital marketing; according to Bhatia (2019), these include:

- It provides a fairer environment for businesses to compete, regardless of size.

- It is cost effective to set up, and to monitor how effective the digital marketing is.
- It provides a rapid means to reach customers.
- It is easy to reach a much wider audience.
- It allows audiences to engage with the content, enabling a company to gauge the appetite of customers for their product, and to see how they influenced a customer to engage with the business or make a purchase.
- There are many technologies and platforms that can speak to each other, with the use of big data.
- Popular websites and social media can be used to reach customers in a relatively safe environment.
- Marketing can be tailored, based on what customers used or accepted before.

Jalaliyoon and Taherdoost (2014) and Bhatia (2019) state regarding the advantages of digital marketing: it can be targeted to a specific market, the impact can be measured, it is more cost-effective, reports can be accessed immediately, and it can be used by any sized business.

Similarly, Madan (2021) identifies the characteristics of digital marketing as being low cost, providing interaction and a wider scope that can be focused to certain groups, and that results are easy to measure. Madan (2021) identifies the application of digital marketing as using online advertising, emails, social media, search engine optimization and pay-per-click advertising.

Digital marketing can help a firm to collect and analyse a lot of data, which results in useful insights about the company's products and customers (Du, Schweidel and Mitra, 2021). However, as Veleva and Tsvetanova (2019) have raised, one of the main disadvantages of digital marketing is that it exposes a company to competitors who can copy their products or services, meaning that the company loses its competitive advantage.

2.3 Analytical framework: The resource-based view (RBV)

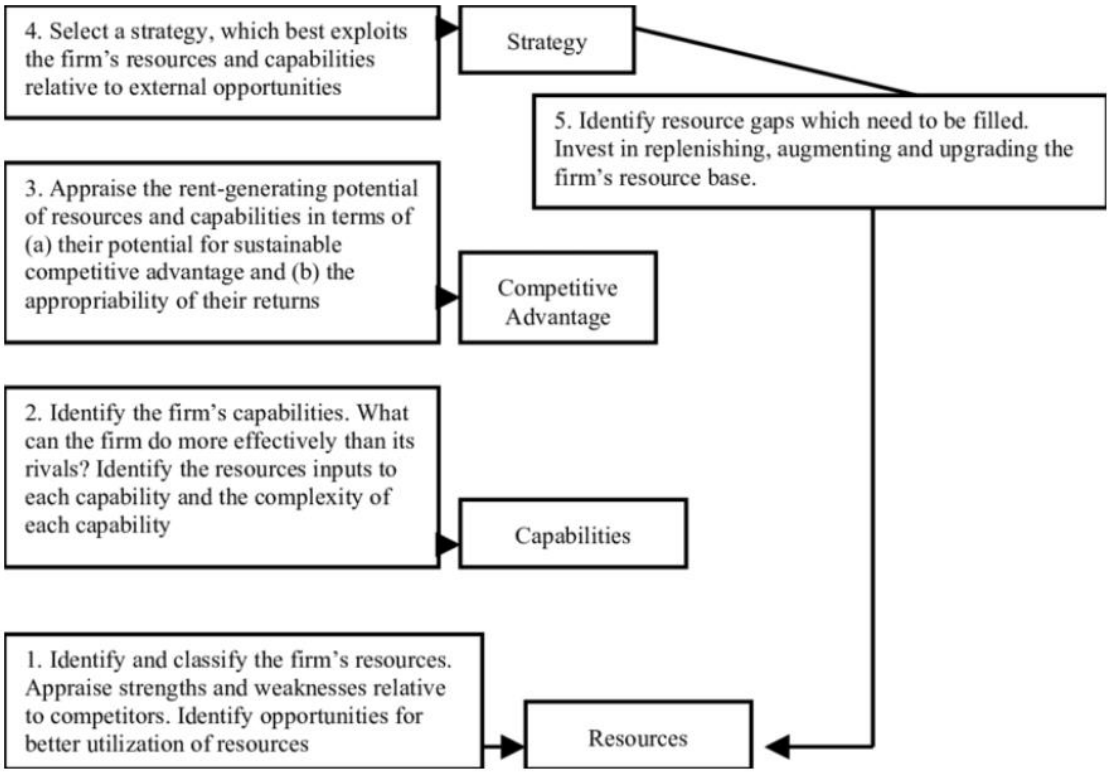


Figure 1: The Theoretical Framework

A Resource based Approach to Strategy Analysis: A practical Framework. Source: Grant (1991)

A resource-based approach to strategy analysis, called the resource-based view (RBV), which holds that a company's long-term competitiveness lies in its distinctive resources that are valuable, uncommon, difficult to imitate, and cannot be easily replaced. A firm's ability to acquire or obtain these resources determines its performance and competitiveness in comparison to others (Barney 1991).

According to the RBV, a small business's unique resources and capabilities—such as its intellectual property, brand reputation, and customer relationship management—are key determinants of its performance and can provide its competitive advantage. (Barney, 1991)

According to the RBV, a small business's success depends on the combination and integration of its various resources, such as its financial, physical, human, and organizational capital. These resources must be effectively managed and leveraged to create value and achieve a sustained competitive advantage (Grant, 1991). For example, a small business may have a highly skilled and dedicated workforce, but without effective management and utilization of its financial and physical resources, it may not be able to fully realize its potential. Similarly, a small business may have strong relationships with suppliers and customers, but without a well-developed brand reputation, it may struggle to differentiate itself from competitors and to attract new customers.
According to Grant (1991), six primary types of resources are relevant to marketing, namely monetary resources, material resources, human resources, technological resources, reputation, and organizational resources.

The resource-based approach to strategy analysis can be applied to digital marketing by leveraging a company's unique resources and capabilities to create a sustainable competitive advantage in the digital marketplace. RBV encourages small businesses to identify and take advantage of their distinctive digital marketing resources (Park and Song, 2004). The resources may comprise a good and carefully created website, a strong social media presence, content that is off good quality, customer information, data analytics and digital marketing skills. It is key that small businesses identify the digital marketing resources that set them apart from competitors and capitalize on them to attract and retain customers effectively. This will help the small business create a lasting advantage (Madhani, 2010).

RBV suggests that a competitive advantage can be sustained if the resources that underpin it are rare, valuable, difficult to imitate, and non-substitutable. In the digital marketing realm, small businesses can achieve a sustainable competitive advantage by using unique digital marketing strategies that are difficult for competitors to replicate or substitute (Mahdi and Nassar, 2021). This might involve creating engaging content, leveraging customer data for personalized marketing, or implementing innovative digital marketing campaigns.

For example, a company may have access to a large amount of customer data that can be used for targeted digital marketing campaigns. This data can be analysed to understand customer behaviour and preferences, which can then be used to develop personalized marketing messages that resonate with customers and drive higher engagement and conversion rates.

Similarly, a company may have a strong brand that can be leveraged to create a unique digital marketing message (Sinha, 2011). By developing a clear and consistent brand voice and message across all digital channels, a company can create a strong emotional connection with its target audience and build brand loyalty over time (Straker and Wrigley, 2016).

RBV further emphasizes that a firm's capabilities, such as the ability to adapt, learn, and innovate, are essential for gaining and maintaining a competitive advantage. For small businesses, this means integrating digital marketing capabilities into their overall business strategy (Song and Triche, 2015). Digital marketing should align with the business's goals and objectives to create a coherent and effective approach that supports the firm's growth and survival (Schekkerman, 2004). Firms should continuously develop and invest in their valuable resources and capabilities to sustain their competitive advantage. In the context of digital marketing for small businesses, this means staying up to date with the latest digital marketing trends, technologies, and tools. Small businesses should invest in training their employees, acquiring relevant digital marketing skills, and adopting new digital marketing practices that align with their evolving business needs (Royle and Laing, 2014).

A company’s marketing technology stack can also be a key resource in the digital marketing context (Purcărea, 2018). By investing in advanced marketing automation and analytics tools, a company can gain insights into its digital marketing performance and optimize its campaigns in real time, driving better results and a stronger competitive position in the marketplace (Kingsnorth, 2022).

Overall, the RBV approach to strategy analysis provides useful context for understanding how digital marketing can be used to create a sustainable

competitive advantage in the digital marketplace (Mugera, 2012). By leveraging their unique resources and capabilities, companies can create a digital marketing strategy that is tailored to their specific strengths and drives long-term success in the digital age.

A business must know its competitive advantage or what gives it an edge over its competitors. A significant advantage allows the business to stay ahead in the market and can be the difference between surviving and thriving (Papulova and Papulova, 2006). If the advantage is significant, the organization will thrive.

As shown in this section, the RBV is a useful framework for highlighting the importance of a small business's resources and capabilities in shaping its performance and competitiveness, and it emphasizes the need for effective management and utilization of these assets to achieve success (Ambrosini, 2009).

In summary, the Resource-Based View provides valuable insights into how small businesses can leverage their unique digital marketing resources and capabilities to gain a sustainable competitive advantage. By aligning digital marketing with their business strategy, focusing on customer value, and investing in resource development and optimization, small businesses can effectively use digital marketing as a survival strategy and drive their growth and success in the digital age.

2.4 Digital marketing strategy and elements

According to Ryan (2016), businesses need to consider several things when developing a digital marketing strategy. The business should assess their readiness for digital marketing by evaluating their products or services' suitability for online promotion; their current technology, skills, and infrastructure; and how digital marketing fits into their existing business processes.

Additionally, Ryan (2016) proposes that businesses should consider whether changes to existing processes may be necessary, and whether the organization

as a whole is ready and prepared to adapt to change. This type of evaluation is critical for a business looking to embrace digital marketing successfully. It can help the business identify potential barriers to adoption and address any gaps in skills, resources, or technology before launching a digital marketing campaign. It also allows the business to develop a clear roadmap for integrating digital marketing into their operations, ensuring that it aligns with their overall business objectives and is supported by appropriate resources and infrastructure.

2.4.1 *Implement a digital marketing strategy*

Understand competitors: The business should know who their competitors are; what strategies they are using; what mistakes they are making that the business can learn from; whether there are any gaps in the market that the competitor is not serving; and how the small business can differentiate its offerings from the competitor (Ryan, 2016).

Define objectives: Without a clear destination, it is easy to get lost along the way. The business should define its digital marketing objective, setting specific, measurable, and realistic goals. The objectives should be clear as to whether they are aiming to increase online sales, generate targeted sales leads, enhance brand awareness in online communities, or a combination of these goals. (Ryan, 2016)

Monitor the progress: One of the most significant advantages of digital marketing over many other advertising methods is its measurable results. It is possible to monitor every aspect of one's online presence and compare progress against predetermined goals and key performance indicators (KPIs). A business can measure how the digital marketing campaign performs and what the conversion rate is (Ryan, 2016).

Chaffey and Ellis-Chadwick (2016) propose four key items that a digital marketing strategy should have. Firstly, have objectives that are centred on generating leads and sales through the online channels. Second, be designed to target customers who can be accessed through the digital means. Third, facilitate customer relationship management. Fourth, facilitate the selection and purchase

of service products using the online channels. In addition, the authors say that the above can be achieved through a strategy that pulls potential customers to the business' online platform, engaging them and getting them to purchase the businesses' products and services.

Chaffey and Ellis-Chadwick (2016) further state that there are eight decisions that need to be made. These items involve determining the business' approach to the web, which determines a unique selling proposal for online clients, and identifying how online media can be leveraged to expand into new business environments. The first four decisions focus on fundamental issues, such as how to deliver value to customers online and which products to offer in which online markets. The remaining four decisions are concerned with the marketing communications mix and how to effectively communicate with customers through multiple channels.

There are five types of strategies that can be designed which are as follows (Chaffey and Ellis-Chadwick, 2016):

1. Market and product development strategies: This involves market penetration, market share growth, customer loyalty improvement and customer value improvement.

2. Business and revenue model strategies: Companies need to constantly innovate and adapt their business models in order to survive and stay competitive. This involves evaluating new models and revenue opportunities, as well as monitoring the external environment. By regularly reviewing and modifying their business model, companies can stay ahead of the game and defend their market share against competitors and new entrants. The importance of strategic agility and ongoing research and development cannot be overstated (Chaffey and Ellis-Chadwick, 2016).

3. Target market strategies: The third decision in planning a digital marketing strategy is identifying the target market. It involves the same key considerations as a traditional marketing strategy. Internet and email marketing enable companies to target more focused audiences. The most critical decisions in this

process are segmentation, target marketing, and positioning/differentiation strategy (Chaffey and Ellis-Chadwick, 2016).

4. Customer engagement and social media strategies: With the increasing amount of content available online, it is crucial for companies to create engaging experiences for their customers. Social networks are the most effective way to achieve online engagement, and many companies develop an overall social media strategy to engage with their audience.

5. Multichannel distribution strategy: this involves the supply chain progress. The structure of the distribution channel can vary depending on the players involved, and the breaking of bulk is a principal function of the channel in retailing. Mandal and Joshi (2017) state that digital marketing channels and social media have emerged as the most important and interactive strategies. Any successful marketing campaign would incorporate them into its overall strategy.

The defined strategy would need to also incorporate the key elements of digital marketing, which are described by Madan (2021) as:

- **Search Engine Optimization (SEO):** SEO helps in bringing more traffic to a company's website, to attempt to increase sales, by converting the potential customer(s), visitor(s) to the website into making a sale.
- **Content Marketing:** using content such as newsletters, journals, and blogs to attract an audience.
- **Social media marketing:** a cheaper way of marketing that allows for interactivity. There are many social media platforms such as Facebook, Instagram, Twitter, and LinkedIn.
- **Email marketing:** a current or a potential customer gets sent emails that encourage them to do business with the company.
- **Pay Per Click (PPC):** a form of online advertising in which the advertiser pays a fee each time a user clicks on their advertisements. Pay-per-click ads are placed in websites or search engines that match the keywords or topics of the ads. When a user clicks on an ad, the advertiser pays a fee to the website.

- **Location-based marketing:** customers receive benefits or rewards for checking in at a company's location.
- **Contextual marketing:** Contextual marketers look for multiple innovative and creative ways to market their brands, such as placement in or sponsorship of YouTube videos.

According to Salehi and Aghaei (2012), a good form of digital marketing is email. They add that for businesses to survive, they must increase sales while keeping their costs to a minimum. Email allows small businesses to achieve both, as it can promote sales and solicit feedback from or about potential customers.

Desai (2019) states that businesses use the following digital marketing tactics: search engine optimization (SEO), social media marketing, content marketing, affiliate marketing, marketing automation, pay-per-click (PPC), email marketing, inbound marketing, and online PR.

In a study by Ritz et al. (2019), out of 250 respondents, digital marketing activities included social media marketing, website, email, Google tools such as SEO, blog content, and e-commerce sites. The study found that posting on Facebook was the most popular at 72.4%, followed by messaging on the company's own website at 61.6%, and thirdly using email at 42.4%. Similarly, a study by Goldman et al. (2021) found that companies used SEO, social media marketing, search engine advertising (SEA), online marketplaces, affiliate marketing and banner advertising. The most popular tactic was SEO at 45%, followed by social media at 40%, with SEA in third place at 28%.

2.4.2 *Proposition 1: Types of strategies used*

The digital marketing strategies used by small businesses are social media marketing (Facebook, Twitter, LinkedIn, Instagram, Snap Chat, Pinterest), SEO, content marketing (blogs, journals, and newsletters), websites, e-commerce sites, mobile websites, contextual marketing (YouTube channels, email, online marketplaces, affiliate marketing, bannering, search engine advertising and Pay-per-click (PPC)).

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2.5 Effectiveness of digital marketing

2.5.1 *Digital marketing versus traditional marketing*

The internet can be used to cost-effectively send out an advertisement for a business to a very wide audience within a short space of time. In South Africa, 22 million people have access to smartphones, with 36.45 million South Africans accessing the internet through any mobile device (Statista, 2021). This means that digital marketing allows business to reach a wider audience. Before the internet, potential customers were usually reached through print media such as newspapers, which meant that they had to buy the media in order to see the advert.

In comparison to traditional forms of advertising, digital marketing involves promoting products or services through digital channels such as the internet, via devices like computers and mobile phones. This modern approach to marketing leverages technology to reach a wider audience and provides cost-effective and measurable solutions for businesses. (Rosário and Cruz, 2019). Previously, the impact of traditional marketing was difficult to assess (Jalaliyoon and Taherdoost, 2014), because the advertisement would typically be in a newspaper or on television, with no immediate interaction between the consumer and the service provider. Therefore, obtaining results of the marketing would take time, whereas with digital marketing there are tools that can be used to measure the effectiveness of digital marketing.

One of the benefits of digital marketing is the ability to personalize and target content to specific audiences. Advertisers can use various data points, such as the target market’s goals, fears, dislikes, preferences, income, profession, gender, and age, to create content that resonates with their intended audience and effectively addresses their specific needs and interests. This level of customization and targeting is rarely possible with older traditional marketing methods, making digital marketing a highly effective tool for businesses. (Rosário and Cruz, 2019)

Moreover, digital marketing allows small businesses to reach a larger audience at a fraction of the cost of traditional methods, such as print or television advertising (Oklander et al., 2018). It also allows for more targeted and measurable marketing campaigns, making it easier for small businesses to track the success of their efforts and adjust their strategies accordingly. Additionally, digital marketing enables small businesses to engage with their customers in real time and build relationships through tools and elements such as social media and email marketing (Banica et al., 2015). While this makes digital marketing effective, social media is interactive by nature, and successful two-way exchanges require a commitment (Nadaraja and Yazdanifard, 2013). Marketing in social networks requires a shift in focus to building lasting relationships that can lead to increased sales. A designated person must be responsible for dedicating time to monitor each network, addressing comments and questions, and sharing product information that is valuable to customers (Nadaraja and Yazdanifard, 2013). A lack of time to interact with customers can make digital marketing ineffective (Robul et al., 2020).

While reliability is a crucial aspect, the question of trustworthiness still arises in people's minds. To remain successful, content must be continuously created, edited, approved, and published. Responses to comments must be given promptly, and websites and pages must be regularly maintained, especially if the company depends on customers who are highly engaged with them online. the. Another concern is that certain customers who lack access to technology such as the internet or smart phones would be excluded from the company's messaging. (Jothi, 2019)

Digital marketing is also affected by trademark and copyright issues. Companies should regularly monitor their social media accounts and be vigilant in protecting their intellectual property from infringement and dilution. This can include registering trademarks and copyrights, conducting regular trademark searches, , and monitoring for unauthorized use of their marks and materials on social media platforms. In the event that infringement does occur, companies should take prompt action to enforce their rights, which may include sending cease and desist

letters, filing lawsuits, or pursuing other legal remedies. (Nadaraja and Yazdanifard, 2013)

In addition, companies should establish clear guidelines and policies for their employees and contractors to follow when using social media to promote the company or its products. This may include guidelines for what types of content can be shared, who is authorized to post, and how confidential information should be handled. By proactively addressing potential risks and taking steps to protect their intellectual property, companies can ensure that their brands and products are effectively promoted on social media, while minimizing the risks of infringement and abuse. (Nadaraja and Yazdanifard, 2013)

Madan (2021) asserts that marketing is no longer simple because digital marketing has provided customers with the ability to easily compare product quality and costs, and then make a decision. This implies that along with greater choice consumers have more time to evaluate option, comparing prices and other relevant variables. In contrast, when at a store, one may feel more pressured to make an impulse purchase where fewer choices and less information are available.

Digital marketing has an impact on everyone; however, it is most likely to appeal more to millennials and subsequent generations, who were raised with online technology (Madan, 2021). Todor (2016) states that there are trust issues with digital marketing and that going digital has not been embraced by everyone, especially the older generations who prefer traditional marketing methods. Furthermore, a study conducted on 2 000 small businesses owners and directors from six countries (Bakri, 2017) found that there was no significant correlation between social media use and competitive advantage. For the participants, Facebook was the most popular platform at 72%, followed by Twitter at 27%, and YouTube at 1%. However, those who used social media for marketing reported that it improved customer service and relationships, and 80% believed it improved products and services.

The growth of a company is influenced by how much they can convert a lead into a sale. Digital marketing helps to increase the conversion rate, so it makes sense that some small businesses prefer to use digital marketing to achieve higher conversion rates (Jagongo and Kinyua, 2013). Digital marketing can help businesses to be profitable and last longer (Smith, 2021). However, a company's image can also be tarnished by negative feedback and comments, which can lead to the loss of customers (Veleva and Tsvetanova, 2019).

2.5.2 *Proposition 2: Perceptions of efficacy*

Small business owners and managers perceive implementing digital marketing tools as effective for small businesses.

2.6 Challenges faced by small businesses on digital marketing

2.6.1 *Challenges, barriers and limitations*

Despite the major role that small businesses have to play in a country's economy, they tend to experience barriers and limitations when it comes to accepting and adopting digital marketing (Dahnil, Mizal, Fabeil and Langgat, 2014).

A study conducted in Malaysia in 2007 found that one of these barriers was the outdated technology in use (Dahnil et al., 2014). Technology is changing all the time (Veleva and Tsvetanova, 2019) and there are many digital technologies available, which makes it a challenge to select one to implement.

Top management is expected to facilitate the adoption of digital marketing and ensure that there are sufficient funds allocated for digital marketing. Top management that is open and is enthusiastic to digital technology has a positive influence on the adoption of digital marketing (Dahnil et al., 2014).

Small businesses often face challenges in adapting to new technologies due to various limitations in their environment (Wilson and Makau, 2017). Access to funds has been identified as one of the major barriers, as financial policies tend to favour larger companies, leaving small businesses with limited options due to

their lack of collateral and high transaction costs. The absence of skilled personnel and the need for IT-skilled personnel for internet marketing also pose challenges. The shortage of skilled ICT personnel is a widespread issue that hinders SMEs from implementing internet marketing strategies.

A study conducted on 2 000 small businesses owners and directors from six countries (Bakri, 2017) found that the main challenges were uncertainty in how to apply social media; measuring return on investment (ROI); and persuading employees to adopt social media.

2.6.2 *Proposition 3: Challenges of digital marketing*

The challenges facing small businesses when it comes to digital marketing are outdated technologies, top management's attitude towards adopting digital marketing strategies, access to funding, policies that favour large companies and lack of skills.

2.7 Digital marketing and the survival of small businesses

2.7.1 *Marketing strategies essential for the survival of small businesses*

A study conducted on small businesses in the Caribbean concluded that it is critical for small businesses to stay ahead of the curve when it comes to digital technology. The study also asserted that businesses must act swiftly and use digital marketing to the maximum for their business to survive (Smith, 2021). The survival of small businesses can be increased by implementing effective digital marketing strategies while maintaining their budgets (Gilmore and Carson, 2018).

It is not possible for small businesses to have a competitive advantage and to generate profits without being innovative and using the right technology (Maduku, Mpinganjira and Duh, 2016). Small businesses can improve themselves and maintain a competitive advantage by having strategic marketing objectives (van Scheers, 2018). Akeel and Gubhaju (2020) state that digital marketing is key for any business regardless of its size, and that no person should start a business without a marketing plan. However, a study by Smith (2021) found that there are many businesses who do not have digital marketing strategies due to a lack of

resources. Notably, Veleva and Tsvetanova (2019) found that digital marketing is not always suitable for all products and services due to multiple reasons, such as a lack of trust or the target market not being an online user.

Small businesses can use a variety of digital marketing strategies to increase visibility and attract customers. Some essential strategies include:

1. Search engine optimization (SEO): Optimizing the website and content for search engines can help increase visibility and drive traffic to the site.
2. Social media marketing: Using social media platforms like Facebook, Instagram, and Twitter can help increase brand awareness and engagement.
3. Email marketing: Sending targeted and personalized emails to customers can help increase sales and customer loyalty.
4. Content marketing: Creating valuable and relevant content (such as blog posts, videos, and infographics) can help attract and engage potential customers.
5. Paid advertising: Using paid advertising platforms like Google Ads and Facebook Ads can help increase visibility and drive targeted traffic to the site.

2.7.2 *Proposition 4: Essential digital marketing strategies*

The digital marketing strategies that are essential for the survival of small business are SEO, social media marketing, email marketing, content marketing, paid advertising, such as Google Ads.

2.8 Conclusion of literature review

Marketing refers to the actions taken by a company to ensure that customers consume its products or services. Digital marketing, on the other hand, uses digital devices, electronic connectivity, and technology to market the business, build long-term relationships with customers, and keep them returning. Digital marketing traditionally includes social media networking, e-marketing, online marketing, and internet marketing. It has also evolved more recently to encompass data-driven marketing, predictive marketing, contextual marketing, augmented marketing, and agile marketing. It provides several benefits, such as being cost-effective and quick to reach customers, allowing engagement with the

audience, and leveraging technologies and platforms. Moreover, it is low cost, interactive, and provides a wider scope with the potential for focused targeting, and results are easy to measure. However, it also has its own disadvantages, such as exposing the company to competitors.

The barriers preventing small businesses from adopting digital marketing include outdated technology, difficulty in selecting appropriate digital technologies, and limited access to funds. Top management is expected to facilitate the adoption of digital marketing and allocate funds for it. Additionally, the shortage or unavailability of skilled personnel is an issue that hinders small businesses from implementing internet marketing strategies.

Digital marketing is a modern approach to advertising that leverages technology to reach a wider audience and provide cost-effective and measurable solutions for businesses. It allows for personalized and specifically targeted content, which make it effective for many small businesses. However, digital marketing can also be ineffective, due to factors such as lack of time to interact with customers, trademark and copyright issues, and a company's dependence on highly engaged customers or on those who own smartphones. Additionally, there are still trust issues with digital marketing, especially among older generations who prefer traditional marketing methods. Although digital marketing can help in increasing conversion rates, negative feedback and comments can tarnish a company's image, leading to loss of customers.

Small businesses could benefit from a range of digital marketing strategies, including SEO, social media marketing, email marketing, content marketing, and paid advertising. Studies suggest that small businesses must adopt digital marketing to stay competitive, and failure to do so could result in decreased profits, and ultimately, no survival. Implementing effective digital marketing strategies can help small businesses stay ahead of the curve while maintaining their budgets. However, not all products and services are suitable for digital marketing, and some businesses may struggle with resource constraints or a lack of understanding of digital marketing strategies.

Digital marketing can be implemented in different ways; and if mistakes are made then it may be possible to try other approaches. Small businesses should create marketing strategies that drive digital marketing (Yasmin et al., 2015), as it provides them with a competitive advantage and can help them meet the requirements of customers and understand the business environment (Veleva and Tsvetanova, 2019). This will in turn help the company to survive in the digital era.

CHAPTER 3. RESEARCH METHODOLOGY

This chapter provides a detailed description of the research strategy used to explore and describe the digital marketing strategies used by small businesses for survival in Gauteng Province. This includes a description of the research design and methods, participant selection process as well as data gathering and analysis. Measures of ensuring research quality assurance and ethical considerations relevant to the study are also presented.

3.1 Research approach

Research methods can be classified in three major types: qualitative, quantitative and causation studies (Creswell and Creswell, 2018). Quantitative studies are descriptive in nature, whereas qualitative studies serve the purpose of exploring a research topic. Causal studies investigate the cause-effect relationships among the variables.

A qualitative approach is appropriate for a study exploring perceptions around a topic, such as small business owners' views on digital marketing (Creswell and Creswell, 2018). The assumption is that through a qualitative approach study, a comprehensive portrayal of the phenomenon of digital marketing strategies among small businesses will be generated.

The aim of the current study is to explore the perceptions that small businesses have about the effectiveness of digital marketing tools and what digital marketing strategies are essential for their survival. The nature of the study requires individuals to reflect, interpret and express the opinions regarding market strategies in the context of small business operations. It is in this context that a qualitative approach was adopted as the most appropriate research design for the study.

3.2 Research design

A research design is described as a complete plan for undertaking a research study to meet its aims and includes strategies for enhancing research integrity (Creswell and Creswell; 2018).

For the purposes of this study, a qualitative, exploratory, and descriptive design was chosen, as it is a practical means of exploring and understanding a concept and facilitates obtaining rich descriptions of meanings and experiences from the participants. Polit and Beck (2018) state that exploratory designs help one to not only investigate the full nature of a phenomenon but also to appreciate the various ways in which a phenomenon manifests itself, and the various factors associated with it. A qualitative research approach can be applied in individual interviews, in a focus group discussion, or through document analysis.

For this study, one-on-one interviews (also known as individual interviews) were conducted (Polit and Beck, 2018).

3.3 Population, sample, and sampling method

3.3.1 *Population*

A population is the entire group of people or person that meets the inclusion criteria that the researcher is interested in (Polit and Beck, 2018). The population of this study was limited small businesses in Gauteng, which is 1 005 288 small businesses, however an incubation hub was approached for the study, and the incubation hub comprised 35 small businesses.

3.3.2 *Sample and sampling method*

A sampling strategy and the desired sample size are determined by the desired research outcomes, which also determines the research design to be adopted. A non-probability purposive sampling technique was used to select participants who met the inclusion criteria, being knowledgeable about the phenomenon under study and able to share experiences about their use of digital marketing strategies (Polit and Beck, 2018).

In the context of this study, a sample of 12 small businesses was used. The small businesses were selected against criterion. The small businesses were all associated with an incubation hub in Midrand, Gauteng.

There were two inclusion criterion that were applied. The first criteria was that the participants were small business owners, founders, CEOs or marketing directors. The second criteria was that the participants had awareness of and they were utilizing some form of digital marketing which resulted in the sample of 12 participants from the incubation hub.

3.4 The research instrument

Data collection was achieved through interviews, using a one-on-one individual semi-structured interview guide (Appendix A). A semi-structured interview guide allows for probing and clarification of answers (Maree, 2019). The interview guide consists of two sections.

The first section is the participants' demographic information. Demographic data collected included type of business industry, year established, age of the company, position of the interviewed person within the company, age, sex, level of education, and business qualifications achieved.

The second section consisted of the main question and probes. The main question asked was "What is your perception/ opinion of digital marketing strategies for small businesses?" This was followed up by probing questions, which were based on the participants' responses, exploring and describing the commonly used digital marketing strategies, effectiveness, accessibility, enhancing factors, challenges as well as recommendations**.**

3.5 Procedure for data collection

The prospective participants in the study were identified through the SEDA (Small Enterprise Development Agency) in South Africa.

SEDA has multiple businesses that it associates with. One such business is an incubation hub. The incubation hub is a public business incubation company that is based in Midrand whose details are available online. A letter was sent to the incubation hub requesting to interview small businesses who are associated with the hub. The CEO of the incubation hub agreed to facilitate communication with the prospective participants. The CEO then sent messages via email and WhatsApp to all the small businesses that are associated with the incubation hub. The details of the potential participants were then sent to the researcher. The researcher applied the selection criteria until there were 12 eligible participants. The participants were then sent the information sheet and participant consent form, which re-assured participants that their details will not be revealed.

Data collection was conducted using a semi-structured interview guide (Annexure A). Each interview was audio recorded via Microsoft Teams. The data collection time ranged from 45 minutes to 2 hours. The preferred interview medium for most participants was online, except for one participant who preferred a face-to-face interview. The data collection process continued with each participant until data saturation was reached at participant number 8. Data saturation determines the number of participants to be included in a study. Once data saturation was reached then there was no need to recruit more participants (Braun and Clarke, 2006). The expected outcome of in-depth interviews is information-rich, dense descriptions of phenomena packed with personal insights, which was achieved (Polit and Beck, 2018).

3.6 Data analysis strategies and interpretation

Qualitative data analysis is the systemic organisation and synthesis of research data for the purpose of discovering meaning (De Vos, Strydom, Fouche and Delport, 2015). The method of content analysis was implemented concurrently with on-going interviews, which meant collected data was coded and analysed to obtain sense of emerging concepts for content analyses. This also helped to establish data saturation. The steps of data analysis were implemented as per below: (Polit and Beck, 2018)

1. The recorded interviews were transcribed verbatim.

2. Each interview transcript was read several times to obtain full understanding of participants' accounts.
3. Codes were generated through developing a list of topics and clustering similar topics. Another list was developed for the unique topics that did not fit anywhere.
4. The developed codes were reviewed, and codes related in content or context were grouped together and organized into possible categories/themes.
5. The list of categories developed were analysed to identify those that could be grouped together and possibly renamed to reduce the total list.
6. The supervisor verified the coding.
7. The results were described in the reporting phase, based on the content of the categories related to the phenomenon under study.

3.7 Limitations and challenges of the study

The use of Microsoft Teams for interviews, in the context of loadshedding, made it difficult to keep cameras on to observe non-verbal cues and expressions, which are important in qualitative research.

Due to the nature of small businesses, in some instances the CEO is also responsible for marketing, so there is no opportunity to obtain the different opinions and perspectives of a business's CEO versus its Digital Marketing Executive.

3.8 Quality assurance

Polit and Beck (2018) describe trustworthiness as the extent or amount of confidence that the qualitative researcher has in the data they have collected.

In this study, the model of trustworthiness by Lincoln and Guba (1985), as described by Polit and Beck (2018), was adopted for quality assurance. Lincoln and Guba's (1985) recommended criteria include transferability, credibility, dependability, and conformability. This would be achieved through the following:

3.8.1 *Transferability*

Transferability refers to the extent that the research process and findings can be applied in another context and setting or within other groups. A detailed contextual description of small businesses industry and marketing strategies as well as the designs and methods used in this study have been included to provide transferability (Polit and Beck, 2018).

3.8.2 *Credibility*

Credibility is used to establish the truthfulness of the research process and outcomes (Polit and Beck, 2018). In the context of this study, a method or process of data verification was established by the researcher. In addition, the supervisor was engaged for verification of the analysed data and the emerging categories, themes, and subthemes.

3.8.3 *Dependability*

Dependability refers to reliability or consistency of the findings of the research if the study were to be repeated with a similar sample or the same context (Polit and Beck, 2018). In this study, digital recording was done to ensure that participants' information was captured and transcribed verbatim. Data coding and analysis was done in consultation with the supervisor.

3.8.4 *Confirmability*

Confirmability pertains to establishing that the research information collated represents an accurate research process conducted and that it is the information collected and analysed from the participants (Polit and Beck, 2018). Accuracy of data was facilitated by checking information with the participants on the spot and at the end of data collection. Participants were also offered a copy of the transcript to ensure veracity. Transcripts and data analysed are accessible to the supervisor.

3.9 Ethical considerations

Ethical approval to conduct the study was obtained from the Human Research Ethics Committee (HREC) (non-medical). The ethics protocol number given was WBS/DB2247520/924.

A participant information sheet (Appendix C) was emailed to all those who had verbally agreed to participate in the study. A consent form was also emailed (Appendix D) but was not necessary for the participants interviewed via Teams as they consented verbally on the Teams meeting. The data provided by the participants has been anonymized in the research report.

Participants were informed that participation was voluntary, and they could refuse to participate, stop the interview at any point, and/or withdraw from the study without any penalty at any time. Furthermore, the participants were assured of anonymity, as their personal information was not used in the study. Recorded data collected during the interview and transcripts are kept in a password-protected computer in an anonymous format and only accessible to the researcher.

CHAPTER 4. PRESENTATION OF FINDINGS

4.1 Introduction

The previous chapter presented the research strategy used to collect data and the data analysis approach adopted in the study. This chapter gives the research findings from the data analysis.

4.2 Participant profiles

The research project involved conducting eight qualitative interviews with small business founders, CEOs and Marketing directors who have established businesses and an online presence. The participants all had at least five years' experience in running small businesses. The participants all had a minimum qualification of a National Diploma, with the highest qualification being a Masters in Business Leadership. The age ranges were from 30 – 45, which most participants being between 31 – 40. The participants are Generation X and Millennials who are both comfortable with the use of technology (Oblinger, 2003).

Table 1: Participant profiles

Participant Profiles		**Frequency**	**Percentage**
Sex	Male	7	87.5%
	Female	1	12.5%
Age range	21–30	1	12.5%
	31–40	5	62.5%
	41–50	2	25%
Designation	CEO	5	62.5%
	Marketing Manager	3	37.5%
Years in business	5–10	6	75%
	10–15	1	12.5%
	15–20	1	12.5%
Qualifications	National Diploma	2	25%
	Basic degree	5	62.5
	Master's degree	1	12.5%
IT-related business	Yes	6	75%
	No	2	25%

4.3 Findings pertaining to Research Question 1

RQ1: What are the digital marketing strategies used by small businesses?

The findings of research question 1 yielded 3 categories as indicated in Table 2 below. All the small businesses that were interviewed had at least one digital marketing tool that they used. The tools used can be categorized per Table 2:

Table 2: Categorization of the digital marketing tools

Social Media Marketing	Google Tools	Other
Facebook	Search Engine Optimization	Digital Billboard
WhatsApp	Google pay-per-click	Website
LinkedIn	Google merchant	ZotaBox
Instagram	Google Ads	
Tik-Tok		
Twitter		

Table 3: Frequency of usage for each tool

Tools	P1	P2	P3	P4	P5	P6	P7	P8	Total
Website	X	X	X	X	X	X	X	X	**8**
Facebook	X	X	X	X		X	X	X	**7**
WhatsApp	X	X	X	X		X	X	X	**7**
Instagram	X		X	X		X	X	X	**6**
Google Ads			X			X		X	**3**
Email Marketing	X						X	X	**3**
Twitter	X		X	X					**3**
Search Engine Optimization							X	X	**2**
LinkedIn		X					X		**2**
TikTok			X				X		**2**
Digital Billboard		X							**1**
Google pay-per click			X						**1**
Google Merchant			X						**1**
Google Maps								X	**1**
ZotaBox						X			**1**
Total	**6**	**5**	**9**	**5**	**1**	**6**	**8**	**8**	**48**

There was only one participant who used one digital marketing tool. The rest of the participants used between 5 and 8 digital marketing tools. The commonly used tool was the website since every small business had a website for their business.

This was followed by Facebook and WhatsApp, only one participant did not do marketing on Facebook and WhatsApp. The least used tools were:

- Digital billboard
- Google pay-per-click
- Google Merchant
- Google Maps
- ZotaBox

The findings show that the above digital marketing tools were not the popular used tools as they were only used once.

4.4 Finding pertaining to Research Question 2

RQ2: What are the perceptions of small business owners and managers on the effectiveness of digital marketing?

The participants generally advised that digital marketing was effective, and they provided various reasons why. Two categories emerged from data analysis, and these are effectiveness and non- effectiveness.

The participants who advised that digital marketing was effective, advised that this was due experiencing an increase in sales and access to global markets which provide a wider reach. The participants also advised that digital marketing was cost-effective.

4.4.1 *Increase in Sales and access to Global markets due to wider reach*

Participants 2, 4, 6 and 7 all advised that digital marketing increased their sales and helped their companies grow.

"it was growing the performance of the company, the rate that my company has grown from January until December, it's actually massive looking what everything that we were doing on social media, the feedback that we getting, the opportunities that we had opened up for us, it's all coming from digital marketing." *– Participant 7*

Participants 2, 3, 7 and 8 advised that digital marketing was effective as it provided them with access to a wider audience.

“You could be in Gauteng, but your advert reaches a consumer in Cape Town.” – Participant 1

“Uh to to be quite honest, I got to have clients not from South Africa through LinkedIn. When I did, one of the posts that I did there and then the guy became interested that was from Lesotho. And then there was another guy from Mozambique at which time I was promoting one of the speed service reconstruction that we have and fortunately at the time the guy was in Northern Cape in the mining area. Then said OK, I'm actually in South Africa. And then so that’s how we managed to get in terms of connecting and also contact and then finally the guy took about a hundred devices.” – Participant 2

“So currently what we have as a small business at this age it's it's it's a great platform for us. It's giving us opportunity to reach masses out there. It's giving us opportunity to speak to certain individuals outside our continent, outside our country, outside, you know, the the province, outside our region, district whatsoever.” – Participant 7

“you can easily scale up in terms of having access or people seeing your business. You don't necessarily have to spend any money in terms of uh, marketing, you are able to, to reach a lot of people without and lot of effort that needs to be put into that.” – Participant 8

The verbatim expression above reveals that digital marketing has opened up many opportunities for small businesses. Most participants alluded to how, with their previous marketing strategies, reach was limited, as some participants would distribute leaflets, which is something that is physical and is limited to physical contact for awareness. Small businesses are now able to compete with large corporates who have been around for much longer.

The majority of the participants advised that the effect of digital marketing on company performance was positive. Participant 2 advised that they were able to secure international clients from Lesotho and Mozambique through the LinkedIn

platform. Participant 3, whose small business is only four years old, is able to compete with companies such as Van Schaik who have been around for over 105 years because of the positive impact of digital marketing on company performance. Participant 6 advised that the company performance increased due to increased brand awareness and increased brand recognition, which resulted in the business seeing an increase in sales and engagement from customers. Participant 8 experienced increased revenue, and traffic to their store also increased.

4.4.2 *Cost-effective*

Participant 6 advised that *"small businesses should take advantage of the free tools that are available such as social media. For instance, posting on personal profile does not really cost you. A lot of our sales have come from there. Just advertising on our personal profiles. And then also in the business social media accounts that also does help, although it does come with some cost implications. But I believe that for small businesses, we shouldn't rush to using the expensive marketing tools out there in the market, rather use what's available and accessible, and the low-cost mediums."*

Participant 7 advised that there is always a trending topic, whether it's current affairs news or tabloid news. With the trend there will usually be a hashtag that everyone is using to communicate the news related to that story. As a small business, participant 7 would take advantage of the trending hashtag to market their business for free.

The free or cost-effective methods referred to by participants 6 and 7 are cost-effective; however, they aren't formal digital marketing strategies.

4.4.3 *Not effective*

Although most of the participants expressed that digital marketing was effective, one of the participants mentioned availability of time to respond to customers, resources, and lack of marketing knowledge as some of the aspects that could negatively impact digital marketing.

"*At the moment I feel like we are lacking because I think that for digital marketing it needs someone who has time, you know, to sit there and you know to do the research actually. And then on how it works because sometimes I'll end up you know because everything's done by me that's you know mostly that's why that is not being effective that much because now, I'll be in charge you know and then trying to do the post you know the awareness maybe twice or in a week. And then the issue comes with the engagement, because I take time to respond while I'll be busy with other things.*"

Marketing on interactive platforms such as Facebook, Twitter and Instagram requires interactivity. As such, it requires a resource to monitor it and respond to queries. Responses from the effectiveness themes showed that digital marketing was largely effective, however it could also be inefficient, impacting effectiveness, due to constraints such as time and human resources.

The key themes in this section are that digital marketing can be both effective and not effective. The next section presents the challenges facing small business in digital marketing.

4.5 Findings pertaining to Research Question 3

RQ3: What are challenges faced by small businesses when it comes to digital marketing?

One of the participants commented that due to COVID-19 lockdowns, most companies had to review their marketing strategies, people did not go out.

"People were no longer going out due to COVID-19, and as such the marketing strategy needed to change to meet people wherever they are. Digital marketing did just that, in that, all that people needed to be exposed to the marketing was a phone or a laptop in their home."

Themes that emerged from data coding were related to challenges as follows: knowledge, finances, resources, legislative and government requirements, as well as customer and competition challenges, which are explained below:

1. Knowledge-related challenges: Lack of marketing knowledge, lack of digital marketing knowledge, and lack of understanding of how digital marketing works.
2. Finance-related challenges: Affordability of digital marketing, cost of marketing campaigns, and difficulty in measuring return on investment.
3. Resource-related challenges: Availability of time, lack of personnel to manage digital marketing, and difficulty in finding the right digital marketing agency.
4. Legislative and government-related challenges: Difficulty in navigating legal and regulatory requirements for digital marketing, lack of government support for small businesses, and lack of understanding of data privacy laws.
5. Customer-related challenges: Difficulty in reaching target audience, lack of customer engagement, and difficulty in understanding customer needs.
6. Competition-related challenges: Difficulty in standing out among competitors, difficulty in competing with larger companies, and difficulty in keeping up with the latest trends and technologies in digital marketing.

4.5.1 *Knowledge-related challenges*

Majority of participants reported that there is a challenge in a lack of knowledge of how to create digital content and how to disseminate the content. The participants expressed a need for education or training on digital marketing. There is also a challenge in that small businesses are not aware that sometimes institutions like SEDA or incubation hubs offer free training courses to small businesses.

“my challenge is not having the knowledge actually don't know how should one implement as because I'm doing them in such a way that maybe because of what I usually do just post. Maybe there's a certain thing that one needs to do, you know in terms of like you should know certain hours where you supposed to post on social media.” – Participant 2

Participant 8 added that it is important to know what content to put out there and when, and that it’s imperative to use language that speaks to customers.

4.5.2 *Finance-related challenges*

A number of participants raised finance-related challenges. Professionally executed digital marketing requires funds, whether for human resources, connectivity or software. Small businesses do not usually have a lot of cashflow available for aspects such as marketing. Participant 3 added that good quality digital marketing is more expensive.

High cost of data was another issue that came up from the participants. For successful digital marketing data is needed.

The pricing of some of digital marketing was perceived as not being consistent. Participant 3 expressed that it is not clear how the rate is determined, or how long it takes for the rate to go down, as well as what algorithm is used to determine what factors reduce the rate:
"I signed up for Google pay-per-click and reached a point where I was paying 50 cents per click, but then over time the rate went down to 11 cents per click."

4.5.3 *Resource-related challenges*

Participant 2 highlighted challenges related to being the sole person involved in the business and time constraints, since one must do many business activities with limited resources: *"The issue comes with the engagement, because I take time to respond while I'll be busy with other things."*

Participant 2 also reported on human resource challenges:
"I still need help, someone to help who has the skills and the knowledge on how the digital marketing works because from my side as an administrator, as a business owner, yes, I can say that I know my business. But then the issue becomes then OK then how do I take it out digitally and then promote and also make a way for the, the, the, the potential clients and then how our services work […] I need someone who have studied the digital marketing courses, it's one sector that I do not have an idea of in terms of now how I can be effective in doing the implementation to that."

4.5.4 *Legislative and government-related challenges*

Participants 1 and 4 spoke of legislative challenges and compliance criteria that must be met while operating a business in South Africa. Some of these criteria are taxing on their businesses.

Participant 4 went as far as stating that South Africa is over-legislated. Participant 4 is of the view that, as a developing country, South Africa should be focused on growing small businesses and making it easy to do business; however, this is not the case.

An example that participant 4 gave was the issue of the VAT registration threshold at R1.2 million per annum, which is very low.

Both participants 1 and 4 mentioned how being successful as a small business in South Africa can be negative as it attracts attention from SARS.

"if you exceed total annual review of 1 million Rand or 1.2 million Rand, whatever it is currently, you are mandated to actually register for VAT, right. And most black businesses just don't have resources and the manpower to do all of that. Once you put your name up on national platforms through digital marketing platforms and you are doing it for the interest of your business. SARS want to ask you, why are you not compliant with this? Why are you not compliant with this? Why are you not compliant with that? So, it's the chicken and egg where you must comply with lots of things you don't have money for and the little money that you have you want to expand the reach of your business.

So, we over legislated as a country. People hide. People could generally show up more, that I've got this business. I've got this, I've got this, I've got this, but once you do that, we normally joke about it in the social circle, black Twitter or whatever that once you are a black person and you are seen as becoming successful, they will be on your case. And that is a function over regulation."

Participant 1 echoed participant 4's sentiments:
"If your books at SARS aren't right, you can get yourself into a lot of bigger trouble, too. Reason why I will say and I will put it online, if you are small, medium, enterprise, it becomes very hard for you to market your business because marketing your business can often be seen as bragging, so learn how to go about marketing because even when you start bragging, trying to market yourself and we see bragging in it or you brag about yourself and one says marketing, understand that you will call the likes of SARS to you and the likes of SARS will not come with leniency on you."

Participant 1 raised another government-related financial issue of grants being available; however, due to corruption, they end up in the wrong hands.

Participant 4 noted that although digital marketing has opened up business to other countries, it is hard to move money out of South Africa, which is counterintuitive to growing the economy.

4.5.5 *Customer-related challenges*

The participants observed that there is some scepticism when it comes to doing business online. In an ideal world, a customer would see an advert online, click on the link and complete the sale. However, due to many scams circulating, there are still customers who prefer brick and mortar businesses, as alluded to by participant 5: *"There is no doubt in my head that that is the way to go, and really there is maximum benefit to it. The problem I think is this. Is that whereas the country is moving towards online shopping. The amount of crookery that has happened reduces the level of uptake that ought to be happening at this point, so. If you don't have physical presence, people may like what you offer and there's quite a lot of interest, but the way you then run your distribution channels becomes the catalyst of whether your digital marketing strategies do yield return on investment or it's just sort of a yes, this is really a great, but we have been hurt."*

Participant 1 also alluded to the same: *"I see promotions having video clips advertised on social platforms. When I see it, I ask who sent it? Who are you?*

Who's this guy that sent, uh, I sent this thing, but who are they? Remember now we are people. First things like, who is this company? There's a lot of trust issues with all these cyber scams. Don't miss the fact that people are still very much sceptical. They are very much insecure. They are very challenged with trust, because of all this online fraud; scammers that just makes it very hard for us within business too."

Participant 7 added that at times, potential customers may regard digital marketing as spam and delete the communication; this is also because consumers are flooded with adverts, resulting in high competition.

Customers may also struggle to access social media or the internet at times due to high costs of data or a lack of access to technology.

4.5.6 *Content*

It may be relatively simple to create content for social media, but the quality of the content can make or break how it is received.

Participant 7 stated, *"You don't just post something around, 10 o'clock in the morning. People are busy having breakfast. People are busy traveling, and they end up missing it and they see it later. So, there's different things that we can invest on, you know, what you do at what time and what content you need to put out there. Looking at the specials as well, Black Friday being an example. If you're a small business owner and you have some specials that you wanna run, try and run something for month end and do it before time you allow it to trend, allow it to be shared amongst other people".*

"And then the second challenge, looking at digital marketing is the share button. Sometimes you create something as the owner that is gonna trend and that is gonna do 123 and then you look at a certain time you post your post or your content in the morning around 7:30 believing that you know your target is that by 9:00 in the morning you should have at least 100 views; you should have at least received 20 likes and with the time frame that you put there, no one has viewed

your post. No one has even liked your post. There are no guarantees that your post will be seen, it can be missed."

4.6 Findings pertaining to Research Question 4

RQ4: What are the digital marketing strategies in which small businesses can use to survive?

In research question 4, the participants were asked about the digital marketing strategies that are key for survival in the digital era. The results of proposition 4 yielded two (2) themes and eight (8) categories as indicated in Table 4 below.

Table 4: Research Question 4 Themes and Categories

Research Question 4	Themes	Categories
What are the digital marketing tools and ways in which small businesses can use to survive?	Digital marketing: key tools for survival	Social Media Tools
	Survival in the digital era	Lock-in customers
		Relationships
		Know the business you are in
		Stay up to date
		Market your business
		Cost-effective ways to market your business
		Government involvement

All the participants in the study agreed that social media was key to business survival, as many people use social media platforms.

The social media tools that were commonly mentioned as key for survival are:

- Facebook
- WhatsApp

4.6.1 *Strategies identified for survival*

a. ***Lock-in customers***

Participant 1 advised that small businesses need to have a way to lock customers into their businesses:

“For example, if let’s say a customer would like to buy a prepaid phone, you would convince the customer to rather take a 36-month contract phone, in which case you would have the customer’s business for 36 months.”

Participant 1 stressed the importance of businesses leveraging off their strengths and providing what they have at a lower cost or for a trial, where for example a small business that designs logos, could offer to design a website for a customer at no cost and get the customer to start using the website, in the hope that when the customer sees the benefit of the website, they will then subscribe for a longer period.

Participant 7 also highlighted that small businesses should find something that they can use to lock the customer in, such as renewals or annual returns.

b. ***Relationships***

Participant 1 emphasized the importance of learning from others and leveraging off contacts for assistance and knowledge, as well as fostering good relationships.

c. ***Know the business you are in***

Participant 1 advised that it is important to know the business, understand its purpose, and have a strategy and focus.

d. ***Stay up to date***

Most of the participants advised that it is important to stay up to date and upskill.

Participant 1 advised that small business should find training through various entities such as incubation hubs and SEDA. *“A training house and the presentation of platforms alongside with schooling and guidance. Not everyone in business has finished their matric or went through to finish some degree at school so sometimes speaking about business is foreign to them. So, if there are platforms are perhaps, I know there's quite- I know there is a few one or two that SEDA used to have around.”*

Participant 2 reaffirmed these sentiments and recommended continuous training.

Participant 5 advised, "*We should have more and more; I think I'd say incubations or hubs where it's (sic) made accessible, where this thing is not limited to the haves, or only the people that have gone to corporate and understand how to navigate their way around this.*"

Participant 4 echoed: *"So, I think one of the things that need to happen from the whole South African curriculum content, particularly the secondary school level has to change. There are things that we honestly, shouldn't know about [only] when we are 38 or when we are 39. We should know from the very young age at grade eleven, grade 10."*

Participant 5 agreed, stating that there should be training, digital marketing should be part of the school curriculum, and that digital hubs should be used to allow easy access to digital marketing. *"It just needs to be made part of the curriculum in terms of people that want to run SMMEs, it needs to be part of a training college that's already in each and every, I would say each and every town that we might have."*

Participant 7 also suggested that there should be workshops to educate small businesses on digital marketing. Participant 8 added that small business should have technical knowledge on platforms, and they should attend training that emphasizes on how to attract customers using words and visual effects.

e. ***Market the business***

All participants agreed that digital marketing is key. Participant 1 advised that small businesses should increase brand awareness and be aggressive with branding. Participant 2 recommended using more videos for marketing businesses. Participant 3 observed that small businesses need to have a website for their business regardless of size and advised that digital marketing should be emotionally appealing and personalized or targeted to the customer. Participant 6 suggested that small business should engage one-on-one with and make time

for their customers. Participant 8 echoed that small business should engage with their customer on a one-to-one basis and be interactive and recommended that small businesses should have a social media presence and use search engine optimization. Participant 3 remarked that there were huge opportunities to use platforms such as TikTok, Spotify, Uber and Waze for digital marketing.

f. *Cost-effective ways to market the business*

Participant 1 advised that a way to survive is to find cost-effective ways to market businesses, such as using Facebook and WhatsApp. "*Regarding Facebook, you can post an advert then ask all your friends to share it, same as WhatsApp".* This method can potentially provide massive exposure while its costs are very low as there is no cost for the advertisement, so the only cost would be data.

Participant 4 suggested that small businesses should delegate digital marketing to experts, using a revenue sharing model to decrease the cost of marketing where instead of an upfront payment to the digital marketer, the business pays according to the returns they receive. Participant 6 said that to survive, small businesses should take advantage of free or low-cost marketing mediums. Participant 7 highlighted that Facebook allows access without data and that social media marketing in general is something that is worth investing in to increase awareness of the brand. Participant 6 pointed out that posting on Facebook is a free opportunity for marketing.

g. *Government involvement*

Participant 2 said that for small businesses to survive, the government should introduce data packages that are cheaper. Participant 8 agreed that there should be funds from government for internet connectivity. Participant 5 suggested that government should provide access to digital marketing tools for small businesses, while participant 8 advised that government should make funds available for training and that small business should engage in enterprise development programmes.

4.7 Summary of the findings

The aim of research question 1 was to identify the digital marketing strategies used by small business. It is evident that social media platforms are the most used tools.

Research question 2 was to identify the perceptions of small business owners and managers on the effectiveness of digital marketing. Generally, the participants stated that digital marketing is effective; however, small businesses face challenges when it comes to digital marketing, which are addressed in research question 3.

Research question 4 was to examine digital marketing strategies that are essential for survival for small businesses. From the findings, social media marketing is essential for the survival of small businesses as it provides smart marketing capabilities and wide reach, cost-effectively. Digital marketing can be done in-house without outsourcing. Additionally, there are freely available resources to help small businesses owners educate themselves on digital marketing.

The next chapter will discuss these findings with reference to the literature.

CHAPTER 5. DISCUSSION OF THE FINDINGS

5.1 Introduction

This chapter discusses the findings that were presented in Chapter 4. The findings will be discussed in relation to the propositions discussed earlier. The findings of the research project relate to the literature review, yielding valuable insights that address the problem statement presented in chapter one.

5.2 Discussion pertaining to Research Question 1

RQ1: What are the digital marketing strategies used by small businesses?

The studies conducted by Basri and Siam (2017), Tlapana and Dike (2020), and Ryan (2016) provide different perspectives on the digital marketing strategies of small businesses. While Basri and Siam (2017) found that Facebook and Twitter were the most used social media platforms by small businesses, Tlapana and Dike (2020) found that small businesses in East London favoured Facebook over Twitter. Ryan (2016) argued that businesses use multiple tools including websites, SEO, pay-per-click, social networking, e-mail marketing, and customer relationship management to promote their products and services.

Despite these different findings, one common thread emerges: Facebook is a widely used social media platform by small businesses. In both studies conducted by Basri and Siam (2017) and Tlapana and Dike (2020), Facebook was the most commonly used social media platform by small businesses. Tlapana and Dike (2020) found that WhatsApp and Instagram were also commonly used by small businesses for social media marketing.

Therefore, it can be argued that Facebook is the most common tool used by small businesses to reach their target audience. While other social media platforms such as Twitter may also be effective, Facebook's popularity among small businesses suggests that it is a platform that cannot be ignored. Furthermore, the use of other social media tools such as WhatsApp and Instagram highlight the

importance of using multiple channels to reach potential customers. Ultimately, small businesses must develop a social media strategy that incorporates a variety of platforms and tools to effectively reach their audience and to grow their business.

5.3 Discussion pertaining to Research Question 2

RQ2: What are the perceptions of small business owners and managers on the effectiveness of digital marketing?

The participants generally advised that digital marketing was effective, and they provided various reasons why. Social media has become a crucial tool for small businesses to connect with their audience and promote their products or services. It is an effective way to reach more people cheaply, and many businesses view it as a key component of their marketing strategy. Additionally, social media can also be a valuable source of information and a way to stay connected with others in crisis or uncertainty. Melanthiou, Pavlou and Constantinou (2015) found that many small businesses were opting to use social media as a tool for marketing as it is cheaper and more efficient.

During the COVID-19 pandemic in 2020-21, people were less likely to go out. As a result, small businesses had to adjust their strategies to meet consumers in their preferred environment. Digital marketing proved successful as customers only required internet or phone access in order to receive or be exposed to advertising. Research conducted by Ayush and Gowda (2020) stated that the pandemic caused a huge shift in marketing strategies, with digital marketing playing a major role. Digital marketing has experienced a huge surge in growth due to the COVID-19 crisis, and this has opened up new opportunities for further development and improvement of digital marketing tactics.

5.3.1 *Increase in sales and access to global markets due to wider reach*

According to Saravanakumar (2012), digital transformation is now closer to the reach of small businesses: digital marketing is no longer unaffordable, and it does not require complicated skills. As such, small businesses should be aware that

they can market their companies at the same level as bigger companies in the global marketplace (Bala, 2018).

Digital marketing can be an essential instrument for small businesses to increase brand awareness, reach a wider audience, and drive sales growth (Makrides et al., 2020). By utilizing social media platforms, creating emotionally appealing and personalized marketing campaigns, and engaging with customers on a one-on-one basis, small businesses can level the playing field with larger companies in the global marketplace (Lee and Hong, 2016). Additionally, by exploring cost-effective options such as revenue sharing models and digital marketing training programs, small businesses can implement digital marketing strategies without needing a large budget (Dobrescu et al., 2018).

The responses also showed that digital marketing helps reach potential customers who may be located outside of the business's immediate geographic area (Bennett, 1997). The ability to connect with customers from different regions can greatly expand the potential customer base for small businesses, increasing their chances of success. Both participant 1 and participant 2 mentioned the importance of social media platforms such as LinkedIn in connecting with potential customers and expanding their reach.

Overall, it seems that digital marketing has placed small businesses at a similar marketing level to those of big companies and has become an essential tool for their growth and survival.

5.3.2 *Cost-effective*

Digital marketing can be cost effective as it allows small businesses to tap into existing conversations and to reach a wider audience at a lower cost than traditional advertising. Bala and Verma (2018) confirms the statement by stating that the rise of digital marketing provides small businesses with numerous cost-effective ways to reach targeted markets. This has enabled small businesses to level the playing field with bigger companies, who previously had significant advantage in terms of market reach and budget (Bala, 2018). Small businesses are now better equipped to compete with bigger companies and reach their business goals.

Digital marketing also helps small businesses to be agile and quickly respond to current events and capitalize on them to increase brand awareness and drive sales (Ahmad et al., 2018). Additionally, by using trending hashtags, small businesses can increase their visibility on social media platforms, which can be a powerful tool for reaching new customers.

Participant 6 suggested that small businesses should take advantage of the free tools available to them, such as social media, to advertise their products and services. They should not rush to use expensive marketing tools, but rather use what is available and accessible. This advice is sound, as it allows small businesses to reach a wide audience without having to invest a lot of money. This is corroborated by Mahajan (2015), who found that the costs associated with social media marketing are a fraction of older traditional marketing strategies.

5.3.3 *Not effective*

The importance of having dedicated resources or individuals with the knowledge and time to effectively handle digital marketing for small businesses was highlighted. Chaffey and Ellis-Chadwick (2016) state that small businesses need to know about the elements of digital marketing so they can efficiently market their products, as well as essential and beneficial methods of constructing a web site and promoting the website with tools such as SEO.

Findings from the current study showed that small business would need to either find time or hire someone to assist with digital marketing efforts. The person should have the time and knowledge to do the research and create effective posts. They should also be able to create a consistent schedule for posting that will help increase reach and engagement. Additionally, they should be able to track the results of their efforts and adjust their strategy as needed.

Chaffey and Ellis-Chadwick (2016) confirm that for the above to take place, the business would need to acquire personnel or upskill the existing staff to manage digital marketing tasks. Without this, digital marketing may not be as effective as it could be for small businesses. It is important for small businesses to invest in

training or hiring individuals with the necessary skills to handle digital marketing for their businesses so as to get the most out of it.

5.4 Discussion pertaining to Research Question 3

RQ3: What are challenges faced by small businesses when it comes to digital marketing?

Seven themes emerged from the data coding.

1. Knowledge-related challenges: Lack of marketing knowledge, lack of digital marketing knowledge, and lack of understanding of how digital marketing works.
2. Finance-related challenges: Affordability of digital marketing, cost of marketing campaigns, and difficulty in measuring return on investment.
3. Resource-related challenges: Availability of time, lack of personnel to manage digital marketing, and difficulty in finding the right digital marketing agency.
4. Legislative and government-related challenges: Difficulty in navigating legal and regulatory requirements for digital marketing, lack of government support for small businesses, and lack of understanding of data privacy laws.
5. Customer-related challenges: Difficulty in reaching target audience, lack of customer engagement, and difficulty in understanding customer needs.
6. Competition-related challenges: Difficulty in standing out among competitors, difficulty in competing with larger companies, and difficulty in keeping up with the latest trends and technologies in digital marketing.

5.4.1 *Knowledge-related challenges*

Some participants reported that that they do not have the necessary skills required to create and implement effective digital marketing strategies, such as social media accounts. They also reported that they do not have the necessary equipment or technology to create digital content. This aligns with Olonde's (2017) study, which also reported that the main obstacle for small businesses in implementing digital marketing was their limited knowledge of digital media, followed by insufficient resources and inadequate digital marketing strategies.

Another challenge identified was related to customers. Some participants reported that they are not aware of how to target their customers through digital marketing, which makes it difficult for them to reach the right audience. Taiminen and Karjaluoto's research (2015) found that small businesses in Central Finland were not using the complete capabilities of new digital technologies and were missing out on the benefits they offer. Additionally, the findings raised concerns about whether SMEs comprehended the significant transformation in communication brought about by digitization. Small businesses appeared to be lagging in terms of digital advancements, primarily due to their limited understanding of digital marketing. Taiminen and Karjaluoto (2015) said that there had been calls for training programs to help small businesses leverage their digitization skills/capabilities, which the Finnish government was expected to pay attention to.

5.4.2 *Finance-related challenges*

Another challenge that emerged was related to finances. Some participants reported that they do not have enough funds to invest in digital marketing, which limits their ability to reach a wider audience. They also reported that they are not able to hire a digital marketing expert, which makes it difficult for them to create and implement effective digital marketing strategies. Olonde's (2017) research findings were that the second biggest limitation for small businesses was insufficient funds to carry out digital marketing tasks. This would include hiring a digital marketing expert. This contrasts somewhat with Bala and Verma (2018), who stated that the increasing usage of digital marketing provides small businesses with cost-effective ways to reach targeted markets. Ahmad et al. (2018) also stated that hashtags provided a cost-effective way for small businesses to increase their visibility on social media platforms.

In summary, digital marketing can be free or cost-effective, however paying a premium may increase the quality of the content which will in turn captivate audiences.

5.4.3 *Resources related challenges*

Small businesses do not have the luxury of recruiting digital marketers nor the equipment to effectively implement digital marketing strategies. This makes it hard for small businesses to create and disseminate digital content.

The resources that small businesses employ must be able to be responsive to customers whenever there is need for engagement, while balancing that out with other business tasks. Bala and Verma (2018) state that small businesses must ensure that the advertising approach fosters a dialogue with potential customers and use interactive features such as widgets and opt-in options to gather feedback, monitor user behaviour and make the site more engaging. Small businesses must actively engage with customers and personalise offers based on the customers' preferences and online behaviour, as also alluded to by Bala and Verma (2018) that it is crucial for small businesses to tailor content to fit each individual social platform used to draw traffic to its website.

5.4.4 *Legislative and government related challenges*

Legislative and government-related challenges were also identified, with some participants reporting that they are not aware of the laws and regulations related to digital marketing, which makes it difficult for them to navigate the digital space. The compliance criteria can be quite taxing on South African small businesses, to the extent that participants felt that the country is over-legislated. In South Africa, businesses earning above a threshold of R1.2 million per annum are mandated to be registered for VAT, which is a relatively low amount.

Small businesses also lack the resources and manpower to comply with these regulations. Participants found that more growth tends to attract the attention of SARS and causes extra compliance challenges. The regulations require accurate records to be kept, which raises the issue of resources; this was confirmed by Matarirano et al. (2019) who found that tax compliance costs (TCCs) were a heavier burden on small businesses. Their study recommends proper tax planning for small businesses to minimize negative effects and improve performance, and advises small businesses to undertake tax tasks in-house.

Nieuwenhuizen (2019) identified the regulatory environment and related legislation and compliance as the primary inhibitors of small businesses in South Africa and added that to increase the rate of SME establishment and performance, the government should review its restrictive regulations and introduce initiatives that provide a supportive environment for businesses. Such changes would lead to economic growth and improved government performance.

Overall, the participants felt that trying to comply with legislation in South Africa can hinder the growth and success of small businesses.

5.4.5 *Customer-related challenges*

Customers are sceptical due to trust issues that have arisen from the prevalence of scams and fraud. Todor (2016) points out that e-commerce does not provide the customer with the ability to physically handle the product before making a purchase. Another factor is payment, as many consumers still do not trust electronic payment methods, causing them to abandon online purchases. Additionally, there have been a high number of scams involving online sales which have undermined the trust of users and have negatively impacted the reputation and image of honest companies. Consumers feel that they might be scammed if they shop online. A study by Madan (2021) found that the majority of people, especially older ones who are less familiar with the technology, lack trust when conducting online transactions and hesitate to use their credit cards out of fear of information theft. Cash-on-delivery is the most preferred means of payment by many customers; however, it can be tedious, as some customers have refused to pay when their goods arrived. The cash-on-delivery system, while convenient, does not guarantee a successful transaction, as there have been instances of individuals using false identities to order goods without intending to pay for them.

Customers may not even receive or see digital marketing content due to high data costs and a lack of access to technology. Furthermore, customers who receive digital marketing may see it as spam and delete or ignore it. Bala and Verma (2018) suggest sending personalised emails to help build trust.

Yasmin et al. (2015) state that the use of digital marketing has become a crucial aspect of the strategies employed by many companies. In today's world, even small business owners can affordably and effectively market their products or services through digital means. The reach of digital marketing is limitless, and companies can use a wide range of devices and media, including smartphones, tablets, laptops, televisions, game consoles, digital billboards, social media, SEO, videos, content, email, and more, to promote their brand and offerings. To maximize success, digital marketing efforts should prioritize the needs of the user. Achieving great results in digital marketing takes time and effort, with a process of testing, learning, and evolving. Companies should strive to create unique customer experiences and devise targeted strategies across different media channels to optimize their digital marketing performance.

5.4.6 *Content*

The timing and quality of content are key factors in effective digital marketing. It is important for small businesses to post relevant content and to post it at the right time, aiming for four to five posts per day, according to Bala and Verma (2018). They point out that good content will captivate an audience and pique their curiosity for more information. People are more likely to reshare high quality content, which is one of the most impactful ways of establishing brand awareness. It is crucial for small businesses to tailor their content to fit each individual social media platform that it uses to draw traffic to its website (Bala and Verma, 2018). As such Baltes (2015) states that there are nine factors to consider when developing a content marketing strategy:

1. Emphasize quality over quantity in content creation.
2. Focus on topics that are relevant and of interest to the target audience.
3. Don't neglect SEO; ensure that content created and promoted incorporates keywords for search engine optimization.
4. Offer a range of media types including pictures, videos, infographics, checklists, audio content, webinars, and even live events, in addition to written content, such as blog posts, eBooks, and white papers. Also, consider varying the type of content produced.

5. Establish a strong social media presence: content drives social media engagement as people share and re-share content that they find interesting.
6. Encourage employee involvement; it is important for employees to participate in sharing content marketing efforts.
7. Align content marketing and advertising initiatives.
8. Track online reactions through metrics and analytics.
9. Respond to and engage with those who share or comment on content.

The above factors are in line with the responses shared by the participants.

5.4.7 *Technology Acceptable Model*

The technology acceptance model (TAM) is an information technology related theory that focuses on how users adopt and use technology. (Fishbein and Ajzen, 1975).

The primary objective of the TAM is to explain why some people easily embrace technology while others are reluctant to it. By understanding the factors that drive technology acceptance, organizations can design and implement technology in a way that increases its adoption and usage among users.

The basic components of the Technology Acceptance Model (TAM) are:

1. Perceived Usefulness (PU): Perceived usefulness refers to the extent to which a person believes that using a particular technology will make their tasks easier and more efficient. If users perceive the technology as valuable and beneficial, they are more likely to accept and adopt it.
2. Perceived Ease of Use (PEOU): Perceived ease of use refers to the extent to which a person believes that using a particular technology will be effortless and straightforward. If users perceive the technology as easy to learn and use, they are more likely to accept and adopt it.

Likewise, when it comes to digital marketing, the PU and PEOU of the marketing has an influenced on the marketing being accepted by users.

5.5 Discussion pertaining to Research Question 4

RQ4: What are the digital marketing strategies that small businesses can use to survive?

Facebook and WhatsApp were highlighted as the most widely used tools for digital marketing.

Facebook allows businesses to create a page and post updates, products, and services, which can be shared with a wide network of friends and followers. With over 2.96 billion monthly active users worldwide and 32.68 million users in South Africa (Statista, 2023), Facebook provides a vast audience for small businesses to tap into and is ranked as the world's most 'active' social media platform. Additionally, Facebook's advertising platform enables small businesses to target specific demographics, interests, and behaviours to reach their desired audience.

WhatsApp is a popular messaging app that enables businesses to communicate with customers in real-time. It allows small businesses to answer questions, provide customer support, and send promotional messages directly to customers' phones. With over 2 billion monthly active users (Iqbal, 2023), WhatsApp provides a large potential customer base for small businesses to engage with. WhatsApp is ranked as the most used mobile messenger app in the world with more than 100 billion messages being sent each day (Dean, 2022).

The findings align with the study by Ritz et al. (2019), which found that Facebook was the most used platform at 72.4%, followed by a business website at 61.6% and email at 42.4%.

Another study by Goldman (2021) found that SEO, social media marketing, search engine advertising (SEA), online marketplaces, affiliate marketings and bannering were used. The most used digital marketing tactic was found to be SEO at 45%, followed by social media at 40%, with SEA in third place at 28%.

Facebook and WhatsApp can be considered key tools for the survival of small businesses as they provide cost-effective ways to reach a large audience and communicate with customers, which can help businesses to grow and thrive.

5.5.1 *Strategies identified to survive*

a. *Lock-in customers*

Many consumer marketers still rely on the traditional, one-way, mass-market broadcast model when approaching interactive media. However, this approach often leads to lacklustre results that do not fully utilize the potential of new media. Instead, savvy marketers should develop innovative ways to interact and transact with consumers, requiring a new marketing model that is better suited to the new consumer marketspace, and new methods for integrating interactive media into their business systems and marketing strategies (Kierzkowski, McQuade, Waitman, and Zeisser, 1996). This helps to build customer loyalty and keep customers interested.

Per Nair and Gupta (2020), various methods can be used to attract and keep customers not only interested but also committed. Personalised content creation using artificial intelligence is one example. Another is predictive analysis, which predicts a customers' preferences and helps determine elements such as email frequency (in other words, how frequently marketing emails should be sent).

Nair and Gupta (2020) also point out that pricing can be customized using artificial intelligence. With this method, discounts are not offered to customers across the board. Instead, a machine learning algorithm determines which customers should be offered a discount, as offering one to those who don't need it lowers profits.

Javalgi et al. (2005) state that a successful strategy—one that keeps customers returning to a small business—enhances consistency through profiling and tactics such as offering the customer products based on what they previously purchased. Further lock-in strategies can be pursued through selecting and profiling a specific target market, getting to know their needs, and devising tactical programmes to maintain them as customers. Corporate identity, particularly

established brand names, encourages customer loyalty, which is essential to retaining customers and achieving superior performance. Therefore, firms must project an effective and consistent brand image across all Internet sites.

b. ***Relationships***

The participants stressed the importance of learning from others and leveraging relationships for assistance and knowledge in order to improve the chances of survival for small businesses. This could include seeking advice and guidance from more experienced business owners or industry experts, networking with other business owners to share best practices and ideas or forming strategic partnerships or collaborations to leverage the strengths of multiple businesses. Building and maintaining strong relationships with customers, suppliers, and other stakeholders is also important for a small business to establish a loyal customer base and create a sustainable competitive advantage. Additionally, fostering good relationships with employees, partners, and suppliers can help to ensure that the business has access to the resources and support it needs to grow and thrive.

Lemon et al. (2001) state that a business must find something that makes the customers stick with the brand and advises that there are certain levers within a business' control that can help improve relationship equity, including loyalty programs, special treatment and recognition, community-building programs, affinity programs, and knowledge-building programs. Among these, loyalty programs involve rewarding customers for specific actions with tangible benefits.

c. ***Know the business you are in***

Knowing one's business and industry is essential to succeed. It means understanding the unique characteristics of the market, the customers, the competition, and the products or services that the business operates under. To know the business, business owners need to have a deep understanding of the industry and the trends and changes that are affecting it. They should keep up to date with the latest news and innovations and be aware of any regulatory or legal changes that could impact the business. Businesses should also have a clear

understanding of who their customers are and what they want from the business' products or services. This includes their needs, preferences, and pain points, as well as their buying habits and purchasing power.

In addition, businesses should have a good grasp of their competition and what sets their businesses apart. This includes understanding their strengths and weaknesses, as well as their marketing strategies and pricing models.

Ultimately, knowing a business means having a comprehensive understanding of the company's mission, vision, and values, and how they align with the needs of its market and customers. This knowledge will help the business make informed decisions, develop effective strategies, and stay ahead of the competition. As per Davenport et al. (2011), if a company lacks detailed information about its own products or services, it can be challenging to determine which offerings will appeal to a particular customer. While third-party databases can provide product attributes for some products like movies, other retail industries, such as apparel and groceries, have a more challenging time compiling product attributes. Manufacturers often do not categorize products uniformly, and retailers must spend significant time and effort collecting this information on their own.

d. ***Stay up to date***

Most of the participants advised that it is important for small businesses to stay up to date and receive training in order to be successful. The participants recommended that small businesses should receive training through various entities such as incubation hubs and SEDA. Taiminen and Karjaluoto (2015) found similar requests for the implementation of training programs in Finland that would help SMEs use digitization to their advantage, and they also recommended that the Finnish government should pay attention to such requests.

e. ***Market the business***

The participants advised that marketing is key for survival and that small businesses should use cost-effective ways to market their businesses, such as using social media platforms like Facebook and WhatsApp.

Nosrati, Karimi, Mohammadi, and Malekian (2013) state that the affordability of internet marketing, relative to the size of the intended audience, makes it an attractive option for companies. They can reach a vast audience with just a small percentage of the budget typically required for traditional advertising. Moreover, the internet provides consumers with an accessible platform for researching and purchasing products or services, giving businesses the advantage of reaching their target audience quickly and conveniently. Additionally, they advised that small businesses should take advantage of free or low-cost marketing mediums and use analytics to track their progress and measure the success of their campaigns.

Moreover, internet marketers can easily and inexpensively measure various aspects of their campaigns through the use of an ad server. Payment models such as pay per impression, pay per click, pay per play, and pay per action can be utilized to analyze the effectiveness of different messages or offerings. This allows marketers to determine which strategies resonate with their audience, and campaigns can be tracked and evaluated in real-time as users click on advertisements, visit websites, and perform targeted actions.

Bandyopadhyay (2016) asserts that small businesses have numerous opportunities to promote themselves and connect with their target audience through social media, without the need for extensive financial resources. To make the most of this potential, a well-thought-out social media plan that covers all the platforms a business intends to use is essential. The plan should be accompanied by an implementation and control plan as well. A business must invest both human and financial resources into the implementation process and appoint key individuals to carry out the social media strategy. ’It is also crucial to continually monitor and assess the performance of the social media plans on all platforms used. If executed properly, social media can significantly enhance communication and marketing efforts of small businesses.

f. *Cost-effective ways to market the business*

Posting on Facebook is indeed free, and it can be a valuable tool for small businesses looking to increase brand awareness and reach new customers.

Facebook also has other features like paid advertisement which can target specific audience and can be very effective. Social media marketing can be an effective way for small businesses to connect with customers, build a community around their brand, and promote their products or services.

Participant 1 highlights the importance of cost-effectiveness in digital marketing for small businesses. By posting an advertisement and asking friends to share it, small businesses can potentially reach a large audience without incurring any additional costs beyond data usage. It's worth noting that while Facebook is a free platform, small businesses may need to invest in other areas such as creating engaging content, imagery and videos, and in paid advertising to optimize their reach and engagement. Additionally, other social media platforms like Instagram and Twitter can also be valuable marketing channels for small businesses, and these platforms also have their own advertising options.

Todor (2016) states that in terms of cost-effectiveness, digital marketing offers a more economical alternative to traditional mass media marketing. In many cases, websites can generate traffic without any cost at all, as such Participant 4 alluded to the importance of finding cost-effective ways to access expertise in digital marketing for small businesses. Delegating digital marketing to experts can help ensure that a business efforts are effective and well-targeted, however, the cost of hiring an expert can be unaffordable for small businesses.

The revenue-sharing model proposed by Participant 4 presents an effective solution for alleviating this cost burden. With this approach, small businesses would be relieved from making any upfront payment for digital marketing services. In traditional digital marketing models, small businesses are usually required to make an upfront payment or pay a fixed fee to avail the services of a digital marketer. This can be a significant financial constraint, especially for smaller businesses with limited budgets.
However, under the revenue-sharing model, this upfront payment is completely removed, allowing small businesses to access digital marketing services without any immediate financial burden.

Instead, the small business would only be required to pay a percentage of the revenue they gain as a direct result of the marketing efforts. Instead of charging a fixed fee, the digital marketer's compensation is directly tied to the results achieved through their marketing efforts.

The measure of success is the increased revenue generated for the small business as a direct consequence of the marketing campaign. If the marketing efforts do not lead to any significant revenue growth, the digital marketer won't receive any payment.

This alignment of interests ensures that both the digital marketer and the small business share a common goal: the marketer will only receive compensation if the business achieves a tangible return on their marketing investment.

This model aligns the interests of both parties involved - the digital marketer and the small business. Their objectives become interconnected: the digital marketer aims to implement effective marketing strategies that drive tangible results for the business, while the small business benefits by paying the marketer based on the actual success of the campaign.

This shared interest encourages the marketer to devise and implement the most effective marketing tactics that maximize revenue growth. By not requiring an upfront payment, the revenue-sharing model lowers the risk for small businesses. They don't need to worry about investing money into marketing efforts that might not yield the desired outcomes.

The burden of performance rests on the marketer, incentivizing them to deliver excellent results to ensure their compensation.

In summary, the revenue-sharing model creates a mutually beneficial partnership between the digital marketer and the small business. It allows small businesses to access digital marketing services without upfront costs, while the marketer is motivated to deliver successful campaigns that directly impact the business's revenue. This arrangement fosters a results-driven approach and mitigates financial risks for small businesses, making it an attractive option for both parties involved.

g. *Government involvement*

It is worth noting that providing affordable data connectivity and digital marketing support can be essential for small businesses to compete in today’s digital

landscape. A study by Elephant (2017) stated the expenses related to using mobile technology, such as data and airtime costs, pose challenges for small business owners in leveraging the advantages of mobile technology. The government can play a role in providing support in these areas, such as by creating programs or initiatives that make data more affordable, providing funding for digital marketing training, or making digital marketing tools more accessible. Small business owners acknowledged the significance of social media platforms like Facebook and Instagram in promoting and building their businesses. Results of the study also found that the South African government should consider subsidizing small businesses for data expenses.

However, it is also important for small businesses to take the initiative and actively seek out training and resources for digital marketing. For example, there are various free or low-cost digital marketing courses and certifications available online, and small businesses can also seek out digital marketing experts or agencies for guidance. In a study by Maluleke (2013), a conclusion was reached that there are significant deficiencies in training and mentoring provision by SEDA, and that small businesses are not aware of the available support services, such as training, therefore they are not using these services. Support from government and self-initiative from small businesses can go a long way in helping small businesses to survive and thrive in the digital age.

5.6 Chapter conclusion

Digital marketing has allowed small business to have access to a much wider audience than ever before. Digital marketing is allowing small businesses to be able to compete with larger businesses, without having the marketing budget that a large business would typically carry.

With digital marketing, small businesses can promote their products or services to a global audience, without incurring the large marketing costs that are typically associated with traditional marketing methods.

Digital marketing channels such as social media, search engine optimization, and email marketing allow small businesses to reach and engage with customers at

a fraction of the cost of traditional marketing methods such as television, print, and radio advertising. Additionally, digital marketing also allows small businesses to easily track and measure the performance of their marketing efforts, which can help them make data-driven decisions about how to allocate their marketing budget.

Digital marketing also allows small businesses to target specific audiences and personalize their marketing messages, which can help to increase the effectiveness of their marketing efforts. For example, social media advertising can be used to target specific demographics, interests, and behaviours, and email marketing allows small businesses to segment their mailing lists and send personalized messages to different groups of customers.

Overall, digital marketing provides small businesses with a cost-effective way to reach and engage with customers and allows them to compete with larger businesses on a more equal footing.

The main challenges that small businesses face when it comes to digital marketing are related to knowledge, finances, resources, legislation and government, customers, and competition. To overcome these challenges, small businesses can invest in education and training, seek funding, use available resources, stay informed on laws and regulations, and find ways to stand out from the competition.

In summary, the perceptions of owners and managers of small businesses towards digital marketing are largely positive, as they see it as an effective and cost-efficient way to reach a wider audience and compete with larger businesses. They suggest using social media platforms, such as Facebook, WhatsApp, and Instagram, and taking advantage of free or low-cost marketing mediums.

Participants also highlighted the importance of having a website and being emotionally appealing and personalized to the customer. Additionally, they suggested that small businesses should consider outsourcing digital marketing to experts and suggested a revenue-sharing model to decrease the cost of

marketing. Some participants also advised that the government should provide access to digital marketing tools and training for small businesses.

CHAPTER 6.CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The main aim of the study was to explore the perceptions held by small business owners and managers about the effectiveness of digital marketing. The aim of the study was achieved through addressing four research questions, which were:

1. What are the digital marketing strategies used by small businesses?
2. What are the perceptions of small business owners and managers about the effectiveness of digital marketing?
3. What are challenges faced by small businesses when it comes to digital marketing?
4. What are the digital marketing strategies that small businesses can use to survive?

Guided by the research questions, interviews were conducted, data was analysed, and conclusions were drawn based on the study findings of each of the research question. Recommendations were then formulated for training, improvement of practices and suggestions for future research around digital marketing.

6.2 Digital marketing strategies used by small businesses

The research question aimed to find out what digital marketing strategies were being used by small businesses. The study found that the following tools were used: social media marketing, Google marketing tools, digital billboards, website and ZotaBox. This corroborated mostly with the tools that were found in the literature review. The digital marketing strategies used by small businesses are social media marketing, SEO, Content marketing (blogs, journals and newsletter), website, e-commerce site, mobile websites, contextual Marketing (YouTube channels, email, online marketplace, affiliate marketing, bannering, Search engine advertising and Pay-per-click (PPC).

6.3 The perceptions of small business owners and managers on the effectiveness of digital marketing

Research objective 2 aimed to find out the perception of small businesses on the effectiveness of digital marketing. The study found that small businesses perceived digital marketing to be effective despite challenges. The small businesses are all using digital marketing tools that they understand; however, there is a need for further training that will enable the small businesses to use more of the available tools. In summary, as per proposition 2, implementing digital marketing tools is effective for small businesses.

6.4 Challenges faced by small businesses when it comes to digital marketing

The most common themes that emerged from data analysis revealed that the challenges were related to knowledge (or lack of it), finances, resources, excessive legislation and government requirements, customers, and competition. In comparison, the literature review found that the small businesses faced the following challenges: outdated technologies, top management adoption of digital marketing strategies, access to funding, policies that favour large companies, and lack of skills. These findings mostly confirmed those in the literature, although one challenge of top management adoption was not mentioned by the participants, , possibly because the study was done on founders, CEO and digital marketing executives of small businesses.

6.5 Digital marketing strategies that small businesses can use to survive?

The study found that social media tools were most effective and that to survive in the digital era, small businesses also need to:

- Lock customers in
- Build relationships
- Have a deeper awareness of the business that they are in
- Find cost-effective ways to market the business
- Have government involvement

Based on the information provided, it appears that the participants had a positive perception on the importance of digital marketing for small business survival. They noted that social media is key for survival as a lot of people are using social media and that small businesses need to have a way to lock customers into their businesses. They also stressed the importance of businesses leveraging off their strengths and providing what they have at a lower cost or for a trial period.

Participants also emphasized the importance of learning from others, fostering good relationships, knowing the business and industry, and having a strategy and focus. They also advised that small business should take advantage of available training through various entities such as incubation hubs and SEDA, and that digital marketing should be part of the school curriculum. They suggested organized workshops to educate small businesses on digital marketing, technical knowledge of platforms, and how to attract customers using words and visual effects. Overall, their perceptions of digital marketing were that it is a necessary tool for business survival in today's digital era.

The literature review found that the digital marketing strategies that are essential for the survival of small business are SEO, social media marketing, email marketing, content marketing, and paid advertising, such as Google Ads, which is different to what the study found.

6.6 Recommendations

Businesses need to find more creative ways to professionally market themselves digitally. For example, small businesses can agree to collaborate with digital marketing firms to create campaigns that are paid for according to their success. This type of revenue-sharing model aligns the interests of the digital marketing firm with the small business, as the firm is only paid if they can deliver results. This model also provides small businesses with an opportunity to access the expertise of professional digital marketers, without having to make a large upfront investment. Additionally, by basing the payment on the success of the campaign,

small businesses can be more confident that the digital marketing firm will work hard to deliver the best possible results.

Digital marketing companies should investigate serving small businesses by designing customizable packages for small businesses, to be paid according to the return on investment. Such packages could include a revenue-sharing model, or payment based on revenue or leads received.

Additionally, these packages could include a comprehensive analysis of the small business, their target market, and the best digital marketing channels to reach them. This will help the small businesses to understand their target market and their digital marketing strategies.

These types of packages can help small businesses access the services they need to grow, even if they have a limited budget. Additionally, this revenue-sharing model aligns the interests of both parties as they work towards the same goal of increasing the revenue.

Digital marketing companies could consider offering training or coaching services that help small business owners and managers learn how to effectively understand or even implement their own digital marketing strategies. This would imply that the marketing company earns less revenue in future as the SME takes over the marketing function, but it could be included in a custom consulting package.

Another option for small businesses is to outsource some or all of their digital marketing activities to be managed by experts at a digital marketing agency while they limit their focus to their core business. However, they could miss out on learning opportunities.

It is important for small businesses to take advantage of free and low-cost marketing mediums such as social media, email marketing and SEO, which can help increase brand awareness, reach and engagement with customers.

Overall, there are many creative and cost-effective ways for small businesses to market themselves digitally. By exploring these options and working with experts, small businesses can increase their visibility, reach more customers, and grow their business.

For businesses that do not have a marketing budget, the recommendation is that they investigate the SEDA, or government-provided digital marketing training, or alternatively enrol for low-cost online courses from platforms such as Udemy. These programs can provide small businesses with the skills and knowledge they need to effectively market themselves digitally, without the need for a large budget.

Another option is to investigate online marketing and business communities such as LinkedIn and Facebook. Such platforms offer resources and information on digital marketing strategies, tips and best practices that can be applied to small businesses. Small businesses can take advantage of these and many other free tools and DIY options on social media platforms to market their businesses effectively. Social media platforms like Facebook, Instagram, Twitter, and LinkedIn offer a range of features to engage with and access their target audiences, such as hosting business pages, posting updates, running contests and giveaways, and promoting their products or services. These platforms usually offer free analytics tools that small businesses can use to track the performance of their campaigns and measure their return on investment.

Another way small businesses can save on marketing costs is by creating their own content. This can include creating graphics, videos, infographics, and other types of content that can be shared on social media platforms, as well as on their own website. They can use online graphic design tools like Canva or Adobe Spark to create professional-looking graphics and videos. Small businesses can also take advantage of the many online tutorials, webinars and e-books that are available on digital marketing. These resources can create effective marketing campaigns without having to spend a lot of money on hiring professionals.

Finally, small businesses can also collaborate with other small businesses in their area or in their industry to share costs and resources. For example, small businesses can collaborate on a joint marketing campaign, or even share resources to manage their websites or social media accounts. This way, small businesses can pool their talent and create a more effective marketing campaign than they would have been able to do on their own.

Chaffey and Ellis-Chadwick (2016) suggest the following steps:

1. Conduct research to learn about the target audience and the most effective ways to reach them.
2. Focus on a specific niche or target market to differentiate themselves from larger competitors.
3. Invest in search engine optimization (SEO) to improve their visibility on search engines.
4. Use email marketing to reach the target audience and promote their products or services.
5. Leverage influencer marketing to promote their products or services to a wider audience.
6. Track their efforts using analytics tools to measure the success of their digital marketing efforts and make data-driven decisions.

Overall, small businesses have many options available to them when it comes to marketing their businesses effectively without having to spend a lot of money. They can use social media platforms and free tools, create their own content, take advantage of online tutorials, and collaborate with other small businesses to save on marketing costs.

6.7 Suggestions for further research

The study was a qualitative study, investigating the effectiveness of digital marketing for small businesses. It was based on interviews from small businesses only. The following are some ideas for further research:

- a quantitative study that measures the percentage of small businesses using digital marketing on a much wider level.
- a study that evaluates the digital marketing maturity levels of each small business. This will help in identifying gaps.
- a study of digital marketing firms to find out how they are participating in the marketing of small businesses.
- a study that compares small business industries and the digital marketing strategies that they use.

- a comparison of the benefits between do-it-yourself digital marketing versus hiring a professional or outsourcing.
- a study on how informal small businesses could benefit from digital marketing, and its effectiveness for such businesses.
- a study comparing the effectiveness of paid digital marketing versus free digital marketing.

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APPENDIX A: Research Instrument – Interview Guide

The perceptions of small businesses on digital marketing for survival in South Africa

Please tell me about your business interest/company.

Main Questions

What is your perception/ opinion of digital marketing strategies for small businesses?

What is your perception/ opinion of digital marketing strategies for survival of small businesses?

Probes

1. Describe digital marketing strategies you are using.
2. Are they effective? Why?
3. What challenges have you or are you facing when it comes to implementing digital marketing strategies?
4. How did you address the challenges?
5. Please tell me about digital marketing strategies that you think small businesses need for survival in South Africa.
6. Are you using these strategies?
7. If not, why:
8. What do you think should be done to help small business on digital marketing?
9. How has digital marketing impacted your company performance?
10. Is there anything else that you would like to share about the digital marketing strategies that you have used to remain profitable?

APPENDIX B: Research Objective and Interview Questions

RQ	Research Questions	Proposition	Interview questions
1	What are the digital marketing strategies used by small businesses?	The digital marketing strategies used by small businesses are social media marketing (Facebook, Twitter, LinkedIn, Instagram, Snap Chat, Pinterest), SEO, Content marketing (blogs, journals and newsletter), website, e-commerce site, mobile websites, contextual Marketing (YouTube channels, email, online marketplace, affiliate marketing, bannering, Search engine advertising and Pay-per-click (PPC).	Describe digital marketing strategies that you are using?
2	What are the perceptions of small business owners and managers on the effectiveness of digital marketing?	Implementing digital marketing tools is effective for small businesses.	Are the digital marketing strategies you are using effective? Why?

3	What are the challenges faced by small businesses when it comes to digital marketing?	The challenges facing small businesses when it comes to digital marketing are outdated technologies, top management adoption of digital marketing strategies, access to funding, policies that favour large companies and lack of skills.	What challenges have you or are you facing when it comes to implementing digital marketing strategies? How did you address the challenges? What do you think should be done to help small business on digital marketing?
4	What are the digital marketing strategies that small businesses can use to survive?	The digital marketing strategies that are essential for the survival of small business are SEO, social media marketing, email marketing, content marketing, paid advertising, such as Google Ads.	Please tell me about digital marketing strategies that you think small businesses need for survival in South Africa. Are you using these strategies? If not, why?

APPENDIX C: Consistency Matrix

Table 5. Consistency table: research questions, propositions, data collection and data analysis

RQ#	Research Questions	State Proposition	Data collection detail	Data analysis method
1	What are the digital marketing strategies used by small businesses?	1. The digital marketing strategies used by small businesses are social media marketing tools, SEO, website, e-commerce site, blogs, mobile websites, YouTube channels, email, online marketplace, affiliate marketing, bannering and Search engine advertising.	Interview guide questions	Content analysis
2	What are the perceptions of small business owners and managers on the effectiveness of digital marketing?	2. Implementing digital marketing tools is effective for small businesses.	Interview guide questions	Content analysis
3	What are the challenges faced by small businesses when it comes to digital marketing?	3. The challenges facing small businesses when it comes to digital marketing are outdated technologies, top management adoption of digital marketing strategies, access to funding, policies that favour large companies and lack to skills.	Interview guide questions	Content analysis
4	What are the digital marketing strategies in which small businesses can use to survive?	4. The digital marketing strategies that are essential for the survival of small business are SEO, social media marketing, email marketing, content marketing, paid advertising, such as Google Ads.	Interview guide questions	Content analysis

APPENDIX D: Consent Form

The perceptions of small businesses on digital marketing for survival in South Africa

Researcher: Lungile Khambule

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

The researcher has explained the research project to me and that my participation is voluntary.

Please mark the appropriate response with an X

ITEM	YES	NO
I agree that my participation will remain anonymous		
I agree that the researcher may use anonymous quotes in his / her research report		
I agree that the interview may be audio recorded		
I agree that the information I provide may be used anonymously after this project has ended, for academic purposes by other researchers, subject to their own ethics clearance being obtained.		

Participant:

Signed at ……on this …….day of ……..…….2022

Signature: _____

Researcher:

Signed at ……on this …….day of ……..…….2022

Signature: _____

APPENDIX E: Participant Information Sheet



Good day, my name is Lungile Khambule, and I am a Masters student in Master of Management in Digital Business at the University of the Witwatersrand, Johannesburg. As part of my studies, I must undertake a research project. I am investigating "**The perceptions of small businesses on digital marketing for survival in South Africa"** under the supervision of Dr Jabulile Msimango-Galawe. The aim of this research project is to find out what effective strategies small business can deploy in order to maintain themselves and be sustainable.

As part of this project, I would like to invite you to take part in an interview. The interview will take approximately 30–40 minutes of your time. With your approval, I would like to record the interview on audio. The recording will be stored in a secure platform, namely One drive. The recording will not be shared with anyone.

There are no costs for you to participate in this project. There is also no reward. Please note that if you agree to participate in this project and would like to withdraw, you may do so at any point.

Further if there are any questions that you would prefer not to answer, kindly let me know and I will move on to the subsequent questions.

The interview will be completely confidential and anonymous as I will not be asking for your name or any identifying information. The information you share with me will not be shared with anyone else. When I produce my report, I will use a code instead of your name or anything else that may identify you. Your company name will also not be used.

If you have any questions during or afterwards about this research, feel free to contact me on the details listed below. This study will be written up as a research report which will be available online through the university library website. If you wish to receive a summary of this report, I will be happy to send it to you (optional). With your permission the data collected from this research project may be used by other researchers in an anonymized format. If you have any concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za

Yours sincerely,



Researcher:

Lungile Khambule, 2247520@students.wits.ac.za

Supervisor:

Dr Jabulile Msimango-Galawe, jabulile.msimango-galawe@wits.ac.za, +27 11 717 3980

APPENDIX F: Ethics Approval

Graduate School of Business Administration
University of the Witwatersrand, Johannesburg

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

Ethics Clearance Certificate

Ethics protocol number: WBS/DB2247520/924
This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).

Project title	Digital marketing as a survival strategy of small businesses in Gauteng South Africa
Investigator / Researcher	Ms Lungile Khambule
Nature of Project	MM (Digital Business)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed confidentialty.
Issue Date of Certificate	2022-09-15
Expiry date	Date of submission of the project / research report
Chairperson	Prof Anthony Stacey ☎ +27 11 717 3587 +27 82 880 4531 anthony.stacey@wits.ac.za

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Declaration by Researcher

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

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

22/09/2022

APPENDIX G: Approval of Title

UNIVERSITY OF THE
WITWATERSRAND,
JOHANNESBURG

Private Bag 3 Wits, 2050
Fax:
Tel:

Reference: Ms Jennifer Mgolodela
E-mail: jennifer.mgolodela@wits.ac.za

06 January 2023
Person No: 2247520
PAG

Ms L Khambule
103 Piet My vrou Avenue
Birch Acres
1618
South Africa

Dear Ms Lungile Khambule

Master of Management: Approval of Title

We have pleasure in advising that your proposal entitled *Digital marketing as a survival strategy of small businesses in Gauteng South Africa* has been approved. Please note that any amendments to this title have to be endorsed by the Faculty's higher degrees committee and formally approved.

Yours sincerely

Mrs Marike Bosman
Faculty Registrar
Faculty of Commerce, Law and Management

APPENDIX H: Definition of small businesses

The new national small enterprise act provides thresholds for defining enterprise size classes by sector, using two proxies (Zulu, 2019):

Table 4: Definition of small businesses

SECTOR	SIZE	MAXIMUM TURNOVER
Agriculture	**Medium**	**R35 million**
	Small	**R17 million**
	Micro	**R7 million**
Mining and quarrying	**Medium**	**R210 million**
	Small	**R50 million**
	Micro	**R15 million**
Manufacturing	**Medium**	**R170 million**
	Small	**R50 million**
	Micro	**R10 million**
Electricity, Gas, Water	**Medium**	**R180 million**
	Small	**R60 million**
	Micro	**R10 million**
Construction	**Medium**	**R170 million**
	Small	**R75 million**
	Micro	**R10 million**
Retail, Motor Trade, Repair	**Medium**	**R80 million**
	Small	**R25 million**
	Micro	**R7,5 million**
Wholesale	**Medium**	**R220 million**
	Small	**R80 million**
	Micro	**R20 million**
Catering, Accommodation, other	**Medium**	**R40 million**
	Small	**R15 million**
	Micro	**R5 million**
Transport, Storage, Communication	**Medium**	**R140 million**
	Small	**R45 million**
	Micro	**R7,5 million**
Finance and Business Services	**Medium**	**R85 million**

SECTOR	SIZE	MAXIMUM TURNOVER
	Small	R35 million
	Micro	R7,5 million
Community Social, personal services	Medium	R70 million
	Small	R22 million
	Micro	R5 million