The Potential for Non-Fungible Tokens (NFTs) in Brand Marketing

Research Report

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

Johannesburg, 2023

KEYWORDS

Non-fungible tokens, NFTs, brands, marketing, marketing communications, brand equity, IMC, consumer packaged goods, CPG

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LIST OF ACRONYMS

CBBE	Customer-Based Brand Equity
CPG	Consumer Packaged Goods
IMC	Integrated Marketing Communications
NFTs	Non-Fungible Tokens

CHAPTER 1. INTRODUCTION

1.1 Statement of Purpose

This research is an exploration of the potential role of non-fungible tokens (NFTs) in brand marketing communications in a South African context.

1.2 Background of the Study

Non-fungible tokens (NFTs) are units of data stored on a blockchain that certify digital ownership and rights to unique digital assets (Wilson, et al., 2021). Identification and ownership are supported and verified by distributed ledger technology via secure peer-to-peer networks. NFTs are underpinned by blockchain technology that provides a decentralized process for authenticating and verifying the unique properties of each NFT (Wilson, et al., 2021).

According to Chohan & Paschen (2021) much of the interest NFTs have garnered is around their potential to revolutionize the way content is created, traded and authenticated. The unique properties of NFTs along with their growth in popularity may them appealing to marketers, to use in brand communications, to drive various objectives such as brand awareness, brand engagement, and brand loyalty (Martino, 2021).

As the use of NFTs in brand marketing is still relatively new, there is much to learn about the value NFTs can contribute to a brand's communication program and how marketers can successfully incorporate NFTs into their brand communications in a South African context.

1.3 Research Problem

NFTs have already gained significant traction in several different industries, which can be attributed to a combination of factors, including the increasing interest in blockchain technology, the growing acceptance and adoption of NFTs by various industries, and the rise of decentralized finance (Chohan & Paschen, 2021). These factors have helped to increase the visibility and recognition of NFTs, and have led to a growing number of individuals and brands exploring the potential of NFTs (Valentoni, et al., 2021). This traction entered the consumer packaged goods (GPG) industry in 2020 as consumer brands started to jump on the NFT bandwagon, using them in marketing communication campaigns. This usage presented NFTs as a new potential communication touchpoint for marketers to reach and engage with their consumers (Chohan & Paschen, 2021), with a few global consumer brands such as Burger King, Kellogg's and Budweiser having experimented with NFTs in marketing communications programs (Martino, 2021). As a nascent technology, the understanding of the role and impact of NFTs on the marketing communications of South African brands is still in the early phases with limited literature to draw upon. This research aims to contribute to understanding the potential role NFTs can play in the marketing communication programs of brands in South Africa, specifically the ways they can contribute to achieving brand communication objectives, and the factors that serve as barriers and facilitators to their inclusion in a brand's marketing communication. Given the preceding discussion, this research proposes the following objectives:

1.4 Research Objectives

1. Investigate how brands can utilise NFTs in their marketing communications
2. Understand the factors that serve as barriers and facilitators to NFT usage in brand marketing communications
3. Determine how brands can benefit from including NFTs as part of their marketing communications

1.5 Rationale

Marketers benefit from adapting brand communications to evolving trends. The rapid growth and popularity of NFTs are evident as sales volumes grew tenfold in the first four months of 2021 than the same period in 2020 (Nadini, et al., 2021). The proof of authenticity and provenance features offered by NFTs may make them appealing to marketers to leverage trends and deploy NFTs as part of a brand's marketing communication to remain relevant and appealing to their target audiences. This research aims to contribute to the growing body of knowledge on how marketers can leverage NFTs in their marketing communications to achieve objectives that can contribute to the growth of brand equity.

1.6 Delimitations of the Study

This study is limited to:

a) Non-fungible tokens (NFTs) and blockchain and cryptocurrencies only in relation to NFTs, and no other web 3 technologies. This is to keep the discussion structured and on topic.
b) Consumer facing brands which are product categories and brands that consumers interact with regularly in their daily lives.
c) South Africa. This study aims to explore the potential for NFTs in a South African context. The literature review may draw upon examples of brand NFT usage in a global context, however the research is focused on NFT potential in a South African context.
d) Marketing professionals working in a consumer brand environment and not in businesses to business environment.
e) Marketing communications that consumer facing brand communications.
f) The impact of NFTs on brand equity and its i.e. brand loyalty, perceived quality, awareness and associations.
g) The programmability of NFTs and smart contracts in relation to brand communication programs.
h) Qualitative analysis techniques as this research is exploratory in its nature.

This study does not cover:

a) Blockchain technology in other commercial contexts such as logistics and supply chain as this is not relevant to the topic.
b) NFT technology application in a non-brand communication context such as the art and real estate categories.

c) Metaverse, and Decentralized Autonomous Organisations (DAOs). These are linked to blockchain and web 3 technologies but not relevant to this research topic.
d) Non-business-to-consumer marketing environment, i.e. business-to-business marketing
e) Disciplines outside of marketing, such as distribution, human resources, and procurement.

1.7 Definition of Terms

Brand: a name, term, sign, symbol, design, or combination of them intended to identify the goods and services of one seller or group of sellers (Keller, 2003)

Brand associations: brand linkages in memory (Aaker, 1991).

Brand awareness: brand recognition and recall (Yoo & Donthu, 2001).

Brand equity: the difference in consumer choice between a branded and unbranded product, given the same level of product features (Yoo et al., 2000)

Brand loyalty: a consumer's committed preference toward a product or brand, despite marketing efforts and other influences having the potential to result in switching behaviour (Oliver, 1997 as cited in Yoo et al. 2000).

Blockchain: a decentralised network of computers and algorithms that validate and authenticate each record on the network (Morkunas, Paschen, & Boon, 2019).

Consumer Packaged Goods (CPG) company: the space within an industry that features goods that consumers use in everyday life (GEP, n.d)

Cryptocurrency: a medium of exchange that is digital, encrypted and decentralized (Ashford, 2023).

Digital: something built out of binary code, which forms data and programming code (Armstrong & Lee, 2021).

Digitization: the translation of physical or analogue things into digital form (Armstrong & Lee, 2021).

Digitalization: the bigger set of all transformations and changes that are required to make the digitization process work (Armstrong & Lee, 2021).

Digital Scarcity (of NFTs): One-of-a-kind or a limited run of digital assets that have unique identifying codes (Conti & Schmidt, 2022).

Ether: the native cryptocurrency of the Ethereum network (Valentoni, et al., 2021).

Ethereum: a decentralized, blockchain network with smart contract functionality that facilitates the trade and exchange of NFTs (Wilson, et al., 2021).

Fiat currency: a type of currency that's issued by the government and is not backed by physical commodities, such as gold (Mint, 2021).

FOMO (fear of missing out): social anxiety generally created by social media about interesting events happening elsewhere

Fungible assets: Identical and inter-changeable, much like coins or gold bars (Wilson, et al., 2021).

Gas fees: fees charged to successfully conduct and process a transaction of Ethereum using Ether, the native currency of the Ethereum network (Wilson, et al., 2021).

Gartner hype cycle: provide a graphic representation of the maturity and adoption of technologies and applications, and how they are potentially relevant to solving real business problems and exploiting new opportunities (Gartner, n.d.)

Instagram: a social media networking service

Integrated marketing campaign (IMC): the planning, development, execution and evaluation of targeted brand communication programs with consumers (Madhavaram, et al., 2005).

LSM (Living Standards Measure): a marketing segmentation tool used to identify target markets for the distribution of consumer packaged goods

Marketing Communications: the direct or indirect actions taken by a company that attempts to inform, educate and persuade consumers about their products and brands (Keller, 2009)

Meta: a social media networking service

Metadata: data that provides information on other data (Goode, 2021).

Metamask: a software cryptocurrency wallet

Metaverse: a set of virtual environments you access via the use of a headset (Goode, 2021).

Minting (of NFTs): the energy consumption associated with creating NFTs (Valentoni, et al., 2021).

Non-fungible asset: An asset that is unique and whose units are non-interchangeable with one another (Chohan & Paschen, 2021).

Non-fungible token (NFT): a cryptographically unique, indivisible, irreplaceable and verifiable token that represents a given asset, be it digital, or physical, on a blockchain (Valentoni, et al., 2021).

OpenSea: A digital marketplace to buy, sell and trade NFTs (Wilson, et al., 2021).

Phishing: a method for attempting to fraudulently acquire sensitive data where the perpetrator poses as a reputable person

Polygon: a decentralised Ethereum scaling platform (Polygon, n.d.)

Smart contract: a self-executing contract between two parties, whose terms of the agreement are written into lines of code (Valentoni, et al., 2021).

Social media: a group of Web 2.0 Internet-based applications that allow the creation and exchange of user-generated content

Solana: a crypto computing platform that aims to achieve high transaction speeds without sacrificing decentralization (Coinbase, n.d.)

Twitter: a social media networking service

Utility (of NFTs): The value or offering attached to the NFT

YouTube: a social media platform for video sharing platform

1.8 Assumptions

1. **Cryptocurrency Volatility could Impact Marketers' Willingness to use NFTs**

The cryptocurrency market is highly volatile and with periods of large dips and gains since its inception. NFTs are largely purchased with cryptocurrency with their value linked to various cryptocurrencies, mainly Ether. According to Wilson, et al., (2021) the volatility of cryptocurrency can create uncertainty about the value of NFTs. This can affect marketers' and consumers' willingness to enter the NFT market and engage in NFT transactions in both a global and local context.

2. **NFTs are still a Novel Concept with Limited Consumer Reach**

Only 8.3% of polled South Africans own NFTs and a third know what NFTs are (Girdhar, C. 2021). The concept of NFTs is still novel in both a South African and global context. Though growth is projected, current low levels of awareness and understanding of the technology are likely to impact NFT marketplace entry, and NFT projects undertaken by brands in the next year are likely to have limited consumer reach.

3. **Brand Budgets may Prohibit NFT use in Communications**

Marketers may not be willing to experiment with the inclusion of NFTs in their brand communication strategies due to insufficient budget or budget cuts.

4. **NFT Laws and Regulations May Present a Barrier to Entry**

Recognition, regulations and laws around NFT copyright, ownership and smart contracts by various governments are emergent and have legal implications for both sellers and buyers (Valentoni, et al., 2021). This could present a barrier to entry for marketers and brands as well as consumers.

1.9 Chapter Outline

Given the above discussion, this report will set out to first explain the theory around NFTs, marketing communication and brand equity in the analytical framework of chapter 2, followed by NFT application to marketing communications, and the potential benefits to marketers in the literature review before providing a proposed conceptual framework for the research. Then, chapter 3 will set out to describe the research methodology, design and data collection methods. Chapter 4 will present the research findings in terms of categories and themes linking them to the research objectives of chapter 1 and the conceptual framework of chapter 2. Lastly, chapter 5 will set out to interpret and discuss the research findings, linking them back to the theoretical and conceptual frameworks of chapter 2, ending with a revised conceptual framework, recommendations for practitioners and future research, and the conclusion.

CHAPTER 2. THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 Introduction

As noted in chapter 1, there are three research objectives to address. Accordingly, chapter 2 will first seek to define NFTs, discuss how they have come to be popularized, and explore the marketing communication constructs they fit into. The theoretical framework will detail these constructs before proposing a conceptual framework for this study. The literature review will look at the factors that act as barriers and facilitators for NFT adoption, how NFTs are currently being deployed by brands in marketing communications, and their potential benefits to brands, with research propositions for each.

2.2 Background Discussion

2.2.1 *The Rise of NFTs*

Wilson, et al. (2021) define non-fungible tokens (NFTs) are units of data stored on a blockchain that certify digital ownership and rights to unique digital assets. According to Chohan & Paschen (2021), NFTs can be viewed as digital assets using blockchain technology that act as certificates of ownership for items of a tangible, digital or intangible nature. Valentoni, et al. (2021) define NFTs as tokens that have properties that make them verifiable, indivisible, unique and irreplaceable, and are used to represent assets of a digital or physical nature on the blockchain. For it's an all-encompassing and simplistic description of NFTs, the definition provided by Chohan & Paschen (2021) will be used in this paper to describe NFTs as digital assets using blockchain technology that act as certificates of ownership for items of a tangible, digital or intangible nature.

According to Chohan & Paschen (2021), NFTs solve the problem of proving digital ownership due to three inherent attributes that allow NFTs to prove ownership of digital assets. The first attribute is non-interchangeability as each

NFT is unique in that is linked to a physical or digital asset through its coding. The second attribute is immutability as NFTs are recorded on a blockchain that acts as proof of authenticity and prevents altering and forgery. The third attribute is transparency as NFT ownership becomes transparent to all parties once it is recorded on a blockchain (Chohan & Paschen, 2021). According to Valentoni, et al. (2021), the unique attributes of NFTs give rise to the concept of digital scarcity as they enable ownership and trading of digital assets through proof of authenticity and provenance. Similarly, Conti & Schmidt (2022) agree that NFTs enable digital scarcity which can be described as scarcity due to their limited availability or one-of-a-kind properties where each NFT has unique identifying codes.

NFTs are underpinned by blockchain technology, which Morkunas et al (2019) define as a decentralised store of information through a network of computers and algorithms that validate and authenticate each record on the network. According to Hughes et al. (2019), blockchains are distributed public ledgers that systematically link and validate all transactions made on a peer-to-peer network. Concerning NFTs Wilson, et al. (2021) describe blockchain as a decentralized process for authenticating and verifying the unique properties of each NFT. According to Hughes et al. (2019), the major benefits of blockchain are the secure and transparent properties that make it tamper-proof and freely available through decentralized peer-to-peer networks that also reduce transaction time and cost compared to third-party authentication. The definition provided by Wilson et al. (2021) is suitable as it relates to NFTs, however, it lacks depth in providing a clear understanding of how blockchain enables the authenticity of NFTs; thus a composite definition of blockchain that draws on the definitions of Hughes et al. (2019) and Morkunas et al. (2019) is recommended for this paper where blockchain technology can be defined as a decentralized public ledger that records and validates information on a peer-to-peer network that is secure and transparent.

NFTs in their current format trace back to 2017 when ERC-721 tokens were popularized through the Ethereum blockchain network and NFTs were used to buy, swop and trade virtual cats in the digital game CryptoKitties (Wilson, et al., 2021). NFTs started to garner mass interest and attention in 2020 as an increasing number of art projects sold for large amounts of money, most notably the artist Beeple who sold an NFT of his work for $69.3 million through a Christie's auction and (Nadini, et al., 2021). The popularization of NFTs in the art world is linked to the ability of NFTs to be used to verify the ownership and authenticity of digital artworks, allowing artists to sell their creations in a way that is both secure and transparent (Nadini, et al., 2021). According to Chohan & Paschen (2021) much of the interest NFTs have garnered is around their potential to revolutionize the way content is created, traded and authenticated due to their unique properties.

Whilst NFTs are still a relatively new technology, consumer brands have noticed the growing interest surrounding NFTs, experimenting with them in brand communications as a novel way to reach and engage with consumers (Chohan & Paschen, 2021). The next section will look at the brand marketing constructs that relate to NFTs.

2.2.2 *Marketing Communication and Brand Equity*

Marketing scholars have provided many definitions for a brand, of which a few are discussed here. A brand can be defined as an entity that provides value to its key stakeholders above and beyond its inherent functional benefits (Davcik & da Silva, 2015). According to Raggio & Leone (2006), a brand represents a promise of its benefits to a customer or consumer, which can be used to differentiate itself from competitors. The American Marketing Association as cited in Keller (2003) defines a brand as "a name, term, sign, symbol, or design, or combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition", however, Keller (2003) notes that a brand is more than just a product's name, symbol, and logo etc. in that brands can also be defined by the amount of awareness, reputation and prominence they hold in the marketplace. Without a unified definition of a brand, this study will adopt the definition by Keller (2003) as it links closely with the dimensions of brand equity which is an underpinning theory of this research. Brands provide important benefits to consumers and companies (Aaker, 1991) and strong brands offer many marketing advantages to companies, most notably increased marketing communication effectiveness, greater loyalty and improved perceptions of product performance (Keller, 2003).

Marketing communications are the direct or indirect actions taken by a company that attempts to inform, educate and persuade consumers about its products and brands (Keller, 2009). A brand's marketing communication can contribute to building its equity by making the brand memorable, building its image and driving sales (Luo & Donthu, 2006). Numerous definitions of brand equity can be found in the literature however there is no consensus on a unified definition. Yoo et al. (2000) define brand equity as the difference in consumer choice between a branded and unbranded product, given the same level of product features. Raggio & Leone (2006) define brand equity as the perception that a brand will perform as per its promised benefits. Aaker (1991) defines brand equity as "a set of assets and liabilities linked to a brand, its name and symbol that adds to or subtracts from the value provided by its product or service to a firm and/or to that firm's customers". This research uses the definition provided by Ambler et al. (2002) as cited in Davcik & da Silva (2015) where brand equity represents a customer or consumer's mindset towards a brand, and includes their perceptions, thoughts, experiences, attitudes and imagery associated with a brand.

Brand equity can be an important source of competitive advantage for a company (Bharadwaj, Varadarajan and Fahy, 1993 as cited Christodoulides et al. 2006). There are two major perspectives on brand equity in the literature. One is a financial perspective of brand equity, and the second is a customer-based perspective of brand equity (CBBE as it is popularly known) which is derived from cognitive and information economics (Christodoulides & de Chernatony, 2010). The customer-based brand equity approach is important to marketers as it can offer unique insights into developing effective marketing communications for a brand (Christodoulides et al. 2006).

This research will focus on the customer-based brand equity approach as NFTs can potentially fit into the development of effective marketing communications which according to Keller (2003) can provide a means for improving or strengthening brand equity. The following section describes the theoretical framework that links NFTs to marketing communication and brand equity theory.

2.3 ANALYTICAL FRAMEWORK

2.3.1 *Theoretical Framework*

The theoretical framework this report uses to underpin the potential for NFTs in brand marketing is brand equity theory, integrated marketing communications (IMC) theory and diffusion of innovation theory as described in this section.

a. ***Brand Equity Theory***

According to Keller (2003) the power of a brand lies in the minds of consumers and their experience of and learning about the brand over time. This is the premise for the customer-based brand equity (CBBE) model which Keller (2009) defines as the "differential effect that consumer knowledge about a brand has on their response to marketing for that brand." Brand equity is a multidimensional concept that has been conceptualised by various scholars, most notably Aaker (1991) and Keller (2003). Many scholars concur that brand equity creates value for the company and consumer (Yoo, et al., 2000), can be an important source of competitive advantage for a company, and measuring the dimensions of brand equity has become a key part of a brand's marketing performance indicators (Ambler, 2003 as cited in Christodoulides & de Chernatony, 2010). Table 1 below captures the core dimensions of brand equity as described by Aaker (1991), Keller (2009), Sharp (1995), and Yoo et al. (2001).

Table 1: Conceptual Research on Customer-Based Brand Equity (CBBE)

Study	Dimensions of Brand Equity
Aaker (1991)	Brand awareness Brand associations Perceived quality Brand loyalty
Keller (2009)	Brand identity Brand meaning

	Brand response Brand relationships
Sharp (1995)	Brand awareness Brand image Brand relationships
Yoo et al. (2010)	Perceived quality Brand loyalty Brand associations with brand awareness

Source: the authors

The dimensions of brand equity represent consumers' perceptions and reactions to a brand, denoting that a brand can have positive or negative equity based on consumers' favourable or unfavourable reactions to the brand's marketing communication mix (Christodoulides & de Chernatony, 2010).

According to Aaker (1991), and Christodoulides & de Chernatony (2010) brand equity consists of four core dimensions, brand awareness, brand loyalty, brand associations, perceived quality and then other proprietary assets such as trademarks and patents. Brand awareness refers to brand recognition and recall (Rossiter & Percy, 1987 as cited in Yoo & Donthu, 2001). Brand loyalty refers to the level of attachment a consumer has to a brand (Aaker, 1991) Another definition of brand loyalty is the consumer tends to be loyal toward a specific brand as demonstrated by their intention to buy the brand (Oliver, 1997 as cited in Yoo & Donthu, 2001). Perceived quality refers to a consumer's judgement about a brand or product's performance excellence (Zeithaml, 1988 as cited by Yoo & Donthu, 2001). Lastly, brand associations can be described as brand linkages in memory (Aaker, 1991). Brand associations are connected, and become stronger when they are based on many exposures to brand communications or experiences, which help establish a strong network of brand knowledge (Yoo et al., 2000). According to Aaker (1991), brand image is a set of brand associations usually organised in a meaningful way, and each brand association has a level of strength attached to it which can be built through multiple exposures to brand communications or reinforced by a network of similar links.

Keller (2003) notes that building strong equitable brands is a sequential process that is made up of four dimensions, brand identity, brand meaning, brand response and brand resonance. In Keller's customer-based brand equity (CBBE) model brand identity refers to a brand's saliency and its level of awareness amongst consumers (Keller, 2003). Brand meaning refers to what the brand stands for in the minds of consumers. Brand meaning is made up of two building blocks, the first being brand image, how consumers think about a brand, and the second is brand performance which describes a product's ability to meet consumers' functional needs (Keller, 2003). Brand response refers to consumers' thoughts and feelings about a brand that informs how they respond to it, and brand resonance refers to the type of relationships a brand has with its consumers and how connected consumers feel to a brand (Keller, 2003). According to Keller (2009), the strongest brands excel in all four dimensions, with brand resonance being the most important but also only achievable when the previous three dimensions align with consumer needs.

Similar to Aaker (1991), Yoo et al. (2000) recognise three core dimensions of brand equity, brand loyalty, perceived quality and brand associations together with brand awareness, on the basis that brand associations together with awareness achieve more meaningful associations to a brand than just awareness alone. Sharp (1995) notes brand or company awareness as an important business asset that results from a brand's marketing communication activities, and can positively impact product sales, brand associations and quality. Similar to Keller (2009), Sharp (1995) also recognises brand image and brand relationships as other core dimensions of brand equity, noting that a clear brand image can improve the effectiveness of a brand's marketing communication activities and allow it to stand out amongst competitors, and brand relationships help lock in consumers and guarantee future business.

Table 2 below shows the conceptual similarities in the dimensions of customer-based brand equity amongst the abovementioned authors. All authors recognise brand awareness and brand loyalty as key dimensions of brand equity, and three out of four, Aaker (1991), Keller (2009), and Yoo et al. (2010) recognise brand associations or response as another key dimension. Based on the above discussion, this study will use brand awareness, brand associations and brand loyalty as the core dimensions of brand equity and explore the impact that NFTs can have on brand equity by impacting the respective dimensions through use in marketing communications.

Table 2: Similarities between CBBE Frameworks of Authors

Dimensions of Brand Equity	Aaker (1991)	Keller (2009)	Sharp (1995)	Yoo et al. (2010)
Brand awareness/identity	X	X	X	X
Brand associations/response	X	X		X
Brand meaning/image		X	X	
Perceived quality	X			X
Brand loyalty/relationships	X	X	X	X

Source: the authors

To capture of benefits of strong brand equity, marketers require a brand equity strategy which refers to the process of attaining, developing and growing a high-equity brand (Madhavaram et al., 2005). A brand's marketing program, activities and mix which refers to its product, price, distribution and communication strategy, are the primary contributor to brand equity strategy (Keller, 2003) and brand equity can be generated by strengthening its core dimensions (Yoo et al., 2000). According to Keller (2003), the effectiveness of marketing communication can be judged by its ability to "achieve desired brand knowledge structures and elicit the differential response that makes up brand equity" and effective marketing communication is key to building relationships with a brand's targeted audience or consumers. As brand communication is a primary driver of brand equity, marketers should aim to develop highly effective communication programs to strengthen the core dimensions of brand equity and thereby brand equity itself (Keller, 2003; Yoo et al., 2000),

Keller (2003) notes that the measurement of brand equity can provide needed strategic guidance for business and marketing decisions, so marketers should seek to understand the different sources of brand equity and how different communication touchpoints can contribute to the building thereof. Keller (2003) recommends two approaches to measuring customer-based brand equity. The first is an indirect approach that can determine potential sources of brand equity by tracking consumer knowledge of the drivers of brand equity. The second is a direct approach which assesses the impact of brand knowledge on consumer response to different elements of an integrated marketing communications program. Similar to Keller's (2003) indirect approach to measuring customer-based brand equity, Aaker (1996) lists the "Brand Equity Ten", a set of ten measures of brand equity grouped into five categories which are loyalty measures, perceived quality measures, association/differentiation measures, awareness measures and market behaviour measures. Customer satisfaction is noted as a measure of loyalty, and according to Aaker (1996), this can be expressed as the level of satisfaction during the user experience, repeat purchases, and consumer likelihood to recommend the brand to others. On association/differentiation Aaker (1996) lists brand personality (interesting brand), organizational associations (credible and trustworthy brand) and differentiation (stands out from competitors) as key measures. On brand awareness, Aaker (1996) lists brand recognition, recall and top-of-mind awareness as key measures.

b. *Integrated Marketing Communications (IMC) Theory*

The planning, development, execution and evaluation of targeted brand communication programs with consumers is known as the integrated marketing communication (IMC) strategy (Madhavaram, et al., 2005). Kliatchko (2008) as cited in Manser, et al. (2017) defines the IMC as "an audience-driven business process of strategically managing stakeholders, content, channels and results of brand communication programs". An effective IMC strategy is an important aspect of brand equity strategy (Madhavaram, et al., 2005), and as noted earlier brand equity can be a source of competitive advantage for a company, hence the messaging and mix of communication touchpoints selected for inclusion in the IMC program is of strategic importance to a company in that it can generate desirable consumer responses towards a which in turn positively affect the dimensions of brand equity and potentially lead to higher brand equity (Madhavaram, et al., 2005; Manser, et al., 2017).

According to Keller (2003), a brand’s marketing communication can be made of several touchpoints that the company can use as part of an IMC plan to achieve brand communication objectives. Keller (2016) groups brand communication objectives into eight broad categories that centre around creating awareness and saliency, communicating detailed information, creating imagery and personality, building trust, eliciting desired emotions, inspiring action, connecting people and instilling loyalty. Different marketing communication touchpoints have different benefits that can contribute to building brand equity, and in developing a well-integrated marketing communication (IMC) programme marketers should consider all communication touchpoints based on the objectives of the program, and look to use a variety of options that are different but also complementary so that the 'whole' is greater than the sum of the parts (Naik and Raman 2003; Naik 2007 as cited in Keller, 2009). This is what Madhavaram et al. (2005) refer to as IMC synergy where the combined effect of communication touchpoints in an IMC program produces a synergistic and greater effect than the individual touchpoints. Similarly, Keller (2016) refers to this as the ‘magic’ of IMC programs, as synergistic effects can be achieved by combining, mixing and matching different communication touchpoints.

Keller (2003) discusses a variety of communication touchpoints that marketers can use in developing an effective IMC program. These touchpoints are shown in figure 1 below and range from traditional media channels such as television and radio to the trade environment and even online. NFTs fall into the ‘online’ advertising touchpoint as they are bought, sold, traded and exchanged on digital platforms and marketplaces.

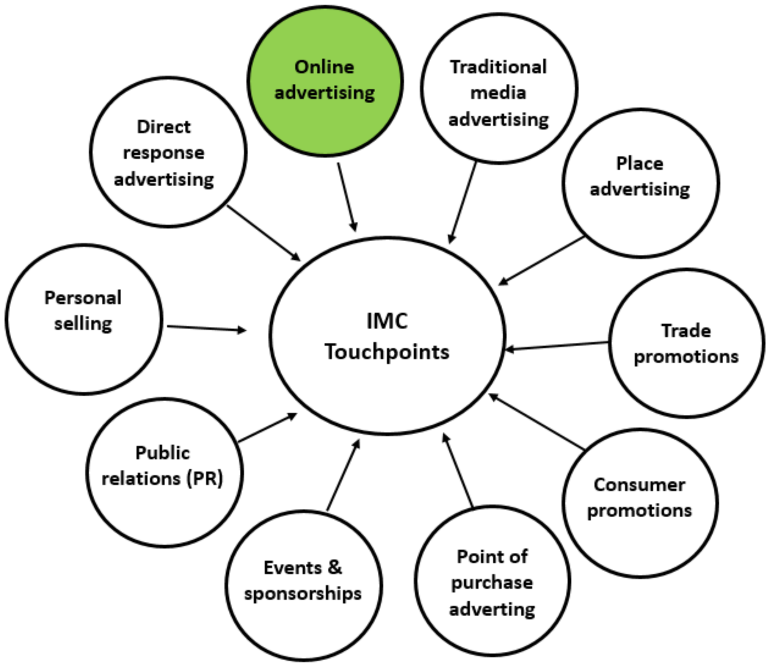

Figure 1: **Integrated Marketing Communication Touchpoints**

Source: adapted from Keller (2003)

Keller (2016) notes that the modern communication environment presents markets with many new online and traditional communication touchpoints with different ways to combine these options which can lead to difficulty with mix selection in building an IMC program. Keller (2016) further notes that online communication touchpoints are becoming increasingly important to reach and engage consumers who are more empowered in their decision-making through online channels that grant them unlimited and instant information; placing further pressure on marketers to develop effective and synergistic communication programs.

To aid marketers to evaluate different IMC touchpoints based on their brand communication objectives and select the right mix to develop a well-integrated IMC program, Keller (2016) proposes the 7Cs choice criteria. The 7Cs criteria designed by Keller (2016) aim to assess the overall impact of a proposed IMC program in terms of achieving marketers' communication objectives and its contribution to long-term brand equity building. The 7Cs are *coverage* which refers to the amount a target audience reached by a communication touchpoint and overlap with other touchpoints; *cost* which refers to the cost efficiency of a communication touchpoint in relation to the program objectives, *contribution* which refers to the ability of a communication touchpoint to achieve the desired communication effects independent of exposure to other brand communication; touchpoints, *commonality* which refers to the extent to which different communication touchpoints share the same meaning or contribute toward building common associations; *complementarity* which refers to the ability of a communication touchpoint to meet objectives not addressed by other touchpoints; *cross-effects* which refers to the ability of communication touchpoints to work together synergistically to achieve communication objectives; and *conformability* which refers to ability of a communication touchpoint to work across many target consumers in different times and places (Keller, 2016). In measuring the effectiveness of an IMC program relative to its contribution to achieving desired brand communication objectives Keller (2016) notes that marketers can judge the strengths and weaknesses of each IMC touchpoint in isolation (bottom-up) or in the IMC program as a whole (top-down).

c. ***Diffusion of Innovations Theory***

Diffusion of innovations theory explains how, why, and at what rate new ideas and technology spread through a society (Rogers, 2003). The theory was first proposed by Everett Rogers and is based on the idea that people within a social system have different levels of access to information, and that this can affect how quickly new ideas and technology are spread or diffused through members of a social system (Rogers, 2003).

Rogers (2003) proposes that there are four main elements in the diffusion of innovations. The first element is the *innovation itself* which is the new idea or technology that is being spread. The second element is the *communication channel* used to spread the innovation, which can include mass media channels such as television, radio and print, and interpersonal communication (Rogers, 2003). The third element is the dimension of *time* over which the innovation passes through the innovation-decision process and is adopted. The fourth element is the *social systems* in which the innovation is spread, and includes the various groups of individuals within the society, as well as the norms, values, and other cultural factors that may affect the adoption of the innovation (Rogers, 2003).

Rogers (2003) describes the innovation-decision process as a five-stage model that defines the stages that an individual goes through when deciding whether or not to adopt a new idea or technology. The first stage is *knowledge* in which an individual becomes aware of the innovation and begins to learn about its features and potential benefits. The second stage is *persuasion*, where the individual starts to weigh the pros and cons of adopting the innovation and considers whether it would be worthwhile for them to do so. The third stage is *decision*, in which the individual decides whether or not to adopt the innovation. The fourth stage is *implementation* where the individual takes steps to incorporate the innovation into their daily life. The final stage is *confirmation*, in which the individual evaluates the effectiveness of the innovation and decides whether to continue using it (Rogers, 2003).

According to Rogers (2003), the diffusion of an innovation is a process that focuses on reducing uncertainty to facilitate rate of adoption. Rate of adoption refers to the speed at which the innovation may be adopted by members of a social system (Rogers, 2003). Five characteristics of innovation described by Rogers (2003) impact the individuals' perceptions toward an innovation and can predict an innovation's rate of adoption. The first characteristic is *relative advantage* which refers to the extent to which the innovation is perceived as better than existing alternatives. The second characteristic is *compatibility* which refers to the extent to which the innovation is consistent with the individual's existing values, beliefs, and experiences. The third characteristic is *complexity* which refers to the extent to which the innovation is perceived as difficult to understand or use. The fourth characteristic is *trialability* which refers to the extent to which the innovation can be tested or tried out on a small scale before being fully adopted. The fifth characteristic is *observability* which refers to the extent to which the benefits of the innovation can be easily observed by others (Rogers, 2003).

Roger (2003) also suggests that all individuals in a social system adopt an innovation in a time sequence that can be categorized according to when they start to use a new idea or technology. Rogers (2003) classifies individuals into five adopter categories. *Innovators* are often the first individuals to adopt a new idea or technology. They tend to be adventurous and are more prone to take risks, representing 2.5% of the group to adopt the innovation. *Early adopters* are the next group and are usually influential within their social networks and are often looked to for guidance by others, representing 13.5% of the group to adopt the innovation. The *early majority* are the next group to adopt a new idea or technology. The early majority tend to be more cautious and carefully evaluate the potential benefits and drawbacks of a new idea before deciding to adopt it and represent 34% of the group to adopt the innovation. The *late majority* come next and are usually sceptical of new ideas, often being the last to adopt them and representing 34% of the group to adopt the innovation. *Laggards* are the final group to adopt a new idea or technology. *Laggards* are considered to be resistant to change and may tend to adopt a new idea or technology when it is no longer considered new or innovative, and represent the remaining 16% of the group to adopt the innovation (Rogers, 2003).

As discussed further in research, NFTs present a new and innovative online marketing communication touchpoint that can possibly be leveraged by marketers through an integrated marketing communication program to drive their brand objectives and potentially grow brand equity by strengthening the core dimensions of brand equity - brand awareness, brand associations and brand loyalty. As a novel technology NFT rate of adoption is also influenced by the diffusion of innovation factors described above. Having described the underlying theory that links NFTs as an innovative communication touchpoint in an IMC program to brand equity and its core dimensions, the next section presents the high-level conceptual framework for this study.

2.3.2 *Conceptual Framework*

This section presents the overarching conceptual framework that will be used in the study with the final conceptual framework including annotations at the end of the literature review. The following sections of the literature review elaborate on how NFTs can be used in a brand IMC program, the factors that can influence the decision to include NFTs as part of a brand's marketing communication and how NFTs can impact the core dimensions of brand equity and contribute to strengthening brand equity. These sections also present the proposition development for the conceptual framework.

Figure 2 below exhibits this study's high-level conceptual framework which seeks to investigate the factors, barriers and facilitators that can impact marketers' decision to include NFTs as part of an IMC mix and how the potential use of NFTs in an IMC can positively impact the dimensions of brand equity, namely brand awareness, brand associations, and brand loyalty.

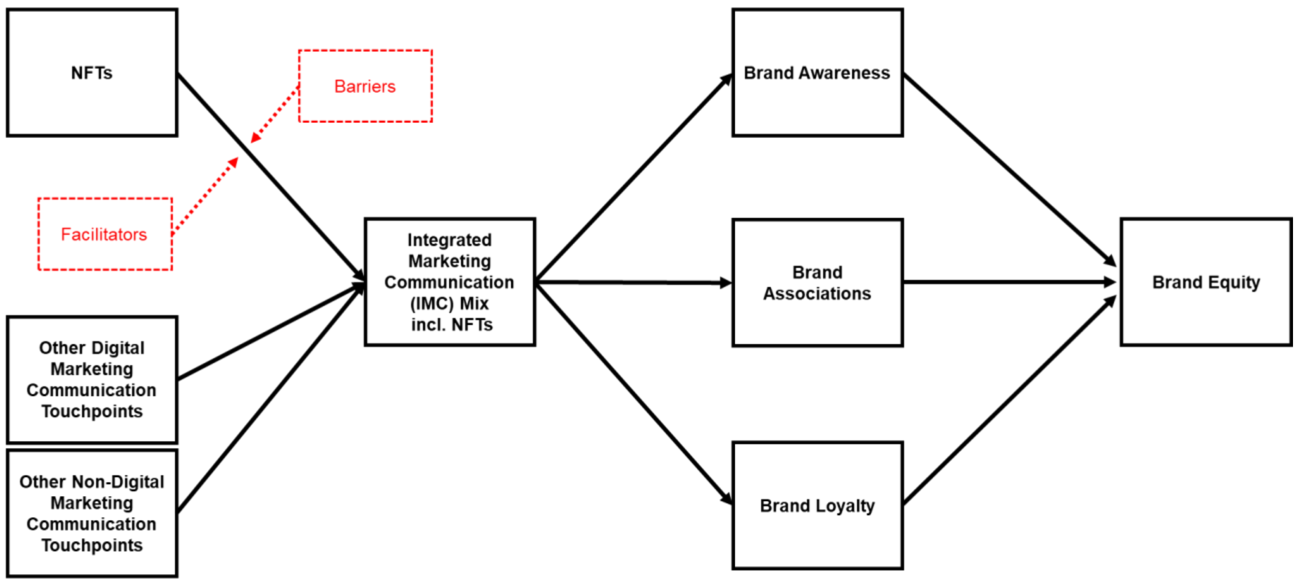

Figure 2: **A Conceptual Framework: The Impact of NFTs on the Dimensions of Brand Equity**

2.4 Digital communication touchpoints in the IMC Mix

According to Keller (2009), marketers must select of mix of appropriate communication touchpoints, be it traditional, non-traditional (digital) or a combination of both to help their messages reach consumers. Keller (2009) notes that in a modern and cluttered media environment where consumers are increasingly in control of the media they choose to consume, marketers need to use a variety of marketing communication tools and tactics to reach their audiences. Marketing using online channels or the internet offers more interaction between brands and consumers compared to traditional communication channels such as television or radio advertising, as well as versatility in that it can impact all aspects of brand resonance (Keller, 2009). As NFTs are a novel digital communication touchpoint that marketers can potentially leverage to engage consumers, their use in an IMC program is based on the importance of digital channels relative to traditional ones in developing effective an effective IMC mix. Given the discussion above, this research proposes the following proposition:

P1: **Digital communication touchpoints are becoming increasingly important in the IMC mix**

2.5 NFTs in Brand Marketing Communication

As discussed earlier, the unique properties of NFTs along with their growth in popularity may make them appealing to marketers of numerous industries and product or service categories to use in their marketing strategies (Martino, 2021).

2.5.1 *NFT Utility*

The programmatic feature of NFTs allows their functionality and purpose to be grown over time and offers benefits for both marketers and holders (Kaczynski & Kominers, 2021). To realise the potential benefits of using NFTs in their brand communication strategies, marketers must look to provide their consumers and prospective buyers with unique value when they purchase an NFT, which is done through NFT utility (Chohan & Paschen, 2021). Utility in NFTs refers to the value or usefulness of the NFT to its holder (Gagz, n.d). NFT utility can vary by category and project. The programmatic feature of NFTs through smart contracts offers marketers numerous ways to structure the utility or benefits holders receive when purchasing a brand NFT. According to Eriksson (2021); Salter (2021); Dan (2021); and Martino (2021) brands can provide utility benefits to its NFTs holders in six main ways shown in table 3 below.

Table 3: **NFT Utility in Marketing Communications**

NFT Utility	**How NFTs can enable utility**
Collectibles	As NFTs enable digital scarcity, brands can release a set of limited edition or limited in-quantity NFTs that act as collectibles for their fans or users.
Access and usage rights	Brands can provide exclusive value for NFT holders with access rights to events, products, promotions, and merchandise. Usage rights allow NFT holders to commercially use their NFTs for promotion or monetization as structured in the smart contract
Badges	Brands can provide badges as a form of reward based on the actions of the NFT holder. Badges can also be used in online profiles or to signal membership.
Rewards	Brands can reward NFT holders through discounts, limited offers, content, product and merchandise.
Memberships	NFTs can act as membership subscriptions for holders, entitling them to receive the benefits of that membership as structured in the smart contract
Certificates of authenticity	NFTs can act as certificates to authenticate ownership of the NFT on the blockchain.

2.5.2 *NFT Usage in Brand Communications*

Given the applicability of NFTs to marketing communication due to their utility features, Martino (2021) argues that NFTs do have a place in a modern marketer’s toolkit and can be used in a variety of ways in an IMC program as a part of a standalone strategy, or in an IMC mix in conjunction with other communication touchpoints. In supporting a new product launch, NFTs can be used as part of the communication mix to build awareness for the brand and new product, offering holders utility through collectibles, rewards or usage. For example, Kellogg's partnered with artist Vasya Kolotusha to create unique artwork for a limited NFT range to launch a new non-edible flavour called CryptoCrisp where holders who purchased the NFT received the artwork of the virtual design (Martino, 2021). In addition, Martino (2021) notes that NFT usage in an IMC program can support brand communication objectives such as engagement and awareness. For example, fast food brand Burger King launched a collectible NFT range to promote "Keep it real meals" as part of an integrated campaign to communicate the elimination of artificial ingredients from its menu (Chris, 2021). Lastly, NFTs can also be a standalone strategy for brands, used to achieve digital marketing objectives such as brand engagement and community building (Martino, 2021). For example, Budweiser the American beer brand launched their "Budverse" NFT range as part of a strategy to make inroads into the Web 3.0 space and build an online community for their metaverse known as "Budverse" (Graham, 2022). Given the variety of ways NFTs can be utilized in brand communication, this research proposes the following proposition:

P2: **The utility features of NFTs make them appealing to brand marketers to use as an IMC touchpoint**

2.6 Factors that Serve as Barriers and Facilitators to NFT Adoption and Usage by Marketers

This section of the literature review will address the factors that could serve as potential barriers and facilitators to NFT adoption by marketers for use in an IMC program, the potential use of NFTs in marketing communications and the potential benefits thereof.

2.6.1 *The Popularization of NFTs*

According to Valentoni, et al. (2021), the popularization of NFTs can be attributed to a combination of factors, including their unique properties underpinned by blockchain as a Web 3.0 technology, utility benefits and their proliferation through social media platforms such as Instagram and Twitter that have led to the growing acceptance and adoption of NFTs by various industries. The combination of these factors has helped increase their visibility and recognition and has led a growing number of industries to explore the potential of NFTs (Chohan & Paschen, 2021).

The proliferation of NFTs through social media has been driven by the ability of users to easily create and share these digital assets on platforms like Twitter, Instagram, and other social media networks. Popular social media platforms Meta, Instagram and Twitter began experimenting with NFTs on their platforms in 2022 (Ansari, 2022). These experiments include users in select countries being able to post their NFTs to their Instagram and Meta profiles and news feed to share with others, and Twitter allowing users to use their NFTs as profile pictures and display their NFT collections on its paid platform service Twitter Blue. Other ways social media platforms have used NFTs is by allowing users to create and sell their own NFTs, and purchase NFTs that give them access to exclusive content and features (Ansari, 2022). This has made it easier for artists and creators to reach a wider audience and for collectors to find and purchase unique digital assets. For brand marketers, NFT adoption by social media platforms presents exciting new opportunities for consumers to interact and engage with brands (Valentoni, et al., 2021). Additionally, the use of blockchain technology to create and manage NFTs has an added layer of security and transparency to the process, which has further increased their popularity.

The mass attention NFTs have garnered has made them potentially appealing to marketers as they represent a new consumer touchpoint that can be used as part of a brand communication strategy and program, leading to the following proposition:

***P3a:* The popularization of NFTs may act as a facilitator to their inclusion in an IMC program**

2.6.2 *NFT Awareness, Interest and Adoption*

NFT ownership is a concentrated and narrow demographic according to Forbes (2022) and Peter (2021), which is driven by low levels of awareness and understanding of what NFTs are, and the ownership benefits they offer (Peter, 2021).

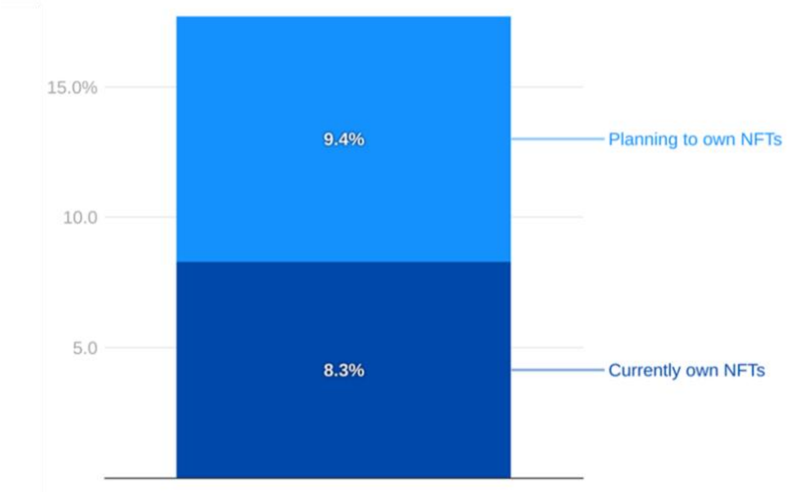

Figure 3: NFT adoption in South Africa

Source: Finder's Survey (2021)

Countries and regions	% have NFT	% Planning to buy	Forecast adoption
Philippines	32.0%	9.5%	41.5%
Thailand	26.6%	7.9%	34.5%
Malaysia	23.9%	10.5%	34.4%
United Arab Emirates	23.4%	11.5%	34.9%
Vietnam	17.4%	11.6%	29.1%
Nigeria	13.7%	21.7%	35.4%
Brazil	12.1%	9.9%	22.0%
Hong Kong	10.7%	10.4%	21.1%
Venezuela	10.6%	13.5%	24.1%
Peru	9.9%	14.5%	24.4%
Colombia	8.4%	11.9%	20.3%
South Africa	8.3%	9.4%	17.7%
Argentina	7.4%	8.7%	16.1%
Singapore	6.8%	11.0%	17.8%
Canada	5.6%	6.2%	11.8%
Australia	4.6%	7.1%	11.7%
Germany	4.0%	3.4%	7.4%
United States	2.8%	3.9%	6.7%
United Kingdom	2.5%	3.3%	5.8%
Japan	2.2%	2.4%	4.6%
Average	**11.6%**	**9.4%**	**20.9%**

Figure 4: **NFT adoption by Country**

Source: Finder's survey (2021)

A 2021 online survey by Finder showed that South Africa had the 12th highest NFT adoption rate in the world with 8,3% of South African internet users surveyed saying they owned an NFT and 9,4% showed interest in purchasing NFTs in the future, prospecting that NFT adoption could reach 17,8% (Girdhar, 2021) as shown in figures 3 and 4 above. NFT adoption by gender was skewed more toward males with the 18-34 age group being the largest adopters of NFTs (Girdhar, 2021).

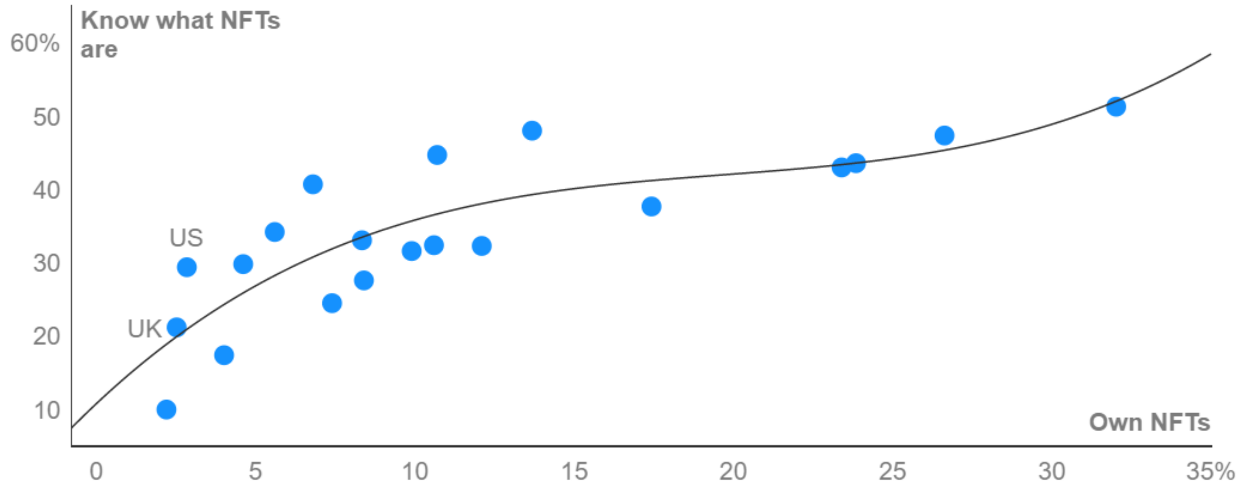

Figure 5: **Correlation between NFT awareness and ownership**

Source: Finder's survey (2021)

Figure 5 above shows that globally there was a positive correlation between awareness and ownership of NFTs suggesting that as people become aware of NFTs, adoption and ownership will rise (Girdhar, 2021). Though NFT growth may look promising, consumer understanding presents the biggest barrier as most adults around the world still do not know what an NFT is, as shown in figure 6 below where 66,9% of South Africans surveyed did not know what an NFT was (Laycock, 2021).

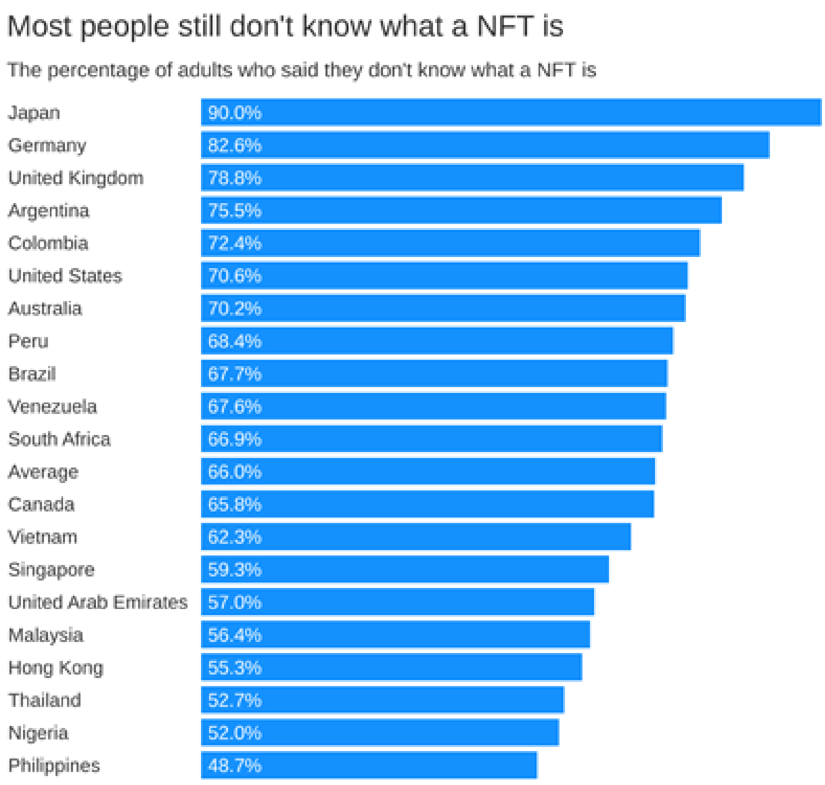

Figure 6: **NFT awareness by country**

Source: Finder's survey (2021)

These statistics have several implications for marketers. The increasing interest and expected rise in NFT adoption are encouraging for marketers to incorporate NFTs into their brand communication strategies in effort to win over new consumers and strengthen connections with existing consumers (Peter, 2021), however according to Gagliese (2002), marketers should understand that current low ownership rates mean NFTs offer limited potential reach of a brand's target audience, and building awareness and understanding of NFTs will be key for encouraging adoption (Girdhar, 2021). Given the discussion above this research proposes the following propositions:

P4a: **Current NFT awareness levels may act as a barrier to their inclusion in an IMC program**

P4b: **Current NFT adoption rates may act as a barrier to their inclusion in an IMC program**

2.6.1 *Cryptocurrency Volatility and NFTs*

The purchase of NFTs using cryptocurrencies accounts for the majority of NFT transactions (Wilson, et al., 2021). The cryptocurrency market has long been subject to volatility in price rises and dips which can affect the underlying value of NFTs. This arousal interest or uncertainty can positively or negatively impact NFT adoption and demand (Wilson, et al., 2021; Kaczynski & Kominers, 2021). Until early 2022 cryptocurrencies were the only accepted payment format for purchasing NFTs on marketplaces meaning prospective buyers would have had to know about cryptocurrencies and owned some. Payment methods and formats have since grown to include fiat currency which refers to governmental declared legal tender (Mint, 2021) through bank-backed debit and credit cards (Chipolina, 2022). The ability to purchase and trade NFTs using fiat currency removes a large barrier to NFT adoption as it makes the space more accessible and easier to enter to prospective buyers (Chipolina, 2022) who may previously have chosen to not enter the market due to the unpredictability of cryptocurrency value (Wilson, et al., 2021). As the majority of NFT purchases are currently done using cryptocurrencies, the volatility of cryptocurrencies can act as a potential barrier or facilitator to NFT adoption for consumers, which in turn can impact marketers' willingness to include NFTs in their marketing communications mix. Given the discussion above this research proposes the following proposition:

P4c: **NFTs linked to cryptocurrencies may act as a barrier to their inclusion in an IMC program**

2.6.2 *Environmental Impact of NFTs*

One of the biggest critiques of NFTs has been an environmental concern due to the high energy consumption for utilized proof-of-work verification on the Ethereum network (Wilson, et al., 2021; Valentoni, et al., 2021). NFTs were originally developed on the Ethereum blockchain that facilitated their trade and exchange using its native cryptocurrency Ether. The growth surge in NFTs led to congestion on the Ethereum network resulting in higher 'gas' fees which refer to the transaction processing cost, making the NFT creation and trading process more expensive and energy-consuming (Wilson, et al., 2021). Ethereum notes plans to move from proof-of-work to proof-of-stake in the future which is expected to significantly lower energy consumption related to the minting of NFTs, with alternate and more energy-efficient blockchains such as Solana and Polygon having also entered the market. These blockchains facilitate trade via their respective cryptocurrencies and carbon-neutral minting and zero gas fees which make their environmental impact significantly lower than the Ethereum network (Wilson, et al., 2021). Though the environmental impact of NFTs is expected to reduce significantly, there are still implications for brands to be cognisant of the environmental impact when engaging in NFT projects as this could lead to reputational damage, especially brands whose messaging and purpose are linked to the good of the environment (Salter, 2021; Forbes, 2022). Given the discussion above this research proposes the following proposition.

P4d: **The environmental impact of NFTs may act as a barrier to their inclusion in an IMC program**

2.6.3 *Cybercrimes*

According to Guadamuz (2021) and Valentoni, et al. (2021), NFTs as digital assets are subject to cybercrimes such as copyright infringement and phishing attacks. Emergent copyright laws around NFTs can lead to copyright infringement in the online space where unscrupulous sellers use the anonymity of blockchains to their advantage to sell unauthenticated works to unaware buyers (Guadamuz, 2021; Valentoni, et al. 2021). Guadamuz (2021) advocates that the NFT space is likely to generate many disputes on copyright infringement, and sellers and buyers alike may have to rely on NFT marketplaces to act as a handler and filter in removing possible infringement works. According to Wilson et al (2021) and Valentoni, et al. (2021), cyber theft through phishing attacks can also pose a barrier to NFT adoption. Purchased NFTs are kept in online storage wallets that are conveniently accessible and require no familiarity to use (Valentoni, et al. 2021); however, users of storage wallets face security risks such as loss of access to wallets if they forget their cryptographic login keys, and also hacking of storage wallets through phishing that can lead to NFT theft (Valentoni, et al. 2021). As marketers aim to develop appealing and effective brand communications in effort to strengthen brand equity, any risk and uncertainty around the safety of consumer engagement with NFTs may act as a barrier to their consideration for inclusion in an IMC program. Given the discussion above this research proposes the following proposition:

***P4e:* Cybercrimes may act as a barrier to NFT adoption and inclusion in an IMC program**

2.7 The Potential Benefits of Deploying NFTs in an IMC Program

Views on the applicability of NFTs to marketing communications are nascent, however, there does appear to be a growing body of support for their inclusion in an IMC program due to their ability to impact the dimensions of brand equity.

2.7.1 *The Potential Impact of NFTs on the Dimensions of Brand Equity*

As previously discussed, the unique properties of NFTs may make them appealing to marketers. NFTs used in brand communications can impact the dimensions of brand equity in the following ways:

Increase brand awareness. According to Dan (2021), NFTs can amplify the brand experience by providing new user experiences that may help increase brand awareness and affinity. These experiences can come through NFT usage as membership cards, forms of payment and tickets (Wheen, n.d) and provide value to holders through exclusive access to events, merchandise and discounts (Salter, 2021). Marketers can use NFT ownership as membership to exclusive clubs with unique loyalty programs benefits that provide holder value beyond simple ownership and can be used to build highly engaged online communities around their brands (Salter, 2021). Kuvykaite & Piligrimiene (2014) advocate that a brand's consumers play an active role in its value creation, and creating consumer brand engagement can in turn create more positive brand associations which can lead to increased brand loyalty and brand equity.

Strengthen brand associations. According to Wheen (n.d.), NFTs enable long-term storytelling that can be tracked on the blockchain ledger and can contribute to driving brand engagement, building brand associations and inspiring loyalty. NFTs can create value through collectibles, be used as redemption certificates for physical goods and complement physical goods (Sloane, 2021). Kaczynski & Kominers (2021) note that companies that have been successful in using NFTs in their communication strategies to date have made meaningful use of their underlying technology, using it to provide holders with compelling utility benefits that can influence a brand's image. According to Dan (2021), NFTs can also influence brand associations based on the perceived quality of the artwork or utility attached to the NFT, enabling value creation that can be passed onto NFT holders who may be able to profit from the future sale of an NFT by selling it at a higher price than it was purchased (Kaczynski & Kominers, 2021). Brands can also use NFTs for purpose and cause-related marketing, linking back to their purpose or donating to charitable causes. According to Dan (2021), today's consumers are six times more likely to buy from purpose-driven brands, and brand purpose-based NFT marketing could increase brand engagement which in turn can create positive associations toward a brand and increase brand equity. NFTs also offer brands incremental revenue opportunities by selling goods in digital form or linking their NFTs to physical goods (Dan, 2021). As NFTs enable digital scarcity, brands can use them to sell exclusive digital goods in limited supply that could drive up the NFT value (Salter, 2021); this value creation could in turn improve brand associations and strengthen brand equity (Kuvykaite & Piligrimiene, 2014). Digital entrepreneur Gary Vaynerchuk argues that every consumer brand will eventually have an NFT strategy with first movers being able to capture the benefits of brand awareness and being seen as innovative (Pena-Taylor, 2021) which can create favourable associations for a brand.

Improve brand loyalty. As a novel technology NFTs can be used to provide new brand experiences that can potentially grow brand affinity and loyalty (Dan, 2021; Slater, 2021). NFTs offer potential for customer relationship management (CRM) programs that can be to reward and retain loyal consumers (Wheen, n.d). According to Dan (2021), brands can also use NFTs to provide more personalisation to their consumers through vouchers, gifts and more. NFT ownership can grant holders access to loyalty programs and function as membership cards as well as tickets that give holders excess to exclusive events, merchandise and personalised discounts (Kaczynski & Kominers, 2021; Salter, 2021). The uniqueness of each NFT created enables marketers to provide more personalized brand experiences by creating unique items and tailoring content to their target audience in effort to inspire loyalty (Wheen, n.d).

Table 4 below summarizes the potential impact NFTs can have on the dimensions of brand equity.

Table 4: **The Potential Impact of NFTs on the Dimensions of Brand Equity**

Dimensions of Brand Equity	The potential impact of NFTs
Brand awareness	Increase brand awareness by creating: • Unique brand experiences • Building online communities • Creating consumer brand engagement • Amplifying IMC programs • Creating excitement around new product launches
Brand associations	Strengthen brand associations through: • Collectibles • Storytelling • Artist collaborations • Utility benefits • Value creation for NFT holders • Brand purpose-driven initiatives
Brand loyalty	Improve brand loyalty through: • Consumer relationship management through loyalty programs • Membership with exclusive benefits and rewards • Increase brand affinity through new user experiences • Enable personalised and digitally unique offers

As discussed earlier brand communication objectives can be classified into broad categories that include creating awareness, imagery and instilling loyalty (Keller, 2016). As shown above, NFTs can be used in brand communications to achieve these broad objectives and impact the dimensions of brand equity, therefore this research suggests the following propositions:

P5a: **The use of NFTs in an IMC program may positively impact brand equity by increasing brand awareness**

P5b: **The use of NFTs in an IMC program may positively impact brand equity by strengthening brand associations**

P5c: **The use of NFTs in an IMC program may positively impact brand equity by improving brand loyalty**

2.8 Integrated Analytical Framework

2.8.1 *Recap of Theoretical Framework*

As discussed above, the popularisation of NFTs has made them potentially appealing to marketers as a new consumer touchpoint that can be deployed in a brand's IMC program, which is also a primary driver of brand equity. The literature review detailed the dimensions of brand equity, how NFTs can fit into an IMC program and the potential ways they can contribute to brand equity growth. Factors that can serve as barriers or facilitators to NFT adoption and subsequent use by marketers in the IMC mix were also noted.

2.8.2 *Final Conceptual Framework and Propositions*

Figure 7 below presents an integrated conceptual framework with annotations, which aligns the use of NFTs in brand communication with brand equity theory and recaps the research propositions below that will be addressed in chapter 3.

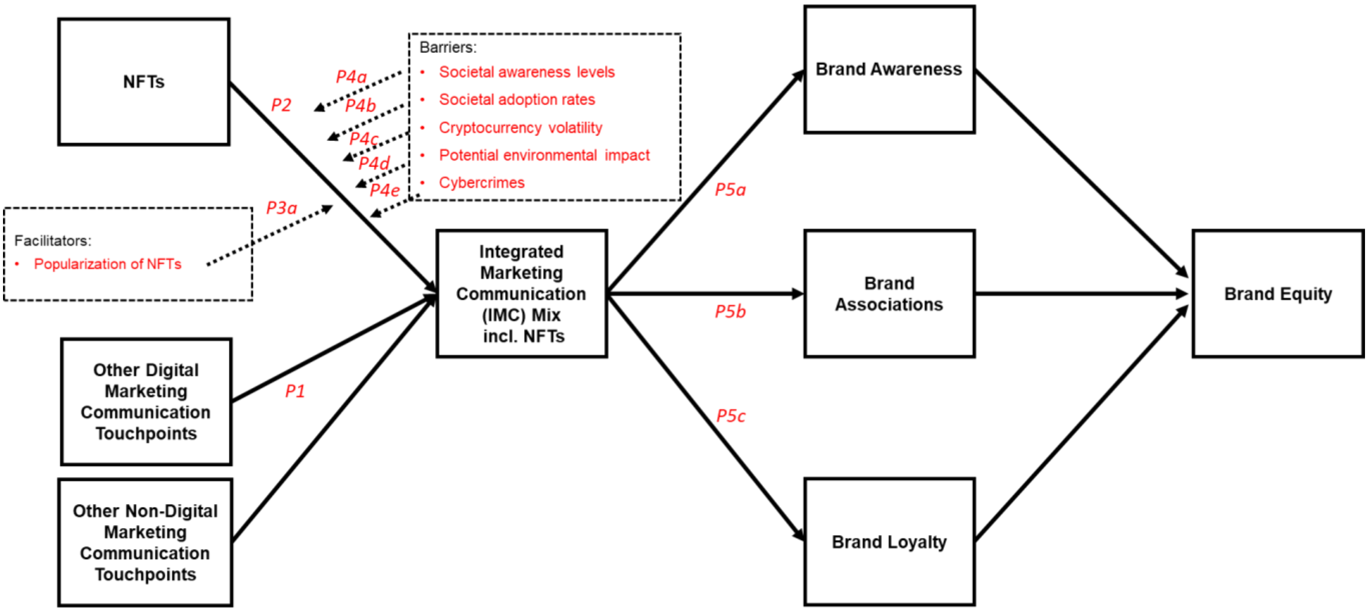

Figure 7: **A Conceptual Framework: The Impact of NFTs on the Dimensions of Brand Equity**

Figure 7 presents the following propositions:

P1: Digital communication touchpoints are becoming increasingly important in an IMC mix

P2a: The utility features of NFTs make them appealing to brand marketers to use as an IMC touchpoint

P3a: The popularization of NFTs may act as a facilitator to their inclusion in an IMC program

P4a: Current NFT awareness levels may act as a barrier to their inclusion in an IMC program

P4b: Current NFT adoption rates may act as a barrier to their inclusion in an IMC program

P4c: NFTs linked to cryptocurrencies may act as a barrier to their inclusion in an IMC program

P4d: The environmental impact of NFTs may act as a barrier to their inclusion in an IMC program

P4e: Cybercrimes may act as a barrier to NFT adoption and inclusion in an IMC program

P5a: The use of NFTs in an IMC program may positively impact brand equity by increasing brand awareness

P5b: The use of NFTs in an IMC program may positively impact brand equity by strengthening brand associations

P5c: The use of NFTs in an IMC program may positively impact brand equity by improving brand loyalty

CHAPTER 3. RESEARCH METHODOLOGY

Given the propositions that arose from the literature review in chapter 2, this chapter describes the research methodology of the study by defining the research approach, research design, data collection methods, research population and sample, describing the research instrument, procedure for data collection and analysis, quality assurance criteria, and ethical considerations for the research.

3.1 Research Approach

The research approach for this study was qualitative due to the nascency of NFT usage in brand marketing communications. Qualitative research is suited for its ability to explore perceptions and issues that are unknown to the researcher and therefore cannot be built into a survey but can be uncovered in qualitative research. The factors that serve as barriers and facilitators to NFT adoption and inclusion in a brand's IMC program are based on human decision-making by consumers and marketers which is influenced by several environmental variables such as budgets, consumer zeitgeist, technology adoption, brand goals, and brand digital presence. Similarly, the potential usage and benefits of NFTs to marketers could differ drastically between industries and brands themselves, so an in-depth study is required to understand different narratives and perceptions held by brand custodians as to why NFTs could potentially be a driver of brand equity for some brands and not for others, or their aversion to using NFTs in IMC programs.

3.2 Research Design

This study uses an interview-based qualitative research design to explore the potential role of NFTs in brand marketing communication by understanding consumer and marketer perceptions, interpretations and attitudes towards NFTs as a nascent technology. Interviews allow for depth in understanding participants' views and clarity into what they define as barriers, facilitators and the benefits of using NFTs in a brand communication plan.

3.3 Data Collection Methods

Data was collected by conducting interviews of approximately 60 minutes each with the research participants. Interviews were conducted individually with one participant at a time, using a combination of in-person and online video conferencing applications such as Zoom or MS Teams. As NFTs usage in marketing communications is still in the early stages, to facilitate discussion participants were shown relevant documentation or stimuli during the interview on NFT utility and usage in marketing communications in the form of 2 case studies of brands that have used NFTs in an IMC program, alongside NFT usage and adoption statistics in South Africa. The research instrument in section 3.5 below presents the interview schedule and stimuli.

3.4 Population and Sample

3.4.1 *Population*

The population for this study comprises marketing professionals who act as stakeholders with regard to brand strategy and performance. Marketing professionals are often the gatekeepers of brand strategy, and play a determining role in the marketing communication touchpoint selection and deciding if NFTs are an appropriate fit to a particular brand's communication objectives. While the sample is taken from a South African context in a specific segment of brands, as discussed below, it is likely that the findings extrapolate to other geographies and segments given the commonalities in brand marketing both internationally and across many segments.

3.4.2 *Sample*

The sample was chosen specifically from the segment defined as South African consumer packaged goods (CPG) brands, which facilitates comparability and lends itself to intensive brand-based marketing. This sample is appropriate as the constructs of brand marketing communication are increasingly homogenous across industries and categories, and the CPG industry is comprised of a variety of different product categories that reach a wide spectrum of consumers. Participants were approached by email, establishing context through introduction of the research topic, purpose of the email, and asked to confirm and sign participation and consent forms. The participant information sheet and participant consent forms can be found in this report under appendix A and B respectively.

3.4.3 *Sampling Method*

Purposive and snowball sampling was used as the research objectives require participants to be knowledgeable on the topics of marketing, brand communication, brand equity, digital communication, marketing technology and NFTs. Prospective participants from 7 multinational and South African companies and creative agencies were approached, including the researcher's company of employment as well as prospective participants in the researcher's professional network of GPG marketers .

The final sample is composed of 12 South African CPG marketing professionals, the profiles of whom are displayed in Table 3.

Table 5: **Profiles of Research participants**

Participant	Company	Role
1	Multinational drinks conglomerate	Marketing Manager: Innovative South African beer brand
2	Multinational drinks conglomerate	Marketing Manager: International, premium beer brand
3	Multinational drinks conglomerate	Marketing Manager: South African alcoholic beverage brand
4	Multinational drinks conglomerate	Marketing Manager: Mainstream South African beer brand
5	Global advertising, marketing, & public relations agency	Strategy Director Johannesburg
6	Global advertising, marketing, & public relations agency	Creative Director Cape Town
7	Multinational confectionery, food, holding & beverage & snack food company	Brand Equity Manager: International confectionery brands
8	Multinational household & professional products company	Marketing Manager: shoe polish
9	Multinational frozen food company	Senior brand manager: frozen foods
10	South African creative agency that specialises in virtual & augmented reality, NFTs & Metaverse	Production director
11	Multinational consumer goods company	Digital & Shopper manager: full portfolio
12	Multinational consumer goods company	Senior brand manager: hygiene & skin cleansing category

3.5 The Research Instrument & Stimuli

The research instrument is the interview schedule comprised of questions relating to the research objectives and propositions identified in chapter 2, as well as the additional stimuli described above. These are included below and the full interview schedule with stimuli can be found in appendix C of this report.

3.5.1 The interview Schedule

I. Opening

a. (Establish rapport). Hi (insert participant name). Thank you for agreeing to participate in this interview.

b. (Study purpose). This study aims to explore the potential for non-fungible tokens, more commonly known as NFTs in brand marketing. As a new technology, there is much to be learned about how marketers may utilize NFTs in their brand communication to achieve objectives that can potentially lead to the growth of a brand's equity. This study aims to contribute to this growing body of knowledge.

c. (Motivation). You have been asked to participate in this interview as you are a marketing professional and decision-maker concerning brand and communication strategy, and approval of the integrated marketing communications (IMC) plan.

d. (Timeline). This interview should take about 90 minutes. Will this be ok for you?

e. (Recording consent). This interview will be audio recorded. I'm also using an app to transcribe our interview. You may revoke consent at any time with no explanation. Can we proceed?

(Transition to next topic)

II. Body

a. Topic 1: Brand communication & IMC mix

I'd like to remind you that no identifiable info will be used and all answers will be kept anonymous.

1. Could you please describe the type of brand you work on, the category environment that your brand operates in, and the high-level view of the target consumer you are marketing to?

2. In your role, how do you influence or make decisions concerning a brand's communication strategy, and IMC mix selection?

3. How would you present your brand’s key communication objectives?

4. Describe your brand’s digital presence if it has one?

5. How important is digital communication to your overall communication strategy and long-term brand equity?

6. I’ll be asking you questions about your brand’s integrated marketing communications (more commonly known as IMC) mix. How do you go about selecting touchpoints for your brand’s IMC mix?

7. What are some of the most common IMC mix elements used by your brand and why?

(Transition to next topic)

III. Body

b. Topic 2: NFTs awareness, usage, and consideration

(Individual awareness, usage, and consideration)

1. Do you own any NFTs yourself or are you considering owning any NFTs and why?

2. If yes – what type of NFTs would you be interested in owning?

Awareness & usage: I'm going to show you some usage stats of NFTs in South Africa and then ask you some questions about NFTs concerning your brand's target audience

3. Have you noticed any increase in the awareness or usage of NFTs? How so? What do you think drives this?

Considering the stats around NFT usage that we’ve just discussed.

4. Would you be more or less likely to consider using NFTs in your brands’ digital communication strategy in the near future and why/why not?

5. Are there any other factors that would make you more likely to include NFTs in your brand’s IMC mix?

6. If Yes - How would you leverage NFTs to optimize your IMC for your brand?

7. Are there any other factors that would make you less likely to include NFTs in your brand’s IMC mix?

Environmental impact: The NFT ecosystem has received criticism since the blockchain technology used to enable it is often very energy inefficient. This means that it can be damaging to the energy when non-green sources of energy are used to power it. The NFT industry is looking at ways to make NFT transactions more sustainable and environmentally friendly, such as encouraging the use of more renewable energy sources in blockchain mining and moving to proof-of-stake systems that reduce energy usage. This is still in the early stages.

8. Can you describe if the environmental impact of NFTs would play a role in determining if NFTs are an appropriate fit for your brand IMC?

Cryptocurrencies: NFTs are largely linked to cryptocurrencies through trading i.e. buying and selling. Cryptocurrencies are known for being volatile in terms of their trading value over the past few years. It recently became possible to trade NFTs through debit/credit cards however the majority of transactions still use cryptocurrency.

9. Can you describe if NFTs' link to cryptocurrencies would have any impact on the decision to include or exclude NFTs in your IMC mix?

Cybercrimes: As with the use of new technologies, NFTs are subject to elements that may act as barriers to their adoption. I have clumped these together under the clarity of ownership, usage rights, and cybercrimes. This entails - what an NFT owner owns, how can NFT owners use their NFTs, and misrepresentation of work – like copyright infringement or using authorized work, as well as cyber theft.

10. How do the clarity of ownership, usage, and cybercrimes impact your decision to include or exclude NFTs in your IMC mix?

11. Are there any other factors that we haven't covered that would make you more or less likely to consider using NFTs in your brand communications?

(Transition to next topic)

IV. Body

c. Topic 3: NFT utility & usage in brand communications

1. Does your brand have an NFT strategy or communication plan in place or are there plans to develop one? Why or why not?

2. Can you recall any examples of brands using NFTs in their marketing communications well or poorly and why?

(Review of NFT utility in terms of brand application)

3. Considering the potential ways NFTs can be utilized by brands for communication. Would you be more or less likely to consider using NFTs in your IMC mix and why?

4. If you've ever used NFTs what impact value and impact has it added to your brand? Please explain.

5. Are any of the utility benefits offered by NFTs relevant or appealing for your brand to include as part of the IMC mix? Why or why not?

6. In what ways can the use of NFTs in the IMC mix benefit your brand? What makes you say this?

(Review examples of brands using NFTs in IMC)

7. If yes to considering using NFTs in the IMC mix or NFT communication plan in place - What would be the objectives of using NFTs in your brand communication?

8. Why do you think NFTs can help your brand achieve these objectives?

9. How do you think can the use of NFTs in brand communications can contribute to increasing brand awareness?

10. How do you think can the use of NFTs in brand communications can contribute to increasing brand associations?

11. How do you think can the use of NFTs in brand communications can contribute to increasing brand loyalty?

12. How would you measure this?

V. Closing

a. (Summarize) key points of discussion.

b. (Maintain Rapport) I appreciate the time you took for this interview. Is there anything else you think would be helpful for me to know before we end the interview?

c. (Action to be taken) I should have all the information I need. Would it be alright to contact you if I have any further questions?

3.5.2 Research stimuli

Figures 8 and 9 below show use cases of South African brands that have used NFTs as part of their IMC program. The full list of research stimuli shown can be found in appendix C of this report.

Brand case study 1: Honest Chocolate South Africa NFTs

<u>Honest Chocolate (Cape Town)</u>

- NPD - launch of alternative mylk chocolate range
- Uses packaging design as a platform for emerging local artists to showcase their work
- Limited run of artwork & NFTs
- 10% artist royalty off secondary sales of the NFTs
- Holder utility – discounts and long-term gain of artwork increase NFT profits donated to Cape Rape Crisis Project

<u>Brand Equity Dimensions:</u>

- **Brand awareness** – unique experiences for brand engagement, generate buzz for new product launch
- **Brand associations** – collectibles, storytelling, artist collaborations, value creation for the holder, brand purpose-driven initiatives
- **Brand loyalty** – exclusive benefits/rewards, digitally unique offers

Figure 8: Brand case study 1

Brand case study 2: Volkswagen South Africa NFTs

<u>VOLKSWAGEN SOUTH AFRICA</u>

- Integrated campaign for NPD Polo with IQ.DRIVE
- NFT collection for the Mzansiverse (metaverse). There are 5 sub-collections, each with 20 unique NFTs, 100 in the collection incl. 3 golden
- Target audience – a mixed world of online gaming and reality
- Gamification - NFTs hid inside content – digitally led hunt on social media
- Consumers can unlock prizes in real and meta worlds

<u>Brand Equity Dimensions:</u>

- **Brand awareness** – unique experiences for brand engagement & entertainment, generate buzz for new product launch
- **Brand associations** – interactive storytelling
- **Brand loyalty** – exclusive benefits/rewards

Figure 9: Brand case study 1

3.6 Procedure for Data Collection

Data was collected by conducting interviews with the members of the sample population who had agreed and given their written consent to participate in the research. Interviews were recorded and transcribed using an audio recording and transcription application.

3.7 Data Analysis Strategies and Interpretation

This research deployed thematic analysis, a qualitative data analysis method that involves scanning through data sets to identify, analyse and report recurring patterns (Braun & Clark, 2006). Thematic analysis is appropriate as this research explores the potential for NFTs in brand marketing by understanding the experiences and thoughts of marketing professionals in search for common patterns, and the emergence of themes could be a useful basis for future research. This research used Braun & Clarke's (2006) widely adopted six step thematic analysis method described in table 6 below.

Table 6: Steps for thematic analysis

	Steps	Process description
1	Familiarize yourself with the data	Reading and recording initial ideas from the written transcripts
2	Generate initial codes	Coding noteworthy items of the data across the whole data set, collating data relevant to each code
3	Search for themes	Collating codes into potential themes and grouping data pertaining to each theme
4	Revi ew themes	Cross checking the themes relative to the coded extracts and whole data set, and then developing a thematic map of the analysis
5	Define and name themes	Refinement of each theme, development of the storyline and creating definitions and names for each theme
6	Produce the report	Final analysis involving selection of clear and compelling extract examples and analysis thereof in relation to the research question and literature

Adapted from Braun & Clarke (2006)

3.8 Limitations and Challenges of the Study

One major challenge and limitation of the study include finding research candidates with sufficient knowledge on the research topic, objectives and propositions. NFT use in brands is still nascent. Another limitation is the specific choice of CPG categories and brands of the participants and thus not representative of the entire marketing discipline. However, this choice also assists with control for certain variable factors.

3.9 Quality Assurance

3.9.1 *Transferability*

Transferability of the research is somewhat limited by the virtue of the sample being composed of a limited number of companies and CGP marketing professionals within a South African geographical zone, however, the marketing and brand space is increasingly homogenous as practices of the profession are deeply rooted in core marketing principles that are applied across companies and brands. Furthermore, the internal structure of brands as separate teams within companies facilitate diversity in sample representation as each brand has a unique life stage and strategy to achieve its business goals. Lincon & Guba (1986) developed techniques to increase the probability that the criteria of trustworthiness can be met.

3.9.2 *Credibility*

The research aims to maximise credibility criteria by ensuring the authenticity of the research findings through respondent selection by ensuring prospective respondents are qualified to discuss topics about the research objectives and propositions, triangulating the data by using marketing professionals from different CPG companies, and peer debriefing (Lincon & Guba, 1986).

3.9.3 *Dependability*

The research aims to maximise dependability by establishing an audit trail (Lincon & Guba, 1986) to track the data collection process and ensure the interview data is securely and authentically transcribed into raw data. This was done by reviewing the transcripts against the interview recordings for accuracy.

Furthermore, all clear descriptions of the study with changes and revisions have been documented and will be kept on record on a password-protected computer for two years.

3.10 Ethical Considerations

The study is categorised as minimal risk as it pertains to market research with marketing professionals, with no sensitive or vulnerable questions or topics. Appropriate permission to conduct research was pursued only after obtaining ethics clearance from the university, the ethics protocol number and details are available on request. Participants were not incentivised to participate in the study and no sensitive data was collected. In terms of confidentiality, participant responses are not attributable to them and this report does not disclose any restricted information. Participant data is protected by access control to the researcher only and data is stored on a password-protected computer and will be destroyed after two years.

3.11 Consistency Table

The consistency matrix in table 7 below shows the research objectives, propositions of the conceptual framework presented earlier, data collection method and data analysis method.

Table 7: Consistency Table

RQ #	Research Objective	Prop #	State Proposition	Data collection detail	Data analysis method
1	Understand the factors that serve as barriers and facilitators to NFT usage in brand marketing communications	1 3 4a 4b 4c 4d 4e	Digital communication touchpoints are becoming increasingly important in an IMC mix The popularization of NFTs may act as a facilitator to their inclusion in an IMC program Current NFT awareness levels may act as a barrier to their inclusion in an IMC mix Current NFT adoption rates may act as a barrier to their inclusion in an IMC mix NFTs linked to cryptocurrencies may act as a barrier to their inclusion in an IMC mix. The environmental impact of NFTs may act as a barrier to their inclusion in an IMC mix Cybercrimes may act as a barrier to NFT adoption and inclusion in an IMC mix	Interview guide questions	Thematic analysis
2	Investigate the ways brands can utilize NFTs in their marketing communications	2	The utility features of NFTs make them appealing to brand marketers to use as an IMC touchpoint	Interview guide questions Research stimuli	Thematic analysis
3	Determine how brands can benefit from including NFTs as part of their marketing communications	5a 5b 5c	The use of NFTs in an IMC program can positively impact brand equity by increasing brand awareness The use of NFTs in an IMC program may positively impact brand equity by strengthening brand associations The use of NFTs in an IMC program may positively impact brand equity by growing brand loyalty	Interview guide questions Research stimuli	Thematic analysis

CHAPTER 4. RESEARCH RESULTS

As discussed in chapter three, the research sample consisted of twelve Consumer Packaged Goods (GPG) marketing professionals responsible for developing or executing brand strategy, playing a determining role in brand marketing communication mix selection. The twelve participants comprised of marketing and brand managers directly responsible for the brands they work on, as well as advertising and creative agency professionals responsible for developing brand communication strategies and content for a variety of brands.

Table 8 below groups the research findings into themes, categories and codes, linking them to the theory and literature of chapter 2.

Table 8: Research Findings

Themes	Categories	Codes	Literature behind insights
1. **NFTs have broad appeal that makes them attractive to brand marketers**	**Importance of digital communications in the IMC mix**	Importance of digital presence	Brand Equity theory
		The growing importance of digital in the IMC mix	Brand Equity theory
	NFT appeal	The popularization of NFTs	Diffusion of Innovations theory
		Utility appeal of NFTs and their application to brand communications	Brand Equity theory & Diffusion of Innovations theory
	First-mover advantage	Novelty appeal of NFTs - new brand experience, new audiences	Brand Equity theory
		Brand associations -innovative brand, PR value, talkability	Brand Equity theory
2. **Factors influencing the consideration of NFTs for a brand's IMC Program**	**NFT awareness & adoption**	Amongst consumers	Diffusion of Innovations theory
		Amongst marketers	Diffusion of Innovations theory
		Amongst senior leadership	Diffusion of Innovations theory
		Amongst creative agency partners	Diffusion of Innovations theory
	Novelty (newness) of NFTs	Uncertainty about the future of NFTs	Diffusion of Innovations theory
		Need for proven use cases in marketing	Diffusion of Innovations theory
		Marketing budget investment	Diffusion of Innovations theory & Brand Equity theory
	Fit to brand & target consumer	Fit to brand and relevance to target audience	Brand Equity theory

		Accessibility & Inclusivity of NFTs (Cryptocurrencies)	Brand Equity theory & Diffusion of Innovations theory
		Alignment to brand and company image & reputation (Environmental impact, cybercrimes)	Brand Equity theory
3. The potential impact of NFTs on brand equity	**Drivers of brand equity**	Brand awareness	Brand Equity theory
		Brand associations	Brand Equity theory
		Brand loyalty	Brand Equity theory
	Measurement	Measuring the impact of NFTs on brand equity	Brand Equity theory
4. Brand guidelines for NFT usage in a South African context	**Learnings & guardrails for marketers considering using NFTs**	Utilization of smart contracts	
		Legal and regulatory environment understanding	
		Consumer education to facilitate NFT adoption and usage	

4.1 Theme 1: NFTs Have Broad Appeal that Makes Them Attractive to Brand Marketers

The first theme of the research findings addresses the first two research objectives around investigating the ways brands can utilize NFTs in their marketing communications, and understanding the factors that serve as barriers and facilitators to NFT usage in brand marketing communication. This theme discusses the factors that give NFTs broad appeal and make them attractive to brand marketers for consideration as an IMC program touchpoint.

4.1.1 The Growing Importance of Digital Communication in the IMC Mix

All participants conveyed the importance of brands having a digital presence as a method to communicate and engage with their target audiences, and all participants cited having a digital presence on their brands. A marketing manager of an innovative, South African beer brand suggested it was becoming "increasingly important to reach our audiences using digital communications and platforms", whilst a brand equity manager for an international confectionery brand noted that digital is a priority in approaching their IMC mix selection for brands:

> *What we want to try and do is really think digital first when we approach the IMCs or integrated marketing comms models and to ensure that we think about the creative campaign ideas to work for digital-first and also ensure that the idea can be scaled and digital amplified across the different digital channels.*

A strategy director at a leading South African adverting agency also conveyed the importance of brands having a digital presence in modern times saying:

> *I think it's fundamental…I mean, you can't not do it. It's stepping stones you know, before you can start to really innovate. If a*

brand doesn't have a digital presence in this day and age I don't know how they exist.

Many participants noted that though traditional communication channels such as television and radio still have significant importance in achieving communication objectives such as broad awareness and reach which is important in a South African context, reaching consumers through digital touchpoints has become increasingly important. This finding is consistent across brands targeting higher, mid and lower LSM audiences.

A marketing manager of a mainstream, South African beer brand expressed the importance of integrating digital touchpoints into the brand IMC strategy:

So digital is always worked into any one of our campaigns that I do so there's always a content plan. The majority of it really does go to the likes of TVCs and radio, but digital, it's like we would never do a campaign without digital, it has to be there…just to raise more awareness and education.

Similarly, a senior brand manager at a multinational consumer goods company commented:

…because we target the mainstream consumer TV is still our primary channel that we actually use to communicate with our consumers…(but) the reason why digital is so important is because it gives us an opportunity to create engaging content.

Another marketing manager of a premium, international beer brand noted the importance of having an integrated approach to brand communication:

It's this pushing of a button or pulling a lever and all your IMC channels switch on, you know, and are integrated to deliver a message that is relevant and meaningful at that time to the consumer…So digital is almost integrated into our world.

A vast majority of participants suggested the growing importance of digital as a communication channel in the overall IMC mix selection due to the distinct benefits it offers over traditional communications channels such as television or radio. A key benefit of digital as a communication channel raised by participants is its ability to offer more accuracy in measuring the effectiveness of communications versus traditional channels. A marketing manager of an innovative, South African beer brand noted:

> …the type of reporting that we get from digital far surpasses how we would be able to track and see consumer behaviour in more traditional related communications in the IMC mix.

Similarly, a strategy director at a leading South African advertising agency noted that:

> *Digital has full-funnel, conversion process right from awareness all the way to conversion, which is amazing…you can actually use digital for any of your objectives that can do the entire funnel can do the entire sort of journey for the consumers.*

Five participants also highlighted the ability of digital communication channels to drive brand engagement as another key benefit over traditional channels. A marketing manager of a leading South African shoe polish brand noted:

> *Contribution is still digitally focused just because you can do a hell of a lot more and reach a lot more people and so more bang for your buck from an ROI perspective.*

Similarly, a brand equity manager of an international confectionery brand noted the importance of digital channels in reaching and engaging with younger target audiences:

> *Digital is really important for us, we're also exploring and allowing for media owners like TikTok, new media to come in and present innovative approaches to how we should be going about reaching Gen Z's on new channels. I think from a younger consumer perspective, what they are looking for is you know, branded entertainment.*

A senior brand manager for a multinational frozen foods company acknowledged that digital:

> *…so what we've been going for is to drive that that younger generation I think they're doing a good job with it. It's definitely come through in our results on various campaigns that are being digitally led.*

Two participants with first-hand experience in working with NFTs in a brand IMC program also acknowledged the important role that NFTs as a digital communication touchpoint played in driving brand engagement in their respective campaigns. A creative director at a leading South African advertising agency who used NFTs as part of a recent new product launch campaign for a South African automotive brand noted of NFTs role in the campaign:

> *It just would have been nothing without it, to be honest. Like it would have been a cool execution but what the NFTs did…online aspects we can get far more niche and more targeted is that it's completely lived on those things. You know, you're creating a reason for people to engage in the product.*

This participant also highlighted the opportunity that new digital communication touchpoints allow marketers to create brand engagement:

> *What's nice about the Metaverse and NFTs is that it's a really interesting space for you to park the traditional brand bible and adopt something that's more fun, very more liberating in a space that is actually become very just that unusual and extraordinary.*

These findings are consistent with proposition *P1: Digital communication touchpoints are becoming increasingly important in an IMC mix*

4.1.2 NFT Appeal

a. ***NFT Utility Benefits and Application to Brand Communications***

Observation by the Researcher: *The majority of the research participants conveyed their limited understanding of NFTs, the utility benefits offered by NFTs and the various ways they can be used in brand communication. As the lack of empirical evidence surrounding NFTs in a brand marketing application could be inhibiting to the conversation, participants were shown the NFT utility benefits from table 3 in chapter 2 as part of the research stimuli. The responses elicited by participants were largely hypothetical as the majority have yet to use NFTs in brand communications.*

Nine of the twelve participants noted the appeal of the utility benefits offered by NFTs and their potential use in a brand's marketing communications. Of the six utility features of NFTs presented to participants, three stood out as having the most appeal and practical application for inclusion in a brand's marketing communication or the IMC program. These are discussed below:

Access and Usage Rights. Six participants, including two marketing managers, noted the importance of events as a major element of their IMC mix and the appeal of NFTs to be used in a ticketing and access application. A marketing manager of an international, premium beer brand noted that the "biggest driver of brand equity is experiential events" and found NFT utility appealing for access and usage rights:

> *You could have access and usage rights, you could use NFT access to meet the artists you know, go backstage have a listening session with international artists. Yeah, you could look at badges for consumers to be VIP you know, depending on what badge you have.*

Collectibles. Five participants commented on the appeal of NFTs to be used as collectibles to build iconic and recognisable brand assets, as well as their potential to be used for limited edition collections.

Rewards. Five participants noted the appeal of NFTs to be used as a loyalty reward program. A marketing manager of a leading South African shoe polish brand noted:

> *I think for me as a marketer, it'll make me more likely to use them because collectible encourages people to consume your products because they'll buy more to collect different kinds and rewards. I mean, everyone is a consumer and you want to be rewarded especially now because you know everything is so expensive and then give you a little bit of a discount. It's something that people really gravitate towards.*

These findings are consistent with proposition *P2: The utility features of NFTs make them appealing to brand marketers to use as an IMC touchpoint.*

b. ***The Popularization of NFTs***

The vast majority of participants interviewed cited the popularization of NFTs as a primary driver of their appeal. A creative director at a leading South African advertising agency linked the appeal that NFTs offer and their growth in awareness to their proliferation through social media:

> *I think there's like a huge awareness and just gets more because you look at the fact that Twitter started using NFTs. With the profile picture, they've started becoming more embedded in things the very things that define our existence, our social existence, how we present ourselves online, the value of things, you know, those are really important.*

This participant also noted the appeal of social media as a driver of individual credibility and clout:

> *You know, it's why people fight to get that blue tick next to their name on Twitter.*

A strategy director at a leading South African advertising agency cited that social media and cross-promotion from celebrity endorsements and celebrity NFT projects have been a large driver of NFT awareness:

> *You know, I think if you haven't seen that picture of the bored ape, then you have not been online in a very long time. That was everywhere.*

A production director at a South African creative agency that specialises in virtual and augmented reality, NFTs and Metaverse for consumer brands, concurs with the view that the popularization of NFTs has made them more appealing to brand marketers, noting that brands were becoming more interested in the NFT space:

> *I think exponentially so, they are getting excited about the space. We're getting more and more brands asking us about this space, having had several of these client consulting meetings where were you know, we're telling them about the possibilities of the space.*

This participant additionally noted that the proliferation of NFTs through social media increases their appeal:

> *FOMO (fear of missing out) and social flex, a large driver of NFT appeal is their ability to give people a new way to connect, leading to NFT being coined the word of the year in 2021.*

A brand equity manager of an international confectionery brand working on their South African chocolate and biscuit categories also discussed the appeal of NFTs as a new and innovative technology:

> *…so people obviously are drawn to something new and I think specifically with Gen Z's and let's say second generation, even first generation millennials, like the curiosity and exploring and seeing what's out there, and I think the way in which the world is currently set up is to be a lot more open to innovation and*

exploring that innovation and trying to see exactly what you can do with that tech or that innovation.

These findings are consistent with proposition *P3a: The popularization of NFTs may act as a facilitator to their inclusion in the IMC mix.*

4.1.3 First-Mover Advantage

Findings showed that one of the largest factors of appeal for marketers considering using NFTs in brand communications is their potential to improve brand associations amongst their target audience by being a category first-mover. Nine participants linked the appeal offered by NFTs to being a first-mover in their respective brand categories to the ability to generate positive public relations (PR) value, create brand associations around brand innovativeness and differentiation, and provide consumers with new brand experiences.

Many participants discussed how being first to market with NFTs in brand communications can create positive brand associations of being seen as innovative and appealing to younger target audiences. A strategy director for a leading South African adverting agency noted that:

> *…you get very brave marketers, who want to be the early adopters, who see the benefit of innovation, who see the benefits of being first and positioning their brand around being first to market or innovative.*

This participant also noted the appeal of NFTs to reach younger technologically savvy target audiences "…when we're targeting young people, you've got to show innovation." This sentiment was shared by a brand equity manager at a multinational confectionery, snack and beverage company who conveyed that NFTs are:

> *Definitely being shared from what's currently trending in the digital space. And we can see that there's a lot of interest from our Gen Z consumers…NFT's that come up as one of the key*

> *things that (we) are exploring from a way in which (we) could do business.*

A marketing manager of a South African alcoholic beverage brand similarly noted this appeal for using NFTs in brand communication:

> *Would be about that first to market if I'm honest, you know what I mean, and it would be the new news. Yeah, something completely different and out there. And I think it would be about being seen as innovative as a brand if I'm honest. It would be about being seen as pushing the boundaries as doing new things…Because I think with associations that's also being first and innovative.*

A number of participants also linked the appeal of being first in their categories to use NFTs as part of brand communications to the potential benefits this can realize in terms of providing new brand experiences for consumers as well as brand differentiation. A marketing manager of an innovative South African beer brand noted:

> *We have an opportunity to tell the big stories through NFTs which is something that's never been done before by a beer brand. So we would really like to do that to be first in market and to demystify what NFT's are as we are learning about the technology, how it's used, how it can, how we can transact with it and what it actually means within brand communications.*

This sentiment was shared by a marketing manager of an international, premium beer brand:

> *Most importantly to try to be like the first-mover you know, because you want to be the first-mover to do something and just learn about it so that you can become more experienced than anybody else."*

Similarly, a marketing manager of a leading South African shoe polish brand noted that NFTs:

> *Gives the brands the opportunity to really get consumers to experience their brand in a different way…That for me gives a brand a little bit of an edge …It gives a brand a different experience.*

Participants also conferred the PR value that being first to market could offer brands, with the digital and shopper manager for a multinational consumer goods company commenting “when I look at it from a South African lens or even an African lens, I still think we're in the novelty PR value space…” A marketing manager of a South African alcoholic beverage brand similarly noted that NFTs offer "a great PR story" and a way to "amplify existing partnerships".

These findings were not part of the original conceptual framework of this research, however as NFTs are a novel technology and their application to South African marketing communications is in the early stages, it is worth including as a facilitator to their consideration for a brand IMC program. Therefore the discussion chapter includes a revised conceptual framework that addresses new findings, including the *new proposition: first-mover advantages may act as a facilitator to NFT inclusion in an IMC program.*

4.2 Theme 2: Factors Influencing NFT Consideration for a Brand IMC Program

The second theme of the research findings addresses the research objective around understanding the factors that serve as barriers and facilitators to NFT usage and inclusion in brand marketing communications.

4.2.1 NFT Awareness and Adoption

As NFTs are a novel technology participants were shown figures 4, 5, 6 and 7 on NFT awareness and adoption from chapter two as part of the interview stimuli to facilitate discussion. Eleven of the twelve participants interviewed noted the newness of the technology and its lack of mainstream adoption as a major barrier to consider for inclusion in a brand IMC program. These findings are discussed below.

a. *Consumers*

A vast majority of participants cited the current low penetration of NFTs in South Africa as a barrier to consideration for its inclusion in a brand IMC program. Discussing the statistics presented in the interview stimuli a strategy director for a leading South African advertising agency noted:

> *I think these numbers are not strong enough. If you've got this percentage of say 67% of South Africans who don't know what NFTs are, you know, I think they really need to scrutinize who their audience is, who the opinion leaders are that they're trying to get hold of, and I suppose, be a little braver, but I think it's still a very conservative market when it comes to sort of very mass consumer products and goods.*

Similarly, a marketing manager of an international, premium beer brand expressed:

> *I think the consumer penetration of understanding specifically into Africa is probably the biggest barrier. Because if you're going to grow a brand, you have to speak to a wide audience, at the moment I don't believe we have a wide audience for NFT understanding and I think that will change as time goes on, as the NFT voice becomes louder and louder.*

This participant also conveyed that despite the current low levels of NFT penetration and usage, there is also an opportunity for brands to start experimenting with NFTs to understand how to leverage them in the IMC mix once penetration grows:

> *I think now's the time to release these things a little bit to understand okay, what is out of the consumers reacting to this*

to the to this to that. So then when the understanding is there with a wide enough audience can have some experience on how to play this NFT game.

This view was shared by a marketing manager of an innovative, South African beer brand who noted:

The lack of education could hinder but the more access to education with brands could definitely promote our consideration of integrating them in our IMC.

Another participant, a marketing manager of a South African alcoholic beverage brand expressed the current low penetration of NFTs as a barrier to inclusion in an IMC program as it could result in potential waste in marketing spend:

I think what those penetration stats that you showed me earlier… if you keep your targeting of that messaging, at your full audience base, from an ROI perspective, you'll be losing a lot of paid media…Because my worry is that if we're going to do it, we're going to send it to our 100% of our audience and only 8% of my audience currently knows what that is. I'm wasting 92% of my marketing money.

Similarly, a senior brand manager for a multinational frozen foods company conveyed:

I'd probably wait for that awareness level to grow, far more adoption before I start investing, just based off return on investment on budget, and I need to be able to see either the audience transfer or I need to see incremental volume and I just don't think the buy-in is quite there yet.

A production director for a South African creative agency that specialises in virtual and augmented reality, NFTs and Metaverse for consumer brands recently used NFTs as part of the IMC program of a new product launch for a South African automotive brand. This participant noted that due to current low levels of understanding around how NFTs work that consumer education is important though "…it's a slow process, especially in South Africa" and that the education process associated with NFT acquisition by consumers could present a barrier to adoption:

> *…we felt to run a successful campaign we'd rather focus on the campaign first, and then getting the NFT to the customer because if we had to educate 1000 people on how to get a Metamask or how to acquire an NFT then they might not be interested in the whole process of the campaign.*

Related to the low levels of awareness by South African consumers, participants noted the usage of NFTs by South African brands in a marketing context has been more "industry-led rather than consumer lead at this point" as cited by a marketing manager for a South African alcoholic beverage brand. This finding was congruent amongst the participants who expressed interest in using NFTs in a future brand IMC program. A majority expressed that NFTs are more of an exploratory tool at this stage, as was conveyed by a marketing manager for a South African beer brand discussed:

> *We haven't really done a deep dive or a study to look if our consumer target market is interested in NFTs however, with a big brand platform that we are aiming to launch, we had it as a consideration to see how we can connect with them using NFT's for those who are interested. So right now it's a very optional, exploratory tool.*

b. ***Marketers***

Notably, a vast majority of participants had a very basic understanding of the concept of NFTs, with most unaware of the ways they can be used in brand marketing communications. A marketing manager of an innovative, South African beer brand commented:

> *I'm actually am learning more about them. So I wouldn't know the types of NFTs. I'm still trying to educate myself about what NFTs are, to be quite honest.*

Similarly, a senior brand manager for a multinational consumer goods company noted:

> *I don't own any NFTss, I've heard about it a lot, but I don't ask (which is) probably very bad because I'm a marketer. But I don't fully grasp the concept.*

Whilst a senior brand manager for a multinational frozen food company expressed:

> *..my awareness at the moment (of NFTs) is zero…my interest is piqued by it. I'm sure once I understand that a lot more, I might be interested in doing something with it*

A strategy director at a leading South African adverting agency noted their attempt to recommend NFTs as a marketing communication element to her brand clients "Unfortunately clients haven't quite bought into it yet, but we will continue to try and push the agenda." This finding of low level of awareness and education amongst marketers correlates with personal involvement in NFTs as of the twelve participants interviewed, only two were actively involved with and own NFTs and seven expressed interest in acquiring and getting involved with NFTs in the future.

c. *Advertising Agency Partners*

Several brand marketing participants discussed their reliance on creative agency partners to make them aware of and recommend new ways to communicate with their target audiences. A marketing manager of an international, premium beer brand noted of their creative agency partners when recommending IMC program ideas:

> *..the understanding of NFT's are not significant enough. You're probably not going to get NFT ideas. You're probably ideas for TV, ideas for radio you know, for on-trade (and) off-trade.*

Similarly, a senior brand manager for a multinational frozen foods company conveyed

> *To be honest with you, it hasn't even come as an insight or in any sort of conversation with our digital agency.*

Conversely, three other participants noted that their creative agency partners had discussed the idea of NFTs with them, though its application potential to their specific brands was not yet clear. A brand equity manager for an international confectionery brand suggested:

> *We've definitely heard of it before and some presentations that's been shared by our partner agencies. It's very much just showing what's out there...We haven't necessarily explored NFTs as a specific creative execution, or a channel even.*

d. ***Senior Leadership***

Three participants noted the lack of awareness and understanding of NFTs by senior leadership in their organisations as a potential barrier to their use of NFTs in brand communications.

A marketing manager of an international, premium beer brand described this as a "major roadblock", noting:

> *…if you look at MANCOM leadership, and you ask yourself, what do they know about NFTs, probably nothing, they probably don't know much…how are you going to justify or convince them to spend a significant amount of money behind NFTs if they're not familiar with it? They don't understand how this can enable brand growth and I think that is something that probably needs a lot of focus especially in order to get people to buy into the ambition of investing in NFTs.*

Similarly, a marketing manager of a leading South African shoe polish brand commented:

> …our big leaders don't understand it. And we also tend to not understand it ourselves. So it's really a challenge so far…they're not really understanding new media or they're not open to get into new media. So we have to convince leadership on small things…so imagine introducing another layer, while the battle is on a basic level for me actually, in my company……they don't want to take risks. Especially because budgets are so limited. They kind of want something that they know works and has worked, and they're not willing to really take the risk on them unless someone really bold comes and say, hey let's be the first movers

Though this was raised by three participants, low levels of awareness and understanding of NFTs amongst senior leadership in organisations who are often gatekeepers to brand communication strategy approval can present a significant barrier to getting the buy-in and approval needed by marketers to use NFTs as part of a brand IMC program.

These findings around low awareness and adoption rates by consumers, marketers and senior leadership of organisations are representative of society at large and consistent with propositions *P4a*: Current NFT awareness levels may act as a barrier to their inclusion in an IMC program, and *P4b: Current NFT adoption rates may act as a barrier to their inclusion in an IMC program*.

4.2.2 The Novelty of NFTs

Nine participants discussed the novelty of NFTs as both a technology and potential marketing communication touchpoint in relation to the uncertainty around their longevity, and the need for proven use cases to justify allocating marketing spend behind them. These findings are discussed below.

a. ***Uncertainty on the Future of NFTs***

Three participants noted a dip in the NFT market in 2022. A creative director at a leading South African advertising agency conveyed:

> *There has certainly been to dip in the last few months. And it's all kind of related to cryptocurrency, the gas costs. That's the massive war in Ukraine, has had a huge impact on it. So Ukraine are the second largest crypto miners in the world, so the impact, you can see it across. I've seen far less hype around it.*

This participant noted that the novelty of NFTs could lead to their role changing as time goes on:

> *I think the role of these things as this it's the NFTs and the journey and the evolution of them is going to take a variety of different paths.*

Similarly a production director at a South African creative agency that specialises in virtual and augmented reality, NFTs and Metaverse for consumer brands noted of the novelty of NFTs:

> *It's going to take about a year to two years, maybe even three years for people to really acquaint themselves with the word and the possibilities and what we see in our in all future predictions is that for the next five to 10 years, almost everyone will either own a NFT or some kind of a crypto asset.*

Though this finding was discussed by three participants, it is worth noting as a potential barrier to their consideration for inclusion in a brand IMC mix. This gives rise to an additional proposition that will be included as part of a revised conceptual framework presented in chapter 5*: The uncertainty around the future of NFTs may act as a barrier to inclusion in an IMC program.*

b. *The Need for NFT Use Cases*

In a South African context, brands have only recently started using NFTs as part of their integrated marketing campaigns. Six participants discussed the need for solid use cases and case studies of NFTs used in brand communication campaigns as a key factor in their consideration for including NFTs as part of a brand IMC program. These participants expressed the need to learn from other brands about how NFTs can be successfully applied to a brand's integrated marketing campaign as a marketing manager of an innovative, South African beer brand noted:

> *So if there were things like case studies that we can look at, at other brands within the category of FMCG, not necessarily just beer that we could learn from, because I think with the newness of the technology.*

Similarly, a marketing manager of a leading South African shoe polish brand conveyed:

> *So we don't own any (NFTs) we are trying to learn and we are trying to look at some people within our space that will do it and we can copy from them or learn from them.*

This view was shared by a strategy director at a leading South African adverting agency who noted of clients:

> They want to see case studies of it working or it becomes a me too bandwagon thing, it's still very, very new so brands want to see other brands doing so they know what to do in that space.

This finding was not part of the original conceptual framework of this research, however as NFTs are a novel technology and their application to marketing communications in South Africa is in the early stages, there are limited best-in-case uses that marketers can draw on for their consideration to include NFTs as part of a brand IMC program. This gives rise to a new proposition that will be included in the revised conceptual framework in chapter 5*: The lack of available* *use cases of NFTs in a marketing context may act as a barrier to their inclusion in a brand IMC program.*

c. ***Marketing Budgets***

Six participants discussed the uncertainty and risk associated with allocating marketing budget behind a new communication touchpoint such as NFTs without a clear understanding of how the technology can benefit a brand. A strategy director at a leading South African adverting agency noted of their brand clients:

> *The other thing is budgets, right? Because with an un-regulated sort of endeavour like this, where it hasn't been done before, it's very hard to sort of calculate what this exercise is going to cost them you know, the risk involved is a cost anyway and they are risk averse, they kind of want the foolproof mix, that they know they'll pull the trigger and cover all their bases and do the job but it doesn't really do anything for the brand's equity.*

A marketing manager of an international, premium beer brand conveyed:

> *You have to ask yourself, do you have any coins to spend on NFT for the consumer or would you spend the coins on conventional IMC channels that you know can work?... When I speak to people about NFTs, the understanding is that if you release an NFT you have to have a significant marketing campaign behind the NFT.*

Similarly, a marketing manager of a leading South African shoe polish brand expressed “we don't have that money to invest in educating the consumers and converting…”, and a digital and shopper manager for a multinational consumer goods company expressed that low awareness levels amongst consumers could make it difficult to justify budget allocation toward NFTs:

> *But if your adoption is so low that your conversion is low then it can be quite a difficult ROI to explain down the line or even create space… But from a mass adoption perspective, I don't*

> *see that being an issue from brand involvement… But truly understanding benefit and how it works is not there. So I do think there's probably a role to play for brands like ours.*

This finding was not part of the original conceptual framework of this research, however it is does present a considerable barrier to the consideration of NFT inclusion in a brand IMC program, and is included as new proposition in the revised conceptual framework in chapter 5: *The novelty of NFTs may act as a barrier to allocating marketing spend toward them in a brand IMC program.*

4.2.3 NFT Alignment to Brand Image

NFT fit to a brand’s positioning, relevance to its target audience and alignment to corporate sustainability goals were raised by participants as other key factors that can influence the consideration for using NFTs as part of a brand IMC program. These findings are discussed below.

a. *NFT Fit to Brand Positioning & Target Audience*

Ten participants discussed the fit of NFTs to a brand’s positioning and target audience as being a noteworthy factor of influence in the consideration to include NFTs in an IMC program. The majority of participants noted the importance of selected IMC touchpoints being aligned with a brand's communication objectives. A creative director at a leading South African advertising agency commented that brand fit is important:

> *I think a lot depends on the type of brands they are, and what's the DNA? You know, if some brands are renowned for being on the cusp of technology, always on, with their finger on the pulse of pop culture…*

Similarly, a senior brand manager at a multinational consumer goods company commented of NFTs as a suitable IMC mix element:

> *..it's all relative to the brand that you that you're looking after. And also that authentically fits to the brand. I think as we’re*

moving into a more digital savvy world, and if you've got the right brand and this new way of getting consumers to engage with your brand, it's going to deliver on all those attributes, then it makes perfect makes perfect sense to engage with your consumers in that light.

Another participant, a marketing manager of an innovative, South African beer brand noted that selecting IMC mix touchpoints is communication objective dependent:

So depending on the objective, so if we want to reach the masses as an example, we would look at mass communication like radio and TV. If we would like to stay relevant and topical we would go for more of the online tools like being on social media, etc. So it's always objectives lead.

There was varying feedback among participants about NFTs being a fit to their respective brands. A marketing manager of a South African alcoholic beverage brand expressed:

I can see a very clear opportunity because our passion points on the brand are around art, fashion and music. And those three lend themselves very well into the NFT world. I don't know that it's a one size fits all for brands, but for that for this brand specifically. I absolutely see opportunity because of our passion points.

A marketing manager of a leading South African shoe polish brand commented on NFT adoption and brand fit:

I think from an FMCG point of view, we will most probably be late adopters because of the amount of education that we need to put in to educating consumers. And also given our product offering which is basic shoe polish. It's really a basic product that is doing a job.

Participants also highlighted that the touchpoints used in an IMC program used should be relevant to their target audience. A creative director at a leading South African advertising agency noted of marketers' approach to using NFTs:

> *I wouldn't do it just for the sake of doing it. That 100% has to be right for the audience.*

Similarly, A marketing manager of an innovative South African beer brand noted that NFTs could make the brand appear more relevant to their target audience:

> *So we are aware of how technology is obviously steering the future, but we also care about the needs and interests of our consumer group. Like I said, these urban males know technology quite a bit and it would be good for us to show that we care about their interests. So using NFTs will definitely show that we are a brand that is serious about progressing in that space of technology and also keeping them on the journey alongside us. So it's a big one for us.*

A marketing manager of a mainstream South African beer brand that targets low to mid-LSM consumers discussed their target audience's adversity to embracing newer technologies, noting a recent communication campaign competition that only 1,06% of 3.2 million votes came through online channels as consumers prefer more traditional entry channels that they are familiar with:

> *…our consumers are not tech-savvy… It's just the adoption of new tech, new tech like websites, Facebook Messenger and QR (codes). They're not adopting it very fast.*

This participant also conveyed a reluctance to use a communication touchpoint that offered limited reach and inclusivity of a broad target audience:

> *But for (my brand), who's largely more towards this main market audience, I don't want to go and put so much spend and investment in just the top tier of my consumers that I know would get it when and then neglect the majority, the rest of my*

consumers. So for me as a brand and maybe that will change for the next few years as NFTs become this thing that is a little bit more understandable.

Four participants also noted that NFTs could present a new way to reach younger and more technologically savvy target audiences. A strategy director at a leading South African adverting agency noted:

I think what Gen Z really are looking for, with them being the sort of key growth audience at the moment, they do and brands that are moving at the pace of culture, moving at their pace, and they really do pioneer content. So brands that can offer innovation, brands that seem to be moving in the right direction, future focus, you know, they don't want to engage with a brand that sort of reflect their parents' lifestyle or the old world, the Old God.

This finding was not part of the original conceptual framework of this research however its prominence in participant discussion does warrant inclusion as a factor that can influence the consideration of NFTs as an appropriate IMC touchpoint for a particular brand and its target audience, leading to a new proposition that is included in the revised conceptual framework in chapter 5*: NFT fit to brand image and its target market may influence consideration of their inclusion in a brand IMC program.*

b. ***NFT Accessibility & Inclusivity***

As discussed in chapter 2, it has recently become possible to transact with NFTs using credit cards and Apple Pay, yet still, a majority of NFT transactions are performed using cryptocurrencies which are known for being volatile in value fluctuations. Participants were asked about their consideration of NFTs for an IMC program concerning the current transaction landscape of NFTs.

Overall a majority of participants cited the link between NFTs and cryptocurrencies as a barrier to their consideration for inclusion in an IMC program. Several participants noted the importance of consumers being able to transact with NFTs using payment methods other than cryptocurrencies in order to be more inclusionary toward their broader target audience. A marketing manager for an innovative South African beer brand commented:

> *I think it's about giving consumers a choice. Because typically in South Africa, the divide is quite vast right between the haves and the have nots. But with our beer we are available at very high market malls and we are available online but we are also available in small villages, small towns in all corners of our country. So we would not want to exclude those users who actually resonate with our brand, love our brand, support our brand, move our volume, on the basis that they may not be digitally inclined as much as those in the bigger cities. So it is a consideration but I really believe it is a matter of choice that makes our brand as big as it is and as democratic as it is. So how we operate and how we reach out consumers and how they actually pay or transact with NFT's or without them should we should at least give them an option to use them or not use it.*

Similarly, a brand equity manager of an international confectionery brand conveyed:

> *I think it goes back to accessibility… accessibility plays a big role for us. So by using something like cryptocurrency that only maybe like for now, a small minority of South Africans (have access to), my own view is that it creates exclusion and does not give everybody access.*

A marketing manager of a leading South African shoe polish brand shared this view noting:

I think giving people options to be able to make a payment is always a good thing. For me, actually, because they can use whatever is available.

Other participants noted that NFTs involving cryptocurrencies only would present a barrier to their consideration for inclusion in an IMC program as cryptocurrencies have yet to achieve mainstream adoption in South Africa. A marketing manager for a South African alcoholic beverage brand expressed:

For (my brand) specifically. The cryptocurrency way would be a barrier, right? I would only consider it if it was if it could be linked to a debit card, etc. Because our brand exists to include it's an inclusionary brand. Yes. And my struggle with cryptocurrency is that it's exclusionary.

A senior brand manager at a multinational consumer goods company similarly conveyed:

I think linking it back to my consumer. I don't think that they are engaging in cryptocurrency whereas if it freely could be bought without cryptocurrency and easily accessible maybe the LSM A consumers in South Africa LSM higher upper LSM B would be interested and would participate. But I do think that there is also …the security aspects to it as well, which people might be a bit sceptical about especially lower LSM (consumers).

Some participants also noted that volatility surrounding cryptocurrencies could present a barrier to consumer involvement with NFTs. A marketing manager for an international, premium beer brand stated:

I think similar to NFTs I think there's a lot is also misunderstanding about crypto, I don't think I don't think a lot of people really who understand cryptocurrency and the importance it will have in the future.

This view was shared by a strategy director at a leading South African advertising agency who commented:

> *If crypto was stable and possibly regulated, then I think there would be a lot more trust and confidence. Like I mentioned earlier, I think when you're not just dealing in Rands anymore, which is volatile as it is, but now you're dealing in multiple currencies, currencies that aren't tangible. I think there's a massive fear involved. I think, also the volatility, there's these premonitions and predictions that crypto is crashing or I suppose it's just the instability that we've experienced in general, but people aren't sure if this is really going to be around in the future.*

This participant also noted that NFT transactions with fiat money through credit cards opens up accessibility to NFTs and could encourage their future mainstream adoption:

> *I think now that it is more accessible a lot more everyday men and women are going to be buying into NFTs and crypto and then the brands are going to have to be there you know, it's going to be a mad gold rush towards the end, but I think the opportunity is to get in a lot earlier to get in now*

Two participants with first-hand experience in working with NFTs in a brand IMC program highlighted the importance of giving away NFTs for free in their respective campaigns to encourage consumer participation, and lessen perceived risk around NFTs as well as cryptocurrencies. A creative director at a leading South African advertising agency noted:

> *Especially because a lot of brands especially in South Africa are entering (NFTs), we wanted to almost democratize NFTs in a way and give fans who don't have a crypto a very easy way to get into it and potentially, do something you know, but the most important thing was to never put them at risk.*

A production director at a South African creative agency that specialises in virtual and augmented reality, NFTs and Metaverse for consumer brands similarly commented:

> *But for South Africans, first you’ve got to again, educate them about the space, then you got to get them to buy Ethereum. And then you got to get them to spend that Ethereum and gas fees, which, in general are exceptionally high compared to other blockchains. So that was a barrier to entry, as well as for the for the brands to get customers on board. Using the strategy acquisition campaigns we were able to jump over those barriers by air dropping people NFT's - that didn't use a lot of energy.*

This participant also shared the view of other participants that transaction options that make NFTs more accessible to consumers will facilitate their adoption:

> *…and what we've done in the past, we actually we have built systems where on a website, you can actually pay for the NFT using fiat currency. And again, because it (cryptocurrency) was such a big barrier to entry in South Africa.*

The original conceptual framework noted proposition *P4c: NFTs link to cryptocurrencies may act as a barrier to their inclusion in a brand IMC program.* The findings validate this proposition and gives rise to an additional proposition that is presented in a revised conceptual framework in chapter 5*: payment options that offer increased accessibility and inclusivity may act as a facilitator to NFT inclusion in an IMC program.*

c. ***Brand Image & Reputation***

Chapter 2 discussed the rise of cybercrimes such as phishing in the NFT space. Participants were asked about the potential impact cybercrimes would play on their consideration for using NFTs as part of an IMC program. The majority of participants noted that protecting the brand image and doing right by consumers was of the utmost importance when engaging with new technologies in brand communications. Participants largely acknowledged that the risk associated with NFTs and cybercrimes is relevant though expected, and this would not deter them from considering NFTs for future brand communications provided precautionary measures were in place. A marketing manager of an international premium beer brand expressed this view of cybercrimes concerning NFTs:

> *I don't see it as a as a major risk. I see it as a platform that is new, that is not perfect. And in order to participate in the platform you just have to accept that this is where the platform is, on its own journey. And you have to absorb that risk, right. I don't think it is a big, big, big barrier, as everybody is still building this thing together. So it wouldn't deter I believe, at least the brands that I work on.*

Similarly, a digital and shopper manager for a multinational consumer goods company noted there is risk associated with transacting in both the online and offline world:

> *I don't see that as a major barrier because there's other like emotion like if you draw parallels between the digital world and the real world in parallel, you can lose money. I don't see it being any different to credit card or other forms of technology we've embraced over time.*

A strategy director at a leading South African advertising agency shared the view that stealing of ideas and art was also not exclusive to the online world, thereby removing the potential of NFT-related cybercrimes as a barrier to their consideration for marketing communication:

> *Artists have been mimicked and copied and, you know, for centuries. How many ideas have been stolen on a daily basis right? So I think it's not a new concept. I think what makes it scary for them is the platform…So I think that's the novel thing that is throwing people off*

Other participants noted the importance of protecting the brand image and taking the necessary precautions to preserve company reputation and consumer wellbeing when engaging with new technologies such as NFTs. A marketing manager of an innovative South African beer brand commented:

> *I think obviously as a marketer in the beer space one thing to consider, for me would always be legislation and the understanding of that legislation. So whether we are actually allowed to use NFTs in our space would be something, so we work very closely with our corporate affairs and reputation management teams. So for me it's about…doing the right thing as a brand and offering what is of interest to our consumers.*

A marketing manager of a leading South African shoe polish brand similarly noted:

> *There's a risk in everything right? So we just have to assess how big it is and then what impact will or have should something happen. I think people are developing a lot of security especially online. So it shouldn't be an issue for a brand that is really serious and going into it.*

A brand equity manager for an international confectionery brand also commented on the need to protect their consumers' interests:

> *I would probably say, for me the safety risk because I saw a stat the other day…about the increase in cybercrime in South Africa. And for me, I think that was like a big thing because obviously you want your consumers to be safe. You want them to engage with your brand and give them the guarantee that it is a safe environment.*

The original conceptual framework noted proposition *P4e: Cybercrimes may act as a barrier to NFT adoption and inclusion in an IMC program*. The research findings are inconsistent with this proposition as the data suggests that marketers acknowledge the risks associated with digital forms of communication, however, this does not play a deterring role in their consideration of using NFTs as part of an IMC program, and is noted in the revised conceptual framework presented in chapter 5.

The negative impact of NFTs on the environment due to energy consumption was discussed in chapter 2. Participants were asked about the environmental impact of NFTs concerning their consideration for using NFTs as part of an IMC program. Almost all participants cited sustainability goals as being of key importance to their brands or organizations and using communication touchpoints that support these goals as critical to their selection for an IMC program. Concerning NFTs and environmental impact some participants noted that this would not be a barrier to their consideration, however, the majority of participants noted that energy-inefficient blockchains would go against their sustainability goals though they would be willing to consider the use of more energy-efficient alternatives. A marketing manager of an innovative South African beer brand expressed:

> *I think it certainly does play a role. To boldly say that we are working on producing our beer using renewable sources of energy because we do care about the environment and the impact that they may have….So if there is a way, we would certainly be interested in making sure that NFTs operate within our ecosystem more sustainably.*

A senior brand manager for a multinational consumer goods company also relayed the importance of brand communication aligning with company sustainability goals:

> *…our entire purpose is built around, making the world more sustainable. Everything we do we try to produce our plastics, even our palm oil, we are sustainably sourcing that now. So it would be it would we would need to understand like, how big is that energy impact? We would have to tread very carefully, if it is being negotiated with anything that could be seen as having any negative connotations towards you know, energy crisis, and harmful to the environment.*

A marketing manager of an international, premium beer brand similarly commented:

> We are requested or expected to create a better world. So if we were to take on the initiative of NFTs, we probably have to weigh what the risk is with not being as sustainable as we probably want to be in the future.

Two other participants noted that the environmental impact of NFTs would not be a barrier to consideration for their respective brands. A marketing manager of a South African alcoholic beverage brand commented:

> *Because we as a brand don't have a point of view on environmental. So, I have no dissonance with the fact that it's not environmentally friendly because I don't believe that it exists to be environmentally friendly.*

Two participants with first-hand experience working with NFTs in a brand IMC mix noted the importance of selecting what's considered a more energy-efficient alternative for their respective communication campaigns. A production director at a South African creative agency that specialises in virtual and augmented reality, NFTs and Metaverse for consumer brands highlighted the importance:

> *…for (car brand) example that was a big problem. We couldn't go on the Ethereum blockchain because of the proof of work system. The other problem with Ethereum is especially being that it was expensive and very energy consuming.*

Similarly, a creative director at a leading South African advertising agency expressed:

> *We always look under the lens of, is it good for people, society, the environments, in any interaction with stuff. So, when we did our NFT we chose the blockchain Polygon. So, Polygon has got the least amount of impact and gas fees, and electricity usage.*

The original conceptual framework proposed proposition *P4d: The environmental impact of NFTs may act as a barrier to their inclusion in an IMC program*. The research data suggests that whilst the alignment of IMC elements to brand and company sustainability goals is of key importance to many marketers, it can also depend on the sustainability stance of a particular brand. It is also worth noting that the emergence of more energy-efficient blockchain options presents a choice for marketers that can allow NFTs to align with brand sustainability goals. Thus, the impact of NFTs on the environment does not act as a barrier or facilitator to their consideration for inclusion in an IMC program but is rather a consideration factor that can influence usage, leading to a new proposition that is included in the revised conceptual framework in chapter 5: *NFT alignment to sustainability goals and may influence consideration of their inclusion in an IMC program*.

4.3 Theme 3: The Potential Impact of NFTs on Brand Equity

The third theme of the research findings addresses the third research objective of understanding how brands can benefit from using NFTs in their marketing communications and discusses the potential impact NFTs can have on the dimensions of brand equity – brand awareness, brand associations and brand loyalty. As noted earlier in this chapter, most participants had a limited understanding of the utility benefits of NFTs and the ways they can be applied to brand marketing communications. To facilitate discussion participants were shown stimuli during the interview, which included table 4 – the potential impact of NFTs on the drivers of brand equity, and two case studies of South African brands that have used NFTs as part of their IMC mix as shown in figures 8 and 9 in chapter 3, recapped below.

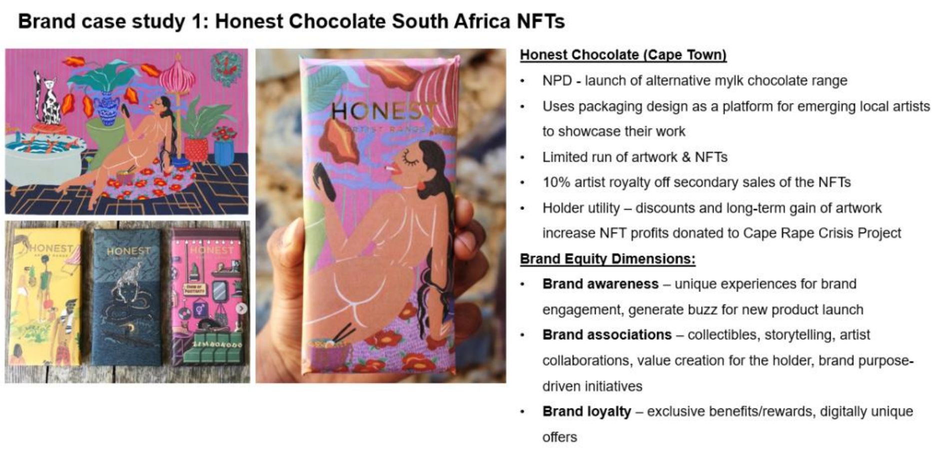

Figure 8: Brand case study 1

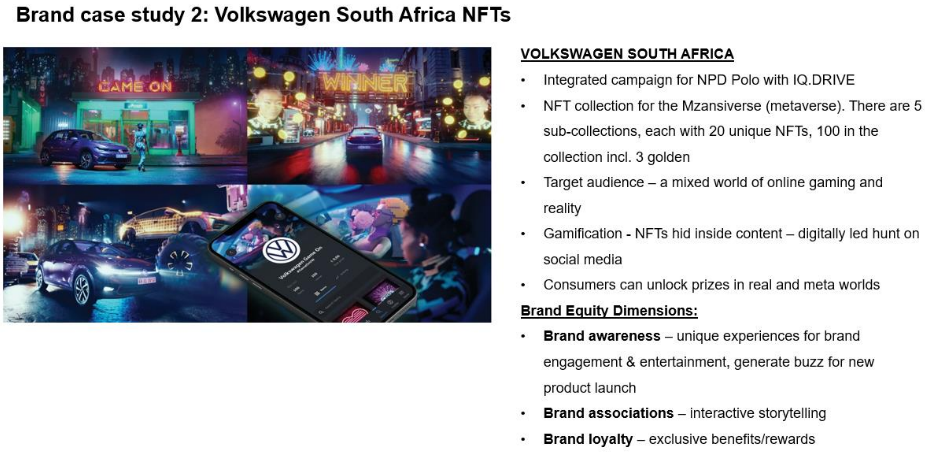

Figure 9: Brand case study 2

Observation by the researcher: *Participant responses on the ways NFTs can impact the drivers of brand equity were elicited largely based on their exposure to the brand case studies shown above as the majority had not yet used NFTs in their marketing communications.*

4.3.1 Brand Awareness

Seven participants noted the ability of NFTs to contribute to creating brand awareness. Participants cited creating meaningful awareness around a new product launch, unique brand experiences, communicating exciting brand news, and creating engagement through storytelling, brand collaborations and community building as the main ways NFTs could contribute to building brand awareness.

A brand equity manager of an international confectionery brand commented:

> If we think about the brand awareness there's definitely opportunity to use NFTs to try and clarify the brand positioning, just through engagement we could potentially try and create that brand awareness. Then from an association point of view I think giving people access to an immersive brand experience is definitely part of our approach when we are looking at

> campaigns… storytelling is always a part of how we are trying to also differentiate and really just show how (company) stands out above any other chocolate competitors in South Africa

This participant also noted an opportunity around brand collaborations to drive awareness:

> *I think from an equity point of view, driving brand awareness definitely, brand association through storytelling, absolutely. But also collaboration and partnerships. So you know, I think that partnership, there could be some really beautiful partnerships that could potentially come off of like NFT creative execution.*

A marketing manager of an international, premium beer brand expressed the potential for NFTs to deliver on brand saliency or awareness:

> *We do know the biggest driver of brand equity saliency right. The second biggest driver of brand equity is meaning, I think NFT's can do a salience and a meaning job for that consumer to make the offering really meaningful, that speaks to them.*

Similarly, a digital and shopper manager for a multinational consumer goods company discussed the role NFTs can play in creating brand awareness as a first mover in a category:

> *Awareness I think is probably the biggest win. And again it comes back to if you do it first and you do a certain application first, and you do it a certain way. First, there's awareness that comes with and as first adopters, which is why if you're going to go for it, you have to go for it now…*

A senior brand manager for a multinational frozen food company noted the potential for NFTs to create awareness around events, and new product launches and as a way to deliver unique brand experiences:

> *I would say we'd probably use it (NFTs) mostly for brand awareness. We do quite a number of events so it could be*

inviting them (consumers) to those as exclusive events, for new innovation we could give them promotional discounts, get them to trial the product, and so yeah, it would just be the comms to them, to give them an exclusivity right. New product launches will be massive for us to create just additional awareness on the current platform that we're using. Unique brand experiences is a big plus for us, and then consumer brand engagement.

Similarly, a strategy director for a leading South African advertising agency noted:

…you could use it really just for from a news perspective, when you have something that VW case study when there's, you know, obviously a new product launch

A senior brand manager for a multinational consumer goods company noted the appeal of NFTs as novel communication touchpoint to drive brand engagement:

I do think it is it's very engaging, offering consumers something completely different.

Similarly, a marketing manager for a South African alcoholic beverage brand noted:

I would use it to amplify local talent and build communities.

This finding is consistent with proposition *P5a: The use of NFTs in an IMC program may positively impact brand equity by increasing brand awareness*

4.3.2 Brand Associations

Six participants discussed the ability of NFTs to create new favourable brand associations around brand differentiation and innovativeness and to strengthen existing associations through using NFTs for storytelling.

A marketing manager for a leading South African shoe polish brand commented:

Differentiation is something that is lacking in this day and age people can easily copy your brand communication, but it

(NFTs) can really step it up in terms of making your brand a little bit different to the next door brand…We're very big on storytelling so it (NFTs) allows brands to really personalize themselves and tell the story…the storytelling part will make people associate more to the brand than anything else.

A marketing manager for an international, premium beer brand noted the utility features of NFTs could be used to create experiences that make the brand more meaningful to its consumers:

Our biggest driver of brand equity is experiential events. Consumers just absolutely love it. They find it quite meaningful, especially the way it's set up... If I look at collectibles, you could do (brand) festival limited edition merchandise. You could have access and usage rights, you could use NFTs utility to access, to meet the artists, go backstage have a listening session with international artists.

A creative director for a leading South African adverting agency discussed the objective of using NFTs in an IMC campaign for a South African automotive brand:

The main thing is to shift perception. We needed to get people to suddenly just start associating the brand with technology and being advanced…I think also sort of a huge thing is to cut through the clutter.

Another participant, a marketing manager for a South African alcoholic beverage brand similarly noted the ability of NFTs to improve brand associations around being innovative:

I think it could help in brand associations and brand loyalty…being a mainstream brand, its role in my IMC would be around association or royalties. I think with associations that also being first and innovative, it could work like with the

Honest (example) what got them a lot of good PR was the fact that they use NFTs, same with Volkswagen.

This finding is consistent with proposition *P5b: The use of NFTs in an IMC program may positively impact brand equity by strengthening brand associations*

4.3.3 Brand Loyalty

Five participants discussed the ability of NFTs to drive brand loyalty when used for personalisation, membership, co-creation and loyalty programs in an IMC campaign. A strategy director at a leading South African advertising agency commented that NFTs can help marketers improve loyalty:

..from a loyalty perspective, an ongoing relationship, CRM perspective. You obviously want to have a loyal customer base. I think that's every marketer's dream, to be able to engage people on the regular to have consumers that really feel ownership and pride over a brand.

This participant also noted that NFTs can open up co-creation opportunities for brands and create meaningful loyalty programs:

I think what NFTs can leverage for a brand is sort of deep, deep equity. You want your consumers to feel ownership of that brand. You know, especially from a loyalty program first-to-know basis. You want to co-create with the people that are buying into you really, I think it does sort of democratizes the brand and puts it back in the hands of the consumer. It's going to build loyalty. It's going to really position this brand as a brand that's obviously focused on the future. I think it will help us create very unique assets for the brand. I think it will engage our consumers and it will drive loyalty.

Similarly, a brand equity manager of an international confectionery brand commented:

> *Loyalty programs are becoming like really, really big… I think the ways in which we've innovated that part of loyalty programs is really resonating with Gen Z's as well giving them access to exclusive experiences. And I suppose never before seeing experiences is what makes it really attractive. We want to take a long term approach to that specifically so something like a loyalty program using NFT's would definitely be something that we would consider with a rewards program. We're giving them exclusive prizes on and offline is definitely something that that will help fuel that conversation and also help aid the consideration for exploring NFT driven campaigns.*

A marketing manager of an innovative South African beer brand noted that NFTs can contribute to creating loyalty through personalisation:

> *I think with that reward piece that you spoke to where those who have used and reused feel special and the brand you know, really contributing to showing them that type of loyalty by giving them discounts to maybe events that up and coming or recognizing them by sending them personal messages. NFTs can really help us with brand loyalty by those type of things, I believe.*

This finding is consistent with proposition *P5c: The use of NFTs in the IMC mix may positively impact brand equity by improving brand loyalty*

4.3.4 Measuring the Impact of NFTs on Brand Equity

The majority of participants, notably brand and marketing managers expressed the importance of being able to measure the impact of an IMC program and its touchpoints on brand equity. Participants cited several ways that the impact of NFTs on brand equity could be measured based on existing brand equity measures, however, there was no consensus toward a unified measurement.

Observation by the Researcher: *Participants related the measurement of NFTs toward existing brand equity measures used by their brands or clients such as ‘brand power’ readings, brand guidance association readings and social listening which is observing social media activity.*

Two participants noted that NFT measurements should be linked to the communication objectives of the campaign. A marketing manager of an innovative South African beer brand expressed:

> *We would need to have objectives set up before we go live with the campaign. Then from a measurement point of view adoption would be one big measure right? If we see how our NFTs been taken up and look at other clicks-to-communication that include NFTs, so A/B testing could help us get there. Also the adoption number of people who have NFTs having come maybe to the brand, because they saw us now playing in the space…*

Five participants noted that tracking NFT-specific engagement along a campaign journey could be a useful measure of their effectiveness and indicate their contribution to building brand equity. A marketing manager of an international, premium beer brand conveyed:

> *If I were to use the media money and send this NFT awareness mailer to 10,000 people how many people actually double clicked into that mailer? How many people actually went to the website to get more information? How many people actually purchased? And you can follow the journey of how many people redeem this discount by NFT. It's pretty effective if out of the 10,000 people we had 5000 People actually show the NFT at the door in order to get in, so we know that resonates with our consumers…it means that we building brand power (equity) correctly…*

This participant also noted that NFTs impact on brand equity can be tracked in brand guidance measures through their ability to contribute to building brand differentiation as a positive association for a brand:

> *There is also another way to measure (NFTs) because of the 'difference' score also measured as 'comes up with new and exciting things', and 'under comes up with new exciting' things is a bunch of attributes.*

A strategy director at a leading South African advertising agency similarly noted use of an acquired NFT as a relevant measure in an IMC program:

> *How often do you get consumers actually taking you up on the offers, taking you up on the value, buying things that the NFTs are offering like special membership-based discount prices? So it's really is about the utility and ongoing relationship and the usage.*

A marketing manager o a South African alcoholic beverage brand expressed that social sentiment based on the online conversations consumers are having about branded NFTs as a potential measure:

> *I'd probably do some sort of social listening to understand the sentiment of the conversation. I think sentiment would probably be about its role in the (IMC) mix. So I would probably look at the talkability factor and the sentiment.*

Three other participants noted that NFT-specific benchmarks and measurement metrics will need to be created in order to attribute meaningfulness to their role in an IMC program. A digital and shopper manager for a multinational consumer goods company conveyed:

> *NFTs will need to figure out its own measurements right. We do need to pivot it in a way as we can't take our current metrics and learnings and apply…we can't take a Facebook creative and put them on YouTube and it doesn't work.*

The measurement of the impact of NFTs in an IMC campaign was not included as a proposition in the original conceptual framework, however, the data strongly suggests that this would be a notable consideration factor for marketers in deciding whether to include NFTs as part of their brand IMC mix, leading to a new proposition that is included in the revised conceptual framework in chapter 5: *The ability to measure the success of NFT usage may influence consideration of their inclusion in an IMC mix.*

4.4 Theme 4: Brand Guidelines for NFT Usage

The fourth theme of the research findings addresses the third research objective around understanding how brands can benefit from including NFTs as part of their marketing communications and discusses brand guidelines for NFT usage. Seven participants discussed the ways marketers can approach NFTs in a brand communication context to provide consumers with the benefits identified earlier; protect their brands and consumers in a legal and regulatory context, and encourage consumer participation in NFTs. These findings are discussed below.

4.4.1 Utilization of Smart Contracts

Three participants discussed the importance of marketers learning how to use smart contracts to unlock the potential for NFTs in an IMC program. Participants noted the ability of smart contracts to safeguard brands and consumers by holding the terms and conditions for NFTs usage as part of an IMC program, as well as using smart contracts to elevate brand communications through its various programmable features.

A brand equity manager for an international confectionery brand commented:

> *If you've got that smart certificate (contract) in place, that does give the brand a little bit of protection against what the consumer or the user can do with it, with the actual assets or the NFT that you've created. So I think in that regard, I'm pretty happy with it because it's kind of like your T's and C's right so whatever's on that smart certificate basically says this is how*

you can and can't use this NFT so a lot of protection therefore for the brand on the cybercrime part of it… we want to make sure that we offer safety and that it's a safe environment for users to actually engage on…

Another participant, a production director at a South African creative agency that specialises in virtual and augmented reality, NFTs and Metaverse for consumer brands noted an example of an automobile brand IMC program that leveraged the smart contract to add unique utility features to the vehicle:

I think the community is definitely at the most exciting time. I mean, it's an exciting space to see what smart contracts in general can do. One campaign for (automotive vehicle brand) where you could own an NFT and if you tap on that NFT the vehicle opens up, and that's based on smart contract technology, which in the past you couldn't do. So now you get to show this ownership of your cool (automotive vehicle brand), but you also get to interact with your vehicle using that little bit of utility. So excitingly, I think we can see some mind-bending campaigns in terms of what's possible on smart contracts…

4.4.2 Legal and Regulatory Environment Understanding

Five participants discussed the importance of understanding the category-specific legal and regulatory implications of using NFTs in an IMC program. A creative director for a leading South African advertising agency with experience using NFTs as part of a brand IMC program for a South African automotive vehicle brand noted the importance of engaging with various stakeholders to ensure brands are adequately covered to minimize risk:

I think the one thing is just to make sure when brands into the space, like the NFT is so volatile, well, that if there's so many facets going on… you've got to think like a pessimist in the sense of like, how could this go wrong? Before we did it, we interviewed in NFT collectors, creators makers, coders and we *just went 'How would you screw us over?' Especially because a lot of brands especially in South Africa are entering (the space), we wanted to almost democratize NFTs in a way and give fans who don't have a cost a very easy way to get into it…but the most important thing was to never put them at risk.*

This participant also noted the importance of ensuring brands create original NFT artwork to protect against potential misuse:

If you're creating NFTs make sure you create it from scratch. Make your own artwork don't hybrid someone else's thing because otherwise, they own, if you're using part of the brand's collateral with some logo…Make sure you change augments the bits and make sure you say that your own that the brand still owns all that IP…

A strategy director at a leading South African advertising agency discussed the significance of marketers taking the time to learn about the legal and regulatory implications of using NFTs in brand communications for their specific operating categories:

I think brands need to do the due diligence and actually start to educate themselves about how these platforms work. What's the regulation? You know, what sort of firewalls are in place to keep you safe, to keep your IP safe and how blockchain actually works and I think will quell a lot of the fears that they have.

4.4.3 Consumer Education to Facilitate NFT Adoption and Usage

Five participants discussed the crucial role consumer education can play in encouraging NFT adoption and usage, as well as ways marketers could facilitate adoption through a brand IMC program.

A digital and shopper manager for a multinational consumer goods company noted:

> *…for each brand that engages with an entity in their campaign, they should educate the consumer as to what do they own, how they can use it, and that kind of thing.*

A production director at a South African creative agency that specialises in virtual and augmented reality, NFTs and Metaverse for consumer brands discussed how giving away brand NFTs facilitated consumer adoption compared to purchase and that brands should make the acquisition process easy for consumers as post-acquisition education is also required:

> *So that was a barrier to entry as well for the for the brands to get customers on board. Using the strategy acquisition campaigns. We were able to jump over those barriers using airdrop.*
>
> *We will then sit with the winners and we'll tell them this is how you set up a Metamask account, where you get your NFTs and then again, we act as consultants for the clients... But here's the thing, 50% of what we do is very much education, and it's explaining to people how these purchases of work, where safety and the risks are involved.*
>
> *In the (automotive vehicle brand) case we spent about a month or so following up with some people who are struggling, with several top-up phone calls with people and just guiding them through the process.*

This participant also expressed the importance of integrating the NFT acquisition process with actions and communication platforms that consumers are already familiar with:

> *I think to have a very successful campaign in the NFT space, and that's globally speaking, one has to use a combination of web 2.0 and web 3.0 technologies because at the end of the*

> *day, most people are still adverse with web 3.0. For example, using Instagram campaigns, but you get to win in the web 3.0 space...*

In reference to using NFTs as part of an IMC campaign for a South African automotive vehicle brand, this participant noted:

> *With (automotive vehicle brand) they had to screen grab from the TV commercial and Tweet. And in the case of (SA clothing brand) they just ran this simple Instagram campaign actually, where you have to comment and then share on your story, which is people are used to, people know how to engage with that kind of campaign, but where it's to do a whole new kind of NFT campaign by going to this website, get this Metamask, I don't think people will be that into that process, at least for the next two years. They don't have to own anything at the time of competing, no crypto, and no wallet.*

4.5 Theme 5: The Knowledge Gap

Observation by the Researcher: *There was limited mention of the digital divide, language, cultural and economic and the impact thereof on NFT adoption and usage in South Africa. This knowledge gap is highly relevant to the potential role NFTs can play in brand marketing communication in a country like South Africa that is heavily impacted by the digital divide, This gap will be addressed in the discussion section of chapter 5.*

CHAPTER 5. DISCUSSION & CONCLUSION

Given the research findings in chapter 4, this chapter will set out to interpret and discuss the findings, linking them back to the theoretical and conceptual frameworks introduced in chapter 2, and will include a revised conceptual framework, alongside recommendations for practitioners and future research at the end of the chapter.

5.1 Theme 1: NFTs Have Broad Appeal that Makes Them Attractive to Brand Marketers

The research findings of theme 1 presented support in light of the factors that give NFTs broad appeal and make them attractive to marketers for use in brand communications.

5.1.1 The Importance of Digital Communications in the IMC Mix

The research finding that digital communication channels are growing in importance as a way to engage with consumers is congruent with the views of Keller (2009) which suggest that in a cluttered media environment marketers need to use a variety of marketing communication tools and tactics to reach their audiences, and online interactive communications can play both a significant and appropriate role in the overall IMC mix. Keller (2009) also suggests that marketing communications should be integrated to deliver a consistent message to achieve a brand's desired strategic positioning. The findings show that NFTs present a new digital or online marketing element for brand communication, and as discussed in chapter two marketing using online channels or the internet offers more interaction between brands and consumers compared to traditional communication channels such as television or radio advertising, as well as versatility in that it can impact all aspects of brand resonance which is a key driver of brand equity (Keller, 2007). This finding is consistent with the theory as participant feedback highlighted the ability of digital to provide more accuracy in measuring the effectiveness of marketing communications and providing a platform to drive unique brand engagement with consumers versus traditional in their current marketing environments.

In summary, it can be said that NFTs offer broad appeal as they present a new way for marketers to drive and measure brand communication objectives in an environment where digital presence and communication are becoming increasingly important. This finding also validates proposition *P1: Digital communication touchpoints are becoming increasingly important in an IMC mix*

5.1.2 NFT Appeal

The findings show that NFTs are appealing from two perspectives. The first is utility features that enable their usage in an IMC program, and the second is their rise in popularity which has garnered the attention of the international marketing community.

a. ***NFT Utility Benefits and Application to Brand Communications***

As discussed in chapter 2, the unique properties of NFTs alongside their growing popularity have made them potentially appealing to marketers as a new consumer touchpoint that can be used as part of a brand's integrated marketing communication program. The programmatic feature of NFTs underpinned by smart contracts enables them to be used in a variety of ways that can offer benefits to both marketers and NFT holders (Kaczynski & Kominers, 2021). According to Keller (2003), effective marketing communications can provide a means for improving or strengthening brand equity and a brand's IMC program can be made up of several touchpoints depending on its communication objectives.

The research findings show that NFTs are a novel communication touchpoint, and utility benefits and programmatic features allow them to be used in a variety of ways that can align with different brand communication objectives, with the most appealing being access and usage rights, collectibles and rewards. To summarize, it can be said that the programmatic and utility features of NFTs do make them appealing to marketers for consideration as part of a brand IMC program depending on a brand's communication objectives, validating proposition *P2: The utility features of NFTs make them appealing to brand marketers to use as an IMC touchpoint.*

b. *The Popularization of NFTs*

The research findings show that the proliferation of NFTs especially through channels like social media has contributed significantly to their popularization. Participant feedback also cited mainstream media attention and celebrity endorsements as a motivating factor of appeal for NFTs as a new way to engage with consumers.

As discussed in chapter 2, the popularization of NFTs can be attributed to a combination of factors, including their unique properties underpinned by blockchain as a Web 3.0 technology, utility benefits and their proliferation through social media platforms such as Instagram and Twitter have led to the growing acceptance and adoption of NFTs by various industries (Valentoni, et al., 2021). According to Chohan & Paschen (2021), a combination of these factors has helped increase their visibility and recognition, leading to a growing number of industries exploring the potential of NFTs. 2022 saw major brands such as Nike and Starbucks as well as celebrity personalities experiment with and launch NFT collections with varying degrees of success (Shimron, 2022). In diffusion of innovation theory introduced in chapter 2, Rogers (2003) cites the innovation itself, its communication channel, and the social system through which it is spread as three of the four main elements of innovation diffusion. In the case of NFTs as an innovative new technology, social media can be considered one of the primary mass communication channels through which they are spread within the social system comprising of the individuals who use social media platforms. Rogers (2003) also discussed observability which refers to the extent to which the benefits of the innovation can be easily observed by others as a characteristic of innovations that can impact their rate of diffusion, noting that visibility can stimulate peer discussion and positively impact innovation diffusion. The observability of NFTs from a cultural dissemination perspective has largely been driven by their visibility through social media and celebrity-backed projects, however, it should be noted that this observability is limited to the awareness of the conceptual features of NFTs through YouTube clips, Instagram Reels and Tweets, and not the detailed end-to-end process of buying, owning and trading NFTs.

In summary, it can be said that the proliferation of NFTs by mass media channels such as social media and celebrity endorsements have increased the top-line observability of NFTs, thereby contributing to their popularization and general appeal to marketers, acting as a facilitator to their consideration for inclusion as part of a brand IMC mix. This finding validates proposition *P3a: The popularization of NFTs may act as a facilitator to their inclusion in an IMC program.*

5.1.3 First-Mover Advantage for Brands

The research findings show that the novelty of NFTs makes them appealing to marketers for use in the IMC mix as a category first-mover as they can be used to provide consumers with new brand experiences, reach new audiences, and generate positive brand associations around being seen as innovative and differentiated.

As discussed in chapter 2, brand associations are a key dimension of brand equity and are made up of a number of linkages that consumers form with a brand over time (Aaker 1991). Sets of brand associations create meaning for a brand in consumers' minds, which is known as brand image. Aaker (1991) and Keller (2003) note that building positive brand associations can create value for a brand by influencing the decision-making process, providing an important basis for differentiation which can lead to competitive advantage, creating positive feelings and attitudes toward a brand and even present a reason to buy.

In summary, the theory supports this finding that using NFTs as part of a brand IMC program as a category first-mover can lead to the creation of positive brand associations, influencing brand image around being seen as more innovative and differentiated than competitors, and validates the proposition *P3b: first-mover advantages may act as a facilitator to NFT inclusion in the IMC mix.*

5.2 Theme 2: Factors Influencing NFT Consideration for Inclusion in a Brand IMC Program

The research findings of theme 2 presented the factors that influence marketers' consideration of NFTs for inclusion in a brand IMC program.

5.2.1 NFT Awareness and Adoption

The research findings show that current low levels of NFT understanding and adoption amongst South African consumers present a barrier to their consideration for inclusion in the IMC program due to the amount of consumer education required and the potential wastage of marketing budget that could be spent on proven communication touchpoints. Participants were however optimistic about the future potential and value in NFTs could offer in marketing communications with some brands starting to use NFTs as an exploratory tool in absence of current consumer demand.

The 2021 Finders survey presented in chapter 2 noted an NFT adoption rate of 8.3% in South Africa with 66.9% of people citing that they did not know what an NFT was (Laycock, 2021). As discussed in chapter 2, Rogers (2003) notes that all individuals in a social system adopt an innovation in a time sequence that can be categorized according to when they start to use a new idea or technology; and classifies individuals into five adopter categories: innovators (2.5%), early adopters (13.5%), early majority (34%), late majority (34%) and laggards (16%). According to Rogers (2003) innovation adopter categories and the Finders survey NFT adoption rate of 8.3% (Laycock, 2021) it can be said that NFTs as a novel technology is being used by *early adopters* who are usually influential within their social networks and have yet to reach a mainstream or early majority audience, thus explaining the current low levels of awareness by South African consumers.

Findings furthermore revealed that the low levels of understanding of NFTs and how they work by marketers themselves as well as senior leadership who are often gatekeepers for marketing communication strategy and budget allocation presents a barrier to NFT usage by marketers and consideration for their inclusion in a brand IMC mix.

Madhavaram et al. (2005) noted that the development of a brand equity strategy should have the understanding and buy-in of all stewards, including top management support for it to be effective. As discussed in chapter 2 Rogers (2003) describes the innovation-decision process as a five-stage model that defines the stages that an individual goes through when deciding whether or not to adopt a new idea or technology, with the first stage being knowledge, followed by persuasion, decision, implementation and lastly confirmation. Rogers (2003) notes that the innovation-decision process centres around the individual attaining and processing information in an attempt to reduce their uncertainty about the advantages and disadvantages of a particular innovation. As NFTs are a novel technology, many South African brand marketers are in the first stage of the innovation-decision process, the knowledge stage as a majority of participants have only recently started to learn about what NFTs are, and are still largely unaware of the ways they can be applied to brand marketing communications and their potential benefits in a brand communications context. Rogers (2003) describes the knowledge stage as comprising of three types of knowledge, awareness-knowledge where the individual seeks information to learn about the existence of an innovation, how-to-knowledge where the individual seeks information about how to use an innovation correctly, and principles-knowledge which focuses on the individual seeking to understand how and why an innovation works. Within a South African brand marketing context, it can be said that marketers and senior leadership are largely in the awareness-knowledge stage, with some starting to venture into the information-seeking process for how-to-knowledge and principles-knowledge stages.

Rogers (2003) theory supports the findings that low awareness and adoption rates by consumers, marketers and senior leadership of organisations are representative of South African society at large and validates the propositions *P4a:* Current NFT awareness levels may act as a barrier to their inclusion in an

IMC program, and *P4b:* Current NFT adoption rates may act as a barrier to their inclusion in an IMC program.

Given the research findings around low NFT adoption and usage rates as a barrier, there are implications for how marketers who are interested in using NFTs can address this during the consideration process in developing an IMC program. This barrier, alongside others presented throughout the discussion section, will be addressed in the recommendations for practitioners and future research sections at the end of this chapter.

5.2.2 The Novelty of NFTs

a. *Uncertainty on the future of NFTs*

The findings discuss the noticed dip in the NFT market in 2022, presenting uncertainty around the future of NFTs. According to Singh (2002), the growth in popularity NFTs experienced in 2021 appeared short-lived as many NFT projects saw a decline in sales and market values toward the middle of 2022, with the ongoing war in Ukraine, volatility in the cryptocurrency market and general economic uncertainty cited as some of the key reasons. Shimron (2022) notes that despite the recent decline, the NFT ecosystem is still in its infancy and may be likely to continue to explore and execute new applications of the technology in years to come. Rogers (2003) notes that the innovation-decision process aims to reduce this uncertainty as the individual moves through its various stages, and existing uncertainty around a new technological innovation indicates a lack of predictability of structure and information which can negatively influence its rate of adoption.

According to Gartner's 2022 Hype Cycle[1] for emerging technologies shown in figure 10 below, NFTs are currently riding the 'peak of inflated expectations' and

[1] Gartner's Hype Cycles are an annual report that provides "a graphic representation of the maturity and adoption of technologies and applications, and how they are potentially relevant to solving real business problems and exploiting new opportunities" (Gartner, n.d.). The Gartner Hype Cycles look into the five phases of a technology's life cycle, the first being the 'innovation trigger' which is the start of a potential technology breakthrough where commercial viability is unproven. The second is the 'peak of inflated expectations' where several early successes and failures are produced. The third is

predicts that NFTs could still be five years away from mainstream adoption (Toon, 2022).

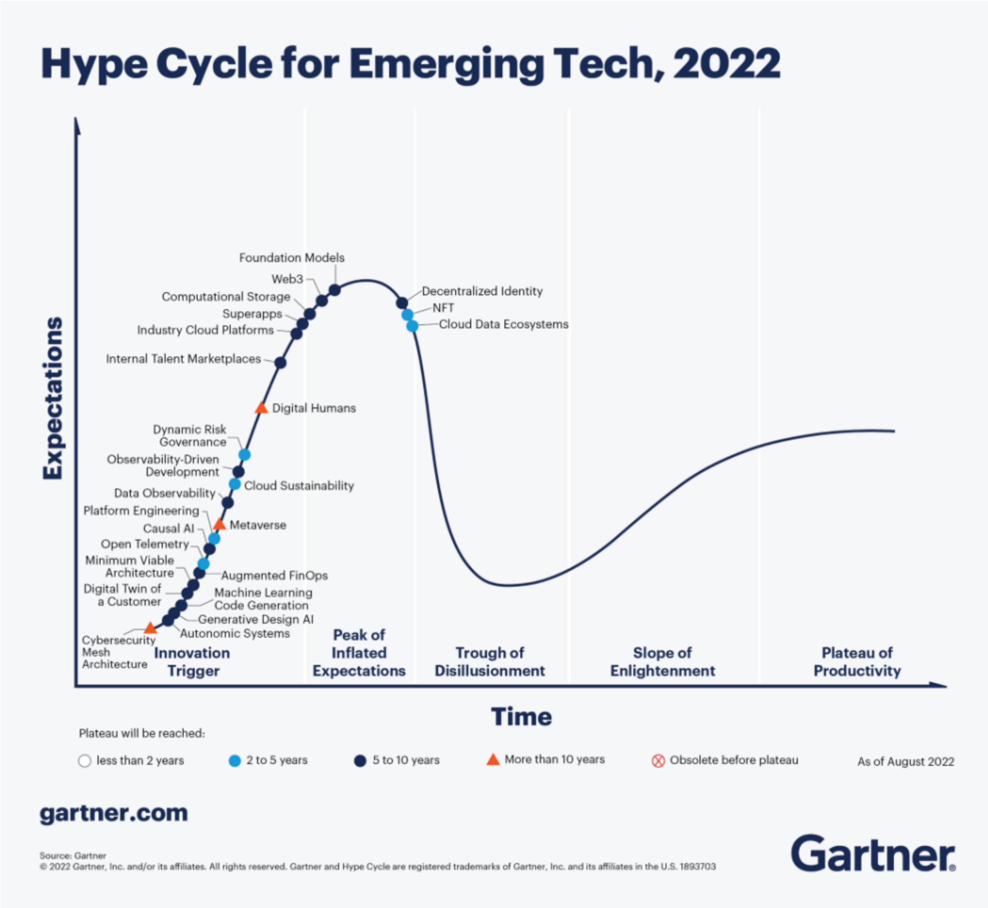

Figure 10: **Gartner Hype Cycle for Emerging Tech, 2022**

Gartner's 2022 Hype Cycle for digital advertising shown in figure 11 below places promotional NFTs in the 'innovation trigger' phase indicating that the usage of NFTs in a digital marketing context is emergent as many proven use cases are unlikely to exist at this stage.

the 'trough of disillusionment' which sees initial interest in the technology wane. The fourth phase is the 'slope of enlightenment' where the benefits of technology become more widely understood. The fifth phase is the 'plateau of productivity where mainstream adoption of the technology begins (Gartner, n.d.).

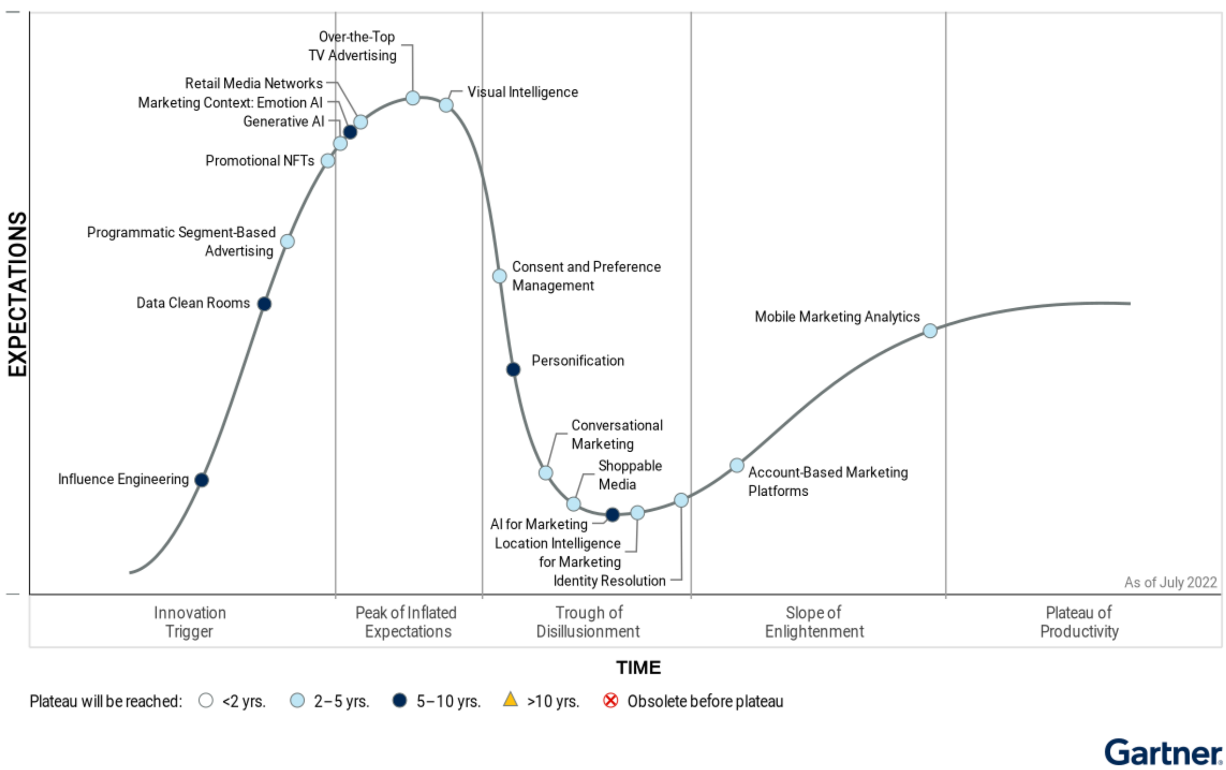

Figure 11: Gartner Hype Cycle for Digital Advertising, 2022

In summary, the recent decline in the NFT market coupled with the technology's novelty factor that sees it still potentially years away from mainstream adoption and in an emergent phase concerning digital advertising usage are factors that can contribute to uncertainty around the longevity of NFTs and impact their rate of adoption and usage by marketers, validating proposition*: The uncertainty around the future of NFTs may act as a barrier to their inclusion in a brand IMC program.* The implications of this finding for marketers who are interested in using NFTs in an IMC program are discussed in the recommendations for practitioners' section.

b. *The Need for NFT Use Cases*

The research findings show the need for marketers to have access to solid use cases of brands successfully using NFTs as part of a brand IMC mix due to the novelty of the technology and its limited application in a South African marketing context. The lack of available solid use cases from South African brands presented itself as a barrier to marketers' consideration of NFTs as a potential IMC touchpoint.

As discussed, *observability* refers to the extent to which the benefits of the innovation can be easily observed by others and is one of the five characteristics of an innovation that can influence its rate of adoption. Rogers (2003) also notes that innovations that offer more observability may tend to be adopted more quickly than others. As the usage of NFTs in the South African brand communication context is still relatively new, the absence of proven use cases within a marketing framework reduces the observability for marketers to expand their understanding of how to use NFTs in brand communications. Reduced observability can lead to increased uncertainty around NFTs, and thereby limit their potential for adoption and usage by marketers, validating the proposition*: The lack of available use cases of NFTs in a marketing context may act as a barrier to their inclusion in a brand IMC mix*.

It can be noted that the appeal of first-mover advantage for some brands coupled with the need for proven use cases of NFT application in marketing communications to aid consideration is somewhat contradictory. This is addressed in the recommendations for practitioners' section later in this chapter.

c. ***Marketing Budgets***

The research findings discuss participant feedback around the risk and challenges associated with allocating marketing budgets towards NFTs as a novel communication touchpoint without overwhelming support for and understanding of the benefits they can deliver to a brand, alongside low consumer awareness and the perceived costs of including NFTs in an IMC program.

As discussed in chapter 2, *coverage* and *cost* are two criteria in the “7 Cs” for building a well-integrated IMC program. Batra & Keller (2016) note that marketers should seek to evaluate and select communication touchpoints that will deliver cost efficiency and effectiveness. Both coverage and cost impact the ability of the IMC program to deliver cost-effective reach efficiently (Batra & Keller, 2016). The low awareness levels of NFTs alongside the perceived costs associated with their inclusion in an IMC program limit ability of NFTs to provide coverage, cost efficiency and effectiveness. As discussed earlier, Rogers (2003) lists *trialability*, and *complexity* as two of the five characteristics of an innovation that can impact its rate of adoption. Rogers (2003) notes that innovations that offer higher trialability, and lower complexity may be adopted more quickly than others.

In summary, the lack of available proven use cases of NFTs by other brands and the perceived cost investment around using NFTs in an IMC program may increase perceived complexity and reduce trialability, and can thereby lead to increased uncertainty around NFTs, limiting budget allocation toward their inclusion in an IMC program; validating the proposition*: The novelty of NFTs may act as a barrier to allocating marketing spend toward them in a brand IMC program*.

In light of this finding, it is worth noting that the proliferation of NFTs in marketing communications could assist marketers who are interested in using NFTs to justify budget allocation and spend will be discussed further in the recommendations for practitioners section.

5.2.3 NFT Alignment to Brand Image

The research findings show that the alignment of NFTs to a brand's communication objectives, its target audience, accessibility and inclusivity to a broad target audience and fit brand or company image and sustainability goals are all consideration factors for their inclusion in an IMC mix.

As previously discussed a brand’s marketing communications provide consumers with key information about a product or service, and are a key means to creating a dialogue with its consumers or target audience about the brand’s offering and what it stands for (Keller, 2003). Marketers select communication objectives that are relevant to the brand's development stage as well as the level of understanding the target audience or consumers have towards the brand (Keller, 2016). As discussed in chapter 2 the successful integration of different IMC elements can contribute to building long-term brand equity in addition to driving sales in the short-term Batra & Keller (2016). Of the “7 Cs” criteria for marketers to consider in developing a well-integrated IMC, *coverage*, *contribution*, *commonality* and *conformability* apply to the consideration of NFTs as an appropriate communication touchpoint for inclusion in an IMC program. The noted current low awareness and usage levels of NFTs in South Africa limit their ability to provide coverage to a wide target audience, conformability to offer versatility in being relevant for many target audiences, and contribution by exposure in the absence of other communication touchpoints. Findings show that the link of NFTs to cryptocurrencies also limits its accessibility and coverage of a wide target audience, however, expansion of payment options in addition to cryptocurrencies can lend to better conformability amongst target audiences. Research findings also show that the environmental impact of NFTs may not align with the image and sustainability goals of certain brands and need to be reviewed on a case-by-case basis. For brands with strong stances on having a positive sustainability impact on the environment, NFTs may be limited in their ability to offer commonality where different communication touchpoints used in an IMC program build toward common desired brand associations. Keller's (2016) 7Cs criteria in developing a well-integrated IMC supports the research findings around factors that may act as barriers, facilitators or influence the consideration of NFTs for inclusion in an IMC program, validating the following propositions:

New: NFT fit to brand image and its target market may influence consideration of their inclusion in a brand IMC program

P4c: NFTs linked to cryptocurrencies may act as a barrier to their inclusion in a brand IMC program

New: Payment options that offer increased accessibility and inclusivity of NFTs may act as a facilitator to their inclusion in an IMC program

New: NFT alignment to sustainability goals may influence consideration of their inclusion in an IMC program

As previously noted, the fit or appropriateness of NFTs to a brand image may vary by brand, thus the recommendations for practitioners section at the end of this chapter will address the implications of these barriers and influencing factors for marketers who are interested in using NFTs as part of their brand communications.

5.3 Theme 3: The Potential Impact of NFTs on Brand Equity

The research findings of theme 3 presented the potential impact using NFTs in an IMC program can have on the dimensions of brand equity.

5.3.1 Dimensions of Brand Equity

According to Keller (2003), an effective IMC strategy is critical to build and maintain brand equity. As previously discussed the customer-based brand equity model notes the core dimensions of brand equity, which this study recognises as brand awareness, brand associations and brand loyalty. Keller (2016) notes that marketers can have a variety of communication objectives for their brands and should aim to mix and match communication touchpoints to develop an effective IMC that aligns with the key objectives. The research findings support the propositions that NFTs used in a brand IMC program can positively impact the drivers of brand equity and thereby influence brand equity itself. This is discussed further below.

a. ***Brand Awareness***

Research findings show the potential for NFTs as novel online communication touchpoint to contribute toward building brand awareness by driving brand engagement, community building, enabling storytelling and creating unique brand experiences for consumers. The findings also show that NFTs as a novel communication touchpoint is appealing to create excitement and standout around new product launches and offer further opportunities for consumer collaboration that can enhance brand engagement.

These findings are consistent with Keller's (2003) consumer-based brand equity perspective and Aaker (1991) which recognise that creating awareness is a key component and an important first step in building strong equitable brands. As discussed in chapter 2, brand awareness refers to brand recognition and recall amongst a brand's target audience under different conditions (Keller 2003). According to Aaker (1991) creating brand awareness can help drive brand familiarity and liking, provide an anchor to build key brand associations, and aid brand consideration. Similarly Sharp (1995) notes that creating brand awareness can have a positive effect on brand sales by creating top-of-mind awareness which can have a positive influence on preference. This aligns with participant views that the use of NFTs can contribute to achieving standout awareness for brands that can result in first-mover advantages and additional publicity to differentiate a brand. Both Aaker (1991) and Keller (2003) note that there are many ways for brands to achieve awareness with consumers. Keller (2009) further notes that online communication touchpoints can contribute to the breadth and depth of brand awareness, and better allow brands to build communities through active engagement compared to traditional communication touchpoints such as television and radio. This is consistent with the research findings that show the growing importance of online communication touchpoints and NFTs as a novel and exciting way to cut through the clutter and engage with consumers.

The theory supports the research findings that NFTs can help marketers create unique and standout marketing experiences that build awareness and drive engagement with consumers and validates proposition *P5a: The use of NFTs in an IMC program may positively impact brand equity by increasing brand awareness.*

b. ***Brand Associations***

The research findings show that the use of NFTs in an IMC program has the potential to create favourable brand associations, specifically around a brand being seen as differentiated and innovative, as well as strengthen existing brand associations through storytelling.

As discussed earlier Aaker (1991), Yoo et. al (2010), and Keller (2009) recognise brand associations and brand image as a driver of brand equity. Aaker (1991) notes that both brand associations and brand image are closely related to brand positioning, and is based on consumer perception which may or may not reflect reality. Sharp (1995) notes that a clear brand image built through associations can provide an important means of differentiation versus competitor brands. Similarly, Aaker (1991) argues that brand associations can create value and contribute to building equity by helping to position or differentiate a brand, providing consumers with a reason to buy, creating positive feelings towards a brand and helping consumers process or recall certain information (Aaker, 1991). In developing an IMC program, Aaker (1991) notes that marketers' interest in building specific associations is relative to a brand's positioning and communication objectives.

As IMC touchpoints are selected based on fit to brand communication objectives and desired positioning in the minds of consumers, it can be said that NFTs used in an IMC program can assist brands who desire to be seen as innovative, first-mover and differentiated from their competitors. NFTs can also be used to reinforce and strengthen other associations through storytelling, however, it is worth noting that communication objectives may vary by brand so NFTs as a communication touchpoint should be evaluated as per Keller's 7Cs model to determine if they can deliver on desired efficiency and effectiveness goals versus other communication touchpoints. The theory supports this research finding, validating proposition *P5b: The use of NFTs in an IMC program may positively impact brand equity by strengthening brand associations*

c. ***Brand Loyalty***

Aaker (1991) recognises brand loyalty as a core dimension of band equity as loyalty amongst consumers can represent an ongoing revenue stream, create trade leverage, and barriers to entry for competitors, provide a brand with a base to justify premium pricing, and also protect a brand against intensive pricing competition. As discussed earlier, brand loyalty refers to the level of attachment consumers have to a brand (Aaker, 1991). Keller (2003) notes brand relationships which are made up of intense, active loyalty as the most valuable building block of brand equity. Both Aaker (1991) and Keller (2003) share the view that the loyalty consumers have toward a brand can be influenced by the other drivers of brand equity such as awareness, associations, and product quality but what differentiates it from these other drivers is that loyalty is closely tied with the user experience of a brand which can only happen post-purchase or consumption. Keller (2009) further notes that marketing communications allow brands to link themselves to experiences, and feelings and even reward or incentivise consumers for trial and purchase, and as previously discussed, marketers are increasingly having to look toward online communication touchpoints to communicate efficiently and effectively with consumers in a modern marketing environment.

The research findings show that NFTs through their utility features allow brands to use them in a multitude of ways that can contribute to building brand loyalty, such as rewards, badges, memberships and access rights. The findings also show that participants found these utility features appealing to offer consumers new personalised rewards and incentives through loyalty programs. Furthermore, participants cited co-creation opportunities as a way to drive meaningful engagement and community building through NFTs, which aligns with the view of Keller (2009) that online communication touchpoints are perhaps the most useful in promoting brand loyalty and resonance with consumers as they allow for more frequent interaction opportunities that can build brand communities through active engagement.

The theory supports this finding and validates proposition *P5c: The use of NFTs in an IMC program may positively impact brand equity by improving brand loyalty*.

In summary, the ability of NFTs to strengthen the dimensions of brand equity – brand awareness, brand associations and brand loyalty thereby implies the ability of NFTs to potentially contribute to the growth of brand equity as a whole when used in an IMC program.

5.3.2 Measuring the impact of NFTs on Brand Equity

As previously discussed, a brand's marketing communications or an IMC program is a primary contributor to brand equity, hence the measurement of an IMC program is of critical importance to marketers in achieving their brand and communication goals (Keller, 2016).

Research findings show that participants noted the importance of the ability to measure the specific impact of NFTs in terms of a brand's communication objectives, as well as a variety of ways to measure the impact of NFTs on brand equity. Potential measurements from the findings cited the delivery of NFTs against communication objectives, NFT sales and value, brand engagement and engagement with an NFT offering, social sentiment towards NFTs as well as new required methods specific to NFTs as potential ways to measure their impact on brand equity.

As discussed in chapter 2, Keller (2003) and Aaker (1991) present various methods to measure customer-based brand equity. Keller’s (2003) direct approach to measuring the effectiveness of an IMC program on brand equity assesses the impact of brand knowledge on consumer response to different elements of the IMC program. To understand the impact of NFTs on the drivers of brand equity this direct approach is well suited as it allows marketers to assess consumer response specifically to NFTs as an element of the IMC program relative to a brand's communication objectives.

Both the research findings and theory support the sentiment that measuring the impact of NFTs on a brand’s communication objectives and brand equity is important in their consideration for inclusion in an IMC program, validating the proposition*: The ability to measure the success of NFT usage may influence consideration of their inclusion in an IMC program.*

The research findings also call for new measurements specific to NFTs which is expected as the technology is still new and the market is rapidly evolving. This will be addressed in the recommendations section below.

5.4 Theme 5: The Knowledge Gap

A knowledge gap was noted in the previous chapter around the limited mention of how socio-economic factors such as the digital divide can impact the consideration of NFTs in marketing communications in a South African context. South Africa’s digital divide refers to the unequal distribution of access, usage and benefit of technology and internet services across different socio-economic groups (Fuchs & Horak, 2008), which can have a significant impact on the adoption and usage of NFTs in South Africa. Fuchs & Horak (2008) note that lack of access amongst individuals of lower socio-economic status, particularly in rural and underdeveloped areas is driven by limited infrastructure and skills, and reliable internet. Affordability and education are two other key factors that contribute to the digital divide as the cost of technology and limited access to internet education affect consumers in more underdeveloped areas, making it difficult for them to participate in internet-related technologies (Ngqambela, 2002). These factors can contribute to a significant disparity in NFT adoption and usage between urban and rural areas, as well as between different socio-economic groups in South Africa. This has implications for marketers and brands considering using NFTs in brand communication as addressing the digital divide amongst their target consumers will be crucial for promoting wider NFT adoption, usage and engagement in South Africa. This will be addressed further in the recommendations for practitioners section.

5.5 Revised Conceptual Framework

Given the discussion above, a revised conceptual framework is listed here with amendments to the original conceptual framework, shown in italics below.

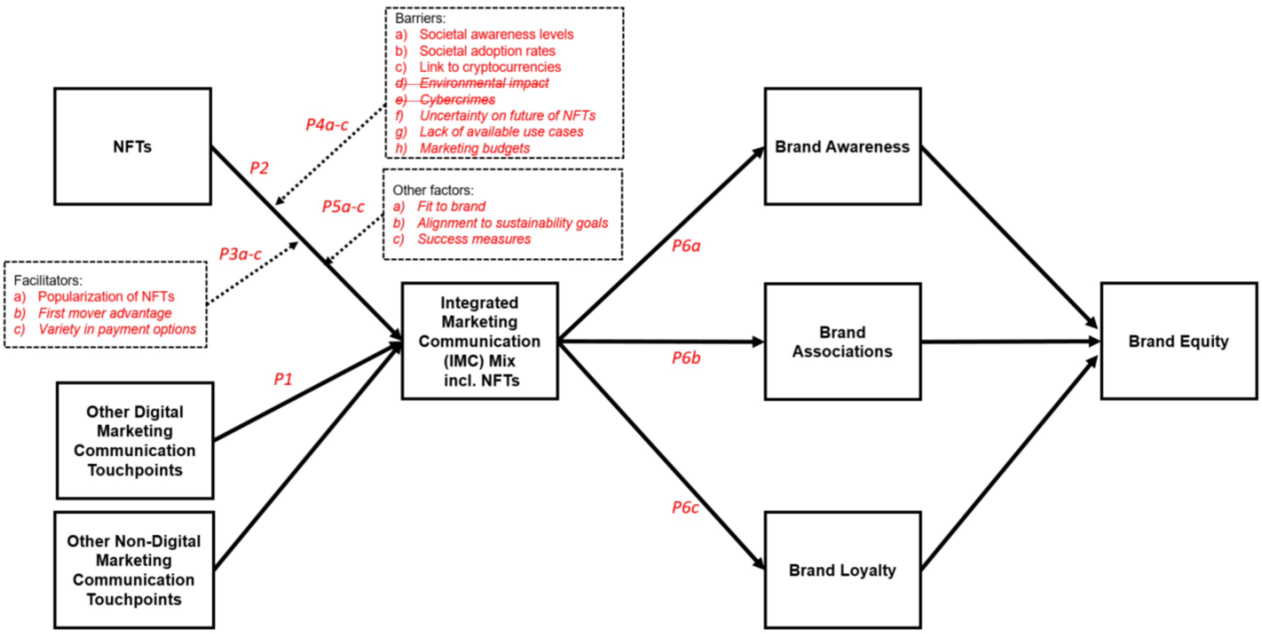

Figure 12: Conceptual Framework: The Impact of NFTs on the Dimensions of Brand Equity

Figure 12 above presents the following propositions:

P1: Digital communication touchpoints are becoming increasingly important in an IMC mix

P2: The utility features of NFTs make them appealing to brand marketers to use as an IMC touchpoint

P3a: The popularization of NFTs may act as a facilitator to their inclusion in an IMC program

P3b: First mover advantages may act as a facilitator to NFT inclusion in an IMC program

P3c: Payment options that offer increased accessibility and inclusivity may act as a facilitator to NFT inclusion in an IMC program

P4a: Current NFT awareness levels may act as a barrier to their inclusion in an IMC program

P4b: Current NFT adoption rates may act as a barrier to their inclusion in an IMC program

P4c: NFTs linked to cryptocurrencies may act as a barrier to their inclusion in an IMC program

P4d: *~~NFTs link to environmental impact may act as a barrier to their inclusion in an IMC program~~*

P4e~~*: Cybercrimes may act as a barrier to NFT adoption and inclusion in an IMC program*~~

P4f: The uncertainty around the future of NFTs may act as a barrier to their inclusion in an IMC program

P4g: The lack of available use cases of NFTs in a marketing context may act as a barrier to their inclusion in an IMC program

P4h: The novelty of NFTs may act as a barrier to allocating marketing spend toward them in an IMC program

P5a: NFT fit to brand image and its target market may influence consideration of their inclusion in an IMC program

P5b: NFT alignment to sustainability goals and may influence consideration of their inclusion in an IMC program

P5c: The ability to measure the success of NFT usage may influence consideration of their inclusion in an IMC program

P6a: The use of NFTs in an IMC program may positively impact brand equity by increasing brand awareness

P6b: The use of NFTs in an IMC program may positively impact brand equity by strengthening brand associations

P6c: The use of NFTs in an IMC program may positively impact brand equity by improving brand loyalty

5.6 Recommendations for Practitioners

Given the discussion of the research findings, this section will address the recommendations for marketing practitioners who are potentially interested in using NFTs as part of their brand communications.

Whilst NFTs have grown in popularity their application within a brand communication context, particularly in South Africa is still relatively new. The research findings and discussion note the growing importance of digital communication touchpoints in a modern marketer's toolkit, with NFTs representing a novel way to engage with consumers. In light of these findings, multiple factors act as barriers, facilitators and factors for consideration that influence the use and inclusion of NFTs in brand IMC strategy and program.

As a starting point to address the barriers discussed earlier, NFT alignment with brand communication objectives, relevancy to a target audience, brand image and brand/company sustainability goals should be assessed on a brand-by-brand basis to determine the appropriateness of NFTs as a potential communication touchpoint. The findings showed the appeal of NFTs for achieving a first-mover advantage for brands who want to build or strengthen brand associations around being seen as innovative, thought or category leaders and offering consumers new ways to engage with brands. Contrarily the findings also revealed an overwhelming need for proven use cases of brands using NFTs in brand communication to reduce uncertainty around their potential, gain the buy-in of senior stakeholders and justify marketing budget spend toward NFTs in an IMC program. To address this marketers should actively seek out use cases by brands in non-competing categories or industries to understand NFT application potential for their brands. In terms of marketing budgets, marketers can allocate a portion of their budget to experimental initiatives to test newer communication touchpoints such as NFTs without pressure to show a return on spend. This can also aid justification of experimenting with NFTs, allowing brands that value being seen as innovative to capture first-mover benefits in their respective categories. Marketers with very limited budgets should aim to learn from the use cases of other brands to reduce their uncertainty, though this may come at the expense of achieving category first-mover status and benefits.

South Africa’s digital divide should also be a focal point for marketers as current low awareness and usage levels of NFTs as well as limited accessibility and inclusivity for a broad target audience present barriers to their inclusion in an IMC program. As discussed earlier, Yap (n.d.) suggests that consumer education is critical for a brand to encourage consumer participation in NFTs. Consumer education can start by explaining what NFTs are and the benefits they offer in terms of usage. Marketers should then justify the purpose of their brand NFT and look to expand on the future value of their NFTs so that they remain valuable to consumers (Yap, n.d). Linking NFTs to communication touchpoints and channels consumers are already familiar with can aid participation and adoption of NFTs as discussed in the findings section. In light of this, marketers interested in using NFTs should carefully consider their role in an IMC program and manage the expectations of senior stakeholders by evaluating NFTs against Keller’s (2016) 7Cs criteria to determine their ability to deliver on key criteria such as coverage, contribution and conformability alongside other communication touchpoints.

The uncertainty around the future of NFTs is of cautionary importance for brand marketers as evidence regarding the recent market decline and collapse of previously popular NFT projects could indicate an NFT bubble with implications on their longevity as a relevant and appealing communication touchpoint. NFT novelty and its rapidly evolving market could see a shift in application to marketing communications in the future. This is addressed further in the recommendations for future research section below.

The impact of NFTs on brand equity will depend on many factors, including the type of NFT, the target audience, and the overall market conditions. Marketers need to have measures in place to monitor and assess the impact of NFTs on brand equity over time to ensure that the use of NFTs is aligned with a brand's goals and objectives. The findings note that NFT-specific measures may be required in future, however, there are several existing measures marketers can use to assess NFT impact on brand communications and brand equity. These measures include NFT sales and market value, awareness and perception surveys to gauge consumers' perceptions and attitudes towards a brand that is using NFTs. Engagement and interaction level measures can provide insight into consumer interest in brand NFTs offerings, and secondary market performance such as demand and resale value can provide further insight into a brand's equity.

5.7 Recommendations for Future Research

The conceptual framework of section 5.5 above offers several avenues and opportunities for future research on NFTs and their role in marketing communications. Given the novelty of NFTs as both a technology and marketing communication touchpoint, there are a variety of qualitative and quantitative studies that can help marketers and contribute to this growing body of knowledge.

Refined guidelines for NFT-specific application to marketing communications. As noted earlier, the NFT market is rapidly evolving and there is much benefit marketers can gain from ongoing research into the utility features of NFTs and the ways marketers can leverage them in brand communications. There may also be a nuance in the appeal of NFT utility features in a South African context which marketers can benefit from understanding to design relevant and appealing brand communications for their target audiences using NFTs.

The interaction and impact of NFTs on other communication touchpoints used in an IMC program. Keller (2016) and Madhavaram et al. (2005) elaborate on IMC synergy that can be achieved through using a variety and mix of communication touchpoints. Marketers interested in using NFTs as part of an IMC program can benefit from further qualitative research that investigates the impact and benefits of using NFTs alongside other communication touchpoints such as television ads and outdoor advertising in terms of Keller's (2016) 7Cs criteria to achieve a well-integrated IMC program.

The impact of the digital divide on future NFT adoption and usage rates in South Africa. South Africa's digital divide has a large impact on the dissemination of technology which in turn will affect the adoption and usage rates of NFTs. Marketers will benefit from ongoing research into the awareness, adoption and usage rates of NFTs as well as other new technologies to understand fit for brand, communication objectives and target audience relevancy. Further research on NFT adoption and usage in South Africa can also guide marketers on how to successfully integrate NFTs into an IMC program and bypass potential barriers such as the link to cryptocurrencies.

Defined measures for NFTs in brand communications. As noted earlier there are some existing measures marketers can use to assess the impact of NFTs on brand communications and brand equity, however, NFT-specific measures may be required as seen with the proliferation of social media and its corresponding measures. Quantitative communication models to understand how to assess the impact and return on investment will benefit marketers in measuring NFT performance against brand communication goals and justifying budget allocation toward NFTs in an IMC program.

The quantitative lens on the role of NFTs in brand marketing and consumer perspective. This study investigated the potential of NFTs in brand marketing from a qualitative perspective. Marketers may benefit from a quantitative study using the conceptual framework of this study to infer causation. Furthermore, this study addressed the potential for NFTs from a brand marketer perspective; marketers may benefit from future studies that approach this topic from a consumer perspective.

5.8 Conclusion

This study set out to explore the potential for NFTs in South African brand marketing. Building strong brands in a modern environment requires marketers to increasingly embrace online touchpoints to communicate and engage with consumers. The popularization of NFTs has made them an appealing and novel technology that marketers can leverage through an integrated marketing communication program to achieve brand goals. Whilst the popularity of NFTs has soared, several factors present themselves as barriers or facilitators in a marketer’s consideration to use NFTs as part of an IMC program. The utility features of NFTs offer broad appeal to marketers as they can be used in a variety of ways to contribute to brand equity growth by creating brand awareness, and building brand associations and brand loyalty, which are the key drivers of a brand’s equity. Another noteworthy appeal factor is the ability of brands to capture the association benefits of being a first-mover in using NFTs in their respective categories. NFTs also face significant barriers and other consideration factors that have implications on their potential usage in South African brand communications. Marketers need to ascertain the appropriateness of NFTs on a brand-by-brand basis by evaluating NFTs relative to a brand's communication objectives, image and target audience fit, as well as their accessibility and inclusivity toward a broad consumer audience. Low awareness and usage rates of NFTs present a significant barrier to their usage in brand communications, which is driven by both the novelty of the technology that sees it potentially still years away from mainstream adoption, and the digital divide that is prevalent in South Africa. The newness of the technology also raises uncertainty around its useful application in a marketing communication context and budget justification as marketers face pressure to allocate spend toward communication touchpoints with proven ability to deliver against communication objectives.

In summary, it can be said that NFTs and their utility underpinned by blockchain technology offer both appeal and potential for South African marketers to engage with their consumers in new ways that can contribute to strengthening the dimensions of brand equity, though there are significant barriers notably around awareness and adoption that must be overcome before their proliferation into brand marketing communications.

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APPENDIX A: Participant information sheet

Good day

My name is Rohini Sawu and I am a Master's student in Digital Business at Wits Business School, Johannesburg. As part of my studies, I have to undertake a research project, and I am investigating the potential for non-fungible tokens (NFTs) in brand marketing, under the supervision of Professor Gregory Lee. This research project aims to find out how marketers can benefit from using NFTs in their integrated marketing communications (IMC) mix.

As part of this project, I would like to invite you to take part in an interview. This activity will involve a face-to-face or online videoconference call based on your convenience and will take around 60 minutes. With your permission, I would also like to audio record the interview using a digital device. This recording will be stored in a password-protected laptop and only the researcher will have access to this recording. It will be deleted after two years.

There will be no personal costs to you if you participate in this project, You will not receive any direct benefits from participation but there are no disadvantages or penalties if you do not choose to participate or if you withdraw from the study. You may withdraw at any time or not answer any question if you do not want to. The interview will be completely confidential and anonymous as I will not be asking for your name or any identifying information, and the information you give to me will be held securely and not disclosed to anyone else. I will be using a pseudonym (false name) to represent your participation in my final research report. If you experience any distress or discomfort at any point in this process, we will stop the interview or resume it another time.

If you have any questions during or afterwards about this research, feel free to contact me on the details listed below. The data collected from this research project will be stored in a password-protected laptop and will be kept for two years. 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), by telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za

Yours sincerely,

Rohini Sawu

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APPENDIX B: Participant consent form

The potential for non-fungible tokens (NFTs) in brand marketing

- I ______________________ voluntarily agree to participate in this research study.
- I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.
- I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.
- I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.
- I understand that participation involves a 60 minute face to face or online interview with the researcher.
- I understand that I will not benefit directly from participating in this research.
- I understand my interview will be audio-recorded and a transcript will be produced.
- I understand that all information I provide for this study will be treated confidentially.
- I understand that in any report on the results of this research, my identity will remain anonymous. This will be done by changing my name and disguising any details of my interview which may reveal my identity or the identity of the people I speak about.
- I understand that disguised extracts from my interview may be quoted in the final research report.
- I understand that if I inform the researcher that I or someone else is at risk of harm they may have to report this to the relevant authorities - they will discuss this with me first but may be required to report with or without my permission.
- I understand that signed consent forms and original audio recordings will be retained on a password-protected laptop only accessible by the researcher for two years post the research.
- I understand that a transcript of my interview in which all identifying information has been removed will be retained for two years, after which will be destroyed.

- I understand that under freedom of information legalisation, I am entitled to access the information I have provided at any time while it is in storage as specified above.

- I understand that I am free to contact any of the people involved in the research to seek further clarification and information.

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Signature of research participant

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Signature of participant   Date

Signature of researcher

I believe the participant is giving informed consent to participate in this study

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Signature of researcher   Date

APPENDIX C: Interview schedule & Stimuli

Interview Schedule

The potential for non-

fungible tokens (NFTs)

in brand marketing

I. Opening

a. (Establish rapport). Hi (insert participant name). Thank you for agreeing to participate in this interview.

b. (Study purpose). This study aims to explore the potential for non-fungible tokens, more commonly known as NFTs in brand marketing. As a new technology, there is much to be learned about how marketers may utilize NFTs in their brand communication to achieve objectives that can potentially lead to the growth of a brand’s equity. This study aims to contribute to this growing body of knowledge.

c. (Motivation). You have been asked to participate in this interview as you are a marketing professional and decision-maker concerning brand and communication strategy, and approval of the integrated marketing communications (IMC) plan.

d. (Timeline). This interview should take about 90 minutes. Will this be ok for you?
e. (Recording consent). This interview will be audio recorded. I'm also using an app to transcribe our interview. You may revoke consent at any time with no explanation. Can we proceed

(Transition to next topic)

II. Body

a. Topic 1: Brand communication & IMC mix

I'd like to remind you that no identifiable info will be used and all answers will be kept anonymous.

1. Could you please describe the type of brand you work on, the category environment that your brand operates in, and the high-level view of the target consumer you are marketing to?
2. In your role, how do you influence or make decisions concerning a brand's communication strategy, and IMC mix selection?
3. How would you present your brand's key communication objectives?
4. Describe your brand's digital presence if it has one.
5. How important is digital communication to your overall communication strategy and long-term brand equity?
6. I'll be asking you questions about your brand's integrated marketing communications (more commonly known as IMC) mix. How do you go about selecting touchpoints for your brand's IMC mix?
7. What are some of the most common IMC mix elements used by your brand and why?

(Transition to next topic)

III. Body

b. Topic 2: NFTs awareness, usage, and consideration

(Individual awareness, usage, and consideration)

1. Do you own any NFTs yourself or are you considering owning any NFTs and why?
2. If yes – what type of NFTs would you be interested in owning?

Awareness & usage: I'm going to show you some usage stats of NFTs in South Africa and then ask you some questions about NFTs concerning your brand's target audience

3. Have you noticed any increase in the awareness or usage of NFTs? How so? What do you think drives this?

Considering the stats around NFT usage that we've just discussed.

4. Would you be more or less likely to consider using NFTs in your brands' digital communication strategy in the near future and why/why not?
5. Are there any other factors that would make you more likely to include NFTs in your brand's IMC mix?
6. If Yes - How would you leverage NFTs to optimize your IMC for your brand?
7. Are there any other factors that would make you less likely to include NFTs in your brand's IMC mix?

Environmental impact: The NFT ecosystem has received criticism since the blockchain technology used to enable it is often very energy inefficient. This means that it can be damaging to the energy when non-green sources of energy are used to power it. The NFT industry is looking at ways to make NFT transactions more sustainable and environmentally friendly, such as encouraging the use of more renewable energy sources in blockchain mining and moving to proof-of-stake systems that reduce energy usage. This is still in the early stages.

8. Can you describe if the environmental impact of NFTs would play a role in determining if NFTs are an appropriate fit for your brand IMC?

Cryptocurrencies: NFTs are largely linked to cryptocurrencies through trading i.e. buying and selling. Cryptocurrencies are known for being volatile in terms of their trading value over the past few years. It recently became possible to trade NFTs through debit/credit cards however the majority of transactions still use cryptocurrency.

9. Can you describe if NFTs' link to cryptocurrencies would have any impact on the decision to include or exclude NFTs in your IMC mix?

Cybercrimes: As with the use of new technologies, NFTs are subject to elements that may act as barriers to their adoption.

I have clumped these together under the clarity of ownership, usage rights, and cybercrimes. This entails - what an NFT owner own, how can NFT owners use their NFTs, and misrepresentation of work – like copyright infringement or using authorized work, as well as cyber theft.

10. How does the clarity of ownership, usage, and cybercrimes impact your decision to include or exclude NFTs in your IMC mix?
11. Are there any other factors that we haven't covered that would make you more or less likely to consider using NFTs in your brand communications?

(Transition to next topic)

IV. Body

c. Topic 3: NFT utility & usage in brand communications

1. Does your brand have an NFT strategy or communication plan in place or are there plans to develop one? Why or why not?
2. Can you recall any examples of brands using NFTs in their marketing communications well or poorly and why?

(Review of NFT utility in terms of brand application)

3. Considering the potential ways NFTs can be utilized by brands for communication. Would you be more or less likely to consider using NFTs in your IMC mix and why?
4. If you've ever used NFTs what impact value and impact has it added to your brand? Please explain.
5. Are any of the utility benefits offered by NFTs relevant or appealing for your brand to include as part of the IMC mix? Why or why not?
6. In what ways can the use of NFTs in the IMC mix benefit your brand? What makes you say this?

(Review examples of brands using NFTs in IMC)

7. If yes to considering using NFTs in the IMC mix or NFT communication plan in place - What would be the objectives of using NFTs in your brand communication?
8. Why do you think NFTs can help your brand achieve these objectives?
9. How do you think can the use of NFTs in brand communications contribute to increasing brand awareness?
10. How do you think can the use of NFTs in brand communications contribute to increasing brand associations?
11. How do you think can the use of NFTs in brand communications can contribute to increasing brand loyalty?
12. How would you measure this?

V. Closing

a. (Summarize) key points of discussion.
b. (Maintain Rapport) I appreciate the time you took for this interview. Is

there anything else you think would be helpful for me to know before we end the interview?

c. (Action to be taken) I should have all the information I need. Would it be alright to contact you if I have any further questions?

Interview Stimuli

Interview Stimuli

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The potential for non-fungible tokens (NFTs) in brand marketing

TOPIC 2: NFT AWARENESS & USAGE

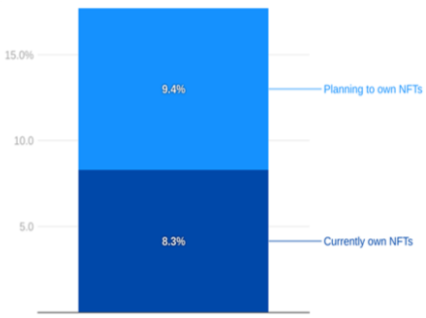

Figure 4: NFT adoption in South Africa (Finder's Survey, 2021)

Countries and regions	% have NFT	% Planning to buy	Forecast adoption
Philippines	32.0%	9.5%	41.5%
Thailand	26.6%	7.9%	34.5%
Malaysia	23.9%	10.5%	34.4%
United Arab Emirates	23.4%	11.5%	34.9%
Vietnam	17.4%	11.6%	29.1%
Nigeria	13.7%	21.7%	35.4%
Brazil	12.1%	9.9%	22.0%
Hong Kong	10.7%	10.4%	21.1%
Venezuela	10.6%	13.5%	24.1%
Peru	9.9%	14.5%	24.4%
Colombia	8.4%	11.9%	20.3%
South Africa	8.3%	9.4%	17.7%
Argentina	7.4%	8.7%	16.1%
Singapore	6.8%	11.0%	17.8%
Canada	5.6%	6.2%	11.8%
Australia	4.6%	7.1%	11.7%
Germany	4.0%	3.4%	7.4%
United States	2.8%	3.9%	6.7%
United Kingdom	2.5%	3.3%	5.8%
Japan	2.2%	2.4%	4.6%
Average	**11.6%**	**9.4%**	**20.9%**

Figure 5: NFT adoption by Country (Finder's survey, 2021)

TOPIC 2: NFT AWARENESS & USAGE

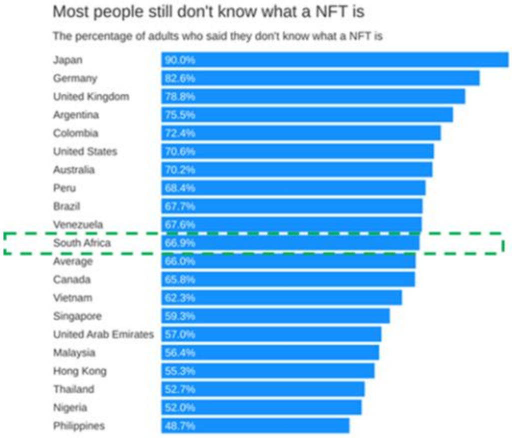

Figure 7: NFT awareness by country (Finder's survey, 2021)

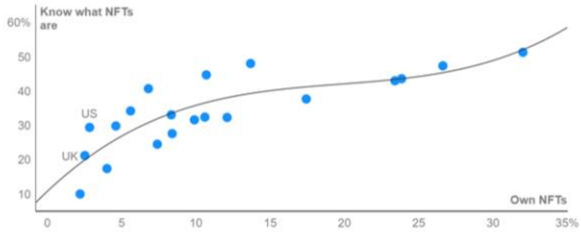

Figure 6: Correlation between NFT awareness and ownership (Finder's survey, 2021)

TOPIC 2: NFT UTILITY & USAGE IN BRAND COMMUNICATIONS

Table 3: NFT Utility

NFT Utility	How NFTs can enable utility
Collectibles	As NFTs enable digital scarcity, brands can release a set of limited edition or limited in quantity NFTs that act as collectibles for their fans or users.
Access and usage rights	Brands can provide exclusive value for NFT holders with access rights to events, product, promotions, and merchandise. Usage rights allow NFT holders to commercially use their NFTs for promotion or monetization as structured in the smart contract
Badges	Brands can provide badges as a form of reward based on actions of the NFT holder. Badges can also be used in online profiles or to signal membership.
Rewards	Brand can reward NFT holders through discounts, limited offers, content, product and merchandise.
Memberships	NFTs can act a membership subscriptions for holders, entitling them to receive the benefits of that membership as structured in the smart contract
Certificates of authenticity	NFTs can act as certificates to authenticate ownership of the NFT on the blockchain.

TOPIC 3: NFT IMPACT ON BRAND EQUITY

Table 4: NFT impact on brand equity dimensions

Dimensions of Brand Equity	Potential impact of NFTs
Brand awareness	Increase brand awareness by creating: • Unique brand experiences • Building online communities • Creating consumer brand engagement • Amplifying IMC programs • Creating excitement around new product launches
Brand associations	Strengthen brand associations through: • Collectibles • Storytelling • Artist collaborations • Utility benefits • Value creation for NFT holders • Brand purpose driven initiatives
Brand loyalty	Grow brand loyalty through: • Consumer relationship management through loyalty programs • Membership with exclusive benefits and rewards • Increase brand affinity through new user experiences • Enable personalised and digitally unique offers

Brand case study 1: Honest Chocolate South Africa NFTs

Honest Chocolate (Cape Town)

- NPD - launch of alternative mylk chocolate range
- Uses packaging design as a platform for emerging local artists to showcase their work
- Limited run of artwork & NFTs
- 10% artist royalty off secondary sales of the NFTs
- Holder utility – discounts and long-term gain of artwork increase NFT profits donated to Cape Rape Crisis Project

Brand Equity Dimensions:

- **Brand awareness** – unique experiences for brand engagement, generate buzz for new product launch
- **Brand associations** – collectibles, storytelling, artist collaborations, value creation for the holder, brand purpose-driven initiatives
- **Brand loyalty** – exclusive benefits/rewards, digitally unique offers

Brand case study 2: Volkswagen South Africa NFTs

VOLKSWAGEN SOUTH AFRICA

- Integrated campaign for NPD Polo with IQ.DRIVE
- NFT collection for the Mzansiverse (metaverse). There are 5 sub-collections, each with 20 unique NFTs, 100 in the collection incl. 3 golden
- Target audience – a mixed world of online gaming and reality
- Gamification - NFTs hid inside content – digitally led hunt on social media
- Consumers can unlock prizes in real and meta worlds

Brand Equity Dimensions:

- **Brand awareness** – unique experiences for brand engagement & entertainment, generate buzz for new product launch
- **Brand associations** – interactive storytelling
- **Brand loyalty** – exclusive benefits/rewards

APPENDIX D: Ethics Clearance Certificate

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/DB2498983/873
This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).

This certificate is only valid if accompanied by formal permission from the relevant stakeholder(s).

Project title	The potential for non-fungible tokens in brand marketing
Investigator / Researcher	Mrs Rohini Sawu
Nature of Project	MM (Digital Business)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed confidentialty.
Issue Date of Certificate	2022-09-13
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

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.

	14/09/2022
Signature	Date: