

**The perception of social media as a promotional mix
element in star-graded accommodation establishments
in the Western Cape province of South Africa**

by

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DECLARATION

I declare that “*The perception of social media as a promotional mix element in star-graded accommodation establishments in the Western Cape province of South Africa*” was submitted in fulfilment of the requirements for the degree of Master of Commerce in the subject of Business Management with specialisation in Marketing and Retail Management, at the University of South Africa (Unisa), is my own work and that all sources utilised within this research study have been acknowledged by means of complete references.

.....

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December 2014

DEDICATION

This master's dissertation is dedicated to my loving parents, Chris and Fransie van Niekerk, who have instilled in me the notion that through determination and positivity anything is possible. To my wonderful sister, Melissa van Niekerk, for the support and guidance throughout my studies. And to my fiancé, Ruan Rabie, thank you for your unconditional love and support through it all.

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*“We cannot achieve more in life than what we believe
in our heart of hearts we deserve to have.”*

– James R. Ball –

ABSTRACT

Since the advent of the Internet, the number of individuals and organisations using tools such as the World Wide Web and cell phones has increased, and is continuing to grow at a rapid pace. Social media has provoked fundamentally different ways of doing business, and organisations rapidly had to get on this social media bandwagon to stay up to date with the latest market trends and ahead of the competition. Although social media is already broadly used among South African businesses, the perception regarding the use of social media as a promotional mix element has not been investigated sufficiently in South Africa.

The primary purpose of this study was therefore to determine the perception of star-graded accommodation establishments, operating in the Western Cape province of South Africa, regarding the use of social media as a promotional mix element. A broad and in-depth literature review was conducted on the use of social media and social media as a probable promotional mix element. An empirical study was conducted, in which data was collected from star-graded accommodation establishments operating in the Western Cape by means of a web-based (computer-assisted) self-administered questionnaire. A quantitative approach was followed in order to satisfy the research objectives of this study.

The results of this research study indicate that social media is perceived to be an instrumental marketing element in star-graded accommodation establishments and can indeed be considered an element of the promotional mix.

Key terms

Accommodation establishments; consumer behaviour; marketing; perception; promotional mix elements; social media; South Africa; star-graded; TGCSA; traditional marketing methods; Western Cape.

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DEFINITION OF KEY TERMS

Accommodation establishments: An accommodation establishment provides overnight facilities for travellers in a room or unit, with additional services such as food and beverages, laundry, bar facilities, recreational activities or room service. Accommodation establishments can include hotels, guest houses, guest farms, bed and breakfasts, caravan parks and camping, self-catering, boutique hotels or lodges (Eurostat, 2011).

Consumer behaviour: Consumer behaviour is the study of individuals, groups, or organisations and the processes used to select, purchase, use and dispose of products, services, ideas, or experiences, together with the consumer's emotional, mental and behavioural responses that precede, determine, or follow these activities to satisfy their needs and desires (Cant, Van Heerden & Ngambi, 2010:50; Kardes, Cline & Cronley, 2011:8; Solomon, 2013:31).

Marketing: "A process where an organisation, in its drive to meet its organisational goals, focuses on meeting customers' needs and wants, by means of offering the right product, at the right place and by the right marketing communication channels and which, in this process, strives to establish relationships with customers and to develop and grow these relationships with relevant stakeholders in an ever changing environment" (Cant, Van Heerden & Ngambi, 2013:3–4).

Perception: Perception is the process by which an individual selects, organises and interprets information inputs to create a meaningful picture of the world. Perceptions of a product or service are a complex series of judgements formed during or at the end of the experience (Zhang, 2009:8).

Promotional mix elements: The promotional mix is a subset of the marketing mix, where the marketer attempts to create the most favourable combination of different personal and non-personal selling elements to achieve certain marketing objectives (Kurtz, 2011:500; Sandhusen, 2008:598). The promotional mix is therefore a combination of advertising, public relations, direct marketing, sales promotion, sponsorships and new media – known as promotional mix elements.

Social media: Social media is the umbrella term that covers technologies such as blogs, vlogs (video blogs), photo sharing, wikis, podcasts, micro-blogs, music sharing, forums, reviews, social bookmarks and online communities (Sweeney & Craig, 2010:xiv). It is the electronic means of conversation between people who share thoughts, experiences and information (Mustonen, 2009:7; Strokes, 2009:350).

Star-graded: Star-grading is an official ranking system utilised by the Tourism Grading Council of South Africa (TGCSA) that is recognised worldwide. Stars are awarded once an independent quality assessment is completed and approved, which helps all travellers to know what to expect upfront from an establishment (TGCSA, 2012).

Tourism Grading Council of South Africa (TGCSA): The TGCSA is the only officially recognised organisation that authorises accommodation establishments to display quality stars. It ensures the standard of quality of accommodation and conference venues throughout South Africa (South Africa Proserv, 2011:1).

Traditional marketing methods: Traditional marketing methods include numerous elements or methods used to reach the target market. Traditional marketing methods include print media, such as billboards, newspapers, magazines and flyers; and broadcast media, such as television or radio advertisements (McDaniel, Lamb & Hair, 2011:533).

Western Cape: A province in south-western South Africa, formerly part of Cape Province, with Cape Town as the capital city (Google, 2012).

LIST OF ABBREVIATIONS

3D	Three dimensional
ANOVA	Analysis of Variance
B&B	Bed and Breakfast
BMR	Bureau of Market Research
CDV	Customer Delivered Value
EFA	Exploratory Factor Analysis
IMC	Integrated Marketing Communication
PAF	Principle Axis Factoring
SMS	Short Message Service
SPSS	Statistical Package for the Social Sciences
TCC	Total Customer Cost
TCV	Total Customer Value
TGCSA	Tourism Grading Council of South Africa
Unisa	University of South Africa
USA	United States of America

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The marketing landscape has changed noticeably in the last decade, with traditional media, such as print media (i.e. newspapers, magazines, flyers and billboards) and broadcast media (i.e. television and radio commercials), now being extended by the use of social media platforms, such as blogs, social networking sites and forums. These media outlets have an influence on the marketing performance of a business (Higuera, 2011; Stephen & Galak, 2010:3). In the competitive marketplace, businesses are doing everything they can to gain an advantage, thereby differentiating themselves from their competitors (Sweeney & Craig, 2010:xv). Social networking platforms and social media sites can also provide businesses with many opportunities to achieve a competitive advantage, and companies are therefore competing to build online relationships and networks with potential customers (Mustonen, 2009:5).

According to Cooper (2010:2), traditional marketing still plays an important role in the business sector, but due to the complexity and high cost of traditional marketing platforms, marketers are searching for different marketing methods. Most businesses, including accommodation establishments, will have to reconsider their marketing communications strategy by moving towards more cost-effective methods, such as social media applications, to reach and communicate with their customers.

This chapter serves as an introduction to the study by firstly highlighting the purpose of the study. A background sketch of this study is then given, which focuses on the evolution of traditional marketing methods to the emergence of social media. A brief overview will also be provided regarding the accommodation sector in South Africa and the province of the Western Cape. The research question as well as the primary and secondary research objectives for this study are presented, followed by a brief discussion of the research methodology employed in this study. Chapter 1 will conclude with a concise outline of the chapters in the remainder of this study.

1.2 PURPOSE OF THE STUDY

The purpose of this research study was primarily to determine whether social media can be considered a viable and hybrid element of the promotional mix, especially among star-graded accommodation establishments that operate in the Western Cape province of South Africa.

The research study took on a business-centred approach in an attempt to determine the use of social media as a viable promotional mix element in accommodation establishments, an area that has, up until now, received limited attention in academic literature. Most studies have considered the use and perceptions of social media from a consumer's perspective, from various stand-points or even the use of social media in different countries (Ayeh, Leung, Au & Law, 2012:1; Häubl & Trifts, 2000:4; Heinonen, 2011:356; McCarthy, Stock & Verma, 2010:5; Thevenot, 2007:287). There is, however, limited research on the perception of the use of social media as a promotional mix element from the perspective of the owners or managers of star-graded accommodation establishments. The purpose of the research study was therefore to provide star-graded accommodation establishments, in the Western Cape with an understanding of the use of social media and how they can implement and improve their use of social media in order to be successful.

1.3 BACKGROUND SKETCH OF THE STUDY

Since the dawn of human existence, people have been trying to influence and persuade other people, by whatever means available to them at that time. Word-of-mouth was the first marketing strategy organisations used to influence the consumer (Ryan & Jones, 2012:3-4). The development of print media, in the 15th and 16th centuries, was a significant milestone in advertising, enabling marketers to reach their intended markets more cost-effectively. Advertisements began to appear in early newspapers in England in the 17th century and eventually spread internationally, becoming the first form of mass-media advertising (Ryan & Jones, 2012:3-4). Newspaper advertisements further expanded into the 18th and 19th centuries together with the origin of mail-order advertising. The dawn of a new advertising era began in the 20th century, with the advent of the radio, where marketers were able to reach out to potential customers.

Thereafter, television was introduced, which shifted the advertising landscape once again. The digital marketing era began towards the end of the 20th century, when the Internet was developed and introduced to the public (Ryan & Jones, 2012:3–4). These advances and improvements in technological developments have disrupted the evolution of advertising throughout the years and have changed the way businesses communicate with their customers and attract new prospective customers (Ryan & Jones, 2012:3–4).

Recently, businesses have discovered an innovative electronic marketing tool – social media – that can be used to market in a remarkable and interactive manner (Mirzaei, Jaryani, Aghaei, Salehi & Saeidinia, 2012:231). Although more organisations are realising the importance of leveraging on the Internet to conduct their business, corporate leaders are finding it difficult to keep up with fast-moving markets and new trends (Mirzaei *et al.*, 2012:232).

In the next section the phenomenon, importance and growth of the social media landscape will be discussed.

1.3.1 The social media landscape

Social media has led to fundamentally different ways of doing business. Billions of people now merge a complex collection of e-mail, mobile short messages (SMSs), blogs, wikis, audio and video streams, forums, virtual reality games and social networking sites, like Facebook and Twitter, to connect them to the world and several other people (Hansen, Shneiderman & Smith, 2010:11). There are numerous statistics justifying the usage and effectiveness of social media by individuals worldwide. Facebook is the most popular choice of individual Internet activity with more than 11 million Facebook users in South Africa (World Wide Worx, 2014b:1). Twitter, on the other hand, has seen the most growth in the past, from 2.4 million to 5.5 million in one year (i.e. 129% growth). The intensified use of social media as a corporate platform revealed that 93% of major brands use Facebook, 79% use Twitter, 58% utilise YouTube, 46% use LinkedIn and 28% employ Pinterest (VinIntell, 2012:4; World Wide Worx, 2014a:2). These statistics are evidence that social media has gone mainstream in South Africa, equally among individuals and businesses. The use of social media by a large

part of the consumer population is increasing and therefore, a large number of the population can be reached through social media applications.

In spite of the increase in the number of studies on social media, there is still a lack of research on the perception of the use of social media as a viable promotional mix element within accommodation establishments, especially star-graded establishments located in the Western Cape.

A brief overview of the accommodation sector within South Africa will be given next.

1.3.2 The accommodation sector within South Africa

The tourism sector has been identified as a modern-day engine of growth and one of the largest industries globally, which contributes towards the development of the South African economy and the gross domestic product (GDP) of South Africa (approximately 9% in 2012) (Manyathi, 2012:26). Moreover, Kristen and Rogerson (2002:29) have predicted that the tourism sector will become one of the key drivers in the growth of the economy and a major job creator in South Africa.

The accommodation sector forms part of the tourism industry, which includes hotels, bed and breakfast establishments, caravan parks, camping sites, guest houses, country houses, game lodges, resorts and time sharing (Taal, 2012:3). The Department of Environmental Affairs and Tourism (2008:38) defines accommodation as “any facility that regularly (or occasionally) provides paid or unpaid overnight accommodation for tourists”. An increase in the number of accommodation establishments has created a new form of tourist accommodation (Kristen & Rogerson, 2002:29), and is regarded as vital in inspiring the development of the country’s business culture and supporting business growth (Dyerson, Harindranath & Barnes, 2009:39).

The income generated by the accommodation sector since 2009 is shown in figure 1.1 below.

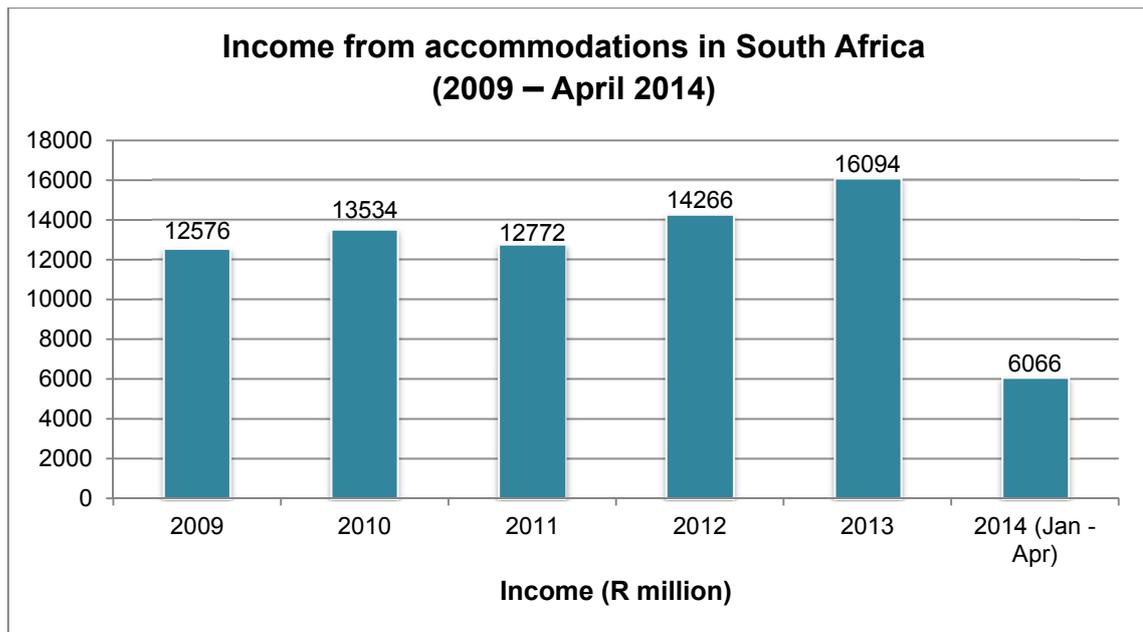


Figure 1.1: Income generated from accommodations in South Africa (2009 – April 2014)

Source: Statistics South Africa (2014:4)

It can be seen from figure 1.1 that the income generated from the accommodation sector in South Africa since 2009 has steadily increased. Thus far, income generated from accommodation establishments in South Africa, at current prices, is more for the first quarter of 2014 (R6 066 million) compared to the first quarter of 2013 (R5 418 million). In the third quarter of 2012, the total number of tourist arrivals to the Western Cape was 296 451, who spent approximately R4.2 billion. Of these arrivals, tourists generated 3.7 million bed nights (Wesgro, 2012:1). A bed night refers to a measure of occupancy – one person per bed per night (Business Dictionary, 2014).

The Western Cape alone attracts roughly 1.8 million visitors per year and contributes approximately R14 million to the South African economy (Western Cape Business, 2011). The Western Cape received 1.25 million overnight visitors in 2011, 73.5% of whom were visiting for leisure purposes as well as visiting friends and relatives and 2.7% for business reasons (Statistics South Africa, 2013:8). The remaining 23.8% comprised of visitors travelling for the purpose of religion, wellness, medical reasons, shopping or attending a funeral (Statistics South Africa, 2013:8).

It has been noted that the tourism industry, and especially the accommodation sector, is an under-exploited sector with a substantial likelihood for expansion

(Business Trust, 2011). A major obstacle hindering the growth and proliferation of the accommodation sector is its lack of market access and the inability to advertise and sell its goods and services more cost-effectively (Elliott & Boshoff, 2005:91). One way of overcoming this obstacle is to make use of the Internet, through options such as a home web page or various social media applications (Elliott & Boshoff, 2005:92). Regardless of the size or the type of business, the Internet allows instant access to diverse markets and potential customers.

In the next section, the problem statement will be justified and the research question formulated for the purpose of this study is presented.

1.4 PROBLEM STATEMENT AND RESEARCH QUESTION

The rapid growth of social media gave rise to important research questions concerning the perception of accommodation establishments regarding the use of social media as a promotional mix element. Social media in particular has grown rapidly in the past few years and is changing the way businesses communicate with their customers and prospective markets. For this reason it is important for star-graded accommodation establishments in South Africa to make use of social media in their everyday operations. This is needed to, among other things, reach their potential customers more effectively, create long-term relationships, customer satisfaction and customer loyalty and be more cost-effective in their marketing communication strategies. Social media can provide accommodation establishments with a viable alternative to traditional marketing methods to reach their customers. It is thus important to determine their perception of the use of social media in their marketing strategies, as well as important factors to be considered when utilising social media as a promotional mix element in accommodation establishments. Therefore, the aim of this research study was to determine the perception of star-graded accommodation establishments, operating in the Western Cape, regarding the use of social media as a promotional mix element.

The **research question** formulated from the preliminary literature review was therefore as follows: *What is the perception of star-graded accommodation establishments, located in the Western Cape province of South Africa, regarding the use of social media as a promotional mix element?*

From the stated research question, primary and secondary research objectives were formulated.

1.4.1 Primary research objective

The primary research objective of this study was *to determine the perception of star-graded accommodation establishments, operating in the Western Cape province of South Africa, regarding the use of social media as a promotional mix element.*

1.4.2 Secondary research objectives

The secondary research objectives of this study were:

- To investigate the current use of social media among star-graded accommodation establishments operating in the Western Cape province of South Africa.
- To determine which social media applications the star-graded accommodation establishments, located in the Western Cape province of South Africa, utilise the most.
- To establish the main reason(s) why star-graded accommodation establishments, operating in the Western Cape province of South Africa, utilise social media.
- To establish the reason(s) why star-graded accommodation establishments, located in the Western Cape province of South Africa, do not make use of social media.
- To determine the benefits of using social media as a promotional mix element in star-graded accommodation establishments, located in the Western Cape province of South Africa.
- To establish a profile of the respondents operating a star-graded accommodation establishment in the Western Cape province of South Africa.

The significance of this research study is discussed in the subsequent section.

1.5 SIGNIFICANCE OF THE STUDY

The significance of this study lies in the fact that limited research studies have examined the perception of establishments regarding the use of social media as

a promotional mix element (i.e. marketing tool), especially within the accommodation sector of South Africa.

A new generation of online tools, applications and approaches such as blogs, wikis, online communities and virtual worlds, commonly referred to as Web 2.0 or social media, are increasingly attracting the attention of practitioners and academics (Busscher, 2013:2). Busscher (2013:2) realises that due to the use of social media, there has been a change in the way organisations communicate with their employees, customers, stakeholders, communities and governments, and therefore social media could have an impact on the business processes of organisations.

The research is important for the following reasons:

- The tourism and accommodation sectors in South Africa are a fast-growing industry and contribute significantly towards the GDP of the country.
- The findings can assist owners or managers of star-graded accommodation establishments in becoming more efficient and effective in their marketing communication strategies, thereby successfully communicating with current and potential customers.
- Marketers can gain a better understanding of the gap in the perception of star-graded accommodation establishments regarding the use of social media as a viable alternative to traditional marketing methods, and contribute to the knowledge base.

The methodological methods used in this research study are considered next, including the research design, sampling techniques and the data collection methods.

1.6 RESEARCH METHODOLOGY

In this section, a brief discussion of the methodology employed in this study is provided. A more detailed discussion can be found in chapter 4.

1.6.1 Research design

For the purpose of this study the researcher opted to follow an *exploratory research approach*. “Exploratory research is not intended to provide conclusive

evidence from which to determine a particular course of action, but rather to clarify vague situations or discover ideas that may be potential business opportunities” (Zikmund & Babin, 2007:42). An exploratory study is conducted when the problem at hand has not yet been clearly defined. The reason for selecting an exploratory research approach was that the information obtained from star-graded accommodation establishments in the Western Cape regarding social media as a viable promotional mix element could be used to provide guidelines that could give these businesses a better understanding of how social media can be utilised effectively and successfully.

1.6.2 Sampling techniques

This section will provide a brief description of the sampling techniques employed for this study.

1.6.2.1 Population of the study

The target population for the study consisted of accommodation establishments, located in the Western Cape, which are star-graded according to the Tourism Grading Council of South Africa (TGCSA).

The researcher chose the Western Cape for this study because this province is a leading tourism destination with a wide variety of attractions for business and leisure travellers (Western Cape Business, 2011). For the reason that the Western Cape receives the most leisure travellers within a year, and more leisure travellers make use of social media sites (Verma & Withiam, 2011), the sample population consisted of accommodation establishments, located in the Western Cape, which are star-graded according to the TGCSA. The researcher believed that the perception and insights of these establishments would provide a valuable contribution to similar accommodation establishments.

1.6.2.2 Sampling method

The sampling method employed was *probability sampling*. Zikmund and Babin (2007:273) define probability sampling as a sampling technique in which units of the sample are selected on the basis of personal judgement or convenience. This method was selected for the reason that a complete list of respondents was available to the researcher and all the units on the list had an equal, non-

zero and known chance of being chosen for inclusion in this study (Aaker, Kumar & Day, 2007:386; Cooper & Schindler, 2008:380). Probability sampling was also selected as the preferred sampling method for this research study since it allowed the opportunity to generalise findings to the selected target population as well as demonstrate representativeness of the sample (Cooper & Schindler, 2008:380).

The probability sampling method that was used for this study was *simple random sampling*. Simple random sampling, according to DeFusco, McLeavey, Pinto and Runkle (2007:216), refers to a subset of individuals who are chosen from a larger population in such a way that each element of the population has an equal chance of being selected to the subset. Simple random sampling is generally used in the case of web-based surveys, as the response rate tends to be relatively low. The researcher made use of this type of sampling in order to substitute the non-responses from the list until the researcher had reached the required sample size for the purpose of this study. Simple random sampling was also considered adequate for the purpose of this study as the chance of being selected for inclusion in the study was equal and biases were restricted.

1.6.2.3 Sample size

For the selected population of star-graded accommodation establishments, a database of roughly 2 400 star-graded accommodation establishments located within the Western Cape was obtained from the TGCSA website, and was utilised for the purpose for this study. Based on the total population size of the star-graded accommodation establishment sector in the Western Cape, a sample size of 333 respondents at a confidence level of 95% would have been considered sufficient (The Research Advisors, 2006). This sample size was also in accordance with the recommendation of the Bureau of Market Research (BMR) at the University of South Africa (Unisa) as sufficient for this research study.

1.6.3 Data collection

Data was collected through the use of a web-based self-administered research questionnaire that was distributed to selected star-graded accommodation establishments in the Western Cape via e-mail. The initial questionnaire was

pre-tested among 20 individuals within Unisa to determine their opinions regarding question clarity and ease of answering. The main aim was to minimise errors that could potentially occur and to fix any questions that respondents might have found difficult to respond to. Once the questionnaire had been revised and edited, the final questionnaire was distributed to star-graded accommodation establishments located in the Western Cape.

1.6.4 Data analysis

Quantitative data was analysed using SPSS version 22. The data was edited, coded, cleaned and presented through frequency counts, which is illustrated in the form of tables, figures and charts. Relationships between various constructs were tested by utilising analysis of variance (ANOVA) and Welch and Brown-Forsyth tests, and factor analysis was conducted by means of exploratory factor analysis (EFA). Furthermore, the reliability and validity of the research instrument were tested and cluster analysis was conducted. The findings are present in chapter 5 (page 129).

1.7 LIMITATIONS OF THE STUDY

Due to the researcher employing simple random sampling, a complete list of all star-graded accommodation establishments in the population was required. The list was downloaded from the TGCSA website, which might have been outdated, included incorrect information or lacked the necessary contact information. Furthermore, the sample was taken from a list of accommodation establishments that were star-graded according to the TGCSA and the establishments were only located in the Western Cape. The findings cannot be generalisable to the entire accommodation industry as they are not geographically representative. However, in order to obtain an overall perspective of the use of social media by accommodation establishments within South Africa, future research might wish to consider broadening the sample frame to include all accommodation establishments and provinces within South Africa.

Although there are limitations of the study, none of them have a significant effect on the data or the outcomes of the results obtained from the sample population.

1.8 CHAPTER OUTLINE

The chapter outline below paints a holistic picture of what was investigated.

Chapter 1: Introduction

Chapter 1 provides the reader with a brief background to the study as well as the justifications for the study in terms of the initial literature review. A brief overview of the social media landscape is provided in this chapter to set the scene for the rest of the dissertation. The primary research question, as well as its objectives and aims are presented. Finally, a brief summary of the research methodology planned for this research study is given.

Chapter 2: Social media as a promotional mix element

This chapter deals with the promotional mix elements, contextualising social media and discussing social media as a promotional mix element. The usage of social media by consumers and organisations as well as the benefits and disadvantages of using social media as a promotional mix element are considered.

Chapter 3: Consumer behaviour and perceptions

In this chapter, consumer behaviour and perception are explored. Individual and group factors that affect a consumer's behaviour to purchase are identified and discussed. Perception and the perceptual process are also discussed, followed by the consumer decision-making process and the dynamic customer decision journey.

Chapter 4: Research methodology

This chapter provides a detailed explanation of the research methodology employed by the researcher in this study. The chapter focuses on the research process and each step in the process is defined, with further explanation of the research design and methodology applied for this study. This will allow the reader to have a clear understanding of how the research problem was investigated.

Chapter 5: Research findings

Chapter 5 provides the reader with a detailed analysis of the data that was collected from the respondents of this research study. Findings are presented for each question in the research instrument followed by inferential statistical analysis. Furthermore, the reliability and validity of the research instrument as well as a cluster analysis are discussed.

Chapter 6: Conclusions and recommendations

The concluding chapter is the final chapter of this research study and presents the conclusions and recommendations. Contributions towards the star-graded accommodation establishment industry will be discussed as well as the limitations and further future research suggestions.

1.9 SUMMARY

This chapter provided an overview of the research study and highlighted what it aimed to achieve. Firstly, the purpose of the study was stated, followed by a background sketch on the evolution of traditional marketing methods to social media marketing, and the accommodation sector within South Africa. The research question, objectives and methodology were then discussed, followed by the limitations of the research study. In the next chapter social media as a promotional mix element is explored in more detail by means of a comprehensive literature study.

CHAPTER 2

SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT

2.1 INTRODUCTION

Since the dawn of the Internet, the number of organisations using tools, such as the World Wide Web and cell phones, has increased and is continuing to grow. The Internet has led to the emergence of a global marketplace, which is simply a mouse click away. The Internet as a global marketing tool has become an interesting and attractive medium that is seen as an innovative marketing tool. Numerous organisations have increased their use of online, electronic media in an attempt to develop their marketing strategies in a very significant and interactive manner (Mirzaei *et al.*, 2012:231). This increase in the use of online media has led to the added rivalry between companies in building online relationships and interacting with consumers (Mustonen, 2009:5). Chung and Austria (2010:581) argue that consumers are now inclined to trust user-generated messages from other consumers or friends more than messages from the organisation through traditional mass media.

Social media has changed the way in which businesses operate and interact with consumers and prospective consumers (Aspili, 2013). Before the advent of social media applications and websites, the ability to create and distribute content on the Internet was limited to organisations and the media. In the advanced electronic era of today, consumers have access to the Internet and have the capability to contribute, interact and distribute information, pictures or videos online and, consequently, marketing has become a two-way communication street between consumers and marketers. Organisations therefore need to align and integrate electronic social media applications to increase their success and effectiveness (Mustonen, 2009:5).

Many organisations are interested in the use of social media as a marketing communication tool; however, they may not necessarily have the resources or capabilities to implement social media successfully. In this chapter, the concepts *promotional mix* and *social media* will be discussed, together with the phenomenon of social media as a possible promotional mix element.

In order to place social media in perspective, a brief overview of the communication model and the promotional mix is given, and thereafter the focus will be on social media.

2.2 THE COMMUNICATION MODEL

Communication, according to De Valenzuela (2002), is the act by which a person gives to or receives from another person information about that person's needs, desires, perceptions, knowledge or affective states. Wood (2012:3) provides a more generic definition and defines communication as a systematic process in which people interact with others through the use of symbols in order to create and interpret meaning. Communication is therefore the transmission of information between two or more parties.

For communication to take place, both the sender and receiver of information must have something in common to understand the symbols, words and pictures used to convey information (Hult, Pride & Ferrell, 2013:497). If the opposite party has not accepted or understood the message conveyed, communication has not yet taken place and therefore, Samovar, Porter and McDaniel (2012:9) explain communication as the management of messages with the objective of creating and sharing meaning.

As is clear from figure 2.1, the traditional communication process involves seven elements – a sender, encoding of the message, message channels, decoding of the message, receiver, the possibility of noise and feedback. This process of transmitting information from one person to another, known as the communication model, is illustrated in figure 2.1.

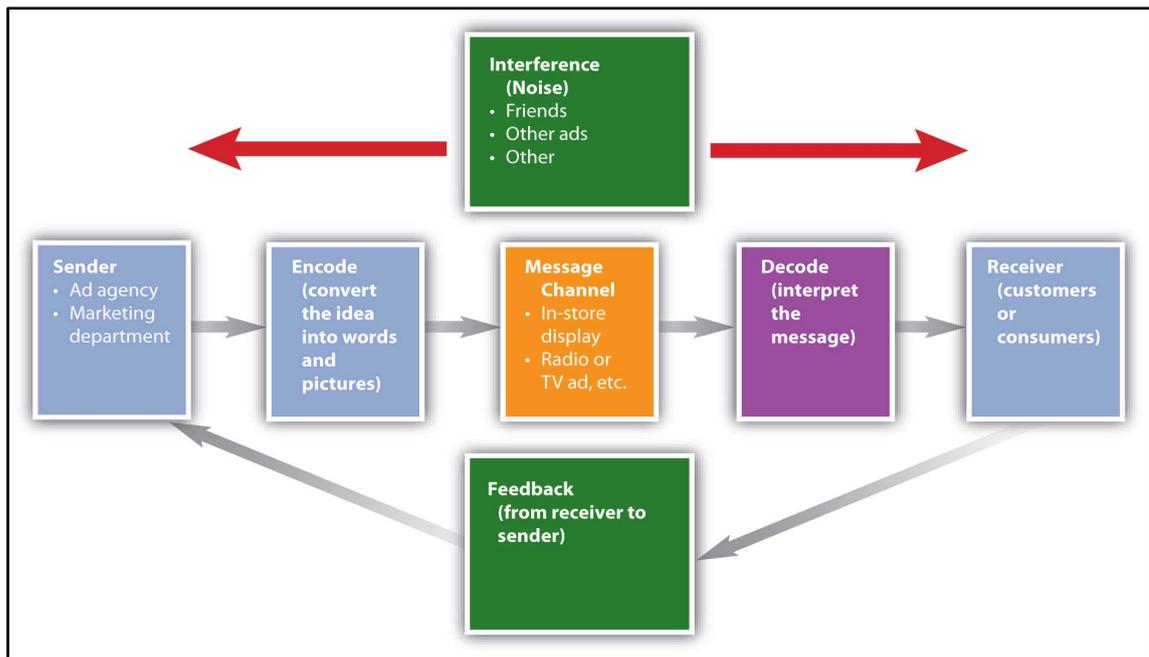


Figure 2.1: The communication model
Source: Adapted from DuBrin (2009:409)

The following are the main components in the communication model:

- **Sender:** The sender is the individual who instigates the communication process by conveying an idea to the receiver. The sender is often referred to as the source, the communicator or the encoder, as this is where the communication process originates (Cleary, 2008:3). The sender can consist of an outsourced advertising agency or the internal marketing department of an organisation.
- **Encode:** Encoding is the way in which the sender organises ideas into a series of symbols, for example words, gestures or visual aids, which are used to communicate a meaningful message to the receiver (DuBrin, 2009:409).
- **Message channel:** The communication (message) channel, or medium, is the means used to exchange or transmit the message. The message is sent through a communication medium, such as in-store displays, radio, television or the Internet. Choosing a communication channel or medium that is suitable for the specific message is crucial in the effectiveness of the message decoded by the receiver (DuBrin, 2009:409).
- **Decode:** Once the message has reached the intended market or individual, the receiver interprets it and assigns meaning to the symbols, words and gestures received. Certain communication barriers can occur at the decod-

ing stage as people assign meaning to messages according to their own psychological desires and intentions (DuBrin, 2009:409).

- **Receiver:** The message is aimed at or intended for a particular person, group of people, or organisation. This is the receiver. The receiver decodes the message that has been transmitted by the sender (MSG, 2012).
- **Interference (noise):** Interference or noise is anything that reduces the clarity and accuracy of the message, for example static on the car radio when driving through a tunnel (DuBrin, 2009:409).
- **Feedback:** Feedback is the receiver's response to the sender's message. It is the main component of the communication process, as without feedback, the sender cannot determine the effectiveness of the message (MSG, 2012). Feedback therefore completes the process so that the sender and receiver can arrive at a similar understanding of the messages (Verderber, Verderber & Sellnow, 2010:8).

In the traditional communication model, organisations generated a message and conveyed it to prospective customers, who might have been a receiver in the communication process. Hence, the distribution of information was in the hands of the marketer and organisation. With the advent of the Internet, and continuous changes in technologies, customers have the ability to influence the buying decisions of others. Communicating marketing messages has ultimately changed from being one-way communication to a multiple-way communication endeavour (Mangold & Faulds, 2009:364). This has led to the development and implementation of new communication models that recognise the extensiveness of information now being discussed among customers in the social media sphere (Kichatov & Mihajlovski, 2010:10). A new communication model, which is also known as the new communication paradigm, was developed in 2009 and has since not been modified. The communication model, as introduced by Mangold and Faulds (2009:360), is illustrated in figure 2.2.

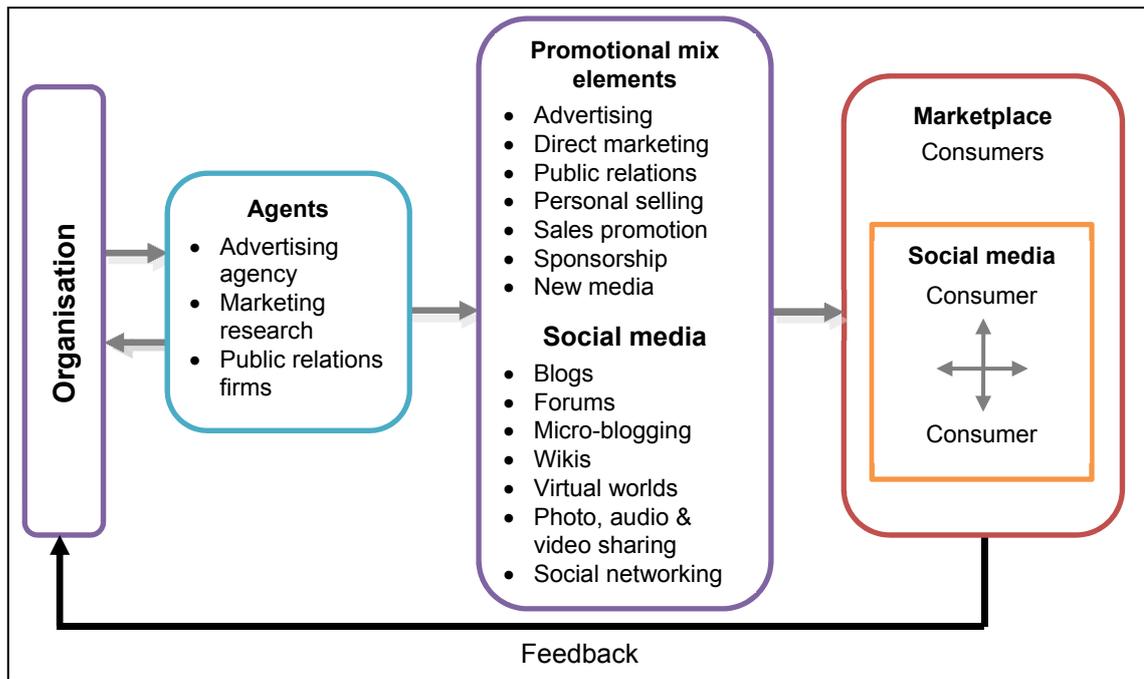


Figure 2.2: The communication paradigm

Source: Adapted from Mangold and Faulds (2009:360); Huhtala (2010:19)

From figure 2.2, it can be seen that the flow of communication messages starts at the organisation, such as a hotel. The organisation makes use of either advertising agencies or public relations organisations to assist in conducting marketing research, creating an appropriate marketing message or strategy and ultimately distributing the messages through certain marketing channels. These agents use traditional promotional mix elements or social media applications to convey the message to the intended audience (i.e. the consumer or customer). These agents, as identified in the latest communication paradigm, are explained below:

- **Advertising agency:** An advertising agency is a company that (1) constructs new promotional ideas; (2) designs print, radio, television and Internet advertisements; (3) reserves advertisement space and time; (4) plans and conducts advertising campaigns; (5) warrants research and surveys; and (6) provides additional services that can assist a client in entering and succeeding in a specific market segment (Business Dictionary, 2013a).
- **Marketing research:** Marketing research is the function that links the consumer, customer and public to the marketer through information. This information is used to (1) identify and define marketing opportunities and threats;

(2) generate, refine and evaluate marketing actions; (3) monitor marketing performance; and (4) increase the understanding of marketing as a process (Czinkota & Ronkainen, 2007:244).

- **Public relations firms:** The goal of a public relations company is to create and promote, through the administration of news and advertising, an advantageous and favourable image among the public towards the client (i.e. corporations, cultural institution, product, brand or public body) through the use of various research techniques and communication media (The Free Dictionary, 2013a).

The promotional mix elements illustrated in the new communication paradigm, shown in figure 2.2, will now be discussed in more depth. Thereafter, the various social media applications as illustrated in figure 2.2 are discussed.

2.3 THE PROMOTIONAL MIX

The purpose of promotion is to communicate with existing and potential consumers in order to influence them and persuade them to purchase the product or service of an organisation (Burrows, 2009:542; Smith & Hiam, 2006). *Promotion* can therefore be defined as a form of communication, where the organisation or marketer conveys a message via a communication channel to the intended target market (Burrows, 2009:428).

Promotion involves the distribution of information regarding a product or service of an organisation by using a combination of seven promotional elements in an attempt to sell these products or services (Moore & Pareek, 2010:130; Trehan & Trehan, 2010:45). The combination of these elements or tools is referred to as the promotional mix. The *promotional mix* is defined as a subset of the marketing mix, where the marketer attempts to create the most favourable combination of different personal and non-personal selling elements to achieve certain marketing objectives (Kurtz, 2011:500; Sandhusen, 2008:598). This means that the promotional mix is the combination of advertising, public relations, personal selling, direct marketing, sales promotion, sponsorships and new media, used to reach the target market and fulfil the organisation's overall goals (Lamb, Hair & McDaniell, 2012b:250). The goal of the promotional mix is thus to always deliver the organisation's message competently and successfully to the intended target

audience (Gitman & McDaniel, 2009:328). A well-formulated promotional mix is one that top management believes will meet the needs of the target market and the objectives of the organisation (McDaniel *et al.*, 2011:533).

Each of these promotional mix elements (i.e. advertising, public relations, personal selling, direct marketing, sales promotion, sponsorships and new media) should ideally be integrated to convey the same message throughout various channels. In other words, the message conveyed to the consumer or prospective customers should be similar regardless of which medium the message is broadcast through (McDaniel *et al.*, 2011:538). When planning the promotional message, many marketers fail to integrate their marketing message throughout their marketing communication campaign. Consequently, this has led to many companies adopting and utilising the concept of integrated marketing communications (IMC), which involves the attentive coordination of all the promotional mix elements to ensure uniformity throughout the marketing message (Lucenko, 2012:5).

Shimp (2008:10) defines IMC as:

“... a communication process that entails the planning, creation, integration, and implementation of diverse forms of marketing communications (advertising, direct marketing, sales promotions, publicity, personal selling and sponsorship) that are delivered over time to a brand’s targeted customers and prospects.”

For the purpose of this study, the promotional mix is defined as *the combination and integration of various selling elements (i.e. advertising, personal selling, sales promotion, direct marketing, public relations, sponsorships and new media), in order to communicate a well-formulated message to the intended target market and potential customers in order to influence and persuade them to purchase the products or services of the organisation.*

The various selling elements of the promotional mix will now be discussed.

2.4 ELEMENTS OF THE PROMOTIONAL MIX

Several advertising methods are available to marketers to communicate the intended messages to individuals, groups or organisations. These methods are known as the promotional mix elements, as discussed in the previous section.

The promotional mix elements consist of advertising, direct marketing, public relations, personal selling, sales promotion, sponsorships, and new media or alternative media.

2.4.1 Advertising

The first component of the promotional mix is advertising. Advertising, according to O'Guinn, Allen and Semenik (2009:9), is a paid-for, mass-mediated attempt to influence and persuade customers to purchase a product or service. Hult *et al.* (2013:526) further state that advertising is conveyed to a target market through mass media, such as television, radio, the Internet, newspapers, magazines, direct mail, outdoor displays, or messages on transit vehicles. From these generic definitions of advertising, three distinctions are apparent (O'Guinn *et al.*, 2009:9–10):

- Advertising is *paid* for by the organisation that would like the information to be communicated to the intended target market. If the organisation or marketer does not pay for the advertising, it is not considered to be advertising.
- Advertising is *mass mediated* (or mass media). Mass media refers to the communication channel or medium used to convey the message to a group of people. Advertising is intended to reach a large group (or mass) of people. Well-known mass-mediated communication channels include television, radio, billboards, newspapers, magazines and the Internet.
- Advertising has to *influence or persuade* the customer to purchase the product or service being communicated by the organisation through advertising elements, such as radio, television, newspapers and magazines.

Advertising consists of the following marketing communication channels: (1) *print media* such as newspapers, magazines, flyers and billboards; (2) *broadcast media*, for example television and radio commercials; and (3) *outdoor media* such as billboards, posters and transport advertisements (Higuera, 2011:1).

2.4.1.1 Print media

Print media involves any form of advertisement where information is communicated to the consumer by printing on paper, and is publically and privately managed and controlled (Du Plessis, Van Heerden & Cook, 2010:98). Cant *et*

al. (2010:331) state that print media provides marketers with the opportunity to communicate and explain the message more clearly by means of combining visual and verbal communication aspects. There are two main forms of print media, namely newspapers and magazines. However, print media can also include directories, journals, brochures and packaging. For example, various accommodation establishments distribute brochures, pamphlets or magazines to tourism information centres and other accommodation establishments in the surrounding area.

2.4.1.2 Broadcast media

Broadcast media, according to Higuera (2011:1), includes radio or audio media as well as television advertisements. Radio and television are widely used by people to listen to the news, music or other entertainment programmes. Television, on the other hand, has displayed the most rapid growth among all advertising media and can reach a large portion of the population or target audience (Chandrasekar, 2010:302). Du Plessis *et al.* (2010:90) explain that broadcast media needs to attract attention quickly as the message is very brief and once the message has been broadcast, it is gone until the next broadcast. An advantage of broadcast media is that it is more intrusive than print media, as print media can be ignored or absorbed by customers while paging through. An example of broadcast media is the famous Sun International Hotel and Casino's television advertisements with the well-known celebrity Charlize Theron.

2.4.1.3 Outdoor media

Outdoor media, or out-of-home advertising, is one of the oldest advertising media. It is flexible and low cost and may take a variety of forms. Lamb, Hair, McDaniel, Boshoff and Terblanche (2013:385) caution that since outdoor advertising can reach broad and diverse markets, it is usually limited to promoting convenience products and particular shopping products. Outdoor media is mostly used as a supportive means by many marketers and includes billboards, signposts, posters, wall paintings and transport advertisements. Outdoor media allows for substantial reach and frequency levels and it is most successful when used to accomplish specifically defined communication objectives (Chandrasekar, 2010:303). Examples of outdoor or out-of-home advertising include billboards,

skywriters, bus stop shelters, signs in sport arenas, signs in bus terminals and airports, and advertisements applied to the sides of cars, trucks and buses.

Direct marketing is discussed next, as it is the second element of the promotional mix.

2.4.2 Direct marketing

Direct marketing involves the communication of product and service information through the Internet, over the telephone and by means of non-personal communication (Pride & Ferrell, 2012:481). Direct marketing is further explained as an interactive communication tool that takes the product or service to potential customers rather than waiting for them to come to the organisation (Lancaster & Massingham, 2011:330). It is thus the decision made by an organisation's marketers to select a marketing channel that avoids depending on marketing channel intermediaries, and to focus marketing communication activities directly on the targeted audience (Lancaster & Massingham, 2011:330). Forms of direct marketing include telemarketing, mail order catalogues, viral marketing and magazine advertisements (Cant *et al.*, 2010:315).

Some of the advantages of using direct marketing as a promotional element in businesses are as follows (Boone & Kurtz, 2012:497):

- Direct marketing ensures instantaneous feedback from consumers.
- It can cover an extensive market with targeted advertising.
- Direct marketing allows for complete, customised, personal messages.
- It provides measurable results.

Disadvantages of using direct marketing as a promotional element include the following (Boone & Kurtz, 2012:497):

- Image problems may occur.
- Direct marketing involves a high cost per reader.
- It depends on the quality and accuracy of the mailing lists.
- Direct marketing could irritate consumers.

2.4.3 Public relations

The third component of the promotional mix is public relations, which is the development and maintenance of worthy relationships with numerous people, such as customers, investors, stakeholders, the media and the surrounding communities (Mayo, 2012:10; Smith & Zook, 2011:312). It is used to promote products, people, places, ideas, activities and organisations (Armstrong & Kotler, 2013:410). In essence, public relations involves the communication efforts of an organisation to create and maintain favourable relationships with its stakeholders. Maintaining a positive relationship with stakeholders can affect the organisation's current sales and profits as well as its long-term survival (Hult, Pride & Ferrell, 2012:485). The main purpose of public relations is thus to create and enhance a positive image of the organisation in order to sell its products and services.

Public relations has the ability to impact the awareness of the community, but at a fraction of the cost of certain advertising activities. If an organisation makes use of public relations, it does not pay for the media time or space (i.e. radio time or space in a magazine), but rather for the employees developing and circulating information and managing specific events (Armstrong & Kotler, 2013:411). Many of the public relations undertakings are generated through activities such as press releases, press conferences, media relations, event days and search engine marketing (Cant, 2013:195).

2.4.4 Personal selling

The fourth element of the promotional mix is personal selling. Personal selling can be defined as a paid-for, personal communication that attempts to inform customers and to persuade them to purchase products or services in an exchange situation (Ferrell & Hartline, 2008:298; Lamb *et al.*, 2013:353). It is therefore a communication tool that allows organisations the opportunity to communicate directly to their customers, suppliers and distributors, and allows for immediate feedback from the parties. For this reason, organisations have some control over conveying the message correctly to the right target market (Frey & Rudloff, 2010:4).

Personal selling can be regarded as the interpersonal element of the promotional mix. Where advertising consists mainly of non-personal communications with the mass media, personal selling involves interpersonal interactions between salespeople and individual consumers (Armstrong & Kotler, 2013:421). Personal selling can be more effective than advertising in more complex selling situations, as the salesperson can probe customers in order to understand their needs and desires, and subsequently modify the marketing offer and presentation so that it will be more attractive to the specific consumer (Armstrong & Kotler, 2013:421).

The goal of personal selling may vary from business to business. However, the main goals generally include finding prospective customers, establishing customers' needs and desires, persuading customers to purchase the product or service offering, following up on the sale and ensuring that interest is aroused in the organisation's product and service (Armstrong & Kotler, 2013:421; Hult *et al.*, 2012:533).

2.4.5 Sales promotion

Sales promotion is the fifth element of the promotional mix and encompasses the use of short-term incentives to encourage customers to purchase, gain reseller support and stimulate sales force efforts (Armstrong & Kotler, 2013:420). Sales promotion is an activity or material, or both, that acts as a direct enticement, offering added value or incentives for the product, to resellers, salespeople, or consumers (Pride & Ferrell, 2013:579). Lamb *et al.* (2013:354) explain that sales promotion incorporates all marketing activities – other than personal selling, advertising and public relations – that motivate customers to purchase and enhance dealer success.

Cant (2010b:184) notes that sales promotion could establish a positive attitude among consumers, due to the perception customers might have about not having to pay for a product or service. Organisations can typically offer one or more of the following types of sales promotions to customers to entice them and encourage them to purchase:

- **Coupons:** A coupon is defined by Krahl (2008:2) as a broad marketing instrument in the form of a printed or electronic voucher, which allows either a direct or indirect discount to be obtained if the redemption conditions of the

voucher are met. A coupon is therefore a reduction in the price of a product to encourage customers to try a new product or attract customers for re-purchase (Lamb *et al.*, 2013:396).

- **Rebates:** With rebates, the consumer is sent a particular amount of money for making a single product purchase and is usually given more expensive products (Pride & Ferrell, 2013:583).
- **Free samples:** Free samples are given to consumers to encourage trial of the product, increase volume in the early stages of the product's life cycle and inspire consumers to actively search for a product. Free samples are one of the most widely used consumer sales promotion methods (Ferrell & Hartline, 2011:316).
- **Loyalty programmes:** Loyalty programmes, or frequent-buyer programmes, reward loyal customers who engage in repeat purchase (Ferrell & Hartline, 2011:316). The objective of loyalty programmes is to build long-term, mutually beneficial relationships between an organisation and its customers and stakeholders (Lamb *et al.*, 2013:396).
- **Point-of-purchase promotions:** Point-of-purchase displays are promotional displays set up in-store to build traffic, advertise a new product and motivate impulse purchase (Ferrell & Hartline, 2008:305).
- **Premiums:** Premiums are items offered free or at a minimum cost as a bonus for purchasing a product (O'Guinn *et al.*, 2009:572). Examples of premiums include a free breakfast when booking at a specific hotel, or staying an extra night for free if a customer books and pays for three nights.
- **Contests, competitions and sweepstakes:** Consumer contests, competitions, games and sweepstakes encourage potential consumers to compete for prizes or try their luck by submitting their names in a drawing for prizes. Where contests and competitions compete for a prize based on consumers' skills, knowledge or abilities, sweepstakes are a promotional element in which winners are determined purely by chance (O'Guinn *et al.*, 2009:572).

2.4.6 Sponsorship

Sponsorship is the sixth element of the traditional promotional mix. Sponsorship involves the organisation supporting and paying money to fund a person, a group, or something (e.g. a charity) that is part of an activity or event (Clow &

Baack, 2010:269). Cant *et al.* (2010:327) explain that sponsorships involve an agreement to provide financial support to an organisation or individual in return for the privileges to make use of the sponsor's brand in connection with the sponsored events or activities.

Sponsorship is occasionally seen as a sales promotion endeavour; instead it should be considered as a component of public relations. Sponsorships involve an organisation supporting, in some way, a cause or a person it feels will help in the overall marketing and sales of its products or services, although it is done indirectly. Mayo (2012:1) states that sponsorships can increase the awareness of a business, product or brand, provide retail opportunities, exhibit commitments and community engagement or impact the bottom line. Sponsorships usually comprise advertising, direct marketing, sales promotion, publicity in the form of media coverage of the event and personal selling at the event itself (Boone & Kurtz, 2012:498).

As the promotional mix elements have evolved and changed to adapt to the needs and wants of the consumer, new communication tools have emerged, one of which is social media. These new communication tools are known as new media or alternative media and are discussed next.

2.4.7 New media

The last element of the promotional mix, and a relatively new element, is new media. New media, or alternative media, refers to the use of technology such as fax-on-demand, smart cards, Internet, e-mailing, cell phones as well as SMS technology (i.e. mobile marketing). Lamb *et al.* (2013:386) further explain that alternative media includes computer services such as the Internet, the World Wide Web and smartphones. These forms are used by organisations to communicate with customers in an innovative and modern manner that will balance out with the consumers' routines and interests (Klopper, Berndt, Chip, Ismail, Roberts-Lombard, Subramani, Wakeham, Petzer, Hern, Saunders & Myers-Smith, 2006:256). New media is based on broadcast and publication advertising, but is more unique in that it provides direct communication between individuals and organisations, despite geographical and time barriers.

It is suggested that marketing managers recognise the supremacy and critical nature of new media, such as the Internet and mobile marketing, as it can be considered to be one of the key elements of the promotional mix (Mangold & Faulds, 2009:360). As the reach of the Internet has continuously spread and consumers are increasingly spending a prolific amount of time online, the Internet and mobile marketing have become the number one source of information at work and secondly at home (Huhtala, 2010:17). Consumers are therefore focusing on new marketing communication sources and are turning away from the traditional sources of advertising, such as newspapers, magazines, television and radio. This is due to the fact that consumers are demanding more control over their media consumption.

Mangold and Faulds (2009:364) purport that social media can be considered for inclusion as a feasible element of the promotional mix, as the sphere of the Internet and mobile marketing has evolved rapidly. This is consistent with Boone and Kurtz's (2015:50) assertion that the objective of marketing communication is to coordinate all promotional activities of an organisation to produce a unified and consistent message to consumers. The remainder of this chapter will therefore focus on social media and social media as a viable promotional mix element.

2.5 CONTEXTUALISING SOCIAL MEDIA

With the emergence of social media as a marketing tool in the past few years, the digital landscape has been redefined and has changed the way organisations decide on the marketing messages. As organisations begin to understand the value of the Internet as a key component of their communications platform, they are gradually starting to implement different marketing practices that are more cost-effective and efficient (Castronovo & Huang, 2012:117). As the new marketing communication paradigm evolves, as discussed in section 2.2 (page 15), a new excitement has emerged as to the potential to drive social media as a promotional element (Lipsman, Mudd, Rich & Bruich, 2012:41).

The concept of social media will now be defined in order to understand the phenomenon. Social networking will also be elaborated on, as social media and social networking are regularly used interchangeably.

2.5.1 Defining social media

Social media and social networking are often used as synonyms and interchangeably, especially in spoken language. However, there is a difference between these two terms.

Several authors have explained *social media* as an Internet-based application (Kaplan & Haenlein, 2010:60; Xiang & Gretzel, 2010:180), allowing user-generated content to be created by individuals and the general public (Daugherty, Eastin & Bright, 2008:16; Haataja, 2010:8). Social media entails conversation between people – the sharing of thoughts, experiences, content and information for making a better or more-informed choice (Jerving, 2009: 5; Madia & Borgese, 2010:232; Palmer & Koenig-Lewis, 2009:165). Miller (2012:214) further argues that social media is an interactive and encouraging two-way (or multiple-way) conversation tool between multiple parties. Social media is therefore an umbrella term that covers technologies such as blogs, vlogs (video blogs), photo sharing, wikis, podcasting, micro-blogging, music sharing, forums, reviews, social bookmarks and online communities (Frey & Rudloff, 2010:7; Mangold & Faulds, 2009:357; Page, 2012:5; Sweeney & Craig, 2010:xvi).

Social media, according to Solis (2010:36), represents a social revitalisation that has generated a distinctive and exciting network supported by prosperous cultures and lifestyles. The characteristics of social media can therefore be seen as being:

- a platform for socialisation;
- a tool facilitating conversations;
- the linkages between friends, family, colleagues and influencers;
- about relationships and concerns;
- the redistribution of influence;
- a demand for civilising individuals and audiences, and the stories that connect them;
- words, pictures, videos, gossip, audio, as well as experiences, observations, opinions, news and insights; and
- an opportunity and pleasure.

2.5.2 Defining social networks

Social networks, on the other hand, have been defined as the grouping of individuals into specific clusters and communities that interact with one another through social networking websites (Madia & Borgese, 2010:232), by offering participants a public or semi-public profile within a restricted system (Page, 2012:66). Social networking sites include MySpace, Facebook, Twitter, Google Plus and LinkedIn (Scott, 2009:229; Stern, 2010:xviii), for the reason that they are designed to build and encourage personal social networks with others (Kanter & Krause-Hardie, ND:1). Social networking sites make it easy for people to create their own unique profile and interact with others that have a common interest or concern and offer an avenue where they can express themselves openly (Miller, 2012:214; Weber, 2007:4; Zhang, 2009:4). *Social networking* can therefore be defined as a type of website model where individual members become part of a broader virtual community (Stokes, 2009:125) and is the practice of expanding the number of one's business and social contacts by making connections through individuals online (Strauss & Frost, 2009:183).

It is clear from the literature that there is a difference between social media and social networking and to explain the difference between these two underlying terms, figure 2.3 illustrates that social networking sites form part of social media applications.

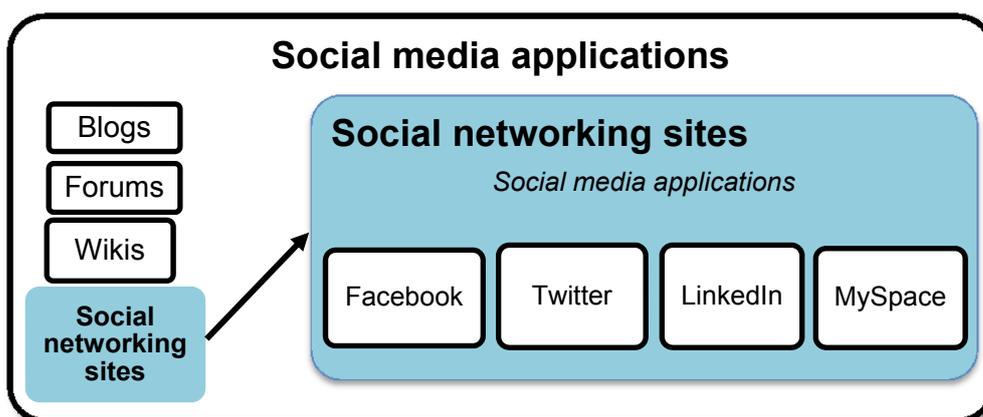


Figure 2.3: Contextualising social media and social networking

It is clear from figure 2.3 that social media comprise, for example, blogs, discussion forums, wikis and social networking sites. It is observed that, whereas social networking is the interaction between users of a particular networking website

(e.g. friends on Facebook), social media entails the general statements or comments regarding a common interest or concern that are accessible to any individual party. Therefore, social media and social networking, which are regularly used as synonyms, are in fact not the same. Social networking is a subset of social media.

Accordingly, for the purpose of this study, the researcher will refer to social media, which is defined as *an interactive, two-way Internet-based communication application, allowing user-generated content to be created by individuals and the general public.*

Social marketing is elaborated on in the subsequent section.

2.6 SOCIAL MARKETING

Various tools are available that businesses can use when formulating their social media strategies. These social media applications that businesses can utilise and integrate in their strategies are explained below.

2.6.1 Social media applications

Social media applications are website tools used to share organisations' common interests or concerns with the general public and provide their insights and thoughts. They are used to interact with other parties in sharing thoughts, experiences, content and information in order to make better informed decisions. Organisations use these applications to provide valuable information, reviews of and comments on their products, services and corporate image to numerous individuals. Social media applications include blogs, discussion forums, wikis, social networking sites, virtual worlds and photo, audio and video sharing, to name only a few (Mustonen, 2009:9–11).

2.6.1.1 Blogs

A blog can be described as an Internet page that comprises an online personal journal with thoughts, comments and often hyperlinks provided by the writer (Kichatov & Mihajlovski, 2010:7). A business blog can be a powerful and universal way to drive word-of-mouth recommendations through the content the business publishes. A blog can also allow a business to create and build mean-

ingful relationships with its target markets, thereby increasing customer loyalty (Castronovo & Huang, 2012:123). Furthermore, blogs are updated more often than normal Internet sites and their contents are displayed in chronological order. Blogs offer an effective platform for sharing stories, news, commentary, videos or photos with other people and drawing them into the specific issue (Weinreich, 2011:217).

2.6.1.2 Discussion forums

Discussion forums are known as the longest established form of online social media where individuals comment on and discuss certain topics and interests, such as individuals usually travelling via Club Med (Mustonen, 2009:17). Many different forums or discussions can also be held simultaneously. Scott (2009:65) states that message boards, discussion boards and discussion forums serve as the basis for defining and refining the function that power social networks and communities have today. Travel Inform is an example of an accommodation industry discussion forum, where all discussions regarding accommodation establishments are grouped under 'accommodation'.

2.6.1.3 Micro-blogging

As the term implies, micro-blogging is a small blog service that broadcasts very short blog posts to a group of subscribers and does not offer any of the public features found on larger social media sites (Miller, 2012:216). Weinreich (2011: 220) explains micro-blogging as providing short updates and links through a service such as Twitter where posts are limited in size. For example, short tweets were posted on Twitter after the five-star graded establishment, The One and Only in Cape Town, launched a massive special on its luxury sea-facing rooms.

2.6.1.4 Wikis

Wikis are websites that allow individuals to add or edit content on any number of interlinked pages (Richardson, Gosnay & Carroll, 2010:81). The end result of the wiki is a single entry that reflects the combined consensus of individuals. The most famous form of a wiki is the well-known Wikipedia, which is a free online encyclopaedia that offers users definitions and descriptions in a wide

variety of languages on almost every topic and each user can add new or additional information to already existing content (Richardson *et al.*, 2010:81).

2.6.1.5 Virtual worlds

Scott (2009:48) describes virtual worlds as three-dimensional (3D) computer environments where subscribers are represented onscreen as either themselves or as avatars created by individuals in real time with other users. Virtual worlds include Shining Stars, Habbo, Toyoa Metapolis and the well-known Second Life. Second Life is a 3D virtual world created by the users and allows them to interact with other users by using their own created and copyrighted avatars (O'Connell & Groom, 2010:ix).

2.6.1.6 Photo, audio and video sharing

Photo, audio and video sharing platforms allow users to upload their own personal photos, audio and videos and share them with other people (Frey & Rudloff, 2010:10). An example is YouTube, where individuals can easily upload videos, which can then be distributed and downloaded freely. Flickr is similar to YouTube, but the main purpose is to share photos, instead of videos. Podcasting has become popular and involves audio files being hosted on the Internet (Richardson *et al.*, 2010:78). For example, a tourist can explore the five-star Table Bay Hotel in Cape Town on YouTube, to obtain a scenic view of the hotel, facilities and the location. Similarly, a vast array of photos can be seen of the five-star Westin Hotel in Cape Town on Flickr.

2.6.1.7 Social bookmarking services

Social bookmarking services, also known as social news sites, represent a subset of features found on a social networking site and allow users to save and share web pages with friends, family and colleagues online (Miller, 2012:216). While file sharing allows for the distribution of data, bookmarks merely act as a reference for the actual source or data (Frey & Rudloff, 2010:9). Examples of social bookmarking service sites are Digg, Delicious, Reddit and Stumble Upon.

2.6.1.8 Social networking sites

Social networking sites are virtual communities that allow users to connect with others through applications in order to represent themselves and their interests

to others. They are websites where people connect with friends, both those they know offline and those who are online-only friends (Kichatov & Mihajlovski, 2010:7). Social networking sites are elaborated on in the subsequent section.

2.6.2 Social networking sites

The most well-known social networking sites include Facebook, Twitter, LinkedIn, MySpace and TripAdvisor. These sites are regarded as a subset of social media.

2.6.2.1 Facebook

Facebook is one of the most popular and well-known social networking websites in the world and is free to use by any individual. Facebook permits users to join groups structured by region, organisation, or school and users can add friends, send messages and share information or pictures. It not only offers various advertising programs, but it also enables companies to create their own customised profile and share important information about their products, services or the business. Businesses can set up pages or groups that allow users to connect to them and see updates made by the organisation. Any statements or updates made by the business will appear in the news feed section of the individual's home page. Furthermore, Facebook provides companies with the unique opportunity to reach specific targeted users and initiate a two-way conversation with customers (Castronovo & Huang, 2012:123). Many businesses use Facebook to announce events or exhibitions, offer promotions, facilitate discussions and provide customers with up-to-date and valuable information (Powys, 2012:2).

Tourists can search, for example, the four-star Cape Grace Hotel in Cape Town on Facebook and obtain additional information from the hotel itself and other visitors. Contact information, office hours, directions, photos and reviews are some of the fundamental information that can be found on Facebook.

2.6.2.2 Twitter

Twitter is a free social networking service that allows users to distribute short messages known as 'tweets' for followers to see. Even though Twitter is regarded as a micro-blogging website, it has grown rapidly and expanded into a social messaging platform and is regarded as one of the top social networks in the world (Nations, 2012). Twitter is a tool which limits posts to 140 characters,

and tweets are text-passed posts that are displayed on the user's profile page and delivered to other users, known as followers, who have subscribed to them (Powys, 2012:2). Twitter can be beneficial for communicating with customers and spreading the conversation worldwide and is also ideal for building relations with target markets and potential customers (Fitton, Gruen & Poston, 2010:1).

2.6.2.3 LinkedIn

LinkedIn is another social networking site, which focuses mostly on business people and business links (Elad, 2011:1; Sweeney & Craig, 2010:32). The fundamental purpose of LinkedIn is to allow users to maintain a list of contact details of people they know and trust in the business sector. LinkedIn is a social networking site where one can build a profile, include an updated résumé and seek connections to other individuals. Used mainly to share business contacts and employment opportunities, there is often the chance to use this service as a business-to-business communication marketing tool, a way of finding suppliers, contractors or employees (Powys, 2012:4). Therefore, LinkedIn is a professional social networking site, which has become very popular among business practitioners. An example of the use of LinkedIn in the accommodation industry is the Protea Hotel in Mossel Bay, Western Cape, which can be found on LinkedIn. General information is available on LinkedIn regarding the Protea Hotel, reservations can be made and tourists can meet business people in the industry.

2.6.2.4 MySpace

MySpace, initially established to oppose Facebook, is a social networking website that allows users to create individual profiles in the hope of making contact with other site users that share similar interests or goals (Hupfer, Maxson & Williams, 2008:9). Dale (2006:1) says that MySpace is a place where people can meet old friends, meet new people, plan events and comment on their thoughts, interests and concerns.

2.6.2.5 TripAdvisor

TripAdvisor is the world's largest travel website which allows customers to gather travel-related information that is autonomously posted by other travellers (Miguéns, Baggio & Costa, 2008:2). TripAdvisor allows travellers to gather travel

information, post reviews and opinions of travel-related content and engage in interactive travel forums (Urban Dictionary, 2012). In 2013, TripAdvisor reached a new user-generated content milestone, making it the first travel website to offer consumers 150 million travel-related reviews and opinions (Darren Sim, 2013). More than 2 billion visitors worldwide visit TripAdvisor on a yearly basis to conduct research, plan their itinerary and book their vacation at more than 3.7 million accommodations, restaurants and attractions available on TripAdvisor (Darren Sim, 2013). A user-generated website such as TripAdvisor is an excellent medium that can be used by the accommodation industry to market their establishment and attract new potential customers, should they receive excellent reviews.

With the current development of social media technologies, organisations can reach and interact with thousands of customers in innovative and interactive ways. Even better, social media can be implemented without even spending any money, making social media marketing the ultimate low-cost, high-impact, new media marketing weapon (Meyerson, 2010:30). Implementing social media, however, is a serious approach and organisations should plan how to use it and need to understand how to use it effectively to be successful (Meyerson, 2010: 30).

The use of social media as a promotional mix element is discussed next.

2.7 SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT

Having explained the promotional mix and contextualising social media, this section focuses on social media as a promotional mix element in more detail.

Barnes and Barnes (2009:30) argue that since social media enables organisations to communicate with their customers and allow customers to interact with one another, social media can be considered to be a hybrid element of the promotional mix. Furthermore, social media is considered to combine some of the elements of the traditional promotional mix, such as advertising, direct marketing and personal selling (Mangold & Faulds, 2009:364). Richardson *et al.* (2010:57) also assert that the promotional mix no longer includes only advertising, direct marketing, sales promotion, public relations, personal selling and sponsorships,

but that social media is now regarded as a viable element of the promotional mix. Richardson *et al.* (2010:57) have therefore introduced an expanded communication mix, as portrayed in figure 2.4.

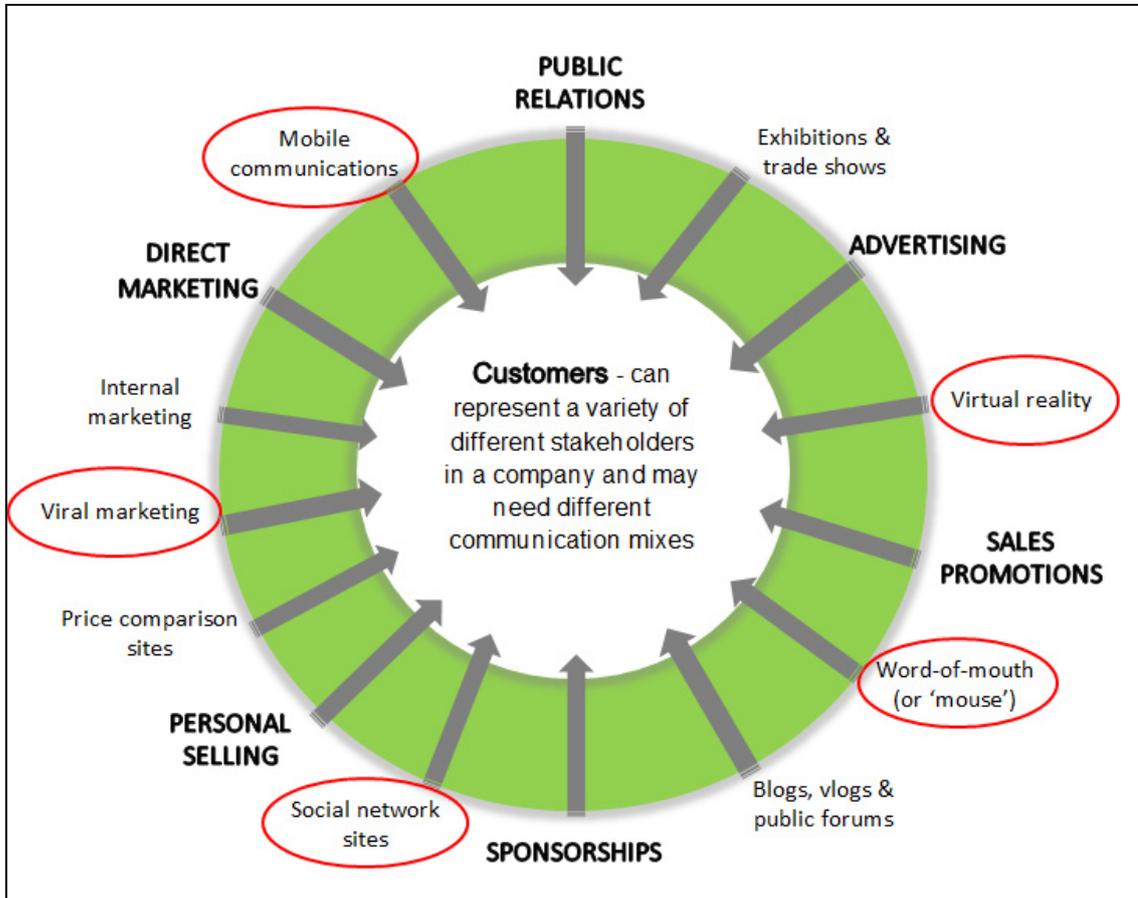


Figure 2.4: Extended communications mix
Source: Adapted from Richardson *et al.* (2010:57)

Richardson *et al.* (2010:57) maintain that the blend of tools used has changed over time from the traditional six promotional mix elements to the inclusion of new media tools, such as mobile marketing, word-of-'mouse' and other social media applications.

The centre of the figure represents the customer. The customer can include a variety of different stakeholders in the organisation that might need to use different communication mixes, such as the marketer or the manager. The traditional promotional mix elements – advertising, public relations, direct marketing, personal selling, sales promotion and sponsorships – are now merged with new media, such as virtual reality games, word-of-mouse, blogs, vlogs, forums, mobile communications, viral marketing as well as social networking sites. These new

elements are now being considered as a hybrid element of the promotional mix and should be considered and integrated together with the traditional promotional elements to create a complete marketing message.

Social media has become very popular among both young and senior individuals as well as small or larger businesses in South Africa. Thus, the current usage of social media among consumers as well as businesses within South Africa in general is examined in the next section.

2.8 USAGE OF SOCIAL MEDIA BY CONSUMERS

Social media has started fundamentally different ways of doing business. Billions of people around the world are using numerous types of social media applications to connect them to several other individuals, groups and organisations (Hansen *et al.*, 2010:11). The use of social media in the United States of America (USA) as well as in South Africa is considered in this section. The usage of social media among people residing in the USA is depicted in figure 2.5.

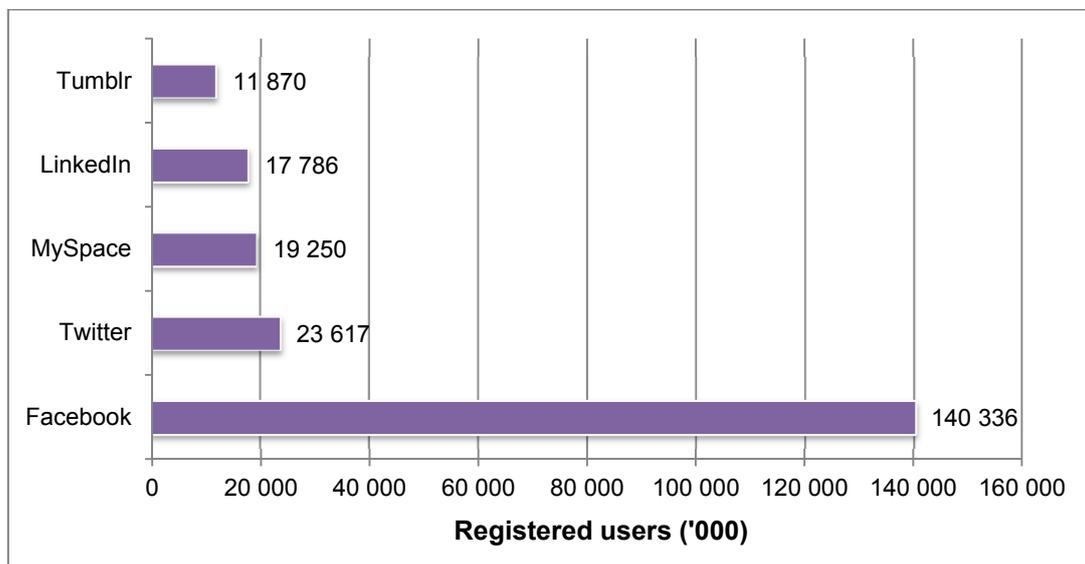


Figure 2.5: Social media users in USA, 2011

Source: Hubspot (2011:10)

It is evident from figure 2.5 that Facebook had the most registered users in the USA, with 140.3 million registered subscribers in 2011. The least used social media application in the USA is LinkedIn, with 17.8 million users, followed by Tumblr (a micro blogging platform used to post multimedia and other content to a short-form blog) with 11.8 million users.

Portrayed in figure 2.6 are the most South African users registered for a specific social media application in 2012.

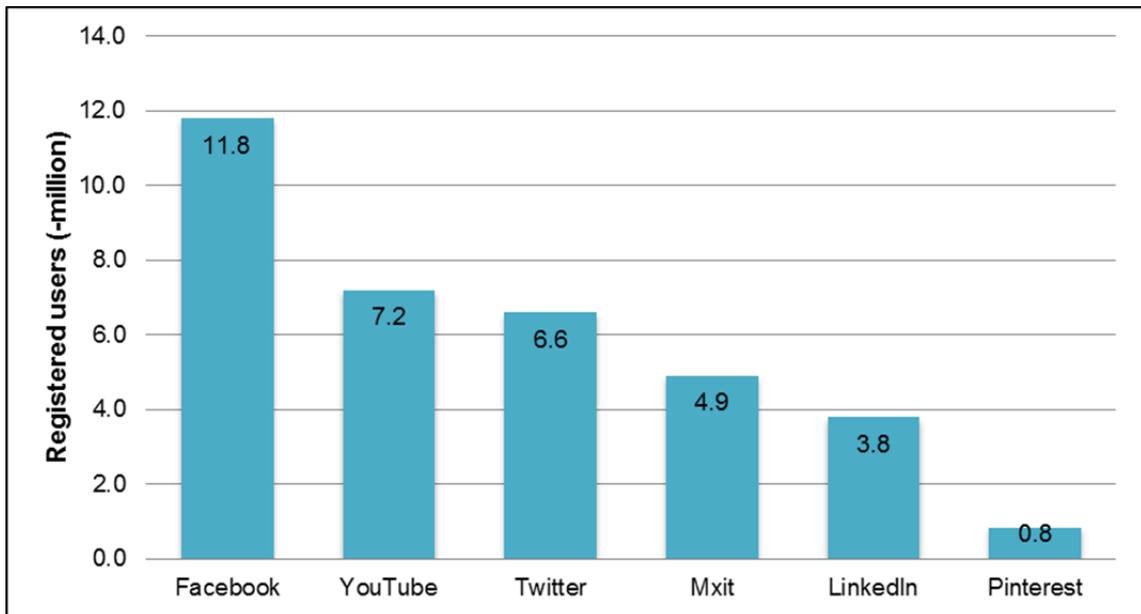


Figure 2.6: Social media users in South Africa, 2014
Source: VinIntell (2012:4); World Wide Worx (2014b:3)

The most used social media applications in South Africa, based on active registered users, are Facebook, YouTube, Twitter and LinkedIn. However, until recently, the most popular social media application is not conducted on a website, but is rather a downloadable mobile application known as Mxit. Mxit is an instant messaging application that runs on multiple mobile platforms. Although the number of *active* registered users using Mxit was 10 million in 2012, the total South African Mxit subscribers was 20 416 853 (VinIntell, 2012:4; World Wide Worx, 2012:1). Another well-known mobile social media application, WhatsApp, has become the leading instant messaging tool among South Africans aged 16 and over, living in cities and towns, with a user base of 4.6 million in 2012 (VinIntell, 2012:4; World Wide Worx, 2012:1).

Berger and Masala (2012:40) identify five social media applications in the top 20 websites, 3 of which are in the top 10, namely YouTube, Twitter and Facebook. They state that Facebook is the most dominant social media application used in South Africa. In 2014, registered Facebook users in South Africa increased significantly to 11.8 million compared to the 5.33 million users in 2012 (World Wide Worx, 2014b:3; World Wide Worx, 2012:1). Registered users of Twitter in South

Africa amounted to 6.6 million, while YouTube users increased to 7.2 million active users in 2014 (World Wide Worx, 2014b:3). The biggest social corporate platform that is available is LinkedIn, with more than 3.8 million users, approximately 12% of whom are business owners. Lastly, Google Plus is a social messaging service with 466 828 registered users in South Africa in 2012 (World Wide Worx, 2012:1).

It is clear from the consumer usage rates that social media has gone mainstream in South Africa, and the use of social media by a hefty portion of the consumer population is increasing. Therefore, a large number of the population can be reached through social media applications. Social media creates a great opportunity for organisations of any kind to reach and communicate with customers on a regular basis and develop long-lasting relationships.

Next, the current usage of social media applications by organisations in South Africa is examined briefly.

2.9 THE USE OF SOCIAL MEDIA BY ORGANISATIONS

Social media applications are currently being used more often by organisations of all sizes and types, whether profit seeking or non-profit organisations (Van Rijswijk, 2011). Similarly, organisations in South Africa are also more aware of social media and are following in the footsteps of their customers. Social media applications are a social and technological invention that organisations need to consider. Social media is becoming a crucial and indispensable part of doing business, with many organisations already utilising social media applications as tools to improve their relationships with their customers (Awolusi, 2012:1).

It has been noted that there has been a rise in South African organisations using social media applications, such as blogs, micro-blogs and forums, to attract new customers in order to build better relationships with them. Social media applications such as Facebook, Twitter, YouTube, LinkedIn and discussion forums give organisations the opportunity to profile their business and create relationships with potential customers, service providers as well as strategic partners (Business Partners Inc., 2012).

Corporate SA (2012) has revealed that 95% of many big brand organisations have some form of social media strategy aimed at customers. However, a mere 51% of South African businesses rated their social media efforts to have attracted new customers through social media activities (Corporate SA, 2012; HR Future, 2012). The research has also indicated that currently, more organisations are using social media applications to reach and interact with current customers than a few years ago (HR Future, 2012).

Statistics concerning the usage of social media applications among businesses in South Africa are as follows (Corporate SA, 2012; HR Future, 2012):

- Using social media as an effective public relations medium is the most frequently mentioned reason (70%) for using social media, while 62% of businesses state that social media is a core part of their marketing campaign.
- Some 13% of organisations use social media applications only because their competitors are doing so.
- A total of 49% of South African organisations leave social media in the hands of a marketing team, while 18% assign it to public relations officials and a further 18% outsource social media activities.
- Numerous organisations anticipate investing in the training of their employees on how to implement social media best practices. Some 36% intend to use specialists to manage their social media and public relations, while 15% state that their skills are optimal.
- Organisations use the number of followers (74%) or comments made (72%) to measure the effectiveness of their social media activities, while other organisations measure the actual number of customers who are followers (24%) or review the positive or negative comments made (40%).

Figure 2.7 illustrates the use of social media applications as a marketing element among South African organisations compared to the global use of social media applications.

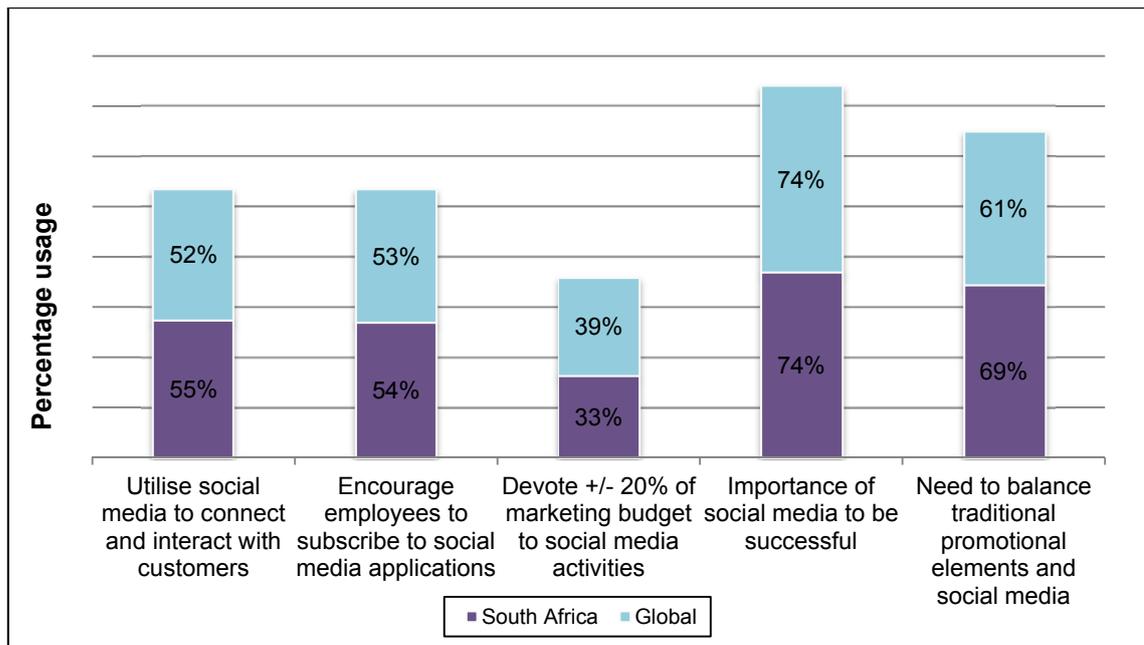


Figure 2.7: Use of social media among South African and global organisations

Source: HR Future (2012)

Shown in figure 2.7 are the comparative statistics regarding the use of social media among organisations globally and in South Africa (HR Future, 2012):

- A total of 52% of businesses worldwide and 55% of businesses in South Africa use social media, such as Twitter and Facebook, to connect and interact with existing customers.
- Some 54% of South African organisations encourage their employees to subscribe to social media applications such as LinkedIn, compared to 53% of global businesses.
- A total of 33% of South African organisations and 39% of global organisations devote up to 20% of their marketing budget to social media activities.
- Social media applications have evolved into being a necessity, as both South African and global organisations agree (74%) that without social media activities, marketing strategies cannot be completely successful.
- South African organisations (69%) and global organisations (61%) emphasise the need to balance marketing media, through the combination of traditional promotional mix elements as well as social media techniques.

From a marketable perspective, it is becoming progressively more important for organisations to understand the effectiveness of social media applications and how to engage with their consumers and prospective customers appropriately.

Organisations can use social media in an open and explicit manner by posting relevant and up-to-date information regarding a product, service or the organisation in order to sustain engagement with customers (Fairbairns, 2012:5). Similar to the use of social media applications by global organisations, as illustrated in figure 2.7, South Africa is starting to implement and utilise social media applications to reinforce its messages, products and services (Fairbairns, 2012:5).

Although social media is increasingly being used by various entities and can be considered as an efficient tool used to reach a large group of customers, it does have certain benefits and disadvantages as a promotional mix element.

2.10 BENEFITS AND DISADVANTAGES OF USING SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT

Social media is changing with the increase in the number of businesses using social media applications. The unpredictable growth in online social media marketing will create several new areas in social network advertising with the potential to completely change the landscape of online advertising itself (Bagherjeiran, Bhatt, Parekh & Chaoji, 2010:687). However, certain benefits and disadvantages exist for businesses and marketers that wish to use social media and integrate it into the promotional mix efficiently.

Understanding the benefits and disadvantages are important for organisations, marketers or even public relations practitioners for them to recognise the pitfalls and advantages of implementing various social media applications in their company. Considering the benefits and disadvantages can assist an organisation in implementing social media applications effectively and correctly so that they can successfully attract new customers, persuade them to purchase, build relationships and ultimately reach marketing goals and organisational objectives.

2.10.1 Benefits of using social media as a promotional mix element

Similar to individuals using social media applications, businesses have recognised that there are opportunities to communicate and engage with their target market through these modern means. There are certain benefits of utilising social media applications for marketing purposes (Haataja, 2010:22; Marken, 2009:10; Powys, 2012:2):

- Social media is an effective method of building and maintaining relationships with customers or potential customers through continuous and informative communications.
- Owing to the two-way nature of social media, it is possible to provide answers to customers' questions and pose questions to consumers that may advise businesses about new products or future marketing strategies.
- Viral promotion allows information to be disseminated to customers much faster. If a large number of people pass the advertisement on to a lot of friends, the growth will snowball (similar to traditional word-of-mouth). If this does not happen, the marketing campaign can become stagnant and ineffective.
- Social media can provide a cost-effective way of promoting and creating brand or image awareness.
- It provides a view of consumers' perceptions, which allow companies to see future trends or barriers.
- Word-of-mouth has incredible control over perception and acceptance.
- User community sites and blogs provide valuable user experience and opinions.
- It can generate effective virtual campaigns for products.
- It provides a unique opportunity to connect with colleagues and customers to gain feedback and learn from it.
- Social media allows fast, flexible and effective ways to reach big audiences and for the organisation to keep up to date regarding environmental changes and developments in customer behaviour patterns.
- Social media applications allow personal contact and relationship building with customers.

2.10.2 Disadvantages of using social media as a promotional mix element

There are also certain disadvantages regarding the use of social media applications as a promotional mix element. Haataja (2010:24) identifies the following disadvantages:

- Negative remarks, review or feedback posted on social media applications can harm the image of the organisations.
- Marketers and organisations cannot control the content being published on the social media website. In addition, complicated trademark and user rights issues can arise.
- Social media must be integrated closely with other marketing channels and then supported by the whole marketing strategy.
- When utilising social media as an additional element of the promotional mix, it is difficult for organisations to measure and interpret the effectiveness of social media.
- Consumer behaviours and expectations are changing rapidly, partly due to the Internet and social media. This can be a challenge for marketers, as they need to adapt their marketing strategy continuously.

Although there are certain disadvantages, the benefits of using social media as a promotional mix element outnumber the disadvantages, and organisations can, and are, consider utilising social media in their organisation.

2.11 SUMMARY

The aim of this chapter was to contextualise the concept of the *promotional mix* and *social media* from a theoretical and practical perspective. The literature suggests that social media provides organisations with the opportunity to communicate and interact with existing and prospective consumers to build relationships and trust. The literature also suggests that the benefits outnumber the disadvantages, and social media can be considered as a hybrid element of the promotional mix.

Many organisations in South Africa already use social media applications to reach their markets. Organisations, including accommodation establishments, should consider using and integrating social media applications with the traditional promotional mix elements to create a complete marketing communication strategy. This study therefore aimed to determine the perception of star-graded accommodation establishments regarding the use of social media as a promotional mix element, and how they are currently using it.

Chapter 3 contains a discussion of consumer behaviour and perceptions with regard to social media as a promotional mix element in star-graded accommodation establishments, in order to provide further insight into and a clear understanding of this phenomenon.

CHAPTER 3

CONSUMER BEHAVIOUR AND PERCEPTIONS

3.1 INTRODUCTION

Consumers' product and service preferences as well as their buying patterns are constantly changing. It is therefore crucial for marketing managers to have a thorough understanding of these consumer patterns and behaviours and to create a proper marketing mix for a distinct market segment (Lamb *et al.*, 2013: 76). The study of consumer behaviour is designed to understand consumers' behaviour, forecasting the behaviour of consumers at a given time and situation as well as influencing the buying behaviour of consumers (Lamb *et al.*, 2013: 77). Consumer behaviour thus describes how consumers make decisions and how they use and dispose of the purchased products and services.

One of the cornerstones of marketing is to satisfy consumers with products or services. Therefore, the marketer needs to understand three related aspects of consumer behaviour: consumer motivations, consumer typologies and the consumer decision-making process. Marketers strive to understand consumer behaviour and perception for several reasons (Pride, Ferrell, Lukas, Schembri & Niininen, 2012:114):

- Consumers responding to an organisation's marketing strategy have a great impact on the success of the organisation.
- Organisations have the ability to provide better options to customers than their competitors if they understand the needs and desires of customers.
- Constructing a successful marketing mix that satisfies customers means investigating the main influences of what, where, when and how consumers make consumption decisions.
- Obtaining a better understanding of the factors that affect consumer behaviour means marketers can understand how consumers will respond to marketing strategies.

Understanding how social media messages, comments and reviews affect the behaviour of consumers, specifically in the purchasing of accommodation, is

fundamental for marketers of these establishments. For these reasons, it is important to discuss consumer behaviour and the decision-making process, so that marketers can understand how messages and images on social media applications impact the behaviour and perceptions of customers.

This chapter provides an overview of consumers' buying behaviour as well as the ways in which consumers make decisions. The chapter starts with a definition of consumer behaviour, followed by a discussion of the group and individual factors that influence the consumer's buying decision. The concept of perception will further be defined and explained in more depth due to its importance and relevance to this study. The chapter will conclude with the five steps in the consumer decision-making process, followed by the new dynamic customer decision journey.

3.2 DEFINING CONSUMER BEHAVIOUR

Consumer behaviour, according to Solomon (2013:31), is the study of the processes involved when individuals or groups select, purchase, use and dispose of products, services, ideas, or experiences to satisfy needs and desires. Similarly, Cant *et al.* (2010:50) define the study of consumer behaviour as the study of individuals, groups, or organisations and the processes they employ to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impact that these processes have on the consumer and society. Kardes *et al.* (2011:8) state further that consumer behaviour involves the usage and disposal of products and services, together with the consumer's emotional, mental and behavioural responses that precede, determine, or follow these activities.

After a review of numerous sources of the definition of consumer behaviour, the following definition will be used and will suffice for the purpose of this study (Cant *et al.*, 2010:50; Kardes *et al.*, 2011:8; Solomon, 2013:31):

Consumer behaviour is the study of individuals, groups, or organisations and the processes used to select, purchase, use and dispose of products, services, ideas, or experiences, together with the consumer's emotional, mental and behavioural responses that precede, determine, or follow these activities to satisfy their needs and desires.

This definition implies that there are direct and indirect influences on a consumer's decisions, and that the decisions involve more than the buyer and the seller. Figure 3.1 illustrates the consumer's behaviour based on consumer activities and consumer responses.

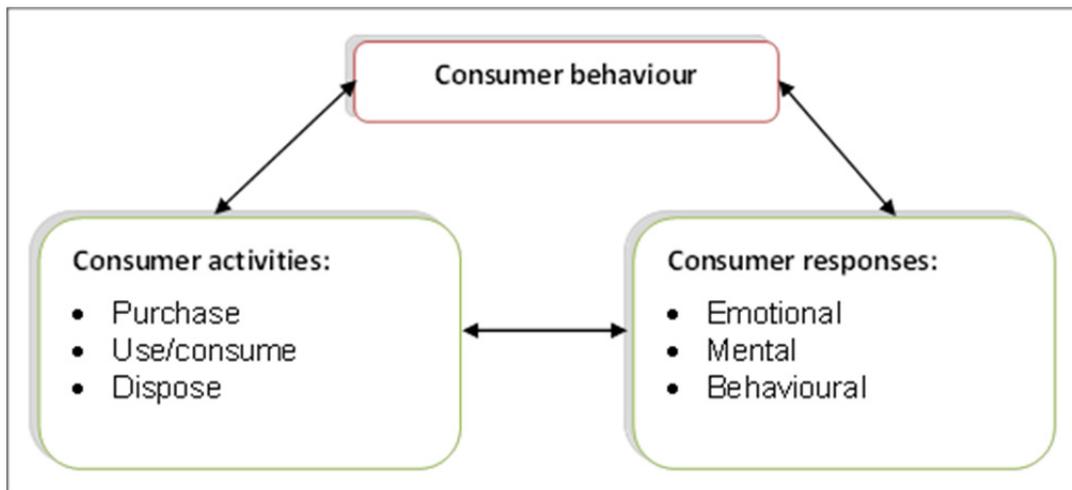


Figure 3.1: Consumer behaviour based on activities and responses

Source: Kardes *et al.* (2011:8)

It is clear from figure 3.1 that consumer behaviour comprises activities and responses. It is also noted that a consumer's purchasing activities (i.e. purchase, usage and disposal) have a direct effect on their emotional, mental and behavioural responses.

Consumer behaviour involves all *consumer activities* associated with the purchase, use and disposal of products and services. The *purchasing activity* involves the acquisition of goods or services to achieve the goals of an organisation or satisfy one's needs. The purchasing activity is, for instance, when a customer reserves a room at Cape Town's Palms Hotel through LinkedIn. *Usage activities* depict where, when and how consumption takes place. For example, the consumer will utilise the accommodation service once they are at the establishment and receive a service, such as room service. Finally, *disposal activities* are ways in which consumers discard products or packaging after they have been used through activities such as recycling, reuse, or reselling (Kardes *et al.*, 2011:9–10). An example of disposal in the hospitality industry is when a consumer stayed at an establishment, made use of all the available services and decides to visit and stay in the establishment again.

Consumer responses, as indicated in figure 3.1, involve the emotional, mental and behavioural responses towards products and services. *Emotional responses* refer to a consumer's emotions, feelings and attitudes (Kardes *et al.*, 2011:11). The second element of consumer responses refers to the *mental or cognitive response*, which includes a consumer's thought processes, opinions, beliefs and intentions regarding products and services. The third and final element is the *behavioural response* of consumers, which includes customers' precise decisions, actions and activities during the purchasing, usage and disposal of the product or service. Consumers' purchase decisions can also be influenced by messages and comments posted on social media sites regarding an accommodation establishment, such as on TripAdvisor, Facebook or Twitter (as discussed in chapter 2, page 14).

A model of consumer behaviour is depicted in figure 3.2, which provides an overview of the various steps in the consumer buying behaviour process (Kotler & Keller, 2009:92). This model will serve as the basis for the remainder of this chapter. The consumer behaviour model starts with the identification of the marketing stimuli that can have an influence on the behaviour of consumers and then continues with group and individual factors influencing consumers' decisions whether or not to purchase.

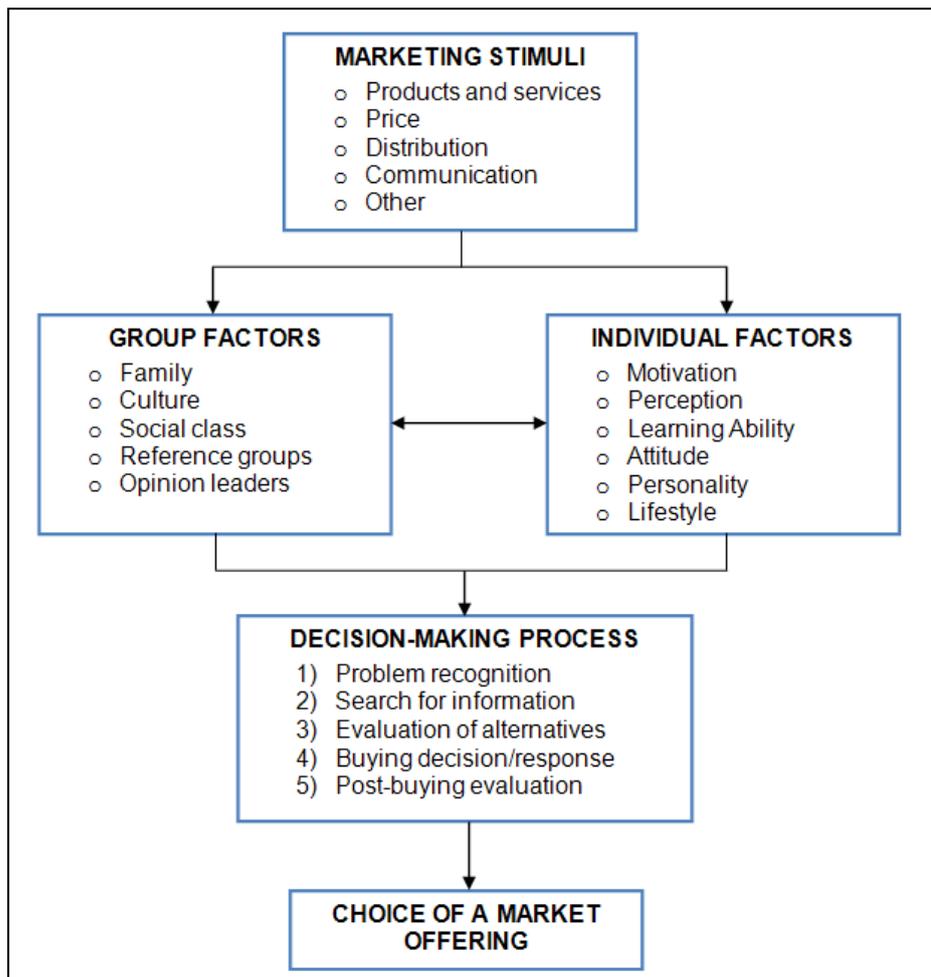


Figure 3.2: Model of consumer behaviour

Source: Adapted from Cant (2008:157)

As observed in figure 3.2, various components form part of the consumer behaviour model. Even though marketing stimuli do not form part of this study, they will be discussed in the next section as they form the starting point that triggers the behavioural process of consumers when contemplating whether or not to purchase.

3.3 MARKETING STIMULI

The world is filled with stimuli and consumers are faced with various marketing stimuli from numerous companies. A *stimulus* is any element of input that affects one or more of the five senses, namely sight, smell, taste, touch and hearing (Lamb *et al.*, 2011:217). As shown in figure 3.2, the marketing stimuli confronting consumers include the traditional marketing mix elements, also known as the four P's, which consist of product, price, place (distribution) and promotion (communication).

3.3.1 Product

Product can be explained as anything, both favourable and unfavourable, that a person receives in an exchange – normally for money (Lamb *et al.*, 2013:246). A product may be a tangible product such as the bed in a hotel room, a service such as housekeeping, and an idea like ‘don’t litter’, or any combination of these three. For example, a room at an accommodation establishment (a guest house) may come with additional services such as laundry, room service and inclusive breakfast.

3.3.2 Price

Price is defined by Koekemoer (2011:9) as “the sum of money that a consumer is willing to pay for a product at a specific point in time”. For example, a consumer is willing to pay R4 200 per night for a 4-star hotel room during December, which is regarded as peak season.

3.3.3 Distribution (place)

Distribution is the process of ensuring that the product is made available at the right time, at the right place, in the right condition and in the right quantities (Koekemoer, 2011:9). Distribution decisions involve modes of transportation, warehousing, inventory control, order processing and the selection of marketing channels (Boone & Kurtz, 2012:49). Distribution also refers to the location of the establishment, such as close to a shopping centre or famous attractions in the area.

3.3.4 Promotion (communication)

Promotion involves the distribution of information concerning a product, idea, service or organisation by means of using seven key types of promotions: advertising, sales promotions, public relations, personal selling, direct marketing, sponsorship and new media (refer to section 2.4, page 20) (Moore & Pareek, 2010:130). McDaniel *et al.* (2011:48) explain the function of promotion as bringing about mutually satisfying interactions with target markets aimed at informing, educating, persuading and reminding them of the benefits of a company, product or service. Communication methods include advertising, sales promotion, personal selling, direct marketing, sponsorships and social media, which can be

used to communicate with consumers on a regular basis. When combined, the elements of the traditional marketing mix can influence the decision-making process of the consumer. These communication techniques were explained in more detail in chapter 2 (page 14).

The *extended marketing mix* (also known as the seven P's) evolved from the traditional four P's as a result of the dispute over the dissimilarities between the marketing of products and services (Oh & Pizam, 2008:80) as well as the expanding service sector (Pride *et al.*, 2012:450). The extended marketing mix intends to accommodate the intangible nature of service- and experience-based products (Pride *et al.*, 2012:450). With the development of and increasing emphasis on services, the favoured framework today is the extended marketing mix or the seven P's (Masterson & Pickton, 2010:396). The three additional P's, creating the extended marketing mix or seven P's, are people, physical evidence and processes. These additional three P's are briefly discussed below.

3.3.5 People

The *people* variable refers to the human aspect of products, services and experiences (Pride *et al.*, 2012:452) and is the key asset in marketing (Richardson & Gosnay, 2011:124). It is the people who provide the service, and their behaviour, acquaintance, aptitude, interpersonal skills and appearance can have a profound effect on the customer's experience and the overall quality of the service (Richardson & Gosnay, 2011:452). The people variable includes those individuals who are involved in the production of the product, the people who are involved in the service experience, as well as other customers who share the experience with fellow consumers and personnel. Hence, people include management, organisational employees, other customers present as well as those individuals or groups who happen to be present at the time of purchase (Pride *et al.*, 2012:452).

People in the hospitality industry include front-desk reception employees. They are the first people the customer sees and interacts with when rendering accommodation services. The attitude, friendliness and neatness of the reception staff will influence the customer's first impression of the establishment and thus their perception.

3.3.6 Physical evidence

Physical evidence describes the tangible aspects of the delivery of a product to the customers (Forsyth, 2007:10) or the atmosphere of the service process and any tangible support that is used to market the product (Oh & Pizam, 2008:80). An example of the physical evidence variable is the merchandising and display that contribute to the convenience and visual impact of products on display in a travel office or accommodation establishment's foyer.

3.3.7 Processes

The last variable of the extended marketing mix signifies the *processes*. This element deals with the delivery of the services to consumers (Oh & Pizam, 2008:80) and can have a major impact on the quality of the service provided as well as the overall customer experience (Richardson & Gosnay, 2011:125). Strydom (2011:245) states that processes refer to the flow of activities by which the service is delivered to the customer. Processes include process design elements such as delivery cycles, franchising policies, payment guidelines or employment training procedures (Oh & Pizam, 2008:80).

The next phase in the consumer behaviour process, as shown in figure 3.2 (page 51), is the group and individual factors that can have a tremendous effect on the consumer's behaviour towards a product, service, brand or organisation.

3.4 FACTORS INFLUENCING CONSUMER BEHAVIOUR

Consumer behaviour, as stated by Majumdar (2010:4), is the analysis of how, why and what people do when purchasing products or services. Therefore, it attempts to understand the behaviour and decision-making process of individuals as well as target markets (groups). It can be argued that consumer behaviour mirrors the totality of a consumer's decisions and the dynamic process, which are influenced by multiple factors (Majumdar, 2010:4). It can be concluded that group as well as individual factors have a direct influence on the behaviour of consumers, as shown in figure 3.2 (page 51).

3.4.1 Group factors

Group factors are explained by Cant *et al.* (2010:62) as anything that influences customers by being exposed to other customers on a daily basis, whether in the family, cultural group, social class or reference group. It can therefore be reasoned that these groups will have an influence on the buying behaviour of consumers.

As depicted in figure 3.2 (page 51), there are five group factors that have an effect on the behaviour of consumers. These group factors are the family, culture, social class, reference groups and opinion leaders. They can have a great influence on consumer behaviour and will subsequently be discussed in more detail.

3.4.1.1 The family

Family members exert a lot of control and influence over the behaviour of consumers and their decision to purchase or not. Therefore, marketers need to determine the roles, behaviour and influences of individual family members in the purchasing decisions of other family members (Kotler & Keller, 2009:88).

Du Toit (2011:49) describes two levels of family, namely nuclear and extended family. A *nuclear family* comprises the husband, wife and any children of theirs. *Extended family*, on the other hand, comprises the nuclear family members (i.e. husband, wife and children) as well as their grandparents or any relatives living under the same roof as the nuclear family. These are the family members that may have an effect on the decision-making process and buying behaviour of a customer.

Different family members can take on different roles, some of which influence the decision-making and purchasing behaviour of other members in the family (Blythe, 2008:235). These roles include the following (Cant *et al.*, 2010:61):

- **The initiator:** This is the person who gathers information and makes the suggestions to the rest of the family that the product or service should be purchased. For example, the mother or wife in the household decides that school vacation is around the corner and the family needs a holiday. Thus, accommodation needs to be booked in advance.

- **The influencer:** This is the person who provides suggestions and comments regarding the advantages and disadvantages and thereby influencing the final choice of purchase. The influencer is, for example, the family's teenage daughter who wishes to stay at a beach house in Paternoster.
- **The decision maker:** This is the person in the family who makes the final decision between alternative products and whether to purchase the product or service or not. The decision maker is, for example, the mother and father who will decide together on the final destination and type of accommodation they will book.
- **The purchaser:** This is the family member who has to purchase the product that the decision maker has decided on. This is, for example, the father or husband who will be paying for the vacation and accommodation.
- **The user:** This is the individual that makes use of the product that has been purchased. The user of a product or service is, for instance, the mother, father, daughter and grandparents who will be going on the vacation and will be staying at the accommodation establishment.

The decision-making roles in a family setting can vary considerably and depend on the type of product being purchased or service being rendered (McDaniel *et al.*, 2011:212).

Apart from an individual's family members that have an influence on the behaviour and decision-making of consumers, their culture also affects their behaviour.

3.4.1.2 Culture

Culture is the broadest group factor that influences consumer behaviour and has been defined by Boone and Kurtz (2012:137) and Lantos (2011:169) as a set of learned beliefs, values, norms, attitudes, habits and forms of behaviour that are shared by a society and passed down from one generation to the next through language and symbols. Each individual's culture is also determined by their overall priority in respect of the different types of products, services and activities. Therefore, products that provide consumers with benefits that are consistent with those of their culture have a much better chance of being accepted in the market (Cant *et al.*, 2010:62). Culture can be seen as a com-

prehensive concept that includes everything that manipulates an individual's thought processes and behaviours (Hawkins & Mothersbaugh, 2010:42).

An example of the impact of culture is shown when interacting with someone from the Muslim culture. Muslims are allowed to consume food that meets Islamic dietary guidelines. Therefore, a Muslim would select an accommodation establishment that serves Halal food. Accommodation establishments that aim to attract all cultural groups need to understand the norms, beliefs and values of numerous diverse cultural groups in order to be successful in marketing to them.

3.4.1.3 Social class

Social class is the position one holds within a society and is dominated by factors such as income, education, occupation, family prestige, value of a house and one's neighbourhood (Hudson, 2008:47). A *social class* is a group of people who are segmented almost equally in terms of status or group, who frequently interact formally or informally among members of the same group or status and who share certain behavioural traits (McDaniel *et al.*, 2011:206). Understanding the various social classes and their behavioural traits is important for marketers to know what consumers are interested in and likely to purchase (Cant *et al.*, 2010:62). For example, executives of a firm will probably reserve accommodation at a 5-star hotel, while a lower-income individual might book at a 2-star self-catering establishment.

3.4.1.4 Reference groups

Reference groups refer to any group with which an individual identifies to the extent that they use the reference group as a form of standard for self-evaluation and a source of personal values and goals (Du Plessis & Rousseau, 2007: 67). Lantos (2011:257) states that a reference group is a group whose presumed perspectives or values are being used by an individual as the basis for their current behaviour.

It can be inferred that a reference group is simply a group of people or a point of reference that an individual uses as a guide for the structuring of beliefs, attitudes and behaviours. Boone and Kurtz (2012:143) explain that a reference group refers to people or institutions whose opinions are valued by others and

to whom a person looks for guidance, such as a family member, friend or celebrity.

Hawkins and Mothersbaugh (2010:231) highlight online communities and social networks (such as TripAdvisor) as another form of reference group that may influence the behaviour of a consumer. An online community refers to a society that interacts around a specific topic or concern on the Internet over a certain period. These interactions can include various forms such as online message boards, discussion forums, blogs, corporate non-profit websites and social networking sites such as Facebook and Twitter (Hawkins & Mothersbaugh, 2010: 231).

Reference groups are important to marketers as consumers tend to enjoy, listen to and follow them or even identify themselves with the reference group when deciding to purchase (Evans, Jamal & Foxall, 2010:242). A reference group has the ability to manipulate a consumer to purchase in a certain way by providing them with information and rewards and thereby boosting their self-confidence (Levy, Barton & Beitelspacher, 2012:94).

For example, a matric learner going on their summer holiday often chooses destinations and accommodation that are popular among other learners at their school. Another example is an individual who might return to the same accommodation establishment that was a popular destination with their parents and other relatives during their youth.

3.4.1.5 *Opinion leaders*

Opinion leaders are individuals who provide consumers with informal advice regarding products or services (Kotler & Keller, 2009:115) and who function mainly through interpersonal communications and observations. Opinion leaders are therefore individuals who are able to influence others' attitudes or behaviours (Solomon, 2013:439). These activities occur most frequently among individuals with similar demographic characteristics.

Opinion leaders are very important as they can have a momentous effect on the behaviour of consumers, and can be regarded as formal and/or informal leaders of reference groups as their opinions often influence the judgements of other

people (Schiffman & Kanuk, 2010:282). An example of an opinion leader is the Condé Nest Traveller magazines, which provide customers with travel tips, best things to do and the best seasonal destinations and attractions to visit.

Apart from these group factors, there are also individual factors that can further influence the behaviour of consumers.

3.4.2 Individual factors

Individual, or internal, factors are those psychological features that are inherent in each individual (Strydom, 2007:39). Individual factors that can have an effect on the behaviour of an individual include motivations, perception, learning ability, attitude, personality and lifestyle, as depicted in figure 3.2 (page 51). These factors are now discussed briefly.

3.4.2.1 Motivation

Hudson (2008:41) and Noel (2009:18) state that *motivation* is the inner driver, or inner state of arousal, that directs a person towards achieving a goal or satisfying a need. The individual takes action to reduce the state of tension and return to a condition of equilibrium. Therefore, motivation signifies the processes that lead people to behave in a certain way. Understanding what motivates consumers is one of the most effective methods of obtaining a competitive differential advantage (Parumasur & Roberts-Lombard, 2012:165).

The concept of *needs* is principal to theories regarding motivation. Needs are observed to be the forces that provoke motivated behaviour. Therefore, in order to understand what motivates humans, it is necessary to first determine and comprehend the needs of people and how to fulfil these needs (Hudson, 2008: 41–42). It can be inferred that a close relationship exists between needs and motives – needs lead to motives and motivation moves people to seek satisfaction (Hawkins & Mothersbaugh, 2010:360). For instance, the Fire & Ice Hotel in Cape Town can market a competition on Facebook, where an individual might be motivated to fulfil their self-actualisation need to get away from the routine of their busy lives and to have a relaxing weekend away.

3.4.2.2 Perception

Perception, which is a central focus area of this study, is defined as the process by which an individual selects, organises and interprets stimuli into a meaningful and coherent picture of the whole world (Hall, 2005:2). Cant *et al.* (2010:55) explain that perception is the process by which people decide on sensory stimuli and gather and arrange them into a meaningful and logical picture. People decide to interpret different stimuli in different ways, disregarding certain factors while enriching others. This is known as *selective perception* (Hudson, 2008:44).

An example of perception in the hospitality industry is, for instance, a customer who viewed a video on YouTube of an establishment, read reviews on TripAdvisor or engaged in a discussion with fellow customers on discussion forums, which ultimately shaped a meaningful and coherent picture in the mind of the consumer.

Perception and the perceptual process will be discussed in more depth in section 3.5 (page 63).

3.4.2.3 Learning ability

Learning refers to the way in which people obtain and interpret a variety of stimuli. People increase their knowledge base through the experience obtained from holidays, by listening to others, reading various sources and many other information sources (Hudson, 2008:43). For example, people learn about and gain insight through reading comments, reviews and blogs on social media sites (similar to word-of-mouth), such as Facebook and MySpace, and this can influence whether consumers decide to purchase the product or not.

The three basic components of learning are stimulus, response and reinforcement. These elements are active in all types of learning:

- *Stimulus* is the first requirement of learning, and is something that arouses one's interest in learning. Marketers can stimulate or encourage customers using physical things such as products and brands, or intangibles such as service, quality and satisfaction. For example, the aesthetic appeal of an accommodation establishment's home website may stimulate a consumer to contact the establishment (Cant, Brink & Brijbal, 2006:123).

- *Response* can be regarded as some action, reaction or mentality that results from a specific stimulus or sign. The same response to a stimulus can take place before the response is learned (Schiffman & Kanuk, 2004:207). For example, a customer will respond to the aesthetic appeal of the website by browsing on the website more thoroughly.
- *Reinforcement* increases the possibility that a specific response will occur in the future as the result of specific signs or stimuli. Reinforcement, or reward, is the satisfaction resulting from the successful behaviour that activates human memory of how the satisfaction was obtained (Cant *et al.*, 2006:124).

3.4.2.4 Attitude

Sheth and Mittal (2004:200) and Du Toit (2011:46) describe *attitudes* as a learned predisposition for consumers to respond to an object, situation or event in a consistently favourable or unfavourable manner. Attitudes affect the ways in which we judge and respond to other people, objects and events and can therefore be used to predict a consumer's behaviour. An individual's attitude is regarded as having three components: the cognitive (belief), affective (feeling) and behavioural (response tendencies) component:

- The *cognitive component* refers to the perception consumers have gained and their knowledge about a specific object, situation or event (Du Toit, 2011:46). For example, a consumer deems the Fire & Ice Hotel in Cape Town as an excellent hotel to stay in due to prior experience with the establishment, staff and additional services provided.
- The *affective component* deals with the consumer's emotions about objects, situations or events. This component captures the consumer's overall assessment of a product or service (Parumasur & Roberts-Lombard, 2012: 188). For example, a consumer feels disappointed about an accommodation establishment due to the negative comments they have read online.
- The *behavioural component* is concerned with the likelihood or tendency that a consumer will act in a certain manner – with regard to their attitude – towards a particular or similar product or service. The behavioural component therefore refers to whether the consumer will decide to buy or not (Cant, 2013:50). For instance, when a consumer likes what they see online

and has read good comments about the establishment, they will decide to book at this establishment.

The cognitive, affective and behavioural components of attitudes are inclined to be consistent; in other words, a change in one component may lead to changes in one of the other components (Schiffman & Kanuk, 2004:256).

3.4.2.5 Personality

The next variable of consumer behaviour, as indicated in figure 3.2 (page 51), is personality. *Personality* can be explained as an individual's characteristics or inner psychological characteristics (Hawkins & Mothersbaugh, 2010:373) that determine and reflect how they respond to the environment (Schiffman & Kanuk, 2004:120). Furthermore, Kardes *et al.* (2011:241) maintain that personality combines characteristics such as dominance, perseverance, aggressiveness, honesty, sociability and many more, which can be useful in determining the behaviour of consumers towards specific products, services, brands or organisations. Personality drives a person to act in a certain manner towards a specific situation and therefore, individual personality refers to inner characteristics – qualities, features, traits and gestures that set individuals apart from one another (Cant *et al.*, 2006:162).

An example of a customer's personality playing a role in deciding on an accommodation establishment is, for example, a nature-loving person who is apprehensive about physical activity and would only stay in eco-friendly lodges and would like to feel in touch and close to nature and animals. An athletic person, on the other hand, would search for accommodation that provides access to numerous adventurous water and land activities.

3.4.2.6 Lifestyle

Kotler and Keller (2009:90) define a *lifestyle* as “a person's pattern of living as expressed in activities, interests and opinions”. In essence, lifestyle is how people live, how they allocate time, energy and money and their personal context (reference group, culture and beliefs) (Hudson, 2008:50). Hawkins and Mothersbaugh (2010:435) state that an individual's lifestyle is shaped through social interactions and personal characteristics.

By studying the way in which consumers spend their time, energy and money as well as how they think of elements in their environment, organisations can obtain a deeper insight into and understanding of consumer lifestyles and behaviours, thus providing better products and services to specific market segments (Evans *et al.*, 2010:191). A person's lifestyle can influence where they find their information from and where they would stay. For example, a student would travel locally to an inexpensive, self-catering establishment, while a businessman, owning his own business, would travel to foreign destinations and stay in more expensive hotels while making use of additional services such as room service or laundry services.

As the perception of customers is a fundamental individual factor in terms of this study, a detailed discussion regarding perceptions and the perceptual process will follow in the subsequent section.

3.5 PERCEPTION AND THE PERCEPTUAL PROCESS

3.5.1 Perception

Perception, according to Solomon (2013:70), is the process by which consumers select, organise and interpret stimuli (sensory input) into a meaningful and coherent picture, to create a significant view of the world around them (Schiffman & Kanuk, 2004:7). West and Turner (2009:53) and Robbins, Judge, Odendaal and Roodt (2009:117) state that perception is the process by which individuals use their senses to interpret and give meaning to stimuli in their environment. In essence, perception is the way in which an individual sees the world and how they require guidance in making a purchasing decision.

Joubert (2010:56) argues that individuals do not passively process whatever information happens to be present at the moment. In the first place, *perception is selective*, which means that although customers are exposed to a large amount of stimuli and information, they attend to only a relatively small percentage. As a result, individuals use selective perception to decide which stimuli to notice and which to ignore, as they cannot perceive every stimuli observed (McDaniel *et al.*, 2011:217). Secondly, *perception is based on the individual's frame of reference*, that is, the experience of the individual affecting their perceptual process. This experience has constructed a relatively stable cognitive

organisation in the individual that regulates the meaning of a particular perception. Customers enhance or remove from these perceptions as they assign meaning to them based on their experience (Joubert, 2010:57). Lastly, *perception is subjective*, which implies that individual factors always play a role in perception (Joubert, 2010:56). However, what and how individuals perceive objects in the environment can differ from person to person and therefore customers see and hear what they are interested in because of their personality, their attitudes, beliefs and values. It can therefore be inferred that different people can form different perceptions about the same stimuli observed (Rosenbloom, 2013:114; Zainbooks, 2008:7). These differences in perception can be due to the following factors in the perceiver that may manipulate an individual's perception (Robbins *et al.*, 2009:117):

- **Attitudes:** Attitudes refer to an individual's tendencies or inclinations to respond either positively or negatively towards a specific idea, object, person or situation. A person's attitude affects their choices, responses or motivations towards a certain situation or object (Business Dictionary, 2013c). For example, a customer may have a positive inclination towards the Turbine Hotel and Spa in the Western Cape.
- **Motives:** Motives denote an individual's desire, physiological need, or related desires that act as a motivation for a specific action. Motives provide direction to human behaviour to achieve certain goals or fulfil certain needs by energising a person's activities (The Free Dictionary, 2013b). For example, a customer's desire to rest and relax at Lanzerac Hotel and Spa for a long weekend is what motivates him/her.
- **Interests:** Interests may refer to the encouraging factors that urge a person to behave in a certain manner (Mangal, 2007:351). For instance, a bird watcher would stay in the Southern Light Country House in the Western Cape, which is 1.1 km from Kirstenbosch, to view various bird species.
- **Experiences:** Experiences signify one's familiarity with assured skills in a field of knowledge that is learnt over months or years and that, seemingly, has resulted in superior understanding (Business Dictionary, 2014). For example, a person who has stayed over at Glencoy in the Western Cape on

numerous occasions might feel comfortable with the level of service and knowledge the establishment provides.

- **Expectations:** Expectations refer to an individual's beliefs that something is about to happen or that something should happen in a certain manner (Your Dictionary, 2012). For example, a customer may expect that The Andros Boutique Hotel in the Western Cape will provide room service on a 24-hour basis.

There are also three key issues relating to perception that are relevant to marketers, namely selective exposure, selective distortion and selective retention (Strydom, 2011:61):

- *Selective exposure* refers to consumers that merely perceive and interpret stimuli that have some meaning and value to them or what consumers choose to be exposed to. Consumers might change the radio station or move away from the television when commercials are on. Subsequently, marketers are constantly attempting to break through the clutter and find innovative and unusual ways of attracting consumers to the messages sent by the organisation (Strydom, 2011:61).
- *Selective distortion* refers to a consumer's perception that is influenced by their prior experience and individual attitudes. Individuals interpret stimuli in a way that best suits their perceptions and therefore negative associations with a product, service or organisation are likely to create negative attitudes towards certain products or services (Daft, 2008:111; Strydom, 2011:61). For example, a customer's perception of a specific guest house might be negative due to disappointing service received on a previous visit.
- *Selective retention* refers to the sorting of stimuli, as customers are confronted with numerous stimuli on a regular basis. Customers therefore filter out stimuli that do not support their values and/or what they do not wish to remember (Pride & Ferrell, 2012:197). One way of overcoming selective retention in customers is to constantly repeat and remind customers about the product or service through recognisable and easily remembered stimuli

such as logos, interesting and colourful packaging as well as brand names and slogans (Strydom, 2011:61).

Now that perception has been explained and contextualised more comprehensively, the perceptual process as well as the various perceptual errors will be discussed.

3.5.2 The perceptual process

According to Goldstein (2010:5), the *perceptual process* is a process that involves a series of procedures that work together in order to determine consumers' experience of and reaction to stimuli in the environment. Additionally, Baker and Saren (2010:127) explain the perceptual process as a sequence of happenings that start with sensorial inputs (i.e. the instantaneous response of one's sensory receptors towards basic stimuli such as light, sound or texture) and end with the conscious recognition (i.e. a significant perception) of an external event. The perceptual process is therefore the sequence of psychological or cognitive stages that a person goes through to organise and interpret information received from the outside world.

Griffin and Moorhead (2012:76) identify two basic phases in the perceptual process that are particularly relevant to managers and marketers, namely selective perception and stereotyping, as shown in figure 3.3.

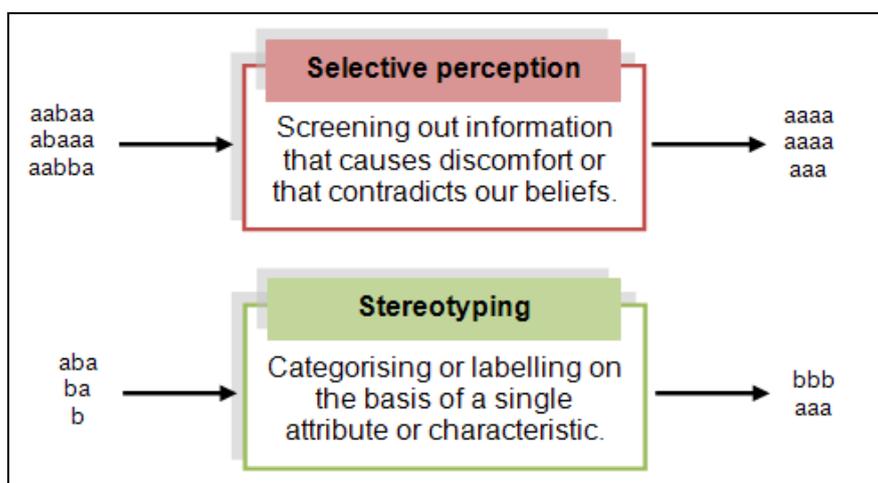


Figure 3.3: Basic perceptual processes

Source: Griffin and Moorhead (2012:76); Griffin (2008:270)

Selective perception denotes the process of screening out information in the environment that individuals are uncomfortable with or that contradicts their beliefs and values (Griffin & Moorhead, 2012:76). It implies that people focus on certain features in their environment to the exclusion of others (De Mooij, 2010:50). In other words, selective perception refers to the inclination to filter information which individuals are not comfortable with or do not want to be bothered with (Lewis, Goodman, Fandt & Michlitsch, 2007:355; West & Turner, 2011:48). When a consumer is searching for information about a specific product he/she is very fond of and has a very positive attitude and preference towards, he/she might come across negative reviews and comments on social media applications regarding the product or service while searching for information. Selective perception may cause the customer to quickly forget what he/she has read. Selective perception can be advantageous as it permits individuals to ignore negligible information. By the same token, if selective perception causes individuals to disregard vital information, it can become detrimental (Griffin & Moorhead, 2012:76; Griffin, 2008:270).

The second basic perceptual process, according to Griffin and Moorhead (2012: 76), is *stereotyping*. Stereotyping is the grouping or labelling of individuals on the basis of a particular trait. West and Turner (2011:50) describe stereotyping as the means of categorising individuals according to a set notion, whether positive or negative, of an entire group to which they belong. Stereotyping, in certain circumstances, may be useful and efficient to managers and markets (Griffin & Moorhead, 2012:76–77). Suppose, for example, a customer who is shopping for a new car does not want to consider buying a Kia, as it is a Korean car company and he/she perceives Koreans to be sloppy and senseless. As a result, the customer will miss out on a great offer and good quality car with excellent features due to his/her stereotyping. Common characteristics of stereotyping include racial, age and sexual connotations, which are generally inaccurate and can be harmful. An example of this is: more black people than white people buy maize meal, because it is a staple food in black cultures.

Researchers have established a perceptual process that occurs in four stages: (1) exposure; (2) attention; (3) interpreting; and (3) recall/memory (Cant, 2010a: 108; West & Turner, 2009:53; Wood, 2010:68). Perception is an active process

by creating meaning through the selection, organisation and interpretation of people, objects, events, situations and other phenomena. This process is a constant and interactive one - if one stage is affected, so are the others. The perceptual process of how consumers perceive and view the same stimuli differently is shown in figure 3.4 and will then be discussed in more detail.

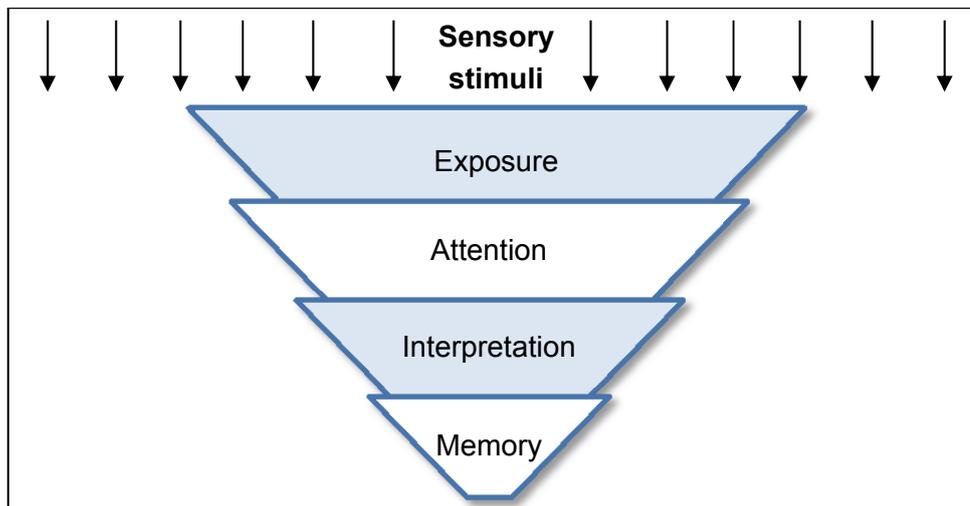


Figure 3.4: Perceptual process: information selection
Source: Adapted from Cant (2010a:108)

From figure 3.4 it can be seen that the perceptual process is made up of four elements. Initially, perception starts the moment a customer is exposed to a specific stimulus, such as hearing, taste, smell, sight or touch. Thereafter, a customer's *attention* is triggered once a sensory receptor is stimulated and the process of sensation (ambiance, mood and emotion) is development in the human brain (Kotler & Keller, 2009:93). The total amount of attention individuals pay to certain stimuli depends on the individual, stimulus and the situation (Joubert, 2010:58). Once a customer has been exposed to a marketing message, and has attended to it, they have to interpret the stimuli in the way intended by the marketer. *Interpretation* is therefore the third stage in the perceptual process, which is the connotation that a person allocates to sensory stimuli (Parumasur & Roberts-Lombard, 2012:152). Cant (2010b:45) states that a customer generally interprets information on the basis of their own attitudes, beliefs, experiences and motives, known as selective interpretation. The last stage of the perception process is *recall or memory*. Recall is an individual's ability to either remember or forget information and experiences (Gilmour, 2010:232). Kotler and Keller (2009:93) argue that because customers cannot remember all

the information they obtained, consumers can forget information that was conveyed by the organisation. Marketing messages should therefore be attractive and memorable.

Marketers in the hospitality industry should ensure that they have appealing and interesting information on the Internet as well as social media applications (exposure) that consumers will notice (attention) and be interested in. Once the attention of the consumer has been attracted, the intended messages should be received by the customer (interpretation), such as the establishment provides excellent service, includes breakfast and dinner, 24-hour room service and is close to a national point of interest and numerous other activities. As soon as the customer has interpreted the information, it will be stored in their memory. For these reasons the information provided to customers should be interesting and memorable.

Ahmad, Gilkar and Darzi (2008:50) as well as Hellriegel and Slocum (2009:79) point out various judgement and understanding errors that can occur in the perceptual process. An important part of understanding the differences in customers' perception is knowing the origin of these errors (Martin, 2005:92). The following perceptual errors have been identified:

- *Perceptual accuracy* questions the correctness of an individual's perception (Hellriegel & Slocum, 2009:79). For example, misjudging the quality, features, attributes and abilities of a product could result in an inaccurate assessment of the product's current and future value and worth.
- *Perceptual defence* is the inclination of perceivers to defend themselves against ideas, objects or people that are uncomfortable or intimidating. This means that individuals perceive stimuli that are pleasant and satisfying to them, but tend to avoid or disregard stimuli that are unpleasant and hostile. In essence, consumers develop blind spots in the perceptual process to avoid negative sensory data (Ahmad *et al.*, 2008:50; Martin, 2005:92).
- *Stereotyping*, as discussed earlier, is the acceptance that all members of particular groups share certain personalities, perceptions and behaviours (Hellriegel & Slocum, 2009:80).

- The *halo effect* signifies the evaluation of another individual merely on the basis of one characteristic, either favourable or unfavourable. It is based on the general assumption of the overall person (Borkowski, 2011:55). For example, if a customer regards a product as 'good', he/she will tend to review the performance and quality of the product in a positive light. This means that the halo effect blinds the perceiver to other attributes that also should be evaluated to obtain a complete and accurate impression of the product (Hellriegel & Slocum, 2009:80).
- *Projection* is the predisposition of individuals to see their own personalities and behaviours in other people. In other words, individuals project their own feelings, personalities, characteristics, attitudes, or motivations onto others (Borkowski, 2011:56; Hellriegel & Slocum, 2009:82). For example, one consumer might have enjoyed their stay at a 4-star boutique hotel in the Western Cape and they had an excellent time while appreciating the serenity and quiet time on the beach. This consumer has come back feeling refreshed, relaxed and rejuvenated. They therefore believe that other people will feel the same way when returning from the same vacation at the same destination and establishment.
- *Impression management* is an effort by an individual to manipulate or control the impressions that others form about them. This includes everything from how people talk to how they dress and how they walk (Hellriegel & Slocum, 2009:82). This can affect the way customers perceive stimuli in the environment or make purchasing decisions.

Clearly, marketers face a challenging task when communicating with customers and should therefore be aware of these errors that can occur. They should ultimately use these errors to their advantage in attracting customers or changing customers' perception of the organisation, the brand, products and/or service.

Now that consumer perception has been discussed in more detail, the next stage in the consumer behaviour model, as indicated in figure 3.2 (page 51), is the consumer decision-making process. This process will be discussed in the remainder of this chapter.

3.6 THE CONSUMER DECISION-MAKING PROCESS

Consumers are faced with decisions regarding organisations, brands, products and services every day of their lives. They are also confronted with various options concerning different stores to purchase from, a range of products, numerous services when selecting, for example, a hotel and various options when purchasing a vacation package or airline (Du Plessis & Rousseau, 2007:259).

Whenever a consumer needs to make a decision relating to the purchase of products or services, a multifaceted decision-making process takes place. The consumer decision-making process can be regarded as a problem-solving activity as the main decision consumers have to make is to decide whether to purchase – to save or spend money (Reid & Bojanic, 2010:102).

A consumer will progress through various stages to eventually reach the ultimate decision whether to purchase a product or service. Figure 3.5 illustrates the major stages a consumer progresses through in the consumer decision-making process to reach a final judgement of goods or services.

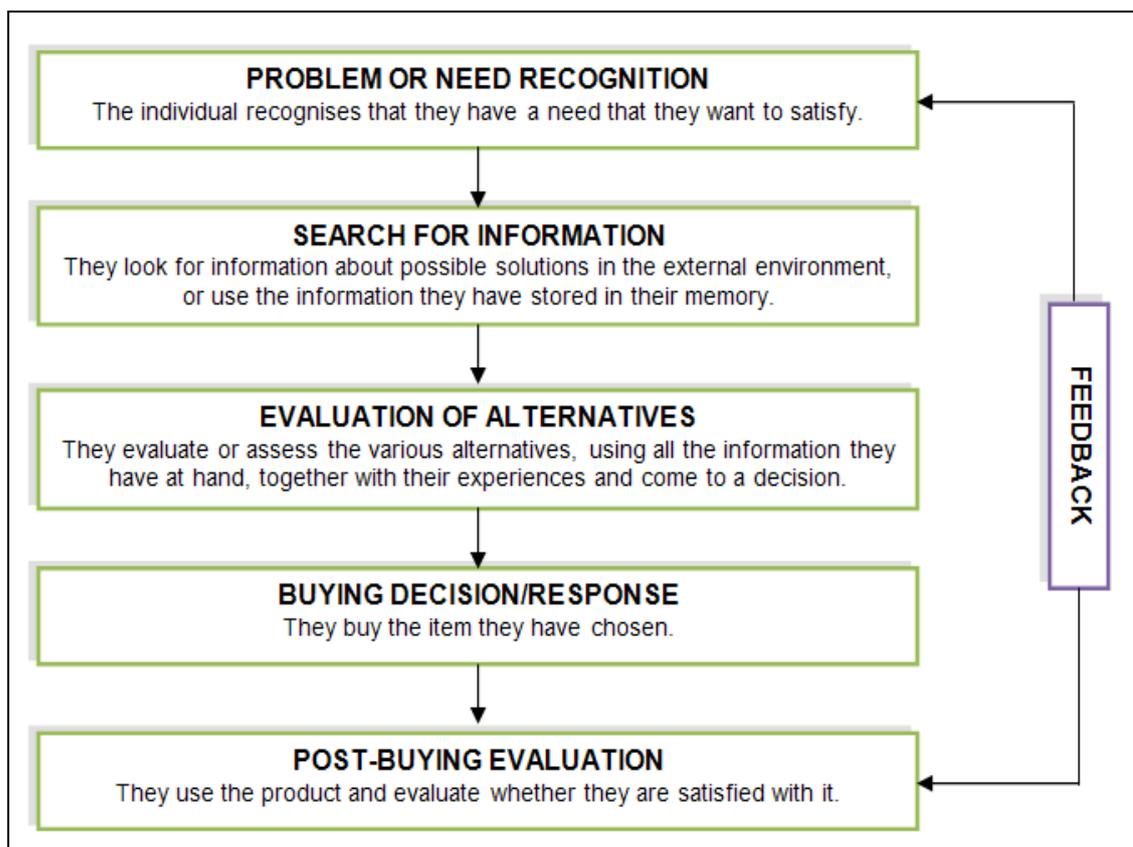


Figure 3.5: Stages in the consumer decision-making process

Source: Adapted from Lamb *et al.* (2012a:190)

3.6.1 Stage 1: Problem or need recognition

The consumer decision-making process generally starts with the consumer identifying a problem or difficulty that essentially needs to be resolved (Schiffman & Kanuk, 2004:555). This stage in the decision-making process is important as it motivates and drives the consumer to take action. *Problem recognition* occurs when a consumer becomes aware of a change in the ideal or desired state and the actual state (Hult *et al.*, 2013:168). The ideal state is the condition the consumer would like the situation to be, while the actual state is the real situation or the reality, as illustrated in figure 3.6 (Hoyer & MacInnis, 2009:195; Lamb *et al.*, 2013:78).

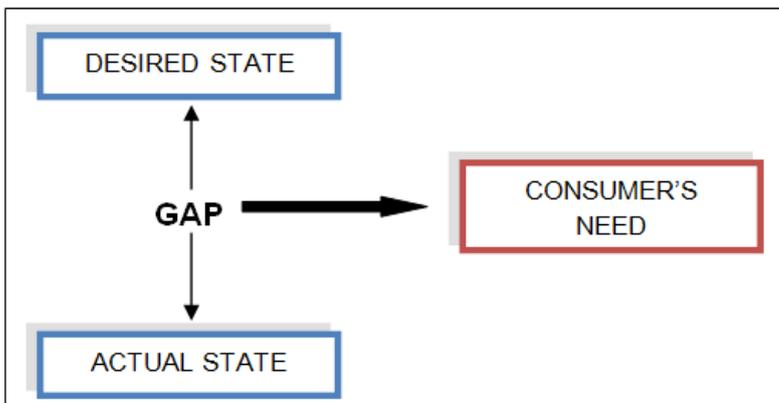


Figure 3.6: Problem recognition

Source: Mittal, Holbrook, Raghbir and Woodside (2008:307)

Figure 3.6 illustrates that problem recognition is the consumer's realisation of a gap between their dissatisfaction with their current situation and their action to achieve the desired situation (Mittal *et al.*, 2008:207). A problem can occur when a consumer has a need or a desire to purchase a product or service but is uncertain about how to satisfy the need or the desire. Du Plessis and Rousseau (2007:263) state that problem recognition is the understanding that there is uncertainty about a goal (need fulfilment) and its achievement or outcome.

Cant *et al.* (2010:196) and Du Plessis and Rousseau (2007:263) relate problem recognition to all five stages in the decision-making process:

- problems related to whether a product or service is needed;
- problems about which brands to select or what products to buy (information search and processing);

- problems deciding on the right time to buy and how (whether to pay cash or buy on credit); and
- problems that are concerned with whether consumers are happy and pleased (satisfied) with what they bought (post-buying behaviour).

The effect of the various influencing factors can have an impact on the problem recognition process. The three underlying elements that can affect the recognition of a problem are (1) information stored in the memory; (2) individual differences; and (3) environmental influences. Most consumer problems occur as a result of the following (Parumasur & Roberts-Lombard, 2012:253–254):

- **Assortment inadequacies:** This situation occurs when consumers' supplies of a particular item are running out, for example a room at the Le Bonheur Guest House, where a customer usually stays, is not available and the customer is forced to make a reservation at another establishment.
- **New information:** New information creates a state of awareness that makes consumers feel the need for products and services and view them as solutions to their problems. For example, an individual might come across information that leads them to decide a weekend away at a 4-star lodge and spa is exactly what they need to resolve their problems.
- **Expanded desire:** Individuals are constantly driven by their desire to increase their standards of living or social status, which results in a desire for new products or services. For instance, a group of close friends are planning a weekend away to Cape Town and to stay in a tented camp close to the beach; therefore their desire might be to go along and not to miss out on the experience or be left out.
- **Expanded or reduced means:** A consumer's financial resources are one of the most influential factors in determining how much and what types of products and services they will purchase. An increase in a consumer's income, for example, will lead to an increase in consumer spending. For instance, instead of booking into a 3-star bed and breakfast, a customer might decide to book into a 4-star lodge.

3.6.2 Stage 2: Search for information

Once a consumer has identified a problem, they often gather information to inform their purchasing decision. The second stage of the consumer decision-making process therefore involves *searching for information* as well as organising this information within the individual's frame of reference.

The searching for and processing of information is in essence a learning process, which involves searching from different sources so that consumers can make an informed decision about the purchase. *Information search*, explain Du Plessis and Rousseau (2007:867), is a selective process since consumers choose the information that is most relevant to their needs and most likely to be traditional to their own attitudes and beliefs. Information search is the mental and physical activities undertaken by consumers to attain information regarding their recognised problems. It is thus a learning process by which consumers become aware of alternative products or brands, specific stores, prices of products or brands, terms of sales and consumer services (Cant *et al.*, 2006:197). The *processing of information* entails the disclosure of information from different sources, paying attention to the content received and being capable of understanding the essence of what has been learnt (Du Plessis & Rousseau, 2007: 267).

The information search stage in the consumer decision-making process is referred to as the activity of pre-purchase search, for the reason that the information gathered is related to the current problem at hand (Kardes *et al.*, 2011:77). Consumers obtain information regarding the problem at hand from internal and external information sources (Du Plessis & Rousseau, 2007:267). *Internal information search* refers to the information a consumer has stored in their memory, such as experiences, feelings or emotions (Lamb *et al.*, 2011:75). This information stems mainly from previous experiences a consumer had with a product or service. For example, a consumer who visited Cape Town for a weekend will remember if the service at the accommodation establishment was satisfactory and this will determine whether or not the consumer will return based on the experiences attained.

In contrast, *external information search* involves consumers seeking information from sources outside their own experiences to obtain information they need to

make a calculated decision (Lamb *et al.*, 2011:75). There are two basic types of external information sources, namely non-marketing controlled and marketing controlled. *Non-marketing-controlled information sources* are not associated with marketers, and includes friends, family, colleagues and social media. *Marketing-controlled information* originates through a marketer who promotes a product through marketing channels, such as television, radio, magazines and billboards (Lamb *et al.*, 2013:80; McDaniel *et al.*, 2011:194). Social media can be seen as an external source, which is either non-marketing controlled or marketing controlled, as consumers see and read comments and reviews on the Internet given by other individuals based on their experiences (such as Facebook) or organisations provide information on social media websites (such as LinkedIn). Marketers of accommodation establishments should therefore aim to control the information being distributed on social media applications by providing excellent service standards and good word-of-mouth (mouth).

Figure 3.7 represents the individual differences and environmental factors that influence the search for and processing of information.

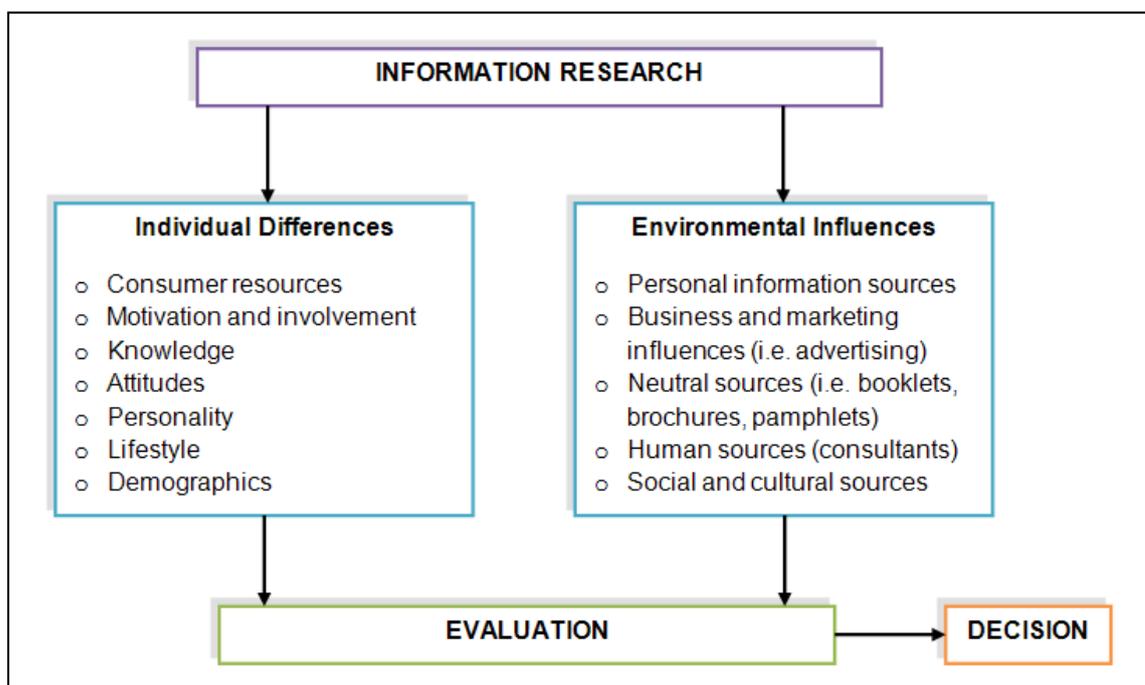


Figure 3.7: Search for and processing of information
Source: Adapted from Parumasur and Roberts-Lombard (2012:255)

From the diagram in figure 3.7 it can be seen that marketers struggle to present customers with information on which they can support their decisions. It is im-

portant to control the information flow in order to help consumers better match their preferences, have improved recollection and familiarity about the area they are exploring and be more confident in their judgements (Parumasur & Roberts-Lombard, 2012:256).

The Internet can be regarded as the largest external source of information where consumers can gather information and base their decisions upon. Westerman, Spence and Van der Heide (2011:199) state that the Internet has become a profoundly used source of information for the decrease of risk-related uncertainty. Because social media allows users to rapidly access and obtain current, specific and candid information regarding risk-related matters, social media, such as Facebook and Twitter, seem particularly adept at providing information for those consumers who are seeking to reduce risk and uncertainty (Westerman *et al.*, 2011:199). Sutton, Palen and Shklovski (2008:1) assert that because social media provides candid information from other consumers based on their experiences, it has become known as a reputable information source during decision-making (such as Facebook, TripAdvisor, Twitter, LinkedIn and many more).

3.6.3 Stage 3: Evaluation of alternatives

Consumer evaluation is the process of recognising alternative solutions to the problem(s) identified in stage 1 (Cant *et al.*, 2006:201). When a consumer evaluates alternatives, they compare the characteristics of different products and services and measure them according to a pre-established criterion. Consumers tend to use two types of information when evaluating alternatives, namely a 'list' of brands, products, services, organisations or models from which they plan to make a selection and the criteria they use to evaluate each product, service, brand, organisation or model. This is a human trait that makes the decision-making process easier for consumers (Schiffman & Kanuk, 2004:559).

Researchers have identified four types of individuals that are involved in the consumer decision-making process (Cant *et al.*, 2010:201; Parumasur & Roberts-Lombard, 2012:259; Schiffman & Kanuk, 2004:559):

- The *economic individual* makes a premeditated and rational decision grounded in the thorough search of accredited information sources. An economic consumer would, for example, gain information directly from the establishment's homepage, TripAdvisor, various blogs and travel intermediary websites.
- The *passive individual* is not well informed about the product and can effortlessly be persuaded by the marketer. Passive individuals react on impulse and in an irrational manner. A passive individual may come across pictures and videos of an accommodation establishment and on the spur of the moment be persuaded to book at the establishment.
- The *emotional individual* bases their decisions merely on personal and less rational needs. An emotional individual would stay in an establishment with some sentimental value and because it is less expensive, for example a quiet 3-star guest house in Stellenbosch.
- The *cognitive individual* bases their decisions on information that is gained from the environment regarding personal needs, social influences, attitudes, perceptions and personal experience.

It can be observed that different types of individuals get involved in varying degrees of evaluation, based on their personal direction. Ideally, the cognitive individual best presents consumer behaviour, given that the consumer decision-making process focuses on the behaviour of individuals who evaluate an assortment of products and services sensibly in order to arrive at the decision that offers the most favourable quality and fulfilment (Cant *et al.*, 2006:201).

Furthermore, customers evaluate a product or service based on the value delivered to them, which is determined by means of customer value and customer cost determinants. Desta (2012:90) explains *customer delivered value* (CDV) as a customer's valuation of the product's overall ability to satisfy their needs articulated by the difference between *total customer value* (TCV) and the *total customer cost* (TCC). The various determinants of a customer's delivered value are depicted in figure 3.8.

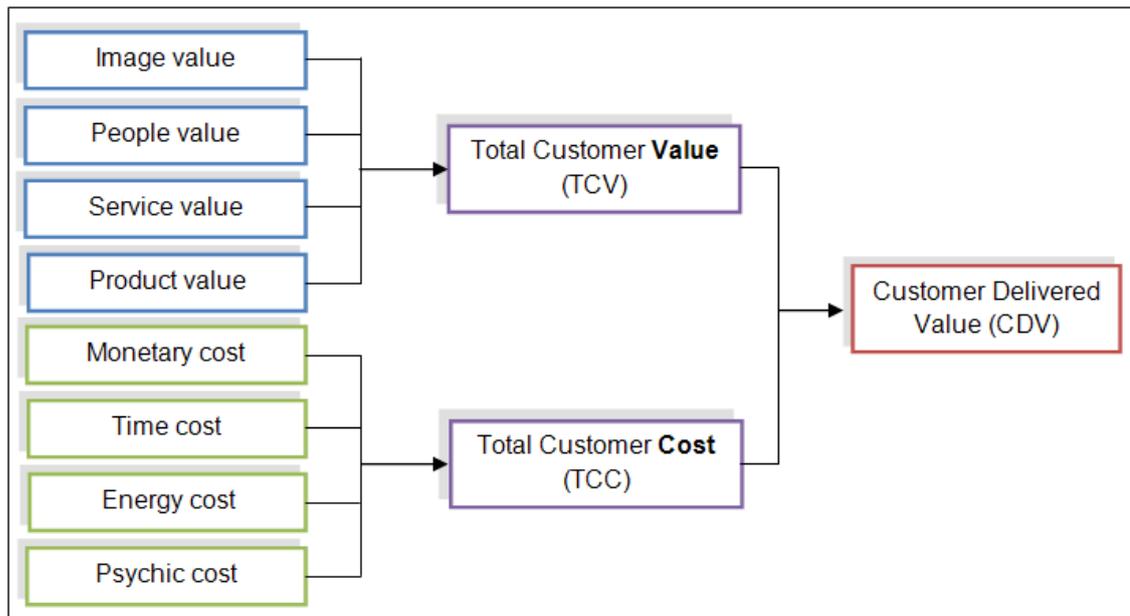


Figure 3.8: Determinants of customer delivered value

Source: Adapted from Desta (2012:90); Kotler and Keller (2006:141)

TCV, as illustrated in figure 3.8, is the difference between the potential customer's evaluation of all the benefits and all the costs of offering and the perceived alternatives. In other words, it is the perceived monetary value of the bundle of economic, functional and emotional benefits customers presume to receive from a specified market offering (Kotler & Keller, 2006:141). The following are the determinants of a customer's perceived value (Desta, 2012:91):

- **Image value:** The image value has two separate components, namely the user image value and the usage image value. The *user image value* refers to the benefits a customer receives from owning a product or utilising a specific service, for instance the status of staying at the 5-star Cape Royal Luxury Hotel and Spa. The *usage image value*, on the other hand, signifies the reputation of a product or service based on its usage, for example the durability of the product, perishability of the service and availability of substitutes.
- **People value:** This pertains to the benefits the customer gains from their interaction with people, such as the receptionists at the 5-star Arabella Hotel and Spa in the Western Cape.
- **Service value:** Service value refers to the benefits a customer will receive due to the service provided by the organisation or establishment, such as

information or guarantees. Service value is, for example, the concierge service at the Windsor Hotel in the Western Cape that provides additional services such as city tours and transportation services.

- **Product value:** The product value exemplifies all the product-based benefits like the performance, durability and unique features that accrue to the customer.

Kotler and Keller (2006:141) explain that TCC is the perceived bundle of costs necessary in the evaluation, attainment, usage and disposal of a certain market offering. The following are the determinants associated with a customer's total cost when deciding whether to purchase a product or service (Desta, 2012:91):

- **Monetary cost:** The monetary cost refers to the capital a customer needs to withdraw in order to purchase a product or service. For example, a customer will need to spend and lose R4 750 per night at the Camps Bay Retreat in the Western Cape plus additional costs for travelling, leisure and food.
- **Time cost:** This pertains to the time an individual has to spend to obtain a product or related service information, for instance the time it takes for a consumer to obtain information, request and receive a quotation and book at the Queen Victoria Hotel in the Western Cape.
- **Energy cost:** Energy cost denotes the physical labour a customer has to produce to acquire a product, accompanying service or information regarding a product or service. For example, a customer has to make six phone calls and visit intermediary websites to obtain information on the 1-star Keisie Cottage in the Western Cape.
- **Psychic cost:** This suggests the mental anxiety and suffering a customer experiences before or after purchasing a product or before receiving the service delivery. For instance, an individual might suffer anxiety due to a lack of information about a specific accommodation establishment.

CDV is, therefore, the total of each of the value determinants (i.e. image, people, service and product values) that a customer receives from a marketing offer, as well as the TCC, that is, each of the cost determinants (i.e. monetary, time, energy

and psychic costs) related to a marketing offer. Accordingly, $CDV = TCV - TCC$ (Desta, 2012:91).

Once a customer has evaluated all alternative options regarding the product, service, brand, model or business, as well as the total customer value and cost derived from a product or service offering, consumers decide whether or not to purchase the product or service and respond accordingly.

3.6.4 Stage 4: Buying decision or response

The fourth stage in the consumer decision-making process is the *buying decision or response* of the consumer. After a customer has selected the most desirable alternative from a set of options, they will make the decision whether to purchase and will therefore respond accordingly (Cant *et al.*, 2006:202). The most appropriate choice is the one that is the closest to the evaluation criteria formulated by the consumer. It is all the information that is collected as a result of the search activity and the search effort that lays the basis for the evaluation and decision. The correct and most suitable decision is dependent on sufficient information.

3.6.5 Stage 5: Post-buying evaluation

The fifth and final stage in the consumer decision-making process is *post-buying evaluation*. The primary reason for a consumer to enter the decision-making process is to close the gap between what the consumer has and what they need or want, thus, seeking satisfaction. The post-purchase evaluation stage therefore involves the consumer evaluating the performance of and satisfaction with a product or service in relation to the set criteria. The post-purchase evaluation stage is the consumer's perception regarding the outcome of the consumption of the product or service (Cant *et al.*, 2006:202). In other words, this stage involves a consumer's evaluation of the perception of the buying process outcome (Kotler & Keller, 2009:99).

The post-buying evaluation stage involves different psychological processes that consumers can experience after they purchase a product or service. The results of buying can be classified as either satisfaction or dissatisfaction, which refers to an emotional response to the evaluation of a product or service:

- **Post-buying satisfaction:** Positive evaluation of a buying decision results in post-buying satisfaction (Kotler & Keller, 2009:99). For instance, a customer is pleased with their purchase because they have read good comments about the establishment on Twitter after they booked the room.
- **Post-buying dissatisfaction:** If the outcome does not match the expectations or falls short in many ways, the consumer experiences dissatisfaction (Kotler & Keller, 2009:99). For example, a customer is unhappy with their purchase decision because they read bad reviews of the establishment after the room was booked.

Apart from the satisfaction or dissatisfaction derived from purchasing a product or service, psychological behaviours can also occur after a consumer has purchased a product. A consumer can either be confronted with post-buying conflicts or cognitive dissonance, as explained below:

- **Post-buying conflict:** Consumers might experience conflict or hesitation about whether they should have bought the product or service, especially if it was a difficult and important purchase (Schiffman & Kanuk, 2004:570). For example, a consumer may be indecisive as to whether they should have booked at the Protea Hotel or the City Lodge for a weekend getaway.
- **Cognitive dissonance:** This is an imbalance among beliefs, knowledge and attitudes that occur after an action or decision, such as a purchase (Boone & Kurtz, 2012:158). For example, a customer has decided to go with a certain establishment and then feels disappointed that they paid so much money for the accommodation and it does not look that great after further research of the establishment has been done.

Although the post-buying evaluation stage is the final stage in the consumer decision-making process, it is not essentially the closing stage in the process. The information gained from the buying process and evaluation of the buying decision is stored in the consumer's memory as part of their experiences. This will allow consumers to retain and recall the information for when they enter the decision-making process again (Kotler & Keller, 2009:99).

Now that consumer behaviour has been discussed, with added emphasis on the perception of consumers, it is vital to consider the new and dynamic decision-making journey customers go through when making decisions via social media applications (Solis, 2012a).

3.7 THE DYNAMIC CUSTOMER DECISION JOURNEY

The dynamic customer decision journey differs from the traditional funnel consumer decision-making process as illustrated in figure 3.5 (page 71). This new dynamic customer decision-making journey is now an active and multifaceted process, which introduces new touch points for social and mobile media (Solis, 2012a). Consumers' behaviour towards products and services has changed, due to the evolution of the traditional customer decision-making process after the advent of the Internet and the materialisation of social media (Larsson & Muncker, 2011:52).

The new dynamic customer decision journey illustrates the process customers go through to make product and service decisions. It also explains how the marketer influences the customer in the decision-making journey. The framework illustrates when the customer can be reached and influenced the most, which is crucial for providing the right information and interacting with the customer (Larsson & Muncker, 2011:52). Figure 3.9 illustrates the new dynamic consumer decision-making journey.

The Dynamic Customer Decision Journey

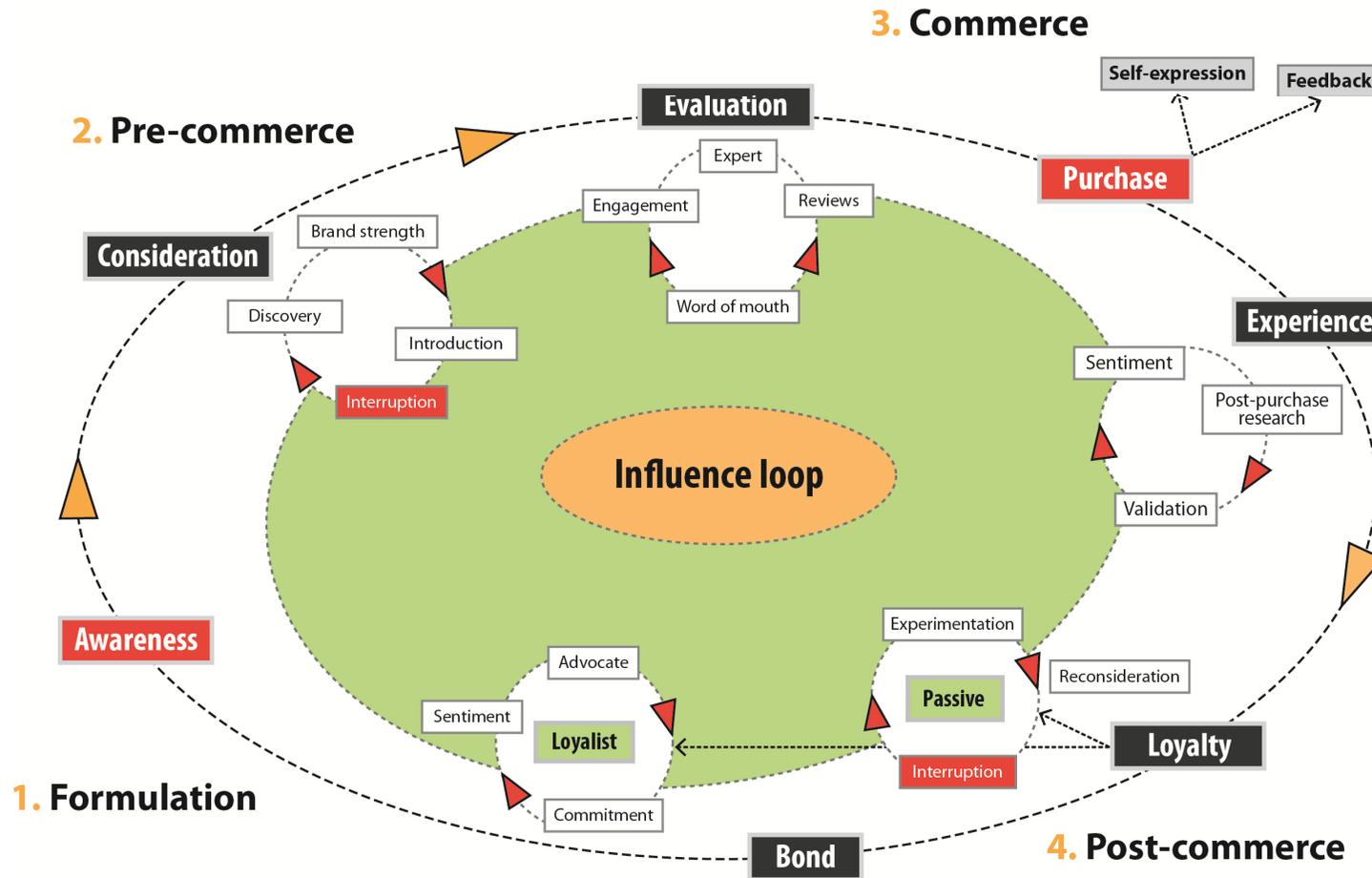


Figure 3.9: Dynamic customer decision journey
 Source: Solis (2012a)

Figure 3.9 illustrates the detailed customer decision journey that outlines the most crucial steps customers take when deciding to purchase a product or service. The customer decision map, also represented in figure 3.9, introduces various elements that influence each of the stages in the journey. More importantly, the journey indicates the channels and screens individuals use to navigate their way along the journey. In other words, similar to the traditional customer decision-making process, the dynamic customer decision journey shows the different phases that a customer goes through in the buying process (Solis, 2012b).

The dynamic customer decision journey is an iterative journey that consists of four main phases, namely consideration, evaluation, experience and loyalty/bond.

3.7.1 Consideration

The dynamic customer decision journey begins with the consumer *consideration* phase. This phase consists of products, services or brands to which the customer has been exposed during different stimuli, such as a television advertisement (Edelman, 2010:1). In this phase, the customer receives a massive amount of information from various sources attempting to influence and persuade them to purchase a product or service. In this phase the customer is introduced to a product, service or brand, can be exposed to interruptions from different sources, discovers new products, services and brands and considers the strength of the brand in question (i.e. whether it is a well-known and reliable brand name). It is therefore important that the customer be aware (i.e. brand awareness) of the brand or organisation in this phase, as it increases the chance that the consumer might purchase the product or service (Edelman, 2010:1). For instance, a consumer may have seen a video on YouTube of the Harbour Bridge Hotel in Cape Town and is interested in obtaining more information.

Brand awareness refers to how conscious existing and potential customers are of a brand, product, service or an organisation. Brand awareness is therefore the degree to which consumers exactly associate the brand with the specific product or service (Gustafson & Chabot, 2007:1). For example, the Valley of the Waves in the North West is strongly associated with Sun City and therefore Sun International.

3.7.2 Evaluation

The second phase of the dynamic customer decision journey is the *evaluation* phase. In this phase the customer evaluates and compares various products, services, brands and organisations to eliminate uncertainty and narrow down the decision. In this phase, customers obtain information from experts, reviewers, by means of word-of-mouth as well as engagements or interactions with friends, family, manufacturers and retailers, which might have a substantial influence on the initial thoughts and ideas of the customer (Edelman, 2010:1). For example, the consumer obtains numerous sources of information regarding the Harbour Bridge Hotel in Cape Town, by asking friends and family on Facebook, reading tweets on Twitter and reviews on TripAdvisor. In this process the consumer might come across other accommodation establishments that attract their interest more.

3.7.3 Experience

The third phase of the customer decision journey is the *experience* the customer has gained from the decision-making journey. The experience phase starts once the customer has made a final decision and purchased the product or service. In the experience phase, a consumer experiences certain sentiments from purchasing certain products or services, conducts post-purchase research, or validates the product or service rendered (Larsson & Muncker, 2011:54).

Consumer *sentiment* refers to the connection or emotion and attitude towards a specific product, service or brand due to some kind of personal association (e.g. first family vacation was at a Beachcomber resort) (Survey Analytics, 2013). While most consumers obtain information before a purchase, some consumers continue to research after they have bought the goods or services, for example reading other consumers' experiences of the establishment they went to. The reason for *post-purchase research* is for a consumer to confirm that they have made the right choice, received the lowest price, or to find better uses for the product, find solutions to technical problems, search for related products and alternative options (Kang, 2011). *Validation* of a product, service or brand refers to the confirmation of soundness, in other words, to substantiate or confirm the quality of the product, service or brand (Williams, 2010).

3.7.4 Loyalty/bond

The fourth and final phase of the dynamic customer decision journey is *loyalty or bonding*. Once a customer has purchased a product or service, and gained certain experiences from the decision journey, they are either satisfied or dissatisfied with the product or service, which might lead to them becoming loyal. In other words, once a consumer has experienced a positive journey and was satisfied with the product or service rendered, they might become a loyal consumer. For instance, a consumer enjoyed his/her experience and the quality of the service at the Harbour Bridge Hotel in Cape Town, and made repeat visits to the hotel afterwards.

Loyalty, according to Peppers and Rogers (2010), is when a customer has a positive attitude towards a product, service, brand or organisation and is willing to pay a premium price for it. A *bond*, on the other hand, is a strong connection with a product, service, brand or organisation (Merriam-Webster, 2013:1).

As illustrated in figure 3.9 (page 83), there are two different types of loyal customers:

- **Passive:** Passive loyalists are customers who remain with a specific brand or organisation without any commitment to them. Passive loyalists are usually open to messages from competitors who attract their attention, influence their decision and persuade them to switch brands (Court, Elzinga, Mulder & Vetvik, 2009:1). This, however, means that organisations have the opportunity to affect and change the loyalty loop of passive loyal customers. A passive loyalist is, for example, a customer who usually stays at the Southern Sun Hotel when visiting Cape Town, but will stay at the Protea Hotel instead if it is on special offer.
- **Loyalist (active loyalist):** Loyalists are customers who have developed a relationship and strong bond with a specific brand or organisation and remain loyal to them despite others' advice or remarks (Court *et al.*, 2009:1). A loyalist customer is someone who always stays at the Beachwalker's Cottage in Paternoster despite the comments and reviews on social media applications or the price of the room per night.

The dynamic customer decision journey is very similar to the traditional consumer decision-making process, as illustrated in figure 3.5 (page 71). This journey was introduced to accommodate the rapid development of the Internet and social media applications and is used more prominently by individuals and organisations worldwide (Solis, 2012a).

3.8 RELEVANCE TO THE STUDY: PERCEPTIONS AND THE DYNAMIC CUSTOMER DECISION JOURNEY

The expansion of the Internet and the increase in online marketing has led to many consumers seeking peer advice over social media applications. This presents marketers with opportunities to share product and service information, during all stages of the consumer purchase decision journey (Ramsunder, 2011: 34). Understanding consumers' needs and wants help marketers to further investigate the elements of consumer buying behaviours and intentions. This drive to understand consumers led to the analysis of the dynamic consumer purchase journey (Ramsunder, 2011:29), which shows that consumers base their decisions differently on social media, and that social media has had a significant influence on the decision-making processes and intentions of customers. The dynamic customer decision journey has therefore been discussed to provide the reader with a better understanding of the multifaceted decision-making processes the modern customer undergoes.

Literature on perception and the perceptual process was deemed significant for the purpose of this study, as the aim of the study was to determine the perception of star-graded accommodation establishments regarding the use of social media as a promotional mix element. Perception questions ask respondents to provide information on how they perceive matters or ideas. Survey questions that assess perception, as opposed to those assessing factual knowledge, are aimed at identifying the processes that (1) underlie how individuals acquire, interpret, organise and make sense of the environment in which they live; and (2) help measure the extent to which such perceptions affect individual behaviours and attitudes (Nelson, 2008:580). In order to determine the perceptions of star-graded accommodation establishments regarding the use of social media

as a promotional mix element, various secondary research objectives were formulated (as discussed section 1.4.2, page 7).

Due to perception being an individual factor influencing the behaviour of consumers, this concept had to be discussed in the broader context of consumer behaviour. Consumer behaviour was therefore discussed in a holistic manner with an added focus on perception and the dynamic customer decision-making journey.

3.9 SUMMARY

The purpose of this chapter was to discuss consumer behaviour with an added focus on perception and the perceptual process. Consumer behaviour was discussed comprehensively by means of a definition and the consumer behaviour model. After the foundation to consumer behaviour was laid, marketing stimuli, as well as the group and individual factors influencing consumer behaviour were discussed. Given the importance of perception to this study, and that perception is an individual influencing factor, perception and the perceptual process were discussed in detail subsequent to the influencing variables. The chapter concluded with the consumer decision-making process – by explaining the basic five steps – followed by the new dynamic customer decision journey that is vital to consumer buying behaviour online and on social media applications.

The methodology employed for the purpose of this study is explained in detail in chapter 4.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

Organisations have come to realise over the years that having a better understanding of customers, employees and stakeholders is fundamental in order to achieve the organisations' desired goals efficiently (Aaker *et al.*, 2007:6; Cooper & Schindler, 2008:5). To gain such an understanding, research needs to be conducted. *Research* is the acquisition of new knowledge through the activity that investigates and answers questions a marketer might pose regarding human behaviour and is often viewed as the pillar of systematic growth in organisations (Malhotra, 2012:37). Research is thus the rational and methodical search for new and useful information on a particular topic or situation. The information which is received by conducting research will assist a marketer in identifying opportunities and/or problems. It further allows the researcher to gain a better understanding of the environment in which products will be competing and, in turn, increases organisational performance (Cooper & Schindler, 2008:4; McDaniel & Gates, 2010:4).

The main focus of this chapter is on the central concepts surrounding marketing research. A further explanation is given of the research methodologies utilised in the current study. The chapter starts with a definition and description of the research processes and methodologies, and then each of the ten steps in the marketing research process will be discussed in detail. Practical application of the research design and methodologies employed in the current study is discussed throughout the chapter.

4.2 THE MARKETING RESEARCH PROCESS

Organisations and managers in the 21st century are called upon to make decisions and are constantly challenged by creating new and innovative strategies in order to respond to and meet the constant and rapid changes in the marketing environment (Kapoor & Kulshrestha, 2010:10). Any organisation that is

looking for a threshold in attracting and retaining customers in a competitive market environment turns to marketing as it can generate strategies to develop attractive marketing activities (Iacobucci & Churchill, 2010:3). The need for information in decision-making addresses key issues faced by all competitive organisations. Marketing research, however, can provide the necessary and crucial information, and without research, business decisions involving product promotion, distribution, pricing and the product design itself are made uninformed (Zikmund & Babin, 2007:3).

Marketing research is defined as the scientific method that utilises the search for accurate and candid information about a marketing phenomenon (Zikmund & Babin, 2010:5). Kolb (2008:1) states that marketing research is the function that links consumers, customers and the public to the marketer through the acquisition of information. Simply put, and for the purpose of this study, marketing research refers to the planning, collection, analysis and communication of information relevant to marketing decision-making and the communication of the results of this analysis to management (McDaniel & Gates, 2010:6; Wilson, 2012:4). It is therefore the logical sequence and systematic process that delivers reliable information to organisations and managers that is required for decision-making (Wiid & Diggines, 2013:31).

Wilson (2012:3–4) dismantles the definition of marketing research into four key characteristics that are important to consider:

- Marketing research offers profitable and non-profitable organisations with information to *support marketing decision-making*.
- It includes *the collection of information* using an extensive variety of sources and methods.
- It involves the *analysis of information*.
- Marketing research encompasses the *communication and dissemination of information*.

Marketing research can be implemented by following a series of steps that is known as the marketing research process (Bose, 2010:258). This process provides researchers with a methodical, strategic process to the research project

and ensures that all elements are consistent with one another (Kotabe & Helson, 2009:115). Conversely, the steps in the marketing research process can constantly overlap and therefore may differ between researchers (Zikmund & Babin, 2010:57). For the purpose of this study, the marketing research steps that were utilised are highlighted in figure 4.1 and form the foundation of the remainder of chapter 4. As marketing research can be very costly, and each step in the process is vital for successful and reliable marketing analysis, it is important to follow all the steps in the marketing research process systematically in order to gain the most benefit from the research activity.

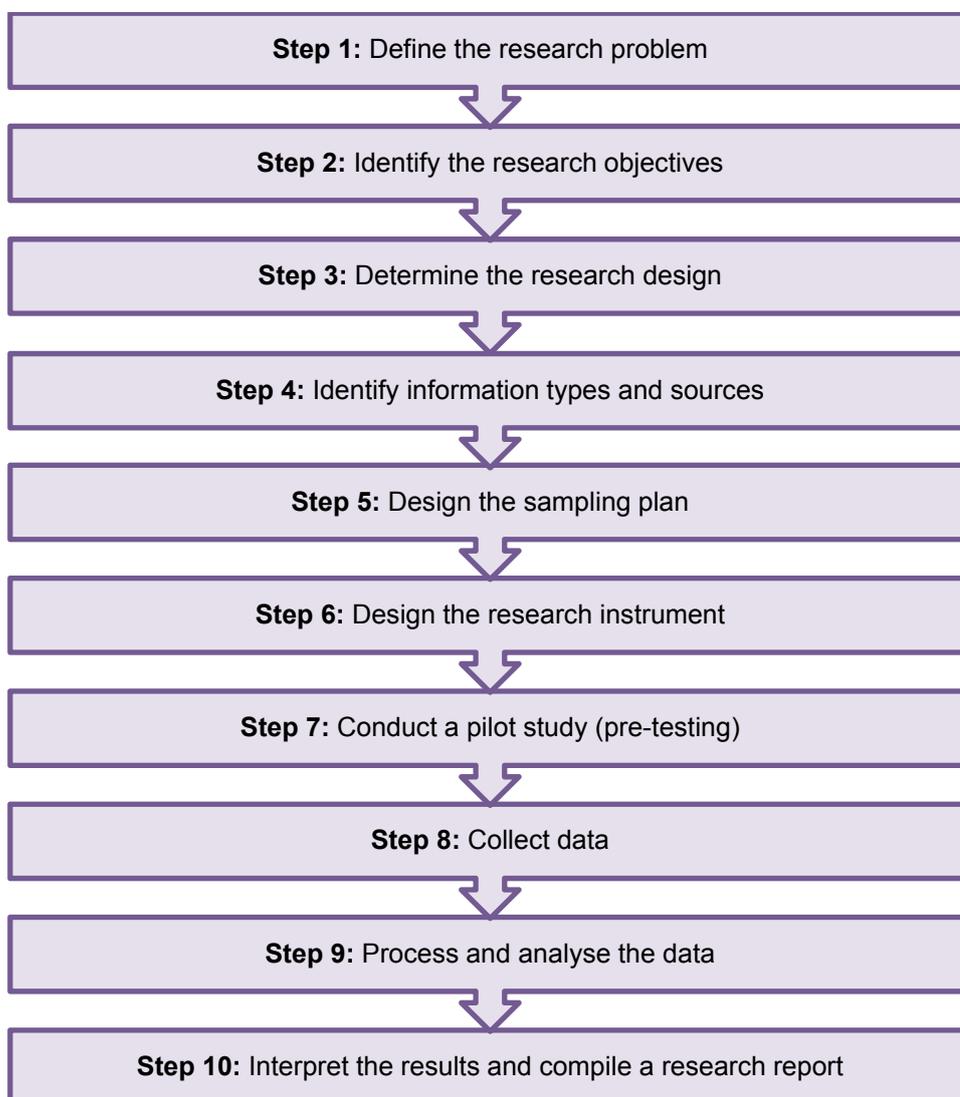


Figure 4.1: Stages in the marketing research process

Source: Adapted from Cant (2013:67); McDaniel and Gates (2010:50); Tustin, Ligthelm, Martins and Van Wyk (2005:76); Wiid and Diggines (2009:32)

The ten steps in the marketing research process, as illustrated in figure 4.1, are now discussed by providing a theoretical base and practical application to the current study. The marketing research process starts with defining the research problem (or opportunity).

4.2.1 Step 1: Define the research problem

Defining the research problem (or opportunity) is considered to be an important step in any research project (Wiid & Diggins, 2013:42), and is therefore the first step in the marketing research process. According to Sandelowski (2008:785), the *research problem* addresses what researchers perceive as incorrect, missing or mystifying situations that require clarification or changing. It is thus an area of concern where there is a gap in the knowledge or literature that needs to be investigated or that requires a solution (Connaway & Powell, 2010:26; Godshall, 2010:213).

The research problem for the current study was formulated after having identified the rapid growth in the general use of social media in the past few years, as well as the increase in its use among businesses in communicating with their customers via social media (Stephen & Galak, 2010:3). Furthermore, Van der Merwe (2003:217) points out that numerous accommodation establishments prefer to market by means of websites, brochures and direct marketing, and rely heavily on word-of-mouth to market.

The **research problem** that was identified in the literature, and where the literature fell short, was in determining whether social media can indeed be considered an element of the promotional mix, especially in the accommodation sector of South Africa, and ultimately how the owners of these establishments can utilise social media successfully.

Having established the necessity of such a study to be conducted, the following **research question** was formulated:

What is the perception of star-graded accommodation establishments, located in the Western Cape province of South Africa, regarding the use of social media as a promotional mix element?

Once the research problem and research question has been identified, the researcher has to establish the research objectives of the study.

4.2.2 Step 2: Identify the research objectives

The *research objective*, as described by Wiid and Diggines (2013:48), is what the researcher hopes to accomplish or attain by producing the study. Therefore, the research objectives can be seen as the goals that the researcher wishes to achieve by conducting the research (Zikmund & Babin, 2010:58).

Research objectives can be broken down into two different categories, namely primary and secondary (or sub-)objectives. The *primary objective* is the main goal and focus of the study that the researcher aspires to achieve (Avasarikar & Chordiya, 2007:112). The *secondary (or sub-)objective* is the specific aspects of the topic that the researcher wants to investigate that may directly or indirectly contribute to the attainment of the primary objective (Cant, 2010a:10; Wiid & Diggines, 2013:48).

As indicated in chapter 1, the primary objective of the current study was *to determine the perception of star-graded accommodation establishments, operating in the Western Cape province of South Africa, regarding the use of social media as a promotional mix element.*

The *secondary (or sub-)objectives*, as stated in chapter 1, were as follows:

- **Research objective 1:** to investigate the current use of social media among star-graded accommodation establishments operating in the Western Cape province of South Africa.
- **Research objective 2:** to determine which social media applications the star-graded accommodation establishments, located in the Western Cape province of South Africa, utilise the most.
- **Research objective 3:** to establish the main reason(s) why star-graded accommodation establishments, operating in the Western Cape province of South Africa, utilise social media.

- **Research objective 4:** to establish the reason(s) why star-graded accommodation establishments, located in the Western Cape province of South Africa, do not make use of social media.
- **Research objective 5:** to determine the benefits of using social media as a promotional mix element in star-graded accommodation establishments, located in the Western Cape province of South Africa.
- **Research objective 6:** to establish a profile of the respondents operating a star-graded accommodation establishment in the Western Cape province of South Africa.

Once the primary and secondary research objectives have been set, the researcher has to determine the research design that will be employed for the purpose of the study.

4.2.3 Step 3: Determine the research design

Wiid and Diggins (2013:54) describe a *research design* as merely the outline, structure or road map for the research study. The research design is the master plan that signifies the techniques and procedures used to gather and analyse the data (Zikmund & Babin, 2010:64). In other words, it serves as an outline or plan of action for carrying out the research.

Kapoor and Kulshrestha (2010:31) identify two types of research designs, namely exploratory and conclusive research designs. These are illustrated in figure 4.2.

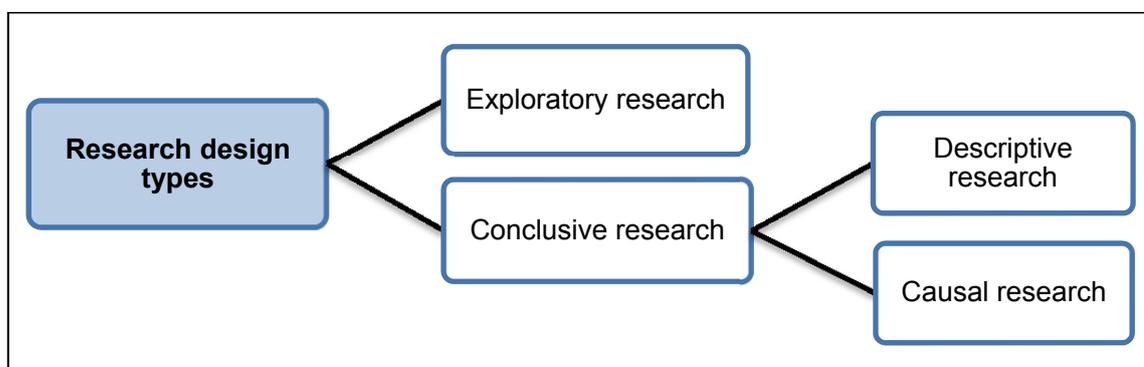


Figure 4.2: Types of research designs
Source: Adapted from Wilson (2012:34)

4.2.3.1 Exploratory research design

Exploratory research is preliminary research that is utilised when the researcher is attempting to increase their understanding of the nature of a problem, probable substitutes, or related variables that can be studied (Aaker, Kumar, Day & Leone, 2011:72; McDaniel & Gates, 2010:43). Zikmund and Babin (2007:42) explain exploratory research as a research design utilised to clarify ambiguous situations and unveil ideas that could potentially create business opportunities. Hence, the major emphasis of exploratory research is to gain ideas and insights and to provide a better understanding of vague situations or problems (Brown & Suter, 2011:28).

Exploratory research design, emphasise Wiid and Diggins (2009:55), is essential when the researcher wishes to obtain more information about a particular problem, opportunity or occurrence, as there is usually minimum former knowledge to build on. In other words, exploratory research may be implemented to gain a better understanding of a concept or to assist in developing and clarifying a problem (McDaniel & Gates, 2010:43). The principal purpose of this type of research is therefore to shed light on the nature of a situation and to identify whether additional research is required (Neelankavil, 2007:104).

As the researcher starts the research project without any form of prejudice as to what will be found, exploratory research is very flexible, unstructured and qualitative in nature (Aaker *et al.*, 2011:72). It is generally conducted for one of two reasons: (1) a preliminary investigation of a problem in order to increase understanding and concepts; or (2) to gather information for the instantaneous implementation to an organisational situation (McNabb, 2010:96). The main aim of exploratory research is therefore to gain as much information in a short period, with limited effort and expenses (McNabb, 2010:96).

4.2.3.2 Conclusive research design

Conclusive research, as the name suggests, is research that will provide information or data that is useful in drawing conclusions or in making decisions (Kapoor & Kulshrestha, 2010:31). Wilson (2012:35) states that conclusive research is aimed at evaluating courses of action or measuring and monitoring

the organisation's performance. Conclusive research can provide information that is integrally descriptive or causal in nature (Wiid & Diggines, 2013:57). This type of research design is usually quantitative in nature and can be further broken down into descriptive and causal research.

- ***Descriptive research***

Descriptive research often helps to describe various market segments by providing an accurate snapshot of various objects, organisations, individuals, groups and environments (Aaker *et al.*, 2011:73). Hair, Bush and Ortinau (2009:51) explain that descriptive research designs involve the collection of numeric data to answer research questions, such as who, what, when, where and how. Methods that can be used for descriptive research include either longitudinal or cross-sectional studies (Wiid & Diggines, 2013:57):

- *Longitudinal studies* (also known as time-series studies) involve a repetitive measurement of the same sample of elements over a period and therefore sanction an analysis of change over a certain period.
- *Cross-sectional studies* involve the collection of information from any sample of the population only once. It therefore provides a snapshot of a situation from one point in time and is usually performed by means of a survey method.

- ***Causal research***

Causal research involves the investigation of whether one variable determines or is the cause of the value of another variable (McDaniel & Gates, 2010:50). Causal research signifies the cause-and-effect relationship that is pertinent to a research problem (Reid & Bojanic, 2010:227). Similar to descriptive research, causal research requires a planned and structured design (Malhotra, 2012:108).

Table 4.1 tabulates the differences between the three basic research designs.

Table 4.1: Difference between exploratory, descriptive and causal research

	Exploratory research	Descriptive research	Causal research
Objective	Discovery of ideas and insights	To describe market characteristics or functions	To determine cause-and-effect relationships
Characteristics	<ul style="list-style-type: none"> • Flexible • Often the front and end of total research design • Sample is small and non-representative 	<ul style="list-style-type: none"> • Marked by the prior formulation of specific hypothesis • Pre-planned and structured design 	<ul style="list-style-type: none"> • Manipulation of one or more independent variables • Control of other mediating variables
Uses	<ul style="list-style-type: none"> • Formulate problems more precisely • Develop a hypothesis • Establish research priorities • Eliminate impractical ideas • Clarify concepts 	<ul style="list-style-type: none"> • Describe characteristics of certain groups • Estimate the proportion of people in a population who behave in a certain way • Make specific predictions 	<ul style="list-style-type: none"> • Provide evidence about the causal relationship between variables

Source: Adapted from Malhotra (2012:101); Wiid and Diggins (2013:58)

Various authors have argued that there is no single best research design to be used (McDaniel & Gates, 2010:49; Zikmund & Babin, 2010:65). Instead, the different designs offer the researcher a number of choices, each with its own advantages and disadvantages. However, it is essential when choosing a specific research design that it follow from the research problem and objectives of the specific research project (Majumdar, 2005:26).

This study sought to determine the perception of star-graded accommodation establishments, operating in the Western Cape, regarding the use of social media as a promotional mix element, and therefore employed an exploratory research design. The reason as to why **exploratory research** had been selected for the study was that the findings could give managers and other industry organisations a better understanding as to the effective use of social media. Exploratory research was therefore selected in order to clarify ambiguous situations and unveil ideas that could create possible business opportunities. Furthermore, this research approach was selected as the research technique for the study as the results obtained could potentially provide organisations with the frequency to which something occurs (Iacobucci & Churchill, 2010: 59).

In the next section, the information types and sources are identified, which is the fourth step in the research process.

4.2.4 Step 4: Identify information types and sources

Once the research objectives have been set, the researcher has to decide which form of data is required to satisfy these objectives. The sources of data, as depicted in figure 4.3, can be categorised into two groups, namely secondary and primary data.

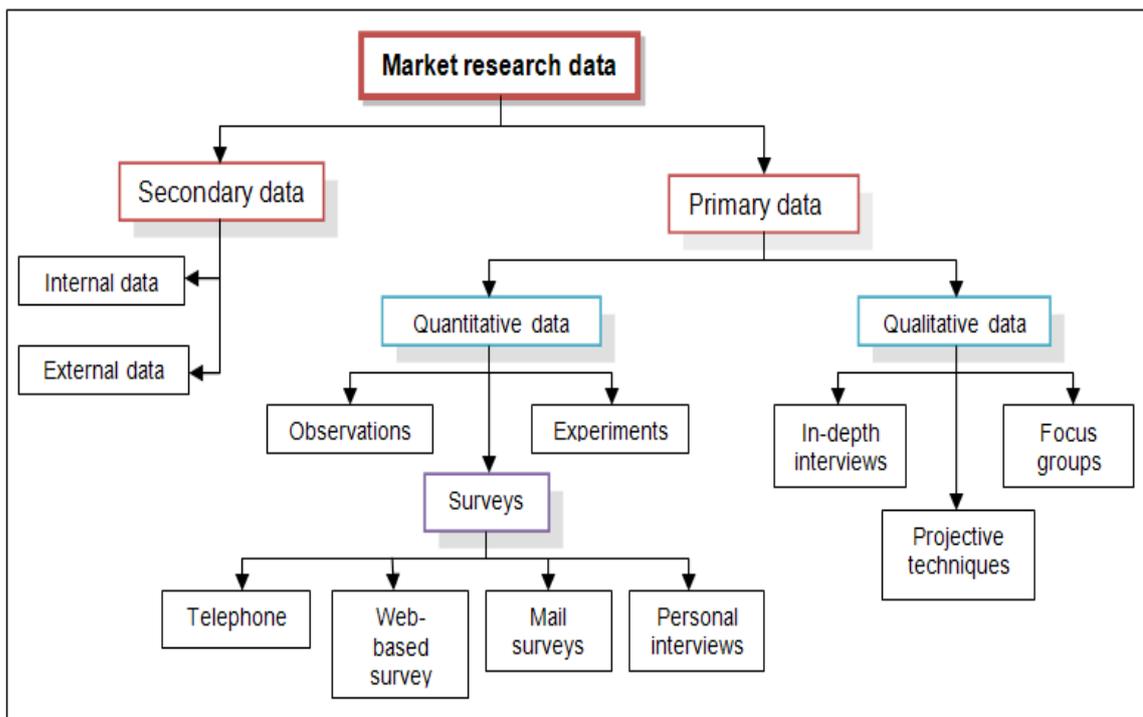


Figure 4.3: Data collection techniques

Source: Hair, Celsi, Money, Samouel and Page (2011:186); Wiid and Diggins (2013:86)

To achieve the objectives in the current study, the researcher chose to utilise both secondary and primary data.

4.2.4.1 Secondary data

Secondary data is information that was previously collected by individuals, groups or organisations for the purpose of solving the current situation at hand (Aaker *et al.*, 2011:76; Cant *et al.*, 2010:130; Zikmund & Babin, 2010:163). It is therefore information that is readily available to the public and was collected by someone else but could have some relevance to the current problem. Secondary

data is one of the most inexpensive and simple means of retrieving information and increasing one's knowledge base of a particular situation, problem or opportunity (Aaker *et al.*, 2011:93).

Secondary data can be divided into internal and external secondary data (as shown in figure 4.3). *Internal secondary data* refers to the information that can be collected from inside the organisation, such as sales or financial reports. *External secondary data*, on the other hand, signifies information that is obtained from outside sources (Burnes & Bush, 2010:176–178) for instance on the Internet, industry reports or academic sources (Bradley, 2010:79). Summarised in table 4.2 are the advantages and disadvantages of using secondary data in a research project.

Table 4.2: Advantages and disadvantages of using secondary data

Advantages	Disadvantages
May help to refine the current problem or provide a solution for the research objective.	Often lacks significance to current study or problem being investigated.
Could provide alternative primary research methods.	In some cases lack of availability.
Informs researchers of impending problems and or opportunities.	Inaccurate or outdated.
Provides the basis for a research report and enhances primary data.	In some cases not sufficient to make a decision or solve a research problem.
May provide a sample frame.	Reporting units are sometimes incompatible with current research.
Obtained quickly and with less effort.	Measurement units do not match current study purposes.
Inexpensive in comparison to primary data.	Different sources define and classify terms and definitions differently.
Readily available and more accurate than primary data.	Information needed for assessing credibility of data that has been reported is not always available.
Provides comparative data that makes for a more illuminating interpretation of primary data.	Research errors are possible in data collection and analysis.

Source: Adapted from Burns and Bush (2010:180–183); McDaniel and Gates (2010:72–75); Wiid and Diggins (2013:75)

Kumar (2011:31) argues that exploring the existing literature is an essential undertaking in the research as it helps to explain the research problem, it broadens the researcher's knowledge base in the area of interest and it contextualises the findings of the current study. For the purpose of the current study, the researcher consulted secondary data sources by collecting academic textbooks and industry reports, reviewing published articles and consulting previous studies, which formed the initial literature review (chapters 1 to 3). A *literature review*, according to Hair *et al.* (2009:118), is a comprehensive investigation into the available information by looking to sources that relate to the topic of interest and that are used to clarify and define research problems. Chapter 2 is a review of the literature on social media, whereas chapter 3 is a review of the literature of consumer behaviour and perception.

Secondary data is typically the starting point in defining what kind of research needs to be conducted, as the main goal of the researcher is to achieve the research objectives. It is only when insufficient secondary data is available that the researcher will consider making use of primary data (Hair *et al.*, 2009:117).

4.2.4.2 Primary data

Primary data signifies the information that is collected specifically to address the research problem of the study (Cant *et al.*, 2010:129) and is generally conducted when secondary data fails to answer the research question or solve the current problem (Tustin *et al.*, 2005:89). Primary data is information that is specifically collected in order to solve a problem or opportunity that faces management (Kapoor & Kulshrestha, 2010:53).

Similar to secondary data, primary data can also be collected from either internal or external data sources. *Internal primary data* is collected from, for example, employees or management, while *external primary data* is collected from, for instance, the consumers or retailers from which the organisation would like to obtain information regarding decision-making (Cant *et al.*, 2010:130). Collecting primary data can be very expensive and time consuming, but it is generally more relevant to the researcher to achieve the research objectives than secondary data (Strydom, 2011:82).

As indicated in figure 4.3 (page 98), primary data can be either quantitative or qualitative in nature, and can be used separately or in combination (Wilson, 2012: 37). It is important for the researcher to determine which research approach to follow.

- **Quantitative research**

Quantitative research focuses on addressing the research objectives through empirical assessments involving mathematical analysis (Zikmund & Babin, 2010:133). Wiid and Diggins (2013:59) describe quantitative research as aiming to establish a relationship between one thing (an independent variable) and another (dependent or outcome variable) in a population, by means of statistical, mathematical or computational techniques. Hence, it encompasses the gathering of information that involves bigger numbers, more representative samples and the numerical calculation of results (Wiid & Diggins, 2013:59). Quantitative research further includes observation, survey and experiment research, as indicated in figure 4.3 (page 98).

- *Observation research* refers to studies where the researcher observes or monitors the behaviour of respondents in real-life settings without direct or face-to-face interactions with the individual (Cant, 2010b:70; Shukla, 2008:52).
- *Survey research* is the process in which data is collected from participants through various methods, such as telephone interviews, web-based surveys, mail surveys and personal interviews, as illustrated in figure 4.3 (Hair *et al.*, 2009:244).
 - *Telephone interviews* are similar to personal interviews but instead are conducted over the telephone and a skilled interviewer asks questions and probes for answers from the participants and records the answers (Cooper & Schindler, 2008:223).
 - *Web-based surveys* (also known as Internet or online surveys) are self-administered questionnaires that are available on a website and respondents provide answers to the questions displayed onscreen by

clicking an icon, highlighting or typing in an answer (Zikmund & Babin, 2007:149). Web-based surveys will be discussed in more detail in section 4.2.6.2 (page 117).

- *Mail (or e-mail) surveys* are self-administered questionnaires that are sent to respondents via postal or electronic mail (e-mail). They are completed by the respondent and returned to the researcher via postal or electronic mail (Zikmund & Babin, 2007:143).
- *Personal interviews* are conducted on a face-to-face basis, by a skilled interviewer who asks questions and records the participant's answers (Hair *et al.*, 2009:244).
- o *Experiment research* is a data collection technique used in causal research that allows a researcher to make causal inferences about relationships (Hult *et al.*, 2012:100).

Primary data can also be qualitative in nature.

- ***Qualitative research***

Qualitative research is not subject to quantification and the emphasis is therefore on achieving the research objectives through methods that will allow the researcher to present detailed explanations about certain marketing phenomena (Zikmund & Babin, 2010:131). Wiid and Diggins (2013:59) define qualitative research as exploring situations as well as understanding underlying reasons and motivations. It is the collection, analysis and interpretation of data that cannot be summarised meaningfully in the form of numbers.

This research approach involves collecting data in the form of text or images using in-depth, open-ended questions (Hair *et al.*, 2009:154) with the aim of discovering true inner meanings as well as new insight (Zikmund & Babin, 2010:131). The most common types of qualitative research methods, as shown in figure 4.3 (page 98), are in-depth interviews, projective techniques and focus groups.

- *In-depth interviews* are generally one-on-one interviews between the researcher and the interviewee on a specific topic (Zikmund & Babin, 2010:141). In-depth interviews are somewhat unstructured, extensive interviews in which the interviewer asks numerous questions while probing for in-depth answers and explanations (Wiid & Diggines, 2013:95).
- *Projective techniques* are an indirect form of questioning that allows the respondent to project their beliefs, opinions, feelings, attitudes and emotions on an issue of concern (Shukla, 2008:36). People have a tendency to answer questions in a way that does not reflect badly on their self-image and for this reason, projective techniques have been developed in order to reveal hidden opinions and beliefs (Aaker *et al.*, 2011:177; Wiid & Diggines, 2009:95). For example, participants may be asked to interpret pictures or speak about what other people would feel, think or do. In this way, researchers can uncover participants' true thoughts, feelings or attitudes (Hair *et al.*, 2009:185).
- *Focus groups* allow researchers to bring together a small group, usually consisting of 6–10 individuals, for an informal and interactive discussion on a specific topic (Kuada, 2012:95). A skilled and knowledgeable moderator should always lead the focus group to encourage dialogue among the group of participants (Zikmund & Babin, 2010:141). The goal of a focus group is to provide researchers with as much information on the topic of interest as possible (Hair *et al.*, 2009:161).

An important consideration to keep in mind when planning the research design is determining whether to employ a quantitative or qualitative research approach. The main difference between the two approaches is that *quantitative research* signifies numbers and statistics and, therefore, one of the main reasons for using quantitative research is to develop meaningful segmentation and furthermore give an account of usage and perceptions (Bradley, 2010:264). *Qualitative research*, on the other hand, addresses research objectives through methods that will allow the researcher to make interpretations about occurrences. The two approaches differ in other respects, as can be seen in the comparative tabulation in table 4.3.

Table 4.3: Qualitative versus quantitative research

Research aspect	Quantitative research	Qualitative research
Purpose	The validation of facts, estimates, relationships and predictions	Discovery of new ideas, thoughts or feelings; understanding of relationships, ideas and objects
Types of questions	Limited probing, mostly structured	Probing, unstructured, open-ended
Sample size	Large sample	Small sample
Amount of information from each respondent	Varies	Substantial
Requirements of administration	Interviewer with fewer special skills or no interviewer	Interviewer with special skills
Types of analysis	Statistical and summation	Subjective and interpretative
Hardware	Questionnaires, computers, printouts	Tape recorders, projection devices, video recorders, pictures, discussion guides
Ease of replication	Easy	Difficult
Types of research	Descriptive and casual	Exploratory
Validity	Low	High
Data presentation	Numbers	Words

Source: Adapted from Wiid and Diggines (2013:87–88); Zikmund and Babin (2010:94)

The current study made use of a **quantitative research** approach. This research method was deemed appropriate for this study as the researcher aimed to address the research objective through empirical assessments that involve numerical measurements and systematic approaches (Zikmund, Babin, Carr & Griffin, 2010:134). As discussed in section 4.2.3 (page 94), the study employed a descriptive research approach, and descriptive research is quantitative in nature. Furthermore, the researcher selected survey research as the data collection method and self-administered, web-based questionnaires were distributed to star-graded accommodation establishments in the Western Cape.

Now that the information types and sources used in the research project have been identified, the researcher has to design the sampling plan for the study.

4.2.5 Step 5: Design the sampling plan

Sampling refers to a process of gathering information from a subset of a population (the sample) and making estimates or predictions of the characteristics for a larger group (the population). The main aim of sampling is to draw conclusions about the whole population in a more cost-effective and less time-consuming manner (Wiid & Diggins, 2013:181). Researchers need to develop a sampling plan that is described as a framework, which ensures that the data collected is representative of the population (Hair *et al.*, 2009:326). Tustin *et al.* (2005:96) identify five steps in the sampling plan: (1) define the population; (2) specify the sampling frame; (3) select the sampling method; (4) determine the sample size; and (5) select the sample. These steps are illustrated in figure 4.4 and are discussed in more detail.

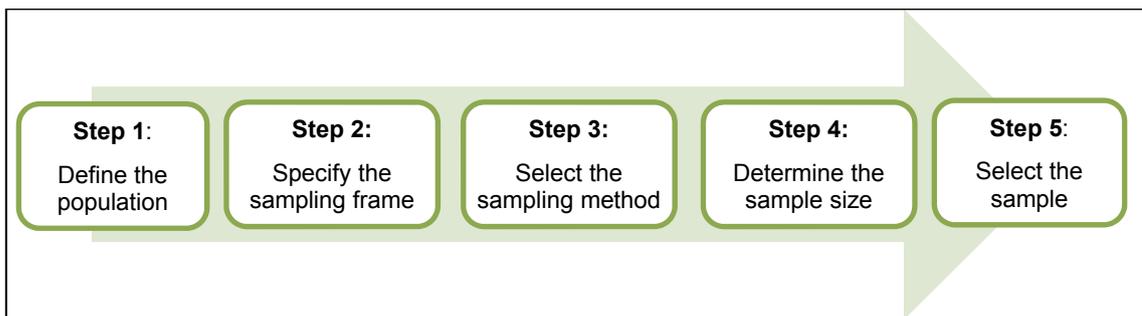


Figure 4.4: Steps in the sample planning process

Source: Adapted from Tustin *et al.* (2005:96)

The sampling process, as depicted in figure 4.4, provides the structure for the discussion in the following sections (sections 4.2.5.1 to 4.2.5.5). Firstly, the researcher had to define the target population for the current study.

4.2.5.1 Define the population

The *population* refers to the full set of cases (i.e. individuals, groups or entities) from which the sample will be drawn (Saunders, Lewis & Thornhill, 2009:212) or any complete group of entities which share some common set of characteristics (Zikmund & Babin, 2010:412). In other words, the researcher has to determine the best collection of individuals, groups or entities to be approached in order to achieve the objectives of the study (Hair *et al.*, 2009:326).

The target population of the current study consisted of star-graded accommodation establishments located in the Western Cape. Star-graded accommodation establishments were chosen to ensure consistency in the population as all the establishments are graded according to the TGCSA and fall under the same category. The researcher chose the Western Cape in particular because this region is a leading tourism destination with a wide variety of attractions for business and leisure travellers (Western Cape Business, 2011). The perception of these accommodation establishments can provide a valuable contribution to managers operating in the same industry that wish to utilise social media in their everyday activities.

Once the researcher has determined the population for the study, the sampling frame should be specified, which is the second stage in the sampling plan as shown in figure 4.4 (page 105).

4.2.5.2 Specify the sampling frame

A *sampling frame* can be described as a list of individuals in the population that will be selected to participate in a survey (Aaker *et al.*, 2007:382; Iacobucci & Churchill, 2010:284). According to Tustin *et al.* (2005:96), a sampling frame is only necessary when a probability sample is to be drawn. As this study employed a probability sampling method, the sampling frame that was used for the purpose of this study was star-graded accommodation establishments in the Western Cape, as listed according to the TGCSA in 2013.

4.2.5.3 Select the sampling method

The next step in the sampling plan is to select the sampling method to be utilised in the study. The *sampling method* for selection is dependent on the research objectives of a stated research project (McDaniel & Gates, 2010:332). A sampling method can be divided into two different categories: non-probability and probability samples. These two classifications of sampling methods are displayed in figure 4.5 and will subsequently be explained in more detail.

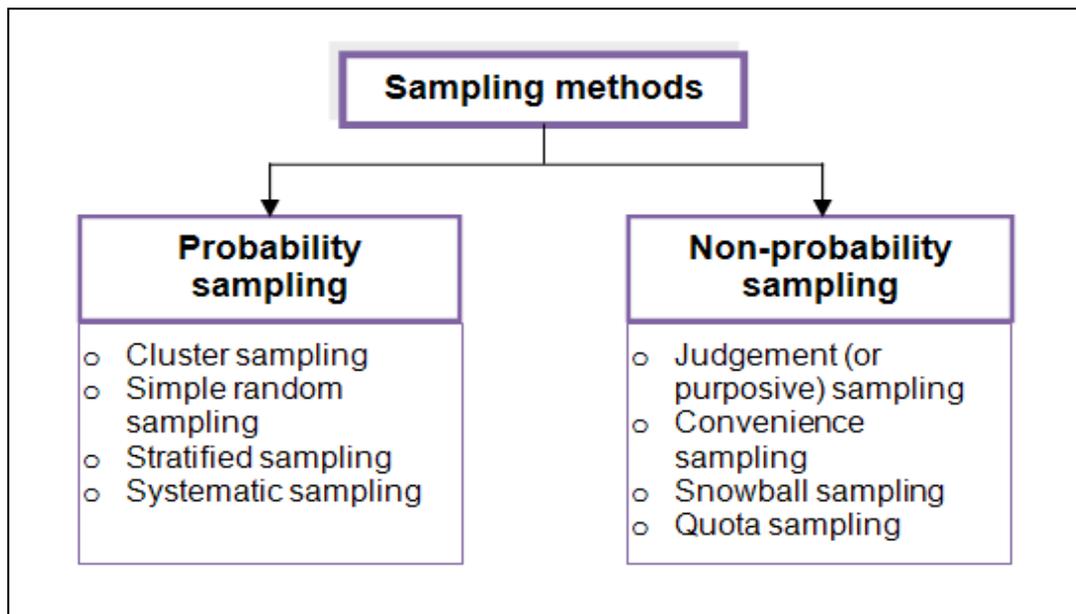


Figure 4.5: Classification of sampling methods

Source: McDaniel and Gates (2010:335)

Both probability and non-probability sampling have various subcategory techniques.

- ***Probability sampling***

Probability sampling refers to a situation in which all the members of the population are known and are chosen in terms of random selection where all individuals are given an equal chance of being selected as part of the sample (Cooper & Schindler, 2008:380; Iacobucci & Churchill, 2010:285). This means that it is possible to answer the research questions and achieve the research objectives by making statistical evaluations regarding the population from the sample. Probability sampling is frequently coupled with survey-based and experimental research strategies and includes cluster, simple random, stratified and systematic sampling.

- *Cluster sampling* refers to the technique in which the population is distributed into distinct groups or bundles of individuals, groups or entities that have the same characteristics of elements in the population. With cluster sampling, the population is firstly grouped into various clusters, then the researcher utilises a systematic or random sample for each selected cluster, where either all the elements or a sample of the ele-

ments are included in the sample (Saunders *et al.*, 2009:588; Sekaran & Bougie, 2010:274). For example, a city is divided into different clusters (i.e. suburbs) and the individual households in the chosen clusters are systematically selected to be included in the survey research.

- *Simple random sampling* is the simplest method that can be used in selecting the sample. Simple random sampling signifies the random selection of units in such a way that each member in the sample has an equal chance of being selected (Ott & Longnecker, 2010:25). This type of sampling is considered adequate if the chance of selection is equal at any given stage in the sampling process. Random sampling has the benefit of obscuring biases and providing statistical means for estimating sample errors (Babbie, 2013:209).
- *Stratified sampling* refers to the sampling technique in which the population is divided into subgroups (strata) and then randomly selected from the list (Zikmund & Babin, 2010:433). Babbie (2013:212) defines stratification as the grouping of the units that make up a population into homogeneous groups (or strata) before sampling. For example, lists of all students who are registered for a postgraduate degree in Business Management have an equal chance of being included in the research project.
- *Systematic sampling* entails the selection of sample units in relation to a particular pattern in time or space, for example at equivalent distance intervals along a line or a grid pattern (Zhang, 2007:56). It is therefore a technique in which every k^{th} unit (or every skipped interval) in a list is selected to be included in the sample (Babbie, 2010:211). For instance, every 10th student in the university directory is chosen to participate in the survey.

When deciding on the appropriate probability sampling method, researchers should keep in mind the costs and the degree of use as well as the advantages and disadvantages of each method. A comparison of the various probability sampling techniques is given in table 4.4.

Table 4.4: Comparison of the probability sampling techniques

Description	Cost and degree of use	Advantages	Disadvantages
<p>Cluster sampling Researcher selects sampling units at random, then does a complete observation of all units or draws a probability sample in the group.</p>	<p>Low cost, frequently used</p>	<p>If clusters are geographically defined, yields lowest field cost; requires listing of all clusters, but of individuals only within clusters; can estimate characteristics of clusters as well as of population.</p>	<p>Larger error for comparable size than with other probability samples; researcher must be able to assign population members to unique cluster or else duplication or omission of individuals will result.</p>
<p>Simple random sampling Researcher assigns each member of the sampling frame a number, and then selects sample units by random method.</p>	<p>High cost, moderately used in practice</p>	<p>Only minimal advanced knowledge of population needed; easy to analyse data and compute error.</p>	<p>Requires sampling frame; does not use knowledge of population that researcher may have; larger errors for same sampling size than in stratified sampling; respondents may be widely dispersed, hence cost may be higher.</p>
<p>Stratified sampling Researcher divides the population into groups and randomly selects subsamples from each group. Variations include proportional, disproportional and optimal allocation of subsample sizes.</p>	<p>High cost, moderately used</p>	<p>Ensures representation of all groups in sample; characteristics of each stratum can be estimated and comparisons made; reduces variability for same sample size.</p>	<p>Requires accurate information on proportion in each stratum; if stratified lists are not already available, they can be costly to prepare.</p>
<p>Systematic sampling Researcher uses natural ordering or the order of the sampling frame, selects an arbitrary starting point, and then selects items at pre-selected interval.</p>	<p>Moderate cost, moderately used</p>	<p>Simple to draw sample; easy to check.</p>	<p>If sampling interval is related to periodic ordering of the population, this may introduce increased variability.</p>

Source: Adapted from Zikmund and Babin (2010:314–316)

The second type of sampling method that researcher can use in a research project is non-probability sampling.

- ***Non-probability sampling***

Non-probability sampling refers to a sampling technique in which the members of the population do not have an equal chance of being selected and therefore cannot be generalised to populations outside the sample (Iacobucci & Churchill, 2010:285; Kapoor & Kulshrestha, 2010:142). This means that the chance, or probability, of each member in the population being selected for inclusion in the research project is unknown and it is impossible to answer the research question or achieve the research objectives that require statistical inferences about the characteristics of the population (Saunders *et al.*, 2009:213).

Non-probability sampling includes judgement (or purposive), convenience, snowball and quota sampling techniques.

- *Judgement (or purposive) sampling* is when the researcher simply uses personal judgement to select the most appropriate sampling unit for inclusion in the research project (Wegner, 2008:214). Thus, the units to be observed are selected on the basis of the researcher's opinions and conclusions about which one will be the most constructive or representative (Babbie, 2013:190). Researchers often believe they alone can obtain a representative sample by simply utilising sound judgements, which will result in saving time and money (Black, 2012:232).
- *Convenience sampling*, which is also known as accidental or haphazard sampling, is the most commonly used sampling technique. It is based upon the practicality and ease of accessing the sampling population (Kumar, 2011:207). It is therefore a technique in which the researcher simply uses individuals who are easily accessible or readily available for inclusion in the study (Gravetter & Forzano, 2012:151).
- *Snowball sampling* refers to the sampling technique in which the sampling frame is selected based on referrals from other survey respondents (Black, 2012:232). 'Snowball' refers to the method of accumulation as each available subject suggests other subjects. In other words, snowball sampling involves the researcher collecting data from a few members of the target population that is available to them, and then asks those individuals to provide the information needed to locate other members of that population whom they happen to know (Babbie, 2013:191).

- *Quota sampling* is a technique that is used where the sample is selected based on pre-specified characteristics, so that the total sample will have the same distribution of characteristics in the population that is being studied (Babbie, 2010:194). For instance, a study might require the researcher to equally obtain 200 questionnaires from male and female respondents, respectively, in order to do a comparative analysis.

As is the case in selecting a non-probability sampling method, researchers should also consider the costs, advantages and disadvantages when deciding on the appropriate non-probability sampling method. This comparison is represented in table 4.5.

Table 4.5: Comparison of the non-probability sampling techniques

Description	Cost and degree of use	Advantages	Disadvantages
Judgement sampling An expert or experienced researcher selects the sample to fulfil a purpose, such as ensuring that all members have a certain characteristic	Moderate cost, average use	Useful for certain types of forecasting; sample guaranteed to meet a specific objective.	Bias due to expert's beliefs may make sample unrepresentative; projecting data beyond sample is risky.
Convenience sampling Researcher uses the most convenient sample or economical sample units.	Very low cost, used extensively	No need for list of population.	Unrepresentative samples likely; random sampling error estimates cannot be made; projecting data beyond sample is relatively risky.
Snowball sampling Initial respondents are selected by probability samples, additional respondents are obtained by referral from initial respondents.	Low cost, used in special situations	Useful in locating members of rare populations.	High bias because sample units are not independent; projecting data beyond sample is risky.
Quota sampling The researcher classifies the population by pertinent properties, determines the desired proportion to sample from each class and fixes quotas for each interviewer.	Moderate cost, used very extensively	Introduces some stratification of population; requires no list of population.	Introduces bias in researcher's classification of subjects; non-random selection within classes means error from population cannot be estimated; projecting data beyond sample is risky.

Source: Adapted from Zikmund and Babin (2010:312–314)

The sampling technique applied for the current research study was **probability sampling**. The researcher employed probability sampling for the reason that a complete list of respondents was available to the researcher and all the units on the list had an equal, non-zero and known chance of being chosen for inclusion in the study. The benefit of utilising probability sampling is that it allows the researcher to draw a representative sample and therefore the researcher has the opportunity to generalise the findings to the selected target population (Cooper & Schindler, 2008:380), in this case star-graded accommodation establishments. A *representative sample* is a smaller group that is chosen from the survey population that represents an excellent cross-section of the characteristics of the survey population as a whole (Browne, 2011:53) and that allows for inferences to be made about that population (Ellison, Barwick & Farrant, 2009:190). Furthermore, any biases that can occur in probability sampling are eliminated, as the selection of the sample is random (Zikmund & Babin, 2007:275).

In addition, the probability sampling technique that was employed for the purpose of this study was **simple random sampling**. Simple random sampling refers to a subset of individuals who are chosen from a larger population created in such a way that each element of the population has an equal chance of being selected to the subset (DeFusco *et al.*, 2007:216). This means that each individual is chosen randomly and entirely by chance, such that each individual has the same chance of being chosen at any stage during the sampling process. Simple random sampling is generally used in the case of web-based surveys as the response rate tends to be relatively low. In this case, the researcher substitutes the non-responses from the list until the required sample size is reached. In this study the sample was randomly selected based on availability and response until the sample size had been reached for the purpose of this study.

Now that the researcher has chosen the sampling method to be utilised, the sample size has to be determined. This is the next step in the sampling planning process, as illustrated in figure 4.4 (page 105).

4.2.5.4 Determine the sample size

Malhotra (2012:371) defines the *sample size* as the number of elements or individuals to be included in the final sample. The size of the sample is mainly dependent on what the researcher would like to do with the findings and the types of associations the study wishes to establish (Kumar, 2005:181). However, McDaniel and Gates (2010:354) point out that the larger the sample, the smaller the sampling error would be, although it increases the cost and time of obtaining responses.

Roughly 2 400 star-graded accommodation establishments in the Western Cape are listed under the TGCSA. This database of star-graded establishments can be found on the TGCSA website with a comprehensive list of contact details, which was used for the purpose of this study. To determine the sample size that is required for the purpose of the study, the following calculation can be used:

The formula used to calculate the sample size is:

$$n = \frac{X^2 * N * P * (1 - P)}{ME^2 * (N - 1) + (X^2 * P * (1 - P))}$$

Where:

n = sample size

X² = chi square for the specified confidence level

N = population size

P = population proportion

ME = desired margin of error (expressed as a portion)

Source: Kiprotich (2013:51)

Alternatively, table 4.6 can be used to determine the sample size that is required for a specific study. This table presents the sample size, based on a 95% or 99% confidence level as well as a margin of error ranging from 5.0% to 1.0%. Table 4.6 was used in the current study to determine the desired sample size that was deemed necessary for the sound and reliable statistical analysis of the results.

Table 4.6: Required sample size

Population size	Confidence level = 95% Margin of error				Confidence level = 99% Margin of error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1 000	278	440	606	906	399	575	727	943
1 200	291	474	674	1067	427	636	827	1 119
1 500	306	515	759	1297	460	712	959	1 376
2 000	322	563	869	1655	498	808	1 141	1 785
2 500	333	597	952	1984	524	879	1 288	2 173
3 500	346	641	1068	2565	558	977	1 510	2 890
5 000	357	678	1176	3288	586	1 066	1 734	2 842
7 500	365	710	1275	4211	610	1 147	1 960	5 165
10 000	370	727	1332	4899	622	1 193	2 098	6 239
25 000	378	760	1448	6939	646	1 285	2 399	9 972

Source: The Research Advisors (2006)

For the purpose of this study, the sample size was calculated at a confidence level of 95% and a margin of error of 5.0%. The *confidence level* refers to the probability that a particular interval will include the true mean of the population value (McDaniel & Gates, 2010:364). It can therefore be inferred that the confidence level is the extent to which an assumption or number is likely to be true or the statistical likelihood that a random variable lies within specified range of values (Business Dictionary, 2013b). The *margin of error* denotes the analytical technique that accounts for the number of acceptable errors in a study. The

margin of error is put into place so that the researcher can review the results and then determine the level of accuracy. A small margin of error signifies reliable results while a greater margin of error means that the results are not considered reliable and accurate (Business Dictionary, 2013d).

Based on table 4.6, and the decided confidence level of 95% and margin of error of 5.0%, a sample size of approximately 333 star-graded accommodation establishments was necessary to provide reliable statistical results. This sample size was also in accordance with the recommendation of the Bureau of Market Research (BMR) at Unisa as sufficient for the current study. The sample size for the current study included 378 responses of which 361 were valid responses, which is in accordance with the required sample size identified in table 4.6.

4.2.5.5 Select the sample

This step in the sample planning process entails the specification of the operational procedure for selecting the sample elements (Tustin *et al.*, 2005:97). For the current study, the researcher distributed self-administered web-based questionnaires to star-graded accommodation establishments located in the Western Cape via e-mail. Since simple random sampling was used, the researcher substituted the non-responses from the list of star-graded accommodation establishments until the required sample size of 333 was reached.

The five steps in the sample planning process have been discussed in detail and were implemented practically in the current study. Thus far, the first five stages in the marketing research process have been discussed. The researcher has thus defined and set the research problem and objectives, developed the research design, identified the information sources needed and designed the sampling plan. The next phase in the marketing research planning process, as illustrated in figure 4.1 (page 91), is designing the research instrument.

4.2.6 Step 6: Design the research instrument

The research instrument (questionnaire) is designed to obtain the information that is required from the sample (Tustin *et al.*, 2005:98). Wiid and Diggins (2009:35) describe a questionnaire as the most common research instrument for the collection of primary data. A questionnaire was used in this current study.

A *questionnaire* is a structured series of questions that is designed to draw out facts and opinions from the sample (Tustin *et al.*, 2005:98). The questionnaire must be relevant and accurate to the related study in order to achieve the research objectives and therefore the questionnaire should be designed effectively (Zikmund & Babin, 2010:432). McDaniel and Gates (2010:292) have introduced the process of designing a questionnaire, as portrayed in figure 4.6.

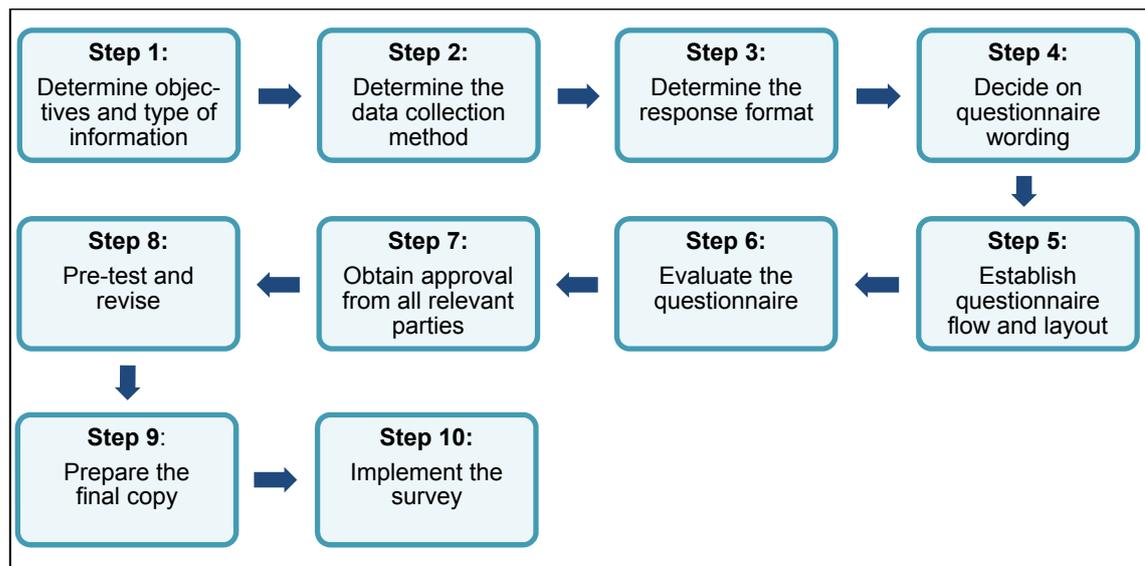


Figure 4.6: Questionnaire development process
Source: Adapted from McDaniel and Gates (2010:292)

The typical questionnaire development process that a researcher will need to follow in order to develop a successful valid questionnaire is shown in figure 4.6. The process consists of ten steps.

4.2.6.1 Determine objectives and type of information

The initial stage in the questionnaire development process is determining the objectives and the type of information that is needed in order to satisfy the research objectives of the study. The purpose of the current study, as previously mentioned, was to determine the perception of star-graded accommodation establishments, operating in the Western Cape, regarding the use of social media as a promotional mix element. This purpose, together with the primary and secondary research objectives, as stated in chapter 1 (section 1.4, page 6), allowed the researcher to recognise the types of questions that needed to be included in the research instrument (see Appendix A, page 234).

After the researcher had established the type of information needed to answer the research question and achieve the research objectives, the researcher had to determine how to collect the data.

4.2.6.2 Determine the data collection method

The researcher can obtain data from participants through various methods, such as observation, survey or experiment research as indicated in figure 4.3 (page 98) and discussed in section 4.2.4.2 (page 100). For the purpose of this study, **survey research** was employed, which is collecting information from individuals in order to achieve the objectives of the study (Berndt & Petzer, 2011:132). Vogt (2005:319) defines a *survey* as a research design method in which a sample of subjects is drawn from a population and studied in order to make inferences about the population. Hence, data can be collected by administering questionnaires to the sample, which is standardised and compared easily (Saunders *et al.*, 2009: 138). A survey research design allows the researcher to obtain statistical data that can be analysed quantitatively by using descriptive statistics.

There are numerous advantages of using survey research in a research project. These advantages are listed in table 4.7 below.

Table 4.7: Advantages of using survey research

Advantage	Description
<i>Standardisation</i>	All questions in a survey are worded the same and presented in the same sequence, therefore options presented to respondents are the same.
<i>Ease of administration</i>	Researchers could ask respondents the questions and document responses immediately. Respondents can also be asked to administer questionnaires themselves.
<i>Gets "beneath the surface"</i>	Surveys can ask respondents about thoughts, intentions and more.
<i>Easy to analyse</i>	Due to standardised questions being asked, analysis with the assistance of computer programs can easily be done.
<i>Reveals subgroup differences</i>	Participants of a study can be divided into different segments in a study such as age, income etc., in search for meaningful differences.

Source: Burns and Bush (2010:267)

There are also various survey methods that researchers can use in a research project. The various types of survey methods as well as the subcategories of these survey methods are shown in figure 4.7.

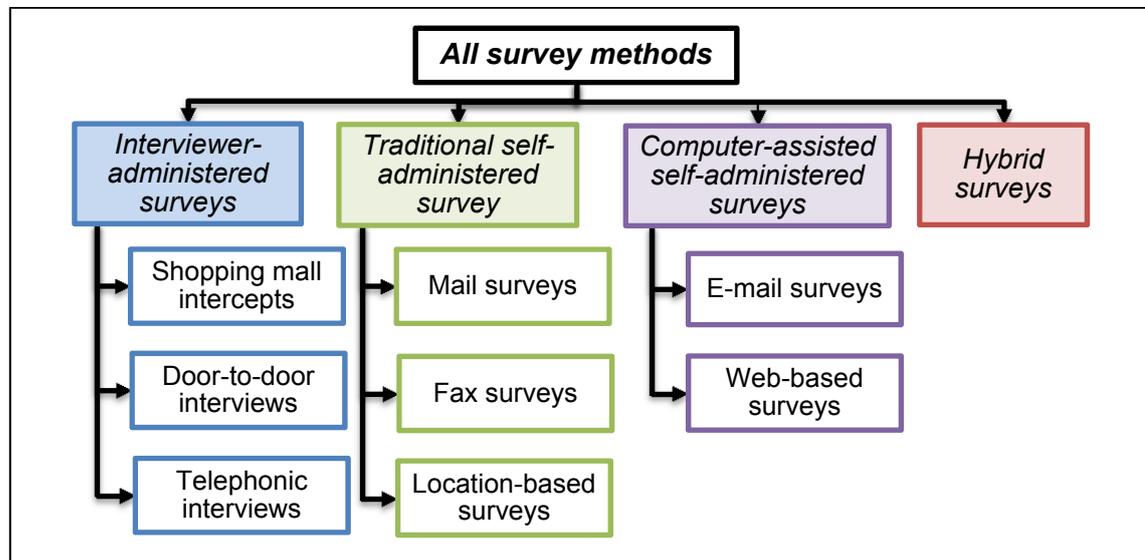


Figure 4.7: Types of survey methods

Source: Adapted from Berndt and Petzer (2011:135)

Surveys can be divided into four main groups with various subcategories (Berndt & Petzer, 2011:135). The four main groups of survey methods are interviewer-administered surveys, traditional self-administered surveys, computer-assisted self-administered surveys and lastly hybrid surveys.

- In *interviewer-administered surveys*, the interviewer completes the questionnaire with the respondent to guide the respondents through difficult concepts or technical aspects on a research instrument (Andres, 2012:53). Interviewer-administered surveys include shopping mall intercepts, door-to-door interviews and telephonic interviews.
- *Traditional self-administered surveys* require the respondent to complete the survey unaided by an interviewer. A respondent reads through the questions on their own and provides their own answer without any bias from the interviewer, but with the interviewer close by in the case of a respondent being unsure about a question or term (Andres, 2012:47). Traditional self-administered surveys include mail surveys, fax surveys and location-based surveys.

- *Computer-assisted self-administered surveys* refer to the respondent sitting in front of a computer terminal and answering questions onscreen by using the keyboard and/or mouse (Malhotra, 2012:224). These surveys include e-mail surveys and web-based surveys.
- *Hybrid surveys* are used when none of the above choices are suitable for the purpose of a research project. It is possible that the combination of the best characteristics of other surveys is used to create a hybrid survey (Cooper & Schindler, 2008:237).

The data for the current study was obtained by means of a **computer-assisted self-administered survey**, which is defined by Ferrante (2011:44) as a set of questions that are given to the respondents, who fill in the survey in the absence of the interviewer. In this research study, the researcher made use of a web-based questionnaire (or online survey), which refers to a self-administered survey that collects data from individuals using the Internet or Web as a platform (Tustin *et al.*, 2010:179). This data collection method was considered to be appropriate for the current study as it had the following advantages (Gratton & Jones, 2010:128):

- Web-based questionnaires are more cost efficient as the questionnaire is distributed online and the researcher does not have to print hard copies or travel to distribute the questionnaires.
- The return times of web-based questionnaires are faster than postal questionnaires.
- Web-based questionnaires allow the researcher to obtain data from a geographically dispersed group at a much lower cost.
- There is little room for bias when using web-based surveys as the interviewer is not present to influence the respondent's answers.
- Respondents are completely anonymous throughout the data collection process.
- Web-based surveys provide structured quantitative data that can be used to draw correlations.

There are also certain disadvantages to the use of web-based surveys that the researcher had to keep in mind, namely (Cooper & Schindler, 2008:225):

- Converting surveys to the web can become challenging and costly.
- It requires technical as well as research skills to compile a web-based survey. Technological errors and failures can also occur.
- Many individuals in the general population do not have access to the Internet and therefore cannot be representative of the entire population.
- The response rate on web-based surveys is extremely low.

To overcome the disadvantages associated with using web-based surveys as a means of collecting data, the researcher consulted with the BMR in correctly converting the survey onto Lime Survey and attended relevant online web-based survey workshops in order to fully understand the systems and processes. Due to the low response rate of web-based surveys, the researcher contacted the establishments beforehand, asking them to participate in the research. The researcher also sent reminders to the sample group to complete the survey and contacted the establishments in person to ask them to complete the survey and offer them the opportunity for the researcher to work through the questionnaire with them.

The researcher should be aware of the advantages and disadvantages of utilising a web-based survey in order to ensure that the questionnaire reaches the intended respondents correctly and that sufficient responses are obtained.

In step 3 of designing the questionnaire, the response format needs to be determined.

4.2.6.3 Determine the response format

During step 3 of the questionnaire development process, the researcher needs to determine the types of questions to be used in the questionnaire. McDaniel and Gates (2010:293–300) list three types of questions, namely open-ended, closed and scaled-response questions:

- *Open-ended questions* refer to questions where the participants provide an answer to a question in their own words. Open-ended questions are used to gain more elaborated replies from respondents (McDaniel & Gates, 2010: 293). Furthermore, they allow the participants to provide their opinions or ‘other’ options not structurally listed to them. These types of questions were used in the current study in order to obtain a more detailed response from respondents.
- *Closed questions* are questions that require the participant to choose from a set list of options (McDaniel & Gates, 2010:293). Closed questions can be further divided into dichotomous, multiple-choice (single-response) and multiple-choice (multiple-response) questions:
 - *Dichotomous questions* require participants to choose only between two options, for example yes or no (Wiid & Diggines, 2009:177).
 - *Multiple-choice (single-response) questions* provide participants with several options to choose from and require them to select only one option (Wiid & Diggines, 2009:177).
 - *Multiple-choice, multiple-response questions* provide participants with several options to choose from and require them to selection as many or as few options as they want.
- *Scaled-response questions* are a type of closed question that requires the respondent to answer a question by making a certain point on a scale (Wiid & Diggines, 2009:177). This is, for example, a rating scale, where respondents rate their attitude, perception or opinion on a continuum. A Likert scale is another type of scaled-response question, which is defined by Zikmund and Babin (2007:214) as a measure of attitudes, perceptions or opinions designed to allow respondents to rate how strongly they agree or disagree with carefully constructed statements. This study employed 5-point Likert scales ranging from “strongly disagree” (1) to “strongly agree” (5).

Table 4.8 lists the specific questions in the survey for this particular study as well as the types of questions they were, together with the research objective(s) they measured. The research instrument utilised for the purpose of this study is included in Appendix A (page 234).

Table 4.8: Question matrix, type of question and research objective measured

Question in questionnaire	Type of question	Research objective to be measured
Question 1	Scaled response (rating scale)	Research objective 1
Question 2	Closed (dichotomous)	Research objective 1
Question 3	Multiple-choice, single-response	Research objective 1
Question 4	Multiple-choice, multiple-response	Research objective 4
Question 5	Scaled response (rating scale)	Research objective 1
Question 6	Scaled response (rating scale)	Research objective 1
Question 7	Multiple-choice, single-response	Research objective 6
Question 8	Multiple-choice, single-response	Research objective 6
Question 9	Closed (dichotomous)	Research objective 1
Questions 10 and 11	Multiple-choice, multiple-response	Research objective 2
Question 12	Open-ended question	Research objective 2
Question 13	Scaled response (rating scale)	Research objective 1
Question 14	Scaled response (Likert scale)	Research objectives 1 and 3
Questions 15 and 16	Scaled response (Likert scale)	Research objectives 1 and 3
Question 17	Scaled response (Likert scale)	Research objective 5
Questions 18 – 22	Multiple-choice, single-response	Research objective 6

Once the question response format has been determined, the researcher has to decide on the question wording, as discussed next.

4.2.6.4 Decide on questionnaire wording

The following guidelines, as set out by McDaniel and Gates (2010:293), should be taken into consideration by the researcher when wording questions in a questionnaire:

- The questions should be clearly set out and the wording should be lucid and easily understood.
- The wording should not be biased or influence the participant's answer.
- The participant should be willing to answer the questions.
- Questions should not be double-barrelled.
- Questions or statements should not be racist or sexist.

- Questions should be formulated correctly, as questions that are formulated incorrectly can lead to participants answering the question incorrectly or not answering the question at all.

Throughout the development of the questionnaire for the current study, care was taken to ensure that the wording of the questions was clear, simple and easy for participants to comprehend and that no questions were biased or could possibly influence the respondents' answers in any way. The correctness and easiness of the questionnaire's wording were determined by conducting a pilot study among a small group of respondents.

The next step is establishing the questionnaire flow and layout, which is the fifth step in the questionnaire development process (see figure 4.6, page 116).

4.2.6.5 Establish questionnaire flow and layout

The researcher needs to establish the flow and layout of the research instrument once the questions have been formulated. The flow of the questionnaire can be structured into sections and should make logical sense. The demographic questions may make participants feel uneasy and should rather be asked at the end of the questionnaire (McDaniel & Gates, 2010:293). After establishing the flow and layout of the questionnaire, the researcher must evaluate the questionnaire.

4.2.6.6 Evaluate the questionnaire

During this step, the researcher analytically assesses the questionnaire to ensure that it is not too long, that the questions are clear and impartial and that the questions asked were necessary in order to achieve the research objectives and answer the research questions. The questionnaire was evaluated by means of conducting a pilot study before the initial data collection process for this study started.

4.2.6.7 Obtain approval from all relevant parties

Obtaining approval and permission from all relevant parties who have direct authority over the study is an essential stage in any research project (McDaniel & Gates, 2010:310). The questionnaire that was employed for the purpose of

this study was developed by the researcher; hence no permission was necessary to be obtained for the research instrument. The questionnaire for the current study was also reviewed and approved by the allocated supervisors, the BMR as well as the Ethical Clearance Committee at Unisa.

After obtaining approval and permission from all the relevant parties, the questionnaire had to be pre-tested and revised, which is the eighth step in the questionnaire development process.

4.2.6.8 Pre-test and revise

Pre-testing, or pilot study, involves the provisional completion of the questionnaire (McDaniel & Gates, 2010:310). The questionnaire used for the current research project was pre-tested among 20 individuals within Unisa. A pilot study was conducted in order to determine opinions regarding the clarity and easiness of the questions, the flow of the questionnaire, spelling and grammar errors as well as the ease of answering the questions. The purpose of pre-testing is to minimise any errors that could occur and to rectify difficult or biased questions. The pilot study of the questionnaire will be discussed in more detail in step 7 of the marketing research process in section 4.2.7 (page 125).

4.2.6.9 Prepare the final copy

After pre-testing the questionnaire, and rectifying any errors or difficult and biased questions, the researcher can prepare the final copy of the questionnaire, followed by the implementation of the survey, which is the final stage in the questionnaire development process.

4.2.6.10 Implement the survey

Once the researcher is satisfied with the final copy of the questionnaire, the implementation phase can commence.

Once the questionnaire has been designed – step 6 in the marketing research process – a pilot study (or the pre-testing of the questionnaire) – had to be conducted. The pre-testing of the questionnaire is the seventh step in the marketing research process, as illustrated in figure 4.1 (page 91).

4.2.7 Step 7: Conduct a pilot study (pre-testing)

Prior to the collection of data, a pilot study (or pre-testing) needs to be conducted. *Pre-testing*, as explained by Zikmund and Babin (2007:50), is a small-scale study in which the results are only preliminary and intended only to assist in designing an improved questionnaire. Burns and Bush (2010:354) further explain pre-testing as “a dry run of a questionnaire to find and repair difficulties that respondents encounter while taking the survey”. Blessing and Chakrabarti (2009:114) maintain that the main aim of conducting a pilot study is to test the research approach in order to identify possible difficulties that may influence the quality and validity of the results.

The initial questionnaire was pre-tested among 20 individuals within Unisa, by means of the *researcher pre-testing method*. In this method the researcher evaluates the data collection instrument informally in the initial stages and builds more structure in the tests along the way (Cooper & Schindler, 2008:369). The questionnaire was pre-tested to minimise errors that could potentially occur, and fix questions that were difficult for respondents to understand or that could be misleading and biased. Changes to the questionnaire were made based on the results and feedback from the preliminary pre-test. A second pre-test was not necessary for the current study.

The validity and the reliability of the questionnaire were also measured to determine the degree to which the questionnaire actually measured what the researcher was trying to measure and whether the study was deemed dependable.

Validity is whether the study actually measures what the researcher was trying to measure (McDaniel & Gates, 2010:140). Where validity is concerned with whether the variable is the underlying cause of item co-variation, *reliability* is concerned with how much a variable influences a set of items (DeVellis, 2012: 59). As the term implies, a reliable instrument is one that performs in consistent and predictable ways.

The most common measure of reliability (or internal consistency) is by calculating *Cronbach's alpha value*. This value ranges from 0 to 1.0, with an alpha value lower than 0.5 considered as inadequate for the group of items to represent a

single theme, factor or construct. A Cronbach's alpha value of between 0.6 and 0.8 is considered acceptable, whereas a value of more than 0.8 is considered as worthy internal consistency. Some sources have a cut-off point of 0.7 for acceptable internal consistency (Bryman & Bell, 2011:158). Reliability and validity will be discussed in more detail in section 5.5 (page 171).

So far, the research problem and objectives have been determined and the researcher has determined and designed the methods and instruments to be used in the research project. The next stage of the marketing research process, as shown in figure 4.1 (page 91), is to actively collect the data.

4.2.8 Step 8: Collect the data

The eighth step in the marketing research process involves the collection of the actual data by utilising the research instrument (questionnaire) that was discussed in steps 6 and 7 of the marketing research process (see figure 4.1, page 91).

To measure the research objectives and answer the research question of the current study, a web-based self-administered questionnaire was distributed to star-graded accommodation establishments located and operating in the Western Cape. A link was sent via an e-mail address that was available on the TGCSA website. This link redirected the respondents to a Lime Survey platform on which responses were captured.

For the reason that web-based surveys are prone to a low response rate, the researcher had to send reminder e-mails to the sample group who had not yet completed the questionnaire within two and three weeks. After one month, the researcher contacted members of the sample group to inform and remind them to complete the questionnaire online. The researcher also provided respondents with the opportunity to complete the questionnaire telephonically while capturing the results directly on to Lime Survey on behalf of the respondent.

Once the researcher has collected the required data for the study, it should be processed and analysed. This brings us to the ninth step in the marketing research process as shown in figure 4.1 (page 91).

4.2.9 Step 9: Process and analyse the data

The collected data should be processed by editing, cleaning up, coding and tabulating the results in order to analyse the data into meaningful and understandable information (Wiid & Diggines, 2009:36). *Data analysis* can be defined as the application of reasoning to understand the data that has been collected by the sample (Zikmund & Babin, 2010:66). There are numerous computer programs available that the researcher can use to assist in data processing and analysis, such as SPSS.

As the data for the current study was collected by means of a web-based survey (i.e. Lime Survey), it was not necessary to code the questionnaires and capture them. The results of the study were automatically coded and captured on computer. SPSS (version 22) was then employed to carry out the necessary data analysis. Moreover, descriptive statistics were used to describe the data, and frequency distributions, cross-tabulations, mean and standard deviation played a vital role.

Once the data has been processed and analysed, the researcher needs to interpret the findings and compile the research report. This is the final step of the marketing research process (see figure 4.1, page 91).

4.2.10 Step 10: Interpret the results and compile a research report

The tenth and final step in the marketing research process is the interpretation of the results and the compilation of the research report for the coverage of information to management for decision-making purposes (Cant, 2010a:81). The researcher firstly presented the problem, after which secondary and primary data was analysed and interpreted. Finally, conclusions and recommendations were provided for future research undertakings. The findings, recommendations and conclusions for the current study are presented in chapters 5 and 6, respectively.

4.3 SUMMARY

This chapter focused on the central concepts of research methodology and the research methods and techniques employed for the purpose of this study. The chapter began with a definition of marketing research and its importance to organisations and marketers in today's complex and competitive business environment. Thereafter, each step in the marketing research process (figure 4.1, page 91) was discussed in detail, further clarifying the approach followed for the current study. Throughout the chapter, practical discussions as to the core research terms were mentioned and explained and the basic research approaches were selected.

To summarise, the target population for the current study consisted of star-graded accommodation establishments operating in the Western Cape. A cross-sectional descriptive research method was used, as the researcher wanted to describe the market characteristics and specifically the perception and utilisation of social media among the specified participants. The sampling technique that was applied for the current study was probability sampling, and the specific probability technique that was utilised was simple random sampling. Lastly, the data collection technique was quantitative data collection and the data was collected by means of a computer-assisted self-administered web-based survey that was e-mailed to star-graded accommodation establishments in the Western Cape.

The next chapter provides a thorough analysis and discussion of the data that was collected for this study.

CHAPTER 5

RESEARCH FINDINGS

5.1 INTRODUCTION

The purpose of this chapter is to present the research findings and to interpret the results of the empirical study, with the intention of realising the primary and secondary research objectives as stated in chapter 1 (page 1) and chapter 4 (page 89). Chapter 5 will start by providing an overview of the research problem, research question as well as the primary and secondary research objectives. Thereafter, the descriptive statistical analysis of the research results is examined and interpreted. Once all the descriptive statistics have been understood, inferential statistical analysis is provided.

5.2 OVERVIEW OF THE RESEARCH QUESTION AND OBJECTIVES

Chapters 1 and 4 stated the research question, primary research objective as well as six secondary research objectives, which were established for the purpose of this study. These aspects are briefly reiterated below.

5.2.1 Research question

The research problem for the current study was formulated after having identified the rapid growth in the general use of social media in the past few years, as well as the increase in its use among businesses in communicating with their customers (Stephen & Galak, 2010:3). The rapid growth of social media gave rise to important research questions on the perception of star-graded accommodation establishments regarding the use of social media as a promotional mix element.

The **research problem** that was identified from the literature, and where the literature fell short, was in determining whether social media is perceived as a viable element of the promotional mix, especially in the accommodation sector

of South Africa, and ultimately how the owners of these establishments can utilise social media successfully.

The following **research question** was formulated:

What is the perception of star-graded accommodation establishments, located in the Western Cape province of South Africa, regarding the use of social media as a promotional mix element?

5.2.2 Research objectives

The primary research objective for this study was:

To determine the perception of star-graded accommodation establishments, operating in the Western Cape province of South Africa, regarding the use of social media as a promotional mix element.

The six secondary research objectives formulated for the study were:

- To investigate the current use of social media among star-graded accommodation establishments operating in the Western Cape province of South Africa.
- To determine which social media applications star-graded accommodation establishments, located in the Western Cape province of South Africa, utilise the most.
- To establish the main reason(s) why star-graded accommodation establishments, operating in the Western Cape province of South Africa, utilise social media.
- To establish the reason(s) why star-graded accommodation establishments, located in the Western Cape province of South Africa, do not make use of social media.
- To determine the benefits of using social media as a promotional mix element in star-graded accommodation establishments, located in the Western Cape province of South Africa.
- To establish a profile of the respondents operating a star-graded accommodation establishment in the Western Cape province of South Africa.

To achieve the primary and secondary research objectives, as stated above, sound research had to be conducted. The following section provides a detailed analysis of the descriptive statistics collected for the purpose of this study.

5.3 DESCRIPTIVE STATISTICS ANALYSIS

Descriptive statistics are used to describe, quantitatively, how particular characteristics are distributed among a group of people (Taylor, 2005:139). In other words, descriptive statistics entail numerical procedures used to categorise, simplify, provide a synopsis of and exhibit data that describes important qualities of a set of measurements (Gravetter & Wallnau, 2009:6; Mendenhall, Beaver & Beaver, 2013:4)

Descriptive statistical analysis, as stated by Zikmund and Babin (2007:502), is the most basic analysis of data, but it is relatively powerful, as it describes the basic characteristics of the research problem, such as variability, distribution and central tendency. The descriptive statistics collected for this study are now discussed, starting with the qualifying or screening questions presented in the research instrument.

5.3.1 Qualifying (screening) questions

Qualifying questions, which are also known as screening questions, are the unbiased questions at the beginning of a survey, which eliminate those participants the researcher is not looking for (Aaker *et al.*, 2011:219). For the purpose of this study, the researcher included three qualifying questions.

The first qualifying question posed to respondents was whether they were 18 years of age or older. All of the 378 respondents who started the survey were 18 years or older and could therefore continue with the survey. This question was asked to ensure compliance with Unisa's ethical research guidelines.

The second qualifying question posed to respondents was whether their accommodation establishment was located in the Western Cape province of South Africa. The results of the second qualifying question are shown in table 5.1.

Table 5.1: Accommodation establishments located in the Western Cape (n=378)

		Frequency count	Per cent	Valid per cent	Cumulative per cent
Valid	Yes	368	97.4%	99.2	99.2
	No	3	0.8%	.8	100.0
Missing	System	7	1.9%		
Total		378	100.0%		

Of the 378 respondents who started the survey, 368 indicated that their establishment was located in the Western Cape, 3 respondents answered ‘no’ and a further 7 did not answer the question. These last 10 respondents were therefore disqualified from participating further in the study, as participants had to be operating an establishment located in the Western Cape.

Question 4 of the research instrument required respondents to specify how many ‘stars’ their establishment was currently graded, based on formal certification from the TGCSA. This question was posed as the third qualifying question to respondents, as in order to continue with the survey, respondents’ establishments had to be star-graded by the TGCSA. The results are shown in figure 5.1.

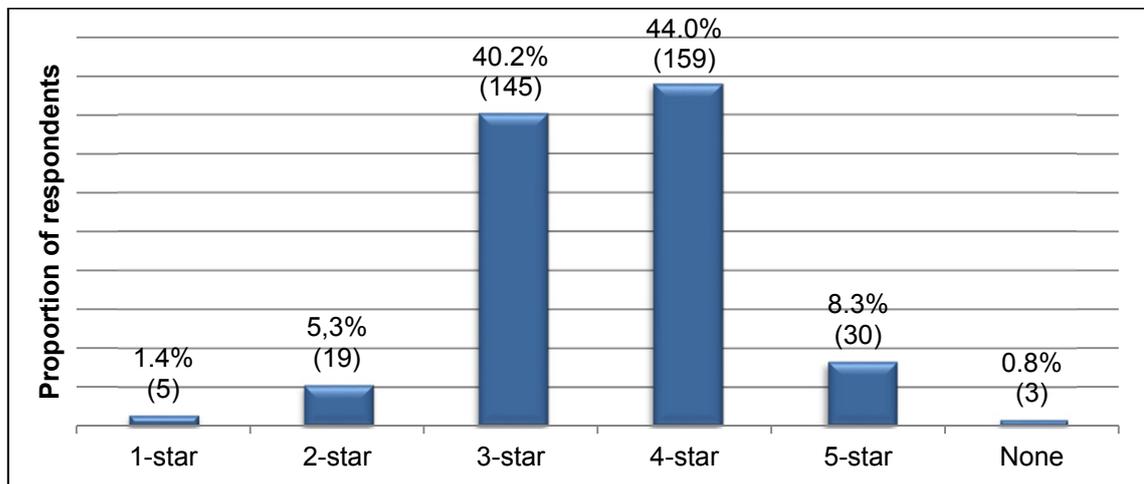


Figure 5.1: Star-grading levels according to the TGCSA (n=361)

Evident from figure 5.1 is that 304 (84.2%) respondents operated either a 3- or 4-star-graded accommodation establishment, 30 respondents (8.3%) operated a 5-star establishment and 5 respondents (1.4%) owned a 1-star establishment. Three respondents (0.8%) stated that their establishment was not star-graded

by the TGCSA; therefore, these respondents were disqualified and could not continue with the remainder of the survey. These respondents were automatically removed from the dataset.

As a result, a total of 361 valid responses was deemed reliable for further analysis and will be interpreted in the remainder of this chapter.

5.3.2 Profile of respondents

The purpose of questions 3 and 4 in the research instrument aimed to set a background for the types of establishments included in the sample. This also allowed the researcher to classify the establishments according to the TGCSA – that is, the type of establishment and level of stars graded. Figure 5.2 illustrates the types of establishments included in the sample.

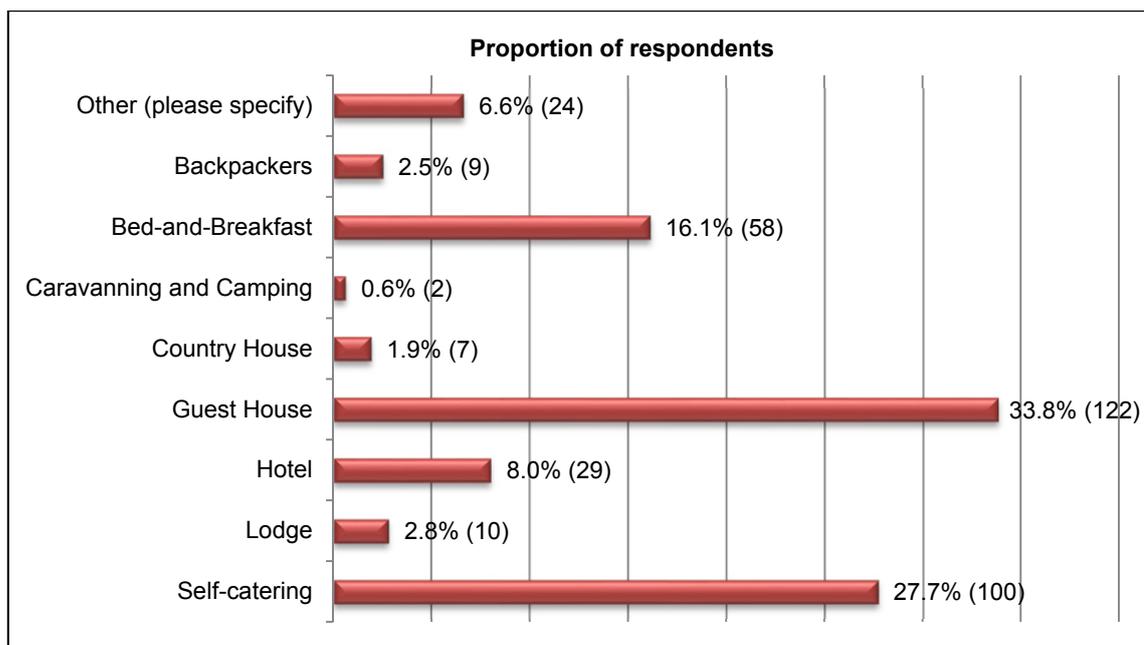


Figure 5.2: Types of establishments (n=361)

Figure 5.2 shows that the largest proportion of the 361 respondents operated a guest house establishment (122 or 33.8%), followed by those who operated self-catering units (100 or 27.7%). Only 2 (0.6%) respondents operated caravanning and camping establishments, while 7 (1.9%) owned a country house. Some of the respondents (24 or 6.6%) operated other types of establishments, which were not explicitly listed. A list of these other accommodation establishments is provided in Appendix C (page 257).

For the statistical results to be more reliable, the types of accommodation establishments have been grouped into five broad categories as recognised by the TGCSA. These categories are (TGCSA, 2013):

- 1) *Formal service accommodation (hotels and lodges)*: These refer to establishments that provide formal accommodation with full or limited services, offer dining facilities and 24-hour room service.
- 2) *Guest accommodation (bed and breakfasts (B&B), guest houses and country houses)*: Guest accommodation is more informal accommodation with limited services and is generally an established house renovated to accommodate guests.
- 3) *Self-catering*: Self-catering units provide guests with the necessary facilities and equipment to prepare their own meals as food services are not available in these establishments.
- 4) *Caravanning, camping and backpackers*: A caravan and camping park is a facility that provides space for guests who provide their own accommodation, such as a tent, together with ablution and toilet facilities. Backpackers are an accommodation facility that provides communal facilities, such as dormitories.
- 5) *'Other'* accommodation establishments are those that do not fall within one of the above categories.

The amalgamation of the different types of accommodation establishments, based on the above categories, is shown in figure 5.3.

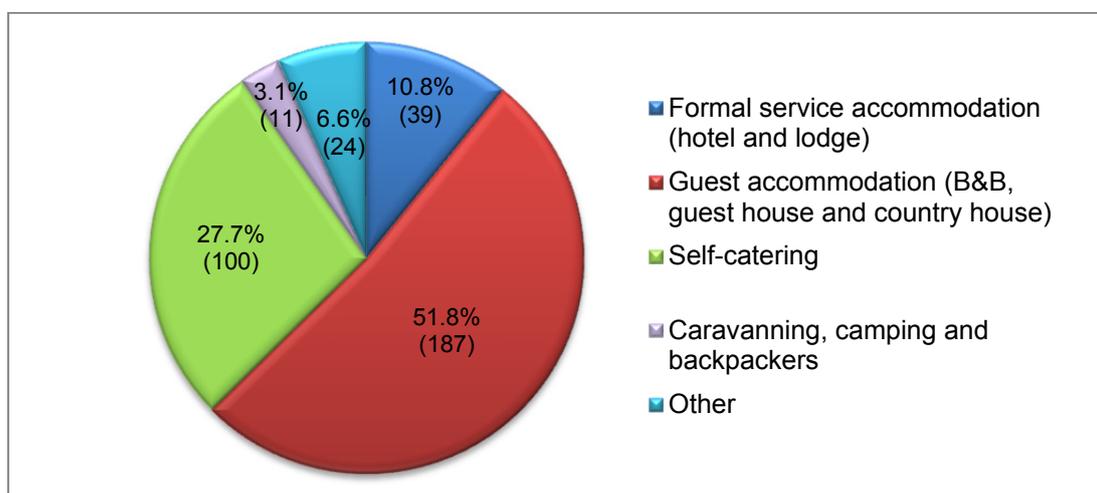


Figure 5.3: Amalgamation of the types of accommodation establishment categories (n=361)

Figure 5.3 shows that the majority of the respondents operated guest accommodation (187 or 51.8%), which included B&B outlets, guest houses and country houses, followed by self-catering establishments (100 or 27.7%) and formal service accommodation such as hotels and lodges (39 or 10.8%).

Question 22 required respondents to specify what position they held in the establishment. Figure 5.4 shows that the majority of respondents were the owner of the star-graded establishment (171 or 61.3%), followed by managers (74 or 26.5%). This was significant for the purpose of this study, as the owner or manager who runs the establishment is generally more aware of the strategies and procedures in place in the establishment, as well as the future stance of the establishment's social media marketing undertakings.

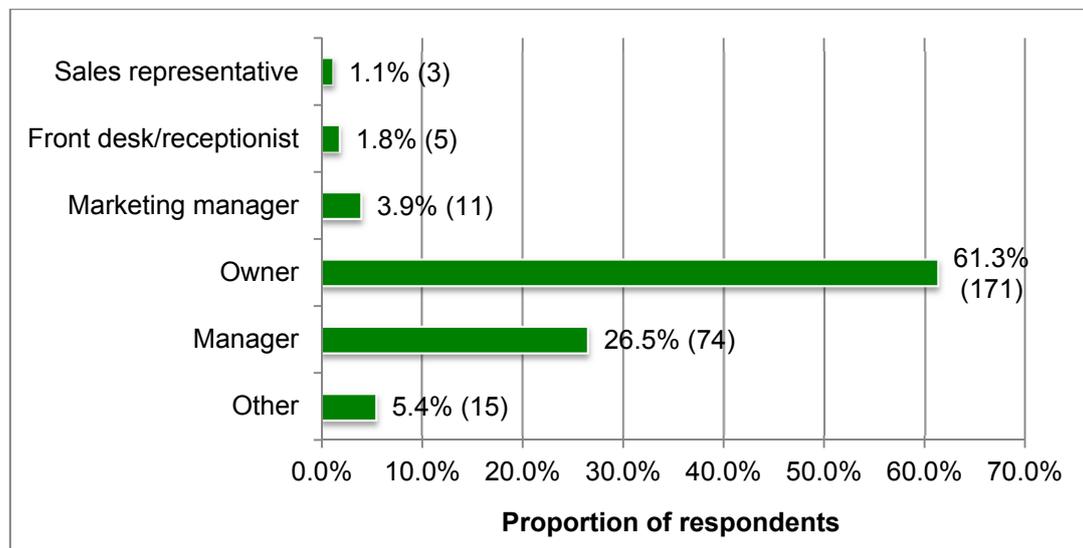


Figure 5.4: Position of respondents in the accommodation establishment (n=279)

In addition, 15 respondents (5.4%) identified 'other' positions that they held in the establishment. These included:

- Accountant
- Administrations
- Assistant manager
- Front office manager
- Part-time owner
- Public relations executive
- Webmaster

Respondents were asked, in question 23, to indicate how many employees were currently employed at their star-graded accommodation establishment. This allowed the researcher to determine the use of social media in small and larger establishments. The findings are shown in figure 5.5.

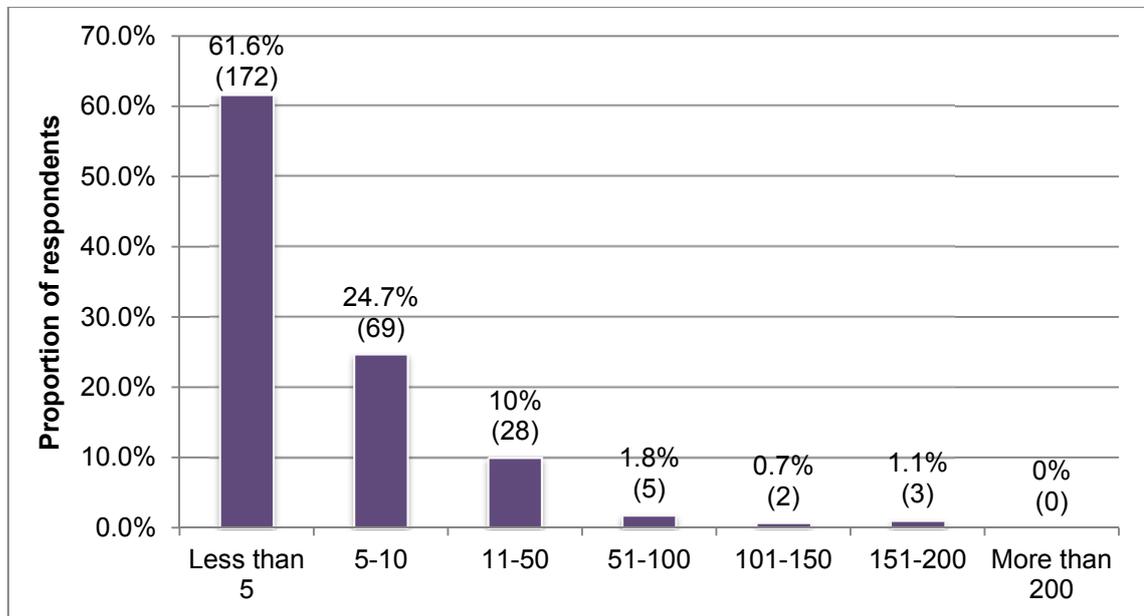


Figure 5.5: Permanent employees active at establishments (n=279)

Figure 5.5 shows that 172 respondents (61.6%) have had less than 5 permanent employees working at their establishment, while 69 respondents (24.7%) have had 5 to 10 employees. Three respondents (1.1%) reported that there were between 151 and 200 permanent employees at the establishment, while no respondents reported more than 200 permanent employees.

Question 24 posed the question to respondents as to whether they targeted primarily business and/or leisure travellers. The findings were that 165 respondents (59.1%) targeted both business and leisure travellers with their marketing efforts. However, they targeted more leisure travellers (104 or 37.3%) than business travellers (10 or 3.6%). Lastly, question 25 asked respondents to indicate whether they targeted mainly local and/or international travellers. The results show that the star-graded establishments targeted both local and international markets with their marketing efforts (229 or 82.1%).

5.3.3 Respondents' familiarity with the term 'social media' (question 5)

Question 5 of the research questionnaire required respondents to indicate their familiarity with the term 'social media'. The results are illustrated in figure 5.6.

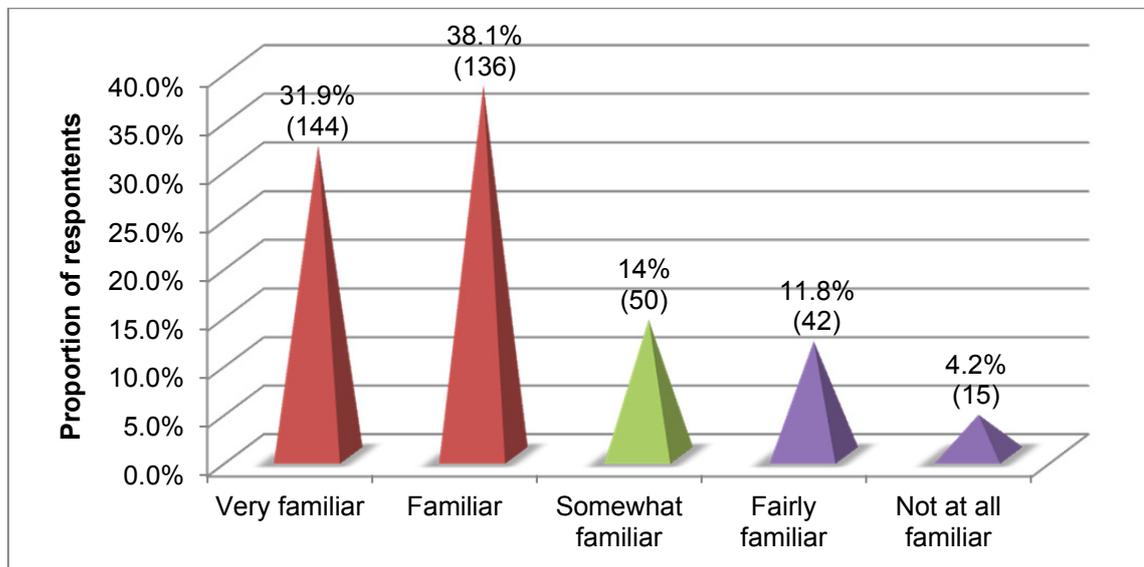


Figure 5.6: Familiarity with the term 'social media' (n=357)

Figure 5.6 shows that a total of 280 respondents (70%) were familiar with the term 'social media'. This implies that social media is a concept that is well known amongst star-graded accommodation establishments in the Western Cape. This also implies that they could have related easily to the questions posed in the remainder of the research instrument. Considering the rapid growth and popular nature of social media, it is interesting that 15 (4.2%) respondents were not familiar with the term 'social media' at all. Respondents might have misunderstood this question as asking whether they understand the utilisation of social media instead of the meaning of social media.

The findings of questions 6 are discussed in the next section.

5.3.4 Current use of social media as a promotional mix element (question 6)

Question 6 asked respondents to indicate whether they used social media, such as Facebook, Twitter, YouTube, TripAdvisor and Pinterest, as a promotional mix

(or marketing) element in their establishment. The majority of the respondents (276 or 77.3%) indicated that they did use social media as a promotional mix element, while 80 respondents (22.7%) did not.

The 276 respondents (77.3%) who used social media as a promotional mix element were directed to question 9 of the research instrument, which is discussed in section 5.3.6 (page 140). The 80 respondents (22.7%) who did not use social media were asked to stipulate their reasons in questions 7 and 8. The results of questions 7 and 8 are discussed in the subsequent section.

5.3.5 Reasons for not implementing social media (questions 7 and 8)

As indicated in section 5.3.4, a total of 80 respondents (22.7%) did not use social media, such as Facebook and Twitter, as a promotional mix (or marketing) element. These respondents were asked, in question 7, to indicate whether they would consider implementing social media in the near future. The results are presented in table 5.2.

Table 5.2: Possibility of implementing social media in the near future (n=80)

	Frequency count	Percentage (%)
No	37	46.2%
Yes, within the next 3 months	15	18.8%
Yes, within the next 6 months	19	23.8%
Yes, within the next year	8	10.0%
Yes, within the next 2 years	1	1.2%
Total	80	100.0%

As can be noted from table 5.2 above, 37 respondents (46.2%) did not intend to employ social media as a promotional mix element in the near future, while 34 respondents (42.6%) were planning to implement social media in their marketing strategies within the next three to six months.

These respondents were further asked (in question 8) to provide reasons for not utilising social media in their establishments. The results are summarised in table 5.3.

Table 5.3: Reasons for not using social media as a promotional element (n=80)

Reasons	Responses	
	Frequency count	Percentage (%)
There is no need for social media in our establishment.	6	7.5%
There is no perceived benefit for using social media.	9	11.3%
The risk of harming the establishment's reputation is too high.	3	3.8%
We do not have the resources to utilise social media.	15	18.8%
It is too expensive to use social media.	2	2.5%
We do not know enough about social media to use it effectively.	39	48.8%
We have concerns about the uncontrollable nature of social media.	22	27.5%
We have concern about negative comments/reviews that can be made towards social media.	7	8.8%
Our establishment's policy does not allow the use of social media.	0	0.0%
Social media is a platform for bad publicity.	1	1.3%
Unfamiliar with social media.	19	23.8%
No reason	7	8.8%

* Total responses may not equal n and percentages may not equal 100 as this was a multiple-choice, multiple-response question.

From table 5.3, it can be seen that the majority of the respondents (39 or 48.8%) did not use social media, as they did not know enough about it to use it effectively. A total of 22 respondents (27.5%) had concerns about the uncontrollable nature of social media and therefore did not use it in their establishment. Interestingly, 6 respondents (7.5%) did not see the need for using social media, while a further 9 (11.3%) did not see the benefit in using social media in their establishments. None of the respondents reported that their establishment's policy did not allow the use of social media. From these results, it appears that these respondents had a negative perception of the use of social media as a promotional mix element, due to the ambiguities and uncontrollable nature of social media as well as the perceived lack of benefits derived from using social media.

The next section will focus on those 276 respondents who used social media in their establishment.

5.3.6 Use of social media for business and marketing purposes (question 9)

In question 9, respondents were asked to indicate, on average, how often they used social media for business (such as market research and reservations) or, alternatively, marketing purposes (such as to post specials and competitions). Figure 5.7 reveals these findings.

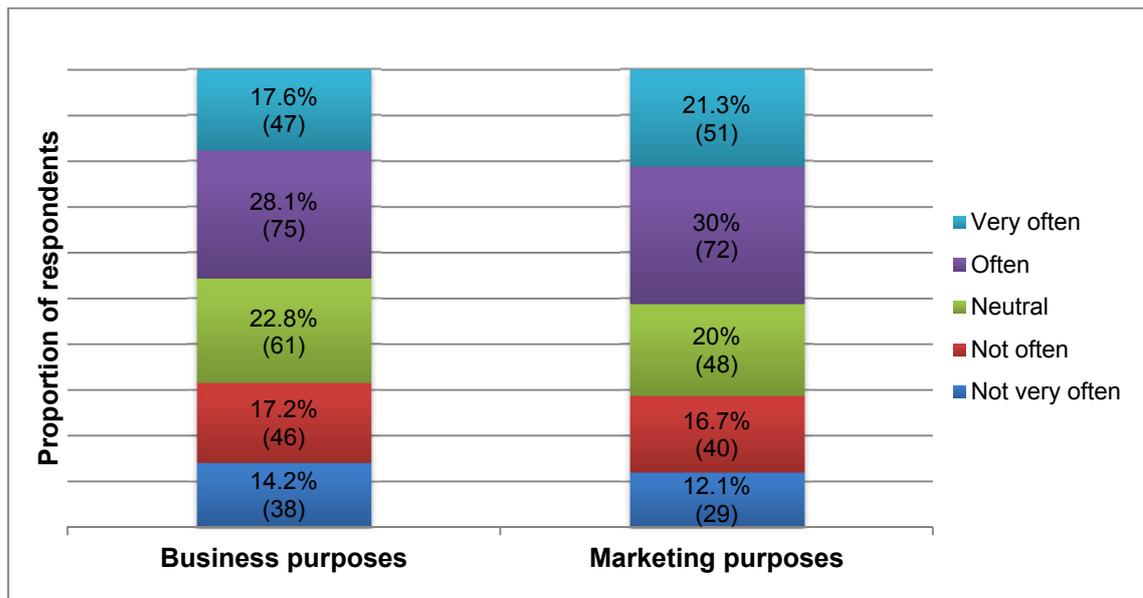


Figure 5.7: Use of social media for business and marketing purposes

Figure 5.7 indicates that 75 respondents (28.1%) and 72 respondents (30%) used social media often for both business and marketing purposes, respectively. Evident from the findings is that respondents used social media for business and marketing purposes in a very similar manner, as the distribution of responses is alike. It can therefore be assumed that, on average, the respondents displayed similar patterns of social media usage for both business as well as marketing purposes.

The results of questions 10 and 11 were discussed in section 5.3.2 (page 133) as these questions form part of the profile of respondents. The next section deals with the current use of social media by star-graded accommodation establishments (questions 12 and 13).

5.3.7 Respondents' current use of social media (questions 12 and 13)

Question 12 endeavoured to establish the main reasons why respondents used social media by merely requiring 'Yes' or 'No' answers to seven statements. The results of question 12 are presented in table 5.4.

Table 5.4: Current use of social media in accommodation establishments

Does your establishment currently ...	Yes	No	Total
promote the brand, products and/or services via social media?	216 67.5%	104 32.5%	320 100.0%
use social media to monitor customer trends?	108 34.7%	203 65.3%	311 100.0%
research new product ideas via social media?	108 34.8%	202 65.2%	310 100.0%
collect and track customers' reviews on social media?	200 62.7%	119 37.3%	319 100.0%
determine customer loyalty via social media?	112 35.8%	201 64.2%	313 100.0%
engage in marketing activities on social media?	170 55.2%	138 44.8%	308 100.0%
consider social media as an effective promotional element?	225 72.3%	86 27.7%	311 100.0%

Evident from table 5.4 is that respondents currently used social media in their establishment mainly to achieve the following:

- Consider social media an effective promotional element (225 or 72.3%);
- Promote their brand, products and/or services via social media (216 or 67.5%);
- Collect and track customers' reviews on social media (200 or 62.7%); and
- Engage in marketing activities on social media (170 or 55.2%).

Respondents, however, did not use social media to monitor customer trends (203 or 65.3%), research new product ideas (202 or 65.2%) or determine customer loyalty via social media applications (201 or 64.2%). From these results, it appears that the respondents currently only used social media for promotional purposes and not to conduct any form of marketing research. Star-graded

accommodation establishments should consider utilising social media for research purposes, as it could be beneficial to their growth and success.

Question 13 was posed as an open-ended question and asked respondents to specify any additional reasons for currently using social media in their establishment. Respondents stated reasons such as:

- to communicate with friends and family, both professionally and personally;
- to build relationships with customers;
- to keep customers updated; and
- to improve search engine optimisation (SEO) and online ranking.

A list of reasons can be viewed in Appendix C (page 257). Next, descriptive statistics for question 14 are reviewed.

5.3.8 Marketing methods used in the past year by respondents (question 14)

Question 14 of the research instrument was in the form of a multiple-choice, multiple-response question that required respondents to indicate the marketing method(s) they had used in their establishment in the past year. The results of question 14 are presented in table 5.5.

Table 5.5: Marketing methods used in the past year by respondents (n=329)

Marketing methods	Responses	
	Frequency count	Percentage (%)
Direct mail	84	25.5%
E-mail	234	71.1%
Event marketing (i.e. speaking & networking)	85	25.8%
Mobile marketing	40	12.2%
Online advertisement (i.e. Google Adwords)	166	50.5%
Press releases	43	13.1%
Print display advertisements	126	38.3%
Radio advertisements	17	5.2%
Search engine optimisation (i.e. rating on Google)	159	48.3%
Social media	178	54.1%
Sponsorships	67	19.5%
Travel intermediaries (i.e. travel agencies)	196	59.6%
Television advertisements	11	3.3%
Webinars (i.e. web conferencing)	11	3.3%
None of the above	8	2.4%
Other (please specify)	46	14.0%

* Total responses may not equal n and percentages may not equal 100 as this was a multiple-choice, multiple-response question.

Table 5.5 shows that 234 respondents (71.1%) used e-mails the most to market their establishment in the past year, 196 respondents (59.6%) used travel intermediaries such as travel agencies and 178 respondents (54.1%) used social media. The findings would suggest that, in the majority of accommodation establishments in the Western Cape, social media is already being used as a means of marketing. Travel intermediaries were expected to be high as a lot of accommodation establishments market themselves on intermediary websites, such as SA Venues, Safari Now and Flight Centre.

'Other' methods of marketing were identified by 46 respondents (14%), which include the following:

- Accommodation portals or travel directories, such as SA Venues, Bookings.com, Cape Say, Safari Now and their own homepage;
- Branded clothing or specialised advertisement, such as printed T-shirts and caps;
- Gumtree;

- Local tourism association websites; and
- Word-of-mouth.

Thereafter, respondents were asked to select the social media application(s) or website(s) they had used the most in the past year.

5.3.9 Social media applications/websites used in the past year by respondents (questions 15 and 16)

Question 15 of the research instrument was a multiple-choice, multiple-response question that asked respondents to select the social media application(s) or website(s) that they had used in their establishments in the past year. The results of question 15 are summarised in table 5.6.

Table 5.6: Social media applications/websites used by respondents in the past year (n=329)

Social media applications/websites	Responses	
	Frequency count	Percentage (%)
Blogging	44	13.4%
Daily deals (i.e. Groupon)	45	13.7%
Facebook	229	69.6%
Forums	7	2.1%
Geo-location (i.e. Foursquare)	22	6.7%
Google+	117	35.6%
LinkedIn	95	28.9%
Photo-sharing sites (i.e. Instagram)	25	7.6%
Pinterest	29	8.8%
Podcasting	2	0.6%
Social bookmarking (i.e. Stumble Upon)	3	0.9%
TripAdvisor	215	65.4%
Twitter	84	25.5%
YouTube	41	12.5%
Wikis (i.e. Wikipedia)	5	1.5%
None of the above	34	10.3%
Other	32	9.7%

* Total responses may not equal n and percentages may not equal 100 as this was a multiple-choice, multiple-response question.

Table 5.6 shows that 229 respondents (69.6%) used Facebook in the past year to market their establishment. A total of 215 respondents (65.4%) indicated TripAdvisor as a social media application used in the past year, followed by Google+ (117 or 35.6%), LinkedIn (95 or 28.9%) and Twitter (84 or 25.5%). Facebook is a very popular social media application that is used worldwide for both business and personal reasons. This would explain the majority of respondents utilising social media in their establishment. A total of 41 respondents (12.5%) used YouTube in the past year, which could be considered a useful application to the accommodation industry in showcasing the establishment's facilities and services.

'Other' social media applications and/or websites were mentioned by 32 respondents (9.7%) as methods they had used in the past year to market their establishment. These applications and/or websites are listed below:

- portal sites, such as Bookings.com, Safari Now, Rooms for Africa, Cape Stay, Where to Stay, Hostelworld, Nightsbridge, and Sleeping Out;
- Gumtree;
- Internet travel websites; and
- own home web page.

Respondents were further asked, in question 16, to select only one social media application or website that they considered to be the most important to market their establishment.

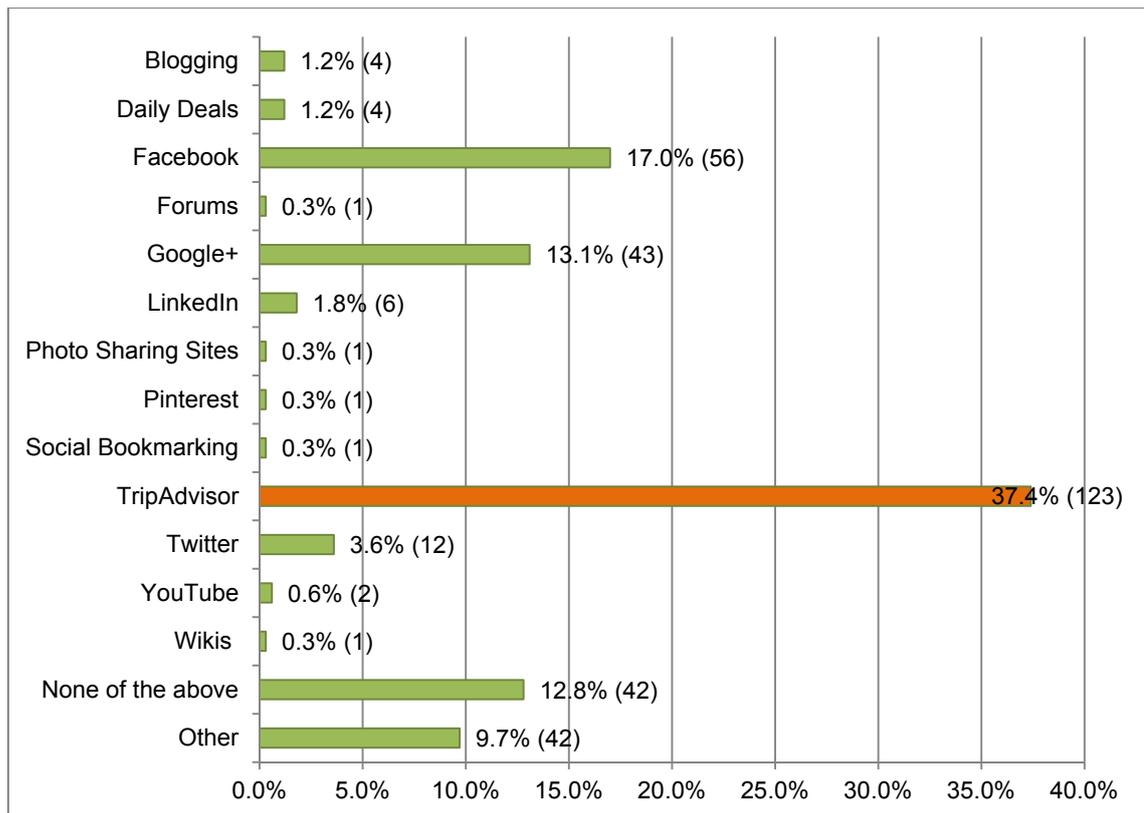


Figure 5.8: Most important social media application/website for the purpose of marketing establishments (n=329)

Figure 5.8 shows that a total of 123 respondents (37.4%) believed TripAdvisor to be the most important social media application or website in promoting their establishment. TripAdvisor is a free travel guide and research website that offers the user reviews and relevant information in helping them to plan their holiday (Egger & Buhalis, 2008). TripAdvisor is a well-known application that is used in the accommodation industry, and this could be why the majority of the respondents utilised this application.

'Other' important social media applications or websites were mentioned by 42 respondents (12.8%), which mostly include the following:

- accommodation web pages such as Safari Now and Where to Stay;
- bookings.com; and
- the establishment's own home web page.

In question 17, respondents' perceived effectiveness of the use of social media was determined by means of a 5-point Likert scale question. The findings are explained in the next section.

5.3.10 Perceived effectiveness of the use of social media (question 17)

Figure 5.9 indicates respondents' perceived effectiveness of the use of social media in star-graded accommodation establishments. The current stance of the use of social media in accommodation establishments in the Western Cape was determined to set the scene as to how social media is already being used in these establishments.

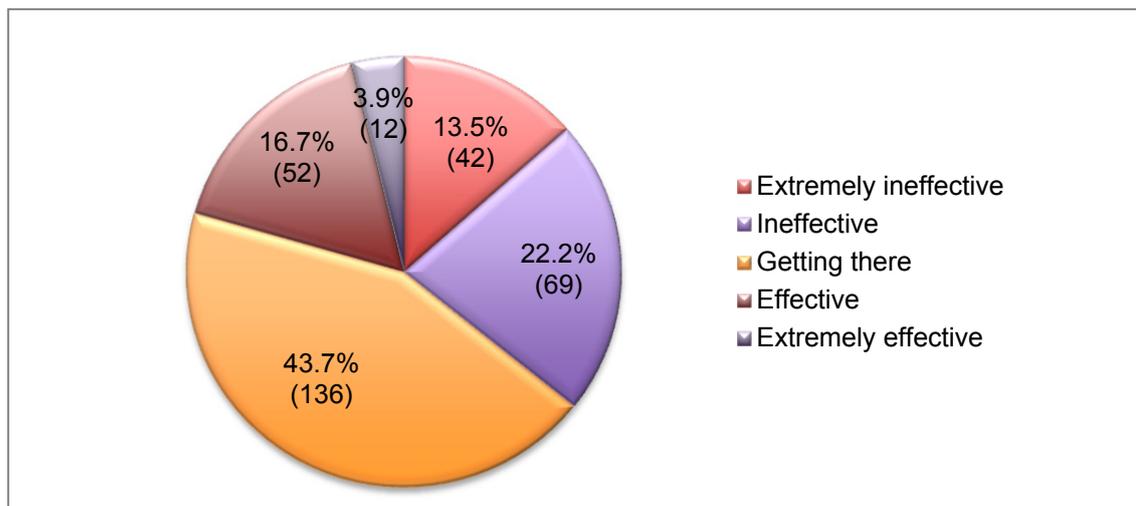


Figure 5.9: Effectiveness of the use of social media (n=311)

Apparent from figure 5.9 is that 52 respondents (16.7%) felt that their establishment's use of social media was effective, while 136 respondents (43.7%) felt they were getting there, but were not effective yet. Although 64 respondents (20.6%) perceived their marketing efforts as effective or extremely effective, the results suggest that the majority of respondents (247 or 79.4%) lacked the knowledge of effectively implementing social media in the establishments in order to benefit from it. Accommodation establishments should therefore consider attending training and development initiatives to improve their knowledge of employing social media effectively to benefit from it.

Question 18 of the research instrument attempted to determine respondents' perception of the use of social media as a promotional mix element in accommodation establishments. The findings of question 18 are subsequently analysed.

5.3.11 Perception of the use of social media as a promotional mix element (question 18)

Question 18 was presented in the form of a 5-point Likert scale and aimed to determine the perception of star-graded accommodation establishments regarding the use of social media as a promotional mix element. Respondents were asked to signify the extent to which they disagreed (1) or agreed (5) with each of the nine items relating to their perception of the use of social media as a promotional mix element in their establishment. The results are given in table 5.7.

Table 5.7: Importance of using social media as a marketing or promotional element (n=311)

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
Social media is an important component of the overall marketing strategy.	3 1.0%	12 3.9%	64 20.6%	145 46.6%	87 28.0%	311 100.0%
Using social media is integral to an establishment's goal and strategies.	4 1.3%	24 7.7%	82 26.4%	144 46.3%	57 18.3%	311 100.0%
Our establishment has a significant learning curve to overcome before we can utilise social media.	12 3.9%	52 16.7%	80 25.7%	116 37.3%	51 16.4%	311 100.0%
Interest in utilising social media is growing rapidly within establishments.	1 0.3%	6 1.9%	55 17.7%	174 55.9%	75 24.1%	311 100.0%
It is difficult to see the value of social media for business purposes.	58 18.6%	92 29.6%	78 25.1%	72 23.2%	11 3.5%	311 100.0%
Social media is not very relevant for our business.	87 28.0%	122 39.2%	67 21.5%	31 10.0%	4 1.3%	311 100.0%
The use of social media for business purposes is a temporary trend.	82 26.4%	131 42.1%	68 21.9%	24 7.7%	6 1.9%	311 100.0%
Social media is a highly reliable and credible source.	16 5.1%	44 14.1%	119 38.3%	91 29.3%	41 13.2%	311 100.0%
I have a strong preference for social media websites.	15 4.8%	46 14.8%	121 38.9%	93 29.9%	36 11.6%	311 100.0%

From table 5.7 it can be seen that the majority of respondents (174 or 55.9%) agreed with the statement that their interest in utilising social media was growing rapidly within establishments, and a further 145 respondents (46.6%) agreed

that social media was an important component of the overall marketing strategy. Respondents (144 or 46.3%) also agreed that using social media was integral to an establishment's goal and strategies. Furthermore, it can be seen from table 5.7 that 131 respondents (42.1%) disagreed that the use of social media for business purposes was a temporary trend, and a further 122 respondents (39.2%) disagreed with the statement that social media was not very relevant for their business. From these results, it seems that respondents generally had a positive perception of the use of social media as a promotional mix element in their establishment.

The findings relating to respondents' social media marketing efforts are discussed in the next section.

5.3.12 Respondents' social media marketing efforts (question 19)

Question 19 was in the form of a 6-point Likert scale asking respondents to indicate the extent to which they disagreed (1) or agreed (5) with each statement regarding their social media marketing efforts. A 'not applicable' option (6) was provided to accommodate those respondents who were not currently or fully utilising social media in their establishments. The findings are presented in table 5.8.

Table 5.8: Respondents' social media marketing efforts (n=307)

Our social media marketing efforts have...	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	N/A	Total
improved our sales.	9 2.9%	36 11.7%	90 29.3%	97 31.6%	47 15.3%	28 9.1%	307 100.0%
increased our exposure.	7 2.3%	19 6.2%	48 15.6%	139 45.3%	68 22.1%	26 8.5%	307 100.0%
reduced our marketing expenses.	14 4.6%	61 19.9%	104 33.9%	73 23.8%	29 9.4%	26 8.5%	307 100.0%
provided us with marketplace insight.	9 2.9%	27 8.8%	103 33.6%	99 32.2%	42 13.7%	27 8.8%	307 100.0%
developed loyal customers.	7 2.3%	42 13.7%	108 35.2%	90 29.3%	33 10.7%	27 8.8%	307 100.0%
increased traffic to our website.	5 1.6%	26 8.5%	79 25.7%	117 38.1%	55 17.9%	25 8.1%	307 100.0%
grown our business partnership.	10 3.3%	41 13.4%	121 39.4%	73 23.8%	33 10.7%	29 9.4%	307 100.0%
improved our search rankings (e.g. on Google).	8 2.6%	26 8.5%	103 33.6%	96 31.3%	46 15.0%	28 9.1%	307 100.0%

From table 5.8, it can be seen that respondents agreed that their social media marketing efforts had improved their overall sales figures (97 or 31.6%), increased their exposure to the general public, local and international customers, businesses and industry professionals (139 or 45.3%) and increased traffic to their own home web page (117 or 38.1%). Although 207 respondents (67.4%) indicated that their social media marketing efforts had increased their exposure, 75 respondents (24.5%) stated that their social media efforts had not reduced their marketing expenses. The findings of question 19 would suggest that respondents' social media marketing efforts generally had a positive outcome on their establishments. To further improve their social media activities, establishments could consider training initiatives or employing permanent staff members who are responsible solely for social media endeavours.

Respondents' perception of the use of social media as a promotional mix element in accommodation establishments are analysed and interpreted in the next section.

5.3.13 Respondents' perception of social media as a promotional mix element (question 20)

Table 5.9 indicates respondents' perception of the use of social media as a promotional mix element. Question 20 was presented in the form of a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The outcomes for this question are shown in table 5.9.

Table 5.9: Perception of social media as a promotional mix element (n=295)

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
Social media is an effective way to market an establishment.	4 1.4%	10 3.4%	55 18.6%	165 55.9%	61 20.7%	295 100.0%
Social media can be integrated into the traditional marketing activities of establishments.	3 1.0%	6 2.0%	38 12.9%	193 65.4%	55 18.6%	295 100.0%
Social media is disadvantageous to an establishment.	75 25.4%	146 49.5%	58 19.7%	14 4.7%	2 0.7%	295 100.0%
Social media allows establishments to advertise through various means.	3 1.0%	4 1.4%	39 13.2%	195 66.1%	54 18.3%	295 100.0%
Social media allows the interaction with customers.	3 1.0%	4 1.4%	49 16.6%	188 63.7%	51 17.3%	295 100.0%
Establishment can consider social media an effective marketing tool.	3 1.0%	5 1.7%	62 21.0%	172 58.3%	53 18.0%	295 100.0%
Social media is a useful tool for networking with other industry personnel.	3 1.0%	10 3.4%	73 24.7%	164 55.6%	45 15.3%	295 100.0%
Social media informs customers of the establishment's offerings.	3 1.0%	6 2.0%	44 14.9%	186 63.1%	56 19.0%	295 100.0%
Social media acts as a platform to remind customers of the establishment.	3 1.0%	5 1.7%	34 11.5%	189 64.1%	64 21.7%	295 100.0%
Social media has the ability to persuade customers to purchase.	6 2.0%	14 4.7%	87 29.5%	141 47.8%	47 15.9%	295 100.0%

Table 5.9 shows that the majority of respondents (195 or 66.1%) agreed with the statement that social media allows establishments to advertise through various means, while a further 193 respondents (65.4%) agreed that social media can be integrated into the traditional marketing activities of establishments. Respondents (146 or 49.5%) disagreed that social media is disadvantageous to an establishment. These results show that respondents had a positive attitude towards the use of social media as a promotional mix element in their establishment and that social media provided a positive contribution to their establishment's operations and success and could therefore be considered to be a viable element of the promotional mix.

Finally, the survey posed a 5-point Likert scale question determining the perceived benefits social media ought to provide to respondents before they would

consider utilising social media as a promotional mix element. The results of question 21 are discussed next.

5.3.14 Benefits of using social media as a promotional mix element (question 21)

Respondents were asked in question 21 of the research instrument to indicate the perceived benefits social media ought to provide for them to consider using or continuing to use social media as a promotional mix element in their star-graded establishment. The results are presented in table 5.10.

Table 5.10: Benefits respondents ought to receive from using social media (n=286)

In order to benefit from social media as a promotional element, social media should...	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Total
reduce our operating costs.	5 1.7%	39 13.6%	101 35.3%	120 42.0%	21 7.3%	286 100.0%
improve our customer services.	3 1.0%	16 5.6%	62 21.7%	176 61.5%	29 10.1%	286 100.0%
increase the awareness of our establishment's offerings.	2 0.7%	4 1.4%	35 12.2%	192 67.1%	53 18.5%	286 100.0%
increase traffic to our website.	1 0.3%	4 1.4%	37 12.9%	189 66.1%	55 19.2%	286 100.0%
provide a more favourable perception of our establishment's offerings.	2 0.7%	6 2.1%	49 17.1%	189 66.1%	40 14.0%	286 100.0%
increase our competitive advantage.	3 1.0%	9 3.1%	53 18.5%	179 62.6%	42 14.7%	286 100.0%
provide us with better access to information.	2 0.7%	10 3.5%	50 17.5%	184 64.3%	40 14.0%	286 100.0%
provide us with a better understanding of customers' perceptions.	2 0.7%	12 4.2%	48 16.8%	186 65.0%	38 13.3%	286 100.0%
provide information for strategic decision-making.	2 0.7%	19 6.6%	72 25.2%	161 56.3%	32 11.2%	286 100.0%
improve communication with customers.	2 0.7%	9 3.1%	52 18.2%	181 63.3%	42 14.7%	286 100.0%
act as an early warning system for potential problems.	4 1.4%	16 5.6%	73 25.5%	162 56.6%	31 10.8%	286 100.0%
allow us to identify new trends/opportunities in the market.	2 0.7%	10 3.5%	47 16.4%	184 64.3%	43 15.0%	286 100.0%
expand our existing markets.	3 1.0%	5 1.7%	41 14.3%	197 68.9%	40 14.0%	286 100.0%
help us in building relationships with our customers.	4 1.4%	6 2.1%	41 14.3%	188 65.7%	47 16.4%	286 100.0%

Table 5.10 shows that the majority of respondents (197 or 68.9%) agreed that in order to benefit from using social media as a promotional mix element, it should expand their existing markets. A further 192 respondents (67.1%) agreed that social media should increase awareness of their establishment's offerings. Equally, 189 respondents (66.1%) agreed that social media should increase traffic to their website as well as provide a more favourable perception of their establishment's offering. It is clear from these results that respondents would consider or would continue using social media mainly if they could attract more customers and increase customers' awareness of the establishment's product offerings.

The large proportion of respondents that agreed with the statements concerning the benefits that social media should offer confirms their awareness of the usefulness of social media as a promotional mix element and what their expectations were. It can therefore be agreed that social media should comply with all of these statements in order to be beneficial to accommodation establishments.

In the subsequent section, inferential statistical analyses are discussed and interpreted.

5.4 INFERENCE STATISTICAL ANALYSIS

Cramer and Howitt (2004) explain *inferential statistics* as the branch of statistics which deals with generalisation from samples to the population of values. In other words, inferential statistics includes procedures that allow a researcher to use data obtained within the research to draw conclusions about population characteristics and make generalisations about the selected sample population (Gravetter & Wallnau, 2009:6; Mendenhall *et al.*, 2013:4; Pagano, 2013:10).

In this section, the results pertaining to the following were correlated with different variables to achieve the set objectives of this study:

- Respondents' familiarity with the term 'social media' (*section 5.4.1, page 154*);
- Respondents' current use of social media as a promotional mix element (*section 5.4.2, page 159*);

- The perceived effectiveness of the use of social media (*section 5.4.3, page 162*); and
- The various types of accommodation establishments (*section 5.4.4, page 168*).

Firstly, respondents' familiarity with the term 'social media' was considered.

5.4.1 Respondents' familiarity with the term 'social media' (question 5)

Respondents' familiarity with the term 'social media' (question 5) was correlated with their current use of social media as a promotional mix element (question 6).

Question 5 regarding respondents' familiarity with the term has been grouped into two categories to ensure sound statistical results. The two groups are:

- Group 1: Less familiar (includes not at all familiar and fairly familiar); and
- Group 2: More familiar (includes, somewhat familiar, familiar and very familiar).

The association firstly aimed at determining the relationship between respondents' familiarity with the term 'social media' and their current use of social media as a promotional mix element. The results are discussed below.

5.4.1.1 Familiarity with the term 'social media' (question 5) vs. current use of social media as a promotional mix element (question 6)

The results of the 357 valid responses to both these questions are presented in table 5.11 and figure 5.10.

Table 5.11: Cross-tabulation: Familiarity with the term 'social media' (question 5) vs. current use of social media as a promotional mix element (question 6) (n=357)

		Familiarity with the term 'social media'			Total	
		Less familiar	Somewhat familiar	More familiar		
Do you use social media in your establishment?	Yes	Frequency count	4	57	215	276
		Percentage (%)	26.7%	62.0%	86.0%	77.3%
	No	Frequency count	11	35	35	81
		Percentage (%)	73.3%	38.0%	14.0%	22.7%
Total		Frequency count	15	92	250	357
		Percentage (%)	100.0%	100.0%	100.0%	100.0%

Table 5.11 shows that those respondents who were more familiar with the term currently used social media as a promotional mix element (215 or 86%), while those respondents who were less familiar with the term did not use social media as a promotional mix element (11 or 73.3%). The results would therefore suggest that respondents who utilised social media as a promotional mix element had a broader knowledge base of social media in general. These results are illustrated in figure 5.10.

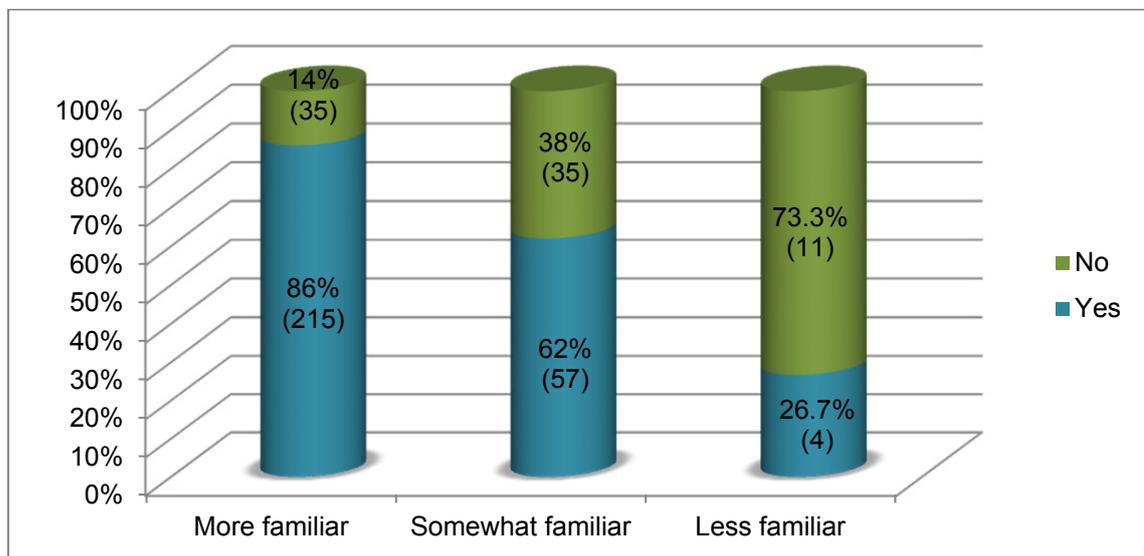


Figure 5.10: Familiarity with the term 'social media' (question 5) vs. current use of social media as a promotional mix element (question 6) (n=357)

To investigate the possibility that there might be a statistical relationship between respondents' familiarity with the term and their current use of social media as a

promotional mix element, the data was subjected to a chi-square test of independence.

A chi-square test of independence is used in situations where a population is categorised in two different ways (Cooper & Schindler, 2008:484), in this case, respondents' familiarity with the term 'social media' (question 5) as well as their current use of social media as a promotional mix element (question 6). The results are revealed in table 5.12.

Table 5.12: Chi-square test: Familiarity with the term 'social media' (question 5) vs. current use of social media as a promotional mix element (question 6) (n=357)

	Value	df	Asymp. sig. (2-sided)
Pearson chi square	45.058 ^a	2	.000
Likelihood ratio	40.235	2	.000
Linear-by-linear association	44.302	1	.000
N of valid cases	357		

a. 1 cell (16.7%) has expected count less than 5. The minimum expected count is 3.40.

The chi-square test of independence revealed at the .1% level of significance that there is a significant relationship between respondents' familiarity with the term and their current use of social media as a promotional mix element ($\chi^2(2) = 45.058, p < .001$). The proportion of respondents that were currently using social media increased (from 26.7% to 86%) as the level of familiarity with the term increased, while the inverse is true for those who did not use social media (from 73.3% down to 14.0%).

The second association aimed at determining the relationship between respondents' familiarity with the term and the apparent effectiveness of the use of social media as a promotional mix element. The findings are discussed next.

5.4.1.2 Familiarity with the term 'social media' (question 5) vs. perceived effectiveness of the use of social media (question 17)

Table 5.13 presents these results.

Table 5.13: Familiarity with the term 'social media' (question 5) vs. perceived effectiveness of the use of social media (question 17) (n=311)

Currently our establishment's use of social media is ...		Familiarity with the term 'social media'		Total
		Less familiar	More familiar	
Extremely ineffective	Frequency count	25 _a	17 _b	42
	Percentage (%)	26.9%	7.8%	13.5%
Ineffective	Frequency count	34 _a	35 _b	69
	Percentage (%)	36.6%	16.1%	22.2%
Getting there	Frequency count	26 _a	110 _b	136
	Percentage (%)	28.0%	50.5%	43.7%
Effective	Frequency count	8 _a	44 _b	52
	Percentage (%)	8.6%	20.2%	16.7%
Extremely effective	Frequency count	0 _a	12 _b	12
	Percentage (%)	0.0%	5.5%	3.9%
Total	Frequency count	93	218	311
	Percentage (%)	100.0%	100.0%	100.0%

* Each subscript letter denotes a subset of "Familiarity with the term 'social media'" categories whose column proportions do not differ significantly from one another at the .05 level.

The results in table 5.13 reveal that the proportion of respondents that were currently using social media ineffectively (59 or 63.5%) was larger for those who were less familiar with the term than those who were more familiar with the term (42 or 23.9%). However, the proportion of respondents who were currently using social media effectively (56 or 25.7%) was larger for those who were more familiar with the term than those who were less familiar (8 or 8.6%). More of those respondents who reported a higher level of familiarity tended to report that they were getting there (10 or 50.5%) than those who reported a lower level of familiarity with social media (26 or 28.0%). This correlation can also be seen in figure 5.11.

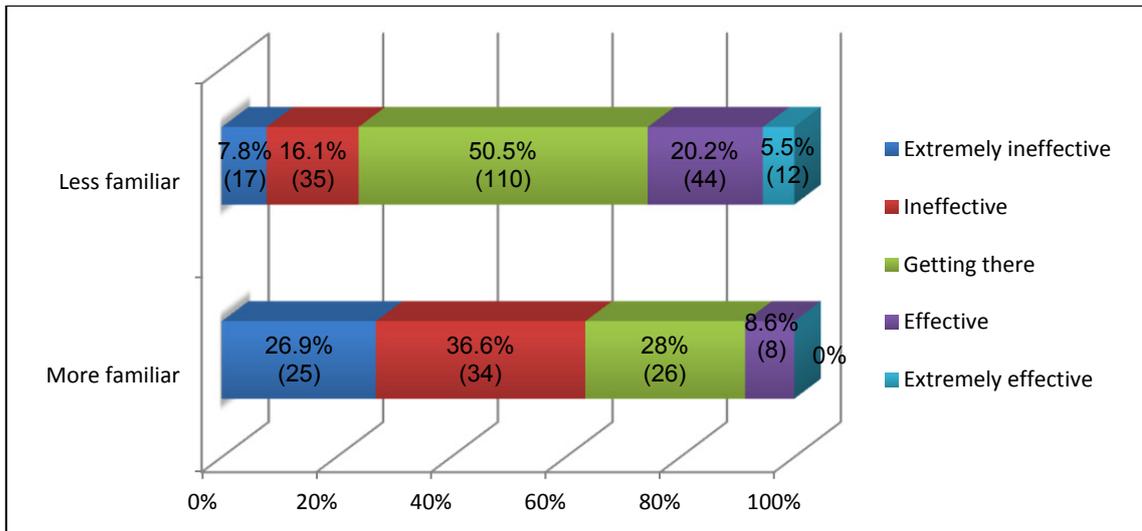


Figure 5.11: Familiarity with the term ‘social media’ (question 5) vs. perceived effectiveness of the use of social media (question 17) (n=311)

The findings as shown in figure 5.11 is somewhat unexpected, as the results suggest that the more familiar respondents are with the term, the less effective they perceive their use of social media to be (59 or 63.5%). This would suggest that these respondents, although familiar with the term, lack the required knowledge of implementing social media in order to be effective. On the contrary, those respondents who are less familiar with the term, perceive their use of social media to be getting there (110 or 50.5%), which would suggest that they are increasing their familiarity and knowledge in using social media.”

To investigate the possibility that there may be a statistical relationship between how familiar respondents were with the term ‘social media’ (question 5) and the perceived effectiveness with which they were currently using social media (question 17), the data was subjected to a chi-square test of independence. The results are shown in table 5.14.

Table 5.14: Chi-square test: Familiarity with the term 'social media' (question 5) vs. perceived effectiveness of the use of social media (question 17) (n=311)

	Value	df	Asymp. sig. (2-sided)
Pearson chi square	47.829 ^a	4	.000
Likelihood ratio	49.752	4	.000
Linear-by-linear association	41.973	1	.000
N of valid cases	311		

a. 1 cell (10.0%) has expected count less than 5. The minimum expected count is 3.59.

The chi-square test of independence revealed at the .1% level of significance that there is a significant relationship between respondents' familiarity with the term and their perceived effectiveness of the use of social media ($\chi^2(4) = 47.829$, $p < .001$). These results confirm the researcher's findings that the more familiar one is with the term 'social media', the more effective one's use of social media will be.

An independent sample t-test was conducted to evaluate the difference between the means of the two independent groups. An *independent sample t-test*, as explained by Heiman (2014:265), is the parametric procedure for testing two sample means from independent samples. This t-test revealed a significant mean difference between the two familiarity groups ('more familiar' and 'less familiar'), $t(309) = -6.956$, $p < .001$. More specifically, those with a higher level of familiarity with the term 'social media' ($M=3.00$, $n=218$) tended to report a higher level of perceived effectiveness in their current use of social media compared to those with a lower level of familiarity with the term ($M=2.18$, $n=93$). The results of this test can be found in Appendix D (page 260).

In the next section, correlations were made between the respondents' current use of social media as a promotional mix element (question 6) and their perceived effectiveness of the use of social media (question 17).

5.4.2 Current use of social media as a promotional mix element (question 6) vs. perceived effectiveness of the use of social media (question 17)

Table 5.15 shows the correlations between the current use of social media as a promotional mix element (question 6) and respondents' perceived effectiveness of the use of social media in their establishments (question 17).

Table 5.15: Cross-tabulation: Current use of social media as a promotional mix element (question 6) vs. perceived effectiveness of the use of social media (question 17) (n=311)

			Do you use social media as a promotional element in your establishment?		Total
			Yes	No	
Currently our establishment's use of social media is ...	Extremely ineffective	Frequency count	18 _a	24 _b	42
		Percentage (%)	7.5%	34.3%	13.5%
	Ineffective	Frequency count	38 _a	31 _b	69
		Percentage (%)	15.8%	44.3%	22.2%
	Getting there	Frequency count	124 _a	12 _b	136
		Percentage (%)	51.5%	17.1%	43.7%
	Effective	Frequency count	50 _a	2 _b	52
		Percentage (%)	20.7%	2.9%	16.7%
	Extremely effective	Frequency count	11 _a	1 _a	12
		Percentage (%)	4.6%	1.4%	3.9%
Total		Frequency count	241	70	311
		Percentage (%)	100.0%	100.0%	100.0%

Each subscript letter denotes a subset of "Do you use social media (such as Facebook, Twitter, YouTube, TripAdvisor, Pinterest, etc.) as a promotional element (i.e. marketing tool) in your establishment?" categories whose column proportions do not differ significantly from one another at the .05 level.

Table 5.15 shows that more than half of the respondents who currently used social media in their establishment perceived their establishment's use of social media as 'getting there' (124 or 51.5%). As expected, respondents who did not use social media would not perceive their social media endeavours to be effective (24 of 34.4%).

To investigate the possibility that there may be a statistical relationship between respondents' perceived effectiveness of the use of social media and whether they were implementing social media in their establishment, the data was subjected to a chi-square test of independence. The results of the chi-square test are shown in table 5.16.

Table 5.16: Chi-square test: Current use of social media as a promotional mix element (question 6) vs. perceived effectiveness of the use of social media (question 17) (n=311)

	Value	df	Asymp. sig. (2-sided)
Pearson chi square	75.137 ^a	4	.000
Likelihood ratio	74.369	4	.000
Linear-by-linear association	59.779	1	.000
N of valid cases	311		

a. 1 cell (10.0%) has expected count less than 5. The minimum expected count is 2.70.

The chi-square test of independence revealed at the .1% level of significance that there is a significant relationship between the respondents' current use of social media as a promotional mix element (question 6) and how effectively they perceived they were currently using social media (question 17) ($\chi^2(4) = 75.137$, $p < .001$). The proportion of respondents that were using social media (59 or 63.4%) was larger for those who were getting there, effective and extremely effective in their social media activities, than for those who were using social media ineffectively and extremely ineffectively. The converse is true for those who were not using social media. The findings would therefore suggest that star-graded accommodation establishments should familiarise themselves with social media to be more effective in their use and implementation of social media. The more familiar one is with social media, the more effectively one will be able to implement it.

An independent sample t-test was conducted to evaluate the difference between the means of the two independent groups. The independent sample t-test revealed that those respondents who used social media (241 or $M=2.99$) tended to report a higher level of effectiveness in their current use compared to those who did not use social media (70 or $M=1.93$). The results of independent

sample t-test, as well as the error bar chart, can be found in Appendix D (page 260).

Next, correlations were made between respondents' perceived effectiveness of the use of social media (question 17) and their social media marketing efforts (question 19).

5.4.3 Perceived effectiveness of the use of social media (question 17) vs. social media marketing efforts (question 19)

The research analysis also determined whether associations were made between the perceived effectiveness of the use of social media (question 17) and respondents' social media marketing efforts (question 19).

To determine the perceived effectiveness of the use of social media (question 17), the variables were categorised into three groups:

- Group 1: Ineffective (includes extremely ineffective and ineffective);
- Group 2: Getting there; and
- Group 3: Effective (includes effective and extremely effective).

Question 19 of the research instrument was presented as a 6-point Likert scale requesting respondents to indicate how strongly they disagreed (1) or agreed (5) (6 = not applicable) with each of the statements regarding their social media marketing efforts. The agreement scores of question 19 were grouped as follows:

- Group 1: Disagree (includes strongly disagree and disagree);
- Group 2: Neutral; and
- Group 3: Agree (includes strongly agree and agree).

The correlation was determined by means of a chi-square test of independence. Vaughan (2003:75) explains that a *chi-square test* is used to examine relationships between two variables with nominal or ordinal data. In this case, the relationship between respondents' perceived effectiveness of the use of social media (question 17) and their social media marketing efforts (question 19) was examined. The results of this correlation are shown in table 5.17.

Table 5.17: Cross-tabulation: Perceived effectiveness of the use of social media vs. social media marketing efforts

Our social media marketing efforts have...		Currently our establishment's use of social media is ...			
		Ineffective	Getting there	Effective	Total
improved our sales.	Disagree	26 _a	15 _b	4 _b	45
		29.2%	11.6%	6.6%	16.1%
	Neutral	35 _a	46 _a	9 _b	90
		39.3%	35.7%	14.8%	32.3%
	Agree	28 _a	68 _b	48 _c	144
		31.5%	52.7%	78.7%	51.6%
Total	89	129	61	279	
	100.0%	100.0%	100.0%	100.0%	
increased our exposure.	Disagree	19 _a	5 _b	2 _b	26
		21.3%	3.8%	3.2%	9.3%
	Neutral	29 _a	17 _b	2 _b	48
		32.6%	13.1%	3.2%	17.1%
	Agree	41 _a	108 _b	58 _b	207
		46.1%	83.1%	93.5%	73.7%
Total	89	130	62	281	
	100.0%	100.0%	100.0%	100.0%	
reduced our marketing expenses.	Disagree	33 _a	31 _{a,b}	11 _b	75
		37.1%	23.8%	17.7%	26.7%
	Neutral	38 _a	49 _a	17 _a	104
		42.7%	37.7%	27.4%	37.0%
	Agree	18 _a	50 _b	34 _b	102
		20.2%	38.5%	54.8%	36.3%
Total	89	130	62	281	
	100.0%	100.0%	100.0%	100.0%	
provided us with marketplace insight.	Disagree	18 _a	13 _a	5 _a	36
		20.2%	10.1%	8.1%	12.9%
	Neutral	47 _a	47 _b	9 _c	103
		52.8%	36.4%	14.5%	36.8%
	Agree	24 _a	69 _b	48 _c	141
		27.0%	53.5%	77.4%	50.4%
Total	89	129	62	280	
	100.0%	100.0%	100.0%	100.0%	

continued/...

Our social media marketing efforts have...		Currently our establishment's use of social media is ...			
		Ineffective	Getting there	Effective	Total
developed loyal customers.	Disagree	23 _a	22 _{a,b}	4 _b	49
		25.6%	16.9%	6.7%	17.5%
	Neutral	45 _a	55 _a	8 _b	108
		50.0%	42.3%	13.3%	38.6%
	Agree	22 _a	53 _b	48 _c	123
		24.4%	40.8%	80.0%	43.9%
Total	90	130	60	280	
	100.0%	100.0%	100.0%	100.0%	
increased traffic to our website.	Disagree	21 _a	7 _b	3 _b	31
		23.3%	5.4%	4.8%	11.0%
	Neutral	37 _a	36 _a	6 _b	79
		41.1%	27.7%	9.7%	28.0%
	Agree	32 _a	87 _b	53 _c	172
		35.6%	66.9%	85.5%	61.0%
Total	90	130	62	282	
	100.0%	100.0%	100.0%	100.0%	
grown our business partnership.	Disagree	28 _a	19 _b	4 _b	51
		32.2%	14.7%	6.5%	18.3%
	Neutral	43 _a	66 _a	12 _b	121
		49.4%	51.2%	19.4%	43.5%
	Agree	16 _a	44 _b	46 _c	106
		18.4%	34.1%	74.2%	38.1%
Total	87	129	62	278	
	100.0%	100.0%	100.0%	100.0%	
improved our search rankings (e.g. on Google).	Disagree	20 _a	10 _b	4 _b	34
		22.7%	7.7%	6.6%	12.2%
	Neutral	43 _a	56 _a	4 _b	103
		48.9%	43.1%	6.6%	36.9%
	Agree	25 _a	64 _b	53 _c	142
		28.4%	49.2%	86.9%	50.9%
Total	88	130	61	279	
	100.0%	100.0%	100.0%	100.0%	

Note: Values in the same row and subtable not sharing the same subscript are significantly different at $p < .05$ in the two-sided test of equality for column proportions. Cells with no subscript are not included in the test. Tests assume equal variances.¹

¹ Tests are adjusted for all pairwise comparisons within a row of each innermost subtable using the Bonferroni correction.

It can be seen from table 5.17 that respondents who perceived their current use of social media to be effective agreed that their social media marketing efforts had improved their sales (48 or 78.7%), reduced their marketing expenses (34 or 54.8%), provided them with marketplace insight (48 or 77.4%), developed loyal customers (48 or 80%), increased traffic to their website (53 or 85.5%), grew their business partnership (46 or 74.2%) and improved their search ranking (53 or 86.9%). Respondents (108 or 83.1%) who perceived the effectiveness of their current use of social media to be 'getting there' mostly agreed that their social media marketing efforts had increased their exposure.

As expected, the findings suggest that the more effective respondents perceived their social media efforts to be, the more they agreed with the success of their social media marketing efforts. The results also indicate that respondents who were not fully effective in their current use of social media perceived their social media marketing efforts to have improved their exposure, which would attract more customers to their establishment. It can therefore be assumed that social media is an effective application that can and should be used in establishments to increase exposure to the establishment and, as a result, increase sales.

A chi-square test of independence was conducted to test the independence of the two categorical variables (Verma, 2013:72). It revealed that there is a significant relationship between the perceived effectiveness of the use of social media (question 17) and respondents' social media marketing efforts (question 19). The results of the chi-square test of independence and additional correlations are explained in Appendix B (page 247).

Subsequently, an analysis of variance (ANOVA) test was conducted to examine the effects of one, two or more quantitative or qualitative variables (termed factors) on one quantitative response (Cabestany, Prieto & Sandoval, 2005:298), in this case, the effect of respondents' perceived effectiveness of the use of social media (question 17) on their social media marketing efforts (question 19). The ANOVA test revealed that the homogeneity or similarity of variance assumption of ANOVA is violated by a number of the different advantage agree-

ment variables. Therefore, the robust test of equality of means (Welch and Brown-Forsythe test) was analysed and reported on instead.

The *Welch and Brown-Forsythe test* is used to examine the equality of group means (IBM, 2011), in other words, testing all contrasts, including non-pairwise contrasts (Kirk, 2013:199). *Contrast* is a term used to describe the intentional comparisons between specific pairs of means in analysis of a variance (Cramer & Howitt, 2004:38). In this case, the Welch and Brown-Forsythe test examined the agreement score differences between the different “perceived effectiveness” groups. This means that the difference between all pairs of means is zero.

As can be seen from table 5.18 below, for all “social media marketing efforts” variables, the “perceived effectiveness” group had a statistically significant effect on the level of agreement with each of the positive statements about respondents’ social media marketing efforts. This would suggest that there is a relationship between respondents’ perceived effectiveness of the use of social media and their social media marketing efforts. In other words, the social media marketing efforts of star-graded accommodation establishments will be influenced by their perceived effectiveness of the use of social media. This could suggest that should establishments perceive their use of social media to be effective, their social media marketing efforts could be effective as well (or vice versa).

Table 5.18: Welch and Brown-Forsythe test: Perceived effectiveness of the use of social media (question 17) vs. social media marketing efforts (question 19)

Our social media marketing efforts have...		Statistic ^a	df1	df2	Sig.
improved our sales.	Welch	25.729	2	147.200	.000
	Brown-Forsythe	26.760	2	216.524	.000
increased our exposure.	Welch	42.473	2	146.899	.000
	Brown-Forsythe	46.416	2	220.285	.000
reduced our marketing expenses.	Welch	11.039	2	146.963	.000
	Brown-Forsythe	10.817	2	191.516	.000
provided us with marketplace insight.	Welch	22.115	2	147.647	.000
	Brown-Forsythe	23.038	2	206.128	.000
developed loyal customers.	Welch	27.306	2	147.679	.000
	Brown-Forsythe	28.414	2	211.136	.000

continued/...

Our social media marketing efforts have...		Statistic ^a	df1	df2	Sig.
increased traffic to our website.	Welch	31.998	2	147.938	.000
	Brown-Forsythe	33.555	2	215.567	.000
grown our business partnership.	Welch	26.302	2	145.973	.000
	Brown-Forsythe	27.984	2	205.724	.000
improved our search rankings (e.g. on Google).	Welch	31.181	2	148.969	.000
	Brown-Forsythe	31.619	2	220.494	.000

^a Asymptotically F distributed.

The mean differences are illustrated in figure 5.12. It is consistently the case that the mean agreement score for statements about respondents' social media marketing efforts increases as the perceived effectiveness with which they were currently using social media increases.

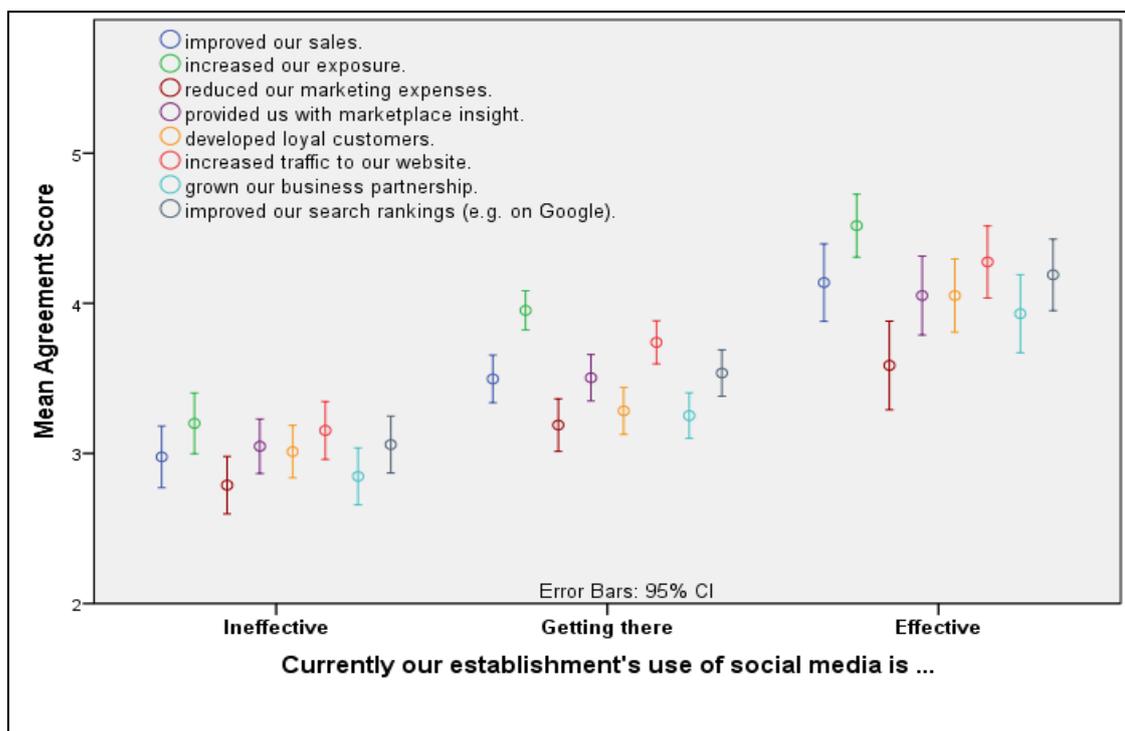


Figure 5.12: Mean agreement score: Perceived effectiveness of the use of social media (question 17) vs. social media marketing efforts (question 19)

Additionally, the Scheffé post hoc test was used to determine which sample means were statistically different between the groups (Schumacker & Akers, 2001:238). The *Scheffé post hoc* or multiple comparison test is used to determine whether three or more means differ significantly in an analysis variance (Cramer & Howitt, 2004:148).

By using the Scheffé post hoc test (see Appendix B (page 247) for results), for the statement about whether social media had improved their sales, it was determined that the mean agreement score of those respondents whose current usage of social media was ineffective ($M=3.01$, $SD=.959$) was significantly lower than the mean agreement score of both the groups of respondents who were getting there ($M=3.50$, $SD=.902$) and those who were currently using social media effectively ($M=4.16$, $SD=.969$). The mean agreement score of those respondents whose current usage of social media was getting there ($M=3.50$, $SD=.902$) was significantly lower than the mean agreement score of the group of respondents who were currently using social media effectively ($M=4.16$, $SD=.969$). Thus, it is clear that the mean agreement score for the statement about having improved their sales significantly increases as the effectiveness of their current use of social media increases.

The following section deals with relationships based on the type of establishment run by respondents.

5.4.4 Type of accommodation establishment (question 3)

In this section, the relationships between the types of accommodation establishments run by respondents are examined based on their social media marketing efforts (question 19), and respondents' perception of social media as a promotional mix element (question 20). Additional statistical results are discussed in Appendix B (page 247).

5.4.4.1 Various types of accommodation establishments (question 3) vs. social media marketing efforts (question 19)

Treating the level of agreement with statements about respondents' social media marketing efforts as continuous, a one-way unequal variance ANOVA test or Welch and Brown-Forsythe test was used to compare the mean agreement scores of the five different types of accommodation establishment categories for disparities. The results of the Welch and Brown-Forsythe test are shown in table 5.19.

Table 5.19: Welch and Brown-Forsyth test: Various types of establishments (question 3) vs. social media marketing efforts (question 19)

Our current social media marketing efforts have ...		Statistic ^a	df1	df2	Sig.
improved our sales.	Welch	1.947	4	41.141	.121
	Brown-Forsythe	1.818	4	66.162	.136
increased our exposure.	Welch	1.888	4	37.577	.133
	Brown-Forsythe	1.625	4	41.128	.186
reduced our marketing expenses.	Welch	.474	4	39.818	.755
	Brown-Forsythe	.453	4	62.374	.770
provided us with market-place insight.	Welch	2.112	4	40.296	.097
	Brown-Forsythe	2.142	4	68.394	.085
developed loyal customers.	Welch	2.516	4	40.614	.056
	Brown-Forsythe	2.391	4	101.895	.056
increased traffic to our website.	Welch	2.847	4	41.402	.036
	Brown-Forsythe	2.736	4	75.093	.035
grown our business partnership.	Welch	3.716	4	41.787	.011
	Brown-Forsythe	3.840	4	102.488	.006
improved our search rankings (e.g. on Google).	Welch	2.836	4	40.828	.036
	Brown-Forsythe	2.160	4	55.359	.086

^a Asymptotically *F* distributed. 5% level of significance.

The *unequal variance ANOVA F-test* or Welch and Brown-Forsyth test analyses the null hypothesis that there are no mean agreement score differences between the various groups of accommodation establishment types (i.e. the difference between all pairs of means is zero). The Welch and Brown-Forsythe test revealed that there is a significant mean agreement score difference between the five establishment types regarding the increase of traffic to their website (Welch $F(4,41.4) = 2.847$, $.p = .036 < .05$), growth of business partnerships (Welch $F(4,41.8) = 3.716$, $.p = .011 < .05$) and improvement in their search rankings (Welch $F(4,40.8) = 2.836$, $.p = .036 < .05$).

These findings suggest that the type of accommodation establishment operated by respondents did not have a significant influence on their social media marketing efforts. In other words, the type of accommodation establishment being operated will not determine or define if or how social media is utilised.

The correlation between the type of accommodation establishment operated by respondents and their perception of the use of social media as a promotional mix element was also analysed. The results are discussed in the next section.

5.4.4.2 Various types of accommodation establishments (question 3) vs. perception of social media as a promotional mix element (question 20)

Treating the level of agreement with statements about social media variables as continuous, a one-way ANOVA test was used to compare the mean agreement scores of the five different establishment type groups for disparities. A *one-way ANOVA test* refers to an analysis that contains simply one factor. A one-way ANOVA for unrelated scores compares the population estimate of the variance between the groups with the population estimate of the variance within the groups (Cramer, 2004:765).

The results of the ANOVA test are presented in table 5.20. (Descriptives of this correlation can be viewed in Appendix B, page 247).

Table 5.20: ANOVA: Various types of establishments vs. perception of social media as a promotional mix element

		Sum of squares	df	Mean square	F	Sig.
Social media is an effective way to market an establishment.	Between groups	1.240	4	.310	.477	.753
	Within groups	188.469	290	.650		
	Total	189.708	294			
Social media can be integrated into the traditional marketing activities of establishments.	Between groups	1.475	4	.369	.750	.558
	Within groups	142.471	290	.491		
	Total	143.946	294			
Social media is disadvantageous to an establishment.	Between groups	7.635	4	1.909	2.790	.027
	Within groups	198.385	290	.684		
	Total	206.020	294			
Social media allows establishments to advertise through various means.	Between groups	.650	4	.163	.348	.845
	Within groups	135.336	290	.467		
	Total	135.986	294			
Social media allows the interaction with customers.	Between groups	.470	4	.118	.240	.915
	Within groups	141.767	290	.489		
	Total	142.237	294			

continued/...

		Sum of squares	df	Mean square	F	Sig.
Establishment can consider social media an effective marketing tool.	Between groups	1.012	4	.253	.464	.762
	Within groups	158.330	290	.546		
	Total	159.342	294			
Social media is a useful tool for networking with other industry personnel.	Between groups	1.041	4	.260	.436	.782
	Within groups	172.945	290	.596		
	Total	173.986	294			
Social media informs customers of the establishment's offerings.	Between groups	.893	4	.223	.432	.785
	Within groups	149.832	290	.517		
	Total	150.725	294			
Social media acts as a platform to remind customers of the establishment.	Between groups	.594	4	.149	.299	.878
	Within groups	143.996	290	.497		
	Total	144.590	294			
Social media has the ability to persuade customers to purchase.	Between groups	1.896	4	.474	.633	.639
	Within groups	217.033	290	.748		
	Total	218.929	294			

The ANOVA F-test tests the null hypothesis that there are no mean agreement score differences between the various types of establishments (i.e. the difference between all pairs of means is zero). The ANOVA revealed that there are no significant mean agreement score differences between the five establishment types regarding their agreement with the statements concerning social media.

In conclusion, the findings have revealed that the type of accommodation establishment operated by respondents did not have an effect on their social media marketing efforts or their perception of the use of social media as a promotional mix element.

Goodwin (2010:134) states that for any measure to be of value in research, it should be sufficiently reliable and valid. Hence, the following section provides a discussion of the reliability and validity of the research instrument.

5.5 VALIDITY AND RELIABILITY

Validity is a major criterion for the evaluation of research results and refers to the extent to which a scale measures what it is thought to measure (De Souza, Francis, O'Higgins-Norman & Scott, 2009:36). For results to be interpreted correctly and applied successfully, it is essential for the scale to be valid.

Van Aken, Berends and Van der Bij (2007:163) define *validity* by employing the epistemological notion of *justification*: a research result is valid when it is justified by the way it is generated. The way it is generated should provide a good reason to believe that the research results are true or adequate. In other words, validity refers to the degree to which the researcher has measured what he/she has set out to measure (Kumar, 2011:178).

Reliability, on the other hand, is defined by Boslaugh and McNutt (2008:911) as the degree to which an instrument or the measurements of an instrument will constantly generate the same results, measure, or score, if applied numerously under identical conditions. Reliability is therefore concerned with determining the internal consistency of the research findings based on the research instrument (Hair *et al.*, 2011:233; Kumar, 2011:181).

The most popular method for measuring internal reliability or the internal consistency of a research instrument or measurement is Cronbach's alpha reliability coefficient test (Schmidt & Brown, 2011:233; Scott & Mazhindu, 2005:36). Cronbach's alpha ranges between 0 and 1 and it can be seen as a measure of the extent to which all of the items of a scale measure the same latent variable (Mackey & Gass, 2012:84). A commonly accepted rule of thumb for describing internal consistency is indicated in table 5.21.

Table 5.21: General guideline for Cronbach's alpha value

Cronbach's alpha	Internal consistency (reliability)
$\alpha \geq .9$	Excellent
$.9 > \alpha \geq .8$	Good
$.8 > \alpha \geq .7$	Acceptable
$.7 > \alpha \geq .6$	Questionable
$.6 > \alpha \geq .5$	Poor
$.5 > \alpha$	Unacceptable

Source: Gliem and Gliem (2003:87)

The goal in designing a reliable instrument is for scores on similar items to be related (internally consistent), but for each to contribute some unique information as well. Very high reliabilities (≥ 0.95) are not necessarily desirable, as this indi-

cates that the items may be entirely redundant (Vogel, Maas & Gebauer, 2011: 344) or most likely too narrow in focus (Andrew, Pedersen & McEvoy, 2011:202). To determine the internal consistency (or reliability) of the research instrument, the items were first subjected to *exploratory factor analysis (EFA)* – a statistical technique that summarises the results from a large number of variables into smaller variables or factors (Hair *et al.*, 2011:386) in order to determine whether more than one latent variable can be uncovered. A latent variable (also called a latent factor in the context of factor analysis) is an underlying characteristic that cannot be observed or measured directly; it is hypothesised to exist so as to explain variables (Vogt, 2005:171).

The following section provides a discussion on the reliability of the research instrument and measurement.

5.5.1 Perception of the use of social media as a promotional mix element (question 18)

Firstly, the reliability or internal consistency of the 5-point Likert scale determining respondents' perception of the use of social media as a promotional mix element (question 18) was analysed. Initially, EFA was conducted on this Likert scale question. EFA can be applied to a set of items to establish which items in the set form meaningful subsets or factors that are statistically dependent on each other (Onwuegbuzie, Jiao & Bostick, 2004:8). The communalities (i.e. the proportion of the total variance that is shared by two or more factors (Vogt, 2005:52)) in the items in the 5-point Likert scale determining the perception of respondents regarding the use of social media as a promotional mix element (question 18) are shown in table 5.22.

Table 5.22: Communalities of the 9 items (principal component analysis): Perception of the use of social media as a promotional mix element (question 18)

	Initial	Extraction*
1. Social media is an important component of the overall marketing strategy.	.676	.695
2. Using social media is integral to an establishment's goal and strategies.	.710	.742
3. Our establishment has a significant learning curve to overcome before we can utilise social media.	.070	.027
4. Interest in utilising social media is growing rapidly within establishments.	.375	.394
5. It is difficult to see the value of social media for business purposes.	.337	.401
6. Social media is not very relevant for our business.	.585	.677
7. The use of social media for business purposes is a temporary trend.	.414	.451
8. Social media is a highly reliable and credible source.	.547	.636
9. I have a strong preference for social media websites.	.552	.743

* *Extraction method: Principal axis factoring (PAF)*

What can be seen in table 5.22 is that one of the items (Item 3: *Our establishment has a significant learning curve to overcome before we can utilise social media*) has a communality of .027 and was therefore excluded from further analysis as it contributed very little to the solution. Item 3 can be considered a separate factor from respondents' perception of the use of social media as a promotional mix element, as it does not correlate with any of the other items in the scale. Table 5.23 shows how the communalities between the items change if item 3 is removed.

Table 5.23: Communalities of the 8 items (principal component analysis): Perception of the use of social media as a promotional mix element (question 18)

	Initial	Extraction*
1. Social media is an important component of the overall marketing strategy.	.676	.711
2. Using social media is integral to an establishment's goal and strategies.	.707	.759
3. Interest in utilising social media is growing rapidly within establishments.	.360	.395
4. It is difficult to see the value of social media for business purposes.	.337	.285
5. Social media is not very relevant for our business.	.585	.617
6. The use of social media for business purposes is a temporary trend.	.411	.408
7. Social media is a highly reliable and credible source.	.547	.468
8. I have a strong preference for social media websites.	.540	.456

* *Extraction method: PAF*

Table 5.23 reveals that the remaining eight items in the 5-point Likert scale question, aimed at determining respondents' perception of the use of social media as a promotional mix element, can be considered and categorised as a common factor. Therefore, no further items were excluded from analysis. Additional reliability statistics can be seen in Appendix E (page 265).

The remaining eight items in the 5-point Likert scale were subjected to Cronbach's alpha reliability coefficient test. These eight items were grouped as factor 1 (F1) and categorised as: *Perception of the use of social media as a promotional mix element*. F1 demonstrated an acceptable internal consistency of 0.883, as illustrated by Cronbach's alpha coefficient¹ in table 5.24.

¹ *The generally agreed upon lower limit for Cronbach's Alpha is 0.70, although it may decrease to 0.60 in exploratory research" (Hair et al., 2006:137).*

Table 5.24: Reliability (internal consistency) statistic for F1: Perception of the use of social media as a promotional mix element

Subscale	Description	N of items	Cronbach's alpha
F1	Perception of the use of social media as a promotional mix element	8	0.883
Q0018_0003	Training, knowledge and incentives	1	N/A
Q0015	All dimensions	9	0.833

As shown in table 5.24, the reliability of the items in the Likert scale question was 0.833. This therefore indicates, according to Zikmund and Babin (2010:334), a good internal reliability of the measurement scale.

In the next section, the reliability of the 6-point Likert scale, aimed at determining the social media marketing efforts of respondents, was analysed.

5.5.2 Social media marketing efforts (question 19)

The reliability or internal consistency of the 6-point Likert scale question determining respondents' social media marketing efforts (question 19) was analysed. Initially, EFA was conducted on this Likert scale question. The communalities in the items in the 5-point Likert scale determining respondents' social media marketing efforts (question 19) are shown in table 5.25.

Table 5.25: Communalities of the 8 items (principal component analysis): Social media marketing efforts (question 19)

Our social media marketing efforts have...	Initial	Extraction*
1. improved our sales.	.706	.724
2. increased our exposure.	.705	.716
3. reduced our marketing expenses.	.333	.311
4. provided us with marketplace insight.	.600	.614
5. developed loyal customers.	.607	.630
6. increased traffic to our website.	.751	.774
7. grown our business partnership.	.697	.729
8. improved our search rankings (e.g. on Google).	.661	.654

* Extraction method: PAF

Table 5.25 reveals that all eight items in the 6-point Likert scale question aimed at determining respondents' social media marketing efforts can be considered and categorised as a common factor. Therefore, no items were excluded from further analysis. Additional statistics are discussed in Appendix E (page 265).

These eight items were moreover subjected to Cronbach's alpha reliability coefficient test. These eight items were grouped as factor 2 (F2) and categorised as *Social media marketing efforts*. F2 demonstrated an excellent internal consistency of .932, as illustrated by Cronbach's alpha coefficient² in table 5.26.

Table 5.26: Reliability (internal consistency) statistic for F2: Social media marketing efforts

Subscale	Description	N of items	Cronbach's alpha
F2	Social media marketing efforts	8	0.932

The 5-point Likert scale question, determining the perception of respondents regarding the use of social media as a promotional mix element in their establishment (question 20), was subjected to Cronbach's alpha reliability coefficient test. The results are discussed next.

5.5.3 Perception of social media as a promotional mix element (question 20)

In this section the reliability or internal consistency of the 5-point Likert scale question determining respondents' perception of social media as a promotional mix element in their establishments (question 20) was analysed. Firstly, EFA was conducted to identify common factors in the items. The communalities in the items in the 5-point Likert scale are shown in table 5.27.

² The generally agreed upon lower limit for Cronbach's Alpha is 0.70, although it may decrease to 0.60 in exploratory research" (Hair et al., 2006:137).

Table 5.27: Communalities of the 10 items (principal component analysis): Perception of social media as a promotional mix element (question 20)

	Initial	Extraction*
1. Social media is an effective way to market an establishment.	.726	.676
2. Social media can be integrated into the traditional marketing activities of establishments.	.591	.574
3. Social media is disadvantageous to an establishment.	.267	.213
4. Social media allows establishments to advertise through various means.	.608	.622
5. Social media allows the interaction with customers.	.638	.610
6. Establishment can consider social media an effective marketing tool.	.793	.819
7. Social media is a useful tool for networking with other industry personnel.	.595	.567
8. Social media informs customers of the establishment's offerings.	.755	.769
9. Social media acts as a platform to remind customers of the establishment.	.734	.734
10. Social media has the ability to persuade customers to purchase.	.556	.550

* Extraction method: PAF

Table 5.27 reveals that all ten items in the 5-point Likert scale question, aimed at determining respondents' perception of social media as a promotional mix element (question 20), can be considered and categorised as a common factor. As a result, no items were excluded from further analysis. Additional statistics are discussed in Appendix E (page 265).

Thereafter, the ten items in the 5-point Likert scale were subjected to Cronbach's alpha reliability coefficient test. The items were grouped and categorised as factor 3 (F3): *Perception of social media as a promotional mix element*. Table 5.28 indicates that F3 has an excellent internal consistency or Cronbach's alpha³ value of .934.

³ The generally agreed upon lower limit for Cronbach's Alpha is 0.70, although it may decrease to 0.60 in exploratory research" (Hair et al., 2006:137).

Table 5.28: Reliability (internal consistency) statistic for the extracted factor

Subscale	Description	N of items	Cronbach's alpha
F3	Perception of social media as a promotional mix element	10	0.934

In the next section, the 5-point Likert scale question in the research instrument was subjected to EFA and Cronbach's alpha reliability coefficient test. The analyses are discussed next.

5.5.4 Benefits of using social media as a promotional mix element (question 21)

The reliability or internal consistency of the 5-point Likert scale in question 21 of the research instrument was analysed. Initially, EFA was conducted on this Likert scale question to identify common factors in the scale. The communalities in the 14 items of this 5-point Likert scale (question 21) are shown in table 5.29.

Table 5.29: Communalities of the 14 items (PAF): Benefits of using social media as a promotional mix element (question 21)

In order to benefit from using social media as a promotional mix element in our establishment, social media should...	Initial	Extraction*
1. reduce our operating costs.	.407	.252
2. improve our customer services.	.579	.513
3. increase the awareness of our establishment's offerings.	.733	.630
4. increase traffic to our website.	.709	.609
5. provide a more favourable perception of our establishment's offerings.	.707	.661
6. increase our competitive advantage.	.691	.678
7. provide us with better access to information.	.673	.611
8. provide us with a better understanding of customers' perceptions.	.727	.683
9. provide information for strategic decision-making.	.721	.619
10. improve communication with customers.	.764	.691
11. act as an early warning system for potential problems.	.625	.537
12. allow us to identify new trends/opportunities in the market.	.689	.656
13. expand our existing markets.	.786	.760
14. help us in building relationships with our customers.	.769	.652

* Extraction method: PAF

Table 5.29 shows that all 14 items in the 5-point Likert scale question, which asked respondents to indicate the perceived benefits of using social media as a promotional mix element in their establishment (question 21), can be grouped into a common factor. Therefore no items were excluded from further analysis. Additional analyses can be found in Appendix E (page 265).

Subsequently, the 14 items in the 5-point Likert scale were subjected to Cronbach's alpha reliability coefficient test. The items were grouped and categorised as factor 4 (F4): *Benefits of using social media as a promotional mix element*. F4 has an excellent internal consistency or Cronbach's alpha⁴ value of .953, as shown in table 5.30 below.

Table 5.30: Reliability (internal consistency) statistic for the extracted factor: Benefits of using social media as a promotional mix element (question 21)

Subscale	Description	N of items	Cronbach's alpha
F4	Benefits of using social media as a promotional mix element	14	0.953

It can be concluded that all four Likert scale questions in the research instrument were both valid and reliable, with all scales having a Cronbach's alpha value of more than 0.7.

The cluster analysis conducted for the purpose of this study is reported on in the next section.

5.6 CLUSTER ANALYSIS

Byrne and Uprichard (2012:552) state that *cluster analysis* is a major technique used for categorising a 'mountain' of data and information into meaningful and manageable piles. Marsili (2007:182) defines cluster analysis as the multivariate, exploratory technique designed to reveal natural groupings that may exist in the data itself. Jupp (2006:29) further describes cluster analysis as a group of statistical algorithms used to classify objects on the basis of their similarity with regard

⁴ The generally agreed upon lower limit for Cronbach's Alpha is 0.70, although it may decrease to 0.60 in exploratory research" (Hair et al., 2006:137).

to a set of attributes. In other words, cluster analysis is an exploratory data analysis instrument utilised for systematising observed data (e.g. individuals, things, procedures, brands or organisations) into meaningful taxonomies, groups, or clusters (Byrne & Uprichard, 2012:553).

Choosing the set of variables that will be used to characterise the observations to be clustered should be informed by the objectives of the cluster analysis. This set of variables effectively constricts the possible results. Typically, a number of solutions corresponding to a varying number of clusters are generated and selection of the final cluster solution requires substantial researcher judgement.

The three general types of clustering methods available for conducting cluster analysis are:

- *Hierarchical clustering* where cases are joined together in a cluster and once joined, they remain in the same cluster throughout subsequent clustering (Gan, Ma & Vu, 2007:109).
- *Non-hierarchical clustering* where cases are joined together but can switch clusters in subsequent steps (Classle, n.d.).
- *Two-step clustering* where both non-hierarchical and hierarchical clustering methods are used to first find an optimal number of clusters and then to do the actual clustering (McClellan, Millard, El-Darzi & Nugent, 2009:47).

For the purpose of this study, non-hierarchical clustering was used where cases were joined together and regrouped until the final cluster was analysed. When the researcher has some preconceived concept of how many clusters could reasonably be uncovered in the data, a non-hierarchical clustering method such as the K-means clustering method can be used with great success. Firstly, the cluster variables are discussed.

5.6.1 Cluster variables

In an effort to classify the respondents into different usage groups, a K-means cluster analysis was performed using the six variables listed below which represent various aspects of the respondents' involvement with social media.

- The variables used to separate respondents into different clusters were:
- Familiarity with the term 'social media' (question 5);
- Use of social media for business purposes (question 9);
- Use of social media for marketing purposes (question 9);
- Perceived effectiveness of the use of social media (question 17);
- Social media marketing efforts (question 19); and
- Benefits of using social media as a promotional mix element (question 21).

The descriptive results of the six cluster variables are summarised in table 5.31.

Table 5.31: Descriptives of cluster variables

Variables	Overall mean	N	Std deviation
• Familiarity with the term 'social media' (question 5)	3.82	357	1.131
• Use of social media for business purposes (question 9)	3.18	267	1.305
• Use of social media for marketing purposes (question 9)	3.32	240	1.306
• Perceived effectiveness of the use of social media (question 17)	3.67	311	.711
• Social media marketing efforts (question 19)	3.48	281	.804
• Benefits of using social media as a promotional mix element (question 21)	3.92	295	.594

The four-cluster solution was chosen for the purpose of this study.

5.6.2 Four-cluster solution

The four-cluster solution was used for this study, as it is better at producing recognisable groups with significant differences. The two-cluster and three-cluster solutions are analysed and discussed in Appendix F (page 280).

Respondents were grouped into four clusters based on their involvement with social media, which were based on the six variables as listed in table 5.31 above. The four-cluster solution is summarised in table 5.32 and presented in figure 5.13.

Table 5.32: Four-cluster solution variables

Variables	Clusters				Overall mean
	1	2	3	4	
Familiarity with the term 'social media' (question 5)	4.66	3.42	4.59	3.23	3.82
Use of social media for business purposes (question 9)	2.62	1.42	4.40	3.63	1.23
Use of social media for marketing purposes (question 9)	3.50	1.53	4.51	2.51	3.18
Perceived effectiveness of the use of social media (question 17)	3.47	3.59	4.28	3.96	3.32
Social media marketing efforts (question 19)	3.18	3.22	4.18	3.55	3.67
Benefits of using social media as a promotional mix element (question 21)	3.76	3.89	4.33	4.02	3.48

The four-cluster means, based on the six variables, are illustrated in figure 5.13 below.

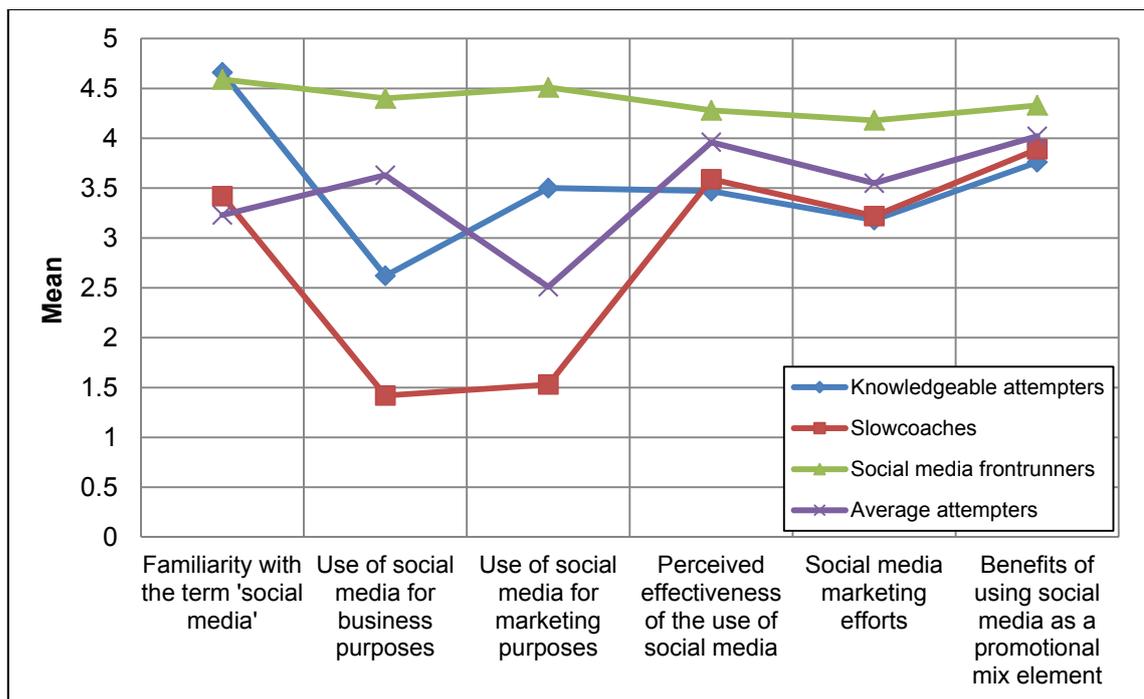


Figure 5.13: Four-cluster means scores

From figure 5.13, four distinguished clusters or groups of respondents emerged regarding their perception and use of social media in their star-graded accommodation establishments. The following four clusters or groups of respondents were identified:

- **Cluster 1: Knowledgeable attempters**

The respondents who were categorised in cluster 1 were grouped as *knowledgeable attempters*, as these respondents were extremely knowledgeable when it came to social media, but were still attempting to improve their efforts.

These respondents were very familiar with the term 'social media' (M=4.66), considered their use as reasonably effective (M=3.47) and perceived social media to be a beneficial promotional mix element (M=3.76). However, this cluster of respondents tended to use social media somewhat for marketing purposes (M=3.50), but much less for business purposes (M=2.62). On average, the frequency with which all variables were used was either lower than those of the overall group or lower than those of the respondents in the third cluster (social media frontrunners).

- **Cluster 2: Slowcoaches**

The respondents who were categorised in cluster 2 were grouped and labelled as *slowcoaches*, as these respondents were not very active in their social media endeavours and were not up to date with the latest trends in the online marketing of star-graded accommodation establishments.

The respondents in cluster 2 were reasonably familiar with the term 'social media' (M=3.42), considered their use of social media to be effective (M=3.59) and perceived the use of social media as a promotional mix element as beneficial (M=3.89). Although cluster 2 respondents perceived the use of social media as a promotional mix element to be beneficial, they tended not to use social media much for business (M=1.42) and marketing purposes (M=1.53). On average, the frequency with which all variables were used was either lower than the overall group average or lower than the average of the respondents in cluster 1 (knowledgeable attempters) and cluster 4 (old school attempters).

- **Cluster 3: Social media frontrunners**

The respondents who were categorised in cluster 3 were grouped as *social media frontrunners*, as they were the most knowledgeable and active users

of social media and were the group who most perceived social media to be a viable promotional mix element.

Cluster 3 respondents demonstrated, on average, a tendency to score high on all aspects of involvement with social media. The average usage frequency for all variables was higher than that of the respondents in all other clusters as well as the mean frequency (overall mean) for the group as a whole.

- **Cluster 4: Average attempters**

The respondents who were categorised in cluster 4 were grouped as *average attempters* for the reason that these respondents were impartial towards the use of social media as a promotional mix element.

Cluster 4 respondents were not so familiar with the term ‘social media’ (M=3.23), but perceived their use of social media to be very effective (M=3.96) and also perceived social media as a promotional mix element to be beneficial to star-graded accommodation establishments (M=4.02). These respondents tended to use social media for business purposes (M=3.63) but demonstrated limited use of it for marketing purposes (M=2.51). On average, the frequency with which all variables were used was either lower than that of the overall group or lower than that of the respondents in the third cluster (social media frontrunners).

As can be seen from table 5.33, the majority of the respondents (75 or 38.3%) can be considered to be social media frontrunners.

Table 5.33: Four-cluster solution

	Frequency count (n)	Percentage (%)
Knowledgeable attempters (Cluster 1)	50	25.5%
Slowcoaches (Cluster 2)	36	18.3%
Social media frontrunners (Cluster 3)	75	38.3%
Average attempters (Cluster 4)	35	17.9%
Total	196	100.0%

These findings would suggest that social media is a well-known concept among star-graded accommodation establishments, is perceived to be an effective promotional mix element and is used for both business and marketing purposes. The findings also suggest that respondents perceived their social media marketing efforts to be beneficial and that social media could be considered a viable promotional mix element.

5.7 SUMMARY

This chapter presented the findings and the interpretation of the results obtained from the research study, and the data that was collected from the research instrument was presented on a per question basis. Descriptive and inferential statistics were used to describe the findings and the results were presented by referring to the actual question numbers in the questionnaire (Appendix A, page 234). The descriptive statistics provided a profile of the respondents who completed the research survey. The data obtained was analysed by means of frequency counts and mean scores.

The research instrument was analysed by means of SPSS version 22 and a demographic profile of the sample was presented, followed by inferential statistics in order to achieve the objectives of this study. Respondents who participated in the study comprised mostly guest accommodations that had five or fewer employees. The majority (70%) were familiar with the term 'social media' and used social media often for marketing purposes (51.3%) as well as business purposes (45.7%). The most prominent reasons for using social media were for promoting the brand or product (67.5%), tracking customer reviews (62.7%) and engaging in marketing activities (55.2%). Alternatively, the most prominent reason for not using social media was that respondents did not know enough about social media to use it effectively (48.75%). As expected, the most used social media application was Facebook (69.61%) and TripAdvisor (65.35%), with the most important social media application being TripAdvisor (37.4%). In general, the majority of respondents agreed that social media could indeed be considered a viable and beneficial element of the promotional mix.

Subsequently validity and reliability were tested to determine the internal consistency of the Likert scales used in the research instrument. The reliability and validity analyses and calculations revealed that the research instrument was both viable and reliable. The chapter concluded with a discussion of the cluster analysis and groups of respondents that can be categorised from the analysis.

Chapter 6 will provide a conclusion and offer recommendations based on the research findings, along with a discussion of the outcomes of the different research objectives as formulated in chapters 1 and 4.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The main purpose of this research study, as explained in chapter 1, was to determine the perceptions of star-graded accommodation establishments, operating in the Western Cape of South Africa, regarding the use of social media as a promotional mix element. The research findings were discussed in chapter 5 and specific results from the research instrument were presented. In this chapter, the research objectives are revisited and conclusions and recommendations are made based on the data collected. The contributions the study makes to the accommodation sector in the Western Cape will then be discussed, followed by the limitations of the study. The chapter concludes with suggestions for future research related to this topic.

6.2 CONCLUSIONS OF THE STUDY

To determine whether the objectives of this study were achieved, the research objectives, as stated in chapter 1, will be revisited below and conclusions will be made with regard to each objective, based on the results of the analysis.

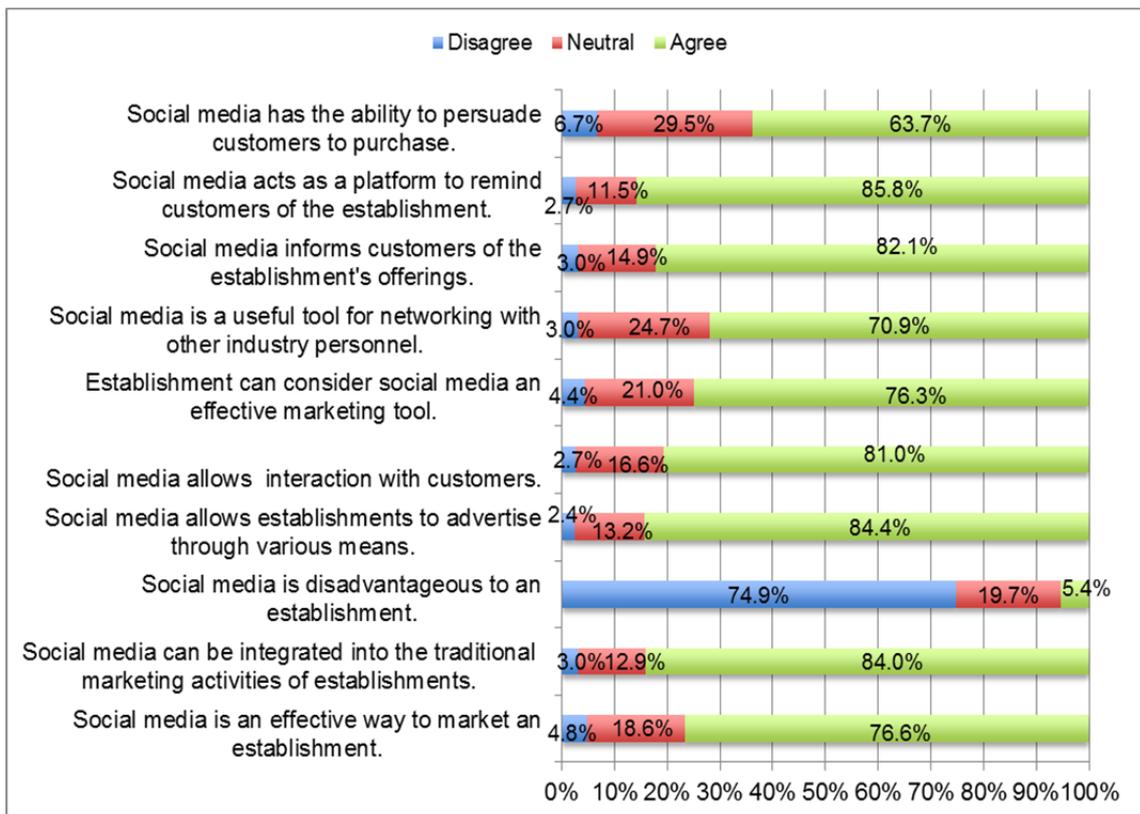
6.2.1 Primary research objective

The primary objective of the study was *to determine the perception of star-graded accommodation establishments, operating in the Western Cape province of South Africa, regarding the use of social media as a promotional mix element.*

The findings suggest that respondents generally had a positive perception of the use of social media as a promotional mix element. The majority of respondents (174 or 55.9%) agreed that the interest in the use of social media in establishments has grown rapidly within the hospitality industry. A further 145 respondents (46.6%) agreed that social media is a vital component of the overall marketing strategy of accommodation establishments and that using social media is integral to the goals and strategies of an establishment (144 or 46.3%). Many

respondents (225 or 72.3%) also indicated that their establishment considered social media to be an effective promotional mix element.

Respondents' overall perception of social media as a promotional mix element (question 20) was generally very positive. As can be seen from figure 6.1 below and section 5.3.13 (page 150), the majority of respondents agreed with each statement in the Likert scale question. The results indicate that social media is perceived to be an effective marketing tool (76.6%) allowing establishments to use various means (84.4%), can be integrated into the traditional marketing activities of an establishment (84%), acts as a persuasive (63.7%) and reinforcement device (85.8%) and can be considered an effective marketing or promotional mix element (76.3%).



[Note: data for 'strongly agree' and 'agree' was combined and that for 'strongly disagree' and 'disagree' was combined.]

Figure 6.1: Perception of social media as a promotional mix element (n=295)

Considering the analysis of the findings, it can be concluded that star-graded accommodation establishments, operating in the Western Cape, have a positive perception of the use of social media as a promotional mix element.

To support the primary research objective of this study, the secondary research objectives were analysed and conclusions as well as recommendations were made. The findings of the secondary research objectives are discussed in the following section.

6.2.2 Secondary research objectives

For the primary research objective to be confirmed, six secondary research objectives were formulated. Each secondary research objective is stated below, followed by a conclusion supported by the data analyses provided in chapter 5 (page 129).

6.2.2.1 Secondary objective 1

The initial secondary research objective as outlined in chapter 1 was *to investigate the current use of social media among star-graded accommodation establishments operating in the Western Cape province of South Africa*. As illustrated in figure 6.2, it is clear that the majority of respondents were currently using social media for both business (122 or 45.7%) and marketing (123 or 51.3%) purposes at the time of the study. These respondents started utilising social media approximately one to two years prior to the study, but did not have a permanent employee who was solely responsible for the social media activities of the establishment.

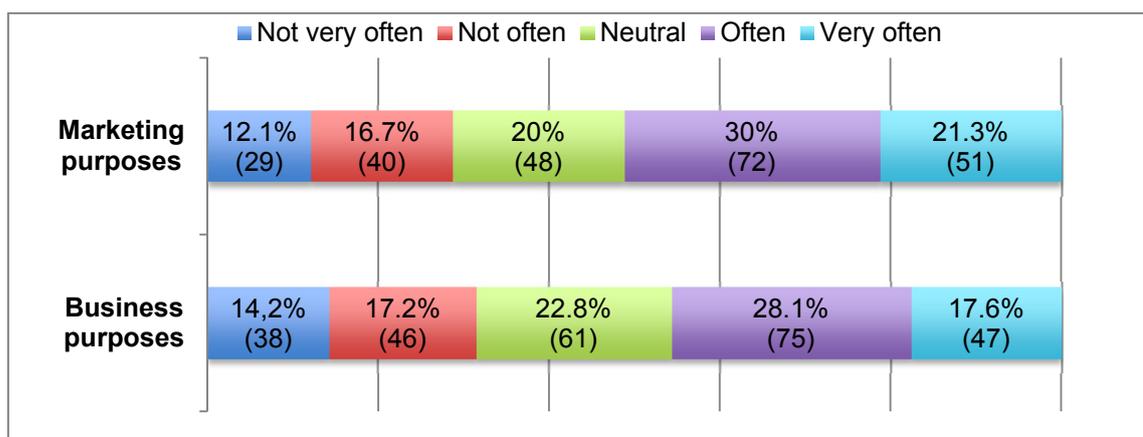


Figure 6.2: Current use of social media for both business and marketing purposes

The findings, as can be seen in figure 6.3, also suggest that respondents primarily utilised social media to:

- promote the brand, product and/or service (67.5%);
- track customer reviews (62.7%); and
- engage in marketing activities (55.2%).

Accommodation establishments in the Western Cape that were surveyed, however, generally used social media less to monitor customer trends (65.3%), research new product ideas (65.2%), or to determine customer loyalty via social media applications (64.2%). Alternatively, respondents (72.3%) considered social media as an effective promotional mix element. These findings suggest that social media is perceived to be a viable promotional mix element, which substantiates the findings of the primary research objective of this study.

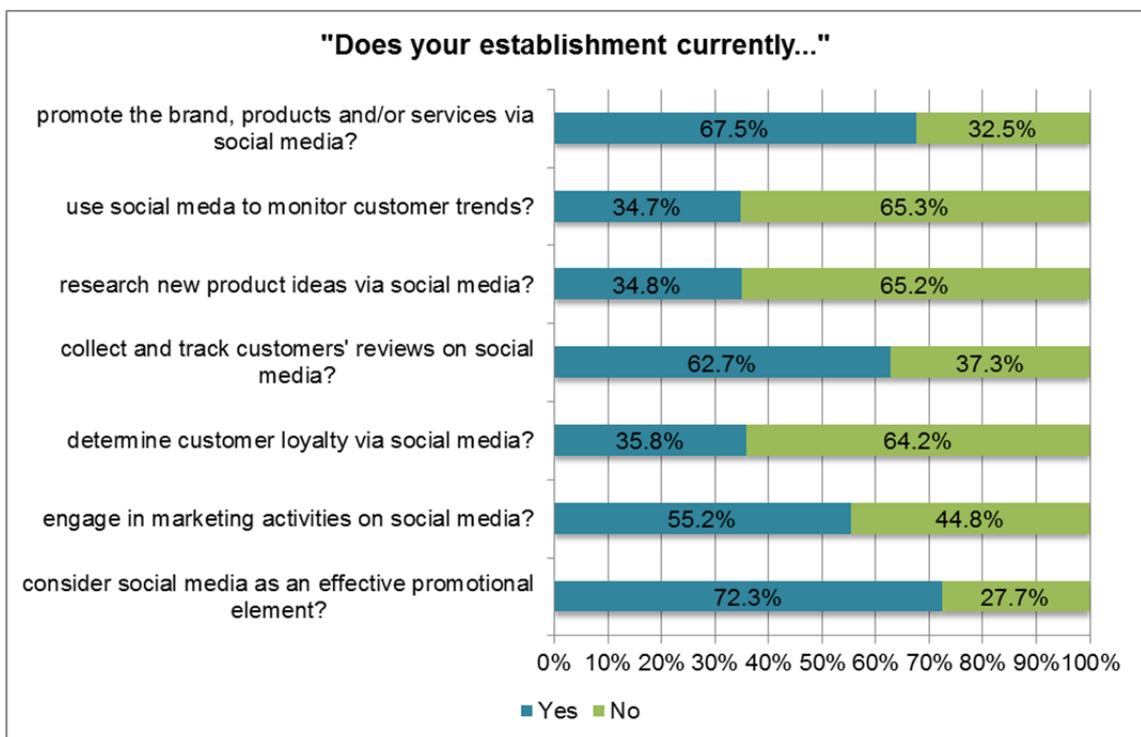


Figure 6.3: Current use of social media in accommodation establishments

These findings could be explained by the increased awareness of and benefits received from utilising social media for promotional or marketing purposes. Odhiambo (2012:16) points out that social media has acquired a great deal of recognition over the past few years and consequently, former traditional forms of media have experienced a decline in both business and attractiveness. The exponential growth of social media, from Facebook and Twitter, to LinkedIn and YouTube, offers businesses worldwide the opportunity to connect and interact

with millions of customers on a daily basis (Harvard Business Review, 2010:1). According to Odhiambo (2012:16), businesses are increasingly shifting their advertising focus and priorities to associate better with the new technologically savvy and social media enthusiasts of the modern society.

6.2.2.2 Secondary objective 2

Secondary research objective 2 was *to determine which social media applications the star-graded accommodation establishments, located in the Western Cape province of South Africa, utilise the most*. The research study found that social media is the third most important promotional mix element that star-graded accommodation establishments use to market their establishment. The most prominently used element was e-mails (234 or 71.1%), followed by travel intermediaries, such as travel agencies (196 or 59.6%). The study found that the majority of respondents mostly used social media applications such as Facebook (229 or 69.6%) and TripAdvisor (215 or 65.4%). The most prevalent social media application chosen by respondents was TripAdvisor (123 or 37.4%). These findings are in line with the usage rate of Facebook by South African consumers. In 2012, 5.33 million South Africans were using Facebook on the Internet (11.8 million in 2014); however, 6.8 million South Africans access Facebook on their cell phones and tablets (World Wide Worx, 2012:1; World Wide Worx, 2014b:3).

The high number of respondents using TripAdvisor can be attributed to TripAdvisor being considered the world's largest travel site, which allows millions of travellers to plan their journeys globally (Nguyen, 2012:1). It is imperative for the hospitality industry to utilise and integrate TripAdvisor into their social media and marketing efforts, because the site helps to capture the target audience of accommodation establishments (Nguyen, 2012:1). This could be the reason why TripAdvisor was considered to be the most important social media application that respondents (123 or 37.4%) had used in their accommodation establishment.

6.2.2.3 Secondary objective 3

The next secondary research objective, as outlined in chapter 1, was *to establish the main reason(s) why star-graded accommodation establishments, operating in the Western Cape province of South Africa, utilise social media*.

As presented in table 6.1, the majority of respondents indicated that the main reasons for utilising social media in their establishment were that social media:

- improved their sales (144 or 46.9%);
- increased their exposure to potential customers (207 or 67.4%); and
- increased traffic to their own homepage (172 or 56%).

Table 6.1: Respondents' social media marketing efforts

Our social media marketing efforts have...	Disagree	Neutral	Agree	Not applicable
improved our sales.	45 14.6%	90 29.3%	144 46.9%	28 9.1%
increased our exposure.	26 8.5%	48 15.6%	207 67.4%	26 8.5%
reduced our marketing expenses.	75 24.5%	104 33.9%	102 33.2%	26 8.5%
provided us with marketplace insight.	36 11.7%	103 33.6%	141 45.9%	27 8.8%
developed loyal customers.	49 16%	108 35.2%	123 40%	27 8.8%
increased traffic to our website.	31 10.1%	79 25.7%	172 56%	25 8.1%
grown our business partnership.	51 16.7%	121 39.4%	106 34.5%	29 9.4%
improved our search rankings (e.g. on Google).	34 11.1%	103 33.6%	142 46.3%	28 9.1%

[Note: data for 'strongly agree' and 'agree' was combined and that for 'strongly disagree' and 'disagree' was combined.]

As previously mentioned, social media has become increasingly popular in promoting or advertising businesses and attracting and retaining customers. A large portion of the respondents (75 or 24.5%) felt that their social media marketing efforts did not reduce their marketing expenses. However, social media is a valuable tool which, when used properly, can significantly reduce a business's operational and marketing expenses (Apptivo, 2011:1).

Furthermore, 49 respondents (16%) indicated (table 6.1) that they did not use social media to develop loyal customers. A customer's loyalty to a business, brand, product or service is based on their experiences, perceptions and feelings about the product or service (Keller, 2001:15). Therefore, by utilising social media effectively, and by being more interactive, excellent opportunities are avail-

able to build long-term relationships with customers (KPMG, 2011:2). Social media is an excellent tool that can be used to connect and interact with customers on a daily basis. Accommodation establishments should therefore ensure that they are active and novel users of various social media applications. Social media specialists or online marketers might need to be consulted to ensure the effective use of social media for the establishment to benefit from using it.

6.2.2.4 Secondary objective 4

The subsequent secondary research objective aimed *to establish the reason(s) why star-graded accommodation establishments, located in the Western Cape province of South Africa, do not make use of social media*. The research findings, as shown in section 5.3.5 (page 138), were that 80 respondents (22.7%) did not make use of social media, such as Facebook, YouTube, TripAdvisor and Pinterest, as a promotional mix (or marketing mix) element in their establishment. Of these 80 respondents, 37 (or 46.3%) did not intend to use social media as a promotional or marketing mix element in the near future. It was found that the main reasons for this were that they did not have sufficient knowledge of how to utilise social media effectively (39 or 48.75%), they were concerned about the uncontrollable nature of social media (22 or 27.5%), they were unfamiliar with social media (19 or 23.75%) and they did not have the necessary resources to utilise social media effectively (15 or 18.75%). These findings are in line with the disadvantages of utilising social media as a promotional mix element as discussed in the literature review (see section 2.10.2, page 44–45).

In essence, understanding the fundamentals of social media will ensure the success of social media marketing efforts in the long run.

6.2.2.5 Secondary objective 5

This secondary objective was *to determine the benefits of using social media as a promotional mix element in star-graded accommodation establishments, located in the Western Cape province of South Africa*. The research study found (as summarised in table 6.2) that the four most important perceived benefits respondents ought to receive from using social media as a promotional mix element were:

- increasing the awareness of the establishment's offering (85.6%);
- expanding existing markets (82.9%);
- helping to build relationships with customers (82.1%); and
- increasing traffic flow to the website of the establishment (80.1%).

It is significant to note from table 6.2 that 50.7% of the respondents felt that social media did not reduce their operating costs. Acra (2012:32) argues that when social media is implemented correctly it could significantly reduce the marketing expense of a business. Accommodation establishments should therefore ensure that they familiarise themselves with the functions of social media in order to flourish.

Table 6.2: Benefits that star-graded accommodation establishments ought to receive from using social media

Benefits	% agree	Benefits	% agree
Reduce operating costs	49.3%	Improve communication with customers	78.0%
Improve customer service	71.6%	Provide information for strategic decision-making	67.5%
Increase the awareness of the establishment's offering	85.6%	Provide a better understanding of customers' perceptions	78.3%
Increase traffic to their website	80.1%	Act as an early warning system for potential problems	67.4%
Provide a more favourable perception of their establishment's offerings	77.4%	Allow identification of new trends or opportunities in the market	79.0%
Increase competitive advantage	77.3%	Expand existing markets	82.9%
Provide better access to information	78.3%	Help build relationships with customers	82.1%

[Note: data for 'strongly agree' and 'agree' was combined.]

Currently, social media marketing is widely used by businesses as social media is seen as a lucrative marketing solution (Acra, 2012:30). Acra (2012:32) lists the benefits of using social media for marketing purposes as increasing exposure to the brand, product, service or organisation; increasing traffic to a business's homepage; providing marketplace insight; generating leads and developing loyal fans. Stelzner (2010:15) recognises the benefits of using social media as generating exposure to a business; increasing traffic to one's site;

creating new business partnerships and raising the search ranking of the business. Additional benefits identified by Acra (2012:32) are that social media marketing improves search ranking, grows business partnerships and reduces the marketing expenses of a business. These findings are also in line with the benefits identified in the literature (refer to section 2.10.1, page 43–44), in that social media as a promotional mix element ought to increase the awareness of the establishment’s offerings, expand existing markets and build on-going relationships with customers.

6.2.2.6 Secondary objective 6

The final secondary research objective for the research study was *to establish a profile of the respondents operating a star-graded accommodation establishment in the Western Cape province of South Africa*. A summary of the profile of respondents who participated in the survey is given in table 6.3.

Table 6.3: Summary of the profile of respondents

Type of accommodation establishment			
Formal service accommodation	10,8%	Camping, caravanning & backpackers	3.1%
Guest accommodation	51.8%	Other	6.6%
Self-catering	27.7%		
Stars graded according to TGCSA			
1-star	1.4%	4-star	44.0%
2-star	5.3%	5-star	8.3%
3-star	40.2%	None	0.8%
Position held in establishment			
Manager	26.5%	Owner	61.3%
Marketing manager	3.9%	Front desk/receptionist	1.8%
Sales representative	1.1%	Other	5.4%
Permanent employees employed at establishment			
Less than 5	61.6%	101–150	0.7%
5–10	24.7%	151–200	1.1%
11–50	10.0%	More than 200	0%
51–100	1.8%		
Travellers primarily targeted			
Leisure	37.3%	Local markets	9.0%
Business	3.6%	International markets	9.0%
Both leisure and business	59.1%	Both local and international	82.1%

The research findings show that respondents mainly encompassed guest accommodation establishments (51.8%), which consists of B&B establishments, guest houses and country houses. The majority of respondents operated a 3-star (40.2%) or 4-star (44%) establishment, with less than 5 employees (61.6%). Respondents who answered the research survey were mostly the owner (61.3%) or the manager (26.5%) of the establishment. These establishments aimed to target leisure and business travellers (59.1%) as well as local and international travellers (82.1%).

Furthermore, cluster analyses were conducted to determine the types of respondents or establishments that used social media and how they utilised it. The four-cluster analysis, used for the purpose of this study, as shown in figure 6.4, illustrates four groups of respondents, namely (1) the knowledgeable attempters; (2) slowcoaches; (3) social media frontrunners; and (4) average attempters.

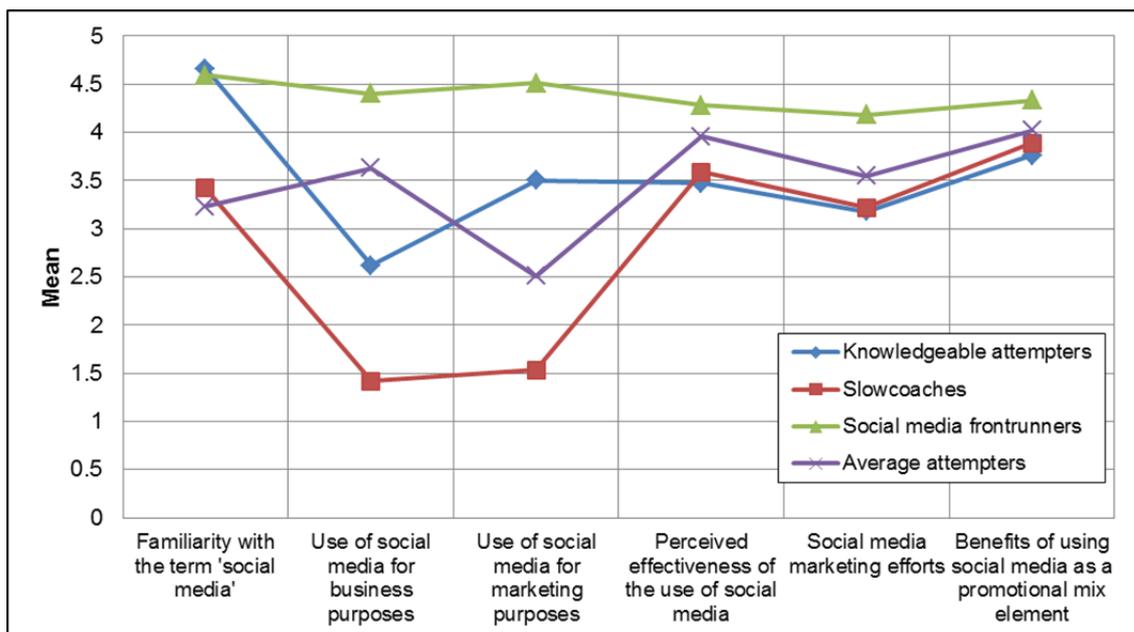


Figure 6.4: Types of respondent groups

- Cluster 1: Knowledgeable attempters.* These respondents were very familiar with social media, considered it reasonably important and were well aware of the potential benefits of using it. However, they tended to use social media reasonably for marketing purposes, but much less for business purposes, although they had realised some benefits through their efforts to use social media.

- *Cluster 2: Slowcoaches.* These respondents were reasonably familiar with social media, considered it important and were aware of the potential benefits of using it. However, they tended not to use it much for business and marketing purposes.
- *Cluster 3: Social media frontrunners.* These respondents demonstrated, on average, a tendency to score high on all aspects of involvement with social media.
- *Cluster 4: Old school attempters.* These respondents were not so familiar with social media but perceived it as very important and were also well aware of the possible benefits of using it. They tended to use it for business purposes and had realised some benefits as a result of their efforts but demonstrated limited use for marketing purposes.

Recommendations based on the results obtained from this research study are provided in the following section.

6.3 RECOMMENDATIONS

From the findings presented in chapter 5 and the conclusions presented above, several recommendations can be made for star-graded accommodation establishments regarding their use of social media as a viable promotional mix element.

- One of the key recommendations emanating from the research is that star-graded accommodation establishments should consider using social media applications, such as Twitter, YouTube, LinkedIn, FourSquare and Pinterest, as these applications can be utilised to promote an establishment's offerings and to stay in contact with its existing and prospective customers (SLIM, 2012). Twitter, for example, can assist in keeping customers informed of the latest tariffs, availability, special occasions and promotions. FourSquare allows establishments to publicise their location to customers, locally and internationally, in an innovative, comfortable and easily accessible manner. Establishments should also use YouTube as this is an excellent social media application to showcase the establishments' rooms, gardens, restaurants and amenities (SLIM, 2012).

- It is further recommended that star-graded accommodation establishments consider implementing social media for the purpose of predicting and monitoring customer trends. Ostrowski (2013:1) is of the opinion that social media has frequently been leveraged for the purpose of anticipating trends. Stoutenburgh (2014) further states that social media can be used as an early warning system that assists in enlightening businesses as to what direction they should be venturing into to be successful. Also, by utilising social media for the purpose of monitoring customer trends, businesses have the ability to create proactive communication strategies to provide consumers with solutions across a wide range of issues (Stoutenburgh, 2014). Utilising social media for the purpose of tracking customer trends can therefore be beneficial to a business in understanding customer needs and wants and continuing to be a leading competitor in the market.
- It is recommended that star-graded accommodation establishments consider the following ways of reducing costs by implementing social media accurately (Apptivo, 2011:1; Cyclone, 2013:1; Mischuk, 2014:1):
 - Using Facebook or Twitter for networking purposes could reduce recruiting costs of finding new and proficient staff members.
 - Provide customer service opportunities on social media applications such as Facebook and Twitter instead of a call centre.
 - Gather information from social media applications to forecast future problems and staying ahead of competition in the hospitality industry.
 - Conduct unrestricted and economical market research on social media applications to lower the marketing costs as well as product or service design costs.
 - When customers can learn more about what other customers think or feel about a business, product or service, they are much more likely to purchase. Hence, using social media could increase sales and profitability.
 - Utilise blogging, as it is an excellent application that provides a huge amount of free advertising.
 - Facebook allows establishments to create their own page to attract and retain customers and keep them interactive and loyal.

- Instead of using print advertisements, accommodation establishments can run advertisement campaigns online by using banners on websites that best attract their target audience.
- Based on the research findings, the following are recommended for star-graded accommodation establishments that do not use social media as a promotional mix element or would like to increase their success in social media:
 - Consider permanent staff members who are responsible for regularly updating the establishment's social media strategies and follow customer trends and competitors' strengths.
 - Consult a social media or online marketing expert regarding the best ways to utilise social media in an accommodation establishment, which are aligned with the mission and aim of the specific establishment at hand.
 - Consider signing staff members up for social media or social media marketing training programmes or workshops that will be beneficial to the success of the establishment.
 - Contemplate signing up for online or correspondence courses relating to social media and using social media for promotional purposes, such as the Social Media short course offered by the University of Cape Town.
 - Design a social media marketing strategy – determine the main aim of the social media marketing endeavours.
 - Conduct brainstorming sessions to discuss and improve the social media marketing strategies created.
 - Conduct market research to establish which social media applications and websites the target audience of the specific accommodation establishment uses the most.
 - Social media activities can be conducted off the premises or outsourced in the case of an establishment that does not have the necessary resources to access social media applications on a regular basis.
- It is highly recommended that the emphasis be placed on respondents from cluster 4 (old school attempters) (refer to section 5.6, page 180–186 and

section 6.2.2.6, page 196–197), as these respondents were not very familiar with the term ‘social media’, but they were well aware of the benefits. This group of respondents should consider consulting an expert in the field of social media marketing or they should attend workshops or online training to gain the essential understanding of utilising social media as a promotional mix element.

- It can also be recommended as a preliminary step that accommodation establishments firstly acquire the skills and undergo the training necessary to utilise social media in their establishments before starting a business in this field or attempting to utilise social media without the required knowledge.
- Finally, it is recommended that future research delve deeper into the perception and usages of social media as a viable promotional mix element (model); identification of such a model could prove beneficial to the field.

In the next section, the study’s contribution to the star-graded accommodation establishments in the Western Cape is highlighted.

6.4 CONTRIBUTION OF THE STUDY TO THE SOUTH AFRICAN ACCOMMODATION SECTOR

Based on the literature review provided in chapter 1, it is evident that little research has been conducted in South Africa on the perception of star-graded accommodation establishments regarding the use of social media as a promotional mix element. This study has therefore aimed to explore an area that has received limited attention in the literature and it therefore benefits the accommodation sector of South Africa.

The research study contributes to the star-graded accommodation establishments of South Africa by firstly providing a holistic picture of the use of social media in the hospitality industry of the Western Cape, highlighting the importance of using social media as a promotional mix element. The study has revealed that respondents perceived the use of social media as important and beneficial in the accommodation industry, and they ultimately viewed social media as a viable promotional mix element. The findings of this study, relating

to the accommodation industry, confirm the literature in that social media can be considered a hybrid element of the promotional mix (Mangold & Faulds, 2009: 264). The study also contributes to the hospitality industry by providing recommendations on how they can improve their use and implement social media effectively in their establishment. Star-graded accommodation establishments may find this information useful as a basis for improving their use of social media as a promotional mix element.

The research study has encountered some limitations, which are addressed in the subsequent section.

6.5 LIMITATIONS OF THE STUDY

Due to the researcher employing simple random sampling, a complete list of all star-graded accommodation establishments in the population was required. The list was downloaded from the TGCSA website, which might have been outdated, included incorrect information or lacked the necessary contact information. This limitation was beyond the control of the researcher and could not have been foreseen or prevented if it did in fact occur. Furthermore, the sample was taken from a list of accommodation establishments that were star-graded according to the TGCSA and the establishments were only located in the Western Cape province. The findings cannot be generalised to the entire accommodation industry and are not geographically representative. However, to obtain an overall perspective of the use of social media by accommodation establishments within South Africa, future research might wish to consider broadening the sample frame to include all accommodation establishments and provinces within South Africa.

To conclude the study, future research suggestions are provided.

6.6 FUTURE RESEARCH SUGGESTIONS

From the research findings, conclusions, recommendations and limitations discussed above, various suggestions for future research opportunities can be offered:

- Due to the current study having requested participation only from star-graded accommodation establishments, the sample population in future research could be expanded to include all accommodation establishments.
- Because the current study requested participation only from accommodation establishments located in the Western Cape province of South Africa, the sample population in future research could be expanded to include other provinces as well.
- Future research could be conducted on other African countries and a comparative analysis could be made. A comparative study could assess the use of social media as a promotional mix element on a broader scale.
- Future research could benefit from the addition of more open-ended questions to the research survey, or qualitative research could be conducted to gain a deeper understanding of establishments' use of social media.
- The use of specific social media applications available to establishments could be researched. Conversely, selecting a specific social media application or website may increase the consistency of findings.
- An attempt could be made to create a model to determine what factors the hospitality industry can consider to be successful in their social media marketing efforts, which may yield different results.
- Further research can be conducted to determine the perception and/or usage of social media for the purpose of conducting market research.
- A model or training programme could be developed that could assist the hospitality industry in successfully implementing training and development initiatives to improve their own knowledge and the knowledge of their employees regarding the effective use of social media.
- A longitudinal research study could be conducted to determine whether the use of social media as a promotional mix element is beneficial and/or cost effective in the long term.

6.7 SUMMARY

This chapter concludes the research study, which determined the perception of star-graded accommodation establishments, located in the Western Cape, regarding the use of social media as a promotional mix element. In this con-

cluding chapter, the research conclusions were discussed in conjunction with the stated research objectives to show how all the objectives have been achieved. Recommendations were made that the South African star-graded accommodation industry should keep in mind, and the contribution of the research study to the accommodation industry was highlighted. The limitations of the study were also identified, followed by future research suggestions.

From the research findings, it can be concluded that star-graded accommodation establishments, operating in the Western Cape, generally perceive social media to be a viable and beneficial element of the promotional mix. However, a degree of ambiguity towards and a lack of using social media does exist. It is suggested that star-graded accommodation establishments increase their knowledge and understanding of the fundamentals of utilising social media so that they can implement it effectively and beneficially.

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APPENDIX A
– RESEARCH INSTRUMENT –

Combined Letter of Introduction and Informed Consent

Department of Marketing and Retail Management

Title of the study:

**A SURVEY DETERMINING THE PERCEPTION OF STAR-GRADED
ACCOMMODATION ESTABLISHMENTS TOWARDS THE USE OF
SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT**

Research conducted by:

Ms. C van Niekerk

(50853244)

Tel: 071 871 2215

E-mail:

vniekc@unisa.ac.za

Dear Respondent,

You are invited to participate in an academic research study conducted by Ms C. van Niekerk, for the purpose of writing a Masters dissertation. The purpose of this survey is to determine the perception star-graded accommodation establishments, operating in the Western Cape province of South Africa, have towards the use of social media as a promotional mix element.

Please note the following:

- This study involves an anonymous survey. Your name will not appear on the questionnaire and the answers you give will be treated as strictly confidential. You cannot be identified in person based on the answers you give. [Kindly note that consent cannot be withdrawn once the questionnaire is submitted as there is no way to trace the particular questionnaire that has been filled in.]
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences. Please answer the questions in the attached questionnaire as completely and honestly as possible. This should not take more than 15 minutes of your time.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- This research project received ethical clearance from the Research Ethics Review Committee of the College of Economic and Management Sciences at Unisa. Please contact the researcher if you have any questions or comments regarding the study.

Please sign the form to indicate that:

- You have read and understood the information provided above.
- You give your consent to participate in the study on a voluntary basis.

Respondent's signature

Date

Respondent number

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A SURVEY DETERMINING THE PERCEPTION OF STAR-GRADED ACCOMMODATION ESTABLISHMENTS TOWARDS THE USE OF SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT

Dear respondent,

Thank you for your time and willingness to complete the following survey. The purpose of this survey is to determine the perception star-graded accommodation establishments, located and operating in the Western Cape province of South Africa, have towards the use of social media as a promotional mix element. This survey should not take more than **15 minutes** to complete. The answers you provide will be used merely for academic research purposes. Furthermore this is an anonymous and confidential survey; therefore you will not be able to be identified.

Social media can be defined as an *Internet-based application, allowing user-generated content being created by individuals and the general public* (Daugherty, Eastin & Bright, 2008:16; Haataja, 2010:8). *Social media entails the conversation between people – sharing of thoughts, experiences, content and information for making a better and more informed choice* (Jerving, 2009:5; Madia & Borgese, 2010:232; Palmer & Koenig-Lewis, 2009:165).

Please answer all the questions by placing a cross (X) in the appropriate block. There are no correct or incorrect answers. We are merely aiming to determine the perception regarding the use of social media as a promotional mix element among star-graded accommodation establishments.

There are 25 questions in this survey.

Q1. In order to participate in this survey, respondents need to be 18 years or older. Please indicate whether you are 18 years or older. (*Please cross (X) one option only*).

18 years or older	1	→ Please continue with the survey.
Younger than 18 years	2	→ Unfortunately, you do not qualify to participate in this survey.

Q2. Is your accommodation establishment located in the Western Cape province of South Africa? (*Please cross (X) one option only*).

Yes	1	→ Please continue with the survey.
No	2	→ Unfortunately, you do not qualify to participate in this survey.

Please turn the page.

Q3. What type of accommodation establishment are you operating? *(Please cross (X) one option only).*

Backpackers	1
Bed-and-Breakfast	2
Caravanning and camping	3
Country house	4
Guest house	5
Hotel	6
Lodge	7
Self-catering	8
Other	9

If "other" was selected, please specify: _____

Q4. Based on the Tourism Grading Council of South Africa (TGCSA), how many stars are your establishment graded? *(Please cross (X) one option only).*

1-star	1
2-star	2
3-star	3
4-star	4
5-star	5
None	6

→ Unfortunately, you do not qualify to participate in this survey.

Q5. How familiar are you with the term 'social media'? *(Please cross (X) one option only).*

	not at all familiar	fairly familiar	somewhat familiar	familiar	very familiar
I am ... with the term 'social media'	1	2	3	4	5

Q6. Do you use social media (such as Facebook, Twitter, YouTube, TripAdvisor, Pinterest etc.) as a promotional element (i.e. marketing tool) in your establishment? *(Please cross (X) one option only).*

Yes	1	→ Please go to question 9
No	2	→ Please go to question 7

Please turn the page.

Q7. Have you considered implementing social media as a promotional element in your establishment in the near future? *(Please cross (X) one option only).*

No	1
Yes, within the next 3 months	2
Yes, within the next 6 months	3
Yes, within the next year	4
Yes, within the next 2 years	5
Yes, only after 2 years	6

Q8. Please indicate the reason(s) for **not** using social media in your establishment? *(Please select all the relevant answers by marking it with a cross (X)).*

8.1	There is no need for social media in our establishment.	1
8.2	There is no perceived benefit for using social media.	2
8.3	The risk of harming the establishment's reputation is too high.	3
8.4	We do not have the resources to utilise social media.	4
8.5	It is too expensive to use social media.	5
8.6	We do not know enough about social media to use it effectively.	6
8.7	We have concerns about the uncontrollable nature of social media.	7
8.8	We have concern about negative comments/reviews that can be made towards the establishment.	8
8.9	Our establishment's policy does not allow the use of social media.	9
8.10	Social media is a platform for bad publicity.	10
8.11	Unfamiliar with social media.	11
8.12	No reason.	12

Q9. On average how often does your establishment use social media for ... *(Please cross (X) one option only).*

	Not very often	Not often	Neutral	Often	Very often
business purposes (i.e. market research, reservations etc.)	1	2	3	4	5
marketing purposes (i.e. specials, competitions etc.)	1	2	3	4	5

Please turn the page.

Q10. When did your establishment start using social media for promotional/marketing purposes? *(Please cross (X) one option only).*

Less than a month ago	1
1-6 months ago	2
7-12 months ago	3
1-2 years ago	4
3-4 years ago	5
More than 4 years ago	6

Q11. Are there any permanent employees in your establishment who are responsible for social media? *(Please cross (X) one option only).*

Yes: Full time	1
Yes: Part time	2
No	3
Consultants do it	4
PR/Advertising agency do it	5

METHODS OF MARKETING THE ESTABLISHMENT

Q12. Please answer the following question by ticking with a cross (X) either yes or no.

Does your establishment currently...

	Yes	No
12.1 promote the brand, products and/or services via social media?	1	2
12.2 use social media to monitor customer trends?	1	2
12.3 research new product ideas via social media?	1	2
12.4 collect and track customer's reviews on social media?	1	2
12.5 determine customer loyalty via social media?	1	2
12.6 engage in marketing activities on social media?	1	2
12.7 consider social media as an effective promotional element?	1	2

Q13. If you make use of social media for other purposes, please explain.

Please turn the page.

Q14. Please indicate which of the following method(s) have been used in the **PAST YEAR** to market your establishment (*Please select all the relevant answers by marking it with a cross (X)*).

Direct mail	1
E-mail	2
Event marketing (i.e. speaking & networking)	3
Mobile marketing	4
Online advertisements (i.e. Google Adwords)	5
Press releases	6
Print display advertisements	7
Radio advertisements	8
Search engine optimisation (i.e. rating on Google)	9
Social media	10
Sponsorships	11
Travel intermediaries (i.e. Travel agencies)	12
Television advertisements	13
Webinars (i.e. Web conferencing)	14
None of the above	15
Other	16

If "other" was selected, please specify: _____

Q15. Please indicate which of the following social media applications/websites have been used in the **PAST YEAR** to market your establishment. (*Please select all the relevant answers by marking it with a cross (X)*).

Blogging	1
Daily deals (i.e. Groupon)	2
Facebook	3
Forums	4
Geo-location (i.e. Foursquare)	5
Google+	6
LinkedIn	7
Photo sharing sites (i.e. Instagram)	8
Pinterest	9
Podcasting	10
Social bookmarking (i.e. Stumble Upon)	11
Trip Advisor	12
Twitter	13
YouTube	14
Wikis (i.e. Wikipedia)	15
None of the above	16
Other	17

If "other" was selected, please specify: _____

Please turn the page.

Q16. Please indicate which **ONE** of the following is the most important social media application for the purpose of marketing your establishment. (*Please cross (X) one option only*).

Blogging	1
Daily deals (i.e. Groupon)	2
Facebook	3
Forums	4
Geo-location (i.e. Foursquare)	5
Google+	6
LinkedIn	7
Photo sharing sites (i.e. Instagram)	8
Pinterest	9
Podcasting	10
Social bookmarking (i.e. Stumble Upon)	11
Trip Advisor	12
Twitter	13
YouTube	14
Wikis (i.e. Wikipedia)	15
None of the above	16
Other	17

If "other" was selected, please specify: _____

Q17. Please indicate on a scale of 1 to 5 how effectively you feel your establishment is currently making use of social media.

	extremely ineffective	ineffective	getting there	effective	extremely effective
Currently our establishment's use of social media is ...	1	2	3	4	5

Please turn the page.

Q18. Please indicate the extent to which you agree or disagree with each of the following statements in terms of your perception. *(Please indicate with a cross (X) whether you strongly disagree (1) or strongly agree (5) with each of the following statements).*

	Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
18.1	Social media is an important component of our overall marketing strategy.	1	2	3	4	5
18.2	Using social media is integral to our establishment's goal and strategies.	1	2	3	4	5
18.3	Our establishment has a significant learning curve to overcome before we can utilise social media.	1	2	3	4	5
18.4	Interest in utilising social media is growing rapidly within establishments.	1	2	3	4	5
18.5	It is difficult to see the value of social media for business purposes.	1	2	3	4	5
18.6	Social media is not very relevant for our business.	1	2	3	4	5
18.7	The use of social media for business purposes is a temporary trend.	1	2	3	4	5
18.8	Social media is a highly reliable and credible source.	1	2	3	4	5
18.9	I have a strong preference for social media websites.	1	2	3	4	5

Please turn the page.

Q19. Please indicate your agreement to the following statements. *(Please indicate with a cross (X) whether you strongly disagree (1) or strongly agree (5) with each of the following statements. Select option 6 if the statement does not apply to you).*

Our social media marketing efforts have...

	Statements	Strongly disagree	Dis-agree	Un-certain	Agree	Strongly agree	N/A
19.1	improved our sales.	1	2	3	4	5	6
19.2	increased our exposure.	1	2	3	4	5	6
19.3	reduced our marketing expenses.	1	2	3	4	5	6
19.4	provided us with market-place insight.	1	2	3	4	5	6
19.5	developed loyal customers.	1	2	3	4	5	6
19.6	increased traffic to our website.	1	2	3	4	5	6
19.7	grown our business partnership.	1	2	3	4	5	6
19.8	improved our search rankings (e.g. on Google).	1	2	3	4	5	6

Q20. Please indicate the degree to which you agree or disagree with the following statements regarding your perception towards social media. *(Please indicate with a cross (X) whether you strongly disagree (1) or strongly agree (5) with each of the following statements).*

	Statements	Strongly disagree	Dis-agree	Neutral	Agree	Strongly agree
20.1	Social media is an effective way to market an establishment.	1	2	3	4	5
20.2	Social media can be integrated into the traditional marketing activities of establishments.	1	2	3	4	5
20.3	Social media is disadvantageous to an establishment.	1	2	3	4	5
20.4	Social media allows establishments to advertise through various mediums.	1	2	3	4	5
20.5	Social media allows the interaction with customers.	1	2	3	4	5
20.6	Establishments can consider social media an effective marketing tool.	1	2	3	4	5
20.7	Social media is a useful tool for networking with other industry personnel.	1	2	3	4	5

Please turn the page

	Statements	Strongly disagree	Dis-agree	Neutral	Agree	Strongly agree
20.8	Social media informs customers of the establishment's offerings.	1	2	3	4	5
20.9	Social media acts as a platform to remind customers of the establishment.	1	2	3	4	5
20.10	Social media has the ability to persuade customers to purchase.	1	2	3	4	5

Q21. Indicate the extent to which you agree or disagree with the following statements regarding the perceived benefits of using social media as a promotional mix element. (Please indicate with a cross (X) whether you strongly disagree (1) or strongly agree (5) with each of the following statements).

In order to benefit from using social media as a promotional mix element in our establishment, social media should...

	Statements	Strongly disagree	Dis-agree	Neutral	Agree	Strongly agree
21.1	reduce our operating costs.	1	2	3	4	5
21.2	improve our customer services.	1	2	3	4	5
21.3	increase the awareness of our establishment's offerings.	1	2	3	4	5
21.4	increase traffic to our website.	1	2	3	4	5
21.5	provide a more favourable perception of our establishment's offerings.	1	2	3	4	5
21.6	increase our competitive advantage.	1	2	3	4	5
21.7	provide managers with better access to information.	1	2	3	4	5
21.8	provide us with a better understanding of customer's perceptions.	1	2	3	4	5
21.9	provide information for strategic decision-making.	1	2	3	4	5
21.10	improve communication with customers.	1	2	3	4	5
21.11	act as an early warning system for potential problems.	1	2	3	4	5
21.12	allow us to identify new trends/opportunities in the market.	1	2	3	4	5
21.13	expand our existing markets.	1	2	3	4	5
21.14	help us in building relationships with our customers.	1	2	3	4	5

Please turn the page

PROFILE OF THE ESTABLISHMENT

Q22. What position do you hold in the accommodation establishment? *(Please cross (X) one option only).*

Manager	1
Owner	2
Marketing manager	3
Front desk/receptionist	4
Sales representative	5
Other	6

If "other" was selected, please specify: _____

Q23. How many permanent employees are employed in you establishment? *(Please cross (X) one option only).*

Less than 5	1
5-10	2
11-50	3
51-100	4
101-150	5
151-200	6
More than 200	7

Q24. Which travellers do you primarily try to reach with your marketing efforts? *(Please cross (X) one option only).*

Leisure travellers	1
Business travellers	2
Both leisure and business travellers	3

Q25. Do you primarily aim to reach local or international markets? *(Please cross (X) one option only).*

Local travellers	1
International travellers	2
Both local and international	3

Please turn the page

Thank you for your time and consideration.

**Should you have any queries relating to the survey
please contact the researcher:**

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APPENDIX B
– ADDITIONAL RESEARCH FINDINGS –

1. VARIOUS TYPES OF ACCOMMODATION ESTABLISHMENTS

(Refer to section 5.4.4, page 168).

The type of accommodation establishment operated (question 3) by respondents was correlated with their perceived effectiveness of the use of social media (question 17). The findings are briefly explained next.

1.1 Various types of accommodation establishments (question 3) vs. perceived effectiveness of the use of social media (question 17)

The degree of the perceived effectiveness of the use of social media by the various types of accommodation establishments was also correlated. This correlation is shown in the table B.1 below.

B.1: Various types of establishments (question 3) vs. perceived effectiveness of the use of social media (question 17) (n=311)

	What type of accommodation establishment are you operating?					
	Hotel and lodge	Guest accommodation	Self-catering	Camping & caravanning and backpackers	Others	Total
Ineffective	6 18.2%	52 31.7%	43 49.4%	5 50.0%	5 29.4%	111 35.7%
Getting there	14 42.4%	80 48.8%	32 36.8%	2 20.0%	8 47.1%	136 43.7%
Effective	13 39.4%	32 19.5%	12 13.8%	3 30.0%	4 23.5%	64 20.6%
Total	33 100.0%	164 100.0%	87 100.0%	10 100.0%	17 100.0%	311 100.0%

It is evident that the type of establishment does not seem to have a substantial influence on whether their current use of social media is effective or not. The chi-square test of independence could not be used because the assumption that more than 20% of cells should have an expected cell count of more than 5 was violated.

1.2 Various types of accommodation establishments (question 3) vs. perception of the use of social media as a promotional mix element (question 18)

The perception of the use of social media as a promotional mix element (question 18) in general was determined by comparing the variable to the types of accom-

modation establishments (question 3). Additional statistical results regarding the ANOVA test are further explained below.

1.2.1 Analysis of variance (ANOVA)

Treating the level of agreement with statements about social media variables as continuous, a one-way ANOVA test was used to compare the mean agreement scores of the five different establishment type groups for differences. The results of the ANOVA test are presented in table B.2.

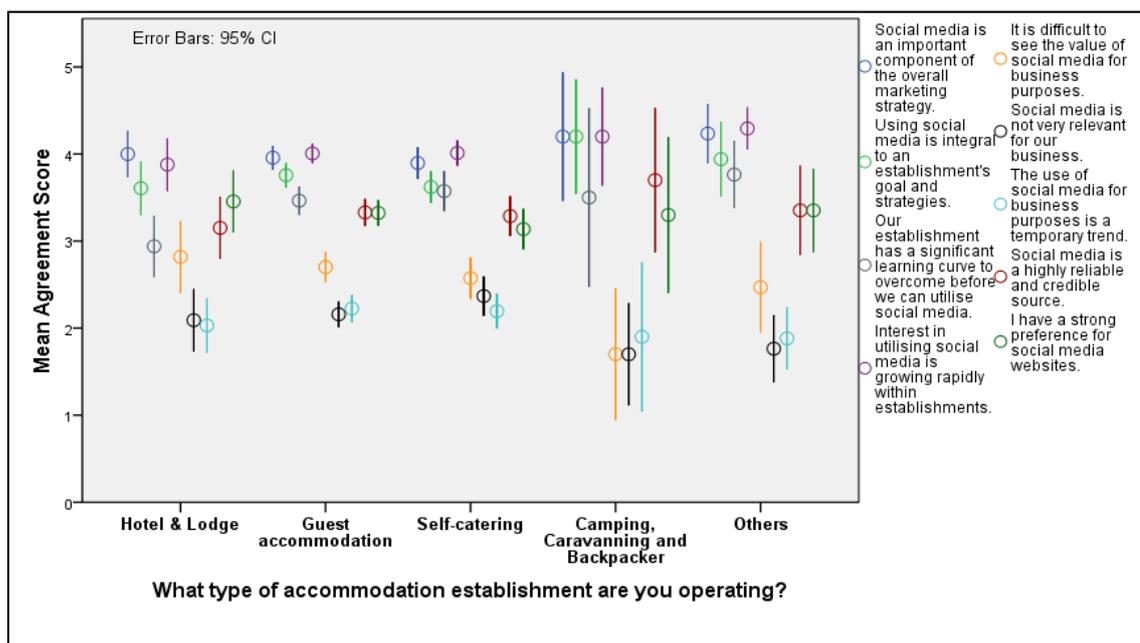
B.2: ANOVA: Various types of establishments (question 3) vs. perception of the use of social media as a promotional mix element (question 18).

		Sum of squares	df	Mean square	F	Sig.
Social media is an important component of the overall marketing strategy.	Between groups	2.249	4	.562	.770	.545
	Within groups	223.429	306	.730		
	Total	225.678	310			
Using social media is integral to an establishment's goal and strategies.	Between groups	4.622	4	1.155	1.454	.216
	Within groups	243.147	306	.795		
	Total	247.768	310			
Our establishment has a significant learning curve to overcome before we can utilise social media.	Between groups	11.682	4	2.920	2.602	.036
	Within groups	343.482	306	1.122		
	Total	355.164	310			
Interest in utilising social media is growing rapidly within establishments.	Between groups	2.293	4	.573	1.092	.361
	Within groups	160.627	306	.525		
	Total	162.920	310			
It is difficult to see the value of social media for business purposes.	Between groups	11.344	4	2.836	2.243	.064
	Within groups	386.869	306	1.264		
	Total	398.212	310			
Social media is not very relevant for our business.	Between groups	8.630	4	2.157	2.230	.066
	Within groups	295.994	306	.967		
	Total	304.624	310			
The use of social media for business purposes is a temporary trend.	Between groups	3.340	4	.835	.887	.472
	Within groups	287.965	306	.941		
	Total	291.305	310			
Social media is a highly reliable and credible source.	Between groups	2.486	4	.621	.576	.680
	Within groups	330.260	306	1.079		
	Total	332.746	310			
I have a strong preference for social media websites.	Between groups	3.150	4	.787	.766	.548
	Within groups	314.381	306	1.027		
	Total	317.531	310			

The ANOVA F-test investigates the null hypothesis that there are no mean agreement score differences between the different establishment type groups – that the difference between all pairs of means is zero. The ANOVA revealed

that, except for the statement that their establishments had to undergo a significant learning curve to use social media (which is only marginally significant), there are no significant mean agreement score differences between the five establishment type groups regarding the rest of the different statements about social media.

The lack of mean differences indicates that for every statement the 95% confidence intervals overlap.



B.3: Mean agreement score: Current use of social media vs. the type of accommodation establishment

1.3 Various types of accommodation establishments (question 3) vs. benefits of using social media as a promotional mix element (question 21)

Additionally, the perceived benefits of using social media as a promotional mix element (question 21) were measured based on the type of accommodation establishment operated by respondents (question 3). These findings are briefly explained next.

1.3.1 Analysis of variance (ANOVA)

Treating the level of agreement with statements about benefits of using social media variables as continuous, a one-way ANOVA test was used to compare

the mean agreement scores of the five different establishment type groups for differences. The results of the ANOVA test are presented in B.4 below.

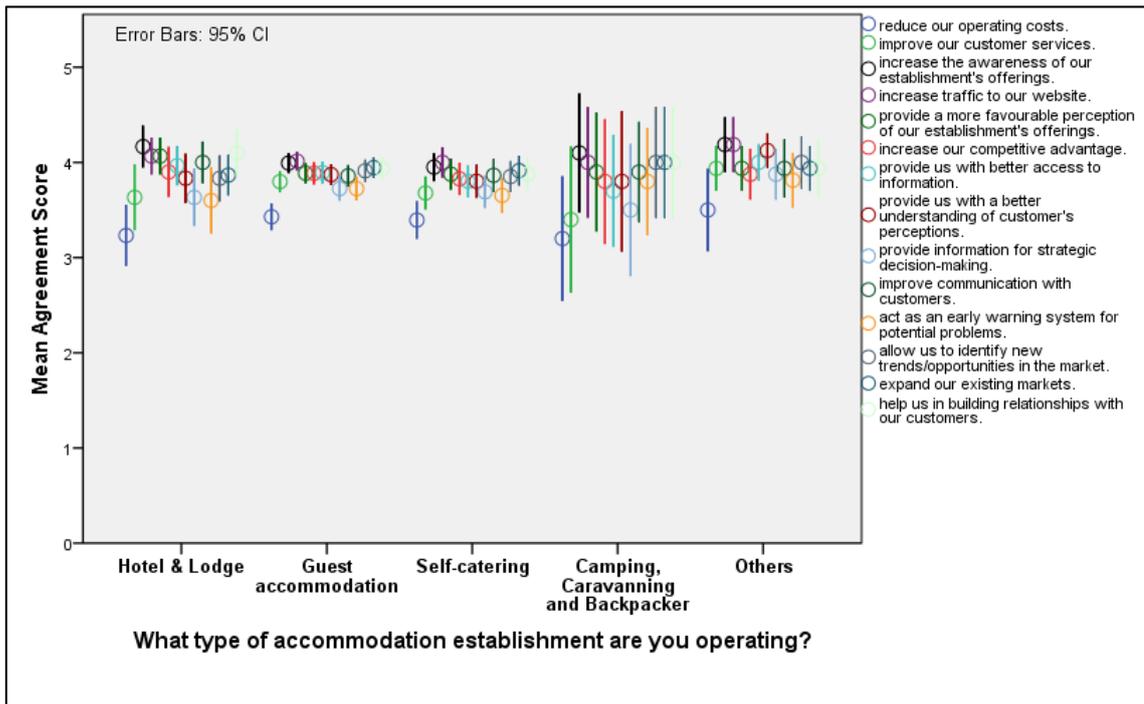
B.4: ANOVA: Various types of establishments vs. the perceived benefits of using social media

Our social media marketing efforts have...		Sum of squares	df	Mean square	F	Sig.
reduce our operating costs.	Between groups	1.518	4	.380	.492	.742
	Within groups	216.835	281	.772		
	Total	218.353	285			
improve our customer services.	Between groups	2.935	4	.734	1.289	.274
	Within groups	159.918	281	.569		
	Total	162.853	285			
increase the awareness of our establishment's offerings.	Between groups	1.644	4	.411	.960	.430
	Within groups	120.300	281	.428		
	Total	121.944	285			
increase traffic to our website.	Between groups	.551	4	.138	.333	.856
	Within groups	116.277	281	.414		
	Total	116.829	285			
provide a more favourable perception of our establishment's offerings.	Between groups	.921	4	.230	.507	.730
	Within groups	127.530	281	.454		
	Total	128.451	285			
increase our competitive advantage.	Between groups	.260	4	.065	.120	.975
	Within groups	152.691	281	.543		
	Total	152.951	285			
provide us with better access to information.	Between groups	1.280	4	.320	.633	.640
	Within groups	142.188	281	.506		
	Total	143.469	285			
provide us with a better understanding of customers' perceptions.	Between groups	1.472	4	.368	.714	.583
	Within groups	144.933	281	.516		
	Total	146.406	285			
provide information for strategic decision-making.	Between groups	1.110	4	.277	.453	.770
	Within groups	172.219	281	.613		
	Total	173.329	285			
improve communication with customers.	Between groups	.574	4	.144	.281	.890
	Within groups	143.384	281	.510		
	Total	143.958	285			
act as an early warning system for potential problems.	Between groups	.863	4	.216	.342	.849
	Within groups	177.277	281	.631		
	Total	178.140	285			
allow us to identify new trends /opportunities in the market.	Between groups	.598	4	.150	.291	.883
	Within groups	144.255	281	.513		
	Total	144.853	285			
expand our existing markets.	Between groups	.232	4	.058	.129	.972
	Within groups	126.370	281	.450		
	Total	126.601	285			
help us in building relationships with our customers.	Between groups	1.135	4	.284	.547	.701
	Within groups	145.732	281	.519		
	Total	146.867	285			

The ANOVA F-test tests the null hypothesis that there are no mean agreement score differences between the different establishment type groups; in other

words, that the difference between all pairs of means is zero. The ANOVA revealed that there are no significant mean agreement score differences between the five establishment type groups regarding their agreement with the different statements about the benefits of social media.

The lack of mean differences means that for every statement the 95% confidence intervals overlap.



B.5: Mean differences: Various types of establishments vs. the perceived benefits of using social media

2. PERCEIVED EFFECTIVENESS OF THE USE OF SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT

Additional statistical analysis was also conducted regarding respondents perceived effectiveness of the use of social media as a promotional mix element (question 17) based on their perceived social media marketing efforts (question 19). The results are shown in B.6 (also refer to section 5.4.3, page 162).

B.6: Chi-square tests: Perceived effectiveness of the use of social media as a promotional mix element (question 17) vs. perceived social media marketing efforts (question 19)

Our social media marketing efforts have...		Effectiveness of current social media usage
improved our sales.	Chi-square	37.864
	df	4
	Sig.	.000*
increased our exposure.	Chi-square	55.417
	df	4
	Sig.	.000*
reduced our marketing expenses.	Chi-square	20.561
	df	4
	Sig.	.000*
provided us with marketplace insight.	Chi-square	39.153
	df	4
	Sig.	.000*
developed loyal customers.	Chi-square	46.657
	df	4
	Sig.	.000*
increased traffic to our website.	Chi-square	47.675
	df	4
	Sig.	.000*
grown our business partnership.	Chi-square	56.114
	df	4
	Sig.	.000*
improved our search rankings (e.g. on Google).	Chi-square	56.069
	df	4
	Sig.	.000*

Results are based on non-empty rows and columns in each innermost subtable.

** The chi-square statistic is significant at the .05 level.*

The chi-square test of independence revealed, at the .1% level of significance, that there is a significant relationship between perceived effectiveness of the use of social media (question 17) and respondents' perceived social media marketing efforts (question 19) (see the B.6 for the results).

2.1 Correlations

Treating the level of agreement with statements about the advantages of using social media that may have been realised as a result of “currently using social media” variables, as well as the “effectiveness of current usage” variable as continuous, they were subjected to both the parametric Pearson’s correlation test and the non-parametric Spearman’s rank correlation with the following results:

B.7: Correlations: Perceived effectiveness of the use of social media as a promotional mix element (question 17) vs. perceived social media marketing efforts (question 19)

Our social media marketing efforts have...	Effectiveness of current social media usage	
	Pearson correlation (N)	Spearman’s rho (N)
improved our sales.	.394** (279)	.411** (279)
increased our exposure.	.500** (281)	.554** (281)
reduced our marketing expenses.	.257** (281)	.273** (281)
provided us with marketplace insight.	.366** (280)	.402** (280)
developed loyal customers.	.364** (280)	.391** (280)
increased traffic to our website.	.436** (282)	.467** (282)
grown our business partnership.	.386** (278)	.415** (278)
improved our search rankings (e.g. on Google).	.404** (279)	.442** (279)

** Correlation is significant at the 0.01 level (2-tailed).

With the exception of the advantage of using social media in order to reduce marketing expenses, all correlations between the effectiveness of current usage and the agreement levels of the different statements of realised advantages are positive and medium in range. This means that as the effectiveness of current usage increases, so does the agreement level with having realised the specific advantage as a result of current usage of social media.

B.8: Scheffé post hoc test: Perceived effectiveness of the use of social media as a promotional mix element (question 17) vs. perceived social media marketing efforts (question 19)

Dependent variable	(I) Effectiveness of current usage	(J) Effectiveness of current usage	Mean difference (I-J)	Std. error	Sig.	95% conf. interval	
						Lower bound	Upper bound
improved our sales.	Ineffective	Getting there	-.493 [*]	.129	.001	-.81	-.18
		Effective	-1.153 [*]	.156	.000	-1.54	-.77
	Getting there	Ineffective	.493 [*]	.129	.001	.18	.81
		Effective	-.660 [*]	.145	.000	-1.02	-.30
	Effective	Ineffective	1.153 [*]	.156	.000	.77	1.54
		Getting there	.660 [*]	.145	.000	.30	1.02
increased our exposure.	Ineffective	Getting there	-.707 [*]	.112	.000	-.98	-.43
		Effective	-1.301 [*]	.135	.000	-1.63	-.97
	Getting there	Ineffective	.707 [*]	.112	.000	.43	.98
		Effective	-.595 [*]	.126	.000	-.90	-.28
	Effective	Ineffective	1.301 [*]	.135	.000	.97	1.63
		Getting there	.595 [*]	.126	.000	.28	.90
reduced our marketing expenses.	Ineffective	Getting there	-.387 [*]	.137	.020	-.72	-.05
		Effective	-.783 [*]	.165	.000	-1.19	-.38
	Getting there	Ineffective	.387 [*]	.137	.020	.05	.72
		Effective	-.396 [*]	.154	.038	-.78	-.02
	Effective	Ineffective	.783 [*]	.165	.000	.38	1.19
		Getting there	.396 [*]	.154	.038	.02	.78
provided us with market-place insight.	Ineffective	Getting there	-.429 [*]	.124	.003	-.73	-.12
		Effective	-1.029 [*]	.149	.000	-1.39	-.66
	Getting there	Ineffective	.429 [*]	.124	.003	.12	.73
		Effective	-.601 [*]	.139	.000	-.94	-.26
	Effective	Ineffective	1.029 [*]	.149	.000	.66	1.39
		Getting there	.601 [*]	.139	.000	.26	.94
developed loyal customers.	Ineffective	Getting there	-.269 [*]	.120	.083	-.56	.03
		Effective	-1.083 [*]	.146	.000	-1.44	-.72
	Getting there	Ineffective	.269 [*]	.120	.083	-.03	.56
		Effective	-.814 [*]	.137	.000	-1.15	-.48
	Effective	Ineffective	1.083 [*]	.146	.000	.72	1.44
		Getting there	.814 [*]	.137	.000	.48	1.15
increased traffic to our website.	Ineffective	Getting there	-.602 [*]	.117	.000	-.89	-.31
		Effective	-1.162 [*]	.141	.000	-1.51	-.82
	Getting there	Ineffective	.602 [*]	.117	.000	.31	.89
		Effective	-.560 [*]	.132	.000	-.88	-.24
	Effective	Ineffective	1.162 [*]	.141	.000	.82	1.51
		Getting there	.560 [*]	.132	.000	.24	.88
grown our business partnership.	Ineffective	Getting there	-.409 [*]	.123	.005	-.71	-.11
		Effective	-1.129 [*]	.148	.000	-1.49	-.76
	Getting there	Ineffective	.409 [*]	.123	.005	.11	.71
		Effective	-.720 [*]	.138	.000	-1.06	-.38
	Effective	Ineffective	1.129 [*]	.148	.000	.76	1.49
		Getting there	.720 [*]	.138	.000	.38	1.06
improved our search rankings (e.g. on Google).	Ineffective	Getting there	-.478 [*]	.121	.001	-.78	-.18
		Effective	-1.168 [*]	.146	.000	-1.53	-.81
	Getting there	Ineffective	.478 [*]	.121	.001	.18	.78
		Effective	-.690 [*]	.136	.000	-1.03	-.35
	Effective	Ineffective	1.168 [*]	.146	.000	.81	1.53
		Getting there	.690 [*]	.136	.000	.35	1.03

* The mean difference is significant at the 0.05 level.

By using the Scheffé post hoc test, for the statement about whether social media had improved their sales, it was determined that the mean agreement score of those respondents whose current usage of social media was ineffective ($M=3.01$, $SD=.959$) was significantly lower than the mean agreement score of both the groups of respondents who were getting there ($M=3.50$, $SD=.902$) and those who were currently using social media effectively ($M=4.16$, $SD=.969$). The mean agreement score of those respondents whose current usage of social media was getting there ($M=3.50$, $SD=.902$) was significantly lower than the mean agreement score of the group of respondents who were currently using social media effectively ($M=4.16$, $SD=.969$). Thus, it is clear that the mean agreement score for the statement about having improved their sales significantly increases as the effectiveness of their current use of social media increases. For a more detail analysis, refer to section 5.4.3 (page 162).

APPENDIX C
– ADDITIONAL DESCRIPTIVE STATISTICS –

1. QUESTION 3: 'OTHER' ESTABLISHMENTS OPERATED BY RESPONDENTS (N=24)

(Refer to section 5.3.2, page 133)

Other establishments	Frequency count
Bed and breakfast and self-catering units	6
Bed and breakfast, self-catering and camping areas	1
Bed and breakfast, self-catering and guest house	3
Boutique hotel	3
Camping	1
Country lodge	1
Resort	1
Rooibos teahouse	1
Self-catering	4
Self-catering units and camping sites	2
Self-catering units and guest house	1

2. QUESTION 13: 'OTHER' REASONS FOR USING SOCIAL MEDIA IN ACCOMMODATION ESTABLISHMENTS

(Refer to section 5.3.7, page 141)

Other reasons for using social media	Frequency count
Accommodation web pages as mentioned above	1
Accommodation websites e.g. Safari Now; Where-to-stay	1
Adverting through SA Venues, Travelground, Nightsbridge, Booksure, tourism bureaus, Cape Town Routes, Sleeping-out, Booking.com	2
Booking.com	5
Booking.com, Google+ and TripAdvisor	1
Don't have the necessary expertise	1
Established websites	1
I don't currently use social media deliberately	1
I intend creating a website which would include a blog, and I'm not averse to tweeting, despite not knowing anything about it. I'm the wrong generation, unfortunately!	1
I would probably use TripAdvisor if I had access to fast internet connection	1
Newspapers	1
Nightsbridge	1
Our website	2
Safari Now	2
Sleeping-OUT, Travelground, Safari Now	1
The booking agencies	1
Tourism/Grading Council's social media	1
Use Budget Getaways to advertise mostly used	1
We use these so seldom, market via our website	1
Website	2
Website and return clients	1
Where-to-stay and Cape-stay	1
Word-of-mouth recommendation	1
Total	367

APPENDIX D
– INDEPENDENT SAMPLE T-TEST –

1. FAMILIARITY WITH THE TERM 'SOCIAL MEDIA' (QUESTION 5) VS. PERCEIVED EFFECTIVENESS OF THE USE OF SOCIAL MEDIA (QUESTION 17)

(Refer to section 5.4.1.2, page 156)

Treating the 'effectiveness' scale (from 1 to 5) as a numeric scale variable, the mean difference between the two familiarity groups (less familiar and more familiar) was tested for significance. Effectiveness was the dependent variable and the two-group familiarity variable the independent variable in the independent sample t-test.

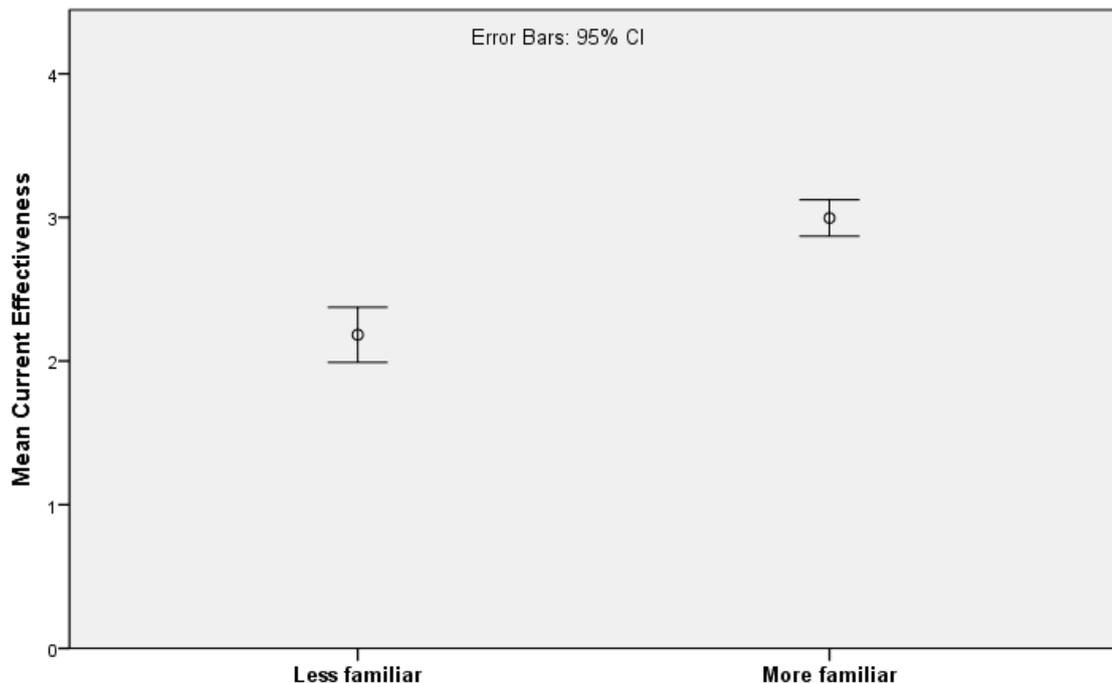
D.1: Group statistics: Familiarity with the term 'social media' (question 5) vs. perceived effectiveness of the use of social media (question 17) (n=311)

	Currently our establishment's use of social media is ...	
	Familiarity with the term 'social media'	
	Less familiar	More familiar
N	93	218
Mean	2.18	3.00
Std deviation	.932	.948
Std error mean	.097	.064

D.2: Independent sample t-test: Perceived effectiveness of the use of social media as a promotional mix element (question 17)

		Currently our establishment's use of social media is ...		
		Equal variances assumed	Equal variances not assumed	
Levene's test for equality of variances	F	2.914		
	Sig.	.089		
t-test for equality of means	t	-6.956	-7.004	
	df	309	176.566	
	Sig. (2-tailed)	.000	.000	
	Mean difference	-.813	-.813	
	Std error difference	.117	.116	
	95% confidence interval of the difference	Lower	-1.042	-1.042
		Upper	-.583	-.584

The t-test revealed a significant mean effectiveness difference (D.1) between the two familiarity groups, $t(309) = -6.956$, $p < .001$. More specifically, those with a higher level of familiarity ($M=3.00$, $n=218$) tended, on average, to have a higher level of effectiveness in current use compared to those with a lower level of familiarity ($M=2.18$, $n=93$).



D.3: Error bar chart: Familiarity with the term 'social media' vs. perceived effectiveness of the use of social media (n=311)

The error bar chart (D.3) displays the 95% confidence intervals of the mean familiarity score on a scale of 1 to 5. The fact that these intervals do not overlap is an indication of significant difference.

2. CURRENT USAGE OF SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT (QUESTION 6) VS. PERCEIVED EFFECTIVENESS OF THE USE OF SOCIAL MEDIA (QUESTION 17)

(Refer to section 5.4.2, page 159)

Treating the 'effectiveness' scale (from 1 to 5) as a numeric scale variable, the mean difference between those that currently use social media as a promotional mix element and their perceived effectiveness of the use of social media was tested for significance. Effectiveness was the dependent variable and the two-

group usage variable was the independent variable in the independent sample t-test.

D.4: Group statistics: Current use of social media as a promotional mix element (question 6) vs. perceived effectiveness of social media (question 17) (n=311)

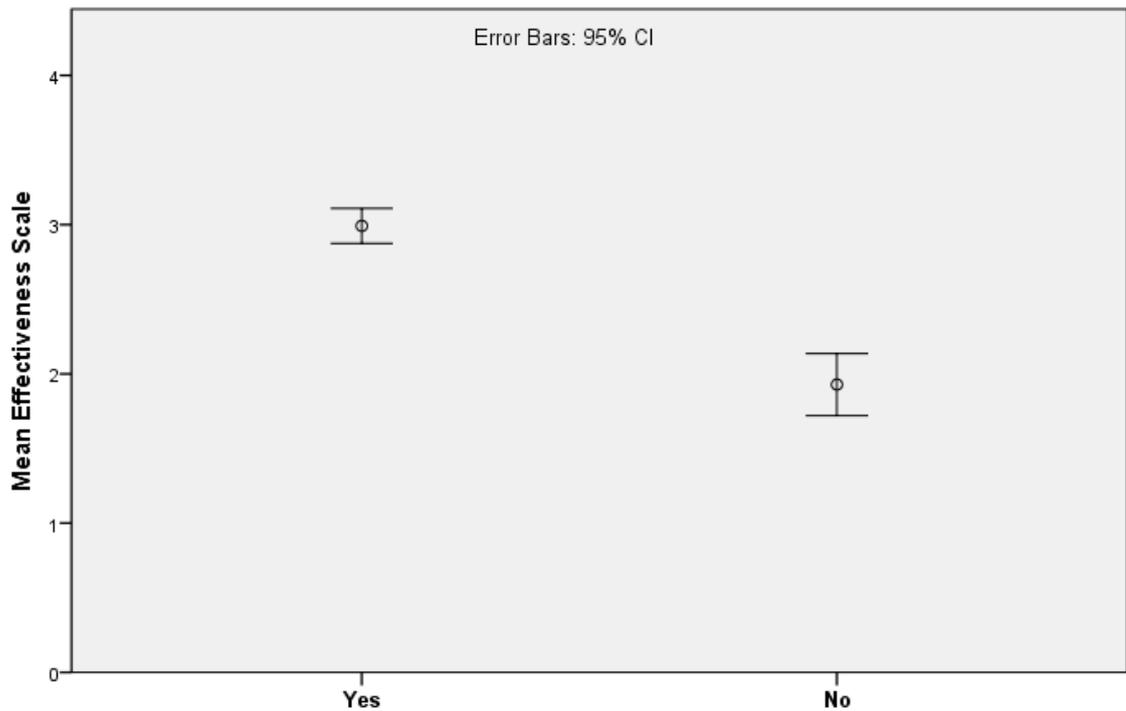
	Currently our establishment's use of social media is ...	
	Do you use social media (such as Facebook, Twitter, YouTube, TripAdvisor, Pinterest etc.) as a promotional element (i.e. marketing tool) in your establishment?	
	Yes	No
N	241	70
Mean	2.99	1.93
Std deviation	.922	.873
Std error mean	.059	.104

D.5: Independent sample t-test: Current use of social media as a promotional mix element (question 6) vs. perceived effectiveness of social media (question 17) (n=311)

		Currently our establishment's use of social media is ...		
		Equal variances assumed	Equal variances not assumed	
Levene's test for equality of variances	F	.085		
	Sig.	.771		
t-test for equality of means	t	8.592	8.851	
	df	309	117.345	
	Sig. (2-tailed)	.000	.000	
	Mean difference	1.063	1.063	
	Std error difference	.124	.120	
	95% confidence interval of the difference	Lower	.820	.825
		Upper	1.307	1.301

The independent sample t-test revealed a significant mean effectiveness difference between the two usage groups (D.5), $t(309) = 8.592$, $p < .001$. More specifically, those that used social media ($M=2.99$, $n=241$) tended, on average, to have a higher level of effectiveness in current use compared to those who did not use social media (D.4) ($M=1.93$, $n=70$).

The error bar chart between the current use of social media as a promotional mix element by respondents and the use of social media as a promotional mix element in accommodation establishments is shown in D.6 below.



D.6: Error bar chart: Current use of social media as a promotional mix element (question 6) vs. perceived effectiveness of social media (question 17) (n=311)

The error bar chart (D.6) displays the 95% confidence intervals of the mean effectiveness on a scale of 1 to 5. The fact that these intervals do not overlap is an indication of significant difference.

APPENDIX E
– RELIABILITY –

1. QUESTION 18: PERCEPTION OF THE USE OF SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT

(Refer to section 5.5.1, page 173)

The research variables of interest included nine questions about different aspects of social media. Prior to performing principal axis factoring (PAF), the suitability of the data for factor analysis was assessed. The relationships between the nine variables were investigated using Pearson product-moment correlation coefficient, as shown in table 5.22 (page 174). Inspection of the correlation matrix (E.1) confirmed the presence of a number of coefficients with a magnitude of 0.3 and above. Additionally, the Kaiser-Meyer-Olkin value was 0.892, exceeding the recommended minimum value of 0.6 and Bartlett's test of sphericity reached statistical significance, $p < .001$, supporting the factorability of the correlation matrix (i.e. that at least one latent factor is present).

One of the items (*Our establishment has a significant learning curve to overcome before we can utilise social media*) had a communality of .027 and was excluded from further analysis (contributed very little to the solution). This item can be considered as a separate 'factor' as it does not correlate ($>.3$) with any of the other items in the scale (as discussed in section 5.5.1, page 173).

E.1: Pearson correlation coefficients among the 9 measures of respondents' perceived importance of social media (N=311, Listwise)

	1	2	3	4	5	6	7	8	9
1. Social media is an important component of the overall marketing strategy.	1								
2. Using social media is integral to an establishment's goal and strategies.	.792**	1							
3. Our establishment has a significant learning curve to overcome before we can utilise social media.	.083	.117*	1						
4. Interest in utilising social media is growing rapidly within establishments.	.543**	.539**	.161**	1					
5. It is difficult to see the value of social media for business purposes.	-.436**	-.437**	-.058	-.358**	1				
6. Social media is not very relevant for our business.	-.646**	-.663**	-.054	-.484**	.536**	1			
7. The use of social media for business purposes is a temporary trend.	-.508**	-.543**	-.005	-.389**	.449**	.591**	1		
8. Social media is a highly reliable and credible source.	.559**	.608**	.002	.423**	-.287**	-.464**	-.364**	1	
9. I have a strong preference for social media websites.	.560**	.572**	-.073	.429**	-.234**	-.484**	-.381**	.690**	1

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

1.1 Cross-tabulation

E.2: Cross-tabulation: Current use of social media as a promotional mix element vs. learning curve to overcome (n=311)

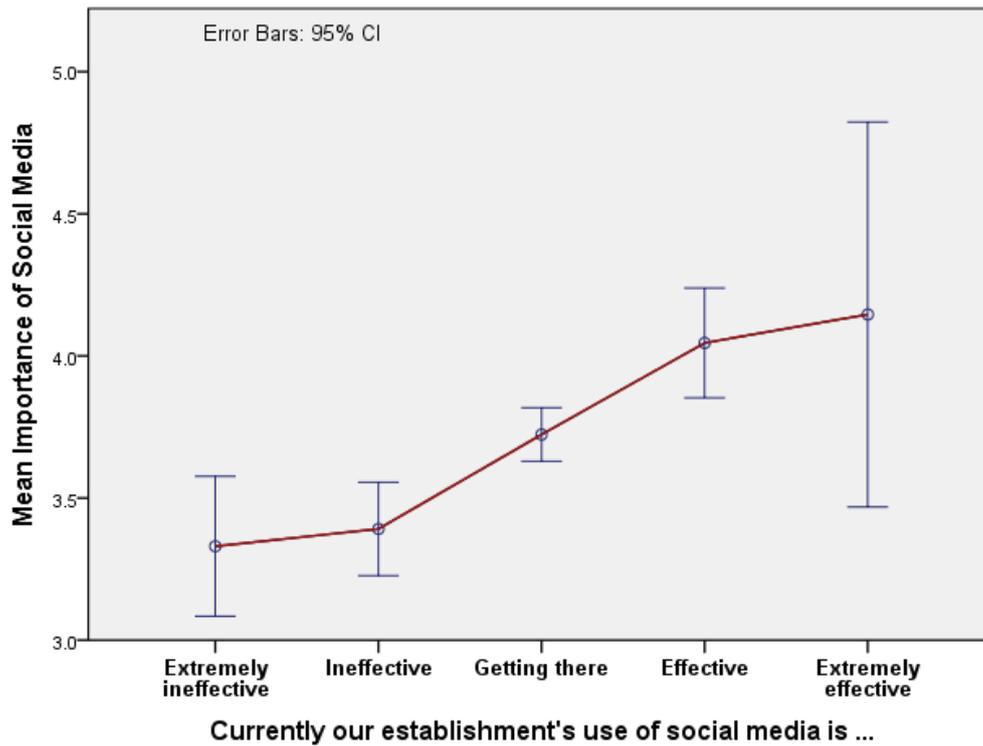
Our establishment has a significant learning curve to overcome before we can utilise social media.	Currently our establishment's use of social media is ...					Total
	Extremely ineffective	Ineffective	Getting there	Effective	Extremely effective	
Strongly disagree	3	1	0	4	4	12
	7.1%	1.4%	0.0%	7.7%	33.3%	3.9%
Disagree	5	4	24	14	5	52
	11.9%	5.8%	17.6%	26.9%	41.7%	16.7%
Neutral	2	12	44	20	2	80
	4.8%	17.4%	32.4%	38.5%	16.7%	25.7%
Agree	14	36	52	13	1	116
	33.3%	52.2%	38.2%	25.0%	8.3%	37.3%
Strongly agree	18	16	16	1	0	51
	42.9%	23.2%	11.8%	1.9%	0.0%	16.4%
Total	42	69	136	52	12	311
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

One would expect that those respondents with ineffective current usage would score higher on the learning curve variable and those with effective current use would score lower. From the pattern in the table above it is clear that this is indeed the case.

1.2 Analysis of variance (ANOVA)

Another effort at establishing validity was to compare the mean importance of social media (extracted factor) of the different effectiveness groups using an unequal variance ANOVA test. The expectation was that there would be a positive correlation between the importance score and the level of effectiveness of respondents' current use of social media.

As can be seen from E.3, the homogeneity of variance assumption of ANOVA is violated and therefore the robust tests of equality of means will be reported instead of ANOVA's F-test.



E.3: ANOVA: Mean importance of social media and the current use of social media by establishments

E.4: Descriptives

	N	Mean	Std deviation	Std error	95% confidence interval for mean	
					Lower bound	Upper bound
Extremely ineffective	42	3.3304	.78952	.12183	3.0843	3.5764
Ineffective	69	3.3913	.68328	.08226	3.2272	3.5554
Getting there	136	3.7233	.55474	.04757	3.6293	3.8174
Effective	52	4.0457	.69356	.09618	3.8526	4.2388
Extremely effective	12	4.1458	1.06578	.30766	3.4687	4.8230
Total	311	3.6668	.71056	.04029	3.5875	3.7461

The Welch and Brown-Forsythe test tests the null hypothesis that there are no mean importance score differences between the different effectiveness groups, in other words, that the difference between all pairs of means is zero.

A one-way unequal variance ANOVA (Welch) was used to compare the mean importance of social media scores of the five groups (extremely ineffective, ineffective, getting there, effective, extremely effective), separated by how effec-

tively they were currently using social media, and it revealed that they differed significantly regarding their mean importance scores (Welch $F(4,59.6) = 9.221$, $p < .001$).

E.5: Robust tests of equality of means: Importance of social media

	Statistic ^a	df1	df2	Sig.
Welch	9.221	4	59.559	.000
Brown-Forsythe	8.038	4	54.595	.000

a. Asymptotically F distributed

The mean differences are illustrated in E.5 above. As expected, the mean importance score increases as the effectiveness of current use of social media increases.

The E.6 illustrates the multiple comparisons of the dependent variable “importance of social media” by using the Scheffé post hoc test.

E.6: Multiple comparisons (Scheffé): Dependent variable: Importance of social media

(I) Currently our establishment's use of social media is ...	(J) Currently our establishment's use of social media is ...	Mean difference (I-J)	Std error	Sig.	95% confidence interval	
					Lower bound	Upper bound
Extremely ineffective	Ineffective	-.06095	.13041	.994	-.4651	.3432
	Getting there	-.39299 [*]	.11763	.027	-.7575	-.0284
	Effective	-.71532 [*]	.13824	.000	-1.1438	-.2869
	Extremely effective	-.81548 [*]	.21812	.008	-1.4915	-.1395
Ineffective	Extremely ineffective	.06095	.13041	.994	-.3432	.4651
	Getting there	-.33204 [*]	.09849	.024	-.6373	-.0268
	Effective	-.65437 [*]	.12237	.000	-1.0336	-.2751
	Extremely effective	-.75453 [*]	.20842	.012	-1.4004	-.1086
Getting there	Extremely ineffective	.39299 [*]	.11763	.027	.0284	.7575
	Ineffective	.33204 [*]	.09849	.024	.0268	.6373
	Effective	-.32233	.10865	.069	-.6590	.0144
	Extremely effective	-.42249	.20067	.353	-1.0444	.1994
Effective	Extremely ineffective	.71532 [*]	.13824	.000	.2869	1.1438
	Ineffective	.65437 [*]	.12237	.000	.2751	1.0336
	Getting there	.32233	.10865	.069	-.0144	.6590
	Extremely effective	-.10016	.21341	.994	-.7615	.5612
Extremely effective	Extremely ineffective	.81548 [*]	.21812	.008	.1395	1.4915
	Ineffective	.75453 [*]	.20842	.012	.1086	1.4004
	Getting there	.42249	.20067	.353	-.1994	1.0444
	Effective	.10016	.21341	.994	-.5612	.7615

* The mean difference is significant at the 0.05 level.

Using the Scheffé post hoc test, it was determined that the mean importance score of those respondents whose current usage of social media was extremely ineffective (M=3.33, SD=.790) was significantly lower than the mean importance score of the getting there group (M=3.72, SD=.555), the effective group (M=4.05, SD=.694) and the extremely effective group (M=4.15, SD=1.066).

The mean importance score of those respondents whose current usage of social media was ineffective (M=3.39, SD=.683) was significantly lower than the mean importance score of the getting there group (M=3.72, SD=.555), the effective group (M=4.05, SD=.694) and the extremely effective group (M=4.15, SD=1.066).

Thus it is clear that the mean importance score significantly increases as the effectiveness of current use of social media increases.

1.3 Correlations

The results of the cross-tabulation and ANOVA in the previous sections are confirmed by the Pearson (Spearman) correlations.

E.7: Correlations: Pearson (Spearman) (n=311)

	Effectiveness of current usage of social media	Our establishment has a significant learning curve to overcome before we can utilise social media	Importance of social media
Effectiveness of current usage of social media	1		
Our establishment has a significant learning curve to overcome before we can utilise social media.	-.404** (-.415**)	1	
Importance of social media	.352** (-.364**)	.061 (.040**)	1

** Correlation is significant at the 0.01 level (2-tailed).

The “learning curve” variable correlates negatively with the “effectiveness of current usage” variable, while the opposite is true for the “importance” variable.

2. QUESTION 19: SOCIAL MEDIA MARKETING EFFORTS

(Refer to section 5.5.2, page 176)

The research variables listed eight different benefits that can be realised by using social media. Prior to performing PAF, the suitability of the data for factor analysis was assessed. The relationships between the eight variables were investigated using Pearson product-moment correlation coefficient. Inspection of the correlation matrix (E.8) confirmed strong correlations between all the variables (0.3 and above). The Kaiser-Meyer-Olkin value was 0.931, exceeding the recommended minimum value of 0.6 and Bartlett's test of sphericity reached statistical significance, $p < .001$, supporting the factorability of the correlation matrix (i.e. that at least one latent factor is present).

E.8: Pearson correlation coefficients among the 8 measures of possible benefits of social media that respondents may have realised (n=270, Listwise)

Our social media marketing efforts have...	1	2	3	4	5	6	7	8
1. improved our sales.	1							
2. increased our exposure.	.771**	1						
3. reduced our marketing expenses.	.469**	.432**	1					
4. provided us with marketplace insight.	.688**	.642**	.517**	1				
5. developed loyal customers.	.663**	.652**	.427**	.648**	1			
6. increased traffic to our website.	.759**	.779**	.474**	.631**	.677**	1		
7. grown our business partnership.	.691**	.680**	.491**	.691**	.731**	.728**	1	
8. improved our search rankings (e.g. on Google).	.652**	.711**	.383**	.615**	.635**	.761**	.727**	1

** Correlation is significant at the 0.01 level (2-tailed).

2.1 Descriptive statistics

E.9: Descriptive statistics: Benefits of social media (n=286)

	N	Minimum	Maximum	Mean		Std deviation
				Statistic	Std error	
Perceptions of consequences of using social media in realising benefits	286	1.00	5.00	3.8379	.03383	.57206
Valid N (listwise)	286					

The perceived social media consequences factor can range from 1 to 5, with lower values corresponding with a perception of fewer consequences and higher values corresponding with a perception of more consequences.

Keeping in mind that the mean perceived social media consequences score is not an absolute measure of perceived consequences and needs to be interpreted relative to the scale of 1 to 5, the descriptive results for the importance factor can be interpreted as follows:

On average, the respondents tended more towards agreeing that the listed consequences should be realised to experience the benefits of using social media (mean of 3.84 is above the middle value (3) of the scale) than towards disagreeing.

2.2 Correlations

E.10: Correlation: Pearson (n=261) (Listwise)

	Perceived importance of social media	Business benefit realised as a result of current efforts	Perceptions of possible benefits of social media	Perceptions of consequences of using social media in realising benefits
Perceived importance of social media	1			
Business benefit realised as a result of current efforts	.657**	1		
Perceptions of possible benefits of social media	.816**	.635**	1	
Perceptions of consequences of using social media in realising benefits	.502**	.364**	.588**	1

** Correlation is significant at the 0.01 level (2-tailed).

The relationships between all pairs of scale variables are medium to large except for the relationship between business benefit realised as a result of current efforts and perceptions of consequences of using social media in realising benefits, which is small to medium.

3. QUESTION 20: PERCEPTION OF SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT

(Refer to section 5.5.3, page 177)

The research variables listed ten different benefits that can be realised by using social media. Prior to performing PAF, the suitability of the data for factor analysis was assessed. The relationships between the ten variables were investigated using Pearson product-moment correlation coefficient.

Inspection of the correlation matrix (E.11) confirmed strong correlations between almost all pairs of variables (0.3 and above). The Kaiser-Meyer-Olkin value was 0.939, exceeding the recommended minimum value of 0.6 and Bartlett's test of sphericity reached statistical significance, $p < .001$, supporting the factorability of the correlation matrix (i.e. that at least one latent factor is present).

E.11: Pearson correlation coefficients among the 10 measures of perceived benefits of social media (N=295, Listwise)

	1	2	3	4	5	6	7	8	9	10
1. Social media is an effective way to market an establishment.	1									
2. Social media can be integrated into the traditional marketing activities of establishments.	.718**	1								
3. Social media is disadvantageous to an establishment.	-.458**	-.370**	1							
4. Social media allows establishments to advertise through various means.	.615**	.614**	-.376**	1						
5. Social media allows the interaction with customers.	.558**	.565**	-.281**	.675**	1					
6. Establishment can consider social media an effective marketing tool.	.803**	.671**	-.477**	.685**	.708**	1				
7. Social media is a useful tool for networking with other industry personnel.	.561**	.513**	-.363**	.615**	.662**	.700**	1			
8. Social media informs customers of the establishment's offerings.	.669**	.631**	-.377**	.698**	.714**	.756**	.693**	1		
9. Social media acts as a platform to remind customers of the establishment.	.706**	.673**	-.363**	.678**	.666**	.745**	.581**	.802**	1	
10. Social media has the ability to persuade customers to purchase.	.630**	.540**	-.283**	.536**	.576**	.674**	.581**	.674**	.670**	1

** Correlation is significant at the 0.01 level (2-tailed).

4. QUESTION 21: BENEFITS OF USING SOCIAL MEDIA AS A PROMOTIONAL MIX ELEMENT

(Refer to section 5.5.4, page 179)

The research variables listed 14 different consequences that should result from using social media. Prior to performing PAF, the suitability of the data for factor analysis was assessed. The relationships between the 14 variables were investigated using Pearson product-moment correlation coefficient. Inspection of the correlation matrix (E.12) confirmed strong correlations between all pairs of variables (0.3 and above). The Kaiser-Meyer-Olkin value was 0.930, exceeding the recommended minimum value of 0.6 (Kaiser, 1970, 1974) and Bartlett's test of sphericity reached statistical significance, $p < .001$, supporting the factorability of the correlation matrix (i.e. that at least one latent factor is present).

E.12: Pearson correlation coefficients among the 14 measures of perceived consequences of using social media (N=286, Listwise)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. reduce our operating costs.	1													
2. improve our customer services.	.574**	1												
3. increase the awareness of our establishment's offerings.	.395**	.596**	1											
4. increase traffic to our website.	.433**	.550**	.795**	1										
5. provide a more favourable perception of our establishment's offerings.	.398**	.595**	.738**	.716**	1									
6. increase our competitive advantage.	.471**	.565**	.656**	.680**	.752**	1								
7. provide us with better access to information.	.340**	.561**	.594**	.571**	.608**	.643**	1							
8. provide us with a better understanding of customers' perceptions.	.334**	.581**	.633**	.627**	.629**	.646**	.745**	1						
9. provide information for strategic decision-making.	.361**	.555**	.531**	.563**	.563**	.613**	.643**	.749**	1					
10. improve communication with customers.	.369**	.563**	.653**	.592**	.660**	.650**	.666**	.691**	.684**	1				
11. act as an early warning system for potential problems.	.390**	.545**	.497**	.493**	.508**	.573**	.545**	.662**	.716**	.623**	1			
12. allow us to identify new trends/opportunities in the market.	.432**	.548**	.590**	.559**	.617**	.658**	.702**	.665**	.658**	.675**	.660**	1		
13. expand our existing markets.	.396**	.570**	.702**	.703**	.707**	.735**	.679**	.685**	.710**	.693**	.613**	.752**	1	
14. help us in building relationships with our customers.	.341**	.565**	.622**	.606**	.679**	.651**	.570**	.644**	.587**	.811**	.622**	.645**	.753**	1

** Correlation is significant at the 0.01 level (2-tailed).

PAF revealed the presence of one factor with an eigenvalue exceeding 1, explaining 61.086% of the variance in the data.

E.13: Total variance explained by exploratory factor analysis (EFA)

Factor	Initial eigenvalues			Extraction sums of squared loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	8.920	63.715	63.715	8.552	61.086	61.086
2	.932	6.658	70.372			
3	.825	5.896	76.269			
4	.529	3.779	80.048			
5	.459	3.277	83.325			
6	.442	3.155	86.480			
7	.345	2.463	88.943			
8	.330	2.357	91.300			
9	.288	2.059	93.359			
10	.239	1.709	95.068			
11	.215	1.534	96.602			
12	.193	1.378	97.980			
13	.178	1.274	99.255			
14	.104	.745	100.000			

Extraction method: PAF

Varimax rotation¹ was requested but was not performed due to the fact that a single factor was found. The one-factor solution constitutes a simple structure, with the factor showing a number of strong loadings.

¹ *Orthogonal rotation was chosen since the analytical procedures are better developed than those of oblique rotation. Varimax specifically was chosen since it results in a clearer separation of factors (Hair et al., 2006:126).*

E.14: Facto matrix: PAF with varimax rotation (Kaiser normalisation)

In order to benefit from using social media as a promotional mix element in our establishment, social media should...	Factor
	1
expand our existing markets.	.872
improve communication with customers.	.831
provide us with a better understanding of customers' perceptions.	.827
increase our competitive advantage.	.823
provide a more favourable perception of our establishment's offerings.	.813
allow us to identify new trends/opportunities in the market.	.810
help us in building relationships with our customers.	.808
increase the awareness of our establishment's offerings.	.794
provide information for strategic decision-making.	.787
provide us with better access to information.	.782
increase traffic to our website.	.781
act as an early warning system for potential problems.	.733
improve our customer services.	.716
reduce our operating costs.	.502

Extraction method: PAF

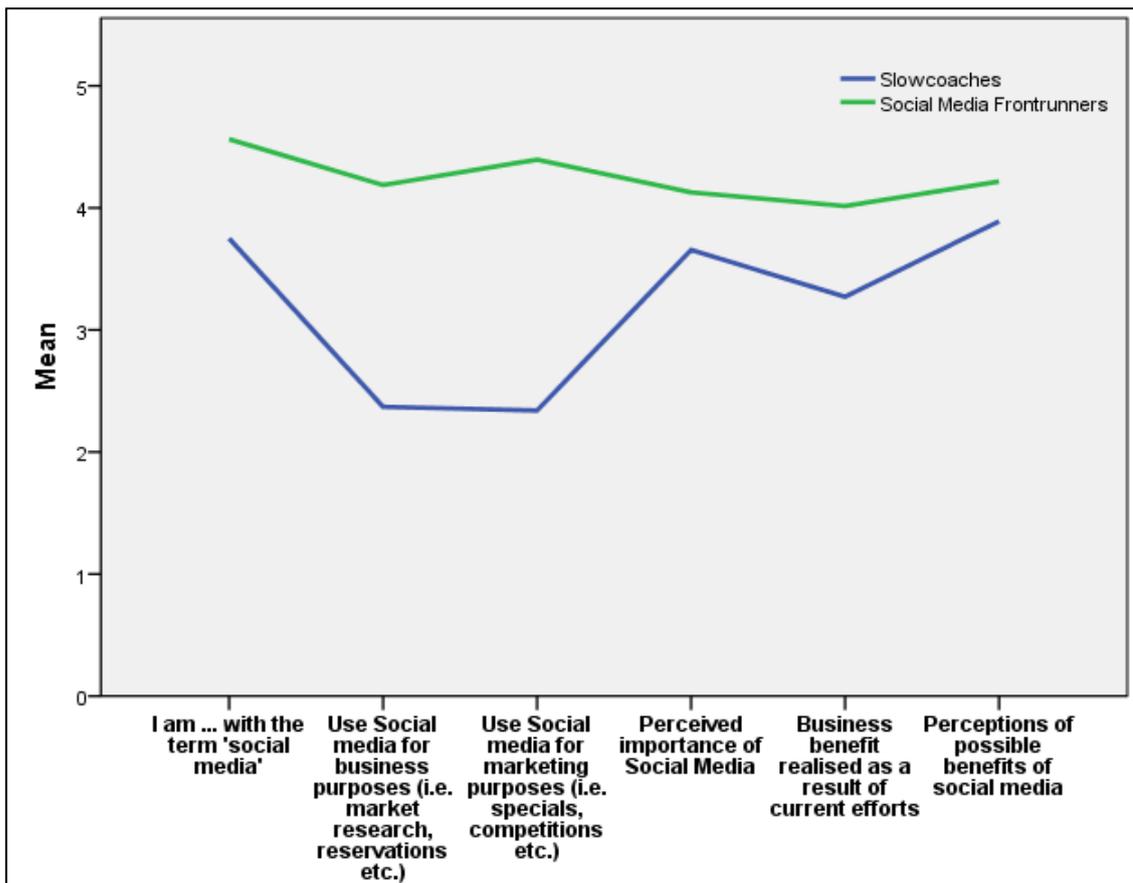
APPENDIX F
– ADDITIONAL CLUSTER ANALYSES –

1. TWO-CLUSTER SOLUTION

The two-cluster solution by means of considering the six characteristics as listed in the table below (F.1) will now be illustrated and discussed. Initially, the two cluster groups were named 'slowcoaches' (cluster 1) and 'social media front-runners' (cluster 2).

F.1: Final cluster centres: two cluster means

	Cluster		Overall mean
	1	2	
I am ... with the term 'social media'	3.75	4.56	3.82
Use social media for business purposes (i.e. market research, reservations etc.)	2.37	4.19	1.23
Use social media for marketing purposes (i.e. specials, competitions etc.)	2.34	4.40	3.18
Perceived importance of social media	3.66	4.13	3.32
Business benefit realised as a result of current efforts	3.27	4.02	3.67
Perceptions of possible benefits of social media	3.89	4.22	3.48



- **Cluster 1: Slowcoaches**

These respondents were reasonably familiar with social media, considered it important and were aware of potential benefits of using it. However, they tended not to use it much for business and marketing purposes, although they had realised some benefits through efforts to use it. On average, the frequency with which all features were used was either lower than that of the overall group or lower than that of the respondents in the other cluster.

- **Cluster 2: Social media frontrunners**

These respondents demonstrated, on average, a tendency to score high on all aspects of involvement with social media. The average usage frequency for all features was higher than that of the respondents in cluster 1 (slowcoaches) as well as the mean frequency (overall mean) for the group as a whole.

F.2: Two-cluster solution

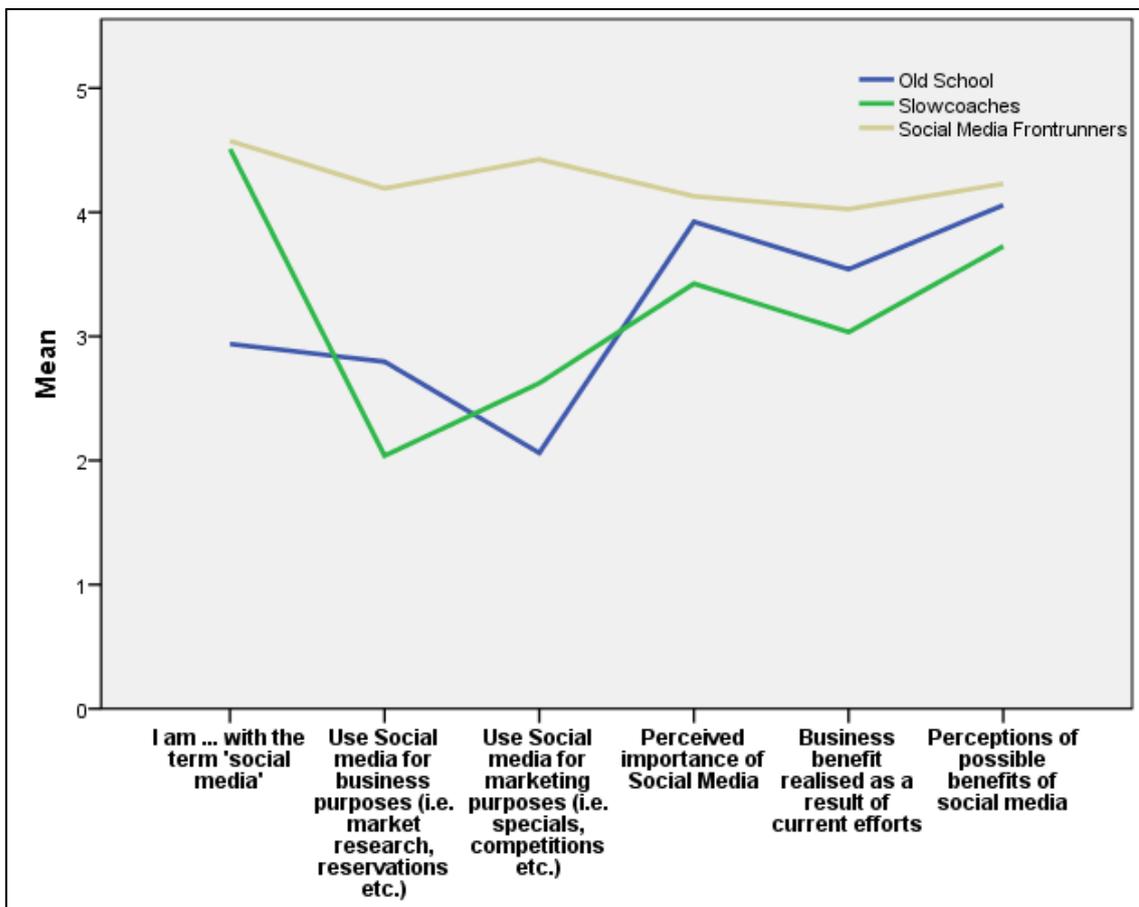
		Frequency	Valid per cent	Cumulative per cent
Valid	Slowcoaches (Cluster 1)	100	51.0	51.0
	Social media frontrunners (Cluster 2)	96	49.0	100.0
	Total	196	100.0	
Missing	System	172		
Total		368		

2. THREE-CLUSTER SOLUTION

A three-cluster solution was also determined based on the respondents' involvement with social media according to six characteristics. The three-cluster solution is summarised and illustrated in F.3.

F.3: Final cluster centres: three cluster means

	Cluster			Overall mean
	1	2	3	
I am ... with the term 'social media'	2.94	4.51	4.57	3.82
Use social media for business purposes (i.e. market research, reservations etc.)	2.80	2.04	4.19	1.23
Use social media for marketing purposes (i.e. specials, competitions etc.)	2.06	2.62	4.43	3.18
Perceived importance of social media	3.92	3.42	4.13	3.32
Business benefit realised as a result of current efforts	3.54	3.03	4.03	3.67
Perceptions of possible benefits of social media	4.06	3.73	4.23	3.48



- **Cluster 1: Old school**

These respondents were not so familiar with social media but perceived it as very important and were also well aware of the possible benefits of using it. They tended to use it somewhat for business purposes and had realised some benefits as a result of their efforts but demonstrated limited use for marketing purposes. On average, the frequency with which all features were

used was either lower than that of the overall group or lower than that of the respondents in the third cluster. These respondents differed from cluster 2 (slowcoaches) in that they were much less familiar with social media than cluster 2 respondents and used social media less for marketing and more for business than cluster 2 respondents.

- **Cluster 2: Slowcoaches**

These respondents were very familiar with social media, considered it as reasonably important and were well aware of potential benefits of using it. However, they tended not to use it much for marketing and even less for business purposes, although they had realised some benefits through efforts to use it. On average, the frequency with which all features were used was either lower than that of the overall group or lower than that of the respondents in the third cluster. They differed from cluster 1 (old school) in that they were much more familiar with social media and used social media less for business and more for marketing than cluster 1 respondents.

- **Cluster 3: Social media frontrunners**

These respondents demonstrated, on average, a tendency to score high on all aspects of involvement with social media. The average usage frequency for all features was higher than that of the respondents in all other clusters as well as the mean frequency (overall mean) for the group as a whole.

F.4: Three-cluster solution

		Frequency	Valid per cent	Cumulative per cent
Valid	Old school (Cluster 1)	49	25.0	25.0
	Slowcoaches (Cluster 2)	53	27.0	52.0
	Frontrunners (Cluster 3)	94	48.0	100.0
	Total	196	100.0	
Missing	System	172		
Total		368		