

**Consumer perception of real-time marketing as a
marketing tool used by retailers in
Gauteng, South Africa**

by

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DECLARATION

I declare that “*Consumer perception of real-time marketing as a marketing tool used by retailers in Gauteng, South Africa*” was submitted in full requirements of 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 the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

SIGNATURE

(Ms) S.M. Kallier

22 February 2016

DATE

DEDICATION

This master's dissertation is dedicated to my loving parents, Fatima Titus and Saleem Kallier, who have instilled in me the notion that through determination and positivity anything is possible. To my wonderful siblings, Rasheda Titus, Fadeel Titus, Arshad Kallier, Yesmin Kallier and Aaisha Kallier, for the support and guidance throughout my studies. And to my amazing fiancé, Omar Tar, thank you for your unconditional love and support through it all.

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ABSTRACT

Communication is an essential element of any retail business as it is a means of informing the customer about the retailer and the products and services that they offer. The internet and the rapid advancements in technology have provided retailers with various methods of communicating with the customer such as real-time marketing. Real-time marketing, which allows retailers to interact with customers through various means in real time, has already been widely used in businesses around the world. Although many South African businesses are starting to adapt real-time marketing as a marketing tool in their businesses, the perception of consumers regarding real-time marketing has not been investigated in South Africa.

The primary purpose of this study was therefore to determine consumers perceptions of real-time marketing used as a marketing tool by retailers in Gauteng, South Africa. A broad and in-depth literature review was conducted on the advent of real-time marketing as a marketing tool and the various tools used by retailers to execute real-time marketing campaigns of retailers. An empirical study was conducted, in which data was collected from consumers of retail stores in the Gauteng province of South Africa by means of a web-based (computer-assisted), self-administered questionnaire. A quantitative approach was followed in order to satisfy the research objectives of the study.

The results of this research study indicated that consumers perceived real-time marketing campaigns as clutter. Customers only considered the real-time marketing campaigns that consisted of immediate discounts and that were personalised for the individual customer as valuable to them.

Key Terms:

Real-time; marketing; communication; traditional; social media; digital media; Gauteng; retailers; South Africa; perception.

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DEFINITION OF KEY TERMS

For the purpose of this study, the following terms are defined:

Banner adverts: Banner adverts refer to an image based advertisement that appears at the bottom of a website and serves as a link directly to the website of the advertiser (Westwood, 2011:150).

Blog: A blog refers to web sites that allow individuals to reflect on their experiences, observations and their opinions (O’Guinn, Allen & Semenik, 2014: 285).

Browser window: This refers to an application that is used to access and view a webpage (TechTerms, 2014).

Clutter campaigns: Clutter campaigns refer to the over exposure of messages and campaigns that consumers are exposed to on a daily basis (Hall, 2014a:240).

Google Adwords: Google adwords is a pay-per-click advertising programme that is offered by Google that allows advertisers to display advertisements that are based on keywords used by the user (Blake, 2015:4).

“kth” element: The “kth” element represents the element in the “kth” position off a sequence.

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. It is the absorption of stimuli through the basic senses and includes formal learning and experiences of the individual (Mpinganjira, Doc Santos, Botha, du Toit, Erasmus, Maree & Mugubo, 2013:75)

Real-time marketing: Real-time marketing refers to the use of more than one marketing channel to engage with customers at a time and place that is convenient for the consumer and doing so in real time (Lieb, 2014: 3). It also involves marketing that is tailored for the customer's specific needs and that is immediate (Garner, 2013:4).

Stimuli: This refers to any unit of input to any of the sensory receptors that will influence behaviour (Schiffman & Wisenblit, 2014: 175).

Social Media: Social media refers to the various activities among individuals who gather online to share information, knowledge and opinions using various forms of conversational media. It makes use of low cost tools that combine technology and social communication to form social media networks (Taskiran & Yilmaz, 2015:201).

Tweet: A tweet refers to a posting online on the social media platform Twitter

Web page: A web page is an electronic document that can include text, images and videos, and that can be viewed by any individual with internet access (BusinessDictionary.com, 2015d).

Website: A website refers to a collection of web pages (Annis, 2014:5).

LIST OF ACRONYMS AND ABBREVIATIONS

ANOVA	Analysis of Variance
B2B	Business to business
BMR	Bureau of Market Research
CEO	Chief executive officer
CFA	Confirmatory factor analysis
DF	Degrees of freedom
PCs	Personal computer
DMA	Direct Marketing Association
PDA s	Personal digital assistant
EFA	Exploratory factor analysis
GPS	Global positioning system
GVA	Gross value added
ISACA	Independent Communications Authority of South Africa
QR	Quick response
RTM	Real-time marketing
SEO	Search engine optimization
SMS	Short messaging service
WWW	World Wide Web

CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

Changes in the economy, technology and consumer purchase behaviour have led to retailers having to adapt their businesses, the products and services that they provide and the way in which they communicate with customers (Dunne, Lusch & Carver, 2014: 2). The development of new software technology has made it possible for retailers to access customer purchase data and to personalise their campaigns for a specific consumer. Technology has also made it possible for retailers to communicate with the customer anytime, at any place and through a medium that the customer prefers (KPMG, 2013: 1).

This chapter will provide a brief background on the retail industry and the various methods retailers have used to communicate with consumers in the past. It will then discuss the new methods of communication technology and the emergence of social media. The way in which technology and the new methods of communication have influenced the marketing environment and the evolution of real-time marketing and what it entails are then discussed. Consumer's perceptions of the different types of marketing efforts aimed at consumers are also considered. Next, the reason for the study is examined and the research problem is defined. Research objectives based on the problem statement are explained. The research methodology used to reach the objectives set out for the study is stated. A summary of the chapters that follow concludes this chapter.

1.2 BACKGROUND OF THE RETAIL INDUSTRY

Traditionally, retailing was developed as a means of trading the excess goods manufactured by individuals for any other useful commodity (Hammond & Berman, 2014: 50). Over time, this trading system became more formal and individuals would gather at a specific area in town, the market place, to participate in trading (Puri, n.d.: 11). Trading was done primarily by manufacturers who produced goods, and by

merchants who acquired valuable goods for trading (Pradhan, 2012: 62). These producers and merchants travelled regularly to different market places to trade their goods and, over time, they developed individual shops at these market places. As these market places grew, the formal retail sector was formed (Hammond & Berman, 2014: 50).

A retailer can be described as any business that sells goods and/or delivers services directly to the final consumer (Dunne *et al.*, 2014: 4). Retailing refers to those business actions which contribute to the value of the goods and services offered by the organisation to consumers for their personal use (Quix & Van der Kind, 2014: 19). In South Africa, in order for an enterprise to be considered a retailer, more than 50% of its income must be obtained from sales of goods to the final customer for their personal use (Statistics South Africa, 2015: 10).

Retailing can be categorised by three formats, namely ownership, store strategy mix and non-store operations (Ahsanath & Venugopalan, 2011: 5). Retailers categorised by ownership are independent retailers, a retail chain, retail franchising and cooperatives.

- **Independent retailers** are those retail stores that are built, owned and managed by an individual (Boone & Kurtz, 2015: 491). The day-to-day operations are run by the owner and there is usually just a single store (Waters, 2014). An example of this would be a local community grocery store.
- **Retail chain stores** refers to a number of stores owned by the same owner and which all sell the same products (BusinessDictionary.com, 2014a). An example of a retail chain store would be Pick n Pay. There are a number of stores all over South Africa and it is owned by one firm.
- **Retail franchising** refers to a contractual agreement between two parties which allows one party (the franchisee) to produce a product or service under the trade name of the other party (franchisor) in exchange for a fee (Ahsanath & Venugopalan, 2011: 5). An example of a franchise is McDonalds, which has many franchisees around the world. McDonalds supplies these franchisees with the supplies and equipment they need and markets the products as well.

- **Retail cooperatives** refers to a group of independent retailers that combine their resources to purchase goods at discounted prices from manufactures and share the profits (Ahsanath & Venugopalan, 2011: 5). These retail cooperatives are commonly formed by local grocery stores, pharmacies and hardware stores.

Retailers are also classified based on their strategy mix (Ahsanath & Venugopalan, 2011: 6). The strategy mix of the retail store is influenced by the operating hours of the store, the location of the store, the assortment of goods that are sold, the service that the store provides, the type of advertising that is used and the pricing strategy of the store (Ahsanath & Venugopalan, 2011: 6). The different retail stores based on the strategy mix are convenience stores, supermarkets, department stores and speciality stores.

- **Convenience stores** are small retail stores that operate for long hours and offer a limited number of goods (Levy & Weitz, 2012: 46). These stores allow customers to make quick purchases (Payne, 2014). An example of a convenience store is an Engen Quick Shop that offers 24-hour convenience for consumers.
- **Supermarkets** are self-service stores that offer a broad range of food and non-food products to customers (Levy & Weitz, 2012: 45). OK stores is an example of a supermarket in South Africa.
- A **department store** carries a large variety of goods that include family and household goods, home furnishing and appliance (Boone & Kurtz, 2015: 492). These stores also provide limited services to customers (Erdis & Cant, 2015: 6). An example of this type is Game, which offers a wide range of products from groceries to appliances and even gardening equipment.
- A **speciality store** offers a single product range and provides a high level of service to their customers (Levy & Weitz, 2012: 47). An example of a speciality store is a store such as @home, which specialises in homeware products.

The final retailer classification is non-store retailers who operate through non-store channels such as the internet, catalogues, direct selling, television and vending machines (Levy & Weitz, 2012: 55). Customers are able to make purchases from their homes using these channels and the goods are delivered directly to them.

Customers are also given the convenience of making purchases any time of the day from any location.

- **Internet retailing** refers to retailers making use of the internet to communicate with customers and provide them with the ability to make purchases (Ahsanath & Venugopalan, 2011: 6). An example of an internet retailer is a store such as Amazon.com, which sells its products online and delivers the goods to customers.
- **Catalogues** and **direct mail retailers** refer to retailers communicating with their customers through a catalogue or by using letters or brochures to offer them products (Levy & Weitz, 2012: 57). Avon is an example of a catalogue retailer. Customers are given a catalogue of their products and are able to order the goods through an Avon salesperson.
- **Direct selling** takes place when the retailer makes use of salespeople to contact the customer directly at a place of convenience for him/her (Connick, 2014). The salespeople are able to demonstrate the product and the customer can place orders and have the products delivered to them (Erdi & Cant, 2015: 6). Insurance companies often make use of this type of retailing. Salespeople will often call customers and set up meetings with them at a convenient time and place in order to sell their service offerings.
- **Television retailing** refers to retailing where the product is shown on television and customers are able to see how the product works, and they can then place orders telephonically (Levy & Weitz, 2012: 57). Retailers such as Verimark make use of this type of retailing. Retailers demonstrate their products on television and provide customers with a number to call to place orders.
- **Vending machines** are used to store and display products, and customers are able to select the products they want and make payments via the vending machines after which the products are dispensed to the customer (Ahsanath & Venugopalan, 2011: 6). An example of this is a Coca-Cola vending machine, which stocks products of the Coca-Cola company.

The retailing sector comprises different clusters and, according to Statistics South Africa, the South African retail industry is made up of seven clusters (Statistics South Africa, 2015: 9). These are:

- general dealers;
- retailers in food, beverages and tobacco in specialised stores;
- retailers in pharmaceutical and medical goods, cosmetics and toiletries;
- retailers in textiles, clothing, footwear and leather goods;
- retailers in household furniture, appliances and equipment;
- retailers in hardware, paint and glass; and
- retailers in reading material and stationery, watches, jewellery, clocks, sports goods, personal and households and second-hand goods (Statistics South Africa, 2015: 9).

Over the past few years, the retail sector in South Africa has grown from R574 865 million in 2009 to R705 450 million in 2014 (Statistics South Africa, 2015: 5). This growth in the retail sector is dominated by general dealers who make up approximately 38 per cent of the total retail industry (Gauteng Provincial Treasury, 2012: 10). The second largest retail sector comprises retailers in textiles, clothing, footwear and leather goods, which make up approximately 21 per cent of the industry (Gauteng Provincial Treasury, 2012: 10). Figure 1.1 illustrates the different retail sectors in South Africa and the percentage of the retail industry to which they contribute (Gauteng Provincial Treasury, 2012: 10).

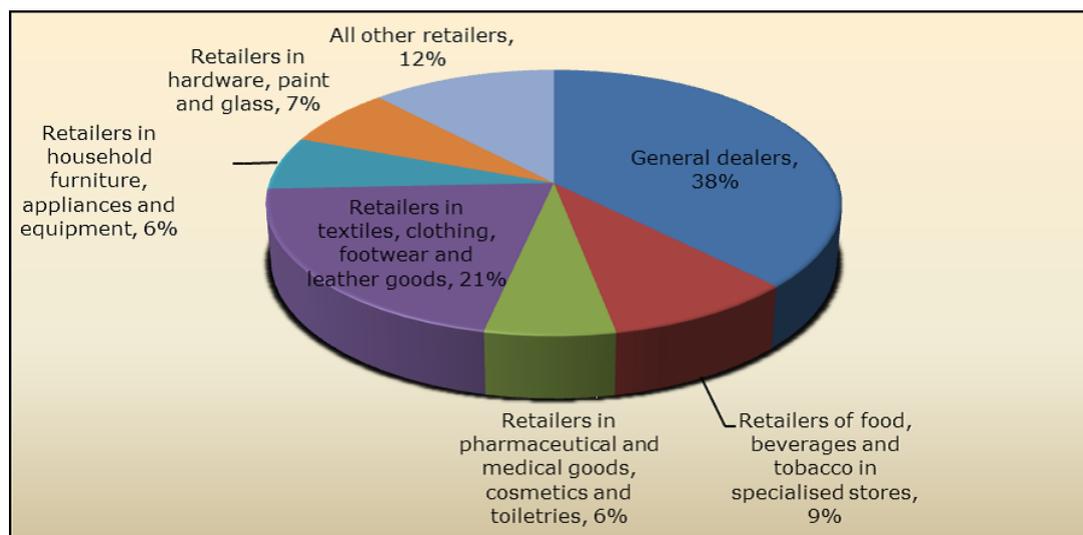


Figure 1.1: The different retail sectors in South Africa

Source: Gauteng Provincial Treasury (2012)

There are many roles that a retailer performs, which benefit the customer, the economy and the manufacturer (Pradhan, 2012: 5). Retailers are the final link in the supply chain, and they perform this role by supplying goods from the manufacturer to the final consumer in a form that the customer wants and at a time and location that are suitable for the customer (Pradhan, 2012: 5). From an economic view, the role of the retailer is to deliver value to the customer by providing an assortment of goods and by providing services that make it easier for the customer to purchase these goods (Levi & Weitz, 2012: 8). Retailers influence the economy of a country by providing consumers with goods and services that they need, thus increasing the amount that consumers spend (Dunne *et al.*, 2014: 2). The retail industry also creates employment opportunities, especially for the youth of the country (Gauteng Provincial Treasury, 2012: 1).

Another important role of the retailer is communication, as this ensures that customers are aware of the retailer and have knowledge of the retailer's product offering (Erdis & Cant, 2015: 115). Over the years, the ways in which retailers have communicated with customers have evolved (Pradhan, 2012: 425). Retailers have moved from one-way communication, where the retailer alone communicated with the customer, to two-way communications, which involve communication to and from the customer (Pradhan, 2012: 425). New technologies, such as the internet and mobile phones, have made it possible for the retailer to communicate with the customer any time, at any place and through a medium that the customer prefers (KPMG, 2013: 1).

In the next section, the methods used by retailers to communicate with customers will be discussed. It will also look at how technology and changing consumer behaviour have influenced the way in which retailers communicate with customers.

1.3 MARKETING COMMUNICATIONS

Communicating with customers is essential for retailers as it is a means of informing the customer about the retailer and of the products and services that he/she has to offer (Pradhan, 2012:426). **Marketing communications** refers to the elements that the retailer uses to deliver messages to the customer (Chitty, Luck, Barker, Valos, Shimp & Andrews, 2014: 3). Through marketing communication, the retailer aims to

inform customers about the product, to persuade them to make a purchase and to remind them about the product (Erdis & Cant, 2015: 115).

Marketing communication encompasses all the methods of communication which can be used, such as advertising, sales promotion, direct marketing, public relations and personal selling (Chitty *et al.*, 2014: 3). The method of communication and the best time to communicate the organisation's message will depend on the target audience and their buying behaviour and the product itself (Chitty *et al.*, 2014: 32). The most commonly used methods of communications used by retailers are advertising, personal selling, sales promotion and direct mail (Erdis & Cant, 2015: 115). These communication tools are shown in Figure 1.2, and will be briefly explained in the text below.

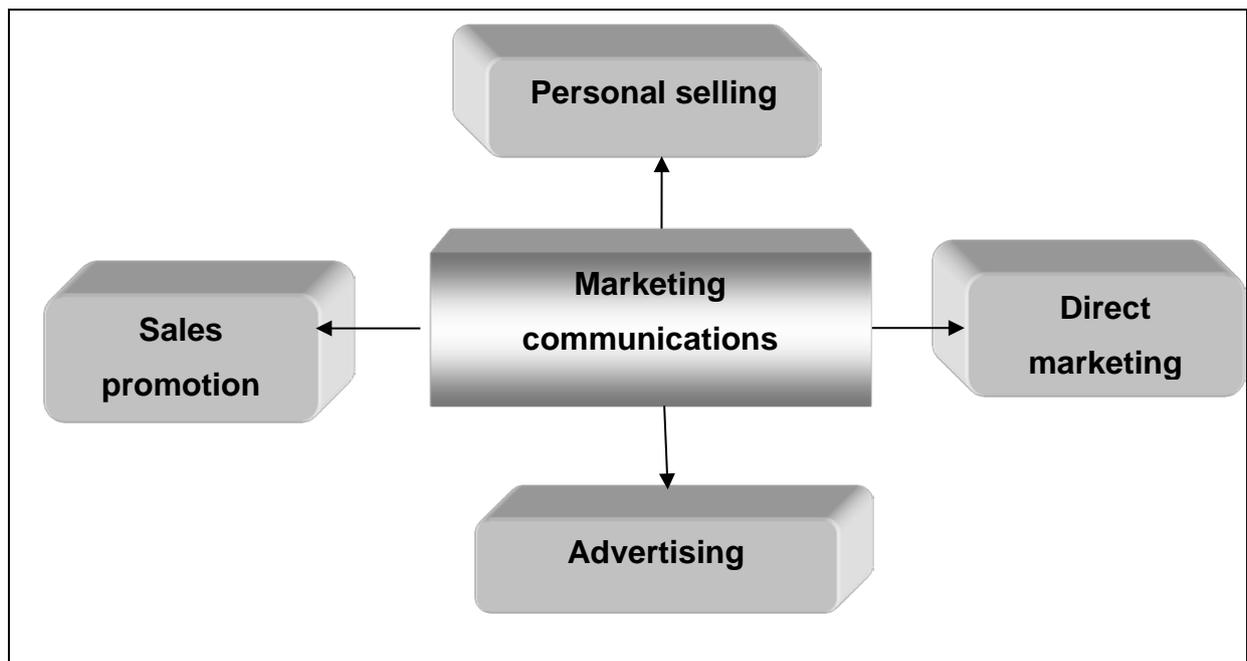


Figure 1.2: The commonly used marketing communication tools by retailers

- **Advertising** is regarded as the non-personal, paid-for communication of information promoting a certain product to generate sales (Koekemoer, 2014a: 61). It includes mass communication such as television, radio and newspapers or direct communication to the end user (Chitty *et al.*, 2014: 4). Advertising is a one-directional method of communicating with the target audience and is used to inform customers about the retailer's products and to provide information about prices, sales and promotions (Koekemoer, 2014a: 72).

- **Personal selling** is the process of identifying the customer's needs and delivering information about a specific product to a prospective customer via face-to-face communication (Koekemoer, 2014a: 220). Personal selling is one of the methods retailers use to build and retain relationships with the customer (Van Heerden & Drotsky, 2014: 209). Building relationships with the customer is important for retailers especially when their product offering is expensive or when referring to high-end products. This relationship between the customer and the salesperson is essential in encouraging the customer to purchase the product on offer (Erdis & Cant, 2015: 119).
- **Sales promotion** refers to the marketing tactic where customers are given incentives in the form of promotions or free trials for a limited period in order to motivate consumer action and encourage sales (Chitty *et al.*, 2014: 5). Sales promotion focuses on encouraging an action. It is a unique, separate event and it comprises a tangible object. The goal of sales promotion is to encourage immediate purchase of a product (Lamb, Hair & McDaniel, 2012: 388). Retailers use sales promotion to attract and make contact with customers (Erdis & Cant, 2015: 123). Incentives such as coupons, free gifts, samples and discounts are used to attract customers and to encourage immediate purchase of the product.
- **Direct marketing** is a means of marketing the organisation's products by directly contacting the prospective buyer by means of mail, telephone or e-mail (Boone & Kurtz, 2015: 512). Direct mail has many advantages for the retailer such as personalising the messages that are sent out, selecting the relevant target market, providing complete information and the response rates are measurable (Boone & Kurtz, 2015: 512).

Traditionally, the methods used by retailers to communicate with the consumer, such as advertising, personal selling, sales promotion and direct mail, had the desired effect of reaching and informing consumers about their products. Today however, consumers are exposed to so many different types of media on a daily basis that, in order to gain their attention, marketers must find new and exciting ways of marketing their products (KPMG, 2013: 4).

Developments in technology have led to non-traditional methods of communication such as social media, e-mailing, mobile phones and blogs (Koekemoer, 2014b: 433).

Retailers have had to evolve with technology and adapt these new communication mediums into their businesses to reach customers (Deloitte, 2011: 7). These new communication mediums provide retailers with new approaches to delivering their messages to customers, such as digital advertising and social media, which allow customers to engage with the retailer in their own time (KPMG, 2013: 4). Technology has brought about new methods of not just informing the customer about the organisation's products, but also new ways of interacting and building relationships with the customers (Ferrell & Pride, 2014: 236).

In the next section, the way in which technology has influenced marketing and the way marketers interact with consumers will be discussed.

1.4 NON-TRADITIONAL-BASED MARKETING COMMUNICATIONS

Over the past few years, the growth of the internet has surpassed the growth of other communication media (Lamb *et al.*, 2012: 61). Previously, print media and television advertising were seen as the major forms of communicating with the customer. However, new advancements in technology have provided retailers with many more options for reaching and communicating with customers (Samuels, 2013: 1). These new interactive methods of communication have removed the limitations of traditional media, such as one-way communication from the retailer to the customer, a limited amount of information being delivered, limited reach and the cost of advertising (Samuels, 2013: 1). New developments in the field of technology have also made it possible for retailers to target specific customers effectively and to gain accurate information about the target market (Ferrell & Pride, 2014: 235).

Digital media refers to the use of electronic devices, such as computers, smartphones, tablets and notebooks to send and receive messages via the internet (Ferrell & Pride, 2014: 235). Digital media includes the internet or e-marketing, e-mail marketing, blogs, podcasts, video, mobile marketing, social media and includes video games and digital billboards. **Digital marketing** is the term used to describe the use of one or more electronic media to promote a product, brand or retailer (Ferrell & Pride, 2014: 236).

Digital media makes it possible for retailers to identify and address customers before they make a purchase thereby enhancing the relationship with the customer. Retailers are able to use digital media to facilitate two-way, personalised communication with customers (Ferrell & Pride, 2014: 236).

Some of the more prominent forms of digital media used by retailers are e-marketing, e-mail marketing, mobile marketing and social media and content marketing. These digital forms of marketing will now be discussed:

1.4.1 E-marketing

E-marketing, internet marketing or digital marketing refers to the process of marketing an organisation and its products or brands using digital media and digital marketing methods to communicate with customers (Ferrell & Pride, 2014: 236). This type of marketing comprises all activities that the business does through the internet. E-marketing refers to technology that is used to support the retailer's e-marketing functions, such as customer relationship management, customer support, the retailer's sales activities and marketing research (Trainor, Rapp, Beitelspacher & Schillewaert, 2011: 164).

Internet marketing allows retailers to capture customer data easily through their online interaction with them (Trainor *et al.*, 2011: 164). Retailers then make use of this information to segment their market, analyse customer purchase decisions and to personalise future marketing efforts for their customers (Stokes & Quirk, 2013: 5). Used correctly, e-marketing efforts of the retailer can result in increased profits (Stokes & Quirk, 2013: 5).

1.4.2 E-mail marketing

E-mail refers to messages that are sent electronically via the internet from one user to another (Oxford Dictionaries, 2015). It is a system that sends and receives electronic documents, typically in the form of text files, from one internet user to another. E-mails have become an integrated part of our lives, as it is a means of connecting us in business and in our personal lives with friends and family. E-mail can be used as an effective direct marketing tool that is able to enhance the organisation's marketing activities (Stokes & Quirk, 2013: 31).

E-mail marketing can be defined as a type of digital marketing that uses electronic mail to communicate with customers, providing information about the organisation, the products they offer and the services that they provide by sending them relevant promotional material (Stokes & Quirk, 2013: 31). This type of marketing communication typically involves the business engaging with consumers via e-mail and sending them advertisements, newsletters, catalogues, sales or donation solicitations and coupons.

By using e-mails, the business is able to have a meaningful conversation with its customers. It is a convenient method of communicating with customers as they are able to receive messages easily and the organisation can add attachments such as images, videos or presentations (Poole, 2012: 20). E-mail marketing is cost-effective, customers can be targeted for a specific campaign, and it is measurable as the e-mails can be tracked (Stokes & Quirk, 2013: 31).

1.4.3 Mobile marketing

In recent years, there has been an increase in the usage of and demand for digital, hand-held devices such as mobile phones, tablets personal computers (PCs) and personal digital assistants (PDAs) (Shankar & Carpenter, 2012 217). Mobile phones in particular are a multipurpose communication device, and are seen as an extension of ourselves (Heart, 2014: 4). With new smartphone technology, consumers are able to do almost everything with their phones, which makes mobile marketing a great interactive tool for reaching the desired target audience (Stokes & Quirk, 2013: 462).

The Mobile Marketing Association defines mobile marketing as "... a set of practices that enables organisations to communicate and engage with their audience in an interactive and relevant manner through and with any mobile device or network" (Mobile Marketing Association, 2009: 1). **Mobile marketing** refers to the promotional activity of the organisation that allows for two-way communication between the firm and its customers through the use of mobile devices such as mobile phones, PDAs and tablet PCs (Heart, 2014: 5). Mobile marketing initiatives include mobile advertising, promotions, customer support and relationship management (Shankar & Carpenter, 2013: 217).

Mobile phones are efficient, and it is relatively inexpensive for marketers to create content for mobile advertisements (Quirk.com, 2013: 5). Businesses can make use of promotional codes and coupons which can be sent via mobile devices. Consumers are then able to use these when they need them (Quirk.com, 2013: 5). Retailers are also able to target specific markets or, depending on their campaign, they can reach a broad audience. It is also very easy to share information through mobile phones.

Retailers have started using mobile devices to enhance customers' shopping experience and in some cases provide these devices to the in-store salespeople to help them identify and locate items for the customer (PayPal, 2013). Many retailers have also started providing customers with mobile in-store payment options (PayPal, 2013). The aim of this is to enhance the customer's shopping experience by making it convenient and easy for the customer.

1.4.4 Social media marketing

Social media refers to any online communication channel that allows individuals to share personal or professional information and communicate their opinions and interests, such as their favourite products and brands (Pride, Ferrell, Lukas, Schembri & Niininen, 2012: 397). Social media includes blogs, content communities such as YouTube, social networking sites such as Facebook, Twitter, Google+, LinkedIn and Myspace, virtual social worlds such as Second Life and virtual games (Shankar & Carpenter, 2013: 202).

Social media marketing refers to the process of using social media such as Twitter, Facebook and YouTube as a means of interacting with target audiences (Nations, 2013). It is the process of engaging in conversations with the customer by using interactive social media platforms (Nations, 2013). Social media marketing allows the retailer to engage in conversation which results in building trust and confidence with the customer and which improves the retailer's products and services so that it can better serve the needs of the customer (Packer, 2013).

Some of the more common social media used for advertising are Facebook, Twitter and YouTube and LinkedIn. These will be discussed briefly.

- Facebook: Advertising through Facebook can be direct or indirect. Direct methods of Facebook advertising include using, for example, banner advertisements (Prabhakar, 2011). **Banner advertisements** are advertisements in the form of graphics that appear on a web page (BusinessDictionary.com, 2015a). **Indirect Facebook advertising** refers to the retailers' Facebook pages (Prabhakar, 2011). The retailers' Facebook pages can be used to provide customers with updates about their products and services, which they can then share with others (Saravanakumar & Lakshmi, 2012: 4446).
- Twitter: Twitter is considered to be a micro-blogging website, a form of blogging that limits the amount of content posted (Saravanakumar & Lakshmi, 2012: 4446), as it has a limit on the number of characters that can be used for the messages that are posted. Twitter can be used to update customers about products or to advertise a new promotion (Pride *et al.*, 2012: 400). Twitter uses promoted tweets, promoted trending topics and promoted accounts as advertising platforms (Taylor, 2013: 89). **Promoted tweets** are tweets that are purchased by an advertiser and shared with a specific audience (Twitter.com, 2015b). **Promoted trending topics** refers to trends that are promoted by advertisers (Twitter.com, 2015b). **Promoted accounts** are part of the 'who to follow' accounts on an individual's Twitter account, which suggests accounts which people might be interested in (Twitter.com, 2015b). Retailers also use their own Twitter accounts to update customers about products, provide private discounts to those customers following the retailer, and to stay up to date with consumer trends (Saravanakumar & Lakshmi, 2012: 4446).
- YouTube: This is a media-sharing site where individuals are able to upload and watch videos from anywhere in the world (Saravanakumar & Lakshmi, 2012: 4448). Advertisements are displayed on YouTube before a video is played or at the bottom of the video while the video is being played (Prabhakar, 2011). Organisations are also able to create their own YouTube channel and upload interesting videos about their business.
- LinkedIn: This is a social networking site that is designed to connect professionals of various industries, which allows individuals and businesses to connect with others, find new opportunities and learn and share industry news (LinkedIn, 2014b).

The use of the different social media can result in improved search results, better customer service and more exposure for the store, while it increases the retailer's business relationships with the media (Packer, 2013). It is also helpful in managing the reputation of the retailer and enhances customer relationships, which results in customer loyalty (Packer, 2013). Retailers make use of the different social media platforms by updating their Facebook or Twitter account with their new promotions, asking consumers' opinions about products, and answering consumers' questions with regard to their products or services.

In 2012, one of South Africa's popular restaurants, Col'Cacchio's launched a 'price slice' Twitter campaign. Consumers were encouraged to tweet #PriceSlice and the more they tweeted, the more Col'Cacchio's would discount their pizzas. Within the first three hours of the campaign, five hundred tweets were tagged and #PriceSlice and @Col'Cacchio were trending in South Africa (Hughes, 2012). Another successful social media campaign in South Africa is FNB's 'FNB guy' Twitter handle (Rhys, 2012). FNB created a character by the name of RB Jacobs on Twitter to interact with clients. The chief executive officer (CEO) of FNB, Mr Michael Jordaan, used this account to engage with clients and to answer customer complaints (Rhys, 2012).

1.4.5 Content marketing

There are many definitions that describe content marketing. An acceptable definition of content marketing is one by the Content Marketing Institute (2013: 1), "... content marketing is a marketing technique of creating and distributing relevant and valuable content to attract, acquire, and engage a clearly defined and understood target audience with the objective of driving profitable customer action". **Content marketing** refers to creating relevant and valuable content with the purpose of attracting and retaining customers (Content Marketing Institute, 2013). It is on-going communication with the customer, without selling a product; the business provides information to the customers so that they can make smart, informed decisions (Content Marketing Institute, 2013.)

Consumers' response to traditional advertising methods has changed with the introduction of new technology and new media. The online presence of the customer is rapidly increasing and consumers are progressively engaging with each other,

posting content and sharing knowledge and experiences (Heinonen, 2011: 356–364). Consumers are becoming more and more active and are contributing to the marketing content that is directed at them (Heinonen, 2011: 356–364). Their perceptions and how they view brands and products are influenced by the advertising means used by retailers (Wisegeek, 2013).

Perception in this context refers to the process that consumers go through whereby they select, organise and interpret information that they are exposed to, into a meaningful picture (Joubert, 2013: 57). Consumer perception is thus the sensory perception of marketing and advertising that consumers are exposed to (BusinessDictionary.com, 2014b). It comprises the opinions that consumers have developed about a brand, product or retailer based on the purchases that they have made and on the advertising that they are exposed to (Cant, Van Heerden & Ngambi, 2013: 55). Consumers' perception of the advertisement can either motivate them to make a purchase, or it can create a negative perception of the brand in their minds (Lin, 2011: 8455).

The ultimate goal for the marketer is to acquire sales through his/her marketing campaign, which is done by creating a good perception of the brand in the mind of the consumer (Baker, 2012: 121). Digital media provides marketers with the opportunity to influence the perceptions of consumers by developing personalised communication for consumers, interacting with consumers and developing relationships with them (Ryan & Jones, 2014: 22). It is thus important to understand consumer perceptions of digital marketing, how consumers react to digital marketing efforts, and to determine which channels are appropriate to engage with the customer. Marketers should also understand what the perceived value and benefits the consumer gains when using specific digital media (Ryan & Jones, 2014: 23).

The evolution of technology has brought about new ways and opportunities to reach and interact with consumers such as real-time marketing. Real-time marketing is a result of the rapid changes in technology, social media and consumers' purchase behaviour (Lieb, 2012). It is a means of capturing consumers' attention and anticipating or responding to consumers' needs in real time (Lieb, 2012). Real-time marketing is defined as marketing that is tailored to the customer's specific needs by making use of the most current information about the customer at any point of

interaction (Garner, 2013: 4). Real-time marketing requires marketers to be a part of the on-going conversation around the product and engaging with the consumer in the digital world (Garner, 2013: 4).

In the next section, we will discuss real-time marketing in detail.

1.5 REAL-TIME MARKETING

Oreo captured the attention of millions of football fans during the 2013 Super Bowl with their 'You can still dunk in the dark' tweet (Rooney, 2013). Oreo took advantage of a blackout, which occurred during the Super Bowl, and reacted immediately with a tweet showing an image of an Oreo in the dark, with the caption 'You can still dunk in the dark'. This tweet was retweeted 15 000 times within the next 24 hours, and Oreo's Twitter followers increased by 8 000 (Rooney, 2013). Oreo used the moment to excel above their competitors and to capture the audience through a medium that made it possible for them to reach the audience in real time. This is an example of real-time marketing.

Real-time marketing can be defined as the "... systematic, multi-channel engagement, using more than one channel to communicate with the customer, based upon real-time insights" (GolinHarris, 2013: 1). Real-time marketing is the ability of a brand to go the extra mile, to engage with their customers in a way that is non-intrusive, and be able to share information that is relevant via multiple media channels (GolinHarris, 2013).

Real-time marketing efforts can take various forms. It can refer to an automated marketing concept, which refers to automated individual campaigns, which are triggered by various events or actions of the customer (Bathelot, 2013). The automated marketing concept makes it possible for the business to communicate with the customer almost immediately (Bathelot, 2013). It also refers to marketing efforts that are executed in real time (Bathelot, 2013). This means that the messages are created and custom-made for the individual customer and are sent in real time (Bathelot, 2013).

Real-time marketing also includes marketing campaigns that are developed and sent in real time as a result of an event, such as the Oreo example above. It involves

using search and social media technology to interact with the consumer and to do so in real time (Garner, 2013: 4).

Real-time marketing provides marketers with a host of options to reach and interact with customers. By utilising technology, marketers are able to stay in contact with the customer and provide incentives based on the customers previous purchase history (Smith, 2011). Using geolocation technology, that is, technology that is used to identify the real-world geographic location of an individual or object (cf. ISACA, 2011:5), marketers are able to determine the location and proximity of the consumer to the store, and can send them text messages regarding specific specials (Smith, 2011). Real-time marketing uses data and analysis software to send out messages to consumers in real time (eMarketer.com, 2013). Messages are sent by using automated technology to send marketing content through different channels (eMarketer, 2013).

There are five channels that marketers use to employ real-time marketing efforts. these are briefly discussed below (Smith, 2011):

- **Web personalisation:** This refers to personalising the business web page to match customers' specific preferences. The business customises everything from the item pages to the checkout process based on customers' previous shopping preferences or customers' instructions (Smith, 2011). With the right technology, research and testing, the business can provide a personalised online experience for the customer.
- **Dynamic e-mail:** This method of marketing offers consumers tailored, personalised e-mails. Personalised content is generated automatically based on factors such as the consumers' past actions and preferences, location and their e-mail.
- **Call centres:** Based on the customer's preferences and revenue, call centres are able to create specific product recommendations for the specific customer.
- **Mobile devices:** With new technology, such as geolocation, retailers are able to entice customers as they walk past the store. Customised content can be created for and sent to the individual person almost immediately.

- **In-store:** Retailers can gather a significant amount of data about customers through their credit card and loyalty programme cards. New software allows the organisation to identify the customers' past purchase behaviour and interests automatically. Based on this, customers are given specific discounts or offerings for which they qualify.

Real-time marketing efforts, if used correctly and appropriately, are inexpensive and help the organisation with building and encouraging a relationship with customers (Garner, 2013: 4). The business is able to detect and analyse consumers' buying signals as they interact with the business online. This also enables the organisation to be a part of consumers' online discussion and to engage consumers (Garner, 2013: 4). When incorporated into the business' marketing mix, real-time marketing has a considerable effect as it adds value by delivering messages to customers, which increase interest in the business and its products, and this results in an increased probability of customers trying or purchasing the product (GolinHarris, 2013). When added to the marketing mix, real-time marketing increases the chances of customers participating in communication with the brand (GolinHarris, 2013). Real-time marketing provides marketers with the opportunity to engage with their loyal customers by reaching customers at the right place, at the right time and with the right messages specifically developed for the customers (GolinHarris, 2013). A database is required of customers and their purchase history, their preferences and their preferred contact details to engage effectively with them in real time. This data can be gathered from consumers' e-mail details, website visits and consumer behaviours on the site and their transaction history and conversations with the retailer (Evergage, 2014a: 3).

A study conducted by GolinHarris (2013), found that consumers showed a positive response to real-time marketing (Mielach, 2013). The study showed that 46 per cent of customers developed an interest in the product or brand after they had been exposed to a real-time marketing campaign (Mielach, 2013). The results also showed that consumers were more likely to make purchases after being exposed to real-time marketing campaigns and that they often recommended the product or brand to others (Mielach, 2013).

Brands – such as BOS ice tea in South Africa – are making use of real-time marketing in a fun and exciting way. In 2012, BOS ice tea launched a tweet-activated vending machine called ‘Bev’ (Nsehe, 2012). Customers could request a BOS ice tea by tweeting the hashtag #BOSTWEET4T, and they would receive an ice tea minutes later (CowAfrica.com, 2014). The vending machine used a geolocation feature, which allowed it to identify how close the individual who tweeted was to the vending machine allowing him/her enough time to collect his/her ice tea (CowAfrica.com, 2014).

Consumer behaviour has changed with the development of new technology and social media. According to Garner (2013: 6), consumers are always connected to the internet and have access to much more information than before. In South Africa, however, only 41 per cent of the population use the internet (The Broadband Commission, 2013: 99). A report by the Broadband Commission shows that 25.5 per cent of households in South Africa have internet access. The report also found that mobile broadband subscriptions in South Africa are increasing by 30 per cent per year (The Broadband Commission, 2013: 99). Consumers make use of the internet and are able to decide which information they would like to see by accessing websites or through social media networks (Pelsmacker & Neijens, 2012: 1–4). Real-time marketing is the next step in interacting with these customers, developing customer relationships and providing customers with customised marketing services.

1.6 REASON FOR THE STUDY AND FORMULATION OF THE PROBLEM STATEMENT

In the next section, the problem statement and reason for the study will be discussed.

1.6.1 Problem statement

As stated in the literature review, the marketing environment is constantly changing and evolving. With the increase of new software technology and accessibility to technology, there are many new ways to engage with customers. Technology is used to enhance the interaction that the retailer has with the customer. Retailers use these different technologies to recognise customers’ needs, wants and interests and provide customers with an offering through a medium that suits the customer.

Customers are bombarded on a daily basis with advertising messages via various channels of communication. Social media, mobile and internet marketing makes it easy for marketers to reach a larger market. With real-time marketing, consumers receive messages that are tailored for their specific needs. A study conducted by IBM in 2013 revealed that two out of five leading companies had sent out real-time marketing offers to consumers in 2013 (eMarketer, 2013). Another study by Infogroup Target Solutions and Yesmail Interactive revealed that 53 per cent of marketers planned on incorporating real-time marketing in their campaigns for 2013 (Gesenhues, 2013).

The growth in the utilisation of real-time marketing campaigns by retailers has given rise to the question of how consumers perceive real-time marketing which is used as a marketing tool by retailers.

The research question for this study was thus: *How do consumers perceive real-time marketing which is used as a marketing tool by retailers in their marketing campaigns to inform the consumer about the products and services offered by the retailer?*

1.6.2 Objectives of the study

The primary objective of the study was to determine consumer's perception of real-time marketing as a marketing tool used by retailers in Gauteng, South Africa to inform the consumer about the products and services offered by the retailer.

The secondary objectives were to determine:

- which medium of real-time marketing communication is preferred by consumers;
- whether consumers know what real-time marketing is;
- what consumers regard as the most effective/influential mediums of real-time marketing;
- which real-time marketing tools consumer are aware of;
- whether real-time marketing campaigns will effect consumer purchase behaviour;
- what consumers regard as clutter campaigns (see definition of key terms); and
- further areas of studies.

1.6.3 Purpose of the study

The purpose of this study was to determine consumers' perception of real-time marketing efforts used by retailers. Consumers' perception of a retailer is influenced by the interaction they have with the retailer through, namely advertising, sales promotion, personnel selling and direct marketing methods (WisegEEK, 2013). The perception that consumers form about an organisation influences their purchase decisions and whether they will frequent a specific retail store (WisegEEK, 2013).

This study explored real-time marketing, which has recently become of interest to marketers (Hall, 2013). The study intended to uncover consumers' perceptions of real-time marketing, which is used as a marketing tool and whether real-time marketing influences consumers' purchase behaviour. The outcomes of the study will provide an indication to retailers of consumers' opinions about real-time marketing and the methods of communication that are preferred by consumers.

The methodology is discussed in the next section.

1.7 RESEARCH METHOD

This research study comprises a literature investigation into the retail industry and the communication media used by retailers. It also presents a discussion of the non-traditional communication media that have given rise to real-time marketing. The second part of this research study comprises of empirical research into consumers' perceptions of the real-time marketing efforts of retailers.

In this section, the research design, sampling methods and data collection methods that were used in this study are among the topics to be discussed.

1.7.1 Research design

For this study, primary data was collected by the researcher. The type of research used was descriptive with a quantitative approach. Descriptive research focuses on an in-depth analysis of a specific group, situation or attitudes of consumers (Wiid & Diggines, 2013: 55). This type of research was appropriate for this study as the study aimed to identify consumers' perceptions of real-time marketing efforts aimed at them

and how these real-time marketing campaigns influence consumers' purchase behaviour.

Quantitative research was used to conduct the study. This type of research is formal and objective and is used to identify and examine relationships between different variables (cf. Zikmund & Babin). Quantitative research is the empirical assessment of the research objectives and does not require a lot of interpretation (Zikmund & Babin, 2013: 439).

In order to achieve the objectives of the study, survey research was conducted. A **survey** refers to the measuring tool used to gather information and to assess thoughts and opinions of the target population (Zikmund & Babin, 2013: 153). The survey method used was a self-administered online survey. Information was gathered by sending out and collecting surveys via the internet.

1.7.2 Ethical implications

Ethical clearance was requested from the Research Ethics Committee of the Department of Marketing and Retail at the University of South Africa. This was obtained before the research was conducted.

1.7.3 Sampling

Sampling refers to the processes of selecting a subset of the larger population of interest (Zikmund & Babin, 2013: 301). Sampling includes identifying the target population, determining the context and units of analysis and selecting the sample. This is briefly discussed below.

1.7.3.1 Target population, context and units of analysis

The target population for this study comprised consumers in the Gauteng region of South Africa. Gauteng was chosen as more than a quarter of the retail sector's contribution to the total gross value added (GVA) in South Africa comes from Gauteng (Gauteng Provincial Treasury, 2012: 29).

The units of analysis for this study consisted of individual consumers of retailers within Gauteng. These consumers included anyone who was over the age of 18 and

who had made a purchase from a retail store and who resided in Gauteng, a province in South Africa. As discussed with the Bureau of Market Research (BMR) of the University of South Africa, for the study to be measurable, a sample of at least 120 retail consumers was necessary.

1.7.3.2 Sampling method

For this research study, convenience sampling was used. **Convenience sampling** refers to a sampling method that allows the researcher to obtain relevant data from individuals who are conveniently available (Zikmund & Babin, 2013: 312).

The researcher gathered a sample of consumers by providing consumers who were readily available (at retail stores, in malls, at work or at social gatherings, etc.) with information regarding the study, and asking them whether they would like to participate in the research study. The consumers who agreed to participate were asked to provide the researcher with their e-mail addresses, which then formed part of the database that was used to send out the survey. Social media such as Facebook, Twitter and LinkedIn were also used. The researcher uploaded a short description of the study on these social media sites and included a weblink to an Excel document where interested individuals were able to provide their e-mail address to be included in the final database. These consumers were sent an e-mail with a web link to an online survey platform, LimeSurvey, on which the survey was presented.

As discussed with the BMR, this sampling method was appropriate for the research as the target population included any individual who was over the age of 18, who resided in Gauteng and who had shopped at a retail store. This sampling method also allowed the researcher to collect data from the average retail consumer and it assured representativeness of the target population. This method of data collection was cost-effective, and data was collected within a short period of time.

1.7.4 Data collection

The data collection method that was used for this study was that of a web-based online survey. This type of survey combines both the self-administered survey and the computer-assisted survey (Bethlehem & Biffignandi, 2012: 103). Web-based

surveys are convenient as they have a short turnaround time, they can be sent to a large geographical area and they are low cost and flexible (Cooper & Schindler, 2014: 225).

For this study, consumers who indicated their willingness to participate in the study were asked to provide their e-mail addresses. These consumers were then sent an e-mail with a link, which redirected consumers to the LimeSurvey platform, which was used to capture the consumers' responses.

1.7.5 Measurement

The measuring instrument used for this study was a questionnaire. The questionnaire made use of Likert-type scales and ranking scales to test consumers' perceptions with regard to the various real-time marketing tools. Likert-type scales are constructed by assembling a large number of statements about a construct along with continuous response categories (Hair *et al.*, 2015: 222).

1.7.6 Pre-testing

For this study, a pre-test of the questionnaire was conducted by sending the survey to a small group of consumers a month before the actual data collection started. The pre-test is important as it provides the researcher with an indication of the errors that may occur. The researcher was able to see which questions were asked incorrectly or which were not understood by the respondents, and it also indicated the estimated time taken to complete the survey.

1.7.7 Reliability assessment

Reliability refers to the degree to which the tool used to conduct the research produces stable and consistent results (Hair *et al.*, 2015: 233). A measure is considered to be reliable if the instrument measures the same way each time it is used under the same conditions with the same subjects (Hair *et al.*, 2015: 233).

For this study, the reliability of the scale was measured using Cronbach's alpha. Cronbach's alpha is a value between 0 and 1, which measures the consistency of the scale. A scale is deemed reliable if it scores above 0.7. The higher the score, the more reliable the test is considered to be. Exploratory factor analysis (EFA) was also

conducted to test the validity of the scale. This was used to determine the underlying factors from a set of variables (Sarstedt & Mooi, 2011: 241).

1.7.8 Data analysis

The data analysis process converts the data that has been collected into useful information (Zikmund & Babin, 2013: 230). In the current study, the data that is collected was coded by allocating numerical figures to each answer, which were edited to produce an analysis of the research conducted. During the editing, the data was examined for completeness and consistency (Hair *et al.*, 2015: 295). With the assistance of a statistician, the data was analysed using descriptive statistics, frequency percentages and relationships between various constructs and these were tested with the use of statistical software SPSS/JMP.

1.7.9 Limitations of the study

Using the quantitative web survey, there was no way of telling whether the respondents were telling the truth. Various response errors could have occurred, for example, respondents might have interpreted questions differently to what was intended and this could have altered the results (Bethlehem & Biffignandi, 2012: 103).

The current study aimed to identify consumers' perceptions with regard to real-time marketing efforts that were aimed at them. There are a few limitations to acquiring consumers' perceptions using web-based surveys. Respondents' perceptions are sometimes based on what they have recently been exposed to, which could result in providing unstable opinions (Bethlehem & Biffignandi, 2012: 105). Respondents also have the tendency to provide answers based on what is socially acceptable or to answer questions without really thinking about them (Bethlehem & Biffignandi, 2012: 105).

1.8 CHAPTER OUTLINE

The proposed chapter outline of the study is as follows:

Chapter 1: Introduction

In this chapter, the study is introduced. The theoretical foundation and a brief overview of the methodology of the study are given. An outline of the research problem, the objectives and aim of the study are discussed as well.

Chapter 2: Consumer perceptions

This chapter discusses consumer perceptions of the various marketing tools that are used by retailers. The chapter reports on how consumers' perceptions of retailers' marketing efforts influence the retailer. Consumers' perceptions of the different forms of new marketing media and their changing purchase behaviour are discussed.

Chapter 3: Technology as a marketing communication tool and the rise of real-time marketing

The use of technology in marketing communications is discussed in this chapter. The various technology-based marketing communication tools are explained and real-time marketing is discussed. This chapter also looks at a definition of real-time marketing, what it is, how it is used and its influence on businesses.

Chapter 4: Research methodology

This chapter provides a description of the methodology that was used. It will also discuss the research design, the sampling method and the measuring tools used in the study.

Chapter 5: Research results

The findings of the research are discussed in this chapter. The findings are used to interpret consumers' perceptions of real-time marketing efforts of retailers.

Chapter 6: Conclusions and recommendations

This chapter discusses the findings and interpretations of the research results of consumers' perceptions of real-time marketing. It also provides an in-depth analysis of the topic and recommendations for future studies.

1.9 SUMMARY

This chapter provided a brief introduction to the study. The theoretical foundation of the retail industry, technology and the new forms of marketing media and the concept of real-time marketing were discussed. This chapter also looked at the research problem, the objectives and the aim of the study.

In the next chapter, consumer perception is discussed.

CHAPTER 2

CONSUMER PERCEPTION

2.1 INTRODUCTION

Consumers are exposed on a daily basis to about 3 000 to 10 000 brand advertisements, from radio advertisements to television, internet, e-mails, social media and billboards (Fournier, Breazeale & Avery, 2015: 408). All these advertisements convey a message to the consumer, who will decide which messages to pay attention to and which messages to ignore. Once the consumer is exposed to the advertisement he/she will interpret meaning from the advertisement (Cross, 2014). The meaning that the consumer forms is based on his/her own experiences and his/her learning (Joubert, 2013: 55).

The aim of this chapter is to provide a background on consumer perception by firstly defining consumer perception and discussing the consumer perceptual process. The effect that perception has on the consumer's behaviour will also be discussed. Thereafter the various factors that influence consumer perceptions of the retailer will be discussed. The chapter concludes with a discussion of consumer perceptions of the various marketing tools used by retailers.

2.2 CONSUMER PERCEPTION DEFINED

Perception is a factor that influences the consumer's decision to frequent a specific retailer and purchase certain products. It can be defined as the process through which an individual selects stimuli, organises it and interprets it into meaning (Wozniak, 2013: 75). Mpinganjira, Dos Santos, Botha, Du Toit, Erasmus, Maree and Mugobo, (2013: 75) define perception as the absorption of stimuli through the basic senses, and includes formal learning and experiences of the individual. Perception is also defined by Kotler and Armstrong (2014: 172) as "... the process by which people select, organise and interpret information to form a meaningful picture of the world". According to Schiffman and Wisenblit (2014: 175), perception is "... the way we see the world around us" that is, the way each individual interprets his/her environment.

In a retail context, consumer perception refers to the consumer's impression, feelings and knowledge about a retailer, and the retailer's product and service offerings (BusinessDictionary.com, 2014e).

Perception is essentially an unconscious process whereby consumers are exposed to stimuli. They then select certain stimuli to pay attention to, they organise and interpret the stimuli, and finally recall the stimuli when making a purchase (Joubert, 2013: 56). This process is known as the **consumer perceptual process**, and this process is influenced by the individual's frame of reference, experiences and expectations (Parumasur & Roberts-Lombard, 2014: 163). This means that the consumer will decide which information to pay attention to and which meaning to gain from the message (Joubert, 2013: 56). The perceptual process is illustrated below in Figure 2.1.

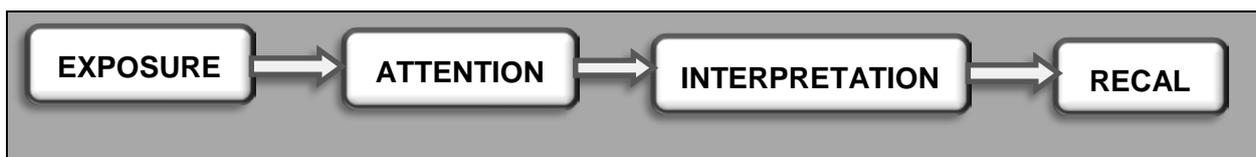


Figure 2.1: The perceptual process

Figure 2.1 illustrates the four stages in the consumer perceptual process. Each of the stages of the consumer perceptual process is discussed below.

2.2.1 Exposure

The first stage of the consumer perceptual process is exposure as indicated in Figure 2.1. **Exposure** refers to the extent to which the consumer takes note of a stimulus, which is picked up through the consumer's senses of sight, smell, touch and sound (Joubert, 2013: 57; Mpinganjira *et al.*, 2013: 77). A **stimulus** refers to any unit of input, such as advertisements, packaging and products, to any of the sensory receptors (eyes, ears, nose, mouth and touch) (Schiffman & Wisenblit, 2014: 175). Exposure is thus the degree to which the individual will notice a stimulus such as an advertisement in a magazine, hear a jingle of a commercial, smell the scent of a store or notice the packaging of the product.

Exposure to a stimulus, however, does not guarantee that the individual will become aware of it (Joubert, 2013: 58). The stimulus that the consumer is exposed to must be intense for the individual to notice it. The minimum level of intensity needed for an individual to become aware of the stimulus is referred to as the **absolute threshold** (Mpinganjira *et al.*, 2013: 79). If the sound of the advertisement for example, is too low or the images used are too small, the individual will not become aware of the advertisement. The **differential threshold**, on the other hand, refers to the difference of intensity between two similar stimuli (Schiffman & Wisenblit, 2014: 176). If the difference of intensity between two stimuli is too small, the individual may perceive the two stimuli as the same. For example, if an individual is exposed to two different advertisements, both red in colour with similar font and size images, the individual will perceive both to be the same advertisement. Stimuli can also be presented below the threshold level of the individual. This means that the stimuli is so faint that the individual is not consciously aware of it, and this is referred to as **subliminal perception** (Schiffman & Wisenblit, 2014: 178).

Most of the stimuli to which the consumer is exposed to is self-selected, meaning that the consumer will ignore messages in which he/she is not interested in and pay attention to those messages that relate to him/her (Cant, 2013a: 129). This is known as **selective exposure**. An example of this type of exposure is found when the consumer is listening to the radio and changes the station during commercials.

The next stage in the perceptual process as shown in Figure 2.1, is attention.

2.2.2 Attention

Once the consumer is exposed to the stimuli, he/she will decide on the extent to which he/she will process the particular stimulus (Joubert, 2013: 58). This is the second stage of the perceptual process, namely attention. **Attention** refers to the extent to which the consumer observes a particular stimulus (Parumasur & Roberts-Lombard, 2014: 164). Attention is the amount of time and energy spent in processing the stimulus and is dependent on the individual, the stimulus and the situation (Hoyer, MacInnis & Pieters, 2013: 76).

- The individual: A person will most likely pay attention to a stimulus that relates to his/her experiences, attitude and social and cultural environment (Joubert, 2013:

58). For example, an individual who does not usually notice advertisements for Swatch watches will become aware of them when he/she is in the market for a watch.

- The stimulus: The characteristics of the stimulus, such as the size, colours used the position where the stimulus is placed and its intensity have an effect on whether or not the consumer will notice the stimulus and pay attention to it (Joubert, 2013: 58).
- The situation: The environmental stimuli to which the individual is exposed to other than the focal stimulus will influence the context within which the individual experiences the stimulus (Parumasur & Roberts-Lombard, 2014: 163).

Consumers are exposed to a large amount of stimuli on a daily basis and they cannot pay attention to each one (Cant, 2013a:129). Consumers will therefore only pay attention to and process a select number of stimuli, this is known as **selective attention** (Hoyer, MacInnis & Pieters, 2012: 76). Consumers vary in terms of the type of information they are interested in, the means of accessing this information and the media through which they prefer receiving their messages (Schiffman & Wisenblit 2014: 181). Thus, consumers will most likely pay attention to stimuli that are of interest to them and that are received through a medium that they prefer.

A stimulus must capture the attention of the consumer to have any influence on the perception that the consumer forms about the brand and its products (Mpinganjira *et al.*, 2013: 80). Marketers have started using various online and offline marketing tools to develop campaigns that are fun, interesting and, most of all, capture the attention of the consumer. One such example is Audi South Africa's Audi A3 exchange campaign of 2013 in which consumers were given the opportunity to exchange their cars for a new Audi A3 Sportback. The campaign made use of television, radio and online advertisements and a truck with an Audi A3 inside to capture the attention of the consumer (Ogilvy & Mather South Africa, 2014). The truck with the Audi A3 inside drove across the country while consumers guided the truck by tweeting which city the truck should go to next (Ogilvy & Mather South Africa, 2014). This campaign captured the attention of consumers by offering them a reward and getting them involved in the campaign through the various marketing tools.

The third stage of consumer perception, as shown in Figure 2.1, is interpretation.

2.2.3 Interpretation

Once consumers' attention has been drawn to a specific stimulus, they interpret that to which they have been exposed. During the interpretation phase, the consumer extracts meaning from the stimulus and tries to understand the message from the stimulus (Kardes, Cronley & Cline, 2014: 99). In the Audi example used above, the aim of the campaign and the message to consumers were to create awareness and generate interest in the Audi A3 Sportback. The campaign was successful as the interest in the car on the Audi website tripled and resulted in more than 100 real-life test drives per week over a period of three weeks (Ogilvy & Mather South Africa, 2014).

During interpretation, previous experiences and expectations are recalled and combined with the stimulus to derive meaning from the message (Wozniak, 2013: 84). Messages are thus interpreted differently by different individuals, and consumers may interpret a message differently from what was intended by the retailer. This is known as **selective distortion**, and refers to when a consumer changes or distorts stimuli to which he/she is exposed as a result of previous experiences, feelings and attitudes (Lamb *et al.*, 2012: 216). Selective distortion is also caused by stereotypes that the consumer has of the stimuli (Wozniak, 2013: 84). A **stereotype** refers to the biased image held in the mind of the consumer about the retailer or his/her products (Schiffman & Wisenblit, 2014: 184). An example of this is the McDonalds #mcdstories Twitter campaign in January 2012. The aim of the campaign was to engage with consumers and to get them to tell their favourite McDonalds stories. Unfortunately, consumers interpreted the message incorrectly and posted their bad experiences of the fast food restaurant instead (Mashable, 2012). In Figure 2.2, some of the responses from the McDonalds Twitter campaign are shown.

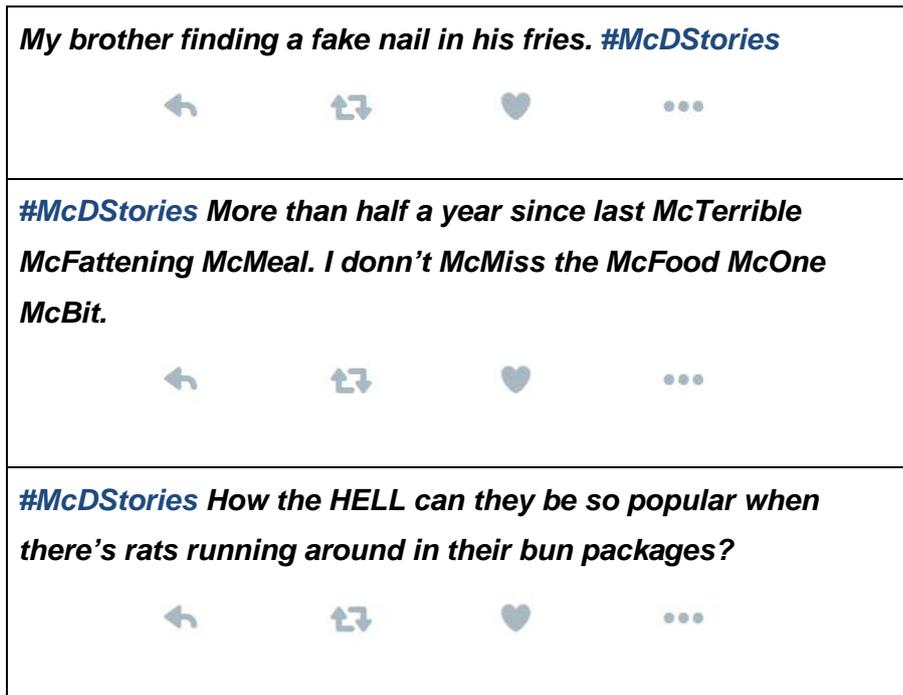


Figure 2.2: #mcdstories Twitter responses

Source: McDonalds (2012)

The final stage of the consumer perception process as seen in Figure 2.2 is recall.

2.2.4 Recall

Recall is the stage where the message received from the retailer is either forgotten or remembered by the consumer. The **recall stage** refers to the consumer remembering the message received from the stimuli, and retrieving it when making a purchase decision (Mpinganjira et al., 2013: 82). At this stage, the consumer has accepted the stimuli and has retained the information in his/her long-term memory. The ideal outcome for a retailer would be the consumer remembering the message and continuously visiting the store. In the Audi example used above, the ideal outcome of the campaign would be if the consumer recalls the message from the campaign and remembers the Audi A3 Sportback when purchasing a new car.

Consumers cannot remember all the stimuli that they are exposed to and tend to forget the messages received from the stimuli (Cant, 2013a: 130). Consumers thus filter out stimuli that are not in line with their beliefs and feelings and those which they do not want to remember, while they store those messages in which they are interested (Lamb, Hair & McDaniel, 2012: 216). This is known as **selective retention**. A consumer for example, could be exposed to three different mobile

phone advertisements, and only remember the brand he/she feels is the most affordable.

The perceptual process is subjective and is based on the consumer's outside environment and on the consumer's past experiences, motives and expectations (Schiffman & Wisenblit 2014: 157). Two individuals, in the same environment, who are exposed to the same advertisement may select, organise and interpret the advertisement differently, based on their past experiences with the retailer and the product, their needs, values and expectations (Schiffman & Wisenblit, 2014: 157). As a result of their different perceptions of the advertisement, the two individuals will display different behaviours after being exposed to the advertisement. The decisions that consumers make are thus based on their perceptions and what they perceive to be the truth (Parumasur & Roberts-Lombard, 2014: 162).

In the next section, the influence that perception has on consumer behaviour will be discussed.

2.3 THE INFLUENCE OF PERCEPTION ON CONSUMER BEHAVIOUR

Consumers make purchase decisions on a daily basis. Understanding how and why consumers make the choices that they do is integral to providing consumers with products and services that will be in demand and promoting those products and services effectively (Cant, 2013a: 121). An understanding of consumers' purchase behaviour and how they react to different stimuli will also give retailers an indication of how to capture the attention of consumers effectively.

2.3.1 Consumer behaviour defined

Consumer behaviour is defined by Cant (2013: 121), as "... the study of individuals, groups or organisations and the processes they use 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 ...". Consumer behaviour is the way in which consumers make decisions in different contexts, and includes activities such as the purchase of the product, the use and disposal of the product as well as the emotional, mental and behavioural responses of the consumer

(Mpinganjira *et al.*, 2013: 12). Figure 3.2 illustrates this definition of consumer behaviour.

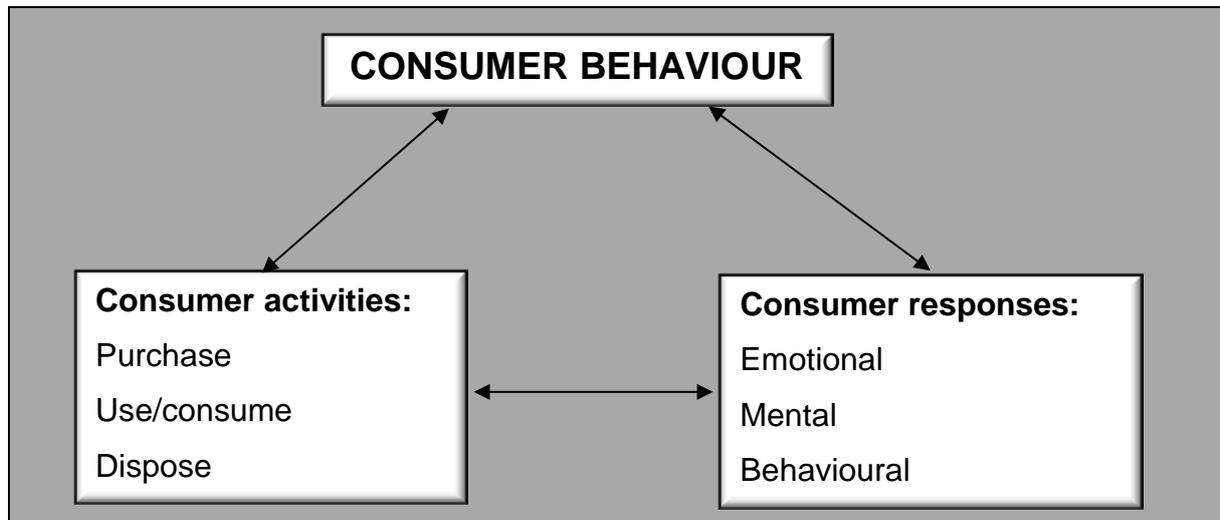


Figure 2.3: Consumer behaviour

Source: Adapted from Karde, Cronley and Cline (2014)

Figure 2.3 above indicates that consumer behaviour is determined by consumer activities and consumer responses that both influence each other. The activities that the consumer performs, as reflected in Figure 2.3, entail purchasing the goods and services, utilising the product and thereafter disposing of it (Kardes, Cronley & Cline, 2014: 8). The consumer's response as seen in Figure 2.3 consists of three elements: emotional, mental and behavioural. The **emotional response** refers to the feelings, passions and frame of mind of the consumer (Kardes, Cronley & Cline, 2014: 8). The **mental response** refer to the consumers' thought process, intentions, opinions and attitudes (Kardes, Cronley & Cline, 2014: 8). The **behavioural response** refers to the consumer's decisions and actions during the purchase of the product (Kardes, Cronley & Cline, 2014: 8).

The consumer activities and consumer responses are influenced by a number of external and internal factors. These factors will influence the consumer's intention to make a purchase.

2.3.2 External factors influencing consumer behaviour

All individuals belong to various types of groups with whom they interact and from whom they learn daily. These groups thus have an influence on the behaviour of the consumer (Joubert, 2013: 26). Groups can be family, reference groups, social classes, opinion leaders and cultural groups. These groups are briefly discussed below.

2.3.2.1 Family

Individuals spend a large amount of their time interacting with their family. The family thus has a huge influence on the individual's behaviour (Joubert, 2013: 29). Families often make purchase decisions together or they assist each other in making decisions (Blythe, 2013: 242). Family members also consider the needs of each other when making decisions (Lantos, 2015: 260).

Consumer behaviour is influenced to a large extent by a specific family member (Babin & Harris, 2015: 162). Retailers have thus identified various roles of family members. These roles can be described as:

- the initiator → the family member who first recognises the need;
- the influencer → the family member whose request has an influence on the final decision;
- the decision-maker → the family member who makes the final decision;
- the purchaser → the individual who makes the purchase; and
- the user → the specific individual who makes use of the product (Lantos, 2015: 260).

2.3.2.2 Reference groups

Reference groups refer to those groups of individuals with whom the consumer associates and who serve as a point of comparison for the consumer (Lantos, 2015: 233). Consumers use these reference groups to guide their thinking and their behaviour (Cant, Van Heerden & Ngambi, 2013: 69). Reference groups are, for instance, celebrities, experts, friends or any individual with whom the consumer

identifies. Reference groups have an influence on the products consumers purchase as they play a major role in forming the consumer's feelings and attitude towards the product (Blythe, 2013: 215). Consumers look for guidance from their reference group when making purchase decisions, and will most likely make a purchase based on the opinions of the reference group (Lantos, 2015: 233).

2.3.2.3 Social class

Social class refers to those groups of individuals who share the same status, economic standing, education levels and sense of identification in society (Lantos, 2015: 213). Individuals from the same social class interact on a social level and will share the same interests, beliefs, values and behavioural patterns. Social class thus determines the purchase behaviour and patterns of individuals from the same social class.

Consumers will often make purchases that reflect their social standing in society (Mpinganjira *et al.*, 2013: 166) For example, when someone purchases a BMW car, that person hopes it will reflect his/her social class and the BMW car acts as a status symbol.

2.3.2.4 Opinion leaders

Opinion leaders are those influential individuals within a society or group, to whom others turn for advice and whom consumers will consult before making a decision (Babin & Harris, 2015: 161). Opinion leaders are, for instance, members of society who are seen as leaders or specialists such as politicians, doctors, priests. This group may also include friends or family.

Opinion leaders are individuals who will evaluate a product and communicate their opinions and feelings to others (Babin & Harris, 2015: 161). For example, a beauty consultant who assists individuals in purchasing the correct type of cosmetics is an opinion leader in the cosmetic industry. Consumers will consult a beauty consultant when they need advice on which cosmetic products to purchase and which brands are the best.

2.3.2.5 Culture

Culture refers to the beliefs, values and behaviours that are shared by a group of individuals and that are passed from one generation to the next (Mpinganjira *et al.*, 2013: 190). The cultural norms that are shared in society dictate which behaviour is considered acceptable and which is not considered acceptable (Cant, Van Heerden & Ngambi, 2013: 68). The culture of the consumer will also determine which products he/she will most likely purchase (Cant, Van Heerden & Ngambi, 2013: 68). For example, a consumer who has a cultural background that does not find it acceptable to wear miniskirts will most likely not respond to an advertisement for designer miniskirts at a discounted price.

The internal factors influencing consumer behaviour will be briefly discussed in the next section.

2.3.3 Internal factors influencing consumer behaviour

The internal factors that influence consumer behaviour are individual factors such as, motivation, personality, attitudes, learning and perception.

2.3.3.1 Motivation

Consumers are faced with various decisions on a daily basis and motivation plays a major role in the final decisions they make. **Motivation** refers to those internal stimuli that push an individual towards a certain goal or to satisfy specific needs (Lantos, 2015: 361). It is seen as a force that determines the individual's behaviour (Joubert, 2013: 66). Motivation is the internal state of the individual that inspires the individual towards making a purchase. For example, an individual who has identified a need for food is motivated to purchase a sandwich due to his/her state of hunger.

2.3.3.2 Personality

Personality is defined as the set of consistent characteristics that distinguish one individual from another (Mpinganjira *et al.*, 2013: 96). **Personality** refers to those aspects that make an individual unique and it reflects how an individual will behave in response to his/her environment (Lantos, 2015: 317).

The individual's personality will influence the way in which that person will make a purchase decision, his/her choice of retailer and the type of products he/she will purchase (Blythe, 2013: 79). It is thus important to understand the consumer's personality as it can be used to identify the factors that motivate consumers' purchase behaviour.

2.3.3.3 Attitudes

Attitude refers to the learned tendency of the consumer to behave in a positive or negative way towards a situation or product offering (Schiffman & Wisenblit, 2014: 247). **Attitude** is the positive or negative feelings, beliefs and behaviours that the individual has towards certain products, people and situations (Mpinganjira *et al.*, 2013: 128). The consumer's attitudes are formed based on previous experiences, information from others and from the media (Joubert, 2013: 81). A consumer who, for example, has had a bad experience with staff members of a certain retail store, will most likely form a negative attitude towards the store and not purchase from the retailer.

2.3.3.4 Learning

Learning refers to the change in an individual's behaviour as a result of previous experiences, and occurs as a result of the individual's long-term memory (Lantos, 2015: 439; Mpinganjira *et al.*, 2013: 5). A consumer who, for example, purchases a certain brand of chocolate and has an allergic reaction to it, learns not to purchase that brand of chocolate again. Learning also involves the acquisition of new information regarding products and services and using this information when making future purchase decisions (Joubert, 2013: 61). A consumer's future purchase behaviour is thus based on his/her knowledge and previous experiences.

2.3.3.5 Perception

Perception has already been defined in section 2.2 as the process by which an individual selects, organises and interprets information to form a meaningful picture of the world. It is the way in which consumers react to the world around them.

Perception serves to guide the consumer's decision-making process. The perceptions that consumers form from the stimuli to which they are exposed may

initiate certain actions and have an influence on the consumers' purchase behaviour (Cant, Van Heerden & Ngambi, 2013: 60). A consumer who, for example, had formed a negative perception of Levis jeans due to previous experiences will ignore all stimuli received from Levis and will not purchase that specific brand of jeans. Consumers also rely on perceptions to guide them and to stop them from taking action that might cause harm (Schiffman & Wisenblit, 2014: 83). For example, consumers who are conscious about their health rely on their perceptions about certain brands and products when making purchases. An example of this is Nike, who was accused of using child labour to manufacture their products. Nike is perceived as a high-quality, high-performance and innovative brand (Sharma, 2013). In 2001, Nike was accused and found guilty of using child labourers in some of their factories. As a result, consumers boycotted the brand and Nike lost many customers and their image was damaged (Sharma, 2013). Consumers' perception of Nike therefore changed as a result of their unethical behaviour.

As stated previously, the perceptions that consumers form of the retailer and his/her products will influence whether or not they will patronise the store and make a purchase. An understanding of consumer perception is important to retailers as the role of perception in consumer behaviour is all about recognising how consumers view the retailer's product or service.

In the next section, the various factors that have an influence on the consumer's perception of retailers will be discussed.

2.4 FACTORS THAT INFLUENCE CONSUMER PERCEPTIONS OF RETAILERS

The perception that the consumer forms about a retail store plays an important role in his/her decision to purchase from the particular store (Lumpkin & Dunn, n.d.: 104). A number of factors may influence the consumer's perception of a retail store, such as the brand that the store offers, the image of the store, the perceived risks involved in making a purchase from the store and the quality of the services offered by the store (Pride & Ferrell, 2014: 434). The elements of the marketing mix, namely product, price, place and promotion, also have an influence on the consumer's perception of the retailer, the products and services that he/she offers and whether or not to

patronise a store (Boone & Kurtz, 2015: 460). These factors are briefly discussed below.

2.4.1 Branding

Certain brand names are associated with value and quality in the mind of the consumer (Lamb *et al.*, 2012: 166). The brand name of a product not only differentiates it from competitor products, but also communicates the unique features of the product, the price, quality and performance of the product (Cant, Van Heerden & Ngambi, 2013: 226). A brand such as Coca-Cola is perceived by consumers as being high in quality and tasty. A similar product, which is cheaper and which has no brand name will generally be perceived as of a lower quality.

Consumers' perception of the brand can be altered or changed by repositioning the image of the brand (Lamb *et al.*, 2012: 166). For example, in an attempt to change their position in the cellular network market, Cell C changed their brand position and image by changing their colours from red to black and white and changing their logo to "The power is in your hands". The new branding also shows the six colours of the South African flag, which symbolises that the company cares about South Africans (Cell C, 2014).

2.4.2 Store Image

Store image refers to the overall impression that the consumer has of the store and its products (Pride & Ferrell, 2014: 408). The image of the store comprises functional qualities, such as the quality of the products offered and availability of the products in the store (Sudhakar, 2013: 15). **Store image** also consists of non-tangible aspects such as store atmospherics (Boone & Kurtz, 2015: 460). These functional and non-tangible aspects of a retail store comprise six elements that influence a store's image, namely the employees of the store, the merchandise that the store carries, the fixtures of the store, the music and sound in the store, the scent of the store, and the visual elements around the store (Pride & Ferrell, 2014: 408).

The way in which a retailer makes use of these elements will portray a certain image of the store to customers (Sudhakar, 2013: 15). The image of the store will influence the consumer's perception of the store. An apparel retail store such as Forever New

for example, will employ people who speak well, who are able to interact with customers and who are presentable. The store is kept neat and items are stocked a certain way on the shelves. The music is soft and the store has a pleasant scent. The image that Forever New portrays is that of an expensive, luxury store. This influences consumers' perception of the store. Based on the image that Forever New portrays, the consumer could perceive it as a good-quality brand that gives value for money or the consumer can perceive the store to be exclusive and excessively priced and decide not to purchase from the store.

According to a Morpace Omnibus study, 52 per cent of consumers have avoided a store based on its physical appearance (Surroca, 2011: 1). The study also showed that one third of consumers would not shop at a store if it did not look like a place where they would like to shop (Surroca, 2011: 1). These results show that the appearance and image of a store has a major effect on a consumer's decision to visit the store (Surroca, 2011: 1). A South African study by Beneke, Hayworth, Hobson and Mia (2012) showed that the physical aspects of a store is one of the most important aspects for the consumer and that consumers want a shopping environment that is clean, well-structured and sufficiently maintained.

Retailers essentially provide consumers with goods to satisfy their needs and wants. When the store has a pleasurable and enjoyable environment, consumers form a favourable image of the store and are motivated to visit a store and make repeat purchases (Dunne *et al.*, 2014: 540). The image that the store portrays influences consumers' overall perceptions about the store and will ultimately influence their purchase behaviour.

2.4.3 Perceived risk

The risks consumers perceive to be involved in purchasing from a retailer can influence the consumer perceptions about the store and its products. **Perceived risk** refers to the level of consumer doubt regarding the purchase of a specific product from a specific retail store (BusinessDictionary.com, 2014d). If consumers perceive the risk of purchasing from the retailer to be too high, they will not patronise the store. There are two main components of risk, namely uncertainty and consequences (Chang & Tseng, 2013: 865). The more important a product is to the consumer, the

higher the perceived risk will be. The price of the product and the amount of experience the consumer has in purchasing an item will also influence the perceived risk (Chang & Tseng, 2013: 865).

According to the literature on consumer behaviour (Lantos, 2015: 84; Schiffman & Wisenblit, 2014 :468), consumer perceived risk is composed of a number of types of risks, namely functional risks, social risks, financial risks, physical risks, time risk and psychological risks (Dontigney, 2014). Figure 2.4 illustrates the six perceived risks that a consumer might experience.

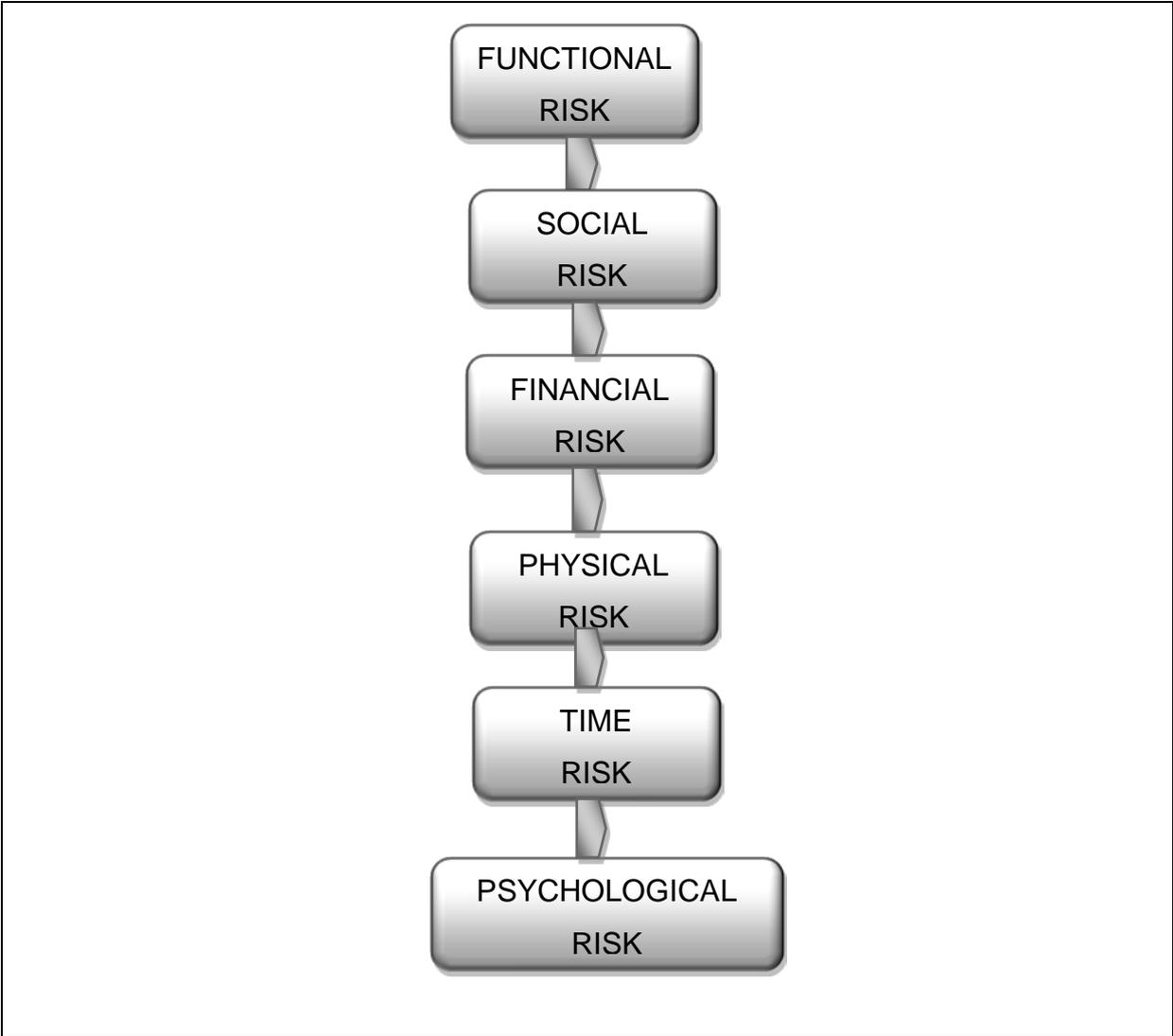


Figure 2.4: Types of consumer perceived risks

These risks are briefly discussed below.

- **Functional risk** refers to the consumer's fear that the product will not perform as promised (Dontigney, 2014). Furthermore, a specific retailer may not deliver on his/her promise to stock the latest products at the lowest prices.
- **Social risk** refers to the possible reduction in the consumer's social status for shopping at a specific retailer or buying certain products (Chang & Tseng, 2013: 865). A person shopping at a discount store, for example, may be perceived as lower in social status by others.
- **Financial risk** refers to the monetary costs involved in making the purchase, the maintenance of the product and the potential loss if the product is not of good quality (Lantos, 2015: 83).
- The **physical risk** of a purchase refers to the potential harm the product may cause the consumer (Lantos, 2015: 84). A skin care product, for example, may not agree with the consumer's skin type and could cause a reaction on the consumer's skin.
- **Time risk** refers to the potential time that it takes the consumer to research the product, find the product, purchase the product and any inconvenience the consumer might have experienced during the purchasing process (Zheng, Favier, Huang & Coat, 2012: 285).
- The **psychological risk** refers to the stress that the consumer incurs during the purchase process (Chang & Tseng, 2013: 865).

The amount of risk the consumer perceives in making a purchase will influence his/her decision to purchase a product. Consumers rely on endorsements of the products and retailers, the image that the store portrays, their previous shopping experiences, word of mouth and money-back guarantees to influence their perceptions of the store (Cheng, Liu & Wu, 2013: 20).

2.4.4 Service quality

Service quality is another factor that influences the consumer's perception of a retail store and whether or not he/she will make purchases from a particular store. **Service quality** refers to the consumer's evaluation of a retailer's overall performance in

comparison to other retailers (Lee, Chiu & Liu, 2011: 506). Customers also compare the service they receive from a retailer with the expectations that they have (Keevy, 2011: 14). If their expectations are met, they will be satisfied and they will have a positive perception of the store. If however their expectations are not met, they will be dissatisfied and they will form negative perceptions about the store.

Five factors of service quality have been identified that can influence consumer's perception of a retail store: assurance and empathy, reliability and responsiveness, access to the store, and tangibles such as appearance and visual aids (Boshoff, 2014: 42). These five factors of service quality are briefly discussed below:

- **Assurance** refers to the interaction between the retailer and his/her customers. This is the way in which the staff of the retailer interacts with the consumers, how helpful they are to customers, how polite and respectful they are, and whether they provide customers with information.
- **Empathy** refers to the degree to which the staff cares about customers and their ability to provide each customer with individualised attention.
- **Reliability** refers to the ability of the retailer to provide and deliver the service consistently.
- **Access to the store** refers to the convenience of the location and business hours of the store for the consumer. The convenience of the store also includes other aspects, such as parking and security for the customer.
- The **tangible aspects** of the store refers to the physical features, such as the building itself, the interior appearance, the way in which the employees are dressed and the equipment that they use.

2.4.5 Elements of the marketing mix

The elements of the marketing mix, namely product, price, place and promotion (cf. Cant, 2013), can also influence the consumer's perception about the retail store.

2.4.5.1 Product

A **product** is referred to as the tangible or non-tangible goods or service that is offered to the consumer in exchange for some unit of value with the aim of satisfying

the needs of the consumer (Cant, Van Heerden & Ngambi, 2013: 164). Consumers perceive the value of a product offered by retailers based on the benefits of the product, its performance, the features and quality of the product and the packaging and labelling of the product (Kroon, Mostert, Van der Walt & Meintjies, 2010: 4; Pride & Ferrell, 2015: 617). If the consumer perceives the retailer's product to be of good quality, he/she will most likely continue purchasing the product from the store.

2.4.5.2 Price

The **price** of the retailer's products also influences the consumer's perception of the store and whether or not the consumer will choose to shop there (Pride & Ferrell, 2015: 584). Consumers will make their purchases at the store that offers quality products at a price that the consumers perceive to be reasonable. The fairness of the price is determined by comparing similar transactions or comparing the amount that others paid for the same product (Weisstein, Kent, Monroe & Kinney, 2013: 5). If the consumer perceives the price to be fair, this will increase the consumer's trust in the retailer, and the consumer will most likely patronise the store and make repeat purchases (Weisstein *et al.*, 2013: 6). The price of the product also influences the quality of the product for the consumer (Lamb, Hair & McDaniel, 2012: 166). A consumer, for example, will purchase an Apple computer that is more expensive than a cheaper brand, because he/she associates the price of the Apple computer with quality and perceives it to be more worthwhile than a cheaper brand.

2.4.5.3 Place

Place is concerned with where the consumer will purchase the products. It refers to the distribution channels used by the producer to ensure that a certain product is made available to the target consumer in the right place, at the right time, in the right conditions and quantities (Koekemoer, 2011: 9). It involves all the activities and members of the distribution channel that make the product available to consumers at their convenience. The distribution channel consists of various participants, such as the suppliers, the wholesalers and retailers who make products available to the consumer (Pride & Ferrell, 2015: 410).

For a customer, ease of shopping is an important factor when deciding where to shop (Cant, Van Heerden & Ngambi, 2013: 321). Location of a store is thus an important

factor that retailers must consider in their distribution channel decisions. The retailer must consider how busy the location is, how convenient it is for the customer and how visible it is (Cant *et al.*, 2013b: 321).

2.4.5.4 Promotion

Promotion refers to all the activities used by the retailer to promote the products such as advertising, sales presentations, exhibits and sponsorships (Cant, Van Heerden & Ngambi 2013: 361). Consumers are made aware of the retailer and his/her products through the various promotional tools, and the way in which these tools are used influences the consumer's perception of a retail store and its products (Andreti, Zhafira, Akmal & Kumar, 2013: 75; Kroon *et al.*, 2010: 5). Sponsorships such as Pick n Pay sponsoring the South African Paralympics team is an example of how retailers use promotional tools to influence consumer perceptions. This sponsorship shows Pick n Pay as a caring, proudly South African retailer, and thus influences consumers to view the retailer in a positive light.

The next section will discuss consumers' perceptions of the various marketing communication tools that can be used by retailers.

2.5 CONSUMERS' PERCEPTIONS OF THE MARKETING COMMUNICATION TOOLS USED BY RETAILERS

Marketing communications is essential in managing the perceptions of consumers and influencing the attitudes and beliefs that consumers form about the retailer (Hamway, 2013). Through marketing communication, the retailer can create a positive image of the retailer and his/her products. It is thus important for retailers to understand their consumers and to identify all the internal and external influences of consumer perception as well as consumer perception of the various marketing stimuli to which they are exposed (Kroon *et al.*, 2010: 4).

The way in which a retailer delivers his/her messages and communicates with his/her consumers is important as it is a means of getting the customers' attention and influencing them to purchase specific brands from a specific retail store. With the increased amount of marketing communications to which consumers are exposed, consumers screen out the messages that they perceive to be irrelevant to them

(Boundless, 2014). It is thus important for retailers to select the correct marketing tools to deliver their messages to the intended audience and to select tools that will influence the intended consumers to form a positive perception about such retailers. The perceptions formed through the retailers' marketing communication is influenced by the type of marketing communication tools that are used as consumers will interpret and respond to the different marketing communication tools differently (Kacaniova, 2013: 1).

Some of the most common marketing communication tools used by retailers are advertising, personal selling, sales promotion and direct mail. Over the years, there has been a continued growth in online marketing as a communication channel with the strongest growth in digital marketing communication channels such as mobile marketing, online marketing, social media marketing and, recently, real-time marketing (Taplinger, 2013). Consumer perceptions of the different marketing communication channels are discussed below.

2.5.1 Advertising

Advertising is one of the more visible forms of marketing communication, and includes radio, television, magazines, newspapers, billboards, outdoor and in-store advertising (Cant *et al.*, 2013b: 361). It is paid for, impersonal, one-way mass communication to a target audience (O'Guinn, Allen, Semenik & Scheinbaum, 2015: 7). Advertising is used to create awareness of a retailer and his/her brands, to provide knowledge of the retailer to the consumer, and to persuade the consumer to take action (Andrews & Shimp, 2013: 234). Advertising is also used to create brand or retailer awareness, position the retailer in the market, change consumer attitudes and to increase consumers' confidence in the retailer (Cant, Van Heerden & Ngambi, 2013: 365). Advertising also has the ability to influence the behaviour of consumers by swaying the attitude of the consumer towards the brand and influencing his/her perceptions (Rai, 2013: 78). For example, a consumer watches an Apple iPhone advertisement and develops an interest towards the brand. This new interest in the brand leads the consumer to consider Apple products when making a purchase decision.

Over the years, consumers' views and perceptions of advertising have varied. Previous studies done for the Advertising Standards Authority of South Africa showed that consumers believed that advertising is part of everyday life (Ford-Hutchinson & Rothwell, 2002: 10). Advertising was also viewed as a source of entertainment and a source of information for consumers (Ford-Hutchinson & Rothwell, 2002: 10). The study further showed that television advertisements were remembered and talked about more than other advertising media.

Recent research has shown that trust is an important aspect when it comes to advertising as advertising influences the consumer's perception of the retailer and the consumer's ultimate purchase decision (Saemundsson, 2012: 5). Research has also found that consumer trust varies depending on the type of media that is used (Saemundsson, 2012: 5). A study by Nielson (2013: 4) revealed that consumers trust television and magazine advertising more than any other form of advertising media. Results also indicated that 68 per cent of consumers take action as a result of a television advertisement, and 65 per cent would take action as a result of a newspaper advertisement (Nielson, 2013: 4). The study also found that the more humorous an advertisement, the better it resonated with consumers (Nielson, 2013: 12).

The younger generation of consumers are more trusting of advertisements than the older generation of consumers (Saemundsson, 2012: 13). Phanthong and Settananon (2011) found that younger consumers have a negative perception towards the internet, but are more likely to take action because of convenience compared to television advertising. Although older consumers have access to the internet and are familiar with online media, they do not trust online media and view it as less credible (Phanthong & Settananon, 2011: 59).

Consumers' preferences differ in terms of the type of advertising media they use and how they access their information (Jordaan, Ehlers & Grove, 2011: 2). Some consumers prefer interacting with brands online and others prefer television and radio advertisements. This influences the way in which consumers respond to the advertisement and the perceptions they have formed about the brand itself (Boundless, 2014). Consumers who make purchase online, for example, are less likely to respond to television advertisements (Boundless, 2014).

2.5.2 Sales promotion

Sales promotion is defined as the process of using short-term incentives to persuade consumers to purchase the retailer's products, and it is an important marketing communication tool for retailers (O'Guinn *et al.*, 2015: 305). Sales promotions are those marketing activities that offer the consumer additional incentives to purchase a product (Cant, Van Heerden & Ngambi, 2013: 363). These incentives are in the form of coupons, free samples, discounts and gifts. The core objective of sales promotion is to increase foot traffic into a store, and to get a direct response from the customer (Copley, 2014: 115).

The effects of the sales promotion activity of the retailer will differ depending on the type of sales promotion tools used, the benefits to the consumer, and the attractiveness of the tool to the consumer (Dib & Alnazer, 2013: 732). If the consumer perceives the promotional tool used to be attractive, he/she will most likely make a purchase (Weng & Run, 2013: 86). The attitude and behaviour of the consumer towards the product will also influence the perceptions he/she has of sales promotions (Weng & Run, 2013: 88). A study by Ansah & Poku (2013: 137) also found that sales promotions can have a positive influence on the consumer's perception of the retailer.

2.5.3 Personal selling

Personal selling is a marketing communication tool that involves making direct contact with consumers. Personal selling is the process of the sales personnel interacting face to face with the consumers, and is one of the few marketing communication tools that involve direct, face-to-face contact with the consumer (Koekemoer, 2014a: 116). The sales personnel identify the needs and wants of the consumer and try to satisfy them (Cant, Van Heerden & Ngambi, 2013: 384). The direct contact between the consumer and the sales personnel enables greater flexibility, and the sales personnel are able to obtain instant feedback and can adapt the promotional message based on the customer's preferences (Koekemoer, 2014a: 116). The aim of personal selling is to develop a long-term relationship with the consumer.

The sales person's behaviour and interaction with a consumer influences the latter's perceptions and his/her purchase decision (Sushil & Manoj, 2014: 79). A study by Sushil & Manoj (2014: 79) found that the behaviour of the salesperson towards a consumer and the understanding of his/her needs has an influence on the consumer's behaviour. According to Kardes, Cronley & Cline (2014: 380), individuals respond positively to the requests of those people who they like. Consumers will thus respond positively to salespeople whom they like. Consumers' likeability of the sales person is influenced by four factors, namely physical attractiveness, familiarity, similarity and ingratiation (Kardes, Cronley & Cline, 2014: 380). A consumer will thus be more responsive to a salesperson whom he/she finds physically attractive and with whom he/she has something in common (Lantos, 2014: 147).

2.5.4 Direct marketing

Direct marketing can be defined as a method of advertising in which individuals are targeted directly with marketing offerings that are tailored to their specific needs (Kotler & Armstrong, 2014: 473). It involves contacting the consumer directly by means of a brochure, catalogue and other printed material. Direct marketing also includes direct e-mail and text messages sent directly to the consumer, telemarketing and online marketing. These mediums involve consumers being targeted individually and with offers that are adapted as their needs and wants change (Cant, Van Heerden & Ngambi, 2013: 375).

Research conducted by Zia-ul-haq (2012: 28) found that a consumer's perception towards direct marketing efforts, such as direct mail, is influenced by the perceived intrusiveness of the marketing medium used, the perceived loss of control when the consumer receives unwanted direct marketing communication, and the level of irritation the consumer feels towards the direct marketing medium used.

Figure 2.5 shows the results of a study conducted by Nielson (2012). The study found that consumers prefer receiving invitations, promotions and discounts, newsletters, updates and product launch information that are personally sent to them. Consumers perceive direct mail as less intrusive compared to other marketing mediums and they do not mind receiving direct mail to stay up to date with product information (Nielson, 2012: 14).

Communication channels preferred for receiving ...

	Invitations to special events/sales	Discount offers/promotions	Newsletters	Updates on organization	New product/service launch
Email to personal email address	54%	55%	61%	53%	54%
Personally addressed mail	38%	32%	33%	32%	28%
SMS text messages	22%	25%	17%	13%	17%

Figure 2.5: Communication channels preferred by consumers

Source: Nielson (2012)

A study in 2011 by Epsilon Targeting Data compared opinions of American consumers and Canadian consumers with regard to their opinions of direct mail and e-mail marketing (MarketingCharts, 2011). The study revealed that both American and Canadian consumers preferred direct mail compared to e-mail (MarketingCharts, 2011). The study also showed that 66 per cent of Americans and 59 per cent of Canadians preferred receiving postal mail from brands compared to 55 per cent and 43 per cent who preferred receiving e-mails from the brand.

Figure 2.6 illustrates American and Canadian consumer opinions of postal mail and e-mail.

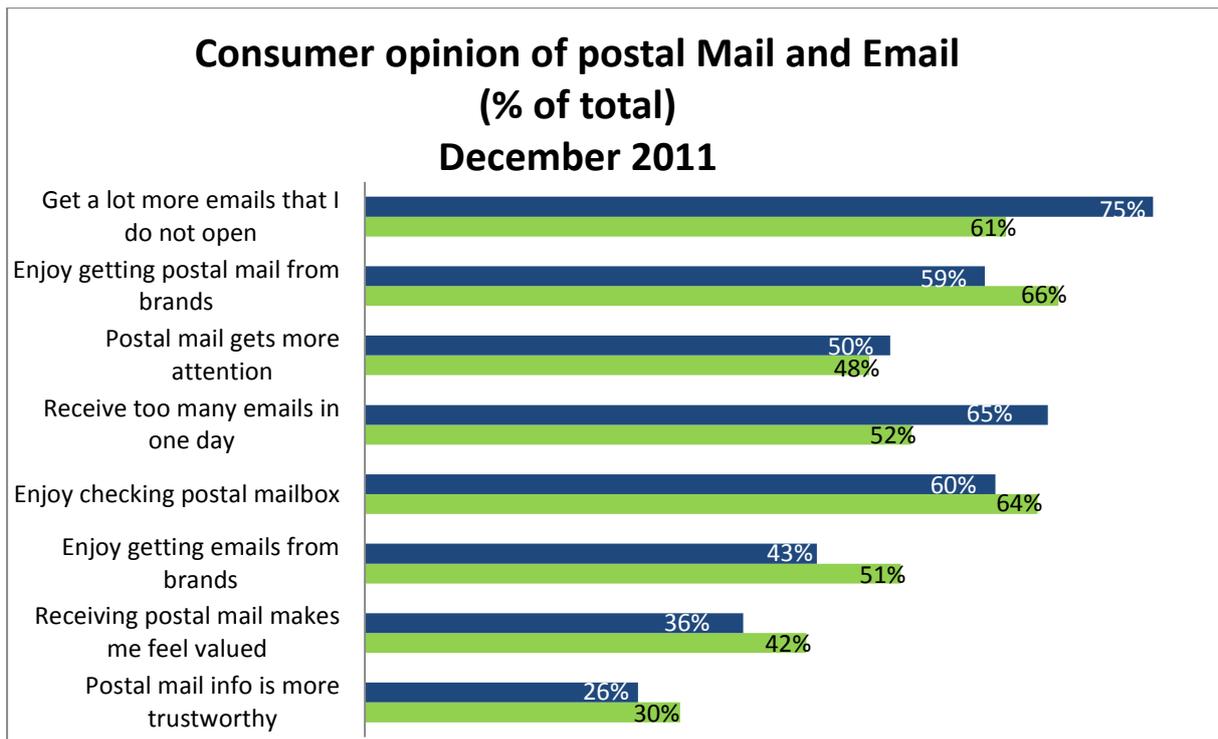


Figure 2.6: Consumer opinion of postal mail and e-mail

Source: MarketingCharts (2011)

The success of a direct mail campaign is determined by the consumer response rate, which is influenced by –

- the perception that the consumer forms of the offer he/she receives;
- the timing of the offer;
- the type of product being offered;
- the relevance of the offer to the consumer;
- the incentive and the familiarity of the product; and
- the design of the mail (Feld, Frenzen, Krafft, Peters & Verhoef, 2012: 14; Life with print, 2005: 47).

In 2013, almost 65 per cent of consumers made a purchase as a result of direct mail that they had received from retailers (Taplinger, 2013). This result indicates that consumers' perception towards the retailer's direct mail efforts influences their purchase decisions.

In the sections below, consumers' perceptions of the digital marketing communication channels, mobile marketing, online marketing, social media marketing and real-time marketing will be discussed.

2.5.5 Mobile marketing

The increased use of mobile devices and advancements in technology have resulted in direct marketing communication channels that are able to deliver personalised messages that are relevant to the consumer, such as the internet and mobile devices (Kotler & Armstrong, 2014: 482). Mobile technology has become part of consumers' lives as they rely on these devices for entertainment purposes, to find information and to communicate with others (Watson, McCarthy & Rowley, 2013: 843). Consumers today are able to use their mobile devices to connect to the internet, search for products they need and find the closest retail store that has their desired products.

Mobile marketing makes use of mobile devices to communicate and interact with consumers directly at any time (Rohm, Gao, Sultan & Pagani, 2012: 486). It also facilitates feedback from the consumer (Rohm *et al.*, 2012: 486). Mobile marketing tools include text messages, mobile e-mails, mobile display advertisements on various mobile applications, mobile paid search, quick response (QR) codes, the use of Bluetooth and push notifications, and requires permission from the consumer to contact them through this medium (Rowles, 2014: 14).

Consumers' perception of mobile advertising is influenced by the information provided by the advertisement, the level of entertainment of the advertisement and the perceived credibility and advertising value that the consumer receives (Liu, Sinkovics, Pezderka & Haghirian 2012: 24). The attitude of the consumer towards the different mobile marketing mediums used also has an effect on the consumer's mobile marketing activities (Rohm *et al.*, 2012: 488). The number of messages the consumer receives from the retailer will determine the consumer's responsiveness, as excessive messages will elicit a negative response and perception from the consumer (Rohm *et al.*, 2012: 486).

2.5.6 Online marketing

Online marketing makes use of the web to communicate directly with consumers. Online marketing can be broken down into three categories: bought, owned and earned media.

- **Bought online media** refers to advertising that is paid for, and includes making use of banner advertisements (an image-based advertisement at the bottom of a website) and Google AdWords (advertisements that are displayed on the Google results page) (Kelly, 2014).
- **Owned media** refers to the content that retailers own and create themselves and include the website of the retailer, blog content and social media content (these terms are defined in the definition of key terms) (Kelly, 2014).
- **Earned media** refers to the sharing by customers and the press of the retailer's content through online public relations, and includes word of mouth, consumer reviews and ratings and press releases (Kelly, 2014).

The attitudes that consumers have towards online advertising are influenced by the type of information that they receive, the amount of value they perceive to gain from the advertising, the credibility of the medium used, and the level of entertainment (Haq & Azeem, 2012: 39). A study by Haq (2011) found that consumers' perceptions of online banner advertisements are influenced by the consumer's attitude towards the advertisement, the position of the banner advertisement and the interactivity of the advertisement. The study also concluded that there is a favourable relationship between consumer attitude towards banner advertisements and the click-through (the process of clicking on an advertisement and going to the advertiser's website) intention of the consumer (Haq, 2011: 6). Consumers will thus click on an online banner advertisement that they perceive to be interesting or relevant to them.

2.5.7 Social media marketing

Many retailers are making use of social media to create a link with consumers and to generate online word of mouth (Kodjamanis & Angelopoulos, 2013: 57). Retailers are able to extend their marketing efforts by using social media. Social media marketing makes use of the different social media networks such as Facebook, Twitter,

YouTube and blogs to promote a business, its products and services (these concepts have been explained in Chapter 1 [see 1.4] and is further discussed in Chapter 3 [see 3.3]) (Akar & Topcu, 2011: 36). This type of marketing creates a dialogue between the brand or retailer and the consumer and is dependent on the participation of the consumer (Akar & Topcu, 2011: 41).

In a study by Akar and Topcu (2011) it was found that the frequent use of the internet, social media sites, such as YouTube and Facebook, and social media knowledge, influenced the attitude of consumers participating in their research towards social media marketing. The study showed that those consumers who used the internet more often had a positive attitude towards social media marketing.

The perceptions that consumers form of social media marketing are influenced by who delivers the message (the retailer) and the type of media used (Facebook, Twitter, blogs, YouTube) to deliver the message (Colliander, 2012: 34). The choice of social media network, such as Facebook, Twitter and YouTube that the retailer uses to interact with the consumer, also influences the consumer's attitude towards the retailer (Paquette, 2013: 9). Consumers use different social media for different activities and may prefer to receive advertisements on a specific social media site only. For example, a consumer may prefer Twitter as a means of interacting and receiving promotions from retailers, and only use their Facebook account to interact with their friends. The consumer will thus ignore all advertising on Facebook.

A consumer's age also plays a role in the effectiveness of online advertising. A study by Cox (2010) showed that social media users between the ages of 18 and 28 had strong positive attitudes towards advertising on blogs, videos and brand channels (these terms are defined in Chapter 1 [see 1.4]). These consumers found the advertisements to be eye-catching, entertaining and informative. Consumers between the ages of 35 and 54, however, preferred videos and brand channels as an advertising medium (Cox, 2010: 87). Cox (2010) also found that online pop-up advertisements (an advertisement that opens in a new browser window), floating format advertisements (interactive image or video advertisements that appear on a web page) and expandable advertisements (interactive image or video advertisements that increase in size when a user interacts with it), were perceived negatively by consumers. Research by Harris and Dennis (2011) found that

consumers follow brands on social media, such as Facebook, to keep up to date with the brand or to get discounts. The results of the research also showed that consumers trusted recommendations from their friends above any other source on social media platforms and such consumers would most likely make a purchase based on a Facebook friend's recommendation (Harris & Dennis, 2011: 342).

With the development of new technology and marketing communication methods, consumers' behaviours and expectations have changed (Pelsmacker & Neijens, 2012: 1–4). To capture the attention, communicate and build relationships with these customers, retailers have started to make use of new media and marketing techniques, such as real-time marketing, which combine different types of media and technology to interact with the consumer in real time.

Real-time marketing and consumers' perception of real-time marketing are discussed in the next section.

2.5.8 Real-time marketing

To deliver messages effectively and to engage with their consumers, retailers have started using more than one communication channel to interact with consumers in real time (GolinHarris, 2013). Real-time marketing involves using more than one channel to engage with the consumer at a time and place that is convenient for the consumer, and doing so in real time. This also involves listening to consumers and anticipating their interests (Lieb, 2014: 3).

Today, consumers have access to many different devices and with more than one channel to gain information about a retailer and his/her products, to get reviews from others and to search for what they need (GolinHarris, 2013). Information is available to consumers instantly in real time and they expect retailers to interact with them and respond in real time as well (Wirth, 2013). Consumers also expect to receive messages that are relevant to them and to what they are doing at that point in time (Wirth, 2013).

Consumers perceive messages received from the various marketing channels differently. With real-time marketing, the retailer is able to use the channels that individual consumers prefer and to respond in real time to their needs, ensuring that

consumers develop a positive perception about the retailer. Real-time marketing and the way in which consumers perceive the retailer's use of real-time marketing is the essence of this study. Real-time marketing will be discussed in detail in chapter 3.

2.6 SUMMARY

Understanding consumer perception and attitude towards a specific marketing tool is important as this influences the way in which the consumer will perceive the retailer and his/her products. The perceptions that consumers form about the retailer will determine whether or not they will purchase a specific product at a specific retail store (Hamel, 2014). Consumer perceptions also determine the types of products and services a retailer will offer (Hamel, 2014). Consumers are exposed to numerous advertising messages during a day, and it is therefore important to deliver messages to consumers in a way that will capture their attention and which will influence them the most.

This chapter discussed perception and the process of consumer perception. It also looked at the marketing implications of consumer perception and the different factors that affect consumers' perceptions of retailers. Consumers' perceptions of the various marketing tools were also discussed.

In the next chapter, the different forms of new marketing communication tools will be explained. The advent of new technology and how it affects the way marketers interact with consumers will be discussed. Chapter 3 will also look at real-time marketing, what it is, how it is used by retailers and its effect on businesses.

CHAPTER 3

TECHNOLOGY AS A MARKETING COMMUNICATION TOOL AND THE RISE OF REAL-TIME MARKETING

3.1 INTRODUCTION

At the end of 2013, the number of internet users around the world exceeded more than 2.8 billion people with a growth rate of 676.3 per cent between 2000 and 2014 (Internet World Stats, 2014). In South Africa, 41 per cent of the population makes use of the internet and about 25.5 per cent of households have access to the internet (SouthAfrica.info, 2014). These statistics indicate the rapid rise and increased importance of the internet around the world and in South Africa. The increasing use of the internet and enhancements in various technologies have resulted in an increasing number of retailers using digital marketing or e-marketing to reach their target audiences (Smith, 2011: 489).

This chapter will discuss the use of technology as a marketing communication tool. E-marketing will be explained, and the various e-marketing tools will be discussed. This chapter will also look at real-time marketing, which was the crux of this study. The chapter will also discuss the various aspects of real-time marketing and the way it works.

3.2 MARKETING COMMUNICATIONS AND TECHNOLOGY

Retailers may have the best products and services to offer customers, but ultimately, retailers' success relies on persuading customers to select their retail store and to buy their products rather than buying from a competitor. Retailers make use of various marketing communication tools to attract the attention of customers and to persuade them to make purchases. Marketing communication essentially informs customers about the retailer's products and services, it persuades them to purchase products from the retailer and it reminds the customers about the retailer and its product offerings (Pride, Hughes & Kapoor, 2014: 424). The methods traditionally used by retailers to inform, persuade and remind consumers about their store are

advertising, personal selling, sales promotion and direct mail. These communication methods were discussed in Chapter 1 (see 1.3).

Within the span of a few years, there has been an explosion of available electronic marketing communication media. As a result, there have been many changes to the way in which business is done and the way in which businesses and consumers communicate with each other (Siddique & Rehman, 2011: 184). New digital technologies and the internet now provide consumers with access to much more information than before. Consumers are now able to interact with businesses, compare products, get expert advice regarding purchases and view their opinions regarding the business and their products to a large audience. Consumers are also able to make safe payments for their purchases on the internet (PayPal, 2013). Technology has influenced the way in which consumers see, read and process information and, as a result, technology plays a major role in the marketing communications methods used to communicate with customers (Rodriguez-Ardura & Gretzel, 2012: 1). Technology has provided retailers with various marketing communication tools for engaging with their target audiences in a way that is compelling and through a medium that is convenient for the customer.

The next section will discuss some of these technology-based marketing communication tools.

3.3 TECHNOLOGY-BASED MARKETING COMMUNICATION TOOLS

New technology-based communication tools, known as digital media (cf. Ryan & Jones, 2014), have made it possible for retailers to target customers who want their products and services, to build relationships with them and to persuade such customers to purchase from their stores. **Digital media** refers to content, such as text, graphics, audio and video, which is digitised and which can be transmitted through the internet via any digital device, such as computers, mobile phones, electronic billboards, etc. (BusinessDictionary.com, 2014c).

A number of terms are used to describe marketing using digital media over the internet. **Digital marketing** refers to marketing of products and services by means of various digital media, including mobile and interactive channels (Financial Times,

2014). Digital marketing allows for interactive real-time communication with customers. It is easy to set up and is relatively inexpensive (Koekemoer, 2014b: 434). The term **e-marketing** refers to the application of marketing principles, that is, distributing, promoting and pricing of products, using digital media, specifically the internet (Pride & Ferrell, 2014: 228). For the purpose of this study, the term **e-marketing** will be used.

E-marketing allows retailers to reach a large customer base and to develop relationships with customers (Trainor, Rapp, Beitelspacher & Schillewaert, 2011: 162). Retailers are also able to gather customer data easily from their online interaction with them (Trainor *et al.*, 2011: 162). There are various forms of digital media, of which retailers make use in their e-marketing campaigns. These are websites, search engine marketing, e-mail, mobile and social media marketing. These are all discussed below.

3.3.1 Websites

Most businesses today have a corporate website, which provides general information about the business, contact details, deals and specials available and other relevant information about the business. **Websites** can be defined as a collection of web pages (Annis, 2014: 5). A **web page** refers to an electronic document that can include text, images and videos, and which can be viewed by any individual with internet access (BusinessDictionary.com, 2015d).

A website can be classified into three groupings, namely the shop window website, contributed content websites and full e-commerce websites. These are briefly discussed below (Bloomsburg Publishing, 2012: 434):

- **Shop window websites:** These sites provide relevant information about the retailer and its products, and acts as an online brochure.
- **Contributed content sites:** These sites allow customers to contribute to the content by providing comments, posting messages on the message boards or discussion forums.
- **Full e-commerce site:** This type of website allows consumers to shop and make purchases online.

A website is an essential marketing channel for a retailer as the website is the retailer's sales page (The Internet Marketing Academy, 2011: 24). The aim of a retailer's website should be to provide information to its customers, to increase the retailer's online visibility and promote the products and services that the retailer offers (Boone & Kurtz, 2015: 140). The retailer makes use of the website to drive relationships with his/her customers. The website can also be used by the retailer to provide feedback on his/her products and to ask for suggestions for improvements (Wolfe, 2013). The retailer's website is a presentation of the store's brand and should thus be presented in such a way that it attracts customers to the website (Boone & Kurtz, 2015: 141). The website should therefore reflect the image and brand identity of the retailer, and the content should reflect the marketing objectives of the retailer (Marketing Donut, 2014). It is thus important for the retailer to consider the purpose of his/her website, its marketing objectives when deciding on the design and the look and feel of the website (Reed, 2012). A website should also provide customers with a reason to stay on the site and to return.

Once the retailer has chosen a type of website and developed it, it is important to make the website visible to the public. If no one knows about the retailer's website, it will not reach the intended target market. There are several ways in which retailers make their websites visible and drive traffic to the website. These are briefly explained below.

- **Search engine optimisation (SEO):** This refers to increasing the visibility of the retailer's website by increasing the website's online visibility in search engine results (BusinessDictionary.com, 2014). Search engines, such as Google and Yahoo, search the internet for key words and phrases that are specified by the user and rank the results based on the accessibility, relevance and importance (Stokes & Quirk, 2013: 33). The retailer can improve the ranking of his/her website's and search engine optimisation by improving content and incorporating any relevant keywords into the content of the website (Wilson, 2011).
- **Linking strategies:** Linking the website to search engines, directories and other websites can drive additional traffic to a retailer's website. Search engines, such as Google, offers retailers the opportunity to submit their website address to the search engine or to purchase placement in the search engine, in order to achieve

higher rankings faster in the search engine results (Stokes & Quirk, 2013: 231). The retailer can also submit his/her website to directories, such as Yahoo, who will then assess and index the website based on its perceived relevance (Stokes & Quirk, 2013: 231).

- **Online advertising:** This refers to making use of online tools to promote the retailer and his/her website. These online tools include banner advertisements, Google AdWords or pop-up advertisements (these terms are discussed in Chapter 2 [see 2.5]) that are linked to the website (Kotler & Armstrong, 2014: 494).
- **Conventional promotional methods:** The retailer can make use of traditional media to create awareness and drive traffic to the website (Wilson, 2011). The website can be mentioned in any advertisement or print media, as well as on all the retailer's brochures, stationery, business cards or mails.
- **Special incentives:** The retailer can make use of competitions, giveaways, online coupons and draws to attract customers to the website (Information Resources Management Association, 2012: 48). The website could also provide special discounts or bargains to customers who make online purchases to keep customers coming back.

The website of any business is a digital representation of its brand and its products. It is a digital sales representative for the business that is available seven days a week and 24 hours a day (Koekemoer, 2014b:435). Consumers are able to find information, ask questions and make purchases at a place and time that is convenient for them. Blanco, Sarasa and Sanclemente (2011: 541) suggest that potential customers go online to research a business and its products and prices before making a purchase decision. It is thus an important marketing tool for any business.

In the next section, the use of e-mail as a digital marketing tool is discussed.

3.3.2 E-mail marketing

E-mail is one of the most established and effective digital marketing tools and has been around for a number of years (Koekemoer, 2014b: 453). **E-mail** or **electronic**

mail is defined as a system that sends and receives electronic documents, typically in the form of text files; from one internet user to another (Hanson, Shneiderman & Smith, 2011: 106). E-mails are typically used for personal reasons to communicate with friends and family and professionally to communicate ideas, ask questions and request information. Radicati and Levenstein (2013: 2) estimated that there are over 3.9 billion e-mail accounts activated around the world. Globally, an estimated 191.4 billion e-mails are sent per day, and most of this e-mail traffic is the result of business e-mails that are sent and received (Radicati & Levenstein, 2013: 2). This figure is expected to increase to 206.6 billion e-mails by 2017 (Radicati & Levenstein, 2013: 3). Figure 3.1 below indicates the estimated number of e-mail accounts activated worldwide.

	2013	2014	2015	2016	2017
Worldwide Email Accounts (M)	3,899	4,116	4,353	4,626	4,920
Business Email Accounts (M)	929	974	1,022	1,078	1,138
<i>% Business Email Accounts</i>	<i>24%</i>	<i>24%</i>	<i>23%</i>	<i>23%</i>	<i>23%</i>
Consumer Email Accounts (M)	2,970	3,142	3,331	3,548	3,782
<i>% Consumer Email Accounts</i>	<i>76%</i>	<i>76%</i>	<i>77%</i>	<i>77%</i>	<i>77%</i>

Figure 3.1: Estimated e-mail accounts, 2013–2017, worldwide

Source: Radicati and Levenstein (2013)

Figure 3.1 above indicates that there had been approximately 1 022 million activated business e-mail accounts by the end of 2015. This number is increasing each year, and it is estimated that there will be approximately 1.138 million activated business e-mail accounts by 2017. Figure 3.1 also indicates that for 2015, 77% of all e-mails accounts worldwide were estimated to be consumer accounts.

E-mails can add to the image of the business and can be used as a marketing tool for the business. **E-mail marketing** refers to the use of e-mails to send out advertising messages to both current and potential customers (The Internet Marketing Academy, 2011: 8). E-mail marketing is a marketing channel that allows a business to stay connected with its customers and to communicate with each customer personally (Waldow & Falls, 2013). Businesses that engage in e-mail

marketing typically send out advertisements, newsletters, catalogues, notices about sales or donation solicitations and coupons. Businesses use three types of e-mail marketing campaigns. These are briefly discussed below (The Internet Marketing Academy, 2011: 9):

- **Direct e-mail:** The business sends direct e-mails to current and prospective customers. These e-mails are used as announcements, and are used to promote special offerings for a limited period of time.
- **Retention e-mail:** These e-mails are sent to current customers in an attempt to retain customer loyalty by offering them something. Retention e-mails or newsletters usually provide news on the latest products, upcoming launches or coupons and discounts.
- **E-mail-placed ads:** This refers to marketing advertisements that are placed within another e-mail. Businesses that send out retention e-mails usually reserve space within their e-mails for other businesses to place advertisements.

Figure 3.2 shows an example of a retention e-mail from Emirates airlines. The e-mail is directed specifically at the customer and provides details of discounted rates that customers can receive when they book within a certain period.

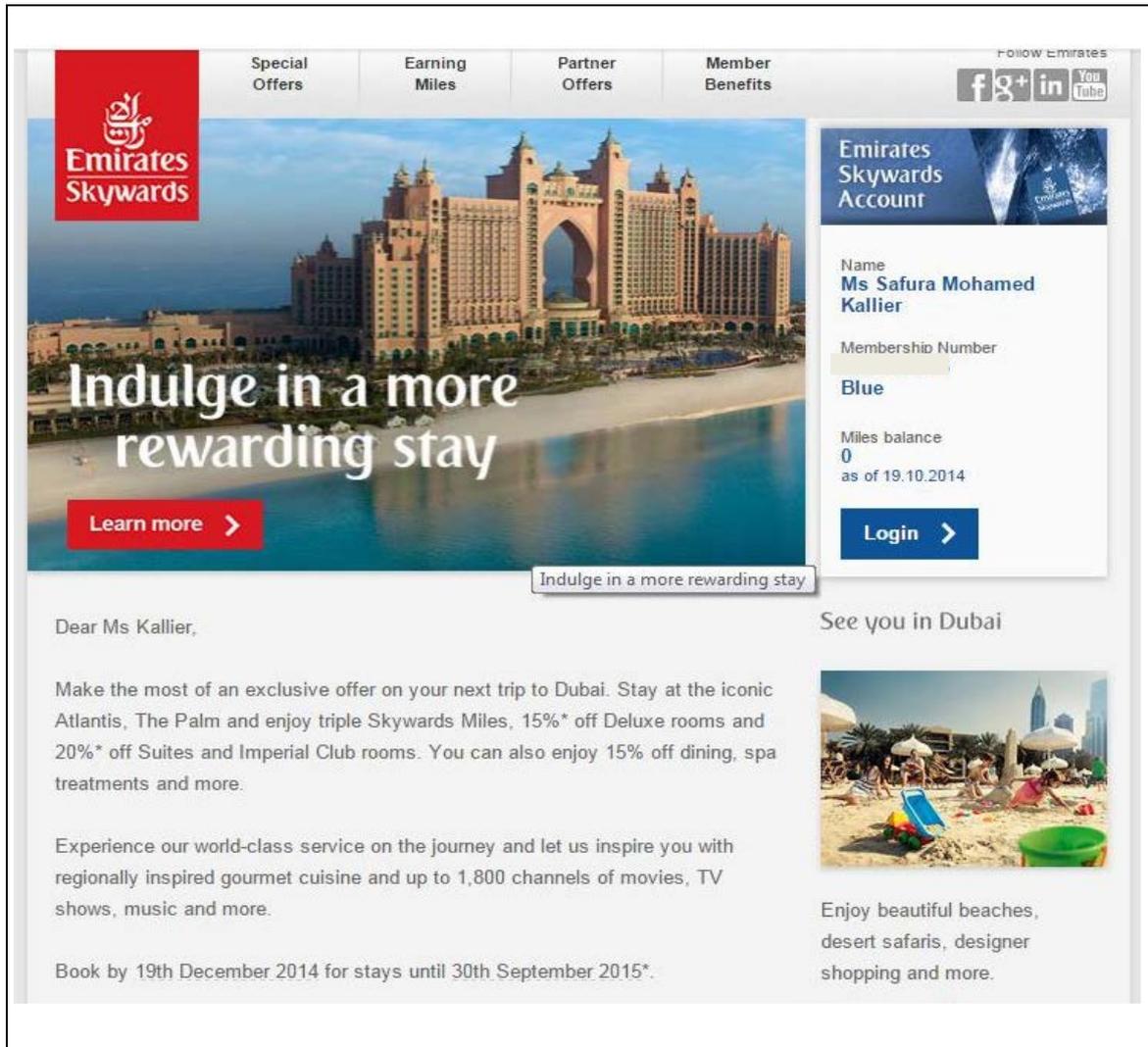


Figure 3.2: Example of retention e-mail from Emirates Airlines

By using e-mails, the business is able to have a meaningful conversation with its customers. The business is also able to divide the market into various segments and can send out personalised e-mails to suit each market segment or each customer (Roberts & Zahay, 2013: 182). E-mail marketing is also less expensive than direct mail and printed newsletters, and it allows the business to ‘push’ their advertising messages to customers (Roberts & Zahay, 2013: 174).

The success of an e-mail marketing campaign is dependent on the planning and design of the e-mail message. Success also depends on the customer’s willingness to read the e-mail and take action (The Internet Marketing Academy, 2011: 13). It is further important to get the consent of the customer before sending out e-mails. This is referred to as **opt-in e-mail marketing** or **permission-based marketing** (Roberts

& Zahay, 2013: 179). Without the permission of customers, e-mail from a business may be regarded as spam. **Spam** refers to unsolicited bulk e-mails that are sent to a large population of individuals without their permission (Brunton, 2013: 131). During the first quarter of 2014, an estimated 68.6 per cent of all e-mail traffic worldwide was regarded by the recipients as spam (Gudkova & Demidova, 2014: 12). In many countries, a large percentage of all incoming spam e-mails originates and is addressed to individuals within the country, whereas in smaller countries, most spam comes from foreign countries (Gudkova & Demidova, 2014: 15). The accusation of spam can lead to the reputation of the business being damaged and the e-mail account and website of the business can be shut down (The Internet Marketing Academy, 2011: 15). It is thus important to make sure that the business has the permission of all participants to receive e-mails and the option to opt-out if they want.

The next section reports on social media marketing and the various social media platforms that are used by retailers in their e-marketing campaigns.

3.3.3 Social media marketing

Social media can be defined as the various activities among individuals who gather online to share information, knowledge and opinions using various forms of conversational media (Taskiran & Yilmaz, 2015: 201). It makes use of low-cost tools that combine technology and social communication to form social media networks (Taskiran & Yilmaz, 2015: 201). The social media network consists of an assortment of internet-based conversational tools and applications that allow for the sharing of information and communication through the use of text, audio recordings, video recordings and images (Rowley, Ashworth & McCarthy, 2014: 98). These social media tools include social networking sites, video-sharing sites, picture-sharing sites, blogs, mobile and local search engines, and user-created content sites (Rowley, Ashworth & McCarthy, 2014: 98).

Social networking sites refer to websites that allow individuals to connect with each other using various tools such as Facebook and LinkedIn to share information (Information Resources Management Association, 2015: 187). **Video-sharing sites** refer to websites, such as YouTube, that allow individuals to upload and share videos with the public (O'Guinn, Allen & Semenik, 2015: 285). **Photo-sharing sites**, much

like video-sharing sites, allow individuals to upload and share images online (O’Guinn, Allen & Semenik, 2015: 285). **Blogs** refer to websites, such as WordPress, that allow individuals to reflect on their experiences, observations and their opinions (O’Guinn, Allen & Semenik, 2015: 285). Mobile and local search engines are websites that search and identify specific information from the World Wide Web (WWW) based on keywords that are specified by the user (Stokes & Quirk, 2013: 235). User-created content sites, such as Wikipedia and eHow, allow individuals to post any content such as articles, videos and essays on the site (Egger, Lang & Schoder, 2015: 1). Table 3.1 shows the various social networks and their tools.

Table 3.1: Social media networks and their tools

Social media network	Social media Tools
Social networking sites	Facebook, LinkedIn
Video-sharing sites	YouTube
Picture-sharing sites	Flickr, Instagram
Blogs and micro-blogs	WordPress, Twitter
Mobile and local search engines	Google and Yahoo
User-created content sites	Wikipedia

Businesses make use of these social media tools to advertise their products and services, communicate with customers, create relationships with their customers and to gain exposure for their businesses (Packer, 2013; Boone & Kurtz, 2015: 100). **Social media marketing** is defined as the use of various social media networks in order to promote the business and its product or service offering (Boone & Kurtz, 2015: 100). The usefulness of social media tools lies in the possibility to engage interactively with customers, and these tools allow businesses an opportunity to build trust with their customers (Akar & Topcu, 2011: 36).

Many businesses have started making use of social media networks to reach potential customers. It is estimated that 93 per cent of business make use of social media tools for their business marketing activities (Cooper, 2014). Businesses that make use of social media agree that the use of social media has led to more exposure for their businesses, as these media increase traffic to the online sites of their businesses and generate qualified leads (Information Resources Management Association, 2014: 2015). Businesses also claim that the use of social media has

helped reduce marketing expenses, resulted in new partnerships and assisted in closing business deals (Information Resources Management Association, 2014: 2015).

In South Africa, 91 per cent of businesses agree that social media tools can assist them in growing their businesses, while 67 per cent of these businesses use social media as part of their marketing campaigns (Wronski, 2014). According to the South African social media landscape report for 2014, the social media tools most commonly used by businesses include Facebook (93%), Twitter (79%), YouTube (58%) and LinkedIn (46%) (Wronski, 2014: 2). These common social media tools are discussed below.

3.3.3.1 Facebook

Facebook is a social networking website that allows individuals to share information in the form of text, videos and images with friends, family and colleagues (Nedwidek, n.d.). Founded in 2004, the social networking site was initially launched as a way for students at the Harvard University to interact and share information (Nedwidek, n.d.). Facebook has since evolved into an easy way for individuals, groups of individuals and businesses to communicate with each other and to share information.

Today Facebook is one of the biggest social networking sites with over 1.15 billion users, and it continues to grow every year (Bullas, 2014). In South Africa, there are approximately 11.8 million Facebook users with an equal number of males and females and with most of the users between the ages of 23 and 26 (MyBroadband, 2014). In South Africa, about 93 per cent of businesses make use of Facebook with the top retailers being Sunglass Hut, Pick n Pay, Woolworths, Country Road and Checkers (Wronski, 2014: 76). Table 3.2 below indicates the top 10 Facebook brands in South Africa.

Table 3.2: Top 10 Facebook brands in South Africa

PAGE	LOCAL FANS	TOTAL FANS
Knorr	708 147	9 343 846
Whatsfordinner?	706 003	707 631
OLX South Africa	704 389	737 759
Gumtree South Africa	676 302	891 312
FNB	624 793	665 704
Pick n Pay	515 552	803 627
Spur Steak Ranches	515 550	528 069
I Love baking SA	495 833	527 904
MTN South Africa	479 334	508 489
Samsung Mobile South Africa	455 071	536 713

Source: SocialBakers.com (2014a)

There are a number of ways by which a business can make use of Facebook as a marketing tool. A businesses Facebook page is a free marketing tool that can be used to generate awareness and interest in the business and its products and services (Marrs, 2013). The business can use their Facebook page to post pictures, videos and interesting news. It can also be used to create conversations with the consumers and for competitions. Facebook users are able to like and share the content that is on a business Facebook page thereby generating free publicity for the business. The business can also pay for advertisements that appear on the side columns of the Facebook site of the user (Levy & Carter, 2012: 96). These advertisements are used to increase likes or drive traffic to the business website (Marrs, 2013). The business can also make use of promoted posts, where the business pays a fee for a single post to reach a certain number of users, or sponsored stories, which shows the interaction of a user on a business's page with the user's friends (Marrs, 2013).

3.3.3.2 Twitter

Twitter is a real-time micro-blogging website, which allows users to upload posts that are limited to 140 characters or fewer (Kingston, 2013; Twitter.com, 2015a). Twitter allows users to post videos, images and text, which are displayed on their Twitter profiles (Koekemoer, 2014b: 444). Users are also able to follow other users, call out or mention other users' names in tweets using the @ sign, send direct messages that are not visible to the public, mark other tweets as their favourites, quote other users'

tweets, reply to tweets, and mark keywords and topics with the # sign (Kingston, 2013).

There are about 284 million monthly active Twitter users worldwide and about 500 million tweets are sent out daily (Twitter.com, 2014). In South Africa, it is estimated that there are 5.5 million Twitter users and approximately 54 million tweets are posted per month (Wronski, 2014). About 79 per cent of businesses in South Africa are currently active on Twitter (Wronski, 2014: 2). Table 3.3 indicates the top 10 Twitter brands in South Africa.

Table 3.3: Top 10 Twitter brands in South Africa

PROFILE	FOLLOWING	FOLLOWERS
Samsung Mobile SA (@SamsungMobileSA)	1 343	251 353
Woolworths SA (@WOOLWORTHS_SA)	10 129	181 980
Samsung South Africa (@SamsungSA)	330	158 501
MTN South Africa (@MTNza)	2 166	146 671
Vodacom (@Vodacom)	6 707	140 938
BIG Concerts (@BigConcerts)	93	129 494
Pick n Pay (@PicknPay)	12 321	111 492
Trendsmap SthAfrica (@TrendsSthAfrica)	11 653	93 143
Computicket (@Computicket)	120	90 989
Land Rover SA (@LandRoverZA)	314	76 642

Source: SocialBakers.com (2014b)

Twitter provides businesses with a powerful marketing tool to allow the business to connect directly with customers and to communicate with them in real time (Funk, 2013: 43). There are various ways in which a business can use its Twitter handle as a marketing tool. The business' Twitter page can be used to post information regarding the business and upcoming specials, events and even discounts. The business can also interact with and engage in conversation with customers directly. Twitter users can generate free publicity for the business by retweeting, and quoting tweets that the business posts on its Twitter page. The business can buy promoted tweets, which are individual tweets that promote the business that appears on a Twitter user's timeline (Twitter.com, 2015b). The business can also pay to have a topic appear on Twitter's 'trending' list. This is known as **prompted trends** (Twitter.com, 2015b).

3.3.3.3 LinkedIn

LinkedIn is a social network website that is designed specifically to connect professionals of various industries (Loretto, 2014). This professional-orientated social network site segments the users based on their professions and job titles and is seen as a digital CV (Koekemoer, 2014b: 445). Users are able to use LinkedIn to develop their professional brand, search for clients to acquire new network contacts, to recruit prospects and to meet other professionals in a specific industry (Alba, 2014: 16). LinkedIn provides the option to create a business profile and a personal profile. Users are able to post updates, pictures, videos and articles, like, share and comment on other users' profiles, send messages and join groups and businesses.

LinkedIn has about 300 million registered users around the world with a reach of over 200 countries and territories (Smith, 2014b). The largest group of professionals on LinkedIn are from the information technology and services sector, the hospital and healthcare sector, the construction sector, the education management and the accounting sector (Nishar, 2014). In South Africa, it is estimated that LinkedIn has a membership of 3.8 million professionals (World Wide Worx, 2014: 3). According to the South African social media landscape report of 2014, the top three ranking group of professionals on LinkedIn are finance (277 000 members), manufacturing (256 000 members) and hi-tech (218 000 members) (Wronski, 2014: 2). This report also states that 46 per cent of businesses in South Africa make use of LinkedIn (Wronski, 2014: 2).

LinkedIn can play an effective role in business-to-business (B2B) marketing. Businesses make use of LinkedIn to connect with other businesses in their industry and to foster strategic partnerships with them (Chansamooth, 2014). It can also be used to find clients and to generate leads for a business. The 2013 B2B Content Marketing Trends Report indicated that LinkedIn is the most effective social media tool for content marketing (content marketing is defined in Chapter 1 [see 1.4.5]) (Shultze, 2013: 8). With LinkedIn, businesses are able to deliver relevant content directly to the target audience with direct sponsored content (LinkedIn, 2014b).

3.3.3.4 YouTube

YouTube is a video-sharing website that allows individuals to upload and share videos, search and watch videos (Woda, 2014). YouTube is considered the second largest search engine in the world after Google and is the third most visited site after Google and Facebook (Koekemoer, 2014b: 445; Woda, 2014).

It is estimated that over 1 billion people visit YouTube every month and over 6 billion hours of video are watched every month (Smith, 2014a; YouTube.com. 2014). In South Africa, there are 7.2 million active YouTube users (World Wide Worx, 2014: 3), and the top 200 most viewed YouTube accounts have a total of more than 1.5 million views each (Wronski, 2014: 79). Approximately 58 per cent of businesses in South Africa make use of YouTube in their businesses (Wronski, 2014: 2). The top brands on YouTube in South Africa is Hyundai with over 12 000 subscribers and 23 227 298 uploaded video views (SocialBakers.com, 2014c). Table 3.4 below lists the top 10 YouTube brands in South Africa.

Table 3.4: Top 10 YouTube brands in South Africa

CHANNEL	SUBSCRIBERS	UPLOADED VIDEO VIEWS
AboutHyundai	12 811	23 227 298
Woolworths SA	6 759	5 527 559
ChevroletSA	918	4 883 169
Samsung South Africa	2 303	4 531 057
Isuzu	593	4 290 521
GumtreeSouthAfrica	674	4 248 924
MAC South Australia	888	3 926 856
Pick n Pay	2 102	2 756 890
BMWSouth Africa	1 247	2 743 615
Bells	859	2 383 963

Source: SocialBakers.com (2014b)

Individuals, brands or companies are able to create a YouTube channel where they can customise their homepage, upload videos, share videos or like and comment on other videos. YouTube provides businesses with an excellent opportunity to demonstrate their brand personality, their products and services, interact with potential customers and create brand awareness (YouTube.com, 2014).

YouTube offers many marketing opportunities for businesses, such as in-video advertising and pre-video advertising. **In-video advertising** refers to advertisements that appear on a video while it is being viewed (Koekemoer, 2014b: 446). **Pre-video advertisements** appear before a video is viewed and can be skipped after five seconds (Koekemoer, 2014b: 446). The business pays for both of these types of advertisements. A business can also attain free publicity on YouTube when customers like or share their videos. YouTube allows users to be interactive by commenting on the videos, and the business can use this to interact with and respond to customers' comments and gather customer feedback (Koekemoer, 2014b: 446; YouTube.com, 2014).

The social media tools discussed above can be linked to all other marketing activities and online platforms of the business. The primary benefit of social media is that the cost is lower than traditional marketing mediums while it can reach a larger audience (Nadaraja & Yazdanifard, 2013: 3). Social media encourage feedback and contribution from the target audience, thus allowing customers to contribute to content creation (Poole, 2011: 25). It is two-way communications between the brand the customer and can thus be an essential tool in fostering trust and building relationships with customers.

The next section reports on mobile marketing as a marketing communication tool used by retailers in their e-marketing campaigns.

3.3.4 Mobile marketing

Mobile marketing refers to the use of any mobile device or network by a business to communicate and engage with its target audience in an interactive way (Mobile Marketing Association, 2014). Mobile marketing makes use of electronic devices, such as smartphones, tablet computers, laptops, global positioning system (GPS) navigation devices, e-readers, digital cameras and handheld gaming consoles, to communicate marketing messages to current or prospective customers (Koekemoer, 2014b: 449). These devices are portable and are able to work without a direct power source for a number of hours. The most common mobile devices used by consumers are mobile phones and tablet computers (Koekemoer, 2014b: 449).

With the great advancements in technology, the use of mobile devices has increased amongst consumers. Consumers are no longer limited to calls and text messages but are now able to connect to the internet, search and find websites, connect to their social media accounts, scan barcodes and make video calls to each other using their mobile phones. In South Africa, most internet users own a smartphone and use their phones to access the internet (Effective Measure, 2013: 3). The most common types of activities for which South African consumers use their mobile phones are instant messaging, e-mailing and social networking (Effective Measure, 2013: 10), as depicted in Figure 3.3 below.

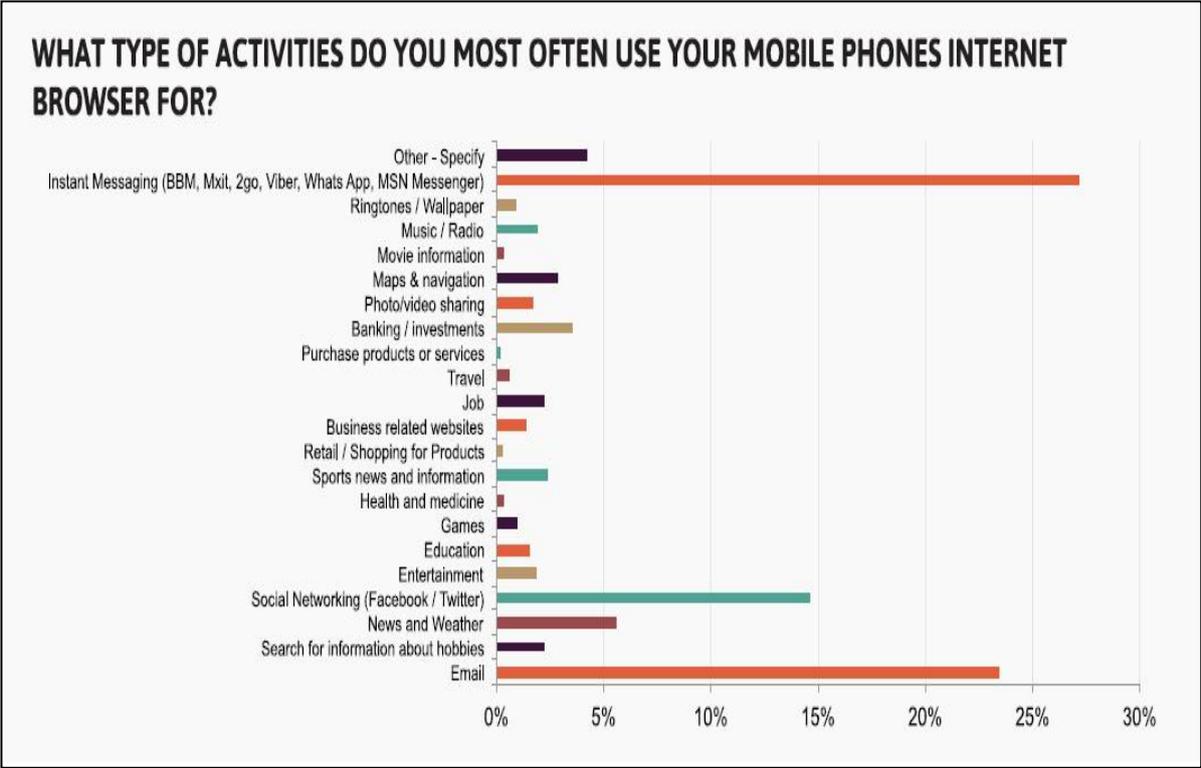


Figure 3.3: Types of activities performed on SA consumers mobile phones
Source: Effective Measure (2013)

Many businesses make use of mobile devices to communicate directly with selected consumers at any time and any place (Percy, 2014: 137). These businesses are also able to make their marketing messages more interactive and actionable.

There are various mobile marketing applications of which a business can make use, such as mobile websites, SMS marketing, QR codes and applications ('apps')

(Koekemoer, 2014b: 450). These mobile marketing applications are briefly discussed below:

- **Mobile websites:** This refers to websites that are designed for mobile phones and devices so as to fit the screen size and to adapt to the touch-screen capabilities of smartphones and computer tablets (Angeles, 2014). Mobile websites are built to adjust automatically to the size of the screen or the browser window of the mobile device (Koekemoer, 2014b: 450). Mobile websites allow for greater reach and are convenient for customers.
- **SMS marketing: Short message service (SMS)** refers to text messages that can be sent from one mobile device to another (Pasqua & Elkin, 2013: 78). Businesses are able to send out text messages with special offers or discounts to a large group of customers quickly and easily using SMS messages. Businesses must however acquire the permission of customers to be able to send them any SMS communications and customers must also be given the option to opt-out of receiving promotional SMS messages from the business (Koekemoer, 2014b: 451).
- **QR codes:** Quick response or QR codes are two-dimensional barcodes that are able to store data that can be downloaded or accessed when scanned using a mobile device (Hack & Kingsley, 2014: 132). QR codes are used by businesses to drive customers online to their website or social media sites to find out more information about the business or the special offering (Koekemoer, 2014b: 451).
- **Applications ('apps')**: This refers to a smartphone or tablet computer application that must be downloaded and installed onto the mobile device (Angeles, 2014). Apps can be developed to solve a problem or to enhance a required function for a business or to generate income by selling the app (Koekemoer, 2014b: 452). Apps, such as the Standard Bank banking app, provide a quick and easy way for the customer to access the business, make purchases and browse the catalogues of the business. The business is also able to gather customer data through the app and is able to send customised push notifications to customers (Angeles, 2014).

Mobile devices have made it possible to enhance the customer experience by making it convenient and easy for the customer to receive information and to communicate with the business. Businesses have also made payment via mobile devices available in their stores. This makes it easier and convenient for customers when doing shopping.

A good example of creating convenience for the consumer using mobile devices is South Korea's Tesco Home Plus Virtual Subway stores. Tesco Home Plus found that consumers in South Korea simply did not have time to go to stores and shop for groceries and that most consumers preferred to go to stores that are closer to their homes, and thus decided to bring their stores to the consumers (Bergen, 2011). The retailer also aimed to become the leading retailer in South Korea, without developing new stores (Solon, 2011). The retailer created virtual stores by covering the walls of subway stations and metro train stations with posters that resemble the aisles and shelves of their supermarkets. Each grocery item on these posters had a QR code. Customers would then use their smartphones to scan the item and add it to their virtual shopping basket. Once customers were done shopping, they would virtually check out and pay using their mobile phones and their groceries would be delivered to their homes (Bergen, 2011). Consumers were able to shop while waiting for the train and their groceries would be delivered to their homes by the time they got home (Solon, 2011).

Figure 3.4 below shows Tesco's virtual subway stores' mission and idea. The Figure 3.4 also indicates how the virtual subway store works.

Home plus subway virtual store

BACKGROUND

In South Korea, Tesco Homeplus has a fewer number of stores compared to No.1 company E-mart. Koreans tend to shop in stores near their homes just because it's more convenient and reachable. As a result, No.2 company Tesco Homeplus had to overcome the obstacle - a fewer number of stores.

MISSION

Could we become No. 1 without increasing the number of stores?

IDEA

Let the store come to people!

We created virtual stores hoping to blend into people's everyday lives. Our first try was subway stations. Although virtual, the displays were exactly the same as actual stores - from the display to merchandise. Only one thing was different, people use smart phones to shop.



RESULT

People can shop at Tesco Homeplus wherever they go, not having to visit the actual store. Moreover, they could change their waiting time to shopping time. After this campaign, online sales increased tremendously: 10,267 consumers visited the online Homeplus mall using smartphones. The number of new registered members rose by 76%, and sales increased 130%. Currently, Homeplus has become No.1 in on-line market and is a very close 2nd offline.



Figure 3.4: Tesco Home Plus Virtual store

Source: Martina (2011)

Technology has changed the way people interact and communicate with each other, and the digital landscape is offering alternate methods of engaging with consumers. The internet and digital media were developed as essential communication tools and they provide businesses with an opportunity to enhance their marketing and communication efforts with customers (Hudson, Martins & Thomas, 2014: 2).

In the next section, real-time marketing and the way it is used as a marketing communication tool will be discussed in detail.

3.4 REAL-TIME MARKETING

The rapid changes in technology and social media as well as changes in consumer behaviour have led to businesses developing creative ways of capturing consumers' attention and anticipating or responding to consumers' needs in real time. These developments have led to the growth of real-time marketing (RTM). There are various views of what constitutes RTM. Figure 3.5 shows the various tactics that constitute RTM according to marketing professionals worldwide.

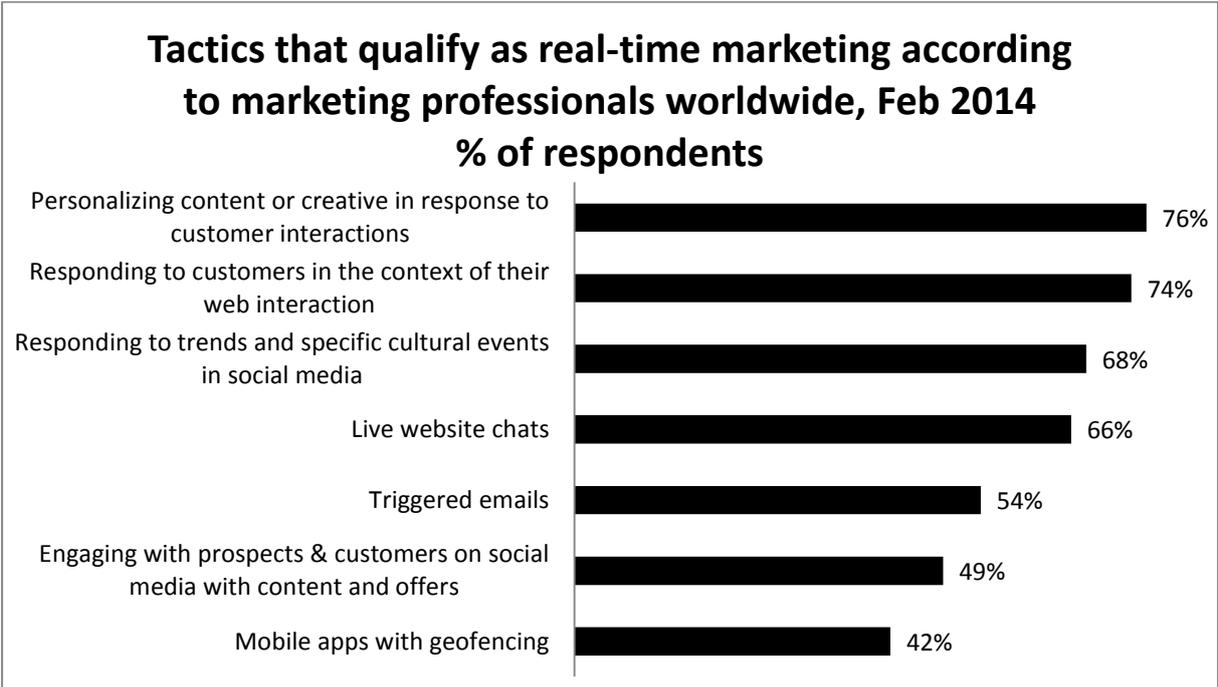


Figure 3.5: Tactics that qualify as real-time marketing

Source: eMarketer (2014)

According to Figure 3.5, marketing professionals view RTM as the personalising of content or creative images in response to consumer interactions (76%), responding to customers in the context of their web interaction (74%), and responding to trends and specific cultural events in social media (68%) (e-Marketer, 2014). Some marketing professionals were also of the view that RTM includes live web chats, triggered e-mails, engaging with customers through social media and mobile apps with geolocation (eMarketer, 2014). For the purpose of this study, RTM was defined as the use of multiple marketing communication channels to engage with and share

relevant information with consumers, in a non-intrusive manner, in real time (GolinHarris, 2013).

RTM can take on one of three forms, automated real-time marketing, personalised marketing that is executed in real time, and marketing campaigns that are developed in real time (Bathelot, 2013). These are discussed below:

- **Automated real-time marketing:** This refers to delivering the right, pre-written messages to the right customers at the right time (Davies, 2013). These are automated messages that are triggered by various events or actions of the customer, and which are sent almost immediately after the action. For example, a consumer wants to purchase a mobile phone. They search using Google for the specs of the latest mobile phones on the market and prices. A pop-up banner advertisement appears on the consumer's search page for a mobile phone store closest to the consumer.
- **Personalised marketing** efforts executed in real time: This refers to marketing messages that are created for the customer and executed in real time. For example, some retailers offer consumers loyalty cards that can be used to generate points for every purchase. When consumers pay with their loyalty cards, their points accumulate or they receive an immediate discount for their purchase.
- **Marketing campaigns** developed in real time: This refers to marketing messages that are developed and sent in real time via different channels as a result of an event or special occasion. Events such as the Soccer World Cup, the announcement by the Duke and Duchess of Cambridge's of a royal baby and the Oscars generate considerable interest and consumer conversation. Brands use these events to be part of the conversation and gain awareness. In South Africa, for example, the fast food giant Nando's capitalised on the firing of 16 cast members of a popular soap opera in South Africa, *Generations*, in August 2014. Nando's took a humorous stance at the situation and tweeted at the producer of the show, "Dear Mfundu, leave the firing to us. We've been flame grilling for generations." Figure 3.6 below indicates the image that Nando's tweeted at the producer of *Generations*, Mfundu Vundla.



Figure 3.6: Nando's tweet regarding the firing of Generations staff

Source: Twitter.com: 2014

The next section will look at how RTM works.

3.4.1 How does RTM work?

RTM makes use of various technology and software to gather and analyse consumer data in order to send out real-time messages to the right customers. Businesses can gather customer data from the customers themselves when they fill in promotional forms or apply for loyalty programmes (Raj, 2014). Additional customer information, such as customer purchase behaviour and purchase history, likes and dislikes, online and social media behaviour, can be captured using various data analytics software (Raj, 2014). The businesses can then analyse and identify patterns and correlations in consumer behaviour, which results in sales (Lee, 2014). This data is then used to segment the customers based on their specific needs and wants and develop strategies that are specific to the individual customer (Davies, 2013; Lee, 2014).

Businesses, such as Amazon.com, make use of this type of technology to deliver a personalised online experiences to their customers (Rao, 2013). Using data analysis and software to capture web browsing, Amazon.com personalises their home page per user based on consumers' previous interaction on their site, and they make proactive data-driven suggestions to the consumer for future purchases (Rao, 2013).

Another tool that assists in the execution of RTM is **geolocation**. This refers to the use of mobile devices and online services to identify the real-world geographic location of an individual or his/her proximity to a specific area or store (Cravens, & Burtoft, 2013: 273; ISACA, 2011: 5). Geolocation data can be obtained through GPS devices, mobile phones, credit/debit card transactions, radio frequency identification and social media postings (ISACA, 2011: 5). By using geolocation technology, retailers are able to develop special offerings to consumers who are within a specific area (Cravens & Burtoft, 2013: 273).

Retailers also make use of various automated technology to send out real-time marketing messages, such as automated bulk text message services or bulk e-mail services. As technology changes and improves, RTM evolves and it has become easier for businesses and retailers to implement and monitor their RTM efforts (Smith, 2013).

In the next section, the various RTM channels that can be used are discussed.

3.4.2 RTM marketing communication channels

Using the correct marketing communication channel is important for the success of an RTM campaign. There are various online and offline marketing channels that can be used to send messages and interact with consumers. The most common communication tool used for RTM campaigns is social media (eMarketer, 2014).

Figure 3.7 below indicates the most common marketing channels that are used for RTM campaigns.

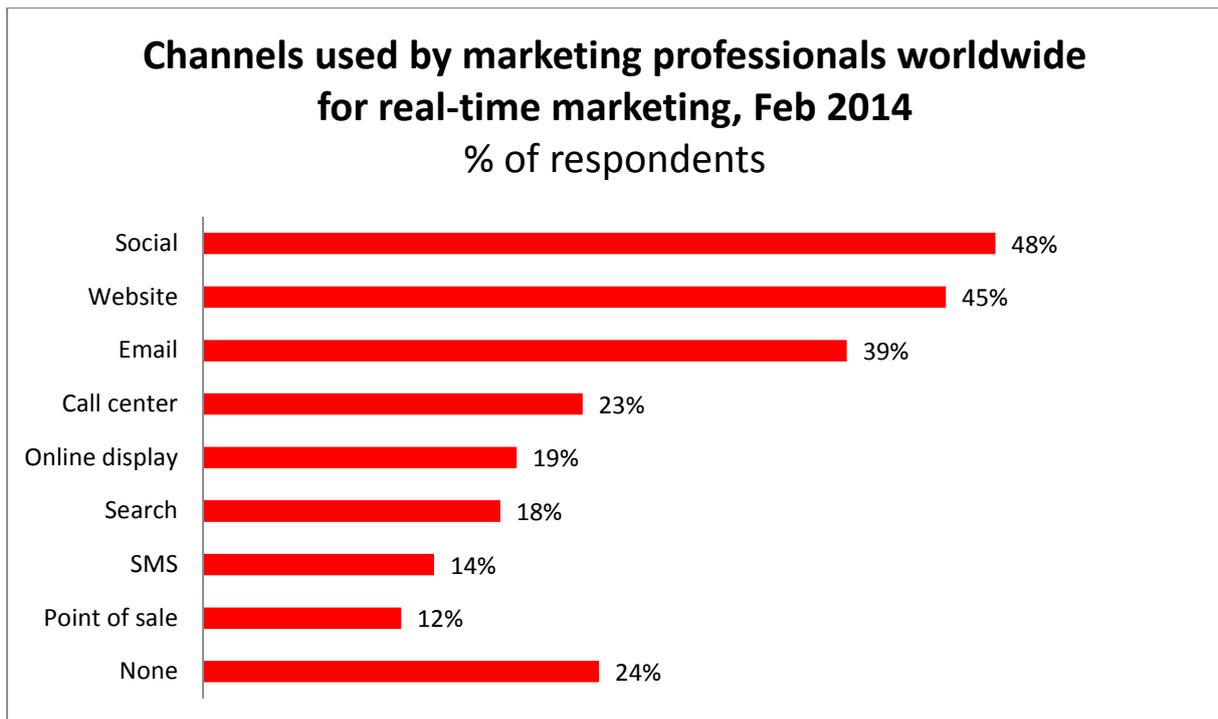


Figure 3.7: Most common channels used for RTM campaigns

Source: eMarketer (2014)

As indicated in Figure 3.7, 48 per cent of marketers make use of social media marketing communication tools for their RTM campaigns. Forty-five per cent of marketers make use of their business website, and 39 per cent use e-mail for real-time marketing campaigns. Other tools used include call centres (23%), online display advertisements (19%), search engines (18%), SMS messages (14%) and point-of-sale advertisements (12%).

When selecting the right channels for a RTM campaign, the business must analyse its consumers' behaviour and their online and social media activity (Boone & Kurtz, 2015: 453). The channels used to interact with consumers should be based on the target audience and their preferences, and at the same time it must meet the objectives of the RTM campaign (Boone & Kurtz, 2015: 453). Consumer preferences change over time and it is thus also important for businesses to be flexible with the communication channels that they use (Boone & Kurtz, 2015: 453).

The next section reports on the essential aspects of a successful RTM campaign.

3.4.3 The essential aspects of a successful RTM campaign

To be effective, RTM requires spontaneity and strategic planning from the business (Nisha, 2013). The business needs to be ready to respond to any event or occasion at any time. Speed, however, is not the only key to a successful RTM campaign. While RTM needs to be fast, the content should be relevant (Deutsch, 2014). Further aspects that can assist a business in creating a successful RTM campaign include audience knowledge, relevance to the business, and preparation (Davis, 2013; Deutsch, 2014). These are discussed below:

- **Speed:** To capitalise on events or current consumer conversations, the business must engage with the audience at the right time and in real time, for example, when Oreo tweeted “You can dunk in the dark” at the 2013 Superbowl. Oreo saw an opportunity and took advantage of a blackout that occurred during the game, and within minutes made sure that their brand was part of the consumer’s online conversation.
- **Audience knowledge:** It is essential to know and understand your target audience and their behaviour in order to reach them effectively. The business must pay close attention to what consumers are interested in, which events they are talking about and to whom they are talking. Analysing the audience will provide insight into how to communicate with the audience.
- **Relevance:** When sending out marketing communications the business must always keep in mind their brand mission and values whilst also staying true to the business objectives and marketing strategy. All marketing efforts and communication with the customer must lead to achieving the brand’s objectives. The different online marketing communication platforms used must also be relevant to the event, to the consumer and to the brand.
- **Content:** The business should create customer-centric content. This is content that is based on the interests, wants and needs of the customer and that is relevant to their current conversation. Through the content, the business must be able to engage with the right customers. The content should also be flexible so that the business is able to adapt it as changes in events and the conversation occur.

- **Preparation:** It is essential to prepare a strategy for any marketing campaign, and RTM is no different. A strategy must be developed and objectives must be set for the campaign. This will ensure that the business can measure the success of the campaign. The strategy must be flexible and able to adapt to the outcomes of the event (esd Digital Marketing, 2014).

An example of a successful RTM campaign, that was carefully planned and strategised, is the NissanUK Royal Baby Tweet. NissanUK followed the online trends of consumers' conversations and after noticing rumours regarding a second royal baby, developed a strategy that could be used if the rumours were confirmed (Marquis, 2014). In September 2014, when the Duke and Duchess of Cambridge announced that they would be having a second baby, NissanUK was ready with content and creative visuals. NissanUK tweeted "It could be triplets and there would *still* be enough room for the Queen ... #XTrail #SevenSeats #RoyalBaby" just seven minutes after the announcement was made (Marquis, 2014). Figure 3.8 below shows the NissanUK royal baby tweet.

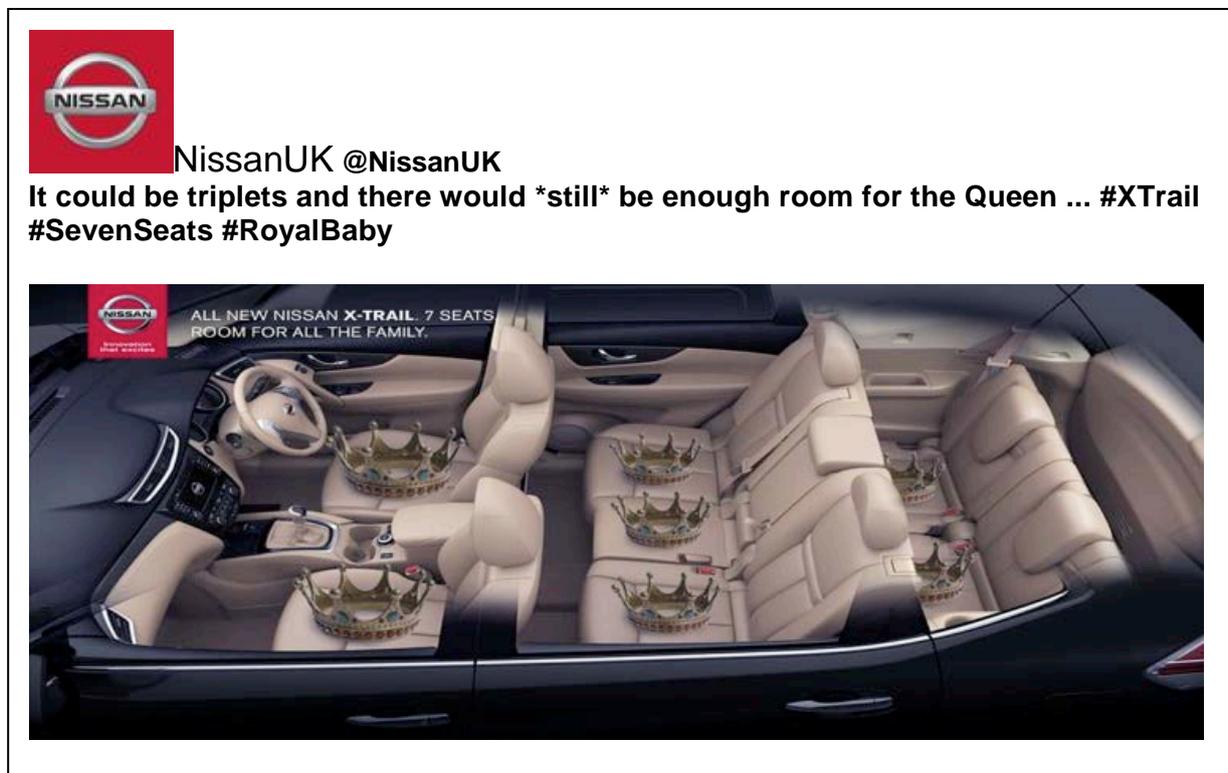


Figure 3.8: NissanUK Royal Baby Tweet

Source: Marquis (2014)

Nissan paid close attention to their audience, and their interests and conversations online. They created a strategy and a successful campaign that allowed them to be the first brand to join the conversation.

RTM can go wrong if the brand tries too hard to be a part of the conversation. Without preparation and relevance, the RTM campaign can result in backlash from consumers in real time, and this can harm the brand's image (MimosaSoft, 2014). During the 2013 Brazil Soccer World Cup, for example, when Spanish soccer player Louis Suarez bit a player on the soccer field, the news became a trending topic on online platforms such as Twitter. Opel tried to join the online conversation by tweeting "Only the motor should have teeth #Suarez" with an image of their sports car. Their statement did not make sense as they implied that the car had teeth, and the tweet did not generate much consumer interest for the brand (Blank, 2014).

The aim of RTM is to reach customers at the right time through the right channels and with the right message. If done correctly, RTM can result in considerable benefits for the business (Monetate, 2014). Businesses that have started making use of real-time marketing state that RTM has led to better customer experiences, it has improved customer retention and the perception of consumers regarding the business (Monetate, 2014). A survey conducted by Evergage showed that businesses identified the major benefits of RTM to be an increase in customer engagement, improvement of customer experience and an increase in conversion rates (Evergage, 2014a: 4). Other benefits identified include an improvement of brand perception, increase in customer retention, an increase in customer loyalty and increased brand awareness (Evergage, 2014a: 4).

The advancements in technology and communication mediums have provided a catalyst for relevant interactions with consumers in real time. With real-time marketing, consumers receive messages that are tailored for their specific needs at a time and through channels that are suitable for them. The growth in the utilisation of real-time marketing campaigns has given rise to the question regarding how consumers perceive real-time marketing campaigns. The current study thus focused on the consumer's perception of real-time marketing campaigns of retailers in Gauteng, South Africa.

3.5 SUMMARY

Over the past few years, the way in which individuals interact and communicate with each other has changed. With the increased usage of the internet and the development of devices such as smartphones and computer tablets, consumers are able to interact with each other through various communication mediums in real time and stay connected to each other. These changes have led to the rise of real-time marketing (RTM). RTM focuses on enhancing customer experiences and communicating with consumers in real time. Businesses must thus adapt their marketing efforts in order to reach the right customers through the right channels and with the right messages in real time.

In this chapter, the use of technology as a marketing communication tool was discussed and the various online marketing communication channels were explained. Real-time marketing was then defined and the way in which it works was explained. The most common RTM communication tools were also discussed, and the aspects needed to create a successful RTM campaign were explained.

The next chapter presents the research problem and objectives. It will also provide a description of the research methodology and the research design, sampling method and measurements used for the study.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

Marketing research is an essential component of marketing communication. Not only does it provide insight into consumers' needs and wants, but it also provides the retailer with essential information regarding competitors, economic shifts, trends in the market, demographics and purchase behaviour of consumers (Bhatnagar, 2014). It also provides the retailer with knowledge regarding consumers' perceptions and their behaviour regarding the various marketing communication tools used by the retailer. The information gathered from marketing research can assist businesses in gaining a competitive advantage and to increase their sales (Wilson, 2014:25).

The focus of this chapter is on the central concepts of marketing research used in the study. The purpose of the study, which led to the primary research question, will be discussed as well. The primary and secondary research objectives will be highlighted followed by a detailed discussion of the research process, which was followed during the research study. The research methodology that was used along with the research design, the sample, the sampling techniques and the data collection method will be discussed. The chapter will conclude with a discussion on ethical considerations and the limitations of the study.

4.2 THE MARKETING RESEARCH PROCESS

For marketing communication to be successful, it is important that the right marketing messages are sent to the right target audience at the right time and, in determining the right marketing messages to send to the target audience, marketing research is essential (Hutt & Speh, 2013: 334). Marketing research provides managers with strategic and tactical insights into the customer and the market, and is thus needed to make effective marketing decisions (Feinberg, Kinner & Taylor, 2013: 14).

According to the American Marketing Association (2014: 1), marketing research is defined as:

“... the function that links the consumer, customer, and public to the marketer through information- used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyses the results, and communicates the findings and their implications.”

Wiid and Diggins (2013: 1) refer to marketing research as a process of gathering information and processing it to assist management in their decisions regarding marketing in the business. Marketing research is defined by Ferrell and Pride (2014: 87) as the systematic design, collection and interpretation and reporting of relevant information to help find and solve a specific marketing problem or to take advantage of marketing opportunities.

Marketing research aims to provide the retailer with relevant information about his/her customers and their needs and wants and to provide information regarding the customer's views and opinions (Wiid & Diggins, 2013: 2). The purpose of conducting marketing research can be either to conduct applied research, that is to solve a specific problem or to conduct basic research, in other words research that is done to describe a marketing phenomenon (Rios & Campo, 2013: 26). The aim of marketing research will however determine the type of research that will be conducted and the techniques that will be used to achieve the objectives of the study.

Marketing research as a general process is thus the process of gathering information to learn about a marketing phenomenon (Arora & Mahankale, 2013: 13; Cant, 2013: 64). The marketing research process provides the researcher with a systematic series of planned steps to achieve the objectives of the study (Arora & Mahankale, 2013: 13). The marketing research process, however, does not always follow a

specific set of steps, and some of these steps can continuously overlap during the study (Cant, 2013b: 64).

For the purposes of the current study, the marketing research process as depicted in Figure 4.1 will be used.

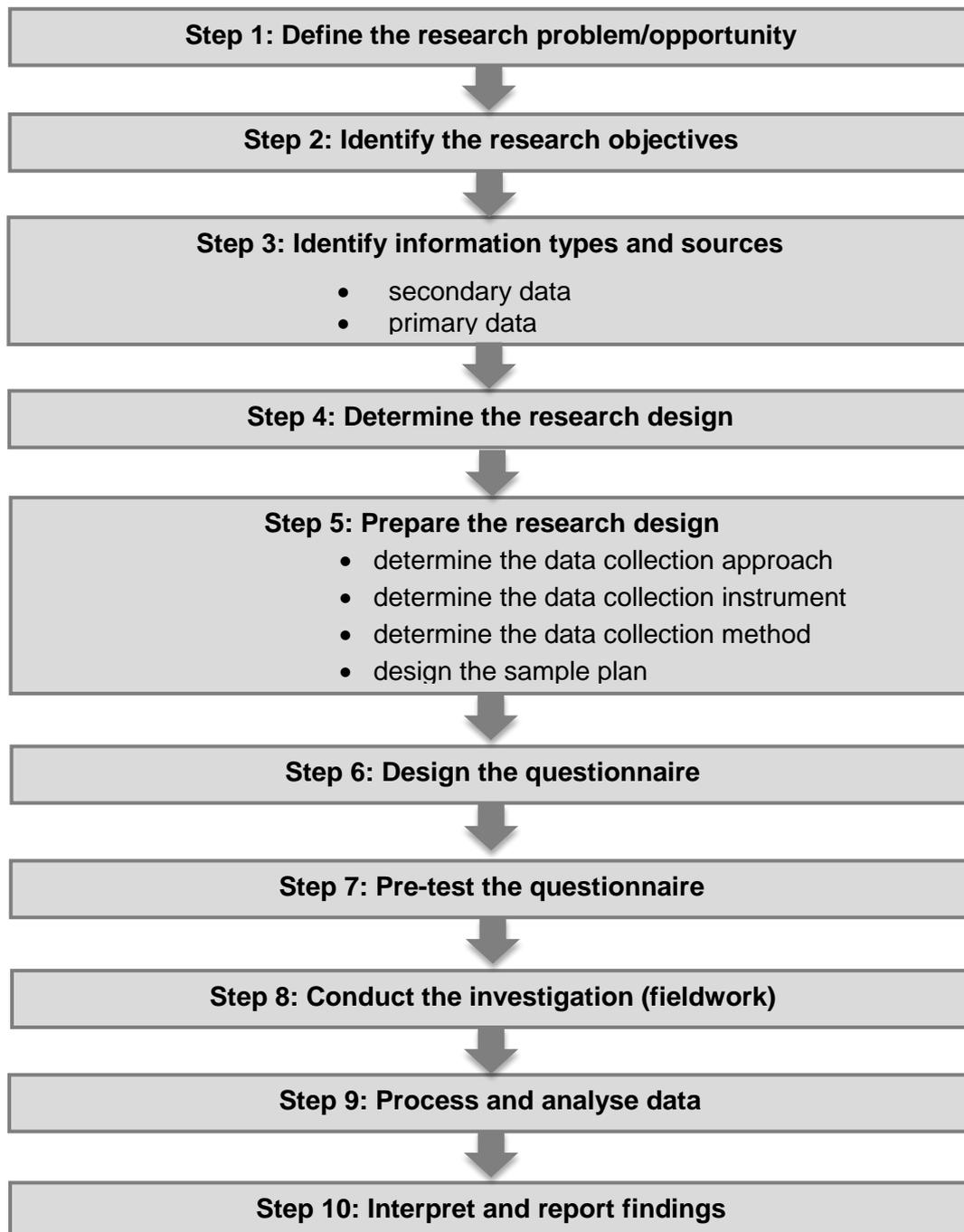


Figure 4.1: The marketing research process

Source: Adapted from Wiid and Diggins (2013: 30) and Cant (2013b: 64)

Each of these 10 steps will be discussed in detail, focusing on applicable theory, followed by its application in the current study.

4.2.1 Step 1: Define the research problem/opportunity

The marketing research process commences with defining the research problem as seen in Figure 4.1. The marketing research problem refers to any situation that may present a problem or opportunity to management, and which requires research to be conducted (Cant, Van Heerden & Ngambi, 2013: 129). The research problem or opportunity that is identified will specify the type of information that is needed to address the problem and it also specifies how the relevant information can be obtained effectively and efficiently (Arora & Mahankale, 2013: 13). It is important that the research problem or opportunity be clearly defined as it is the core of the research process (Wiid & Diggines, 2013: 33). A poorly defined research problem or opportunity leads to confusion and a poorly developed research design (Beri, 2013: 55).

The current study aimed to determine consumer perception of real-time marketing as a marketing tool used by retailers in Gauteng, South Africa. With the advancements in technology and the increase in new communication devices, retailers have a variety of communication instruments that can be used to engage with customers. This evolution of technology, the increased use of the internet and social media tools, and changes in consumer behaviour have led to retailers making use of real-time marketing efforts to engage with consumers (Adobe & Direct Marketing Association, 2013: 2). In real-time marketing, retailers make use of various communication tools and customer databases to tailor product offerings in real time and to develop marketing campaigns in real time (Adobe & Direct Marketing Association, 2013: 2; Kerns, 2014: 15). According to research by eMarketer (2013), real-time marketing is on the rise, and in 2013, two out of five leading businesses worldwide made use of real-time marketing campaigns, and 53 per cent of businesses worldwide planned on incorporating real-time marketing into their marketing plans (eMarketer, 2013; Gesenhues, 2013). The growth in the utilisation of real-time marketing campaigns by retailers and the limited research regarding real-time marketing have given rise to the question regarding how consumers perceive real time, which is used as a marketing tool by retailers in their marketing campaigns.

The research problem of this study was therefore to determine consumers' perception of real-time marketing, which is used as a marketing tool by retailers in Gauteng, South Africa.

The formulation of research objectives is the second step in the marketing research process as shown in Figure 4.1. The research objectives are discussed in the next section.

4.2.2 Step 2: Identify the research objectives

Research objectives are formulated to solve a specific research problem. The **marketing research objectives** refer to specific statements that the marketing research project will try to achieve in order to solve the research problem (Zikmund & Babin, 2013: 56). It is a broad indication of what the research will try to accomplish and stems from the research problem (Feinberg *et al.*, 2013: 29).

There are two categories of research objectives, namely primary objectives and secondary objectives. **Primary objectives** are the main outcomes of the study that the researcher intends to achieve (Struwig & Stead, 2011: 35). **Secondary objectives** link to the primary objective and indicate the details of what the primary objective consists of (Struwig & Stead, 2011: 36).

The primary research objective for the current study was based on the preliminary literature review and was as follows:

- The primary objective of the study was to determine consumer's perception of real-time marketing as a marketing tool used by retailers in Gauteng, South Africa to inform the consumer about the products and services offered by the retailer.

From the primary research objective stated above, a number of secondary research objectives were formulated. These were to determine:

- which mediums of communication consumers preferred;
- whether consumers knew what real-time marketing is;
- what consumers regarded as the more effective/influential mediums of real-time marketing communication tools;

- of which real-time marketing tools consumers were aware;
- whether real-time marketing campaigns would affect consumer purchase behaviour;
- what consumers regarded as clutter campaigns; and
- further areas of study.

These objectives were formulated to address the research problem that was identified.

Once the research objectives have been identified and set, the researcher must determine whether primary or secondary research is required to answer the research problem adequately. This is the next step in the marketing research process as indicated in Figure 4.1.

4.2.3 Step 3: Identify information types and sources

As indicated in Figure 4.1, the researcher must identify the information types and sources for the study. The researcher must also identify the type of information needed to achieve the objectives of the study. There are two methods that the researcher could use to gather the necessary information for the study, namely primary and secondary research.

The researcher should first investigate all secondary data available in order to determine which kind of research needs to be conducted (Wiid & Diggines, 2013: 73; Zikmund & Babin, 2013: 50). Primary research is then considered when the availability of secondary research is limited.

Each of these will be discussed below.

4.2.3.1 Secondary data

Secondary research refers to data that already exists (Wiid & Diggines, 2013: 74). It is data that has previously been collected, interpreted and published by someone else for a research problem other than the current study (Rose, Spinks & Canhoto, 2015: 83). The researcher can thus make use of the existing data to address the current problem.

Secondary data can be extremely useful and is an effective tool for researchers as it can provide a historical background, on which to base the current study and it provides the potential for a comparative analysis (Hair *et al.*, 2015: 119). Further advantages of secondary research are that it is much more cost-effective and information can be gathered with less effort and faster and quicker than primary data (Wiid & Diggins, 2013: 74; Hair *et al.*, 2015: 119). Table 4.1 below summarises the advantages and disadvantages of secondary research.

Table 4.1: Advantages and disadvantages of secondary data

Advantages	Disadvantages
It is cost-effective	May not fit the problem on hand as it was gathered to solve a different problem
It is readily available for the researcher	It may not always be accurate
It enhances the collection of primary data	The data may be outdated
It can provide new insights	The measurement units used may not be the same as those required for the current study
It can be used as a basis for comparison with the primary data collected	There may be a lack of availability of relevant secondary data in the field of study
It can provide a solution to the problem at hand	Terms and definitions may be classified differently
It helps the researcher's understanding of the problem	Credibility of the data and the sources may not be available
It helps to make the primary data more specific	It may not be sufficient to solve the research problem

Source: Adapted from: Wiid and Diggins (2013: 74–75); Hair *et al.* (2015: 119)

There are two main categories of secondary data, namely internal and external data (Hair *et al.*, 2015: 120). **Internal data** is data that can be collected from within an organisation, such as financial records, invoices, quarterly reports, etc. (Feinberg *et al.*, 2013: 69). **External data** is data that is collected from sources outside the organisation, such as the internet, academic and industry sources and original publications (Feinberg *et al.*, 2013: 70).

For the purposes of the present research study, various external secondary research sources were consulted, which included various sources on the internet, academic journals and academic textbooks. This secondary research was used to develop an understanding of real-time marketing and the various aspects associated with it. It was also used to understand previous research that was conducted and any theories, patterns and results that had been developed on the topic, and to develop

constructs that are appropriate for the current study. A literature review was then formulated using the secondary research obtained (see Chapters 2 and 3).

After the objectives for the current study had been determined and clearly defined, primary research was conducted to validate the formulated research objectives.

4.2.3.2 Primary data

If secondary data does not answer the research problem completely then primary data should be collected. **Primary data** refers to information that is collected from scratch to solve a research problem (Cooper & Schindler, 2014: 96; Wiid & Diggines, 2013: 86). It is raw data that has not yet been interpreted and that is used to solve a specific research problem. There are two ways in which primary data can be collected: through observational techniques and through communication techniques (Wiid & Diggines, 2013: 87). **Observational primary data collection techniques** refers to the process of observing behavioural patterns of individuals or objects and any occurrence without directly communicating or interacting with them (Kuratko, 2014: 312). **Communication techniques** refers to any method used to gather data that involves communicating with participants through various means, such as surveys, personal interviews or written communication (Kuratko, 2014: 312).

For this study the communication technique was used to collect the primary data. Surveys were used to communicate with respondents and collect the data.

Once the information types and sources have been identified, the next step in the marketing research process is to determine the research design. This will be discussed in the next section ([see 4.2.4]).

4.2.4 Step 4: Determine the research design

Step 4 of the marketing research process (Figure 4.1) requires the researcher to determine the research design that will be used to conduct the primary research.

The research design is considered to be the framework or detailed plan that specifies the procedure that should be followed for collecting the needed information to answer the research problem (Arora & Mahankale, 2013: 14). It is a detailed outline of how

the research will take place. Cooper and Schindler (2014: 140) specify the core aspects that constitute a research design, namely that it is –

- an activity that entails a time-based plan;
- a plan that is based on the research objectives/question;
- a guide that aids in the selection of sources and information types;
- a framework for specifying the relationships between the variables of the study; and
- a procedural outline for every activity in the research process.

The first step of the research design process is to select the data collection approach. There are two data collection approaches that the researcher could use, namely qualitative and quantitative research. These are discussed below.

4.2.4.1 Qualitative and quantitative research data methods

The researcher has to determine whether he/she is going to use a qualitative research design or quantitative research design. **Qualitative research** seeks to identify in-depth feelings and meanings that consumers assign to a phenomenon and also to determine customers' opinions without the use of statistical insights (Creswell, 2014: 4). **Quantitative** research, however, is more structured and concerned with numerical measures and statistics (Creswell, 2014: 4). It makes use of numerical data to address the research problem, which is then analysed using various statistical techniques (Hall, 2014). Quantitative research is also descriptive in nature and findings are presented in numbers, figures or statistical parameters (Cant, Van Heerden & Ngambi, 2013: 134).

The current research study followed a quantitative research design. This research design was appropriate as the research made use of statistics and figures to explain the relationship between consumers' perception of real-time marketing efforts, the various real-time marketing tools used by retailers, and the effect that real-time marketing campaigns has on consumer behaviour. The study also intended to describe the characteristics of the population in terms of the various real-time

marketing communication tools to which they are exposed and the way they react to the real-time marketing campaigns of retailers.

The second step in the research design process is to determine the type of research design that will be used for the study.

4.2.4.2 Types of research design

There are two categories of research designs that a researcher could apply in his/her study, namely exploratory and conclusive research. Figure 4.2 indicates the categories of research design.

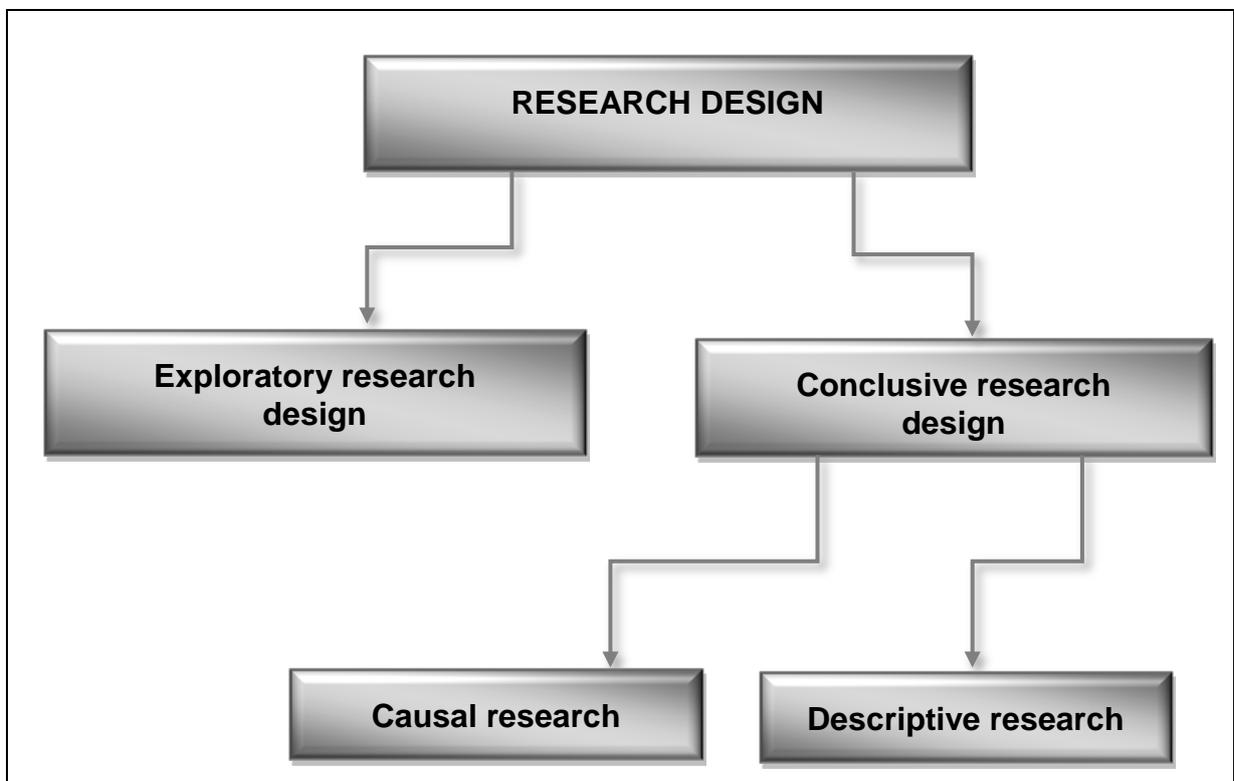


Figure 4.2: Types of research design

Source: Adopted from Feinberg *et al.* (2013: 55)

The first category of research design is **exploratory research**. This type of research is conducted when there is very little information known about a topic and the researcher intends to explore the topic further (Zikmund, Babin, Carr & Griffin, 2013: 52). Exploratory research is usually the first step that is conducted to refine successive research. It also allows the researcher to develop clear concepts, establish clear research priorities and develop operational definitions (Cooper & Schindler, 2014: 145). Exploratory research can make use of both qualitative and

quantitative research techniques; it however, relies more on qualitative research as it assists the researcher to understand a problem better, and allows him/her to determine any underlying ideas and motivations that participants may have (Cooper & Schindler, 2014: 147).

The second category of research design is **conclusive research design**. Conclusive research refers to research that is conducted to acquire information that will be used in making a conclusive decision (Pride & Ferrell, 2014: 132). This type of research is usually quantitative in nature. Conclusive research can further be broken down into two categories, namely causal research and descriptive research:

- **causal research** refers to research that seeks to investigate the relationship and influence of one variable on another (Wilson, 2014: 79); and
- **descriptive research** refers to a research design that aims to describe the characteristics of an existing phenomenon or occurrence in the market (Salkind, 2012: 12). Descriptive research provides the researcher with a broad picture of the phenomenon by addressing the who, what, when, where, why and how questions (Wiid & Diggines, 2013: 57).

For this study, descriptive research was deemed most appropriate as this type of research focuses on an in-depth analysis of a specific group, a situation or phenomenon or attitudes of the consumer (Wiid & Diggines, 2013: 55). This research design was selected as the study aimed to investigate a current phenomenon, namely consumers' perceptions of real-time marketing efforts aimed at them and the way these influence consumers' purchase behaviour. The findings of this study can provide retailers with an indication of what consumers prefer in terms of marketing communication methods, and retailers can thus develop marketing strategies according to what consumers prefer.

There are two classifications of descriptive research that the researcher may use: cross-sectional research studies (cf. Wiid & Diggines, 2013) or longitudinal research studies (cf. Wiid & Diggines, 2013). Cross-sectional research studies measure units of a population at a specific point in time (cf. Cooper & Schindler, 2014), whereas longitudinal research studies measure the units of a population over a period of time

(Vogt, Gardner & Haeffele, 2012: 23). The current study employed a cross-sectional descriptive research design.

4.2.5 Step 5: Prepare the research design

As indicated in Figure 4.1, the next step is to prepare the research design. This is discussed in the following section.

4.2.5.1 Determine the data collection approach

Once the research design is determined, the next step is to determine how the data will be collected in order to achieve the research results. According to Zikmund and Babin, 2013: 57), there are various methods of collecting data, namely survey research, observational research and experimental research. These are briefly explained below:

- **Survey research:** This type of research involves the collection of data from a sample of individuals through their responses to questions, in order to achieve specific research objectives (Zikmund & Babin, 2013: 439). Survey research is referred to as a measuring tool that is used to gather relevant information, and it accesses the thoughts and opinions of the sample of the target population (Zikmund & Babin, 2013: 439).
- **Observational research:** Through this method of research, a sample of individuals is observed and their behaviour is recorded for further study (Vogt *et al.*, 2012: 71).
- **Experimental research:** This type of research is done in a controlled environment and it aims to test a hypothesis and to determine whether one variable causes another variable to occur or influences another variable (Cooper & Schindler, 2014: 244).

In order to achieve the desired objectives of the current study, survey research was selected. Survey research is often used for descriptive purposes and can be used to describe a phenomenon, behaviour (in the current study, consumer behaviour specifically) and situations (Clow & James, 2014: 163). Survey research is a quick and efficient method of gathering data. It is also an accurate means of collecting data

and assessing certain information from and about a certain population, and it is usually inexpensive (Zikmund & Babin, 2013: 147).

Various survey methods that could be used to conduct research are shown in Table 4.2.

Table 4.2: Types of survey methods

Type of survey method	Characteristics
Interviewer-administered survey	This type includes personal interviews, door-to-door interviews, telephonic interviews and shopping mall intercepts.
Self-administered survey	This type of surveys makes use of questionnaires, and includes mail surveys and fax surveys.
Computer-assisted self-administered survey	This survey method makes use of computer technology to administer the surveys, and consists of e-mail surveys, internet surveys and web-based surveys.

Source: Adapted from Zikmund and Babin (2013: 155–179)

For the purposes of this study, the **computer-assisted self-administered survey**, also known as **online survey**, was used. This type of self-administered survey makes use of various applications of the Web as a platform to collect information from the target group of individuals (Bethlehem & Biffignandi, 2012: 190).

4.2.5.2 Determine the data collection instrument

Surveys can be administered either by means of an interactive method, such as interviews, or by a non-interactive method, such as questionnaires (Zikmund & Babin, 2013: 155). The computer-assisted self-administered survey was selected as the data collection approach for this study as it is inexpensive for the researcher, the data can be collected instantaneously, and it is convenient and easy for respondents as they are able to complete the survey in their own time. The most appropriate data collection instrument for this study was thus a questionnaire in the form of a computer-assisted self-administered survey.

4.2.5.3 Determine the data collection method

For this study, the survey method that was used to collect the relevant data was a web-based survey. Web-based surveys refer to questionnaires that are hosted on a website, and the target audience is sent an invitation via e-mail with a link attached to

it that redirects the respondent to a web page where they can complete the survey (Feinberg *et al.*, 2014: 239).

Web-based surveys offer a multitude of advantages for researchers, such as cost efficiency and increased speed of data collection, while also eliminating interviewer error or bias (Feinberg *et al.*, 2014: 238). The researcher is also able to gain access to larger groups of potential respondents. This type of research has thus gained popularity amongst researchers. There are, however, also a downside to using web-based surveys, such as low response rates, security concerns and respondents can misunderstand the questions (Cooper & Schindler, 2014: 225). Table 4.3 below illustrates the advantages and disadvantages of web-based surveys.

Table 4.3: Advantages and disadvantages of web-surveys

Advantages	Disadvantages
Data can be collected instantaneously	It is difficult to follow up with respondents
Anonymity of respondents	Respondents may misunderstand questions
Inexpensive	Response rate can be low
Allows for the use of graphics and animation	Security concerns
No interviewer error or bias	Respondent bias
Software can be used to avoid item non-response rate	It requires continuous monitoring
A wide geographic area can be accessed	Respondents may not be honest
Questionnaire length can be customised	

Source: Adapted from Beri (2013: 136); White and McBurney (2013: 228); Zikmund and Babin (2013: 179)

There are however a number of possible errors that can occur during the data collection when using web-based surveys. Some of these errors are discussed below:

- **Sampling error:** This type of error is defined as a statistical error that occurs when estimates that are based on the population are used rather than using estimates from the complete listing of the population (Bethlehem & Biffignandi, 2012: 99). This type of error can also occur due to inaccurate or outdated information on the target population.

- **Coverage error:** This is defined as the difference between the population that is presented in the survey and the intended target population for the survey (Tourangeau, Conrad & Couper, 2013: 24).
- **Non-response error:** This type of error is defined as the difference between those individuals of the population who responded and those who did not (Feinberg *et al.*, 2014:48). Low response rates can lead to **non-response bias**, which refers to a situation where the non-response individuals differ significantly from responding individuals.
- **Measurement error:** This error is defined as any difference between the observed value (of respondents who indicated they will answer the survey) and the true value (respondents who actually completed the survey) (Bethlehem & Biffignandi, 2012: 104). This is found when respondents do not represent their true value of respondents who answer the survey (Bethlehem & Biffignandi, 2012: 104).

The final step in preparing the research design is designing the sample plan, as discussed below.

4.2.5.4 Design the sample plan

Sampling is a process of selecting a sample population for the study (McDaniel & Gates, 2012: 326; Zikmund & Babin, 2013: 301). Zikmund and Babin (2013: 301) define a **sample** as a subset of the larger population, from which characteristics of the population can be drawn. A sample of the population is drawn as this allows for accurate estimations regarding the population characteristics. Thus, to ensure representativeness of the population at large, the sample is selected in a scientific manner (McDaniel & Gates, 2012: 326).

The **sampling process** is the plan for defining the target population and establishing the necessary procedures for selecting a sample (Gupta & Gupta, 2011: 45). There are several steps involved in the selection of a sample as illustrated in Figure 4.3.

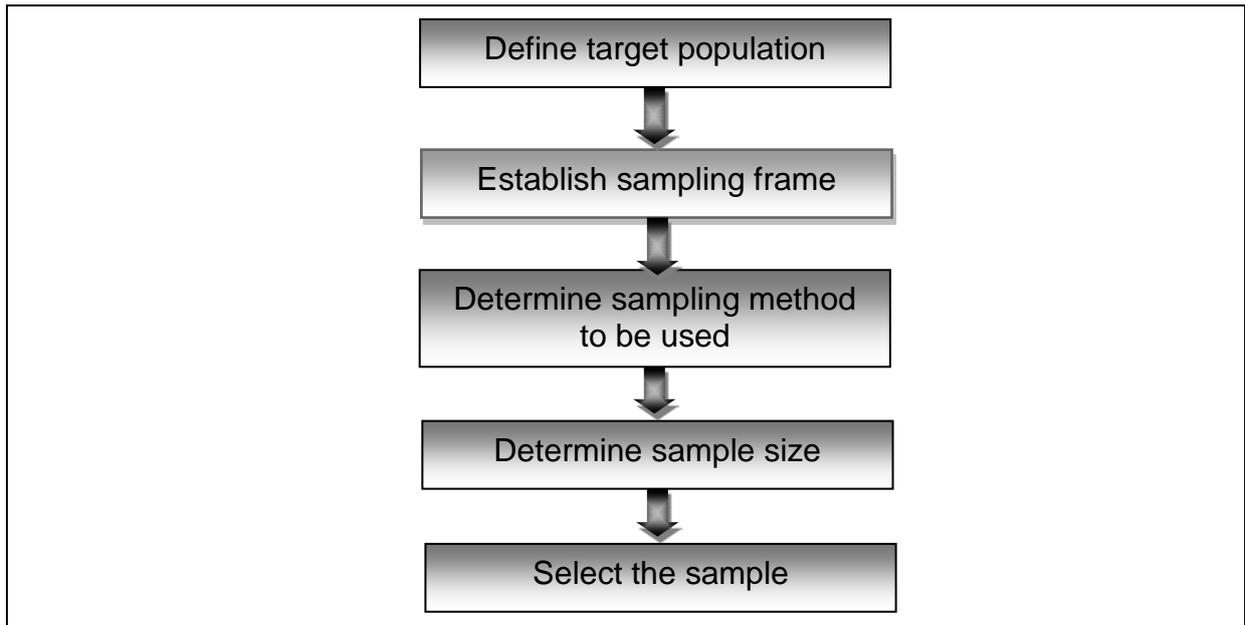


Figure 4.3: Steps in the sampling process

Source: Adapted from Rose *et al.* (2015: 189); Zikmund and Babin (2013: 304)

These steps are briefly discussed below.

Step 1: Define the target population and units of analysis

The first step in the sampling process (Figure 4.3) is to define the target population for the study. The **target population** comprises the group of units (individuals, customers, companies, etc.) from whom the researcher will obtain data from in order to research the problem (Sarstedt & Mooi, 2011: 37). The target population is the entire group of individuals who have the desired characteristics that are relevant to the current study.

The target population for the current study were consumers who were over the age of 18 and who shopped at retail stores within Gauteng, a province of South Africa. The study focused on the population in Gauteng as this province is considered to be the 'powerhouse' of the South African economy (Gauteng Provincial Treasury 2012: 29). The province is the commercial hub of South Africa, and makes the largest contribution to the economy of the country (Gauteng Provincial Government, 2012: 20). More than a quarter of the contribution of the retail sector to the total (GVA) of South Africa is from Gauteng (Gauteng Provincial Treasury, 2012: 29). Figure 4.4

below illustrates that Gauteng contributes about 26.5% to the total retail sector of South Africa.

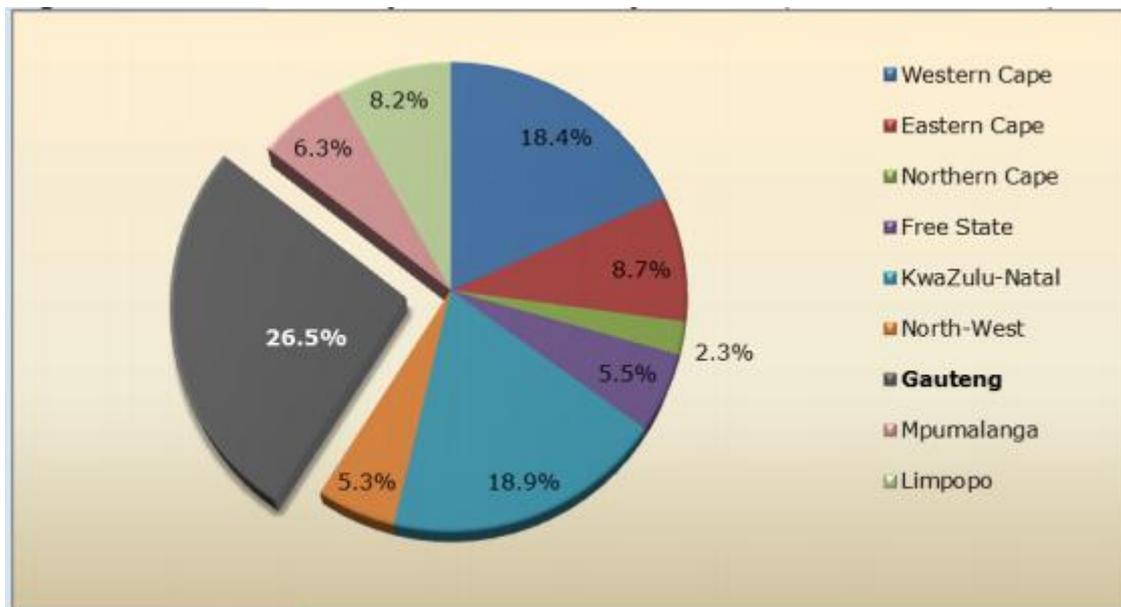


Figure 4.4: Gauteng’s contribution to the total retail industry of SA

Source: Gauteng Provincial Treasury (2012: 29)

Consumers are those individuals who make purchases for personal use (BusinessDictionary.com, 2015b). Therefore, in the current study, any individual who has ever made a purchase was considered a consumer. This study focused on consumers who made purchases from retail stores. The unit of analysis for this study was therefore individual consumers of retailers within Gauteng, South Africa.

Step 2: Establish the sampling frame

The second step of the sampling process shown in Figure 4.3 is to establish the sampling frame for the study. The **sampling frame** refers to a list of the individuals within the population who will be selected to participate in the study (Struwig & Stead, 2011: 109).

As the study employed a convenience sampling method, the sampling frame for the current study was individual consumers of retail stores in South Africa who resided within the Gauteng province who were readily available and who agreed to participate in the study.

Step 3: Determine the sampling method used

The third step in the sampling process (Figure 4.3) is to determine the sampling method that will be used for the study. The **sampling method** for a study refers to the method that will be used to determine the sample for the study (Hair *et al.*, 2015: 167). There are various sampling methods that can be used, namely probability sampling and non-probability sampling.

In **probability sampling**, every element of the target population has a known, non-zero possibility of being selected for the research (Struwig & Stead, 2011: 112). Probability sampling involves the use of large samples that are representative of the population (Hair *et al.*, 2015: 168). This type of sampling is calculated by dividing the sample size by the entire population size (Cooper & Schindler, 2014: 388). There are various methods of probability sampling, namely simple random sampling, systematic sampling, stratified sampling, cluster sampling and multistage sampling. These are briefly explained in Table 4.4 below (Hair *et al.*, 2015: 168).

Table 4.4: Probability sampling methods

Probability sampling method	Characteristics
Simple random sampling	Each element of the population is assigned an equal probability of being selected.
Systematic sampling	The random selection of an element in the list and thereafter every kth element (see definition of key terms) in the population is selected.
Stratified sampling	The division of the population into smaller subpopulations known as strata .
Cluster sampling	Each sampling unit consists of a large cluster of elements which are randomly selected.
Multiphase sampling	A sample is used initially to collect relevant data and at a later stage of the research, a subsample of this primary sample is used to conduct further research.

Source: Adapted from Cooper and Schindler (2014:388)

Non-probability sampling refers to a sampling method in which the selection of the units of analysis is based on personal judgement or convenience (Zikmund & Babin, 2013: 311). In this sampling method, members of the population do not have a known chance of being selected to participate in the research study. There is no probability attached to the selection of being included in the sample with non-probability sampling. In non-probability sampling, subjective methods such as

personal experience, convenience and expert judgements are used to select elements of the sample (Sekaran & Bougie, 2013: 267).

Table 4.5 below shows the various methods of non-probability sampling.

Table 4.5: Non-probability sampling methods

Non-probability sampling methods	Characteristics
Convenience sampling	The sample is selected based on convenience and availability of the individual. The first available individual will be used for the sample.
Judgement sampling	Individual elements are selected based on the researcher's judgement.
Quota sampling	This sampling method ensures that certain groups are represented in the sample. The selection of the sample elements is done on convenience, but the researcher specifies the characteristics of the elements to be selected.
Snowball sampling	The initial sample is selected by using probability sampling. The initial participants are then asked to identify other respondents in the population.

Source: Hair *et al.* (2015:174); Zikmund *et al.* (2013: 395)

The current study made use of a convenience sampling method. The reason for selecting this sampling method was that the target population were members of the public who were consumers of retail stores in Gauteng, South Africa. Therefore, every individual who had made a purchase from a retail store was included in the population and any readily available individual could be included in the sample.

This sampling method was appropriate for the study as this method of sampling is cost-effective; the population is readily available for the researcher to collect data from, it is easy to measure and the data collection can be done in a short period of time (Rios & Campo, 2013: 197). This sampling method was also selected as the objectives of the study (see 4.2.2) could best be reached through this sampling method, and it assured representatives of the target population. This sampling method was discussed and approved by an expert from the Bureau of Market Research (BMR) of the University of South Africa.

Step 4: Determine the sample size

The fourth step in the sampling process is to determine the sample size. **Sample size** refers to the number of individual elements that will be included in the study

(Gupta & Gupta, 2011: 45), i.e. the number of individual respondents who will be participating in the study. The sample size depends on three factors, namely the level of precision required by the researcher, the homogeneity of the population, and the degree of confidence required in the accuracy of the generalisations that are made about the population (Rose *et al.*, 2015: 198). A large sampling frame (see 4.2.5.4) can be costly and can take up a lot of time, whereas a sample size that is too small could lead to results that are inaccurate.

For this study, **convenience sampling** was used. With this type of sampling method, the sample is selected based on convenience and availability of the individual. An expert from the BMR was consulted regarding the sample size for the study. Based on the type of study that was being conducted and the research method used, it was agreed that for the current study to be measurable, a sample size of at least 120 consumers would be necessary.

Step 5: Select the sample

The final step in the sampling process (Figure 4.3) is to select the sample. The sample is selected based on the decisions made during the steps in the sampling process.

As convenience sampling was used, retail consumers with whom the researcher came into contact at retail stores, in malls, at work or at social gatherings, etc. were given information regarding the research study and were asked whether they would be willing to participate in the study. If the consumer was willing to participate in the study, his/her e-mail address was recorded to create a database. The researcher also made use of various social media platforms, such as Facebook, Twitter and LinkedIn, to recruit respondents to create a database. A short description of the study and assurance of confidentiality were posted on these platforms with a link to an Excel document where respondents could fill in their e-mail addresses. This database was then used when the survey was distributed. The method used to select the sample and develop the database was discussed and approved by the BMR.

The next step in the marketing research process, as indicated in Figure 4.1 is to design the questionnaire. This is discussed below.

4.2.6 Step 6: Design the questionnaire

A questionnaire is a set of questions, which are designed to extract relevant information from respondents in order to achieve the objectives of the study (BusinessDictionary.com, 2015c). The role of the questionnaire in the data collection process is to collect the relevant data in the most accurate way (Brace, 2013: 6).

The questions in a questionnaire can be classified into three groups, namely structured (close-ended) questions, unstructured (open-ended) questions and semi-structured questions:

- **Structured questions:** This is a formal set of questions, which give respondents limited response options and specify the format of the questions (Zikmund & Babin, 2013: 272). These types of questions are arranged to obtain the facts (Govind, 2013: 125).
- **Unstructured questions:** These are open-ended questions in which the respondent can answer in his/her own words (Zikmund & Babin, 2013: 272). This type of questions allow respondents to express their opinions and attitudes, and the questions are useful when the researcher requires further clarification (Struwig & Stead, 2011: 92).
- **Semi-structured questions:** This is a mixture of structured, close-ended and unstructured, open-ended questions, which may provide further insight into certain close-ended questions (Masterson & Pickton, 2013: 190).

For the current study, a structured questionnaire was used. Structured questionnaires make use of dichotomous, multiple-choice or scale-type questions.

- **Dichotomous questions** allow the respondent to choose one of two alternatives, for example 'yes' or 'no' (Struwig & Stead, 2011: 94). An example of a dichotomous question from the questionnaire would be:

Do you have access to the internet?

Yes	1
No	2

- Multiple-choice questions provide respondents with more options to select from, but respondents are limited to one answer (Zikmund & Babin, 2013: 274).

An example of a multiple-choice question from the questionnaire is:

What is your current **AGE**? (*Please choose **only one** of the following*)

18–25 years	1
26–35 years	2
36–45 years	3
46–65 years	4
66 years	5

- **Scale-type questions** are often used to gather data regarding attitudes and perceptions (Struwig & Stead, 2011:94). These are closed-ended questions that provide the respondent with a fixed list of responses.

For the current study, a Likert-type scale was used. This type of scale consists of a number of statements, and the respondent must express his/her level of agreement or disagreement (Hair *et al.*, 2015: 221).

An example of this type of scale from the questionnaire is illustrated below.

Please read each statement carefully and then indicate the extent to which you agree or disagree that the statement.

	Strongly disagree	Disagree	Agree	Strongly agree
I prefer to receive personalised messages from retailers.	1	2	3	4

There are four levels of measuring scales: nominal, ordinal, interval and ratio scales:

- **Nominal scales** make use of numbers as labels to classify data into various groups (Hair *et al.*, 2015: 215). An example of a nominal scale would be:

Please indicate your **GENDER**.

Female	1
Male	2

- **Ordinal scales** are ranking scales and they arrange items into a desired order (Zikmund & Babin, 2013: 242).

An example of an ordinal scale would be:

Please indicate whether you prefer to shop from online retail stores or from physical retail stores?

Online retailers	1
Physical retail stores	2

- **Interval scales** are numerical scales that have an order, and the exact difference between the values is known (Zikmund & Babin, 2013: 244). The current study did not make use of interval scales.

An example of an interval scale would be:

How often do you use the internet?

Not often at all All the time

1 2 3 4 5 6 7 8 9 10

- **Ratio scales** are similar to interval scales as they both have equal intervals between values, but ratio scales differ in that it has a true zero point (Hair *et al.*, 2015: 220).

An example of a ratio scale would be:

How many hours per day do you spend on the internet?

Please choose **only one** of the following:

0–2 hours	1
3–4 hours	2
5–6 hours	3

For the current study, the questionnaire made use of structured questions, which included dichotomous, multiple-choice and scale-type questions (Likert-type scale and ranking scale). This can be seen in Appendix A.

Once the questionnaire has been designed, the next step of the marketing research process as seen in Figure 4.1 is to pre-test the questionnaire. This is discussed below.

4.2.7 Step 7: Pre-test the questionnaire

As indicated in Figure 4.1, the next step in the marketing research process is to pre-test the questionnaire. Pre-testing a questionnaire is a trail run of the questionnaire that is aimed at identify any errors and to determine whether the design of the questionnaire, the questions and instructions are suitable (Beri, 2013: 134).

For this study, a pre-test was conducted in a preliminary survey to determine consumers' perception of real-time marketing as a marketing tool used by retailers. The pre-test was sent out to six respondents, as discussed with a statistician. The pre-test was conducted to minimise any potential errors that could occur during the study and to improve on questions on the survey that respondents could possibly misunderstand or find difficult. The results of the pre-test indicated that some of the questions needed to be re-assessed and that not all the constructs could be measured accurately. This was addressed and fixed before the final questionnaire went out. The reliability of all the scales and sub-scales was tested with exploratory factor analysis (EFA) and Cronbach's alphas.

4.2.7.1 Reliability and validity

Reliability refers to the degree to which the tool used to conduct the research produces stable and consistent results (Zikmund & Babin, 2013: 251). **Validity** refers to the degree to which that which the researcher was trying to measure, was in fact measured. A measure will be considered reliable if the instrument used measures the same way each time it is used under the same conditions with the same subjects (cf. Zikmund & Babin, 2013). Factor analysis and Cronbach's alpha are also used to determine the reliability and validity of a study.

Factor analysis is a common multivariate analysis technique that is used to identify underlying variables (constructs) from a group of observed variables (Lamb, Wolfenbarger, Money, Samouel & Page, 2015: 322). It is typically used to explain any patterns that may occur between the variables. There are two types of factor analysis, confirmatory and exploratory. **Confirmatory factor analysis** (CFA) is used to test the relationship between variables that can be observed, and is used to confirm a hypothesis (Easterby-Smith, Thorpe & Jackson, 2015: 300). **Exploratory factor analysis** (EFA) is used to determine the underlying constructs by reducing a large number of variables into a smaller set of variables, which are then analysed to identify the underlying constructs (Lamb *et al.*, 2015: 423).

There are two models that can be used for EFA, namely principle component analysis and common factor analysis. **Principle component analysis** reduces the original set of variables to a smaller set of variables to identify the primary factors (Sarstedt & Mooi, 2011: 241). **Common factor analysis** makes use of only the common factors found in a scale to identify the underlying constructs (Lamb *et al.*, 2015: 414). Both these models produce estimates for factor loadings of each of the common factors as well as a summary of the indices of the importance of each factor. These are the **eigenvalues**, scree plot and factor loadings (Easterby-Smith *et al.*, 2015: 302). These estimates found from the factor loadings are used to select the subset of common factors. An eigenvalue indicates the ratio between the variance of the specific factor compared to that of the average factor (Feinberg *et al.*, 2013: 4). A factor with an eigenvalue that is above 1 is usually retained (Feinberg *et al.*, 2013: 488). The reliability of the factors is determined by the size of the loadings of the factors (Sarstedt & Mooi, 2011: 245). A **scree plot** is then used to select the optimal number of factors. The scree plot provides a simple visual representation of how quickly the eigenvalue or the quality of the factors degrades (Feinberg *et al.*, 2013: 490). The factor loadings represent the correlation between the original variables and the factors that are derived from them (Feinberg *et al.*, 2013: 491). A factor loading of -1 or 1 is considered to be high, and the variable can be used to interpret the factor (Feinberg *et al.*, 2013: 491).

For this study, exploratory factor analysis (EFA) was conducted. The EFA model that was used was that of common factor analysis as the common factors found in the scales were used to identify the underlying constructs.

Cronbach's alpha is the most commonly used measure to test reliability (Sarstedt & Mooi, 2014: 256). The reliability of a scale is measured by calculating a Cronbach's alpha value for the scale (Zikmund & Babin, 2013: 249). The closer Cronbach's alpha is to 1, the greater the internal consistency of the scale (Zikmund & Babin, 2013: 249). Table 4.6 indicates the general guidelines when interpreting the Cronbach's alpha coefficient. However, the corrected item-total correlation should also be calculated for each single item, which will then reveal any problematic items (< .30). Such an item will be excluded from the scale (Sarstedt & Mooi, 2014: 256). The item-total correlation is simply used to identify possible items that do not have responses in line with the rest of the items in the same scale (Sarstedt & Mooi, 2014: 256).

Table 4.6: Interpreting Cronbach's alpha coefficient

Range	Strength
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to <0.9	Very good
0.9 to < 0.95	Excellent
≥ 0.95	Too high (Items considered to be redundant)

Source: Adapted from Hair *et al.* (2015: 255)

For the current study, the reliability and validity of all the scales and sub-scales were tested with exploratory factor analysis (EFA) and Cronbach's alphas. The factor analysis and Cronbach's alpha done for this study are discussed in Chapter 5.

The following section will report on how the current investigation was conducted.

4.2.8 Step 8: Conduct the investigation (fieldwork)

The next step in the marketing research process is to conduct the investigation or do the fieldwork (Figure 4.1). In this step, the researcher distributes the surveys and gathers the actual data. For the current study, a self-administered questionnaire, as discussed in the research design (see 4.2.5), was distributed to consumers. The questionnaire was distributed by means of a self-administered web-based survey (see 4.2.5.1).

Once a database of consumers' e-mail addresses had been compiled (this was discussed in step 5 of the marketing research process [see 4.2.5]), respondents were sent an e-mail invitation with an online link, which redirected respondents to the actual survey. The link redirected respondents to an online platform, LimeSurvey, which then automatically captured the responses.

4.2.9 Step 9: Process and analyse data

According to Figure 4.1, step 9 of the marketing research process is to process and analyse the data that had been collected. The data analysis step in the research process is important as it is at this stage that the data that has been collected is converted into information that is meaningful and understandable. **Data analysis** can be defined as the process of applying analytical and logical reasoning in order to understand the data that has been collected (Zikmund & Babin, 2013: 56). Once the raw data is collected, it is validated, edited, cleaned, coded and tabulated in order to facilitate the processing of the results into meaningful information (Wiid & Diggins, 2013: 36).

The data was collected via web-based survey (i.e Lime Survey) and as such it was not necessary to code the questionnaire and capture them (as this was done automatically on computer). With the assistance of a statistician, the data that was obtained from the web-based survey was analysed by means of descriptive frequencies (cf. Goog & Meintrup, 2015) and percentages. The descriptive frequencies and percentages were used to describe the data. EFA was also conducted and was used to identify any underlying common factors in the scales. The data analysis was done using the statistical analysis software, SPSS Data.jmp.

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

The final step in the marketing research process is to interpret the results and to compile a final research report. This step involves interpreting and drawing inferences from the data analysis results (Zikmund *et al.*, 2013: 500). The data was analysed, and interpretation is presented in Chapter 5 and the conclusions and recommendations of the study are presented in Chapter 6.

With the assistance of a statistician, the data obtained via the survey was analysed using descriptive statistics and frequency percentages, and relationships between various constructs were tested.

4.3 ETHICAL CONSIDERATIONS

Ethics is an important component of any marketing research that involves human respondents (Silver, Stevens, Wrenn & Loudon, 2013: 26). The researcher needs to ensure that the respondents' rights, interests, human dignity and privacy are protected (cf. Bryman & Bell, 2015). To ensure that the research study was conducted in an ethical manner and that it did not infringe on the rights of the respondents, ethical clearance was obtained from the Research Ethics committees of the Department of Marketing and Retail Management at the University of South Africa.

To gain permission from the consumer, a consent form was attached to the questionnaire indicating the nature of the survey and ensuring the respondent's privacy. The consent form stated that the questionnaire was anonymous and that all information gathered was confidential. Consumers were also able to withdraw from the study at any point during the survey. (A copy of the consent form is attached as Appendix A).

4.4 STUDY LIMITATIONS

Limitations to the study should be noted:

- By using web-based self-administered or online surveys, various **respondent errors** can occur, such as wrongful interpretation of questions (see 4.2.5.3).
- Consumers' responses may be **biased** and based on what is socially acceptable or what they have been exposed to recently (see 4.2.5.3).
- **Non-response error** could occur. This error occurs when respondents do not participate in the research, resulting in an insufficient amount of raw data that is collected or non-response bias (see 4.2.5.3).
- **Sampling errors** could occur as well. With a convenience sample it is difficult to generalise the results to the entire population (see 4.2.5.3).

4.5 SUMMARY

In this chapter, the methodology that was used for the current research study was discussed. **Marketing research** was defined and the marketing research process was discussed. A detailed description of each step of the marketing research processes was provided.

The chapter also provided a discussion of the research design of the study, the sample plan that was selected for the study and the data collection instrument that was selected based on the research problem and stated objectives of the current study. The chapter concluded with a discussion on the ethical considerations and the study limitations.

The next chapter comprises a report on the research results based on the data that was collected.

CHAPTER 5

DATA ANALYSIS AND INTERPRETATION

5.1 INTRODUCTION

In the preceding chapter, the research methodology used for the study was discussed. It was also explained how the raw data was collected, cleaned, coded and edited in order to conduct the data analysis and interpretation. The next step in the marketing research process, as indicated in Figure 4.1 in Chapter 4, is to process and analyse the data, which will be done in this chapter.

This chapter aims to present the research findings and to interpret the results in order to realise the research objectives. An overview of the research question, the research objectives and the research design used for the study will be discussed. This will be followed by the descriptive statistical analysis of each question, factor analysis and inferential statistical analysis. Relevant tables and figures will be provided in order to aid in the analysis and interpretation.

A brief overview of the research objectives and the research design employed is presented in the next section.

5.2 OVERVIEW: RESEARCH OBJECTIVES AND RESEARCH DESIGN

The research question, the research objectives and the research design of the study, discussed in detail in Chapters 1 and 4, are highlighted in the sections to follow.

5.2.1 Research question

In the current study, the research question, which was derived from the research problem, sought to determine how participating consumers perceived real-time marketing, which is used as a marketing tool by retailers.

The advancements in technology, the development of new communication mediums, devices and new software have resulted in many changes in the way consumers interact with each other and search for information regarding a product or a retailer.

Retailers have thus had to adapt to these changes and have found new methods of interacting and communicating with consumers, such as the internet, social media, e-mail and more recently real-time marketing methods. Real-time marketing (RTM) was established as a result of changes in consumer behaviour and the introduction of new technology (Carpenter, 2014; Macy & Thompson, 2011: 2). With the growth in the use of RTM, the question arises as to how consumers perceive RTM, which is used as a marketing tool by retailers.

The research question for this study was thus: *How do consumers perceive real-time marketing which is used as a marketing tool by retailers in their marketing campaigns to inform the consumer about the products and services offered by the retailer?*

5.2.2 Research objectives

The primary objective of the study was to determine consumer's perception of real-time marketing as a marketing tool used by retailers in Gauteng, South Africa to inform the consumer about the products and services offered by the retailer.

The secondary objectives were to determine:

- which medium of real-time marketing communication is preferred by consumers;
- whether consumers know what real-time marketing is;
- what consumers regard as the most effective/influential mediums of real-time marketing;
- which real-time marketing tools consumers are aware of;
- whether real-time marketing campaigns will effect consumer purchase behaviour;
- what consumers regard as clutter campaigns; and
- further areas of studies.

In order to realise the objectives for the study, research needed to be conducted. A brief overview of the research design that was used to conduct the research will be provided in the following section.

5.2.3 Research design

This study followed a quantitative research approach (see 4.2.1.3) as it made use of numerical measures, statistics and figures to achieve the objectives of the study. A web-based self-administered survey was used to collect data from the sample for this study. The survey was a self-designed instrument, which included various concepts regarding RTM to test consumers' perceptions of RTM and the RTM tools. Consumers were sent an e-mail, which included the details and purpose of the study, followed by a link to an online platform, LimeSurvey, where they were able to complete the survey.

The sample population consisted of individuals who were over the age of 18 and who had made a purchase at a retail store in Gauteng, South Africa. A non-random sampling method was used for this study. Based on the sampling frame, the most appropriate sampling method for the study was that of a convenience sample (see 4.2.5.4). Due to the sample method being that of convenience sampling, the results cannot be generalised to the entire population. As discussed in Chapter 4 (see 4.2.5.4), the sample was gathered by collecting data from retail consumers with whom the researcher came into contact. Various social media was also used to recruit respondents for the study. A total of 201 consumers indicated their willingness to participate in the study. The survey was sent to these 201 individuals of which 201 responses were received back. From the responses that were received, 67% (135) respondents completed the questions with regard to RTM and 33% (66) were partial responses. The partial responses were the result of the qualifying questions that were asked in the survey. Some of the respondents also answered selected questions only and as a result, the number of responses for each question differed. The number of responses received was in line with the minimum of 120 responses that was required by the Bureau of Market Research (BMR) (see 4.2.5.4). The analysis of the primary data collected comprised descriptive statistics, factor analysis as well as inferential statistics. The analysis of the data gathered from the sample is discussed in the sections that follow.

5.3 ANALYSIS OF THE RESEARCH FINDINGS

In order to analyse the data that was collected from the sample, descriptive research was used. Descriptive research is a basic form of statistical analysis that is used to provide a summary of characteristics of individuals, groups, environments or objects, such as distribution, central tendency and variability (Zikmund & Babin, 2013: 354). This type of statistical analysis provides a summary of the data that has been collected (Feinberg *et al.*, 2013: 393). It entails statistical activities that are used to organise, summarise and formally present the numerical data obtained in a method that is convenient and easy to understand (Neelankavil, 2015: 243; Zikmund & Babin, 2013: 354).

The descriptive data that was collected for this study is discussed in the following sections.

5.3.1 Demographic profile of respondents

The demographic profile of respondents represent factors such as income level, gender, age and highest qualification. These are used to learn more about the characteristics of the respondents. In the current study, understanding the demographic profile of respondents was important as it assisted in determining the type of consumers (with regard to gender, age, income level and qualifications) most likely to be attracted to RTM campaigns of retailers. As discussed in section 5.3.1, some of the respondents answered selected questions only and as a result, the number of responses for each question differed.

The demographic profile of the respondents who answered the survey is discussed below.

5.3.1.1 Income level

In question 19, respondents were asked to indicate their income level from a given list of income groups. The results (as indicated in Figure 5.1 and Table 5.1) show that the majority of the respondents (26%, n=30) earned more than R30 000 per month and only 6% (n=7) of respondents earned between R0 and R2 500 per month. It is clear from Table 5.1 that more than half (68%, n=72) of respondents earned above R17 501 per month.

These results contribute to the overall image of the participating consumers and who they were. This also assisted in identifying any links between the consumers and their behaviour towards RTM campaigns that are aimed at them.

Table 5.1: Income level

Level	Frequency	Percentage
R0–R2 500	7	6%
R2 501–R5 000	9	8%
R5 001–R7 500	3	3%
R7 501–R10 000	5	4%
R10 001–R12 500	4	3%
R12 501–R15 000	9	8%
R15 001–R17 500	6	5%
R17 501–R20 000	12	10%
R20 001–R22 500	9	8%
R22 501–R30 000	21	18%
R30 000+	30	26%
Total (n)	115	99%*

Source: Question 19

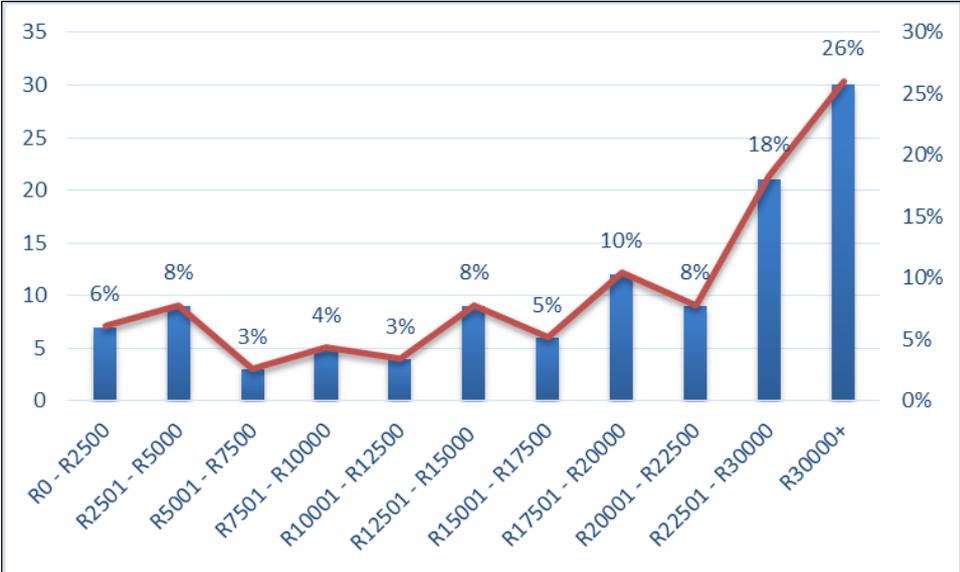


Figure 5.1: Income level (n=115)

5.3.1.2 Gender

In question 20, respondents were asked to indicate their gender. It was clear from the results in Figure 5.2 and Table 5.2 that more than half of the respondents (67%, n=78) were female while the remaining respondents (33%, n=38) were male.

*Percentages may not add exactly to 100%, due to rounding error.

Table 5.2: Gender

Gender	Frequency	Percentage
Female	78	67%
Male	38	33%
Total (n)	116	100%

Source: Question 20



Figure 5.2: Gender (n=116)

5.3.1.3 Age

In order to determine the age group of the sample, respondents were asked in question 21 to indicate into which age group from a given list of age groups they fell. As shown in Figure 5.3 and Table 5.3, more than half of the respondents (53%, n=61) were between the ages of 26 and 35 and only 10% (n=12) of respondents were between the ages of 36 and 45 years and 46 and 65 years respectively. This result could be due to the fact that convenience sampling was used to gather the sample and the researcher came into contact with more consumers between the ages of 26 and 35 years.

Table 5.3: Age group

Level	Frequency	Percentage
18–25 years	30	26%
26–35 years	61	53%
36–45 years	12	10%
46–65 years	12	10%
65+ years	1	1%
Total (n)	116	100%

Source: Question 21

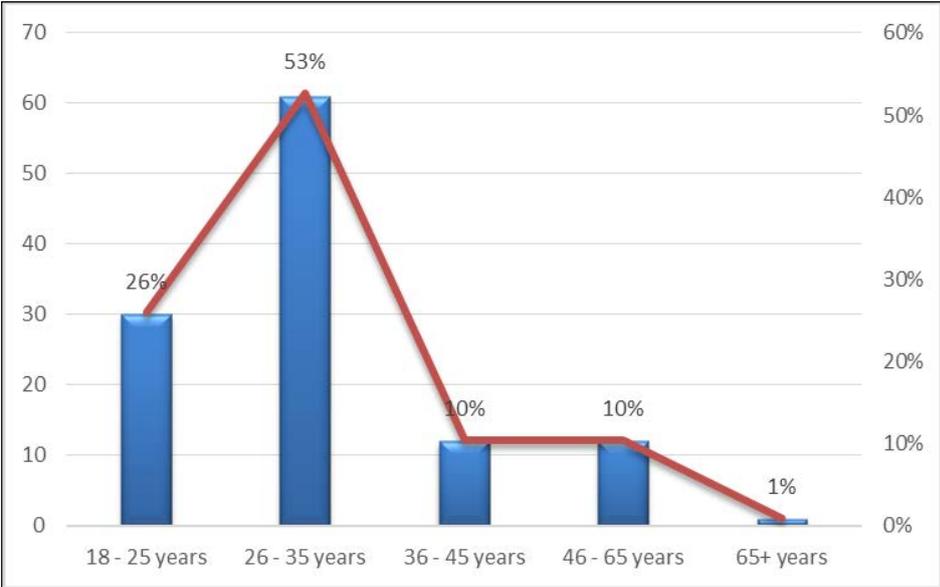


Figure 5.3: Age (n=116)

5.3.1.4 Qualifications

In question 23, respondents were asked to indicate their highest qualification in order to determine the education level of the respondents. This was important as it provided additional context regarding the type of consumers represented in the sample. It also assisted in identifying any possible links between the respondents’ education levels and their behaviour towards RTM campaigns. The results obtained, as shown in Figure 5.4 and Table 5.4, illustrate that 47% (n=54) of the respondents held a post-graduate qualification while a further 23% (n=27) of respondents had a degree. Only 1% (n=1) of the respondents did not complete high school.

Table 5.4: Qualification

Level	Count	Percentage
Did not complete high school	1	1%
Completed Grade 12/matric	21	18%
Post-school qualification – diploma/certificate	13	11%
Post-school qualification – degree	27	23%
Post-graduate qualification	54	47%
Total (n)	116	100%

Source: Question 23

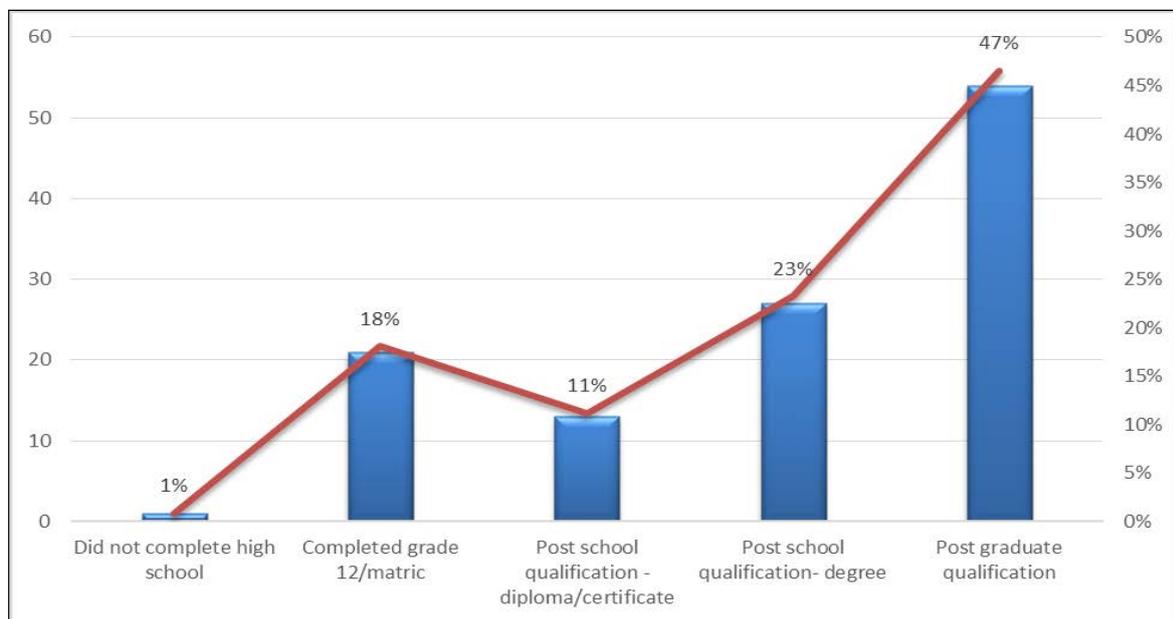


Figure 5.4: Qualifications (n=116)

Figure 5.4 clearly indicates that the majority (99%) of respondents completed matric and had some form of higher qualification.

In the next section, the consumers' access to the internet will be discussed.

5.3.2 Internet access and use

RTM utilises various tools that require the use of the internet, such as Facebook, Twitter, e-mail, geolocation technology and mobile devices to execute RTM campaigns and to communicate directly with consumers. In order to determine whether participating customers were exposed to RTM campaigns that made use of the internet, it was thus essential to determine –

- whether consumers had access to the internet;
- how often they accessed the internet;
- how they accessed the internet;
- from where they were most likely to access the internet; and
- their main purpose of using the internet.

These results are discussed below.

5.3.2.1 Consumer access to the internet

Respondents were asked in question 2 to indicate whether they had access to the internet. All the respondents who answered this question (100%, n=115) indicated that they had access to the internet and were therefore in a position to respond to the questions relating to the use of the internet. The results of the question on consumers' access to the internet are illustrated in Figure 5.5.

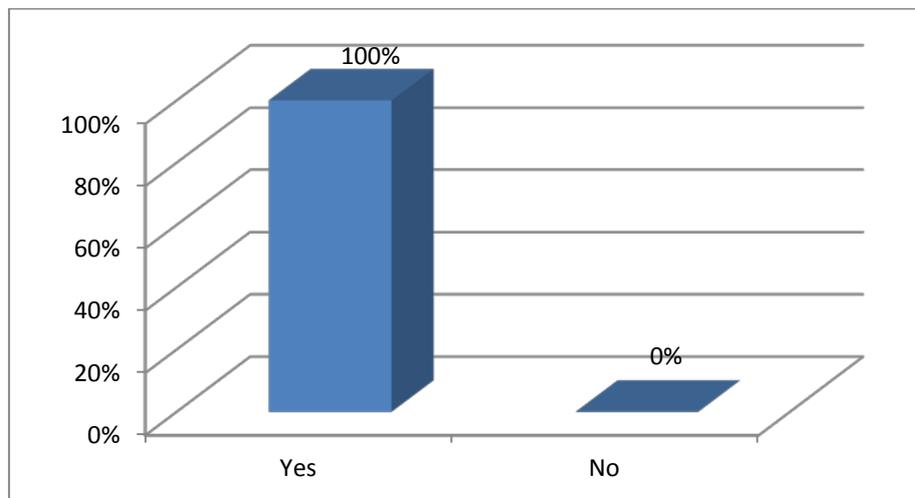


Figure 5.5: Percentage of respondents with internet access (n=115)

5.3.2.2 Frequency of internet access

In order to determine how often respondents accessed the internet, they were given a list of options; daily, weekly and monthly, and were asked in question 3 to indicate how often they accessed the internet. It is clear from Figure 5.6 that all the respondents who answered this question (100%, n=114) access the internet daily.

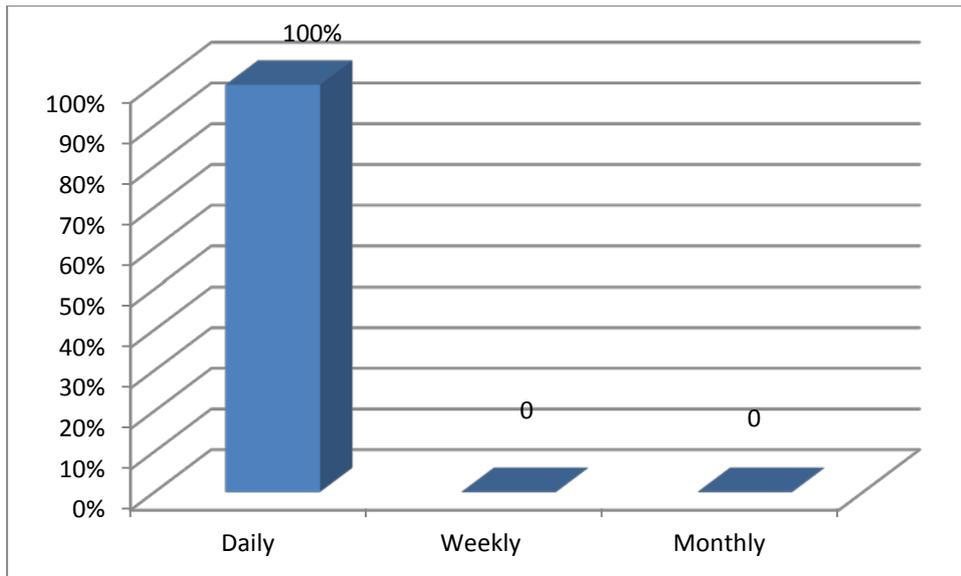


Figure 5.6: Frequency of respondent's internet access (n=114)

The results of questions 2 and 3 indicate that consumers had access to the internet and that they accessed the internet daily. This indicates that consumers had access to marketing communication media that were used as RTM tools (online media, social media, geolocation tools, etc.) by retailers at the time of the research thus increasing their exposure to RTM campaigns of retailers.

5.3.2.3 Devices used to access the internet

Question 4, a constant sum question (cf. Zikmund & Babin, 2013), required respondents to indicate which devices they used to access the internet from a list of devices provided and to specify the percentage use they made of each device to access the internet. Respondents could select more than one device and had to indicate, as a percentage, how much use they made of each device to access the internet. The total percentage of the usage per device selected totalled 100 per cent. The mean scores as seen in Figure 5.7 and Table 5.5 represent the average of the percentage that consumers indicated that they used each device to access the internet. It is clear from Figure 5.7 that respondents indicated a higher percentage for laptop (42%) as the most used device from which to access the internet. This was followed by mobile phones (38%) and desktop computers (27%).

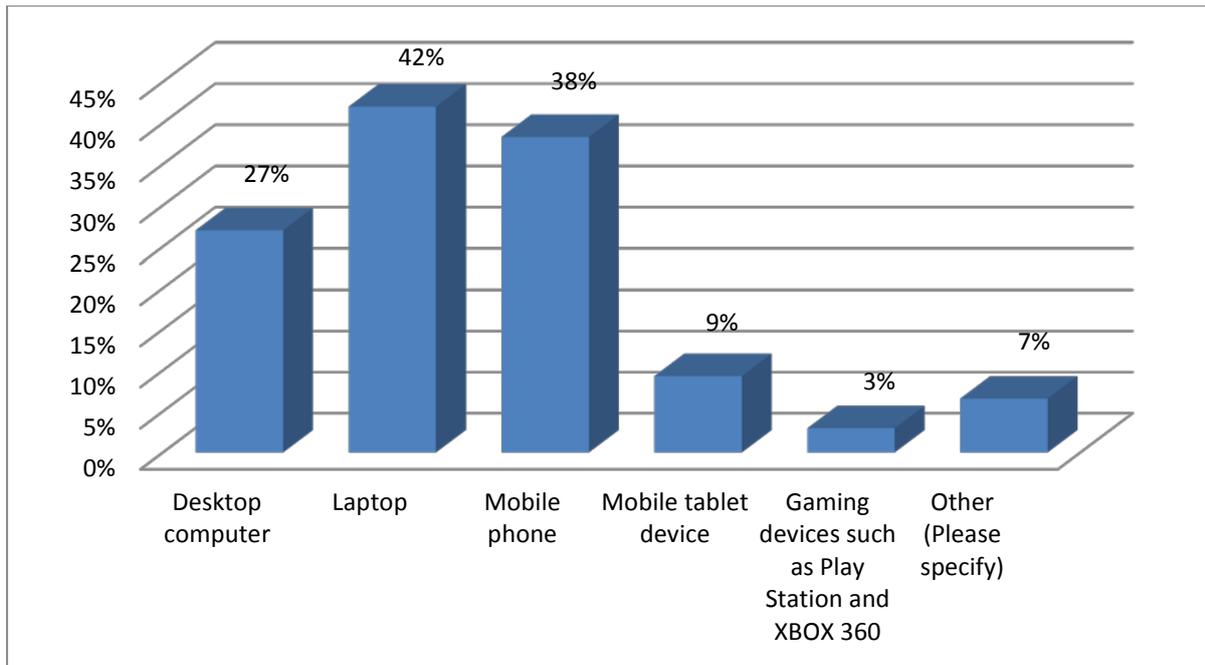


Figure 5.7: Mean score: Devices used to access the internet

Table 5.5 below indicates that very few (9%) of the respondents indicated that they made use of mobile tablet devices and gaming devices (3%) to access the internet.

Table 5.5: Mean score: Devices used to access the internet

Device	Mean %
Desktop computer	27%
Laptop	42%
Mobile phone	38%
Mobile tablet device	9%
Gaming device, such as play station and Xbox 360	3%
Other	7%

Source: Question 4

The results suggest that consumers make use of their laptops and mobile phones to access the internet. Retailers should therefore ensure that their online RTM campaigns should be accessible and functional from both a laptop and a mobile phone (see 3.3.4).

5.3.2.4 Place of internet access

The place where participating consumers accessed the internet could have influenced their interaction with RTM campaigns that were targeted at them from retailers. It was thus important to determine where consumers mostly accessed the internet. To this effect, question 5, a constant sum question (cf. Zikmund & Babin, 2013), asked consumers to indicate from a list of places given from where they accessed the internet. Respondents could select more than one place and had to indicate a percentage for each place where they accessed the internet to a total of 100 per cent. The mean scores as indicated in Figure 5.8 and Table 5.6 represent the average percentage for each place from where consumers indicated that they accessed the internet. The results showed that respondents accessed the internet mostly from work (46%). This was followed by home (35%) and private access through a mobile phone or tablet (32%). Only 6 per cent of respondents indicated that they accessed the internet from internet cafés and a further 5 per cent indicated public hotspots as a place from where they accessed the internet.

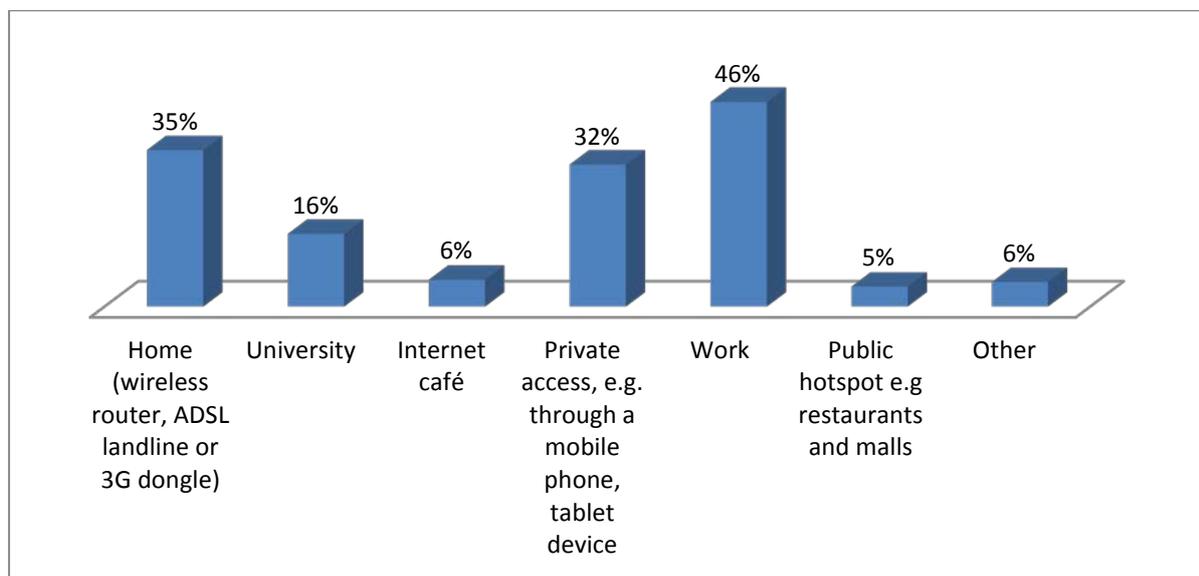


Figure 5.8: Mean score: Place of internet access

Table 5.6: Mean scores of places of internet access

Place	Mean %
Home (wireless router, ADSL landline or 3G dongle)	35%
University	16%
Internet café	6%
Private access, e.g. through a mobile phone, tablet device	32%
Work	46%
Public hotspot e.g. restaurants and malls	5%
Other	6%

Source: Question 5

5.3.2.5 Reason for using the internet

Respondents were given a list of ten choices regarding their main purpose of using the internet, and were asked (in question 6) to rank these in order of importance on a scale of 1 to 10.

Ten (10) ranking orders were identified. Figure 5.9 indicates the most common ranking order that was selected by respondents. Respondents ranked work (35%, n=37) as the most important reason for using the internet, and this was followed by communication (social media and e-mails) (28%, n=30). Fewer than 25% (n=21) of the respondents used the internet for entertainment, to pay bills, for general research, seeking information on retailers, online shopping, and seeking information on products.

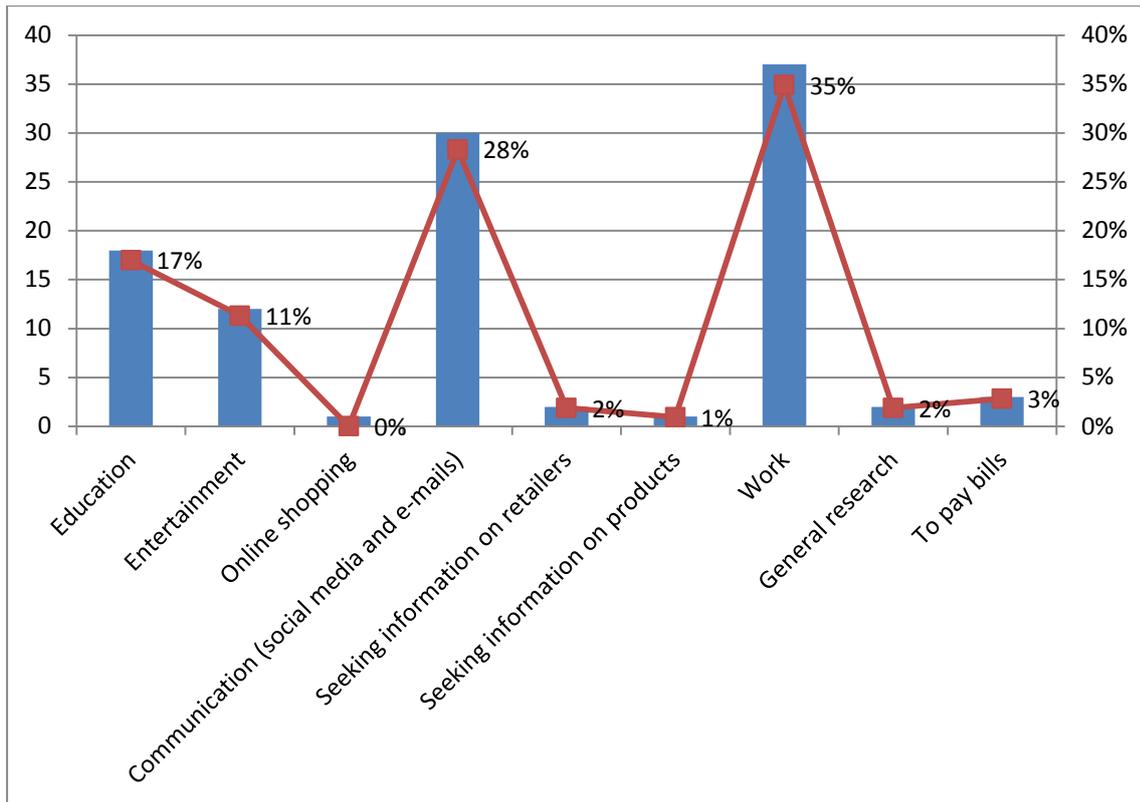


Figure 5.9: Purpose of using the internet (n=106)

From Table 5.7 it is clear that only (0.94%, n=1) of the respondents used the internet for online shopping and to seek information on products.

Table 5.7: Main purpose of using the internet

Ranking order		
Level	Count	Percentage
Education	18	17%
Entertainment	12	11%
Online shopping	1	1%
Communication (social media and e-mails)	30	28%
Seeking information on retailers	2	2%
Seeking information on products	1	1%
Work	37	35%
General research	2	2%
To pay bills	3	3%
Total (n)	106	100%

Source: Question 6

The results clearly indicate that, even though consumers had daily access to the internet, they used it mostly for work purposes. These results are aligned with question 5, where consumers indicated that they access the internet mostly from work. Consumers also indicated that they used the internet for communication (social media and e-mail) purposes. The reason why participating consumers used the internet or where and when could have had an influence on the way they perceived RTM campaigns to which they were exposed and their behaviour towards it.

In the next section, the various marketing communication tools used by retailers are discussed.

5.3.3 Marketing communication media

In question 7, customers were asked to indicate, from a given list of media, which marketing communications media they preferred retailers to use in communicating with them.

In Figure 5.10, the various marketing communication media selected by respondents are shown. The results revealed that the majority of the respondents (66%, n=89) indicated that they preferred radio as a form of communication from retailers, while more than half (65%, n=88) of the respondents selected television, Facebook (65%, n=88) and billboards (64%, n=86) as a form of marketing communication media. It is clear from the results that consumers preferred that retailers use traditional media

tools (radio, television and billboards) in communicating with them. The possible implication for this is that consumers may regard other forms of media received from retailers (online media, social media, mobile media, etc.) as clutter and disregard it. Retailers should thus ensure that they know which communication media consumers prefer, and make use of these in communicating with consumers.

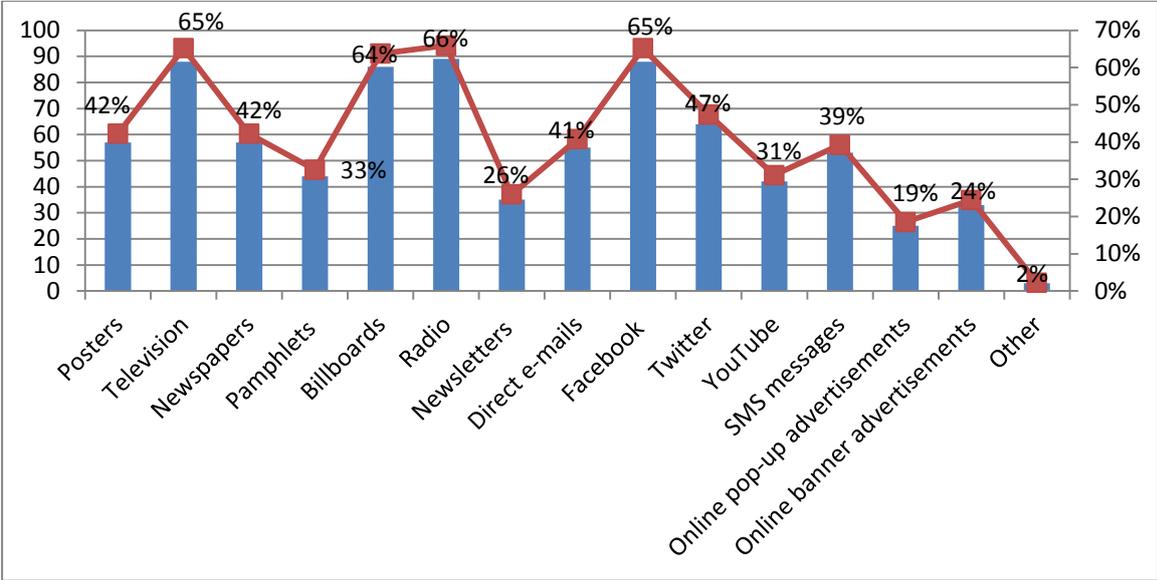


Figure 5.10: Marketing communication preferred by respondents from retailers (n=135)

The results in Table 5.8 indicate that respondents least preferred marketing communications in the form of online pop-up advertisements (81%, n=110), online banner advertisements (76%, n=102) and newsletters (74%, n=100). It is clear that Facebook was the main online tool that participating consumers preferred retailers to use in communicating with them.

Table 5.8: Marketing communication media preferred by respondents from retailers (n=135)

Marketing communication media	Not selected	Percentage	Selected yes	Percentage
Posters	78	58%	57	42%
Television	47	35%	88	65%
Newspapers	78	58%	57	42%
Pamphlets	91	67%	44	33%
Billboards	49	36%	86	64%
Radio	46	34%	89	66%
Newsletters	100	74%	35	26%
Direct e-mails	80	59%	55	41%
Facebook	47	35%	88	65%

Marketing communication media	Not selected	Percentage	Selected yes	Percentage
Twitter	71	53%	64	47%
YouTube	93	69%	42	31%
SMS messages	82	61%	53	39%
Online pop-up advertisements	110	81%	25	19%
Online banner advertisements	102	76%	33	24%
Other	132	98%	3	2%

Source: Question 7

Section 5.3.4 focuses on RTM and the marketing communication media used by retailers to execute RTM.

5.3.4 Real-time marketing

The focus of the current study was on RTM and to determine whether consumers knew what RTM was. In question 8, respondents were asked to indicate whether they knew what RTM was and to define it in their own words. If they did not know what RTM was, they were not in a position to answer the rest of the questions that related to RTM and had to skip to the end of the survey. In total 116 consumers indicated that they knew what RTM was and 50 respondents who did not know were excluded. Some respondents skipped question 8 and proceeded to the rest of the RTM questions. As a result, there are more responses for some of the questions.

It is clear from Figure 5.11 and Table 5.9 that more than half of the respondents (57%, n=66) knew what RTM was and 43% (n=50) indicated that they did not know what RTM was. This indicates that most consumers were aware of what RTM campaigns were but this, however, did not mean that they understood the concept of RTM and of what it consists.

Table 5.9: Respondents who knew what real-time marketing was

Level	Count	Percentage
Yes	66	57%
No	50	43%
Total (n)	116	100%

Source: Question 8

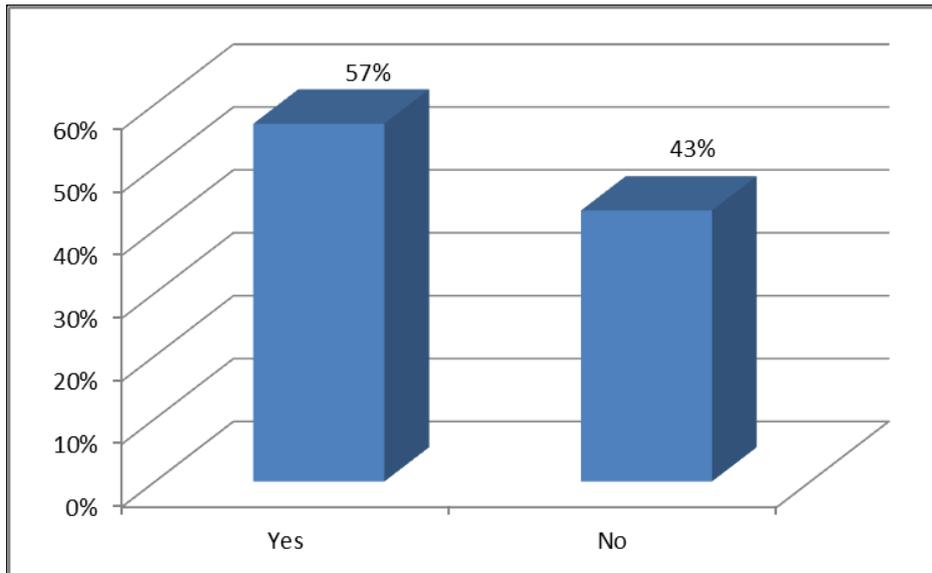


Figure 5.11: Respondents who knew what RTM was (n=116)

In order to determine whether consumers actually knew what RTM means and to identify what consumers regarded as RTM, respondents were asked in question 9 to define RTM in their own words. The results indicated in Table 5.10 show that consumers regarded RTM as –

- “marketing that is guided using current events or fads” (32%, n=20);
- “marketing or communication with consumers that is immediate and happens in real time” (30%, n=19);
- “immediate market awareness through mediums that consumers have direct and immediate access to” (21%, n=13); and
- “retailers connecting directly with potential buyers of their product” (10%, n=6).

Based on these answers, it would seem that respondents identified four main characteristics in their definitions of RTM, namely immediate responses, direct, real-time and current events.

Table 5.10: Consumers' definitions of real-time marketing

Definitions	Count	Percentage
Immediate market awareness through mediums to which consumers have direct and immediate access.	13	21%
Marketing or communication with consumers that is immediate and which happens in real time, for example, messaging and posting on Facebook by organisations are in real time. Consumers and the company can provide immediate feedback.	19	30%
Marketing that is guided using current events or fads.	20	32%
Retailers connecting directly with potential buyers of their product.	6	10%
As they advertise it we see it, like a Facebook status.	2	3%
Actively attending to potential client queries in real time via social media platforms.	3	5%

Source: Question 9

In question 10, respondents were asked to indicate on a scale of 1 (strongly disagree) to 4 (strongly agree) what they regarded as RTM. The results of what respondents 'agreed' or 'disagreed' to in terms of what they regarded as RTM are represented in Table 5.11.

Table 5.11: What participating consumers regarded as RTM (n=135)

	Strongly disagree		Disagree		Agree		Strongly agree		Mean
	Count	%	Count	%	Count	%	Count	%	
Real-time marketing is the personalisation of content in response to customer interaction.	2	3%	4	6%	36	55%	23	35%	3.23
Real-time marketing is when retailers respond to trends and specific cultural events using social media tools in real time.	2	3%	3	5%	36	55%	25	38%	3.27
Real-time marketing is live website chats between the retailer and the consumer.	2	3%	17	26%	31	48%	15	23%	2.91

	Strongly disagree		Disagree		Agree		Strongly agree		Mean
	Count	%	Count	%	Count	%	Count	%	
Real-time marketing is receiving triggered e-mails from retailers as a response to customer needs.	2	3%	10	15%	39	59%	15	23%	3.02
Real-time marketing is when retailers engage with consumers directly on Facebook with content and offers in real time.	3	5%	9	14%	36	55%	18	27%	3.05
Real-time marketing is when retailers make use of mobile apps with geolocation technology (identifying the geographical location of a person through the internet) to personalise offerings to customers within a certain distance of their store.	2	3%	5	8%	33	51%	25	38%	3.25
Real-time marketing is when the retailers respond to consumer behaviour immediately.	4	6%	9	14%	31	47%	22	33%	3.08
Real-time marketing is when retailers respond to consumer needs within a few minutes.	1	2%	20	30%	34	52%	11	17%	2.83
Real-time marketing is when a consumer receives a text message regarding a sale as they walk past the store.	5	8%	16	24%	25	38%	20	30%	2.91
Real-time marketing is when a consumer receives a discount at the time of purchase.	5	8%	27	41%	22	33%	12	18%	2.62
Real-time marketing is when a consumer receives a voucher based on their current purchase at the current time.	3	5%	14	22%	39	60%	9	14%	2.83
Real-time marketing is when retailers engage with consumers on Twitter with content and offers immediately.	3	5%	7	11%	38	58%	18	27%	3.08

	Strongly disagree		Disagree		Agree		Strongly agree		Mean
	Count	%	Count	%	Count	%	Count	%	
Real-time marketing is when retailers make use of online pop-up advertisements that appear as soon as you type in the retailer's name on a search engine.	5	8%	18	27%	32	48%	11	17%	2.74
Real-time marketing is when retailers respond to customers based on their interaction on their websites.	3	5%	11	17%	39	59%	13	20%	2.94
Real-time marketing is when retailers personalise their website per user based on their past interaction on their website.	4	6%	13	20%	36	55%	13	20%	2.88

Source: Question 10

In order to simplify the reporting, the responses in disagreement ('disagree' and 'strongly disagree') and agreement ('agree' and 'strongly agree') were combined in the analysis and reporting.

From the results in Table 5.11, it is clear that the majority of respondents (93%, n=74) agreed/strongly agreed that RTM "is when retailers respond to trends and specific cultural events using social media tools in real time". Respondents also agreed/strongly agree that RTM is the "personalisation of content in response to customer interaction" (90%, n=59) and "when retailers make use of mobile apps with geolocation technology (identifying the geographical location of a person through the internet) to personalise offerings to customers within a certain distance of their store" (89%, n=58). The responses with regard to the statement "real-time marketing is when a consumer receives a discount at the time of purchase" were almost half, where 49% (n=32) disagreed and about half (51%, n=34) of respondents agreed with the statement.

The mean scores indicated in Table 5.11 represent the average of the responses for each statement provided, and are provided in order to rank the statements. The highest mean score (3.27) was for the statement “real-time marketing is when retailers respond to trends and specific cultural events using social media tools in real time”. This is representative of 93% of the respondents who agreed/strongly agreed with the statement.

These results are in line with the definitions of RTM given by respondents in question 9, which indicate that consumers defined RTM as marketing efforts that are executed in real time, that are immediate, personalised and based on current trends and events. It is therefore clear that consumers regarded campaigns that respond to cultural events or trends in real time and which offer personalised offerings to consumers as RTM. Retailers should take into consideration what consumers regard as RTM when executing their campaigns as this may have an influence on the consumer’s action towards the campaign. Retailers could also use this to their advantage by identifying consumers who would most likely respond to these specific campaigns and then develop personalised campaigns for them.

Consumers were asked in question 11 to indicate from a given list which marketing communication media they regarded as tools used for RTM. The results in Figure 5.12 indicate that respondents regarded Facebook (47%, n=63), Twitter (44%, n=59), SMS messages (37%, n=50), direct e-mails (36%, n=49) and online pop-up advertisements (34%, n=33) as marketing communication media used as RTM tools. As these tools are online marketing tools, it is clear that respondents make a clear distinction between traditional media and online, social media tools in terms of what they regard as RTM tools. The significance of this finding is that it provides retailers with an indication of which marketing communication media consumers expect to be used as RTM tools in their RTM communication campaigns.

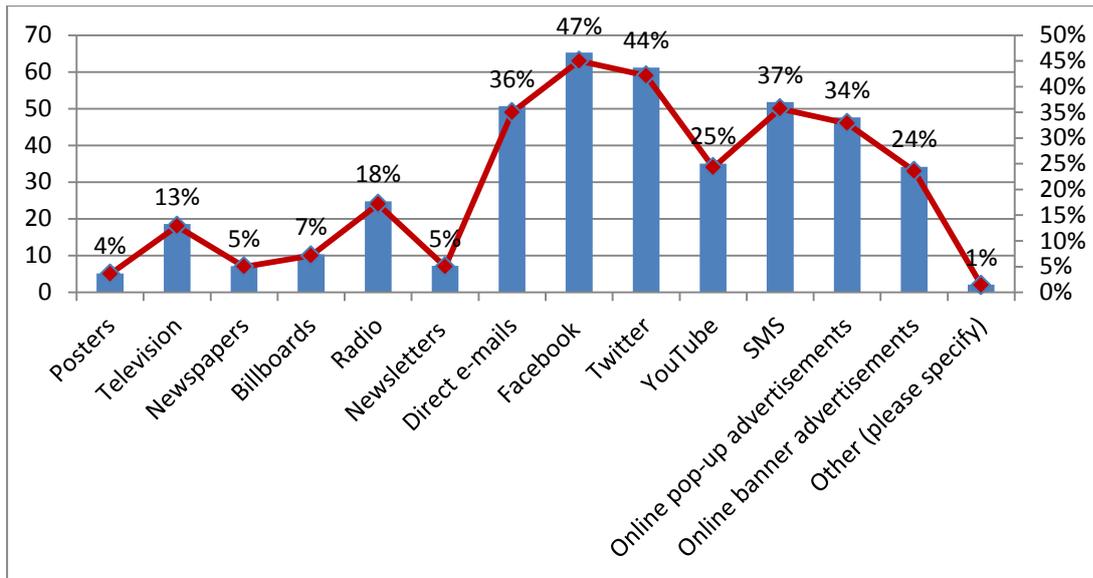


Figure 5.12: Marketing communication media used as real-time marketing tools (n=135)

From Table 5.12 it is clear that not many respondents regarded traditional media, such as posters (4%, n=5), television (13%, n=18), newspapers (5%, n=7), billboards (7%, n=10), radio (18%, n=24) and newsletters (5%, n=7) as tools used for RTM.

Table 5.12: Marketing communication media used for real-time marketing tools (n=135)

	Count	Percentage
Posters	5	4%
Television	18	13%
Newspapers	7	5%
Billboards	10	7%
Radio	24	18%
Newsletters	7	5%
Direct e-mails	49	36%
Facebook	63	47%
Twitter	59	44%
YouTube	34	25%
SMS messages	50	37%
Online pop-up advertisements	46	34%
Online banner advertisements	33	24%
Other (please specify)	2	1%

Source: Question 11

Respondents were then given a list of statements in question 12 regarding their behaviour in response to RTM campaigns, and they were asked to indicate on a

scale of 1 ('strongly disagree') to 4 ('strongly agree') whether they agreed or disagreed with the statements. The results provided an indication as to which RTM campaigns will have an influence on participating consumers' purchase behaviour. This may assist retailers to execute RTM campaigns that consumers will respond to and that will result in purchases from the consumer.

In Figure 5.13 and Table 5.13, the influence of the various RTM campaigns on the consumers' purchase behaviour can be seen. The statements presented in Table 5.13 are represented in the share chart (Table 5.13) by the numbers Q12-1-Q12.10. In order to simplify the reporting, the responses in disagreement ('disagree' and 'strongly disagree') and agreement ('agree' and 'strongly agree') were combined in the analysis and reporting.

It is clear from Table 5.13 that most of the respondents agreed/strongly agreed that they would purchase from a retail store if they received discount vouchers based on what they most frequently purchased at the time of purchase (89%, n=57) and if they received discounts based on their current purchases at the time of purchase (86%, n=55). Respondents also indicated that they would purchase from a retail store if the retailer creates personalised marketing offerings at the time of purchase for them (83%, n=54).

From Table 5.13 it can be seen that 62% (n=39) of respondents disagreed/strongly disagreed that they would purchase from a retailer if the retailer engaged directly with them on Twitter in real time. More than half (56%, n=39) of respondents also disagreed/strongly disagreed that the following would have an influence on their purchase behaviour:

- receiving a text message from the retailer as they walk past the store;
- retailers engaging with consumers directly on Facebook in real time (55%, n=36);
- retailers engaging with consumers through e-mail in real time (55%, n=35); and
- online pop-up banners that are based on consumers' current needs (55%, n=36).

The mean scores as seen in Table 5.13 represents the average of the consumers' responses per statement provided, and was used to rank the statements. The highest means were for the statements "I will purchase from a retailer if I receive

discounts based on my current purchases at the time of purchase” (3.19) and “I will purchase from a retailer if I receive discount vouchers based on what I most frequently purchase at the time of purchase” (3.19). These means scores are representative of the 89% of respondents who agreed/strongly agreed with these statements. The lowest mean score (2.34) was for the statement “I will purchase products of a retailer that appear on pop-up online banners that are based on my current needs”, which indicates that most of the respondents selected ‘disagree’ on the Likert-type scale. This result is representative of the 55% of respondents who disagreed/strongly disagreed with the statement.

Table 5.13: The influence of RTM on consumer behaviour (n=135)

		Strongly disagree		Disagree		Agree		Strongly agree		Mean
		Count	%	Count	%	Count	%	Count	%	
Q12.1	I will purchase from a retailer if I receive discounts based on my current purchases at the time of purchase.	0	0%	9	14%	34	53%	21	33%	3.19
Q12.2	I will purchase from a retailer if I receive discount vouchers based on what I most frequently purchase at the time of purchase.	1	2%	6	9%	37	58%	20	31%	3.19
Q12.3	I will purchase from a retailer if I receive a text message regarding store sales as I walk past a store.	4	6%	32	50%	19	30%	9	14%	2.52
Q12.4	I will purchase from a retailer if the retailer engages with me directly through Twitter in real time.	8	13%	31	49%	17	27%	7	11%	2.37
Q12.5	I will purchase from a retailer if the retailer engages with me directly on Facebook in real time.	4	6%	32	49%	22	34%	7	11%	2.49
Q12.6	I will purchase from a retailer if the retailer engages with me directly through e-mails in real time.	3	5%	32	50%	20	31%	9	14%	2.55

		Strongly disagree		Disagree		Agree		Strongly agree		Mean
		Count	%	Count	%	Count	%	Count	%	
Q12.7	I will purchase from a retailer if their website is personalised based on my previous online behaviour.	2	3%	19	30%	33	52%	10	16%	2.8
Q12.8	I will purchase from a retailer if they respond to trends and specific cultural events using social media tools in real time.	4	6%	16	25%	29	45%	16	25%	2.88
Q12.9	I will purchase from a retailer if they create personalised marketing offerings at the time of purchase for me.	2	3%	9	14%	43	66%	11	17%	2.97
Q12.10	I will purchase products of a retailer that appear on pop-up online banners that are based my current needs.	13	20%	23	35%	23	35%	6	9%	2.34

Source: Question 12

Figure 5.13 clearly illustrates that Q12.2, Q12.1 and Q12.9 had the highest responses, thus indicating that immediate discounts, vouchers received at the time of purchase and personalisation of the offering had a major influence on participating consumers' purchase behaviour.

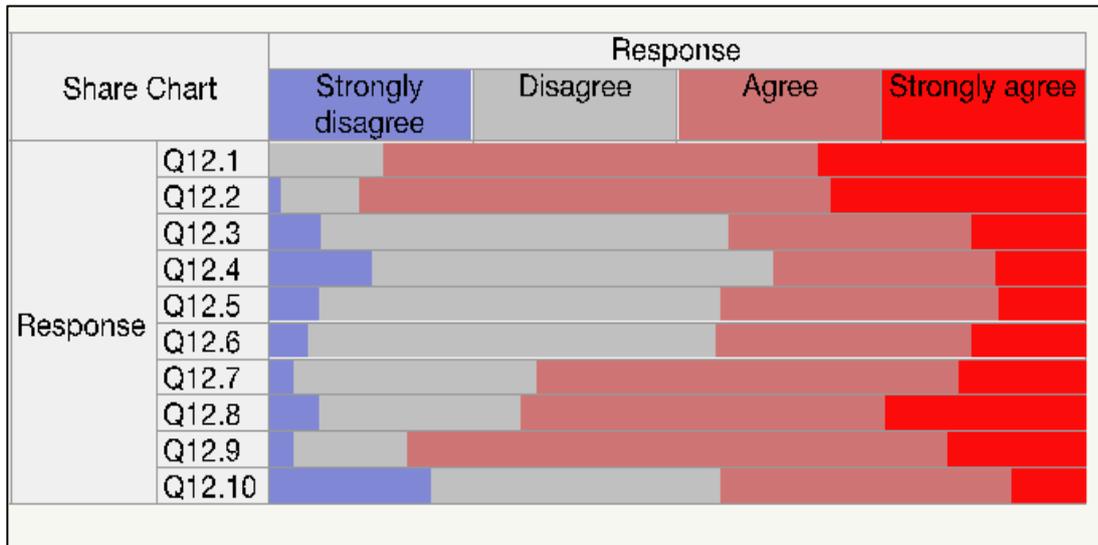


Figure 5.13: Share chart: Influence of RTM on consumer purchase behaviour

The results clearly indicate that a consumer's behaviour is influenced by RTM campaigns that offer immediate discounts and that provide personalisation of offerings.

Respondents were asked in question 13 to indicate from which type of retailer they would expect to receive RTM communication. Figure 5.14 and Table 5.14 indicate that most consumers expected to receive RTM communications from online retail stores (39%, n=52), clothing retail stores (39%, n=52) and brand name stores (37%, n=50). The results indicate that respondents want to receive RTM campaigns from online retail stores, clothing retail stores and brand name stores. The results could also imply that participating consumers may have been subject to RTM campaigns from these types of retailers and thus expected it from them.

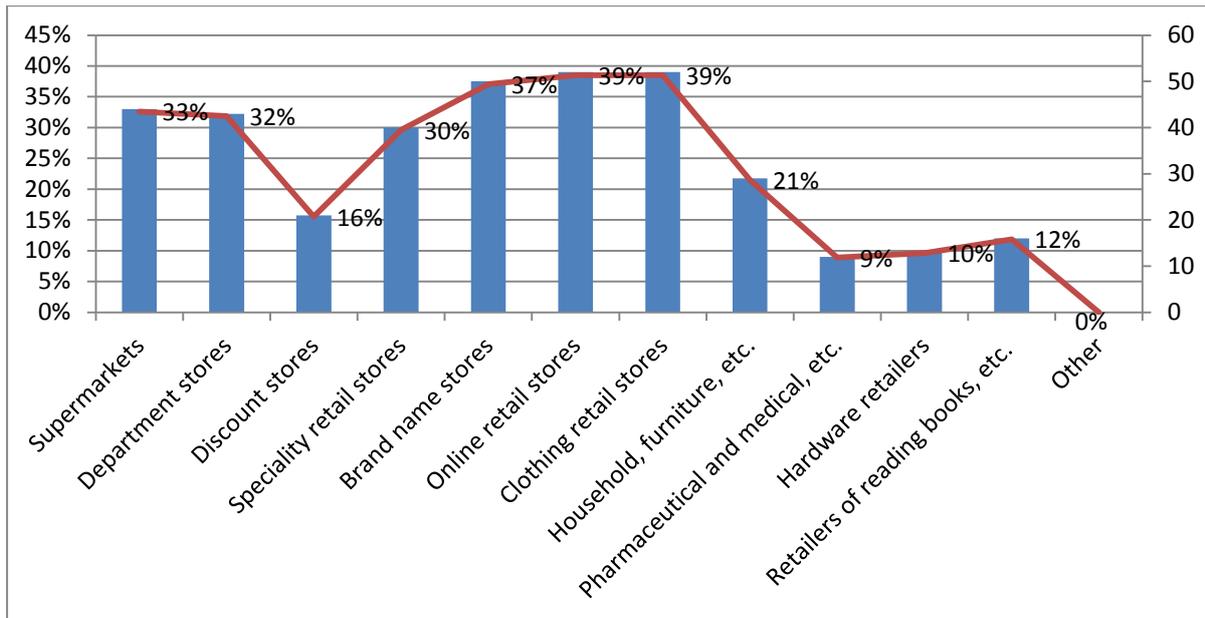


Figure 5.14: Types of retail stores (n=135)

It is clear from Table 5.14 that participating consumers indicated that they would have preferred not to receive RTM communications from retailers in reading and stationery goods (12%, n=16), hardware retailers (10%, n=13) and pharmaceutical and medical goods retailers (9%, n=12). This may present an opportunity to retailers in those sectors to make use of RTM in communicating with their customers. RTM can be a great advantage to such retailers if used correctly and can influence consumers' purchase behaviour and result in better relationships with customers.

Table 5.14: Types of retailer consumers expect RTM from (n=135)

	Count	Percentage
Supermarkets	44	33%
Department stores	43	32%
Discount stores	21	16%
Speciality retail stores	40	30%
Brand name stores	50	37%
Online retail stores	52	39%
Clothing retail stores	52	39%
Household furniture, appliances and equipment retail stores	29	21%
Pharmaceutical and medical goods retailers	12	9%
Hardware retailers	13	10%
Retailers in reading and stationery goods	16	12%
Other	0	0%

Source: Question 13

In order to determine what consumers regarded as clutter marketing communication campaigns and what they regarded as valuable, respondents were asked in question 14 to indicate whether they would ‘disregard’, ‘consider at a later stage’, ‘pay selective attention to’ or ‘attend to immediately’ in terms of items in a list of marketing communication media. Table 5.15 and Figure 5.15 indicate the range of results regarding consumers’ responses to various marketing communication tools. The results provide an indication as to which marketing communication media will attract the consumers’ attention and which will most likely result in purchases.

Table 5.15: Consumers’ responses to various marketing communication tools

		Disregard immediately / Regard as clutter		Consider at a later stage		Selective attention / Browse		Attend to / View as valuable	
		Count	%	Count	%	Count	%	Count	%
Traditional media									
Q14.1	Television advertisements	20	17%	17	15%	53	46%	26	22%
Q14.2	Radio advertisements	14	12%	22	19%	51	45%	27	24%
Q14.3	Newspaper advertisements	24	21%	28	25%	46	40%	16	14%
Q14.4	Pamphlets received from retailers	44	38%	27	23%	25	22%	19	17%
Online media									
Q14.5	Pop-up online advertisements	74	64%	15	13%	20	17%	6	5%
Q14.6	Online banner advertisements	65	58%	15	13%	28	25%	5	4%
Q14.7	Personalised e-mails from retailers	25	22%	35	31%	36	32%	18	16%
Q14.8	Personalised retailer websites	17	15%	17	15%	43	38%	35	31%
Mobile devices									
Q14.9	Personalised text messages from retailers	36	32%	25	22%	29	26%	23	20%
Q14.10	Product information that pops up on the retailer’s mobile website	37	33%	23	21%	43	39%	8	7%
Q14.11	Retailer advertisements on mobile applications	47	41%	23	20%	34	30%	11	10%
Social media									

Q14.12	Advertisements on Facebook	33	29%	20	17%	44	38%	18	16%
Q14.13	Advertisements on Twitter	53	46%	17	15%	32	28%	13	11%
Q14.14	Advertisements on YouTube	50	44%	16	14%	38	33%	10	9%
Q14.15	Advertisements on LinkedIn	52	46%	17	15%	33	29%	10	9%
Real-time marketing									
Q14.16	Discounts received based on current purchases from a retailer at the time of purchase	5	4%	16	14%	26	23%	68	59%
Q14.17	Discount vouchers received based on what is most frequently purchased at the time of purchase from a retailer	6	5%	15	13%	32	28%	61	54%
Q14.18	Text messages regarding store sales as they walk past a store from a retailer	15	13%	19	17%	42	37%	38	33%
Q14.19	Retailers engaging with consumers directly through social media in real time	14	12%	19	17%	50	43%	32	28%

Source: Question 14

The statements presented in Table 5.15 are represented in the share chart (Figure 5.15) by the numbers Q14-1–Q14.19.

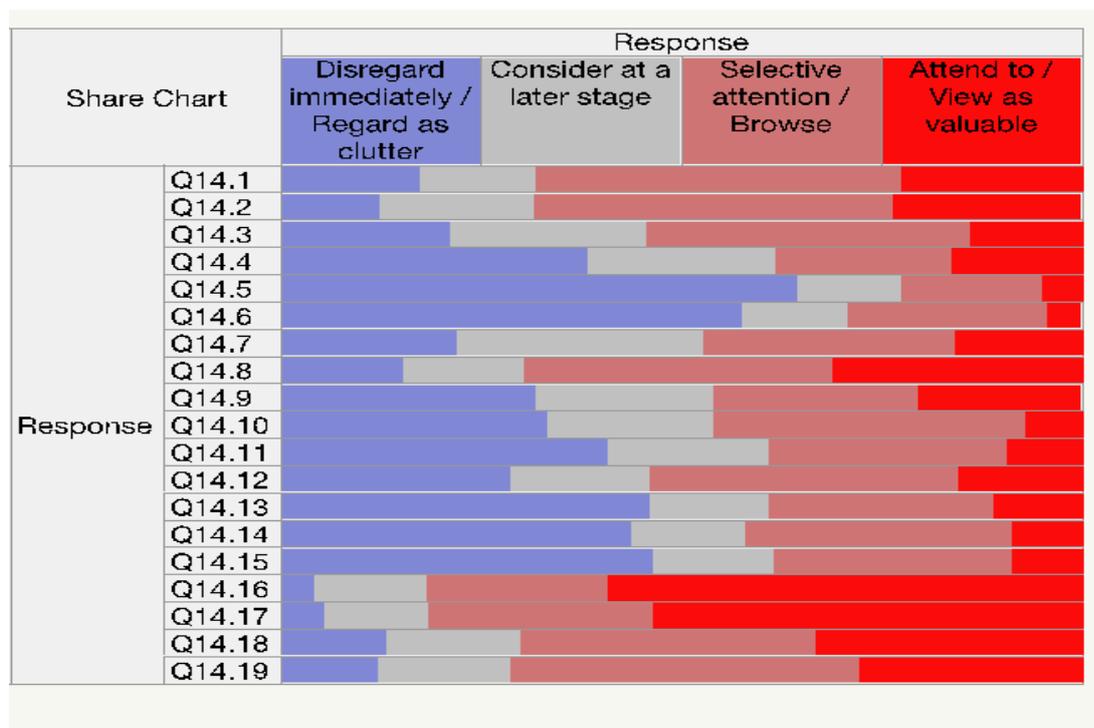


Figure 5.15: Consumer response to marketing communication media

It is clear from the results in Table 5.15 and Figure 5.15, that respondents regarded online and social media tools, such as pop-up online advertisements (64%, n=74), online banner advertisements (58%, n=65), advertisements on Twitter (46%, n=53), advertisements on LinkedIn (46%, n=52) and YouTube (44%, n=50), as clutter and would immediately disregard these advertisements. Respondents indicated that they paid selective attention to traditional media such as television advertisements (46%, n=53) and radio advertisements (45%, n=51). Respondents also indicated that they would attend to and view discounts received from the retailer based on their current purchases at the time of purchase (59%, n=68) and discount vouchers received based on what they most frequently purchase at the time of purchase (54%, n=61) as valuable to them.

From the results, it was clear that the participating consumers mainly saw value in RTM campaigns that offered immediate discounts. This was in line with question 12 where participating consumers indicated that immediate discounts received at the time of purchase would influence their purchase behaviour. The implication of this for retailers may be that they should focus their RTM efforts on campaigns that offer immediate discounts and discount vouchers as these campaigns could result in action by consumers. In order to determine whether there was a relationship between the demographic profile of the respondents and RTM, further in-depth analysis was conducted. This will be discussed in the following section.

5.4 RELATIONSHIP BETWEEN DEMOGRAPHIC PROFILE AND REAL-TIME MARKETING

In order to determine whether there was a relationship between the demographic profile of the respondents and the various aspects of RTM and the RTM media, inferential statistical analysis was done. **Inferential statistics** refers to the process by which inferences are drawn regarding the population based on the data that was collected (Jackson, 2015: 203). The techniques that are commonly used to compare the differences between variables include the t-test, chi-square test and analysis of variance (ANOVA) tests. For this study, chi-tests and ANOVA were utilised and the results of these tests are discussed below.

Using inferential statistics was important for this study as it provided greater insight into the consumers' behaviour and perception regarding RTM and the various marketing communication media used by retailers to execute their RTM campaigns. It also provides retailers with greater insight into the different types of consumers, which will thus assist retailers in designing more personalised RTM campaigns.

5.4.1 Relationship between age and marketing communication media

In order to determine whether there was a significant relationship between consumers' age groups (question 21) and the marketing communication media used by retailers preferred by consumers (question 7), the chi-square test was conducted. The chi-square test is done to determine whether two normal independent variables are independent of each other (Feinberg *et al.*, 3013: 408). A probability value (p-value) is produced from the chi-square test, which indicates a statistical significance if this calculated p-value is smaller than 0.05 at a 95% level of confidence. The level of confidence refers to the percentage that the parameter represents for the true population (Wilson, 2014: 150). The value of this lies in the fact that retailers who are specifically targeting consumers in different age groups will have an idea of which marketing communication media should be used for consumers of different ages.

The results of the chi-square test, as indicated in Table 5.16, show a p-value of (0.0131), which is below 0.05, whose significance is an indication of a relationship between age group and the preference of YouTube as a marketing communication media used by retailers at a 95% level of confidence.

Table 5.16: Chi-square test: YouTube vs age

	Chi-square	df	Prob > ChiSq
YouTube vs age	8.665	2	0.0131*

**Significant difference*

From this analysis, it would seem that respondents in the age group 18–25 years preferred YouTube as a means of communication from retailers, compared to respondents in the age group 36+ who did not select YouTube as a communication media used by retailers, (Figure 5.16). This difference may be attributed to the fact that it is generally the younger generation that is more focused on the use of technology than the older generation (Kerstin, 2014: 1106). YouTube can, however,

be an effective marketing communication tool for retailers if used correctly, and retailers should thus keep in mind the age group of their target audience when planning their marketing campaigns, which make use of YouTube as a tool.

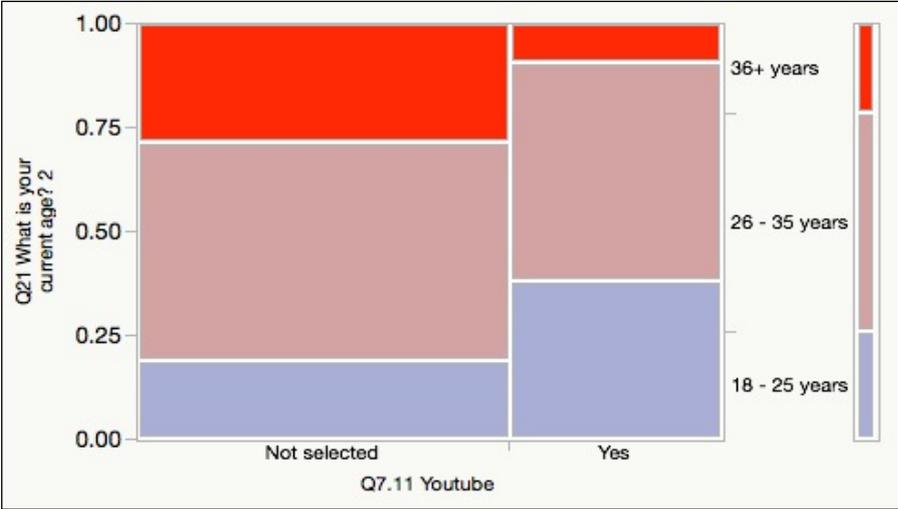


Figure 5.16: Chi-square – YouTube and age groups

5.4.2 Relationship between age and consumers’ behaviour towards the various marketing communication media

A chi-square test was done to determine whether there was a significant relationship between age (question 21) and the way in which consumers behave towards the various marketing communication media (question 14). The significance of determining whether a relationship exists between age and consumer behaviour towards marketing communication media is that knowledge of such relationship will provide an understanding of how consumers at different age groups interact with and behave towards certain communication media used by retailers to target them. Understanding this relationship will assist retailers in determining which marketing communication media efforts will result in action from consumers of different age groups.

The p-values derived from the chi-square tests are represented in Table 5.17. The results clearly indicated p-values that were below 0.05, indicating a significant relationship between –

- age of the respondent and newspaper advertisements ($p=0.045$);
- age and personalised e-mails ($p=0.039$);
- age and personalised text messages ($p=0.033$); and
- age and discount vouchers received based on what is frequently purchased at the time of purchase ($p=0.010$) at a 95% level of confidence.

These marketing communication media, i.e. newspaper advertisements, e-mails, personalised text messages and discount vouchers, are thus ideal for targeting consumers at specific age groups. Table 5.18 provides more clarity on the specific age groups and their interaction with the marketing communication media.

Table 5.17: Chi-square age vs consumer behaviour towards marketing communication media

Significant variable	Chi-square value	df	p-value
Age vs newspaper advertisements	12.853	6	0.0454*
Age vs personalised e-mails from retailers	13.23	6	0.0395*
Age vs personalised text messages from retailers	13.683	6	0.0334*
Age vs discount vouchers received based on what is most frequently purchased at the time of purchase	16.598	6	0.0109*

*Significant difference

The analysis, as indicated in Table 5.18 clearly shows that respondents between the ages 26 and 35 years (24%, $n=27$) attended to and viewed discounts vouchers that were received based on what was most frequently purchased at the time of purchase as valuable. It is also clear that respondents in the age groups 18–25 years (15%, $n=17$) and 26–35 years (18%, $n=20$) browsed through newspapers. Respondents in the age group 26–35 (22%, $n=25$) also tended to disregard personalised text messages received from retailers and they considered personalised e-mails at a later stage or browsed through them (18%, $n=20$).

Table 5.18: Age vs consumer behaviour towards marketing communication media

Action	Marketing communication tool	18–25 years		26–35 years	36+ years	Total
		n				
Disregard immediately / Regard as clutter	Newspapers	n	7	14	3	24
		%	6.14%	12.28%	2.63%	21.05%
	Personalised e-mails from retailers	n	6	15	4	25
		%	5.26%	13.16%	3.51%	21.93%
	Personalised text messages from retailers	n	5	25	6	36
		%	4.42%	22.12%	5.31%	31.86%
Discount vouchers received based on what is most frequently purchased at the time of purchase	n	0	4	2	6	
	%	0%	3.51%	1.75%	5.26%	
Consider at a later stage	Newspapers	n	2	19	7	28
		%	1.75%	16.67%	6.14%	24.56%
	Personalised e-mails from retailers	n	11	20	4	35
		%	9.65%	17.54%	3.51%	30.70%
	Personalised text messages from retailers	n	10	12	3	25
		%	8.85%	10.62%	2.65%	22.12%
Discount vouchers received based on what is most frequently purchased at the time of purchase	n	0	11	4	15	
	%	0%	9.65%	3.51%	13.16%	
Selective attention / Browse	Newspapers	n	17	20	9	46
		%	14.91%	17.54%	7.89%	40.35%
	Personalised e-mails from retailers	n	10	19	7	36
		%	8.77%	16.67%	6.14%	31.58%
	Personalised text messages from retailers	n	9	14	6	29
		%	7.96%	12.39%	5.31%	25.66%
Discount vouchers received based on what is most frequently purchased at the time of purchase	n	11	17	4	32	
	%	9.65%	14.91%	3.51%	28.07%	
Attend to / View as valuable	Newspapers	n	3	7	6	16
		%	2.63%	6.14%	5.26%	14.04%
	Personalised e-mails from retailers	n	3	5	10	18
		%	2.63%	4.39%	8.77%	15.79%
	Personalised text messages from retailers	n	5	8	14	23
		%	4.42%	7.08%	8.85%	20.35%
Discount vouchers received based on what is most frequently purchased at the time of purchase	n	19	27	15	61	
	%	16.67%	23.68%	13.16%	53.51%	

The results indicated that there was a significant difference in the way that participating consumers of different age groups interacted with and behaved when exposed to different forms of marketing communication media. The implication for retailers is that the research will assist in targeting specific consumers of different age groups with marketing communication media that they prefer and to which they will respond.

5.4.3 Relationship between gender and preferred marketing communication media

In order to determine whether there was a significant relationship between the gender of the consumer (question 20) and the marketing communication media consumers preferred to receive from retailers (question 7), a chi-square test was done. Determining whether there is a relationship between the gender group of consumers and marketing communication media preferred by the will provide an understanding of the relationship between the gender of consumers and their preference for marketing communication media received from retailers. Such knowledge will allow retailers to target specific customers with specific marketing communication media. Table 5.19 indicates the p-values that were derived from the chi-square test. The results indicate p-values below 0.05 for newspaper advertisements (p-value=0.0343) and advertisements on Twitter (p-value=0.015). The significance of a p-value below 0.05 is that it shows a significant relationship between gender and newspaper advertisements and gender and Twitter advertisements at a 95% level of confidence. Newspaper advertisements and advertisements on Twitter are thus ideal for targeting specific gender groups. The relationship between gender and newspaper advertisements and gender and Twitter advertisements is made clear in Table 5.20, which highlights the respondents' preference for the specific types of media.

Table 5.19: Chi-square gender vs consumer preference of marketing communication

Significant variable	Chi-value	df	p-value
Gender vs newspaper advertisements	4.482	1	0.0343*
Gender vs Twitter advertisements	5.913	1	0.015*

*Significant difference

From the results, it was clear that gender does play a role in the type of marketing communication media customers prefer to receive from retailers. Table 5.20 clearly indicates that more females do not prefer newspaper advertisements (39%, n=45) compared to males. However more females prefer Twitter advertisements (32%, n=37) compared to males. It can be inferred that the difference in the preference of advertisements on Twitter could be because females may prefer a faster, more interactive form of media compared to males. Further research regarding this is needed to provide more insight. Retailers can make use of this relationship to ensure that they are communicating with their consumers through the correct marketing communications media. They can use this relationship to personalise their newspaper advertisements for their male consumers and Twitter advertisements for their female consumers.

Table 5.20: Gender vs consumer preference of marketing communication media

	Marketing communication tool		Female	Male	Total
Not selected	Newspaper advertisements	n	45	14	59
		%	38.79%	12.07%	50.86%
	Twitter advertisements	n	41	11	52
		%	35.34%	9.48%	44.83%
Yes	Newspaper advertisements	n	33	24	57
		%	28.45%	20.69%	49.14%
	Twitter advertisements	n	37	27	64
		%	31.90%	23.28%	55.17%

5.4.4 Relationship between income and preference of marketing communications media

A chi-square test was done to determine whether there was a significant relationship between participating consumers’ income level (question 19) and the marketing communication media they prefer to receive from retailers (question 7). This data is significant as it provides insight into which marketing communication media are preferred by consumers at different income levels.

The p-values derived from the chi-square test are indicated in Table 5.21. These results indicated p-values below 0.05 for direct e-mails (p-value=0.0208) and SMS

messages (p-value=0.0219) at a 95% level of confidence. There was thus a significant relationship between respondents' income levels and direct e-mails and respondents' income level and SMS messages. When targeting consumers of different income levels, these marketing communication media (direct e-mail and SMS messages) are therefore relevant. This is made clear in Table 5.22, which highlights the preference of the marketing communications media at the different income levels.

Table 5.21: Chi-square income vs consumer preference of marketing communication media

INCOME			
Significant variable	Chi-square value	df	p-value
Income vs direct e-mails	9.75	3	0.0208*
Income vs SMS messages	9.635	3	0.0219*

*Significant difference

It is clear from Table 5.22 that respondents who earned between R20 001 and R30 000 preferred receiving direct e-mails (17%, n=20). Respondents who earned R30 000+ preferred receiving SMS messages (16%, n=18), compared to respondents who earned between R0 and R10 000 who indicated that they did not think retailers should make use of direct mails and SMS messages when communicating with consumers. The difference in the preference in terms of respondents' income level and the type of communication media used could possibly be as a result of a lack of access to these communication media by respondents with lower incomes. Further research regarding this is, however, needed in order to gain more insight. The implication for retailers is that they should make use of direct e-mail and SMS messages when targeting consumers of higher income levels.

Table 5.22: Income vs consumer preference of marketing communication media

	Marketing communication tool	R0– R10 000	R10 001– R20 000	R20 001– R30 000	R30 000+	Total
Not selected	Direct e-mails	18 15.65%	17 14.78%	10 8.70%	15 13.04%	60 52.17%
	SMS	19 16.52%	17 14.78%	14 12.17%	12 10.43%	62 53.91%
Yes	Direct e-mails	6 5.22%	14 12.17%	20 17.39%	15 13.04%	55 47.83%
	SMS	5 4.35%	14 12.17%	16 13.91%	18 15.65%	53 46.09%

Understanding the consumers' income level in relation to the type of media they prefer is important as it will give retailers an indication of which media to use for different income groups. Further research will provide greater insight into the consumers' income levels and the type of media to which they are exposed at the different income levels and the type of media they prefer.

5.4.5 Relationship between income and consumer behaviour towards marketing communication media

A chi-square test was done in order to determine whether there was a significant relationship between consumers' income (question 19) and their behaviour towards various marketing communication media (question 14). The findings provide insight into the way consumers at different income levels interact with and behave towards certain communication media. This is significant for retailers as it provides an indication as to which communication media will result in purchase behaviour from consumers at different income levels.

The p-values produced from the chi-square test (Table 5.23) indicated that radio advertisements (p-value=0.0391) showed a significant relationship with the income level of the respondents as the p-value was less than 0.05 at a 95% level of confidence.

Table 5.23: Chi-square Income vs radio advertisements

INCOME			
Significant variable	Chi-square value	df	p-value
Income vs radio advertisements	17.681	9	0.0391*

*Significant difference

It is clear from Table 5.24 that respondents who earned R0–R10 000 paid attention to radio advertisements (11%, n=12) and respondents who earned R10 000–R20 000 paid selective attention to radio advertisements (14%, n=16). Retailers should thus consider the income level of customers and customers’ interaction with advertisements on radio when planning their marketing communication campaigns. Retailers can make use of radio advertisements when targeting certain customers and certain income levels and incorporate this into their RTM campaigns.

Table 5.24: Income vs radio advertisements

	R0– R10 000	R10 001– R20 000	R20 001– R30 000	R30 000+	Total
Disregard immediately / Regard as clutter	2 1.77%	3 2.65%	5 4.42%	4 3.54%	14 12.39%
Consider at a later stage	1 0.88%	6 5.31%	5 4.42%	10 8.85%	22 19.47%
Selective attention/Browse	9 7.96%	16 14.16%	13 11.50%	12 10.62%	50 44.25%
Attend to/View as valuable	12 10.62%	5 4.42%	7 6.19%	3 2.65%	27 23.89%

5.4.6 Relationship between income and real-time response as a factor of consumers’ definition of RTM

In order to determine whether there was a statistical significance between participating customers’ income and the factor real-time response, ANOVA was utilised. ANOVA is used to determine whether there are real differences between the means of three or more categories of a variable based on sample data (cf. Zikmund & Babin, 2013). The significance of this is that the research can be used to determine whether there is a significant relationship between real-time response and consumers’ income level. This will influence the factors that consumers at different income levels use to define RTM.

In the current study, the mean scores that were derived from the ANOVA were used to indicate the rank of the different income levels. The results in

Table 5.25 indicate that the income level R20 001–R30 000 (mean=3.37) had a higher mean for real-time response than the other income levels followed by income level R0–R10 000, which had a mean of 3.03 for real-time response. This indicated that participating consumers in the income groups R0–R10 000 and R20 001–R30000 tended to agree that real-time response is a factor of RTM.

Table 5.25: One-way ANOVA income vs real-time response

Level	Number	Mean	Std error	Lower 95%	Upper 95%
R0–R10 000 vs real-time response	8	3.03125	0.19559	2.6403	3.4222
R10 001–R20000 vs real-time response	20	2.79911	0.12370	2.5518	3.0464
R20 001–R30000 vs real-time response	19	3.36748	0.12691	3.1138	3.6212
R30 000+ vs real-time response	19	2.91447	0.12691	2.6608	3.1682

To determine whether the difference between the means of the two variables was statistically significant, the F-test was used as part of the ANOVA procedure, and produced a probability value (p-value). The p-value indicates statistical significance at a 95% level of confidence, if the calculated p-value is smaller than 0.05 (cf. Wiid & Diggines, 2013). The p-value derived (p-value=0.0146) indicated that a significant relationship existed between income level and real-time response as a factor that respondents regarded as RTM as the p-value was less than 0.05 at a 95% level of confidence (Table 5.26).

Table 5.26: ANOVA F-test income vs real-time response

Source	df	Sum of squares	Mean square	F ratio	Prob > F
Please indicate your monthly income vs real-time response	3	3.481488	1.16050	3.7920	0.0146*
Error	62	18.974184	0.30604		
Total	65	22.455671			

*Significant difference

5.4.7 Relationship between consumer income and personalisation as a factor of participating consumers' definition of RTM

ANOVA was used in order to determine whether there was a significant difference between the income level of respondents and personalisation of real-time interaction as a factor of consumers' definition of RTM. The value of this comparison is that it provided greater insight as to what participating consumers at different income levels regarded as RTM, specifically the degree to which they regarded personalisation of RTM communication as a factor of RTM. Understanding this relationship will allow retailers to be in a better position to target their market.

The mean scores that were derived from the ANOVA indicated the ranking of the income levels when compared to personalisation. It is clear from Table 5.27 that the means of the income groups differed slightly, with the mean of the income group R2 0001–R30 000 (mean=3.22) higher than the rest. This indicated that respondents in the income group R20 001–R30 000 agreed that personalisation of messages is an aspect of RTM, which retailers can and should take into account when designing their RTM strategy.

Table 5.27: One-way ANOVA income vs personalisation

Level	Number	Mean	Std error	Lower 95%	Upper 95%
R0–R10 000 vs personalisation	8	2.70833	0.20425	2.3001	3.1166
R10 001–R20 000 vs personalisation	20	2.81250	0.12918	2.5543	3.0707
R20 001–R30 000 vs personalisation	19	3.22368	0.13253	2.9588	3.4886
R30 000+ vs personalisation	19	3.14474	0.13253	2.8798	3.4097

The F-test (cf. Zikmund & Babin, 2013) conducted produced a p-value of 0.0522, which is shown in Table 5.28. This table indicates that there was no statistically significant difference between the income levels of participants and the personalisation of RTM messages as the F-test result was greater than 0.05. There was thus no significant relationship between the consumers' income level and personalisation as a factor of the participating consumers' definition of RTM. The results indicated that, even though participating consumers agreed that personalisation of messages was an aspect of RTM, there was no relationship between the consumers' income level and personalisation of RTM messages. Thus

consumers' income level is not an important aspect that retailers need to consider in personalising their RTM messages. Retailers can however use the results to gain a better understanding of their target market and what their consumers expect.

Table 5.28: ANOVA F-test income vs personalisation

Source	df	Sum of squares	Mean square	F ratio	Prob > F
Q19 Please indicate your monthly income vs personalisation	3	2.719633	0.906544	2.7164	0.0522
Error	62	20.691246	0.333730		
Total	65	23.410880			

5.4.8 Relationship between and discounts as a factor of participating consumers' definition of RTM

In order to determine whether there was a significant difference between the income level of respondents and discounts received immediately as a factor of consumers' definition of RTM, ANOVA was used. The importance of this relationship is that it provides a greater understanding of how participating consumers at different income levels defined RTM and whether they agreed that discount was a factor of RTM. This could influence the way in which retailers develop their RTM campaigns for consumers at different income levels.

The results in Table 5.29 clearly indicated the results of the ANOVA test conducted. The mean scores derived from the ANOVA indicated the ranking order of participating consumers' income level in relation to discounts as a factor of their definition of RTM. The results indicated that the mean score for the income level R20 001–R30 000 (mean=3.17) was higher than the other mean scores, followed by the mean score for the income level R30 000+ (mean=2.72). This indicated that consumers who earned above R20 001 agreed that discount was a factor of RTM. This finding could enable retailers to reach the correct target group better with specific RTM messages and offerings. To determine whether this relationship is significant, the F-test is conducted.

Table 5.29: One-way ANOVA income vs discounts

Level	Number	Mean	Std error	Lower 95%	Upper 95%
0-R10 000	8	2.64583	0.23678	2.1725	3.1192
R10 001–R20 000	20	2.53333	0.14976	2.2340	2.8327
R20 001- R30 000	19	3.17544	0.15365	2.8683	3.4826
R30 000+	19	2.71930	0.15365	2.4122	3.0264

Table 5.30 indicates the results of the F-test, which clearly indicates a p-value of 0.0270, which is below 0.05. The results clearly indicated that there was a significant difference between income level and discount as a factor of the participating consumers' definitions of RTM, thus confirming that there was a relationship between income levels of participating consumers and discounts received as a factor of consumers' definitions of RTM. Retailers should thus take into consideration consumers' income level when developing RTM campaigns that include immediate discounts.

Table 5.30: ANOVA F-test income vs discounts

Source	df	Sum of squares	Mean Square	F Ratio	Prob > F
Q19 Please indicate your monthly income vs discounts	3	4.400074	1.46669	3.2700	0.0270*
Error	62	27.809101	0.44853		
Total	65	32.209175			

*Significant difference

The results clearly indicated that the respondents' income levels had an influence on the factors real-time response and discount, which constituted their definition of RTM. It is important to understand this relationship as it could influence the way in which consumers behave towards RTM campaigns and what they expect from retailers' RTM campaigns.

5.5 VALIDITY AND RELIABILITY OF THE RESEARCH INSTRUMENT

Testing the validity and reliability of research is essential as this provides an indication of the quality of the research done (Wilson, 2014: 129). As discussed in Chapter 4 (see 4.2.7.1), validity refers to the extent to which a scale measures what it

intended to measure. validity therefore represents the accuracy of a measuring instrument (Zikmund & Babin, 2013: 250).

Reliability refers to the internal consistency of a research instrument, i.e. it represents the degree to which a research instrument will generate consistent results when the tests are repeated under the same conditions (Wilson, 2014: 129; Zikmund & Babin, 2013: 250). As discussed in Chapter 4 (see 4.2.7.1), Cronbach's alpha was used for this study to determine reliability. Cronbach's alpha can range between 0 and 1, where 0 indicates that there is no consistency among the items and 1 indicates that there is complete consistency amongst the items (Zikmund & Babin, 2013: 249). The general guidelines for interpreting Cronbach's alpha are as follows (Hair *et al.*, 2015: 255; Zikmund & Babin, 2013: 249):

- a value less than 0.6 – reliability is considered poor;
- a value between 0.6 and 0.7 – reliability considered moderate;
- a value between 0.7 and 0.8 – reliability considered good;
- a value between 0.8 and 0.9 – reliability considered very good; and
- a value greater than 0.95 – the items are considered to be redundant.

For this study, in order to determine construct validity and reliability and to access the underlying structure of the scales, EFA was conducted. As discussed in Chapter 4 (see 4.2.7.1), EFA refers to a procedure that summarises a large number of variables into smaller variables in order to determine whether there are any commonalities between the variables (Feinberg *et al.*, 2013: 482).

The reliability and validity done for this study will be discussed in the following section.

5.5.1 Exploratory factor analysis: determining participating consumers' definition of RTM

EFA was conducted on this scale (question 10) to determine whether there were any sets of meaningful factors with regard to what respondents considered to be RTM.

According to Wiid and Diggins (2013:241), when determining factors, the following should be considered:

- the eigenvalues, which represent the ratio between the variance of the original factor and that of the average factor, should be above 1.0;
- the cumulative percentage should be greater than 60%; and
- the point on the scree plot (a graphical representation of how quickly the quality of the factors are degrading) at which the curve changes dramatically indicates the point at which the additional factors become less significant (Feinberg *et al.*, 2013: 491).

In the current study, the factor analysis identified three factors (factor 1=real-time response, factor 2=personalisation and factor 3=discounts), which represented the 15 items that had eigenvalues above 1 and a cumulative percentage of 66.5% (This is indicated in Appendix B). The scree plot (Appendix B) also indicates that the slope dramatically changed after the third factor thus confirming the three factors (real-time, personalisation and discounts). Additional statistics are discussed in Appendix B.

The factors identified in determining what participating consumers regarded as RTM (question 10) are shown in Table 5.31. Factor loadings that are above 0.4 indicate good validity (Feinberg *et al.*, 2013: 495).

Table 5.31: Rotated factor loadings for what participating consumers regarded as real-time marketing

Rotated factor loadings			
Items	Factor 1	Factor 2	Factor 3
1 Real-time marketing is when retailers engage with consumers directly on Facebook with content and offers in real time.	0.79	0.16	0.13
2 Real-time marketing is when retailers respond to trends and specific cultural events using social media tools in real time.	0.77	0.31	0.19
3 Real-time marketing is when the retailers respond to consumer behaviour immediately.	0.68	0.09	0.34
4 Real-time marketing is when retailers engage with consumers on Twitter with content and offers immediately.	0.64	0.19	0.27
5 Real-time marketing is when retailers make use of mobile apps with geolocation technology (identifying the geographical location of a person through the internet) to personalise offerings to customers within a certain distance of their store.	0.63	0.44	0.22
6 Real-time marketing is when retailers respond to consumer needs within a few minutes.	0.60	0.24	0.34
7 Real-time marketing is live website chats between the retailer and the consumer.	0.57	0.19	0.30
8 Real-time marketing is when retailers make use of online pop-up advertisements that appear as soon as you type in the retailer's name on a search engine.	0.42	0.39	0.36
9 Real-time marketing is when retailers personalise their website per user based on their past interaction on their website.	-0.0	0.84	0.16
10 Real-time marketing is the personalisation of content in response to customer interaction.	0.36	0.71	0.04
11 Real-time marketing is when retailers respond to customers based on their interaction on their websites.	0.39	0.66	0.20
12 Real-time marketing is receiving triggered e-mails from retailers as a response to customer needs.	0.42	0.52	0.24
13 Real-time marketing is when a consumer receives a discount at the time of purchase.	0.17	0.09	0.87
14 Real-time marketing is when a consumer receives a voucher based on their current purchase at the current time.	0.34	0.26	0.60
15 Real-time marketing is when a consumer receives a text message regarding a sale as they walk past the store.	0.34	0.16	0.59

5.5.1.1 Reliability

The reliability or internal consistency of the 4-point Likert-type scale used to determine what respondents considered to be RTM (question 10) was analysed.

The Cronbach’s alphas as indicated in Table 5.32 for factor 1 (real-time response) (0.90), factor 2 (personalisation) (0.82) and factor 3 (discounts) (0.78) were above 0.7, which indicated good reliability of the factors.

Table 5.32: Cronbach's alpha

Factor	Cronbach’s alpha	Strength
Real-time response	0.9003	Excellent
Personalisation	0.8286	Very good
Discounts	0.7837	Good

The results of the factor analysis and reliability analysis indicated that respondents considered three factors that constituted RTM, namely real-time response from the retailer, personalisation, and discounts received in real time. This correlated with the descriptive results of question 9 and 10, which also indicated that consumers defined RTM as current, real-time, immediate, personalised communication from the retailer and receiving discounts in real time.

5.5.2 Exploratory factor analysis: the extent to which RTM tools influence consumer purchase behaviour

In order to determine whether there were common factors among respondents regarding which RTM communication tools influenced their purchase behaviour (question 12), EFA was conducted. Table 5.33 indicates the factor loadings that were identified in determining which RTM tools influenced participating consumers’ purchase behaviour.

Table 5.33 indicates the two factors that were identified (factor 1=personalisation and factor 2=discounts), which represent the 10 items of the scale. The eigenvalues for these factors were above 1 and the cumulative percentage was 69.65% (Appendix B). The scree plot (Appendix B) indicated a dramatic drop in the curve after two factors. Additional statistics are discussed in Appendix B.

Table 5.33: Rotated factor loadings for the real-time marketing tools that influenced participating consumers' purchase behaviour

Rotated factor loading		
	Factor 1	Factor 2
1 I will purchase from a retailer if the retailer engages with me directly on Facebook in real time.	0.87	0.28
2 I will purchase from a retailer if the retailer engages with me directly through Twitter in real time.	0.82	0.23
3 I will purchase from a retailer if the retailer engages with me directly through e-mails in real time.	0.63	0.01
4 I will purchase products from a retailer that appear on pop-up online banners that are based on my current needs.	0.60	0.04
5 I will purchase from a retailer if I receive a text message regarding store sales as I walk past a store.	0.52	0.33
6 I will purchase from a retailer if their website is personalised based on my previous online behaviour.	0.52	0.33
7 I will purchase from a retailer if I receive discount vouchers based on what I most frequently purchase at the time of purchase.	0.15	0.99
8 I will purchase from a retailer if I receive discounts based on my current purchases at the time of purchase.	0.02	0.57
9 I will purchase from a retailer if they respond to trends and specific cultural events using social media tools in real time.	0.36	0.46
10 I will purchase from a retailer if they create personalised marketing offerings at the time of purchase for me.	0.35	0.36

5.5.2.1 Reliability

The reliability or internal consistency of the 4-point Likert-type scale determining what RTM tools influenced participating consumers' purchase behaviour (question 12) was analysed. The Cronbach's alphas as indicated in Table 5.34 for factor 1 (personalisation) (0.84) and factor 2 (discounts) (0.72) were above 0.7, which indicated good reliability of the factors.

Table 5.34: Cronbach's Alpha

Factor	Cronbach's alpha	Strength
Personalisation	0.8425	Very good
Discounts	0.7243	Good

The results of the factor analyses and reliability test indicated that participating consumers identified two factors, personalisation and discounts, as factors that would

influence their purchase behaviour. This was in line with the results of the descriptive statistics conducted for question 12, which also indicated that RTM campaigns, which offered personalisation and immediate discounts would have an influence on the consumer's behaviour.

It can thus be concluded that the two Likert-type scale questions in the research instrument were both reliable and valid as the results indicated Cronbach's alpha values of above 0.7.

A full discussion on the results of the statistical analysis will be done in Chapter 6.

5.6 SUMMARY

In this chapter, the findings and interpretation of the results obtained for the research were presented. The research objectives, research question and research methodology were briefly discussed after which the analysis of the results obtained from the questionnaire was discussed. Analysis was done by means of descriptive statistics, and inferential statistics was conducted to determine whether there were any significant differences between variables. To test the reliability and validity of the Likert-type scales, Cronbach's alpha was utilised, and factor analysis was conducted to determine the underlying variables that form factors.

The data obtained from the study was analysed by means of frequency counts and mean scores, and the research instrument was analysed by means of SPSS/JMP. The demographic profile of the respondents who participated in the study comprised mostly female (76%, n=78) respondents and were between the ages 26 and 35 years (53%, n=61). All the respondents, who answered the question (100%, 114) indicated that they had access to the internet and that they accessed the internet daily. The majority (57%, 66) of the respondents also indicated that they knew what RTM was. The main concepts identified in respondents' definition of RTM were immediate interaction, personalised content, based on current events or trends. Most respondents (89%, 57) indicated that RTM campaigns based on discounts received at the time of purchase would most likely influence their purchase behaviour. Consumers also indicated that they would attend to RTM campaigns that were based

on discounts and which were received from the retailer at the time of purchase (59%, 68) and they regarded this as valuable.

Further in-depth analysis identified the relationships between the demographic profiles of the participating consumers' RTM. This analysis indicated that there was a significant relationship between participating consumers' age and their preference for certain marketing communication media and their behaviour towards certain marketing communication tools. A significant relationship was also found between gender and the marketing communication tools preferred by participating consumers and the participating consumers' income and the marketing communication preferred by them.

The validity and reliability of the research instrument were tested using Cronbach's alpha and EFA. The results indicated that the research instrument was both reliable and viable.

The next chapter will discuss the research conclusions as well as the limitations and recommendations for the study. The outcome of the research objectives formulated in Chapter 1 will also be discussed.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

The purpose of this study as indicated in Chapter 1 (see 1.6) was to determine consumers' perception of retailers' real-time marketing (RTM) campaigns used to inform consumers about the products and services offered by retailers in Gauteng. The research findings and the results that were obtained from the questionnaire were presented in Chapter 5.

This chapter provides an overview of the objectives of the study, the conclusions drawn from the literature investigation, followed by an overview of the research findings. The research objectives will then be addressed and recommendations arising from this study will be discussed. This will be followed by a discussion of the contribution of the study to the South African context and the limitations of the study.

6.2 RESEARCH OBJECTIVES

The primary objective of the study was to determine consumer's perception of real-time marketing as a marketing tool used by retailers in Gauteng, South Africa to inform the consumer about the products and services offered by the retailer.

The secondary objectives were to determine:

- which medium of real-time marketing communication is preferred by consumers;
- whether consumers know what real-time marketing is;
- what consumers regard as the most effective/influential mediums of real-time marketing;
- which real-time marketing tools consumer are aware of;
- whether real-time marketing campaigns will effect consumer purchase behaviour;
- what consumers regard as clutter campaigns; and

- further areas of studies.

The conclusions drawn from the research are discussed in the following sections.

6.3 CONCLUSION OF LITERATURE INVESTIGATION

Retailers are an essential part of an economy as they not only perform the role of supplying goods from the manufacturer to the consumer, but they also influence the economy of a country by providing employment and providing consumers with essential goods and services, which ultimately increases the consumer spend of the country. In order for retailers to make consumers aware of their stores and their product offerings, they must communicate with the target market. The way in which retailers communicate with consumers has however changed over the years as retailers have had to adapt to changes in the environment, such as technology advancements, new communication media and changing consumer behaviours.

The internet, smartphones and social media have had a major effect on consumers and the way in which they interact with each other and their environment. It has also influenced the way in which consumers make purchase decisions, search for information and make purchases. Consumers can easily access information about retailers and their products, review their products and have conversations about it online without directly interacting with the retailer. With these developments, consumers purchase behaviours and the way in which they expect retailers to interact with them have changed.

In order to obtain the attention of their consumers, retailers have had to find new ways of interacting and communicating with consumers. In order to achieve this, there has been a movement towards the use of communication methods, such as social media, mobile media and e-mail, that not only allow for two-way communication between the retailer and the consumer, but also for real-time interaction with consumers. This has led to the introduction of RTM as a new marketing tool for retailers. **Real-time marketing (RTM)** refers to the use of various marketing communication media, such as social media, online marketing tools and advertising, to engage with consumers or to respond to relevant current or cultural events in real time. This includes the personalisation of content or creative images in

response to consumer interactions, responding to customers in the context of their web interaction and responding to trends and specific cultural events in social media, live web chats, triggered e-mails, engaging with customers through social media and mobile applications ('apps') with geolocation. RTM also makes use of various automated technologies to ensure real-time interaction with consumers or responses to events, and it can use geolocation technology that allows retailers to identify and target consumers within a specific area.

The use of RTM has been growing with marketers indicating that it has led to increased customer interaction and positive customer behaviour towards their brands. Much of RTM research has looked at how RTM is defined, the various tools of RTM and the benefits of RTM from a business or marketing professional perspective. The current study focused on the consumer and his/her perception of the RTM campaigns of retailers. Understanding the consumer's perception will assist retailers in developing RTM campaigns that will appeal to the consumer and produce results in terms of sales.

The next section provides an overview of the main research findings.

6.4 OVERVIEW OF THE RESEARCH FINDINGS

The research findings, as discussed in Chapter 5, looked at the respondents' demographic profile, the reasons for making use of the internet, the various marketing communications media respondents preferred and RTM. The important deductions found from the results are discussed here.

The respondents who participated in the study consisted mostly of females (76%, n=78) between the ages of 26 and 35 years (53%, n= 61) who earned above R17 501 per month (68%; n=72). The results also indicated that 47% (n=54) of the respondents held a post-graduate qualification.

The research findings as discussed in Chapter 5, found that the respondents had access to the internet and that they accessed the internet daily (100%, n=115). This indicated that the respondents had access to the various media that retailers use as tools to execute their RTM campaigns. Respondents were thus more prone to be exposed to RTM campaigns. Respondents also indicated that they accessed the

internet mostly from their laptops (42%) followed by mobile phones (38%). As discussed in Chapter 3, mobile sites have to be created separately from those of desktop websites as the design needs to be responsive to different screen types and sizes. Retailers should thus ensure that their RTM actions are accessible on laptops as well as mobile phones. Mobile phones have become an extension of the individual, and allows for instant connectivity and engagement opportunities with the consumers. Retailers can make use of this device to target specific individuals with offers that will satisfy the needs of their customers. Retailers must however ensure that they have the consumer's permission for contacting them through this means or provide an option for the consumer to opt-out of this communication (Consumer protection act, 2009). Respondents also indicated that they used the internet for work (35%, n=37) and for communication (social media and e-mails) (28%, n=30). The reason as to why the participating consumers made use of the internet could have had an influence on the way they perceived the RTM campaigns that they received and their behaviour towards it. As illustrated in Figure 5.10, respondents indicated that Facebook was the main social media tool that they preferred retailers to use to communicate with them. Retailers should thus make use of the social media tool Facebook, which is easily accessible on mobile phones and laptops, in their RTM campaigns.

The research findings as discussed in Chapter 5 (see 5.3.4) indicated that respondents were aware of RTM and defined it as marketing efforts that are executed in real time, i.e. that are immediate, personalised and based on current trends and events. This definition is important as it provides an indication of what respondents expect from retailers who make use of RTM. Respondents also regarded the “personalisation of content in response to customer interaction”, “retailers’ response to trends and specific cultural events using social media tools in real time” and “when retailers make use of mobile apps with geolocation technology to personalise offerings to customers within a certain distance of their store” as RTM initiatives. This definition of RTM ties in with the definition that was found in the literature investigation of the study (see 1.5).

The main aim of any marketing communication campaign is generally to inform the consumer, remind the consumer about the retailer's products and services and, ultimately, to influence the consumer's purchase behaviour. The findings as

illustrated in Figure 5.15, clearly indicated that respondents' behaviour was influenced by immediate discounts or discount vouchers based on what respondents most frequently purchased and personalisation of the RTM campaign. Retailers should thus ensure that they personalise their RTM campaigns and incorporate immediate discounts and discount vouchers in their RTM campaigns.

The study further established that there is a link between the age of the respondent and the use of the marketing communication tool YouTube (see 5.4.1). The results indicated that the age of the consumer has an influence on the use of YouTube as a marketing communication tool used by retailers to communicate with consumers. Figure 5.6 clearly illustrates that respondents between the ages of 26 and 35 did not think that retailers should make use of YouTube as a marketing communication media in communicating with consumers. A link was also established between the gender of the respondent and the marketing communication tools preferred by respondents. The research found that female respondents preferred Twitter as a method of marketing communications from retailers compared to males (see Table 5.20). The research also concluded that there was a link between the respondent's income and the marketing communication media preferred by the respondent. It was found that respondents who earned R30 000+ preferred that retailers make use of SMS as a method of communicating with them (Figure 5.22).

The next section addresses the research objectives for this study.

6.5 CONCLUSIONS IN RESPECT OF RESEARCH OBJECTIVES

The research objectives that were identified for this study will be addressed below.

6.5.1 Primary research objective

The primary objective of the study was to determine the perception of consumers in Gauteng, South Africa of retailers' real-time marketing campaigns used to inform consumers about the products and services offered by the retailer.

For the primary research objective to be achieved, various secondary research objectives were formulated.

6.5.2 Secondary research objectives

In order to achieve the primary objective, secondary research objectives were required. Each objective is stated below. This is followed by conclusions which were derived from the data analysis reported on in Chapter 5.

- The **first secondary objective of the study**, which was outlined in Chapter 1 (see 1.6.2), was to determine which RTM communication medium used by retailers is preferred by consumers.

Conclusion

The research study found that the RTM communication medium that the respondents preferred retailers use to communicate with them was Facebook (65%, n=88). The reason for this result could have been that consumers do not respond to communication that is seen as invasive, disruptive and irrelevant (Zha & Wu, 2014: 22). Facebook, however, is regarded as a social platform where respondents are able to choose with whom they want to interact, which messages they want to receive, and where they can receive only messages that are relevant to them. Participating consumers could possibly have preferred communication through Facebook, as this type of communication from retailers could not feel invasive or disruptive to them. Other forms of online media that are used as RTM communication media, such as online pop-up advertisements and banner advertisements, are seen as disruptive and may not always be relevant, and they are thus disregarded by consumers.

- The **second secondary objective of the study** was to determine whether consumers knew what real-time marketing was.

Conclusion

The majority of respondents (57%, n=66) indicated that they knew what RTM was. Respondents' definitions of RTM indicated that they not only knew what RTM was but that they also understood the concept of RTM and what it comprised. Respondents defined RTM as marketing campaigns that included current events/trends, real-time responses and immediate action (see 5.3.4). Three factors were also found, which constituted respondents' definitions of RTM,

namely real-time response from the retailer, personalisation of messages, and discounts received in real time. This is in line with the definition of RTM that was found in the literature review (see 3.4).

- The **third secondary research objective** was to determine what consumers regarded as most effective/influential mediums of RTM.

Conclusion

In determining what respondents regarded as the most effective/influential RTM media, the research study looked at respondents' behaviours with regard to the various RTM campaigns and consumers' response to the various marketing media. Regarding respondents' behaviour towards RTM campaigns, the results indicated that the respondents' behaviour with regard to RTM campaigns was influenced by two factors, namely discounts and personalisation of the RTM campaign. This means that participating consumers would consider purchasing a product if the RTM campaign involved a discount or if it was a personalised offering for the customer. The results regarding the respondents' responses to the various marketing media (whether they attended to or disregarded the media) indicated that more than half (59%, n=68) of the respondents would attend to discounts received based on their current purchases from the retailer at the time of purchase and discount vouchers received based on what they most frequently purchase at the time of purchase (54%, n=61), and viewed it as valuable to them. It can thus be concluded that RTM campaigns that offer discounts at the time of purchase is an effective/influential medium of RTM as participating consumers regarded it as valuable to them and it ultimately influenced these consumers' purchase behaviour.

- The **fourth secondary research objective** was to determine of which RTM tools consumers were aware.

Conclusion

From the results of the research, it was clear that respondents were aware of a range of RTM tools, which included online media, mobile media and social media. Respondents regarded social media platforms such as Facebook and Twitter as RTM tools. They also regarded mobile and online marketing tools, such as SMS

messages, direct e-mails and online pop-up adverts as RTM tools. These tools were also in line with the tools that were used by marketers to execute RTM campaigns (see 3.4.2).

- The **fifth secondary objective** was to determine whether RTM campaigns would affect consumer purchase behaviour.

Conclusion

The current research found that RTM campaigns, which offered personalised marketing offerings at the time of purchase and discount vouchers based on what the customer purchased most frequently at the time of purchase and discount vouchers received immediately, had an influence on the respondents' purchase behaviour. The results as indicated in Table 5.13 clearly shows that most of the respondents (89%, n=57) agreed that they would purchase from a retailer if they received discount vouchers based on what they most frequently purchased. Respondents also agreed that they would purchase from a retailer if they received discounts based on their current purchases at the time of purchase (86%; n=55). The findings further indicated that the respondents would purchase from a retail store if the retailer created personalised marketing offerings at the time of purchase for them (83%; n=54). Social media tools, such as Twitter, mobile marketing tools such as SMS messages, and online tools were seen as RTM tools but did not necessarily influence the respondents' purchase behaviour. It can thus be concluded that RTM campaigns should be personalised offerings that offer immediate discounts to the consumer.

- The **sixth secondary objective** was to determine what consumers regard as clutter campaigns.

Conclusion

Most (64%; n=74) respondents regarded online pop-up advertisements, online banner advertisements, LinkedIn, Twitter and YouTube advertisements as clutter (Table 5.15). Respondents also indicated (see Figure 5.8) that they did not prefer online pop-up advertisements and online banners as a form of communication from retailers. These tools, even though recognised as RTM tools, did not influence the respondents' behaviour and were often regarded as clutter.

Respondents thus tended to disregard RTM campaigns that made use of these marketing communication media. The reason for this result could be that these media platforms could be seen as invasive and disruptive and participating consumers did not find value in marketing communications from these platforms.

- The **seventh secondary objective** was to determine further areas of study.

Conclusion

The results indicated that the demographics had an influence on certain elements of the definition of RTM, the marketing communication that was preferred by respondents and the respondents' behaviour with regard to RTM. Further research on the demographics of the consumers could thus provide further insight into the type of consumers who are aware of RTM and who are influenced to make purchases through RTM efforts of retailers.

The current research indicated that respondents did not make a clear distinction between traditional marketing, online/e-marketing and RTM when interacting with or exposed to the various marketing communication media (see 5.3.4). Additional research could be done to investigate the way in which consumers view the various types of marketing media and how they interact with it further.

Cross-loadings occurred in determining the factors that influence consumer behaviour with regard to RTM. This could be as a result of incorrect wording used in the questionnaire or confusion by the consumer regarding the question that was not identified during the pre-test of the study. The research instrument could thus be refined for future studies.

As discussed in Chapter 3, the key to RTM execution and success is customer data, which includes the consumer's contact details, e-mail address, his/her purchase history, his/her online search history, and the methods he/she uses to make payment, etc. With the use of various software technologies, retailers can analyse consumer data to identify patterns in consumer behaviour and to develop individualised strategies for each customer. Often, consumers are not aware that the retailer has access to this information and that they make use of it to target their customers with RTM campaigns. The ethical considerations of RTM should

thus be further investigated to gain more clarity on the use of customer data for RTM purposes.

It was clear from the research findings that a deeper understanding of the perception of consumers in Gauteng, South Africa of retailers' RTM campaigns used to inform the consumer about the products and services offered by the retailer, is needed.

From the conclusions drawn from the research regarding the secondary research objectives it was clear that the primary research objective of the study was achieved, namely to determine the perception of consumers in Gauteng, South Africa of retailers' RTM campaigns used to inform the consumer about the products and services offered by the retailer,.

The next section provides recommendations for South African retailers who make use of RTM campaigns.

6.6 RECOMMENDATIONS

From the findings presented in Chapter 5 and the conclusions drawn above, several recommendations can be made for retailers in South Africa that aim to make use of RTM campaigns.

- One of the key recommendations emanating from this study is that retailers should identify the RTM tools that their consumers prefer and the tools that are most likely to catch their customers' attention before developing expensive campaigns that will not be considered by the target audience. Customers' preferences and behaviour towards the different marketing communications media that are used as RTM tools differ (see 5.3.4). Consumers are likely to pay attention to a real-time campaign that makes use of communication media that they prefer and that they find valuable and they are also likely to respond to such campaigns. Consumers may regard marketing communication media that they do not prefer as clutter, and disregard it completely.
- It is further recommended that retailers create RTM campaigns that incorporate immediate discounts or discount vouchers based on consumers' current or most frequent purchases. Consumers respond to discounts as they see value in it.

These campaigns can be incorporated in the organisation's marketing plan and is easy to adapt and refine.

- It is highly recommended that retailers focus on personalising their RTM campaigns for individual consumers. The current research indicated that personalisation of RTM campaigns has an influence on the consumer's behaviour and consumers pay attention to RTM campaigns that are personalised for them (see 5.3.4). Personalisation should thus be an important aspect of a RTM campaign.
- The demographic profile (age, gender, income and qualifications) of the consumer is important as it provides retailers with a good understanding of their consumers. The profile can also be used to determine whether there are any links between the consumers' behaviour towards retailers' RTM campaigns, and the consumers' age, income, gender and level of qualification. It is thus recommended that retailers consider their consumers' demographic profile when developing RTM campaigns.
- It is further recommended that future research delve deeper into how consumers perceive RTM efforts of retailers. An identification of factors that may influence consumer's perceptions of RTM could provide greater insight into the field.

6.7 CONTRIBUTION OF THE STUDY TO THE SOUTH AFRICAN RETAIL INDUSTRY

Based on the literature review that was done in Chapters 1–3, it is clear that limited research on RTM has been conducted in South Africa, specifically from the consumer's perspective. The current study thus aimed to explore an area of marketing that is increasingly being used by retailers in attracting consumers and influencing their purchase behaviour. The research will benefit the retail industry in South Africa as it provides an indication of how consumers perceive retailers' RTM efforts and ultimately whether such campaigns result in purchases.

The study contributes to the retail industry by providing a holistic view on RTM and how it is perceived by consumers. This study revealed that consumers perceive RTM campaigns that are personalised for the consumer and based on immediate discounts as valuable.

This study will also assist retailers as it identified of which RTM communication tools respondents were aware, which tools they regarded as useful, and which tools they disregarded. This will help retailers in tailoring RTM campaigns that are specific to the consumers and which will satisfy their needs. The study provides recommendations for retailers on how they could tailor their RTM campaigns to result in purchases from consumers.

6.8 LIMITATIONS OF THE STUDY

This study followed a convenience sampling method, and as such cannot be generalised to the entire population. The sample size was also very small, and thus further research will have to be done on a larger sample of the population.

Another limitation is that the study was focused in Gauteng, a province of South Africa only. To obtain a holistic view of consumers' perceptions towards RTM in South Africa, further research will have to include the entire population and not just one province.

6.9 SUMMARY

This chapter discussed the conclusions that were drawn from the research that was conducted together with the research objectives to show that the research objectives had been achieved. Recommendations were then made to the retail industry in South Africa and the contributions of the study to the retail industry in South Africa were discussed. This was followed by the limitations of the study.

The findings of the research indicated that participating consumers knew what RTM was and that they were aware of RTM tools used by retailers. They also made a clear distinction between traditional media, online media and social media when identifying RTM tools. Participating consumers' behaviour towards RTM campaigns and the media used as tools to execute RTM indicated that they would not respond to it or make purchases based on it, unless the campaign is personalised and based on immediate discounts. It can thus be concluded that consumers perceive RTM as clutter until they find value in it, in terms of immediate discounts and personalisation.

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APPENDIX A

RESEARCH INSTRUMENT

Consent for participation in an academic research study

Department of Marketing and Retail Management

**CONSUMER PERCEPTION OF REAL-TIME MARKETING AS A MARKETING TOOL OF
RETAILERS IN GAUTENG, SOUTH AFRICA**

Dear Prospective participant

I am Ms S.M. Kallier and am a lecturer in the Department of Marketing and Retail Management at the University of South Africa. I am inviting you to participate in a study entitled "Consumer perception of real-time marketing as a marketing tool of retailers in Gauteng, South Africa".

The survey you have received measures consumers' perceptions of the various real-time marketing tools used by retailers. By completing this survey, you agree that the information you provide may be used for research purposes. You have been selected to participate in this survey because you are a consumer of a retail store in Gauteng, South Africa. You are, however, under no obligation to complete the survey and can withdraw from the study prior to submitting the survey. Also note that the survey is developed to be anonymous and I as researcher will have no way of connecting the information you provide to you personally. You will not be able to withdraw from the study once you have clicked the send button based on the anonymous nature of the survey. If you choose to participate in this survey it will take up to **15 minutes** of your time. I do not foresee that you will experience any negative consequences by completing this questionnaire. Nevertheless, the researcher undertakes to keep any individual information provided herein confidential and not to let it out of their possession. The records will be kept for five years for publication purposes where after it will be permanently destroyed (hard copies will be shredded and electronic versions will be indefinitely kept for record purposes). You will not be reimbursed or receive any incentives for your participation in the survey. Should you require any further information, want feedback on the study or need to contact the researcher about any aspect of this study, please contact Ms S.M. Kallier at 012 429 3758 or kallism@unisa.ac.za.

Respondent's signature

Date

Resp. no.

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**Consumer perceptions of real-time marketing as a marketing tool of retailers in
Gauteng, South Africa**

Dear Respondent

Thank you for your willingness to complete the real-time marketing survey. The survey should not take more than **15 minutes** to complete. This is an anonymous and confidential survey.

Please answer all the questions by placing a cross (*) in the appropriate block. There are no right or wrong answers.

SECTION A

QUESTION 1

Do you reside in Gauteng?

Yes	1
No	2

If yes, go to Question 2

If no, thank you for your time

QUESTION 2

Do you have access to the internet?

Yes	1
No	2

If yes, go to Question 3

If no, go to Question 7

QUESTION 3

How often do you access the internet?

Daily	1
Weekly	2
Monthly	3

QUESTION 4

Please indicate the division of your time spent on the internet per device. (*The total of the column must equal 100%*)

Desktop computer	1
Laptop	2
Mobile phone	3
Mobile tablet device	4
Gaming devices such as PlayStation and XBO360	5
Other (please specify)	6
	=100%

QUESTION 5

Please indicate the percentage of time that you access the internet from each of the following places. (*The total of the column must equal 100%*)

Home (wireless router, ADSL landline or 3G dongle)	1
University	2
Internet café	3
Private access e.g. through a cell phone, tablet device	4
Work	5
Public hotspot e.g. restaurants and malls	6
Other (please specify)	7
	=100%

QUESTION 6

Please rate on a scale of 1 to 10 your main order of purpose for using the internet in order of importance, with 1 being most important and 10 being least important, keeping in mind that each number can only be used once. (Drag the choices given to you below "*your choices*" in order of important to the space below "*Your ranking*".)

Education	1
Entertainment	2
Online shopping	3
Communication (social media and e-mails)	4
Seeking information on retailers	5
Seeking information on products	6
Work	
General research	8
To pay bills	9
Other (please specify)	10

QUESTION 7

Please indicate which mediums of marketing communications media you think retailers can make use of in communicating with customers. (Please use an **x** to indicate the mediums.)

Posters	1
Television	2
Newspapers	3
Pamphlets	4
Billboards	5
Radio	6
Newsletters	7
Direct e-mails	8
Facebook	9
Twitter	10
YouTube	11
SMS	12
Online pop-up adverts	13
Online banner advertisements	14
Other	15

Please note that each question will appear separately and respondents will not be able to go back and amend their answers.

QUESTION 8

Do you know what real-time marketing is?

Yes	1
No	2

If yes, go to Question 9

If no, go to Question 14

QUESTION 9

How would you define real-time marketing?

QUESTION 10

Please indicate the extent to which you agree or disagree with each of the following statements regarding real-time marketing.

		Strongly disagree	Disagree	Agree	Strongly agree
10.1	Real-time marketing is the personalisation of content in response to customer interaction.	1	2	3	4
10.2	Real-time marketing is when retailers respond to trends and specific cultural events using social media tools in real time.	1	2	3	4
10.3	Real-time marketing is live website chats between the retailer and the consumer.	1	2	3	4
10.4	Real-time marketing is receiving triggered e-mails from retailers as a response to customer needs.	1	2	3	4
10.5	Real-time marketing is when retailers engage with consumers directly on Facebook with content and offers in real time.	1	2	3	4
10.6	Real-time marketing is when retailers make use of mobile apps with geolocation technology (identifying the geographical location of a person through the internet) to personalise offerings to customers within a certain distance of their store.	1	2	3	4
10.7	Real-time marketing is when the retailers respond to consumer behaviour immediately.	1	2	3	4
10.8	Real-time marketing is when retailers respond to consumer needs within a few minutes.	1	2	3	4
10.9	Real-time marketing is when consumers receive a text message regarding a sale as they walk past the store.	1	2	3	4
10.10	Real-time marketing is when a consumer receives a discount at the time of purchase.	1	2	3	4
10.11	Real-time marketing is when consumers receive a voucher based on their current purchase at the current time.	1	2	3	4
10.12	Real-time marketing is when retailers engage with consumers on Twitter with content and offers immediately.	1	2	3	4
10.13	Real-time marketing is when retailers make use of online pop-up advertisements that appear as soon as you type in the retailer's name on a search engine.	1	2	3	4
10.14	Real-time marketing is when retailers respond to customers based on their interaction on their websites.	1	2	3	4
10.15	Real-time marketing is when retailers personalise their website per user based on their past interaction on their website.	1	2	3	4

QUESTION 11

Which of the following marketing communication tools in your opinion can be seen as real-time marketing tools? (Mark as many as you wish and mark with an **x**.)

Posters	1
Television	2
Newspapers	3
Billboards	4
Radio	5
Newsletters	6
Direct e-mails	7
Facebook	8
Twitter	9
YouTube	10
SMS	11
Online pop-up adverts	12
Online banner adverts	13
Other (please specify)	14

QUESTION 12

Please indicate to what extent the following influences your purchase behaviour (from strongly disagree to strongly agree).

		Strongly disagree	Disagree	Agree	Strongly agree
12.1	I will purchase from a retailer if I receive discounts based on my current purchases at the time of purchase.	1	2	3	4
12.2	I will purchase from a retailer if I receive discount vouchers based on what I most frequently purchase at the time of purchase.	1	2	3	4
12.3	I will purchase from a retailer if I receive a text message regarding store sales as I walk past a store.	1	2	3	4
12.4	I will purchase from a retailer if the retailer engages with me directly through Twitter in real time.	1	2	3	4
12.5	I will purchase from a retailer if the retailer engages with me directly on Facebook in real time.	1	2	3	4
12.6	I will purchase from a retailer if the retailer engages with me directly through e-mails in real time.	1	2	3	4
12.7	I will purchase from a retailer if its website is personalised based on my previous online behaviour.	1	2	3	4

		Strongly disagree	Disagree	Agree	Strongly agree
12.8	I will purchase from a retailer if it respond to trends and specific cultural events using social media tools in real time.	1	2	3	4
12.9	I will purchase from a retailer if it creates personalised marketing offerings at the time of purchase for me.	1	2	3	4
12.10	I will purchase products of a retailer that appear on pop-up online banners that are based on my current needs.	1	2	3	4

QUESTION 13

Please indicate what type of retailer would you expect to receive real-time marketing communication from? (Mark as many as you wish and mark with an **x**.)

Supermarkets	1
Department stores	2
Discount stores	3
Speciality retail stores	4
Brand-named stores	5
Online retail stores	6
Clothing retail stores	7
Household furniture, appliances and equipment retail stores	8
Pharmaceutical and medical goods retailers	9
Hardware retailers	10
Retailers in reading and stationary goods	11
Other (please specify)	12

QUESTION 14

Please indicate the extent to which you attend to or disregard each of the following marketing communications tools.

No		Disregard immediately /Regard as clutter	Consider at a later stage	Selective attention /Browse	Attend to/View as valuable
Traditional media					
14.1	Television advertisements	1	2	3	4
14.2	Radio advertisements	1	2	3	4
14.3	Newspaper advertisements	1	2	3	4
14.4	Pamphlets received from retailers	1	2	3	4
Online media					
14.5	Pop-up advertisements online	1	2	3	4

No		Disregard immediately /Regard as clutter	Consider at a later stage	Selective attention /Browse	Attend to/View as valuable
14.6	Online banner advertisements	1	2	3	4
14.7	Personalised e-mails from retailers	1	2	3	4
14.8	Personalised retailer websites	1	2	3	4
Mobile					
14.9	Personalised text messages from retailers	1	2	3	4
14.10	Product information that pops up on the retailer's mobile website	1	2	3	4
14.11	Retailer advertisements on mobile applications	1	2	3	4
Social media					
14.12	Advertisements on Facebook	1	2	3	4
14.13	Advertisements on Twitter	1	2	3	4
14.14	Advertisements on YouTube	1	2	3	4
14.15	Advertisements on LinkedIn	1	2	3	4
Real-time marketing					
14.16	Discounts received based on current purchases from a retailer at the time of purchase	1	2	3	4
14.17	Discount vouchers received based on what is most frequently purchased at the time of purchase from a retailer	1	2	3	4
14.18	Text messages regarding store sales as I walk past a store of a retailer	1	2	3	4
14.19	Retailers engaging with consumers directly through social media in real time	1	2	3	4

Demographic information

QUESTION 15

Please indicate your **GENDER**.

Female	1
Male	2

QUESTION 16

What is your current **AGE**?

Please choose **only one** of the following:

18–25 years	1
26–35 years	2
36–45 years	3
46–65 years	4
65+ years	5

QUESTION 17

Please indicate your highest qualification.

Qualification	
Did not complete high school	1
Completed Grade 12/Matric	2
Post-school qualification – diploma/certificate	3
Post-school qualification – degree	4
Postgraduate qualification	5

**Thank you for completing the survey.
I appreciate your assistance.**

APPENDIX B

VALIDITY AND RELIABILITY

EXPLORATORY FACTOR ANALYSIS

Determining consumers' definition of real-time marketing (question 10)

The reliability or internal consistency of the 4-point Likert-type scale determining what respondents considered to be real-time marketing (RTM) was analysed (question 10). Exploratory factor analysis (EFA) was conducted on this scale to determine whether there were any sets of meaningful factors with regard to what respondents constituted to be RTM.

Eigenvalues

Eigenvalues were used to identify factors that respondents thought constituted RTM. The eigenvalue represents the ratio between the variance of the original factor and that of the average factor (Feinberg *et al.*, 2013:489). Factors below the eigenvalue of 1 were not considered significant enough and were therefore discarded (Feinburg *et al.*, 2013: 489). The cumulative percentage should be above 60%.

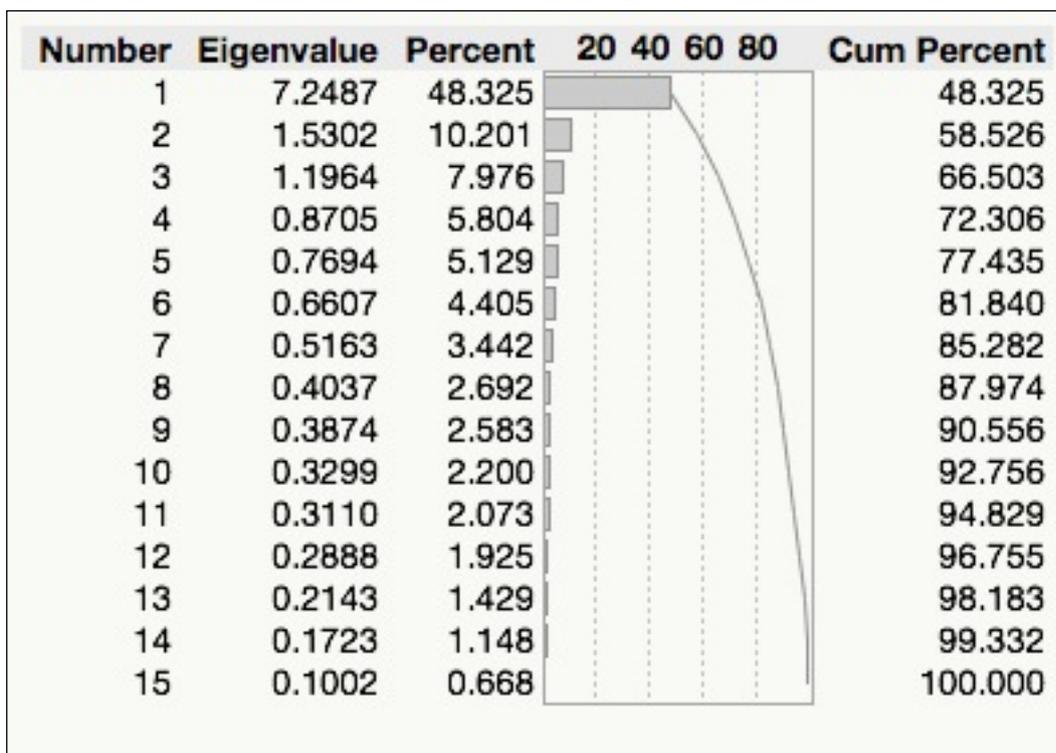


Figure 1: Eigenvalues for what consumers regard as RTM

From Figure 1 it is clear that there were three significant factors that indicated what consumers regarded as RTM, each with a value above 1. These factors were:

Factor 1: 7.24

Factor 2: 1.53

Factor 3: 1.19

A scree plot was then done to confirm the three factors that were identified by the eigenvalues.

Scree plot

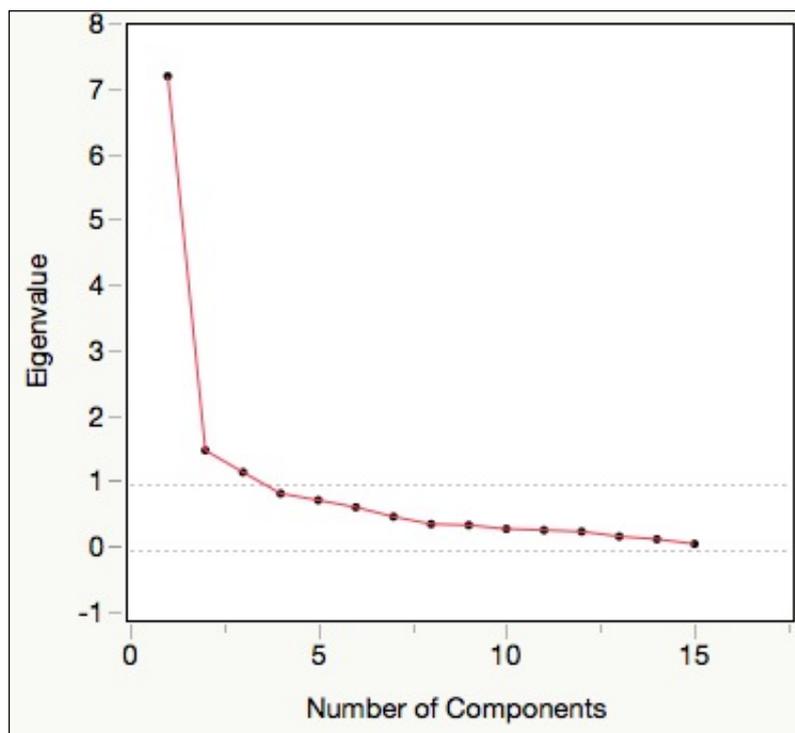


Figure 2: Scree plot indicating the factors for what participating consumers regarded as RTM

From Figure 2 it was clear that three factors could be obtained. There was however a significant drop in the curve after the second factor. To confirm the significant factors that were identified by the scree plot, factor loadings were therefore done.

Factor loadings

Factor loadings are the correlations between the variables and the factors (Feinberg *et al.*, 2013: 491). It is a representation of how much the factor explains each variable (Cooper & Schindler, 2014:564). The factor loadings shown in Table 1 confirm that three factors were identified.

Table 1: Rotated factor loadings for what consumers regarded as RTM

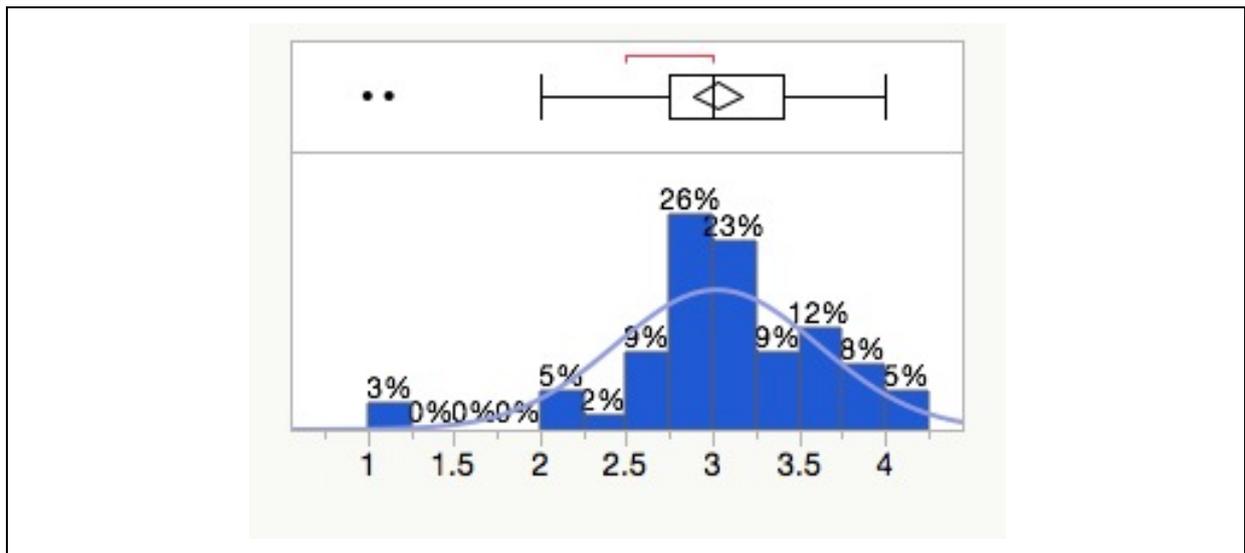
Rotated factor loadings			
	Factor 1	Factor 2	Factor 3
1 Real-time marketing is when retailers engage with consumers directly on Facebook with content and offers in real time.	0.79	0.16	0.13
2 Real-time marketing is when retailers respond to trends and specific cultural events using social media tools in real time.	0.77	0.31	0.19
3 Real-time marketing is when the retailers respond to consumer behaviour immediately.	0.68	0.09	0.34
4 Real-time marketing is when retailers engage with consumers on Twitter with content and offers immediately.	0.64	0.19	0.27
5 Real-time marketing is when retailers make use of mobile apps with geolocation technology (identifying the geographical location of a person through the internet) to personalise offerings to customers within a certain distance of their store.	0.63	0.44	0.22
6 Real-time marketing is when retailers respond to consumer needs within a few minutes.	0.60	0.24	0.34
7 Real-time marketing is live website chats between the retailer and the consumer.	0.57	0.19	0.30
8 Real-time marketing is when retailers make use of online pop-up advertisements that appear as soon as you type in the retailer's name on a search engine.	0.42	0.39	0.36
9 Real-time marketing is when retailers personalise their website per user based on their past interaction on their website.	-0.0	0.84	0.16
10 Real-time marketing is the personalisation of content in response to customer interaction.	0.36	0.71	0.04
11 Real-time marketing is when retailers respond to customers based on their interaction on their websites.	0.39	0.66	0.20
12 Real-time marketing is receiving triggered e-mails from retailers as a response to customer needs.	0.42	0.52	0.24
13 Real-time marketing is when a consumer receives a discount at the time of purchase.	0.17	0.09	0.87
14 Real-time marketing is when a consumer receives a voucher based on their current purchase at the current time.	0.34	0.26	0.60
15 Real-time marketing is when a consumer receives a text message regarding a sale as they walk past the store.	0.34	0.16	0.59

Table 1 indicates that three factors were identified from the factor analysis. Cross-loadings (items that are represented in more than one factor) can be seen for items 5 and 12 that appear in both factor 1 and factor 2. Cross-loadings are a result of ambiguity in the item or statement (Hair *et al.*, 2015: 395). When cross-loadings occur, a decision has to be made as to which factor the item is most suited for, or it is discarded. It was deemed suitable to use item 5 for factor 1 and item 12 for factor 2 as these items aligned with the items under the respective factors. The following factors were found from the factor analysis: factor 1=real-time response, factor 2=personalisation and factor 3=discounts.

Factor 1, Real-time response

The items grouped in factor 1 all focused on real-time interaction and response of the retailer. Figure 3 indicates the descriptive statistics for factor 1, real-time response.

The results indicated that the majority of respondents selected 'agree' on the Likert-type scale with regard to the items that included real-time response as part of the RTM definition. This is indicated by the mean, which was 3.02. The mean was determined by calculating the average response of each item for each respondent. The average calculated for each item that made up the factor was then added and used to determine the average or mean for the factor. The standard deviation showed a variation of 0.59 from the mean.

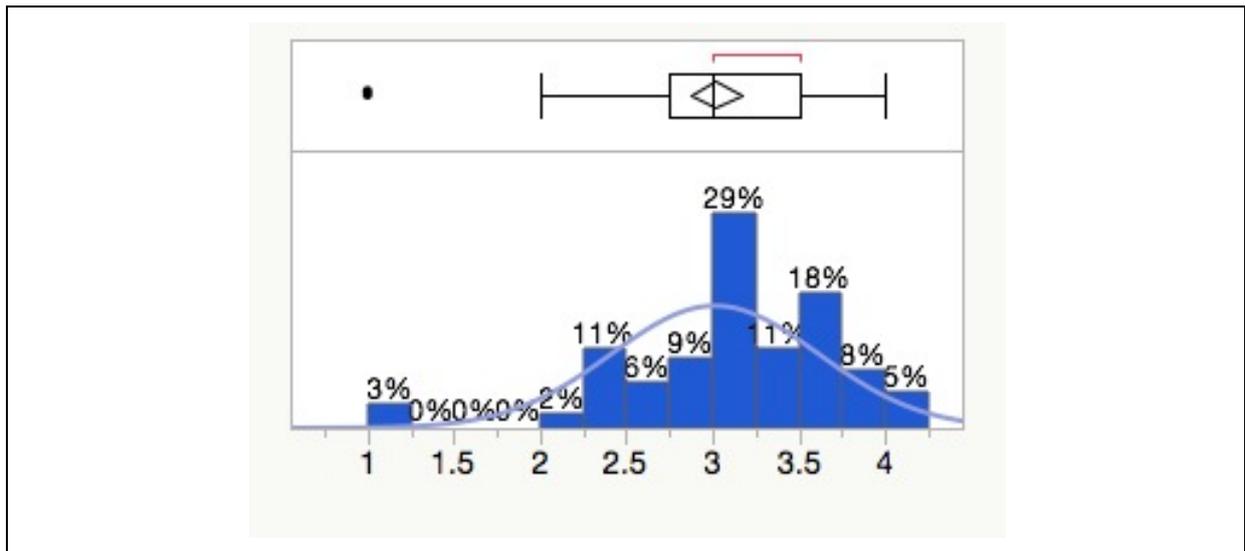


Quantiles			Summary statistics	
100.0%	maximum	4	Mean	3.0240801
99.5%		4	Std dev	0.5877685
97.5%		4	Std err mean	0.0723493
90.0%		3.7875	Upper 95% mean	3.1685716
75.0%	quartile	3.40625	Lower 95% mean	2.8795885
50.0%	median	3	N	66
25.0%	quartile	2.75	Skewness	-0.906005
10.0%		2.4625	Kurtosis	2.3075646
2.5%		1.084375		
0.5%		1		
0.0%	minimum	1		

Figure 3: Factor 1, Real-time response

Factor 2, Personalisation

The items that formed factor 2 focused on personalised interaction with the consumer. Figure 4 illustrates the descriptive statistics for factor 2, personalisation. The results indicated a mean of 3.01, which indicated that the average responses leant towards ‘agree’ on the Likert-type scale. This means that most respondents agreed with statements that focused on personalised interaction as a definition of RTM. The standard deviation was 0.60 which indicated a variation of 0.60 in the answers from the mean.



Quantiles			Summary statistics	
100.0%	maximum	4	Mean	3.0138889
99.5%		4	Std dev	0.6001395
97.5%		4	Std err mean	0.0738721
90.0%		3.75	Upper 95% mean	3.1614216
75.0%	quartile	3.5	Lower 95% mean	2.8663562
50.0%	median	3	N	66
25.0%	quartile	2.75	Skewness	-1.080134
10.0%		2.25	Kurtosis	2.2657303
2.5%		1		
0.5%		1		
0.0%	minimum	1		

Figure 4: Factor 2, Personalisation

Factor 3, Discounts

Figure 5 illustrates the descriptive statistics for factor 3, discounts. All the items that were group together focused on discounts and sales information received in real time. The mean response for the items of this factor was 2.79 and the standard deviation indicated a 0.7 deviation of the answers from the mean. This indicated that respondents tended to lean towards ‘agree’ on the Likert-type scale with statements that regarded discounts as part of the definition of RTM.

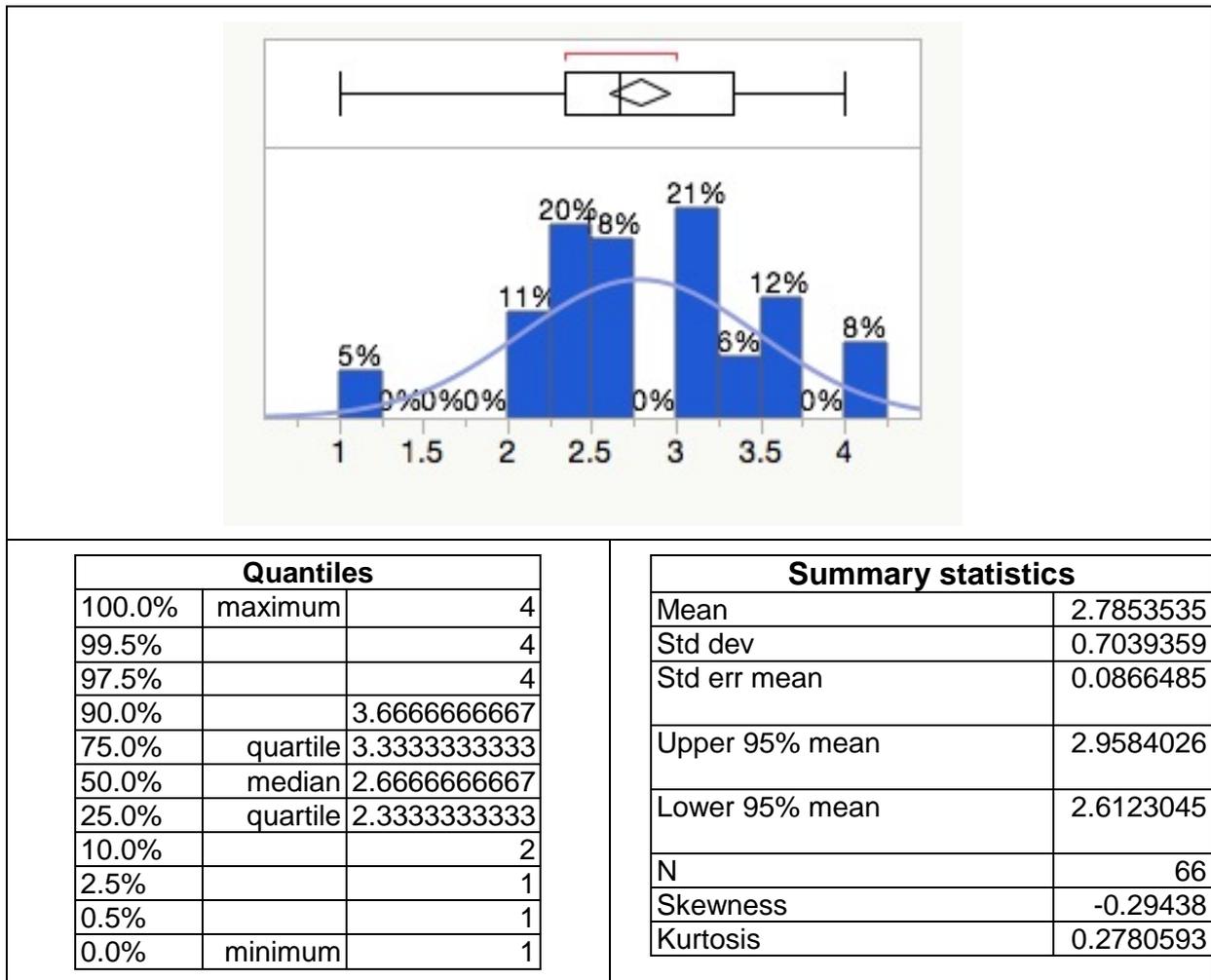


Figure 5: Factor 3, Discounts

Extent to which the real-time marketing tools influence consumer purchase behaviour

The reliability or internal consistency of the 4-point Likert-type scale determining which RTM tools influence consumer purchase behaviour (question 12) was analysed. In order to determine whether there were common factors among respondents regarding which RTM communication tools influenced their purchase behaviour (question 12), EFA was conducted.

Eigenvalues

The eigenvalues were used to identify possible factors that represented the variables that influenced consumers' purchase behaviour.

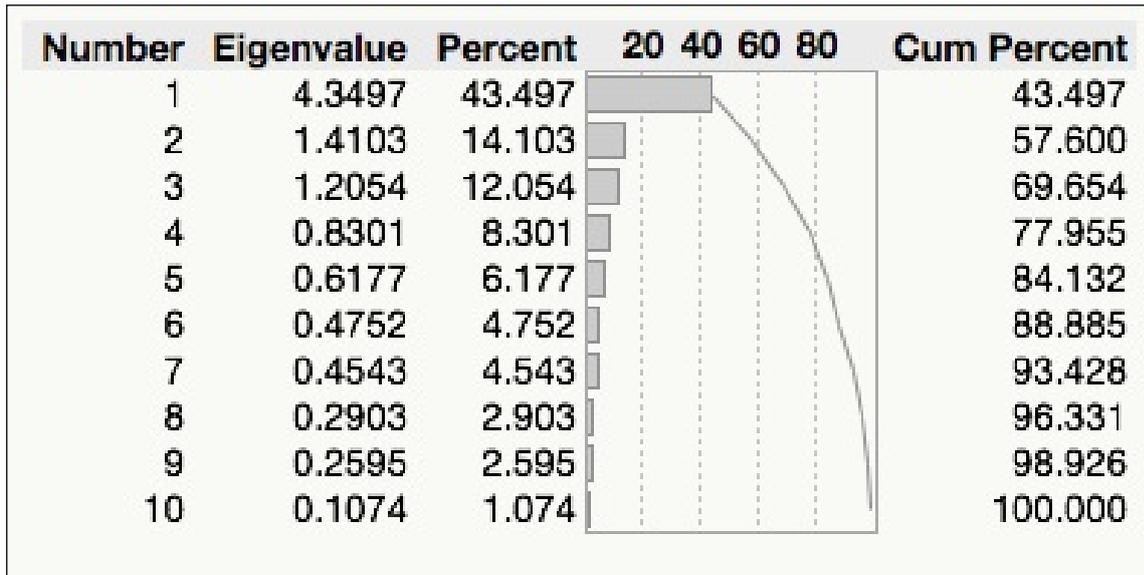


Figure 6: Eigenvalues for RTM tools that influence consumer purchase behaviour

Figure 6 indicates those factors with an eigenvalues above 1 and a cumulative percentage over 60%. It is clear from Figure 6 that three factors could be significant, namely –

Factor 1: 4.35

Factor 2: 1.41

Factor 3: 1.20

A scree plot was then done to confirm the three factors identified by the eigenvalues further.

Scree plot

The scree plot identified three factors that could be of significance. As seen on the scree plot in Figure 7 the factors below the eigenvalue of 1 were not considered significant enough. From the scree plot, we also see that there was a significant drop in the curve after the second factor already. This could have indicated that only two factors could be of significance.

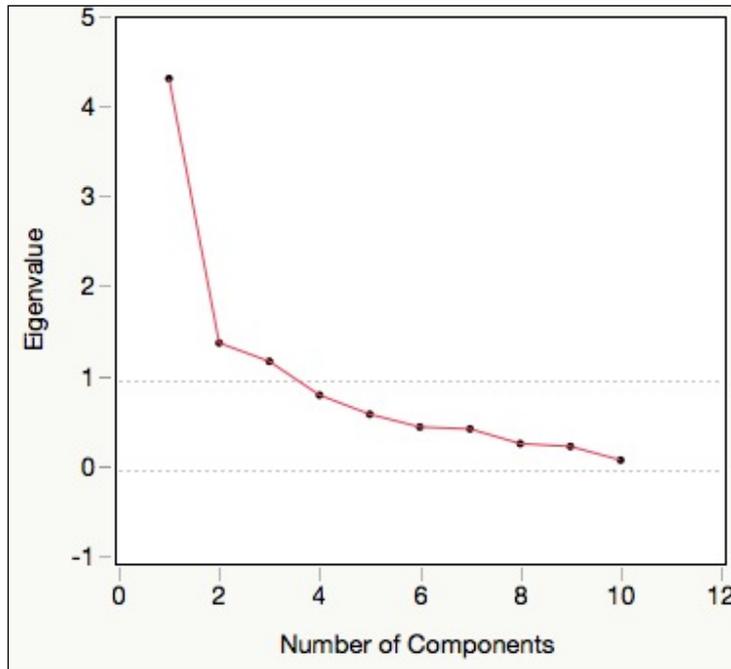


Figure 7: Scree plot indicating factors for the RTM tools that influence consumers' purchase behaviour

To confirm the factors that were identified by the eigenvalues and the scree plot further, factor loadings were done.

Factor loadings

In order to confirm the relationship of each variable to the underlying factor, factor loadings were done. Factor loadings 0.4 indicated good convergent validity. The factor loadings indicated three possible factors. These three factors indicated cross-loading between factor 1 and factor 2. The variables were looked at to determine with which factor they aligned most. It was found that these variables did not make sense with either of the factors. The factor loading indicated that two of the factors consisted of only two items. For a factor to be suitable, more than two items should ideally be grouped together. If only two items make up a factor, this is deemed a limitation. Factor loadings were then done for two factors only, and this reflected clean loadings without any cross-loadings. It was thus reasoned that it would be suitable to make use of only two factors as seen in Table 2.

Table 2: Factor loadings indicating two factors for the RTM tools that influence consumer purchase behaviour

Rotated factor loading		
	Factor 1	Factor 2
1 I will purchase from a retailer if the retailer engages with me directly on Facebook in real time.	0.87	0.28
2 I will purchase from a retailer if the retailer engages with me directly through Twitter in real time.	0.82	0.23
3 I will purchase from a retailer if the retailer engages with me directly through e-mails in real time.	0.63	0.01
4 I will purchase products of a retailer that appear on pop-up online banners that are based on my current needs.	0.60	0.04
5 I will purchase from a retailer if I receive a text message regarding store sales as I walk past a store.	0.52	0.33
6 I will purchase from a retailer if their website is personalised based on my previous online behaviour.	0.52	0.33
7 I will purchase from a retailer if I receive discount vouchers based on what I most frequently purchase at the time of purchase.	0.15	0.99
8 I will purchase from a retailer if I receive discounts based on my current purchases at the time of purchase.	0.02	0.57
9 I will purchase from a retailer if they respond to trends and specific cultural events using social media tools in real time.	0.36	0.46
10 I will purchase from a retailer if they create personalised marketing offerings at the time of purchase for me.	0.35	0.36

Table 2 indicates the items that formed the two factors from the factor loadings. The factors that were found from the factor analysis were factor 1=personalisation and factor 2=discounts.

Factor 1, Personalisation

The items that were grouped under factor 1 focused on personalised interaction of the retailer with the consumer. The descriptive statistics for factor 1, as illustrated in Figure 8 shows a mean, which represents the average of the responses for the items that formed the factor, of 2.5 (between 'agree' and 'disagree' on the Likert-type scale), with a standard deviation of 0.60 from the mean. The skewness value was 1.02, which is above zero and this indicated that the data was slightly skewed to the right of the scale towards 'agree'. To get a better understanding of the response in this case we looked at the median, which was 2.3. This indicated that the average response rate was between 'disagree' and 'agree' on the Likert-type scale although more respondents tended to select 'agree', which thus pulled the average responses towards the right.

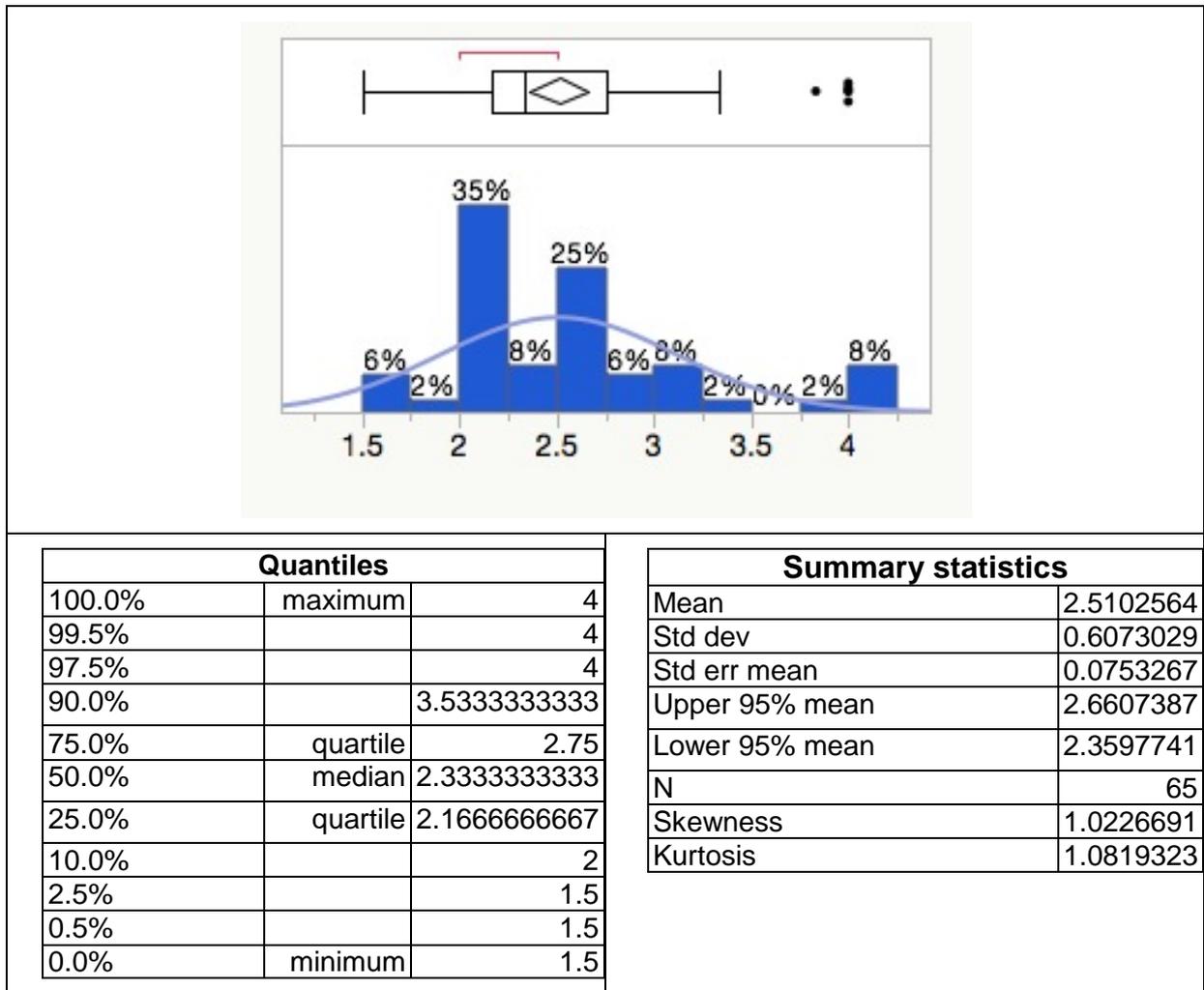


Figure 8: Factor 1, Personalisation

Factor 2, Discounts

The second factor that was established focused on receiving discounts or vouchers at the time of purchase in real time.

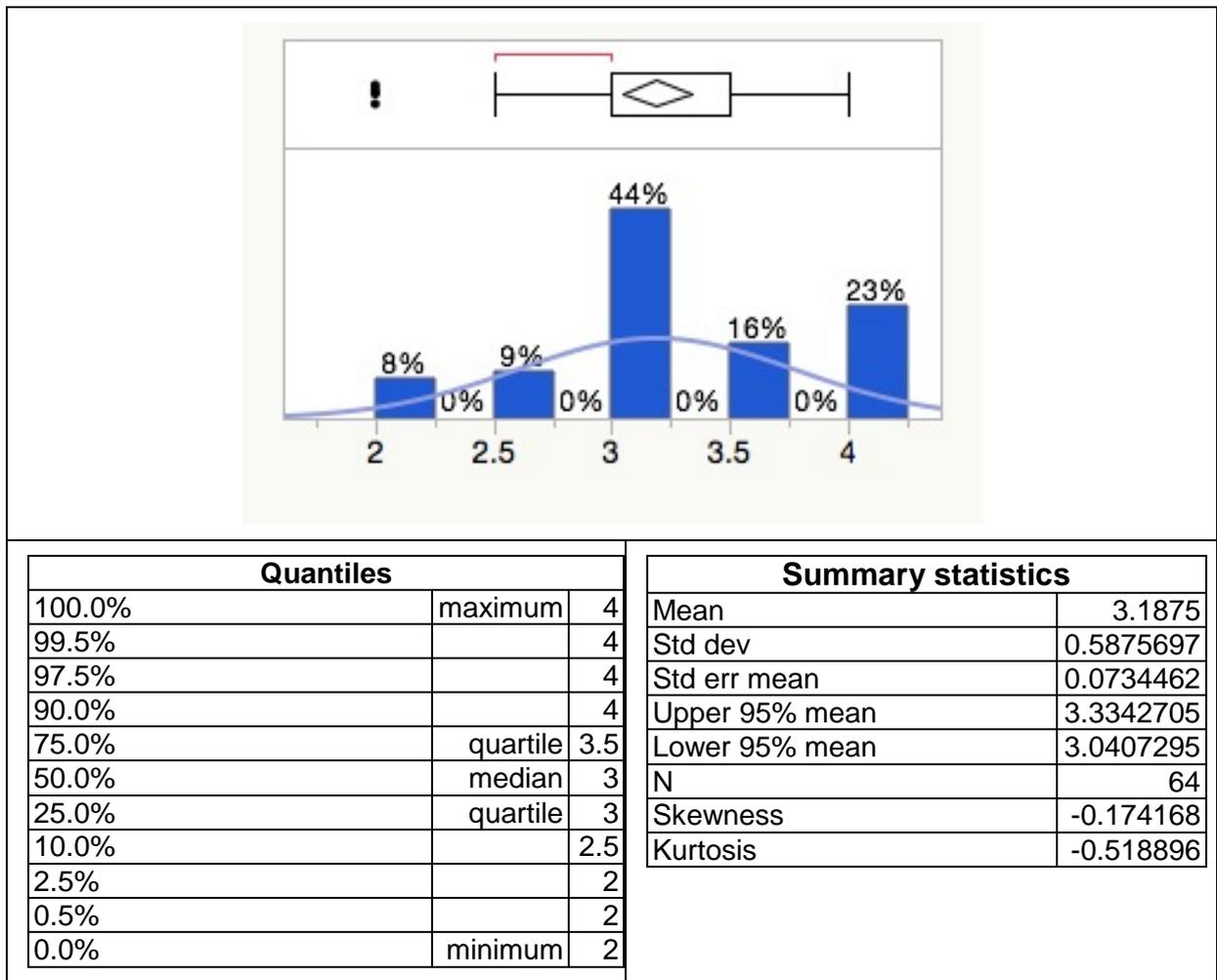


Figure 9: Factor 2, Discounts

As indicated in Figure 9 the mean value was 3.18 with a standard deviation of 0.59 to the mean, which indicated that most respondents tended to agree with statements that included discounts as an influencer of consumers' behaviour towards the RTM campaign.