The use of social media marketing strategies by SMMEs in the hospitality sector in Cape Metropole, South Africa

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Abstract

SMMEs have been touted as the major driver of any economy – they create jobs, reduce poverty levels and generally improve the livelihood of a society. SMMEs nonetheless encounter numerous challenges. These range from lack of access to funding, poor education and understanding of small business management practices. Embedded in small business management practice, is the need to undertake proper marketing. Marketing has recently featured as one of the main challenges of small businesses. Lately, several marketing channels have emerged in response to this challenge. These channels have been reported to have positive impact. This study objective sought to determine whether social media marketing strategies are deployed within the hospitality sector in the Cape Metropole to enhance the growth of restaurants.

A survey was conducted of SMMEs with employment capacity of not more than 50 employees, specifically restaurants in the Cape Metropole. A quantitative methodology was employed, using a self-administered questionnaire, distributed to SMMEs in the Cape Metropole. The sampling method was purposive. The findings of this study reveal that most of the sampled SMMEs used social media platforms. The findings also revealed that SMMEs perceive social media to have moderately effective marketing tools, with WhatsApp as the most effective, followed by Facebook and Twitter. Hence, this study provides an alternative to the ailing marketing strategies currently used by small businesses. The findings could assist SMME operators to assess and review their social media platform usage, to maximise the capabilities these platforms could offer.

Keywords: Small Micro and Medium Enterprises (SMMEs), social media, Social network sites, Marketing communication, ICT, hospitality sector.
Introduction

Globally, several challenges have been reported to confront small businesses. These range from lack of or an inadequate network support system; unavailability of enabling laws to support entrepreneurship; inability to work out a good business plan; lack of good leadership and management by the entrepreneurs; and the inability of the entrepreneurs to provide good customer service or a product to satisfy the consumers needs and wants (Malunde, 2000; Mbonyane, 2006; Sing, 2011). Despite these challenges, SMMEs are hyped up as the major driver of any economy because they are associated with job creation, poverty alleviation, and robust improvement of a society’s socioeconomic status.

Embedded in small business management practice is the need to undertake appropriate marketing. As research has revealed, one of the significant causes of small business failure is a gross lack of appropriate marketing strategies. In fact, it has been pointed out that the root of this lack of proper marketing strategies, in emerging economies lies within poor education and understanding of small business management practices. In South Africa, it has been found that a lack of marketing strategies and skills contribute to business failures on an ongoing basis. The idea that marketing must be done to support the growth of business, is lacking, causing businesses to fail (Scheers, 2010). Petrus (2009) also found that a combination of factors, namely poor access to the market, and deficient marketing strategies, was a leading cause of small business failure in South Africa. In addition, a lack of business acumen about issues such as marketing, contribute to business failure in South Africa (Son, 2005). Although several studies have been conducted to ascertain the reasons why SMMEs fail, research on the use of social media marketing strategies to support the growth of small businesses has been lacking in South Africa. In fact, research by Stow (2012) on the effective integration of multiple communication systems, including social media, found that social media integrated marketing systems could allow for a two-way communication pattern, which builds clients' communication, thus resulting in the loyalty of clients over a broader range of products and services.

Few studies have been conducted on the use of social media marketing strategies regarding the growth of small businesses in the Cape Metropole, especially within the hospitality sector. In the Western Cape, van Niekerk (2014) describes how the use of social media as a promotional marketing mix was a vital aspect of marketing strategy in a star graded accommodation establishment. This paper thus reports on the findings of a study which aimed to determine the utility of social media platforms in support of restaurants in the Cape Metropole. Specifically, the study intended to find out (1) whether social media platforms are used for the purpose of growing the restaurants; and (2) the effect of the social media platforms when used for the growth of the restaurants. So, the main research question was: do restaurants in the Cape Metropole utilise social media marketing strategies for the growth of their business?

The social media platforms in question include Twitter, Facebook, and Whatsapp. The reason for these choices is based on their contemporary popularity.

This paper is structured as follows: following the introductory section is the theoretical framework. In this section, we deliver material that supports significant aspects of the basis of the study namely social media, the need for proper marketing strategies in the management of small businesses, and a general note on the challenges of small businesses in South Africa. We are of the view that these should offer the necessary scientific research
base that supported the study. Following the section on literature is the methodology section where we address the research design and other appurtenances. Finally, we discuss the results and then conclude with what are hopefully, inspiring recommendations.

Literature Review

Definition of social media

Boyd and Ellison (2008) define social media as any web-based applications that allow an individual or group to create a profile and connect systematically with others who are on the platform. In addition, Chu and Kim (2011) define social media as part of an ICT-based application – internet communication technology – built on the ideology and technological precept of Web 2.0, which allows the creation and exchange of generated content. They also suggest that social media is a virtual platform that allows and facilitates the simultaneous interaction of those who use it. According to Lim (2010:5), Facebook is a networking platform that gives users a plain platform for conversation; to share photographs and connect with friends who are on the platform that links the user to the web. In the same vein, Lim (2010) defines Twitter as a miniature blog where information is posted to keep people informed.

WhatsApp, on the other hand, is defined by Church and Oliveira (2013) as a mobile instant messaging (MIM) application that allows smart phone users, with the convenience of a mobile data plan, to send and receive text messages to individuals or groups of people at little or no cost and also enables users to receive location information, images and audio visual material. Furthermore, Bouhnik and Deshen (2014:217) identify WhatsApp as a “ubiquitous” smartphone application, powered by an electronic operation system that enables users to engage in a raised level of smart communication.

According to Mulero (2012), social networking has been in existence since creation, with the transfer of knowledge from one person to another as its foundation. In the 21st century, when people talk about a social network, what comes to mind is Facebook and other social media sites, but social network exploration started far back as the 1990s, with broader internet usage known as the Bulletin Board System (BBS) at Friendster. Mulero (2012) explains how marketing has become more powerful for businesses and clients that use social network sites; social network cost effectiveness has outweighed the traditional types of marketing, making social media a more accessible channel to reach prospective buyers. Many small businesses have adopted social media for marketing because it is a faster and cheaper way of marketing when compared to the traditional methods of advertising. Mulero (2012) describes how, despite the growth in the use of social networking, South African consumers and businesses have unfortunately not exploited the maximum potential of these networks, compared to their counterparts in developed countries. Social network marketing is part of e-commerce which deals with online marketing and advertising, customer relations management, portals, hubs, online auctions and e-tailing (Mulero, 2012).

Use and effectiveness of social media marketing platforms for businesses

In a unique American study, Brown (2010) found that 51% of the respondents used Facebook while 67% used Twitter to buy what was posted on the company social media account, which they followed as fans of the company. A recent study by Chua (2013), also in the United States, which focused on the impact of social media on New York restaurants, revealed that restaurant operators could use social media applications to attract
Customers’ rating of their restaurant services, which would hopefully lead to optimum revenue generation. Another survey in the United States, revealed that 94.5% of the respondents agreed that social media was used for learning something new, to influence other users about bad companies and products, to avoid negative impact that could hinder business growth (by sharing information about a product), to send a warning message, to connect with others on the network, and to entertain or create something new through the network (Yi Wu, 2013).

In a related study that took place in Sweden, Rudloff and Frey (2010) stated that a social media marketing strategy is a cost effective, simple and fast way to communicate with customers and stakeholders in a business environment. Essentially, social media can be used to identify a market, analyse that market and prop it for growth owing to continuous interaction with customers. Rudloff and Frey (2010) however advise companies wishing to engage in social media marketing to be guided by some rules such as structured organisational communication and the objective of what such communication should be and the principal for such communication before implementing social media marketing strategy.

In the Netherlands, a study by De Vries, Gensler and Leeflang (2012) pointed out that social media is a channel that allows for engagement and relationships with customers through brands, with designed fan pages on the network, where customers can indicate that they like the brand and may comment on the brand post. In this way, any positive post for a product could be amplified through the number of positive likes on the network, which in turn could lead to more customer awareness.

In Kenya, Jagongo (2013) revealed that 81% of small business owner/manager respondents agreed that they used social media to reach more people because it was user friendly and cheaper than the traditional pattern of advertising. Of this group, 23% acknowledged that they used social media for customer relations management; 22% used the platform to sell their products, 21% to access market trends, and 15% to gather information about their customers.

In yet another survey, Neti (2011) found that 52% of businesses and corporate organisations surveyed in India agreed that they used social media tactics to reach out to customers, because of their exponential growth potential. It helped to expand the social media network of customers who could discuss, comment, participate, share and create the same business ideology that would lead to their business growth. Moreover, the survey revealed that social media marketing had been deployed by small business brands and public relations businesses for corporate organisations, and that small businesses were the biggest beneficiary from social media marketing strategies.

Literature is thus replete with evidence of the positive impact of social media platforms in turnaround measures of small business specifically those in the hospitality industry. There is proof that social media improves relations with customers, helps with advertising, marketing and generally improves sales through the effective posting of updates, and the use of graphics/pictures. Afterall, Hsu and Ting (2013), as well as Malthouse, Haenlein, Skiera, Wegly and Zhang (2011) are in agreement that the use of social media in the hospitality industry brought about an increase in the number of fans, and also empowered business owners to respond timeously to customers at minimal cost.
Lack of proper marketing skills as a challenge of small businesses

Radinhere and Scheers (2005) found that a lack of proper marketing and managerial skills impacted negatively on small business survival in South Africa, while effective marketing strategies enhanced the possibility of growth (Brink, Cant & Lighthelm, 2003). According to Clay (2005) other challenges of small businesses include a lack of entrepreneurial skills such as marketing, business planning, price haggling, time management, financial and general management skills. Additionally, marketing strategies that support customer satisfaction were considered non-existent, thereby affecting small business growth (Scheers, 2010).

In the United Kingdom, Chaston (1997) found that small businesses could achieve growth through entrepreneurial marketing strategies; however, the study emphasized that owner/managers, should not implement marketing strategy without continuous review of whether it answered the needs of their current business organisational structures. Similarly, Richardson, Howarth, and Finnegan (2004) revealed that Ethiopian, Tanzanian and Zambian women in business experienced tough marketing challenges compared to their male counterparts, because of their inability to use other promotional and marketing strategies and being unaware of information sources that could assist them in market-related problems. Many women entrepreneurs lack the necessary techniques of price haggling with customers and suppliers. Most of them rely only on word of mouth, thus facing both social and practical problems when trying to access non-local markets (Richardson et al., 2004).

In Europe, another survey found a debilitating lack of strategic marketing, which is required to help businesses identify their customer base. To inform customers of their prices, in a competitive environment, could be important to the business growth (Avoiding Business Failure 2004). Radinhere and Scheers (2005), Scheers (2010) and Clay (2005), were unified in theorising that a lack of positive marketing strategies is a considerable contributor to small business failure. Proper entrepreneurial marketing strategies constitute a mechanism for the achieving of growth in small business, suggests Chaston (1997), however he emphasised that the owner/manager should not implement a marketing strategy without there being an obvious need for one.

The importance of small businesses and their challenges in South Africa

SMMEs play an important role in job creation and employment to stimulate the country’s economic growth (Fan, 2003; Falkena, Abedian, Blottniz, Coovadia, Davel, Madungandaba, Masilela & Rees, 2001).

In agreeing with this point, the Department of Trade and Industry (DTI) (2005) emphasised that millions of South Africans are being absorbed into jobs created by SMMEs; they emerge as the hub to boost South Africa’s economy, serving as a mechanism for pushing sustainable and equitable growth and as the conduit that will unlock the desired economic growth (Edmore 2011). Furthermore, 55% of job opportunities in South Africa are created by SMMEs: with the unemployment problem facing South Africa due to job scarcity, SMMEs have created up to 11.6 million employment opportunities, which led to the creation of about six million jobs (Ramukumba, 2014). According to the DTI in 2012, (cited by Ramukumba, 2014) South Africa has more than 800 000 SMEs, which alone contribute up to 50% GDP with the estimated employment labour force of about 60%. Hence, SMEs are a key to economic growth, considering their unique ability to create employment opportunities. The sector has 82% in micro-enterprises (survivalist), with only about 300 000 South Africa
businesses employing five or more people, while medium-sized enterprises employ the most people in the business environment, notwithstanding their productivity level. Chimucheka (2006) noted that the difficulties of gaining financial support from relevant financial institutions, as well as a lack of entrepreneurial skills and education, are part of the small business challenges in South Africa. SEDA (2012) revealed in a government paper that a lack of entrepreneurial skills and strategies to manage SMEs is an integral part of the challenges experienced by small businesses in South Africa. Cant and Wiid (2013) found that the lack of a good business plan during the start-up stage, and the ability to understand the marketing information trend - external and internal factors contributed to SMEs’ failure. Furthermore, Smit and Watkins (2013) explained that poor managerial skills, lack of education and basic business training, as well as a lack of knowledge of marketing trends, all contribute towards small business failure. Poor market access and the failure to observe and implement some risk management strategies to avert internal and external risk factors, further increase the potential for failure of small business in South Africa.

Fatoki (2014) in yet another study in South Africa on the issue of small business challenges, revealed that internal factors that affected small businesses were: poor management experience, lack of business planning, poor attitude towards customers, and poor staff training. Scheers and Radipere (2007) found that management and business skills which were important to small business growth were lacking. Therefore, improving the managerial skills of the business owner/manager is a contribution to the growth of small business. Similarly Ntsika (2011) cited by Ramukumba (2014) stated that a lack of exact technology, low production of goods and services, the inability to produce quality products, lack of market access, and poor client relations, as well as a lack of managerial skills, decrease the success rate of small businesses in South Africa.

The above challenges are not particularly gender biased. For instance, the DTI (2005) stated that women entrepreneurs in South Africa lacked skills and education, despite gender discrimination in the business environment, which lead to women entrepreneurs' business failure.

Methodology

The study adopted the positivist paradigm utilising a questionnaire to obtain relevant and useful data.

Sample

With the knowledge that there is no comprehensive database of restaurants in the city of Cape Town, and also referencing Kapondoro, Iwu and Darko (2015), the researchers considered the use a census instead. A census is a method that allows for the possible participation of every population of a study (Maree, 2016). The use of other alternative sampling methods such as random sampling was not an option. Basically, this method allowed the researchers to select samples from the parts of the population which were accessible to the researchers and which also had the pertinent characteristic attributes to meet the objective of this study (Maree 2007:178). Thus, a purposive sampling method derived from a census was applied. In the end, 95 fully completed questionnaires were returned.
Instrument

From the batch of questionnaires that was distributed, a total of 95 useable questionnaires were received, thus making the rate of response 52.7%. This was relatively higher than 50% rate response, of similar studies conducted in the Cape Metropole (Maduekwe & Kamala 2016a). Given the objective of the researchers to gather information relating to usage of social media marketing strategies to support the growth of small businesses in the Cape Metropole, primary data were collected from the owners and managers of restaurants through a self-administered questionnaire. The approach of using a survey was aimed to obtain facts on the subject matter from people who were informed about the context (small businesses). Questionnaire surveys are popular when a huge volume of information must be obtained from a large number of respondents in a short space of time (Brynard & Hanekom, 2006). The data collected were analysed by using descriptive statistics, to support the findings of the study logically.

Questionnaire design

The questionnaire was designed bearing in mind the three social media sites - Facebook, Twitter and WhatsApp, which were the focus of the study. The questionnaire comprised four pages including the consent letter. The consent letter was used to educate the respondents about the purpose of the study, and also to reassure the respondents that any information they gave would be kept anonymous, confidential and strictly tied to the purpose of the study. The questionnaire started with general questions on the use of social media. It then narrowed down to enquire specifically about three social media platforms, selected for the purpose of this study. Later questions aimed at finding out the respondents’ perceptions of effectiveness when using social media for marketing, and to enquire how the respondents used social media for their businesses; and also, additionally, questions were asked about respondents and their business's profile, at the end of the questionnaire. In a bid to persuade the respondents to participate in the survey questionnaire, the questionnaire was designed to be user-friendly and comprised closed-ended questions, with the answer being either "yes" or "no"; Likert scale four-point answers, or multiple-choice questions and also one question provided an open-ended "other" option, which required respondents to specify their answer accurately. The estimated time required for the completion of the questionnaire was minimised to approximately ten minutes.

Reliability and validity

To ensure validity and reliability, the survey instruments were reviewed by three academics with experience in questionnaire design, to check the questionnaire for any possible discrepancies. Following the outcome of their review, the questionnaire was adjusted to achieve the aim of the study.

Results

The use of social media platforms by small businesses

Considering the focal point of the study, participants were required to indicate the types of social media they used for marketing their businesses. The questionnaire was therefore divided into three sections (namely sub-sections i, ii, and iii) for this purpose. The participants were asked in section A of Question 1 in the questionnaire, to indicate by 'yes' or 'no' whether their businesses used social media. Of the respondents, 92.6% confirmed
that their businesses used a social media platform, while 7.4 indicated that their businesses
did not use a platform. This high percentage is consistent with the findings of Jagongo
(2013) who found that 81% of small businesses in Kenya used social media network sites.
This study shows a high percentage of respondents using social media networks for their
businesses.

[Figure 1. Respondents’ use of social media platforms]

In Section A the respondents were required to indicate which of the three social media sites
they used for marketing: Facebook, Twitter and WhatsApp. A four-point Likert scale was
used to measure the probability of the response with weightings of four for ‘very frequently’,
three for ‘frequently’, two for ‘sometimes’ and one for ‘never’. This indicates that the nearest
the mean was to four the more often a specific social media site was used.

Similarly, the percentage of respondents that indicated their business used one or other of
the social media frequently or very frequently, were merged together to report as the
“percentage who used the platform frequently” in the third column of Table 1. Those
respondents who indicated that their business never or sometimes used the platform, will be
conservatively identified as having not used the social media platform for business purposes,
because the words ‘never’ and ‘sometimes’ indicated very minimal use of social media. The
use of the scale was justified, because it ensured accurate reporting on businesses that
used any of the three identified social media platforms.

Table 1: The social media used for marketing

<table>
<thead>
<tr>
<th>Number</th>
<th>Social media site</th>
<th>Percentage (using the platform frequently)</th>
<th>Respondents n=79</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Facebook</td>
<td>58.9%</td>
<td>2.71</td>
<td>0.920</td>
</tr>
<tr>
<td>2</td>
<td>Twitter</td>
<td>27.5%</td>
<td>1.98</td>
<td>0.848</td>
</tr>
<tr>
<td>3</td>
<td>WhatsApp</td>
<td>82.3%</td>
<td>3.15</td>
<td>0.921</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>76%</td>
<td>3.12</td>
<td>0.833</td>
</tr>
</tbody>
</table>
In a nutshell, Table 1 shows that the most frequently used social media were WhatsApp (82%), Facebook (58%) and Twitter (27.5%) respectively. However, 76% of respondents indicated that they also used other marketing channels such as sms, emailing, fliers, telephone calls and word of mouth. The means frequency confirms that WhatsApp was the tool used by most respondents (3.15), followed by other communication platforms (3.12). The standard deviation (0.833 – 0.921) suggests that a very high proportion of respondents agreed that they used social media for marketing their businesses.

These results concur with the study by Neti (2011:11-14) who found that 52% of businesses surveyed in India used social media platforms to get to clients for marketing purposes.

**Frequency of social media use and its purpose**

This part of the questionnaire required the respondents to specify their use of Facebook, Twitter and WhatsApp for the purposes of promotion, product marketing, socialising and customer loyalty. A four-point Likert scale was used, with the score of 4 for “very frequently”, 3 for “frequently”, 2 for “sometimes”, and 1 for “never”. The nearest the mean was to four (4), the more frequently the platform was used. It is important to note that the percentage of the respondents who indicated their business usage of the social media as “very frequently” or “frequently” were merged, and also reported as “percentage frequently used for specific purpose”. Consequently, this paradigm is justifiable because it confirmed that those businesses, whose usage was frequent, used the platform for a specific goal.

**Table 2: Purpose for which businesses used social media**

<table>
<thead>
<tr>
<th>Purpose of use</th>
<th>Percentage</th>
<th>Respondents n=72</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>67.6%</td>
<td>Mean</td>
<td>.823</td>
</tr>
<tr>
<td>New Product/marketing</td>
<td>58.8%</td>
<td>2.65</td>
<td>.974</td>
</tr>
<tr>
<td>Socialising with client</td>
<td>77.3%</td>
<td>3.04</td>
<td>1.019</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>65.2%</td>
<td>2.71</td>
<td>.915</td>
</tr>
</tbody>
</table>

The results, in Table 2 above, indicate that social media use was mostly for the purpose of socialising with clients (77.3%). Respondents indicated that promotion was the second most frequent purpose (67.6%), while increasing customer loyalty was the next most frequent purpose (65.2%). Marketing scored only 58.8% as the purpose of social media use, informing clients about new products. The standard deviation of 1.019 indicated some clear disagreement amongst the respondents on the use of the platform for business purposes, because many used it for socialising with clients, rather than for marketing purposes.
Perception of the effectiveness of social media marketing

In Section 2 of the questionnaire, there were two parts (Part A and Part B). In Part A the respondents were asked to indicate their view of the effectiveness of the three social media platforms (namely Facebook, Twitter and WhatsApp) when used for marketing, A Likert scale, with a rating of 1 for “ineffective”, 2 for “neutral”, 3 for “somewhat effective” and 4 for “very effective” was used. Therefore, the nearest the mean was to four, the more effective the platform was perceived to be.

For specificity and accuracy, the responses that social media use was either “somewhat effective” or “very effective” were merged, and reported as “perceived percentage of the platform used to be very effective”, and these results are shown in percentages in Table 4. The approach is justifiable because it reported only the effective use of social media for marketing SMMEs.

Table 3: Perception of the effectiveness of using social media for marketing

<table>
<thead>
<tr>
<th>Social media used for marketing</th>
<th>Perceived effectiveness in percentages</th>
<th>Respondent n=79</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mean</td>
<td></td>
</tr>
<tr>
<td>Facebook</td>
<td>61.7%</td>
<td>2.71</td>
<td>0.979</td>
</tr>
<tr>
<td>Twitter</td>
<td>36%</td>
<td>2.10</td>
<td>0.907</td>
</tr>
<tr>
<td>WhatsApp</td>
<td>84.8%</td>
<td>3.13</td>
<td>0.790</td>
</tr>
</tbody>
</table>

Table 3 summarises social media use for marketing purposes, with the perceived effectiveness of Facebook at 61.7%, Twitter at 36% and WhatsApp at 84.8%.

The mean in the above table confirms that WhatsApp was perceived to be the most effective (3.13) followed by Facebook (2.71) and Twitter (2.10). The standard deviation, which was between 0.790 - 0.979 indicated the stability of this result.

These above results are somewhat consistent with that of Brown (2010) who found that businesses used Facebook and Twitter respectively, to buy what was posted on social media sites of companies in their network. In Section 2, Part B of the questionnaire, the respondents who indicated that the platform was effective, were asked whether they measured the effectiveness using classic social media instruments in the form of Fans/ follow/ like, retweets, comment, share of conversation or referral. They had to give a simple yes/no answer.
Table 4: Measurement of the effectiveness of social media

<table>
<thead>
<tr>
<th>Apparatus</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you measure the effectiveness?</td>
<td>84.9%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Fan/Follow/Like</td>
<td>51.6%</td>
<td>48.8%</td>
</tr>
<tr>
<td>Retweets</td>
<td>14%</td>
<td>86%</td>
</tr>
<tr>
<td>Comments</td>
<td>69.6%</td>
<td>30.4%</td>
</tr>
<tr>
<td>Share of conversation</td>
<td>78.5%</td>
<td>21.5%</td>
</tr>
<tr>
<td>Referral</td>
<td>27.5%</td>
<td>72.5%</td>
</tr>
</tbody>
</table>

As summarised in Table 4 sharing a conversation was perceived to be the most effective way to promote small businesses, with 78.5% of respondents indicating agreement, while 21.5% showed no interest in using that method. The use of comments by 69.6% was offset by 30.4% in that category who disagreed, followed by Fans/Follow/Like (51.6%) as a method of measuring effectiveness, while 48.8% disagreed on that approach.

Referral was not a popular method of measuring effectiveness, (27.5%) while 72.5% did not choose that approach. The fewest respondents in agreement were those who chose to use retweets (14%), while 86% of respondents did not choose that approach to measure effectiveness. These results to some extent are consistent with that of Hsu and Ting (2013) in United States, who found that effective use of Facebook features “fans, like, comments” led to indirect increase in sales by posting interesting and informative updates, as well as responding to comments.

Discussion

Focus on social media sites used in this study

Concerning the use of social media sites by respondents, the results reveal that 92.6% respondents used social media, while 7.4% did not use social media sites. Amongst those that used social media marketing very frequently, 58.9% used Facebook, while 27.5% used Twitter, followed by 82.3% who used WhatsApp, and 76% respondents used other marketing strategies, such as SMS, flyers, word of mouth advertising and e-mails. This indicates that Facebook and WhatsApp have a more viable marketing potential than Twitter.

Social media use and purpose

With regard to the purpose for which social media was frequently used, the results show that 67% of the respondents used the platform to inform their clients about business promotions, followed by 58.8% who used it for new product marketing. The result also shows that 77.3% used the platform to socialise with clients while 65.2% to increase customer loyalty. These patterns indicate that if social media use is channelled towards strategic marketing, it will
significantly boost small business marketing capabilities that may bridge the gap to make marketing strategies sustainable.

**Perception of the effectiveness of the use of social media for marketing**

Regarding the effectiveness of social media marketing strategies for the growth of small business, we found that WhatsApp was perceived to be the most effective platform (84.8%) of the three sites, followed by Facebook (61.7%) and Twitter being regarded as the least effective (36%).

When respondents were asked whether they measured effectiveness, 84.9% confirmed that they did, while 15.1% did not. Those who measured effectiveness included some who only used the Fans/follower/like feature (51.6%). 48.4% did not use those features or any other way of measuring the effectiveness of their social media marketing. Some respondents (14%) indicated that they used the “retweet” function but most (86%) did not use that. The “comments” function was used by 69.6% respondents to measure effectiveness while 30.4% did not use that. While 78.5% used the “share of conversation” to measure effectiveness, 21.5% did not use that. “Referral” was used by 27.5% of respondents, but 72.5% did not use that function to measure the effectiveness of their marketing. Therefore “share of conversation” on the platform proved to the best mechanism for measuring effectiveness of the social media marketing process.

**Conclusion**

The main aim of the study was to investigate whether social marketing strategies was utilized by SMMEs in the hospitality sector in the Cape Metropolis, South Africa. The results of this research indicate that most restaurants use social media platforms with WhatsApp being the most frequently used platform followed by Facebook and Twitter. The results also show that social media marketing strategies offer an effective platform for marketing when used for promotion, new product marketing, and customer loyalty and socialising with client. The result further suggests that most respondents used WhatsApp for socialising and not for proper strategic marketing. These patterns show that if social media use was prioritise for marketing purposes, it could significantly boost small business marketing capability that might bridge the gap to make marketing strategies sustainable.

These findings could hopefully inform future decisions on programmes and planning of the Department of Small Business when new intervention strategies are considered. The findings of this study also have direct implications for owner/managers of restaurants. For instance, they will be better informed about the effectiveness of social media usage to their business. Consequently, this should enable business owners of SMMEs to reflect on their own use of social media platforms to date, and to decide whether to change, continue with their present usage pattern or to improve, using these findings. Ultimately, the findings of this study should add to knowledge about the use of social media as a marketing tool in the unique context of small businesses in South Africa.

This study provides a springboard for other South African and African researchers to embark on similar research in other contexts. Essentially, considering that this study focused only on small businesses in the hospitality sector, specifically restaurants in the Cape Metropole further research can focus on other sectors, and or in other locations. Further research could be an extensive, multi-pronged case study to further inform us to fully understand the positive and negative impacts of using social media marketing strategies in a small business.
References


