Digital marketing and the inhibiting factors in adoption for microenterprises: The case of beauty salons operating in South Africa

MASTER THESIS

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Abstract

Businesses can no longer ignore digital marketing. The digitally driven nature of society is undeniable. Yet, most studies in the adoption of digital marketing has focused on large firms or SMEs. Additionally, these studies were predominantly performed in the context of developed countries. Eight interviews with microenterprise owners of beauty salons in South Africa and two digital expert interviews are conducted to address this gap. The results show that the digital marketing practices in microenterprises are minimal. Furthermore, the results indicate microenterprise owners face the inhibiting factors of attitude, skill, finance and time in implementing digital marketing.

Words: 101

Keywords: digital marketing adoption, microenterprises, developing country
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1 Introduction

1.1 Defining the Problem

Our daily lives and routines are continuously being shaped by digitalisation and technological development (Isohella et al., 2017). This has consequences for consumer behaviour, as it has been altered by digitalisation, chiefly, by social media (Kaplan & Haenlein, 2010). With consumers progressively devoting more time to online activities (Nielsen, 2012), online presence is paramount for firms to interact with consumers. It has been documented by Eid & El-Gohary (2013), that with a digital marketing strategy; businesses are able to exploit formerly unavailable global resources and opportunities, to communicate and conduct business with customers, both new and existing, in a cohesive and straightforward way. Digital marketing is defined by Kannan & Li (2017, p.23) as “an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders”.

Authors such as Todor (2016) and Mogoș (2015), have highlighted the advantages of a digital marketing strategy for firms. The authors include advantages of cost efficiency, a direct connection with a broad customer base whereby interaction is possible, as well as rich, adaptable, measurable and personalised content delivery. According to (Mogoș, 2015) digital marketing propounds a number of features that can eliminate the differences between large companies and small or mediums businesses. Stating that digital marketing “offers small and medium companies the possibility to be more competitive in the market” (Mogoș, 2015, p.242). Thus, the advantageous relevance of a digital marketing strategy for small businesses cannot be disregarded. Nevertheless, the majority of digital marketing adoption studies have focused on larger firm, and therefore little research has been concentrated on small businesses in this area (Nikunen et al., 2017).

A number of researchers have probed into the factors that inhibit or enhance the adoption of digital marketing in SME’s (Small and Medium Enterprises). Gilmore et al., (2007) declare that SMEs possess certain “generic characteristics” such as; lack of sufficient human resources, finance and specialist skills. They elaborate, that these generic characteristics may inhibit SME’s in their efforts to adopt digital marketing fully. Firstly, in terms of human resources, staff may be overstretched with their workloads, and activities such as digital marketing may be seen as less of a priority (Winkholfer & Houghton, 2004). To the contrary, Hill & Wright,
(2000) discuss how the small size of SME’s may work in their favour, with marketing planning being characterised by flexibility and informality. Secondly, researchers have considered the capital constraints that apply to SME’s. Asserting that SME’s are highly selective in which digital marketing practices to adopt unless a real advantage is observed compared to traditional marketing methods (Gilmore et al., 2007). However, Taiminen & Karjaluoto, (2015) proclaim that digital marketing at its best, has no variable costs, yet the fixed costs may still be extortionate for businesses. Finally, SME scarcity of specialist skills in the realm of marketing using the internet has been researched (Chapman et al., 2000). Managers and employees in SME’s are typically generalists, which results in stunted knowledge as to how various technologies could contribute to a digital marketing strategy (Jeffcoate et al., 2002). Additionally, firms that do not possess IT expertise may be oblivious of new technologies, or may not want to risk adopting them (Bordonaba-Juste et al., 2012).

Although research on the adoption and related inhibiting factors of digital marketing in SMEs has provided a wealth of insights, almost no attention has been devoted to the smallest subset of SMEs; namely, microenterprises. Differences can be detected in the organisational characteristics between SMEs and microenterprises, implicating that SME literature may not always be transferable to microenterprises (Inan & Bititci, 2015). Furthermore, digital marketing adoption studies have mainly focused on SMEs in developed countries (Smith, 2011; Isohella et al., 2017; Eid & El-Gohary, 2013) This leaves a gap for research in developing countries in relation to digital marketing adoption, thus this thesis will focus on South Africa. South Africa has a current internet penetration of 64% of the population, which is expected to rise to 81% in the five years (Statista, 2019). Therefore, as more consumers become digitally active in South Africa, digital marketing may increase in relevance for businesses.

Formal microenterprises in South Africa, the country of interest, are defined as having 5 or less full-time employees (FinFind, 2017). The term “formal” refers to microenterprises that are registered for either income tax or VAT (Value Added Tax) (Bhorat et al., 2018). The motive for formal microenterprises being studied, is explained by Rolfe et al., (2011) who convey that informal microenterprises are predominantly survivalist business situated in rural areas, with generated income falling below the minimum income standard. They further elaborate that any surplus revenue is consumed by the owner, and the opportunities to expand into a viable business are severely limited. Additionally, marketing in the informal sector encompasses a
variety of legal restrictions that include the limitation of connection and networking, which has considerable implications for marketing practices (Khan, 2017).

This area of focus will be concentrated on beauty salons operating in the formal microenterprise sector in South Africa. Beauty salons are categorised in the personal services industry and involve beauty treatments related to hair, nails and body (Statistics South Africa, 2004). The high customer focus of beauty salons makes it an appropriate industry of study for digital marketing. As Todor (2016) explain, digital marketing is grounded on the inbound marketing approach or more commonly, the customer centric approach.

1.2 Research Question

Due to the fact that it is unknown what digital marketing practices beauty salons that are categorized as formal microenterprises adopt in South Africa, as well as the factors that hinder their adoption of digital marketing practices; the research question will be as follows:

What digital marketing practices are formal microenterprises in beauty salons in South Africa implementing, and what are the hindering factors that affect the implementation?

1.3 Method

The research is grounded on a literature review in the subject areas of marketing, digital marketing, SMEs and microenterprises, as well as digital technologies in the context developing countries. In order to answer the research question, an explorative qualitative approach will be adopted, using semi-structured interviews as the data collection method. Exploratory research is appropriate when there is little or no empirical enquiry regarding a certain process, activity or situation (Stebbins, 2001). Furthermore, qualitative research aims to understand why and how something occurs, by principally emphasizing an inductive approach, whereby research generates theory (Bryman & Bell, 2015). As such, semi-structured interviews will be conducted in order to allow the author to obtain deep insights surrounding the topic of digital marketing and microenterprises. This is a result of the nature of semi-structured interviews, as they enable interview partners to express important feelings in a detailed manner (Longhurst, 2010).

Interviews were conducted with both beauty salon microenterprises owners, and experts in the field of digitalisation and specifically digital marketing. With regards to the interviews with
beauty salon owners the number of interviews conducted was based on the principle of data saturation, which states that the number of interviews is sufficient as soon as no more new topics arise in new interviews (Marshall 1996). However, the expert interviews were used as merely supporting mechanisms, to gain an understand of the digital trends and digital marketing landscape in South Africa. Thus, two semi-structured expert interviews will be directed with one expert in the area of digitalisation and another in the area of digital marketing.

1.4 Contribution

This thesis aims to contribute to the following areas of research:

1. Digital marketing adoption in the context of microenterprises
2. Digital marketing in the context of South Africa

Previous research has predominantly focused on digital marketing adoption in SMEs (Taiminen & Karjaluoto, 2015; Mogoș, 2015; Gilmore et al., 2007). These studies have delved into the various factors and characteristics that affect digital marketing adoption in SMEs. Therefore, this thesis attempts to extend this research by examining the smallest subset of SME’s namely; microenterprises. Research by Inan & Bititci (2015) has identified that many organisational characteristics of SME’s and microenterprises are not identical, with some of the differences being observed in management, strategic planning, organisation, as well as market and customer focus. Therefore, by examining microenterprises in the context of digital marketing adoption, the author aims to extend the studies in digital marketing SME literature. Furthermore, literature regarding digital marketing has had a central focus on developed countries, mainly in the USA and Europe (Mogoș, 2015; Smith, 2010; Eid & El-Gohary, 2013; Pelsmacker et al., 2018 & Isohella et al., 2017). Therefore, this thesis aims to contribute to digital marketing studies in the context of a developing country, more specifically, South Africa.

Finally, this thesis intends to deliver insights for microenterprise owners, policy makers, practitioners and researchers by offering a deeper understanding of the issues relating to digital marketing practices by microenterprises, in the context of a developing country.
1.5 Structure of the Thesis

The thesis begins with the theoretical background, whereby important concepts and definitions are discussed. The theoretical background comprises of three main chapters relating to, digital marketing, SMEs and microenterprises, as well as the economy and digital population in South Africa. The empirical study is then introduced where the methodology, data collection and findings are presented. The findings provide the input for the discussion, whereby the research question is answered and managerial as well as theoretical implications are derived.

2 Theoretical Background

The theoretical foundation sets the groundwork for this thesis, firstly it provides a detailed framework of digital marketing. Thereafter, SME’s and microenterprises are introduced, including the theory relating to factors that influence digital marketing adoption in SME’s. Finally, the economy of developing country South Africa is touched upon, as well as the digital divide.

2.1 Digital Marketing

Advances in digital technology are remodeling both the process and the strategy of marketing (Kannan & Li, 2017). Digital technologies include but are not limited to; the internet, e-mail, databases, mobile/wireless, and digital TV (Chaffey, 2010). These digital technologies support interactive and non-interactive marketing activities, aimed at achieving profitable acquisition and retention of customers within a multichannel buying process and customer lifecycle (Chaffey, 2010). This has initiated a dramatic change in the traditional marketing environment. Thus, technology-explicit marketing has emerged, namely; digital marketing.

Digital marketing can be defined in various ways, enveloping different areas of focus. The following table reviews definitions scattered across literature and identifies the definition focus areas.
<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bhagowati &amp; Dutta, (2018)</td>
<td>“A type of marketing that transfers information in digital form, with the intention to promote the brand image, deliver the message of the brand, and increase the sales through advertising of the product” (p.2)</td>
<td>Advertising and sales acquisition</td>
</tr>
<tr>
<td>Kannan &amp; Li, (2017)</td>
<td>“An adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders” (p.23)</td>
<td>Firm and customer collaboration</td>
</tr>
<tr>
<td>Järvinen et al., (2012)</td>
<td>“Digital marketing refers to the use of all kinds of digital and social media tools that allow companies to foster interactions with customers” (p.104)</td>
<td>Customer relationships</td>
</tr>
<tr>
<td>Negoiță et al., (2019)</td>
<td>“Digital marketing is constantly using the review, analysis, explanation, promotion process, and helps establish a stronger brand-consumer relationship, helping to effectively identify consumer attitudes and attract attention” (p.1043)</td>
<td>Customer relationships</td>
</tr>
<tr>
<td>Wymbs, (2011)</td>
<td>“The use of digital technologies to create an integrated, targeted and measurable communication which helps firms to acquire and retain customers while building deeper relationships with them” (p.94)</td>
<td>Customer relationships</td>
</tr>
</tbody>
</table>

Table 1: Digital Marketing Definitions

While, Bhagowati & Dutta, (2018) focus on using digital forms for brand promotion, delivery and sales acquisitions most authors emphasise customer relationship development. Authors such as, Järvinen et al., (2012); Negoiță et al., (2019) & Smith, (2007) in Wymbs, (2011) demonstrate the importance of the use of digital technologies to communicate with, acquire and retain customers while fostering relationships with them. Kannen & Li, (2017) adopt a very inclusive ideal of digital marketing, with attention on firm and customer collaboration to create value for all stakeholders. Thus in light of this thesis, the definition by Kannen & Li (2007, p.23) is the preferred digital marketing definition due to its inclusivity, digital marketing is “an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders”. 

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Furthermore, the term digital marketing will incorporate all alternative terms such as e-marketing, internet marketing, web marketing and online marketing.

2.1.1 Digital Marketing Framework

In order to obtain a holistic view of digital marketing the next section will discuss a framework proposed by Kannan & Li (2017). This framework highlights the touchpoints in the marketing strategy process where digital technologies have a noteworthy impact. A firm’s marketing strategy refers to its marketing activities and decisions related to generating and sustaining competitive advantage for the firm (Varadarajan, 2010). It enables a firm to differentiate itself from competitors and deliver value to its customers in a prescribed environment (Jain, 2000). The typical configuration of a marketing strategy is either customer or competitor focused. The framework by Kannan & Li, (2017) adopts a customer focused strategy which aligns with the fundamental notion of digital marketing; being based on the inbound marketing approach, or more generally, the customer centric approach (Todor, 2016). The framework is based on the 5C’s pertaining to marketing strategy; customers, collaborators, context, competitors and company. The framework is illustrated in the diagram below:

Figure 1: Framework for Digital Marketing
Source: Kannan & Li, (2017, p.24)
The following section delves into the various components of the framework. It discusses each “box”, numbered 1 to 5 as seen in Figure 1. These individual boxes will be explained in more detail to understand how digital technologies have influenced the touchpoints encompassed by the boxes, thus enabling the occurrence of digital marketing for firms.

“Digital marketing itself is enabled by a series of adaptive digital touchpoints encompassing the marketing activity, institutions, processes and customers” (Kannan & Li, 2017, p.23).

**Environment**

The environment in which firms operate is composed of customers, competitors, collaborators and context (Box 1, Fig.1). The customers play the largest role in the environment as digital technologies have impacted them drastically. Customers have become immersed in digital communication technologies such as the internet, social media and mobile applications (Stephen, 2016). The shift towards the use of these technologies has in turn altered consumer behaviour. The development of numerous touchpoints whereby customers are now able to interact with firms has resulted in more complex customer journeys (Lemon & Verhoef, 2016). The typical customer journey of awareness, familiarity, consideration, evaluation and finally the purchase (Kannan & Li, 2017), has been fundamentally challenged due to these digital touchpoints.

The consideration and evaluation steps of the customer journey may be compressed or completely eliminated in the digital era (Edelman & Singer, 2015). This is due to the reduced search process that customers undergo, when endeavouring to purchase a product or service. The search and decision making process has been facilitated by online search engines, where customers have access to a myriad of information from competing firms. As such, information asymmetries between the customer and seller are being reduced, and as Arbi et al, (2017) deem, the customer is becoming wiser. Social media and other user generated content has also simplified the search and decision making process, online reviews and recommendations provided by other customers offer influencing insights (Kannan & Li, 2017). Berthon et al., (2012, p.264) describe the social media phenomenon as being a “shift in power away from the firm toward individuals and communities.”

Collaboration enablers such as platforms or two-sided markets have facilitated both customer-to-customer and customer-to-firm interactions. Rysman, (2009, p.125) define two-sided markets as “two sets of agents who interact through an intermediary or platform” and “the
decisions of each set of agent affects the outcomes of the other set of agents, typically through an externality”. These platforms facilitate the ideation of new product or service development between customers, and enable platform-based markets such as eBay and Amazon to exist (Kannan & Li, 2017).

Contextually, digital technologies have given rise to new regulations in terms of customer privacy and the piracy of content. The implementation of privacy regulations to restrict the collection and use of customer data by firms is on the rise, as customers increasingly grow more concerned regarding their privacy (Goldfarb & Tucker, 2011). This may have implications for firms and their strive to leverage unique information regarding customers’ search behaviour, online reviews and social media activity for their digital marketing strategy (Kannen & Li, 2017). Furthermore, regulations against the piracy of content in the digital context may too influence digital marketing efforts. Finally, the geography and location of customers creates variations in search and purchase behaviour which may have consequences for the personalisation of digital content (Kannen & Li, 2017).

**Company**

The analysis of the environment provides the input for marketing actions for the firm. The marketing actions include the 4Ps of the marketing mix; product/service, price, promotion and place (Box 2 in Fig.1). The marketing mix endeavours to translate marketing planning into practice (Bennet, 1997). However, key elements of the marketing mix have been modified by digital technologies. In terms of the product, digital developments have resulted in the delivery of unique value propositions for customers (Anderson & Taylor, 1995). Customers are now able to customise and personalise certain product aspects. Thus, handing power to customers to satisfy their needs and desires (Thirumalai & Sinha, 2011). Price is a further aspect of the marketing mix, and can be defined as not only the cost of the product or service, but the time and effort required to obtain it (Yudelson, 1999). As mentioned previously, through technology customers have reduced search costs, they are able to compare prices in real time and achieve greater price transparency (Bhatt & Emdad, 2001). While the dynamic nature of the digital era has created some challenges for firms in terms of pricing. Tailored products and developments in digital product lines result in the necessity for dynamic price strategies (Kannan & Li, 2017). As such, new pricing strategies such as, name-your-own-price, online auctions and the freemium model have evolved (Lee *et al.*, 2013; Spann & Tellis, 2006).
On the promotion standpoint, new technology has given rise to a number of new channels to reach customers, interact and promote products and services to them (Kannan & Li, 2017; Fill, 2006). Traditionally, firms communicated with customers through direct marketing, public relations and personal selling (Winer, 2009). Now, customers are able to initiate interaction with firms they desire to communicate with, as opposed to purely firm-initiated contact (Fill, 2006). Finally, place, the last element of the marketing mix is defined by Yudelson, (1999) as everything that is done and necessary to smooth the process of exchange. With digital technologies the physical place has morphed into a virtual space. This has allowed smaller firms to widen their market and reduce costs by delayering the chain of distribution (Nezamabad, 2011).

Additionally, a final component of company actions is market research. Kannan & Li (2017), discuss that a considerable array of data can be produced by the digital environment. They explain that this data spans from customer reviews and ratings, clickstream data, customer responses to marketing actions, and data regarding competitors and collaborators. With this data, the firm is able to better understand online customer behaviour, thus develop more targeted market strategies. The firm is also able to measure the effectiveness of its actions on marketing outcomes (Todor, 2016).

Outcomes
The outcomes of the actions of the firm, as a function of the environment in which they operate can be categorised into value for the customer and value for the firm. The opportunities provided by digital technologies create this value. From the perspective of the customer, outcomes can be classified into value equity, brand equity and relationship equity. Lemon et al., (2001) discuss these three concepts in detail. They state that value equity is an objective assessment of the utility of a brand, and includes factors of quality, price and convenience. Furthermore, brand equity is built through image and meaning, and the factors of brand awareness, brand attitude and corporate ethics influence the overall brand equity. Finally, relationship equity is the tendency of customers to remain with a brand regardless of their objective and subjective assessments of the brand. While, from the perspective of the firm, value is derived from customer acquisition, retention and profitability of the customers. This has over implications for firm value, such as sales, profits and growth (Kannan & Li, 2017). Therefore, it can be deduced that digital marketing translates into both value for customers and firms.
2.1.2 Digital Marketing Channels

Digital marketing channels are vast and a framework is required in order to categorise them. Taiminen & Karjaluoto, (2015) produced a framework which differentiates digital channels by whether the company has high or low control, and if the communication through the channel is one-way or two-way. The basis is found in the table below:

<table>
<thead>
<tr>
<th></th>
<th>High Company Control</th>
<th>Low Company Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-Way</td>
<td>Website</td>
<td>SEO (Search Engine Optimisation)</td>
</tr>
<tr>
<td></td>
<td>Email Advertising</td>
<td>SEA (Search Engine Advertisement)</td>
</tr>
<tr>
<td></td>
<td>Mobile Advertising</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Display Advertising</td>
<td></td>
</tr>
<tr>
<td>Two-Way</td>
<td>Company Generated Blogs and Communities</td>
<td>Social Media</td>
</tr>
</tbody>
</table>

Table 2: Digital Channel Classification

2.1.2.1 One-Way Channels

**Website**

Keller (2009), illiterates that websites provide more information than any other medium, while Christodoulides, (2009) comments that the website is the home of brand in the online world. Website design is important and should represent a business’ purpose, history, products and vision, in addition to being attractive and interesting in order to encourage repeat visits (Keller, 2009). Important aspects of websites for users are discussed by Hasley & Gregg, (2010) and include, perceived overall quality and the quality of the information displayed. Furthermore, these aspects indicate the perceived abilities and overall trustworthiness of the business to the user.

**Email Advertising**

Email marketing can be utilised for a variety of marketing communication, such as sharing information regarding products and services, promotions and special offers, building relationships and alerting customers (Simmons, 2007). Naturally, email can be a two-way communication channel, but in terms of marketing it is often used as a one-way channel to distribute advertisements or newsletters (Taiminen & Karjaluoto, 2015). Cost-wise, email
requires only a fraction of the cost of direct mail. Therefore, it is a cost-effective digital channel to reach customers (Keller, 2009).

**Mobile Advertising**

Surfing for information using smart phones has drastically gained in popularity for customers, and thus businesses are uncovering successful means to deliver information, secure sales, and engage in marketing activities using mobile content (Ibrahim et al., 2014). Businesses are able to send content to customers using mobile services which includes both text and pictures. Dickinger et al., (2004), emphasise that successful messages are concise, entertaining and relevant to the target group. However, a challenge and potential drawback for businesses using mobile advertising understanding the personal nature of mobile phones and thus respecting customer privacy (Heinonen & Strandvik, 2003).

**Display Advertising**

Display or banner advertising are small, rectangular boxes containing text and potentially a picture or animation (Keller, 2009). Animation is a popular attention grabbing tool employed in banner advertising, causing objects to be striking and stimulating higher levels of user involvement (Lee & Ahn, 2012). Companies pay for banner advertisements to be placed on various relevant websites, with the aim to lure customers to their website (Goic et al., 2018). Furthermore, the placement costs increase with a larger audience, with some banners being admitted on a barter basis (Keller, 2009).

**SEO**

Search Engine Optimisation (SEO) is the practice of enhancing a website’s search engine results in organic search results (Taiminen & Karjaluoto, 2015). Web pages are optimised to become the most attractive for search engines, with the aim of being the initial website exhibited when searches are executed using browsers (Patrutiu-Baltes, 2016). Keywords pertaining to the website need to be carefully chosen in order to enhance the website ranking in search engines such as Google, Bing or Yahoo (Chen et al., 2011). SEO is a free search engine marketing tool, commonly known as a “natural” or “organic” website ranking (Chen et al., 2011).
SEA

Search Engine Advertising (SEA), commonly known as search ads, paid-search or pay-per-click ads (PPC) is a paid search engine marketing tool (Keller, 2009). Company’s submit their product information in the manner of specific keyword listings to search engines (Ghose & Yang, 2009). The company’s webpage will appear as a sponsored link next to the organic search results. Moreover, the position of the advertisement on the search engine results page is determined by the bid value assigned to the advertisement (Ghose & Yang, 2009). Furthermore, advertisers only pay the assigned price if users click on their website links (Keller, 2009). Contrary to SEO, SEA is a paid tool and is therefore known as a “non-natural” website ranking (Chen et al., 2011).

2.1.2.2 Two-Way Channels

Company Generated Blogs and Communities

A company blog is an online repository, whereby companies post content for consumer consumption (Ahuja & Medury, 2010). Company blogs offer a channel in which companies are able to communicate directly with the public in an intimate way (Kelleher & Miller, 2006). Ahuja & Medury, (2010) discuss the aim of company generated blogs, in offering solutions to exploratory consumer browsing, contributing to a consumer’s information search, and replying to controversies regarding the company or products. They illiterat that this allows the customer to feel more engaged with the company, which in turn leads to higher customer participation feedback and co-creation. Company generated communities build brand awareness and image, while providing a voice for loyal customers (Kim et al., 2008).

Social Media

Online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content can all be encompassed by the phenomenon known as social media (Richter & Koch, 2007). Social media takes a variety of forms, including weblogs, social blogs, microblogging, wikis, podcasts, pictures, video, rating and social bookmarking (Kim & Ko, 2010). Social media allows companies to have a two-way interaction with their current and potential customers. (Mangold & Faulds, 2009). Whether companies are using social media to communicate directly with consumers, or to influence others to convey a message pertaining to their brand, the effective use of social media can benefit companies greatly due to the personal touch that is relationship orientated (Weinberg & Pehlivan, 2011). Communication
through social media channels for companies should comprise of the following qualities, being conversational and “human”, reciprocating the relationship and ceding some control and fighting the impulse to explicitly and constantly close a sale (Weinberg & Pehlivan, 2011). Thus, implying that social media should be used as more of a customer relationship tool, than an avenue for closing sales.

There are a variety of social media platforms available, namely; Facebook, Instagram, Twitter and YouTube. The use of a particular platform is often dependent on the form of communication that is desired by businesses (Iankova et al., 2018). Facebook delivers a rich means for customer relationship management (Popp et al., 2016). While, Twitter is renowned for its capability to communicate brand messages and mining consumer responses in real time (Culotta & Cutler, 2016). Instagram is heavily image based, and YouTube is video focused (Iankova et al., 2018).

2.1.3 Advantages and Disadvantages of Digital Marketing

Digital marketing propounds a vast number of advantages for companies. According to Todor (2016), digital marketing is more cost efficient in comparison to mass media marketing. With potential lowered administration costs, publicising costs, advancement costs and preparing costs, digital marketing can allow smaller companies with a smaller budget to market their products and services online (van Niekerk, 2007). Dholakia & Kshetri, (2004) emphasise this by stating that digital marketing increases the ability of small companies to compete with other companies both locally and nationally. Thus, digital marketing can empower smaller companies by giving them the opportunity to extend their reach of audience in a cost effective way (Todor, 2016). Furthermore, the interactivity aspect of digital marketing permits companies to initiate contact with customers for a desired amount of longevity (Todor, 2016). This contact can be targeted at certain customers, who can then receive offers about products or services which may interest them personally (Mogoș, 2016).

Leeflang (2014), emphasises how digital marketing has the ability to generate profound customer insights, through the use of big data. The researcher also states that big data is the custom in today’s digital world, and is characterised by data sets that may be so large and complex that they are difficult to process. However, the researcher concurs that if processed effectively big data offers abundant opportunities to follow customers in their purchasing
journey, enabling optimisation of advertising campaigns and budgets. Digital marketing is also measurable, for example social media offers prospects to simulate and measure social interrelations among customers (Chen et al., 2013). Digital marketing is also adaptable and content may be altered based on users feedback (Todor, 2016).

Naturally, there are some disadvantages to digital marketing, the first concern being customer’s privacy concerns. Pingitore et al., (2012) discuss how, as customers’ mistrust of online data collectors continue to grow, their privacy concerns remain at a high level. The digital marketing approach may in some cases be considered intrusive and violate customer intimacy (Mogoș, 2016). Adding to that, digital marketers have the ability to access information about customers in ways that customers can neither avoid or detect through the use of cookies, spyware, adware and online forms (Ashworth & Free, 2006). From the customer perspective, according to Pingitore et al., (2012) most customers do not believe that firms should have access to their personal data through modes of cookies or social media activities. As such, firms may face regulations and legislation regarding customer data and privacy. For example in the EU (European Union) privacy laws are much stricter than in the US, which have a significant impact on targeting customers (Kannan & Li, 2017). Furthermore, the dependency of the internet and other technologies may be an issue for digital marketing campaigns, as some customers may not have internet access or high speed internet (Mogos, 2016 & Todor, 2015). Copyright may be a further disadvantage for digital marketers, as campaigns can be easily copied by competitors (Todor, 2016).

2.2 Small and Medium Enterprises

The aim of this chapter is to introduce SMEs, as well as its smallest subset; microenterprises. The South African classification for SMEs is used, as this is the setting for the research in this thesis. Furthermore, the theory pertaining to SMEs and the factors influencing digital marketing implementation are introduced.

2.2.1 SME Classification

SMEs are acknowledged globally for their distinctive contribution to economic development and employment creation opportunities (Katua, 2014). The SME sector has been extensively recognised as a crucial driver of economic growth, innovation, employment, and social integration in both developed and developing countries (Neneh & Smit, 2013). In general,
SMEs are categorised into three sectors, namely; micro, small and medium enterprises or businesses. However, there is no universal criterion defining SMEs, the geographic placement of the SME in addition to the country specific legislation influences SME definitions (Smit & Watkins, 2012). According to Garikai, (2011) SMEs can be defined by number of workers employed, capital employed and sales turnover. Nonetheless, internationally the most commonly used method to define SMEs is the number of employees (Zheng, O’Neill, & Morrison, 2009).

In South Africa, which is the country of interest for this thesis, SMEs are categorised by the number of full time employees (FinFind, 2017). This correlates into size classes of medium, small, very small and micro, as shown in the table below:

<table>
<thead>
<tr>
<th>Size Class</th>
<th>Full Time Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>51 to 200 employees</td>
</tr>
<tr>
<td>Small</td>
<td>11 to 50 employees</td>
</tr>
<tr>
<td>Very Small</td>
<td>6 to 10 employees</td>
</tr>
<tr>
<td>Micro</td>
<td>0 to 5 employees</td>
</tr>
</tbody>
</table>

Table 3: Classification of SMEs in South Africa
Source: FinFind, (2017)

2.2.2 Organisational Characteristics

Inan & Bititci (2015), discuss that it is commonly known that SMEs have specific characteristics that differentiate them from large organisations. Furthermore, Matlay (2000), mentions that SMEs are neither simpler nor similar versions of large organisations. Yet, little is known about the differences between SMEs as a group. Schaper et al., (2005) comment that SME’s are not a homogenous group, with each category of firm (medium, small and micro) having significantly contrasting characteristics. The implication being, that the general literature pertaining to SMEs should be used with caution when discussing microenterprises as a separate entity.

As such, Inan & Bititci (2015) conducted a study whereby they distinguished the contrasting characteristics between SMEs and microenterprises. The table below reveals the results of the study:
Table 4: Characteristics of SMEs and Microenterprises

Source: Inan & Bititci (2015, p.311)

The comparative table between SMEs and microenterprises reveals that on all aspects, microenterprises are an exaggerated form of SME. Meaning, for example where SMEs have
some degree of standardisation of their system and procedures, microenterprises have no procedures and a low degree of standardisation. Or where, SMEs can be seen as having formal-informal customer relationships with a limited customer base, microenterprises have informal customer relationships with a very limited customer base. The same can be applied across almost all of the characteristics discussed by Inan & Bititci (2015), as shown in Table 4.

2.2.3 SME factors affecting digital marketing adoption

Literature frequently suggests that there are a myriad of factors which SME’s face in terms of digital marketing adoption (Gilmore et al., 2007; Taiminen & Karjaluoto, 2015; Dholakia & Kshetri, 2004; Karjaluoto & Huhtamäki, 2010). These are typically categorised based on whether they are internal or external factors. Dholakia & Kshetri (2004) discussed internal factors as being; firm-specific factors such as resources, owner-manager attitude and behaviour, as well as overall firm strategy. While external factors include infrastructure and the environment. Gilmore et al., (2007) emphasised that SMEs are deficient in the following three aspects; human resources, capital and knowledge. However, Karjaluoto & Huhtamäki (2010) categorised the array of proposed factors into three main categories:

*Firm-Specific and Owner-Manager Factors*

Often firm-specific and owner-manager factors are intertwined in small businesses, as the owner-manager exerts such a strong influence over the entire business (Fillis et al., 2003). Barbero et al., (2013) note that, personal factors such as motivation, capabilities, background and experience constitute firm-specific and owner-manager factors. In relation to digital marketing these aspects would correlate to owner-manager motivation to use digital marketing, as well as skills, expertise and attitude towards digital marketing (Taiminen & Karjaluoto, 2015).

In light of motivation, owner-managers who perceive benefits of technology adoption are more likely to implement digital marketing (Taiminen & Karjaluoto, 2015). Additionally, in regards to skills, Chao & Chandra (2012) discovered that technical knowledge in the form of IT knowledge played an important role in digital marketing adoption. Furthermore, Schaper et al., (2005) reveal that small business owners are likely to not have any formal education qualifications, which may affect their willingness to accept and know-how of new technologies. Finally, according to Martin & Matlay (2001), the overall approach or attitude
that the owner-manager has in respect to technological changes may be pivotal in the use of new technologies.

**Resource Related Factors**

The second category of factor pertains to the resources a firm has, these include human resources, financial resources and technological resources. Karjaluoto & Huhtamäki (2010), stated that in the case of microenterprises, technological resources portrayed an insignificant function in adoption. They noted that financial and human resources on the other hand, have a significant impact and are highly pronounced particularly in microenterprises. Financial resources are often constrained in SMEs, and although digital marketing at its best has no variable costs, the fixed cost may still be exorbitant for some firms (Taiminen & Karjaluoto, 2015). Human resources issues also exhibit a prominent role in SMEs, especially in microenterprises where the owner may be responsible for many activities (Karjaluoto & Huhtamäki, 2010). Thus, marketing “know-how” may be restricted to the owner-manager. The human resource aspect also relates to time, owner-managers may run into time constraints in regard to marketing and get immersed in everyday tasks (Winkholfer & Houghton, 2004).

**Environmental Factors**

Environment factors relate to areas that are out of the firms control. Taiminen & Karjaluoto (2015), attribute the environmental factors to being; the specific product or service type, the competitive landscape, the industry sector, consumer behaviour and outside support. Karjaluoto & Huhtamäki (2010), claim that some products or services may be better suited for digital channels, as well as the industry sector, if the firm is operating in business-to-business markets or business-to-customer markets (Karjaluoto & Huhtamäki, 2010). They further discuss that the competitive landscape would influence firms. For example, if competitors have a strong digital marketing strategy, firms may feel pressured to follow suit. Consumer behaviour developments is another factor for firms, their needs and wants may have influencing effects on digital marketing (Kannan & Li, 2017). Finally, the availability and access to outside support may manipulate digital marketing efforts.
2.3 Developing Country; South Africa

The aim of this chapter is to introduce the developing country, South Africa. To begin with the role of SMEs and microenterprises in the economy is touched upon. Furthermore, the digital divide is discussed as well as the digital population, both in the context of South Africa.

2.3.1 Economy

The United Nations (UN) categorises all countries in the world into one of the following three classifications: developed economies, economies in transition and developing economies (UN, 2019). According to the United Nations Development Program (UNDP), South Africa falls into the category of a developing country, pertaining a Human Development Index (HDI) score of 0.699 in 2019 (UNDP, 2018). They calculate the HDI using globally comparable data, comparing the situation of countries in the areas of health, knowledge and living standards. This HDI score of 0.699 categorises South Africa as a country with medium human development and is therefore a developing country.

Economically, South Africa is the second best performing country in Africa, just behind Nigeria in terms of GDP. The most recent GDP calculation of South Africa was in 2017, having a GDP of 349.4 billion US$ (World Bank, 2019). The largest industry contributors to GDP are the finance, real estate and business services (22.39%), general government services (16.74%) and the trade, catering and accommodation sector (15.10%) (South African Market Insights, 2019). Regardless of this high GDP for African standards, annual GDP growth has been comparably very low in recent years. The World Bank Statistics, (2018) provide insights into South Africa’s economic progress. Revealing that it has stalled following the global financial crisis, between 2009 and 2017 growth averaged only 1.6%, with a gradual decline to a mere 1.3% in the year 2016/2017. In comparison to the Sub-Saharan Africa average growth of 2.5% in the year 2016/2017 (World Bank, 2018). These low economic growth statistics for South Africa can be attributed to high unemployment, poverty and inequality.

South Africa struggles with an alarmingly high national unemployment rate of 27.2%, as calculated in the year 2018 (StatsSA, 2019). One of the many government efforts to curb high rates of unemployment are the endeavours to facilitate the promotion and development of SMEs. SMEs are proven to be substantial contributors to job creation and significantly add to the national GDP (DTI, 2008). As such, certain policies have been set by government to
increase financial and non-financial support for SMEs, as well as create demand for the products and services provided by SMEs, and finally reduce regulatory constraints place on SMEs (Small Enterprise Development Agency, 2016). Currently, 98% of firms are classified as SME’s in South Africa, with 66% of them being microenterprises. The figure below depicts this ratio:

Figure 2: Proportion of firms by size classification in South Africa
Source: Small Business Institute (2018)

In South Africa microenterprises are defined as having between 0 and 5 full time employees (see Table 2). However, it should be noted that a further categorisation of microenterprises exists in South Africa. They can either be formal or informal in nature. Due to the exceedingly high unemployment rate of 26.7%, many South Africans turn to informal enterprise as a source of employment for survivalist motives (Morris et al., 1997) and informal enterprise thrives in the untaxed, unregulated economy (Rolfe et al., 2010). It is further illustrated by Rolfe et al., (2010), that configurations of informal enterprise are typically in the retail sector, namely; tuck shops or kiosks (Rolfe et al., 2010). These enterprises provide food, beverages and other consumer goods to the poorest communities in South Africa (Rolfe et al., 2010).
Microenterprises are classified as formal if they are registered for either income tax or (VAT). Formal microenterprises are found across a variety of industries in South Africa (Bhorat et al., 2018). However, of the 83% of the total formal microenterprises are classified as “new”, these are microenterprises have been in operation for between 0 and 4 years (FinFind, 2017). Only 17% are classified as “established”, functioning longer than 4 years (FinFind, 2017).

2.3.2 Digital Divide

“The digital divide involves the gap between individuals (and societies) that have resources to participate in the information era and those that do not” (Chen & Wellman, 2004, p.19). Bornman (2016), associates the information society with the spread of information and communication technologies (ICTs). Furthermore, she discusses that ICTs have become the “information highways of our times” and allow new, improved and faster avenues to create, store and distribute information across the world. The digital divide has often emphasised the large divergences of internet access between wealthy nations at the crux of the internet-based global network and the poor countries on the side-line which lack skills, resources, and infrastructure to adhere the information era (Chen & Wellman, 2004).

Van Dijk & Hacker (2003), claimed that much focus has been attributed to the physical infrastructure access of ICT as being the propounding factor for the digital divide Yet, they argue that the following access elements accredit to the digital divide:

1. Lack of elementary digital experience. (Caused by lack of interest, computer anxiety and the unattractiveness of the new technology.)
2. No possession of computers and network access
3. Lack of digital skills (Caused by insufficient user-friendliness and inadequate education or social support.)
4. Lack of sufficient usage opportunities

Additionally, although a digital divide may exist across developed and developing countries, it could possibly also occur internally amongst countries (Bornman, 2016). The Poverty and Equity Brief produced by the World Bank (2019) states that South Africa can be attributed to having one of the largest inequality divides in the world. Furthermore, it describes the country as having high levels of income polarisation, chronic poverty, few high-income earners and an
insignificant middle class. This has implications for the digital divide within South African, as confirmed by Oyedemi (2009), who found deep digital inequalities between racial groups, between rural and urban areas, as well as between socio-economic groups.

However, it can be observed that in South Africa the internet penetration is growing and expected to grow within the next few years, thus perhaps closing the digital divide to some extent. The World Bank (2018), recorded the total population of South Africa to be 56.72 million as of 2017. The total internet user penetration in South Africa for the year 2018 was 60% of the population (Statista, 2019). Furthermore, Statista, (2019) predicted that this percentage will grow to 81% in the year 2023. The chart below depicts this expected growth:

![Internet user penetration in South Africa from 2017 to 2023](chart)

**Figure 3: Internet user penetration in South Africa from 2017 to 2023**

Source: Statista, (2019)
3 Empirical Study

3.1 Research Approach

The goal of this thesis is to find out what digital marketing practices beauty salons that are categorised as formal microenterprises in South Africa are implementing. Furthermore, the inhibiting factors that these beauty salons face in adopting digital marketing channels will be explored. Based on an extensive literature review it was discovered that little research has been conducted in the realm of microenterprises and digital marketing. Furthermore, literature relating to microenterprises and digital marketing in the context of South Africa is non-existent. Based on these findings, the author decided to take an exploratory, qualitative research approach.

Exploratory research is commonly implemented when “a group, process, activity, or situation has received little or no systematic empirical scrutiny” (Stebbins, 2001, p.7). This aligns with that fact that we don’t know what the digital marketing climate looks like for formal microenterprises operating in South Africa. Furthermore, the research approach was qualitative in order to obtain deep insights into the topic. Qualitative research allows the author to obtain a complete description and analysis of the research subject without restricting the scope of the research and the nature of participant responses (Collis & Hussey, 2003). Qualitative research principally emphasises an inductive approach, whereby research generates theory (Bryman & Bell, 2015).

In order to gain these deep insights, semi-structured interviews were conducted. Semi-structured interviews offer interview partners the opportunity to express important feelings in a more detailed manner (Longhurst, 2010). Yet, the general conversation is led by pre-defined questions. In depth interviews were conducted with beauty salon owners; whose businesses coincide with being a formal microenterprise in South Africa. The number of interviews with beauty salon owners was based on the principle of data saturation, which states that the number of interviews is sufficient as soon as no more new topics arise in new interviews (Marshall, 1996). Furthermore, expert interviews were directed in order to understand the digital environment in which these beauty salons operate.
3.2 Sample

*Beauty Salon Owners*

The sample contained eight beauty salons, whereby the number of employees ranged from 0 to 4. The business owners were predominantly female, with only one male business owner. The age of business owners ranged from 32 to 58, with the average age being 46 years old and the nationality of all business owners was South African. The roles of the owners in the beauty salons, were typically both manager-owner and beauty therapist. Meaning, the owners took on all the managerial responsibilities, as well as performing beauty treatments on clients. Only one business owner had a purely managerial role. Beauty treatments varied from manicures, pedicures, facials, waxing, massages and hairdressing. The educational backgrounds of the business owners ranged from high school diplomas, beauty therapy diplomas, as well as university degrees. An overview of the sample is provided in the table below:

<table>
<thead>
<tr>
<th>Salon Owner</th>
<th>Age [years]</th>
<th>Gender (F/M)</th>
<th>Business Age [years]</th>
<th>Current Position &amp; [Role(s)]</th>
<th># Employees</th>
<th>Customer Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>32</td>
<td>F</td>
<td>1</td>
<td>Owner, Beautician [Marketing, Accounting, Management]</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>37</td>
<td>F</td>
<td>16</td>
<td>Owner, Beautician [Marketing, Accounting, Management]</td>
<td>1</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>46</td>
<td>M</td>
<td>0,5</td>
<td>Owner [Consulting, Marketing, Accounting, Management]</td>
<td>1</td>
<td>300</td>
</tr>
<tr>
<td>4</td>
<td>54</td>
<td>F</td>
<td>17</td>
<td>Owner, Hairdresser [Accounting, Management]</td>
<td>0</td>
<td>150</td>
</tr>
<tr>
<td>5</td>
<td>51</td>
<td>F</td>
<td>9</td>
<td>Owner, Therapist [Marketing, Accounting, Management]</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>6</td>
<td>55</td>
<td>F</td>
<td>18</td>
<td>Owner, Therapist [Marketing, Accounting, Management]</td>
<td>0</td>
<td>120</td>
</tr>
<tr>
<td>7</td>
<td>58</td>
<td>F</td>
<td>34</td>
<td>Owner, Therapist [Marketing, Accounting, Management]</td>
<td>4</td>
<td>800</td>
</tr>
<tr>
<td>8</td>
<td>35</td>
<td>F</td>
<td>9</td>
<td>Owner, Beautician [Marketing, Accounting, Management]</td>
<td>0</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5: Sample Overview of Beauty Salon Owners
Experts

The sample contained two South African experts in the field of digitalisation. The first expert was a 34-year-old male, who is the CEO of a process digitalisation company which specialises in software, FinTech and AdTech. His company currently includes 30 employees and operates across South Africa. Education-wise, he has a Master’s degree in engineering and previously worked as an associate partner at a consulting company. The second expert was a 31-year-old female, who owns a digital marketing business. She has 2 employees and her business involves developing websites, hosting websites, social media marketing, online newsletters, Google Ads, SEO, design and copywriting. She has a Bachelor’s degree in marketing and was previously employed at a marketing agency.

3.3 Data Collection

Regarding the data collection, as mentioned previously, semi-structured interviews were utilised for both the beauty salon owners and the experts. Separate guidelines were developed, pertaining prearranged questions that fit the framework of themes to be explored, while still enabling interview partners the freedom to discuss new ideas (Whiting, 2008). With respect to the expert interviews extensive preparation was required in order for the author to ask appropriate questions. As such, the expert interview can be regarded as a conversation between an expert and a quasi-expert (Bogner et al., 2009). In the following sections, the data collection approach for the beauty salon owners and the experts will be discussed in further detail.

3.3.1 Beauty Salon Owner Interview

The initial step was to develop the interview guideline (see Appendix), which was deduced from the initial literature review and the derived research question. The main themes of the interview are presented below:

- General Marketing Activities
- Customer Relationship Management
- Digital Marketing Channels
- Digital Marketing Inhibiting Factors

The second step involved contacting potential interview partners. This done via email or personally. If the interview partner agreed to be interviewed, an appointment for the interview
was scheduled. All eight beauty salon owner interview partners agreed to have a face-to-face interview. Prior to each interview the author endeavoured to obtain as much information as possible regarding the beauty salon’s digital marketing, by evaluating their online presence, which included searching for their website and social media pages. Before conducting the interviews, the author requested permission to record the interview and provided them with a confidentiality agreement. The confidentiality agreement assured interview partners that the interview data would be kept strictly confidential and all personal data would be anonymised. After permission was granted to record the interview, the author used their smartphone to record the entire interview. The recording was necessary to be able to transcribe the interview at a later stage (Mayring & Fenzl, 2014). The interview guideline was adhered to whenever possible, however the interviewer was receptive to more extensive answers by interview partners. Throughout the interviews the author tried to maintain a neutral stance and avoid personal reactions to answers. Additionally, interview partners were frequently encouraged to elaborate on certain questions, which was achieved by the author using probing techniques (Bogner et al., 2009). After each interview, the guidelines were adjusted in order to achieve data saturation in all target themes. Finally, the interviews were given unique IDs in order for the author to identify them in the subsequent analysis steps (Mayring, 2009).

<table>
<thead>
<tr>
<th>Interview ID</th>
<th>Alias</th>
<th>Duration of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Int1</td>
<td>Beauty Salon Owner 1</td>
<td>26 min</td>
</tr>
<tr>
<td>Int2</td>
<td>Beauty Salon Owner 2</td>
<td>20 min</td>
</tr>
<tr>
<td>Int3</td>
<td>Beauty Salon Owner 3</td>
<td>14 min</td>
</tr>
<tr>
<td>Int4</td>
<td>Beauty Salon Owner 4</td>
<td>11 min</td>
</tr>
<tr>
<td>Int5</td>
<td>Beauty Salon Owner 5</td>
<td>23 min</td>
</tr>
<tr>
<td>Int6</td>
<td>Beauty Salon Owner 6</td>
<td>25 min</td>
</tr>
<tr>
<td>Int7</td>
<td>Beauty Salon Owner 7</td>
<td>23 min</td>
</tr>
<tr>
<td>Int8</td>
<td>Beauty Salon Owner 8</td>
<td>15 min</td>
</tr>
</tbody>
</table>

Table 6: Overview of Beauty Salon Owner Interviews
3.3.2 Expert Interview

The expert interviews required two slightly differing guidelines (see Appendix), as the experts had different specialities. The one expert was involved in digitalisation, thus software and tech. Therefore, this expert had knowledge of the digital landscape of South Africa such as trends, opportunities and infrastructure. While, the other expert owned a digital marketing business and thus had extensive knowledge regarding digital marketing in particular. The guidelines required more extensive preparation, than the beauty salon owner guidelines. In sense that the author needed knowledge about digitalisation as well as digital marketing to ask the appropriate questions to the experts. As mentioned, the expert interview can be regarded as a conversation between an expert and a quasi-expert (Bogner et al., 2009). The main themes of the expert interviews are separated by individual expert and mentioned below:

Expert Interview 1:
- Digital Opportunities
- Digital and Digital Marketing Trends
- Digital Infrastructure

Expert Interview 2:
- Digital Marketing Demand
- Digital Marketing Perceptions
- Digital Marketing Microenterprises

As with the beauty salon owners, the second step involved contacting the potential expert interview partners. This was done in both cases via email. Both expert interview partners agreed to do face-to-face interviews at their offices. Prior to the interview, the author attempted to obtain as much information about the experts as possible, using corporate websites and LinkedIn as the main source of information. These preparations included acquiring information on the interviewee’s name, position and responsibilities in the company (Bogner et al., 2009). Again, permission to record the interview was requested and a confidentiality agreement provided. The confidentiality agreement assured interview partners that the interview data would be kept strictly confidential and all personal data would be anonymised. After permission was granted to record the interview, the author used their smartphone to record the entire interview. The recording was necessary to be able to transcribe the interview at a later
stage (Mayring & Fenzl, 2014). Again, the interview guideline was adhered to whenever possible, however the interviewer was receptive to more extensive answers by interview partners. Additionally, further questions were asked when the interview partners mentioned new interesting aspects or the answer was not entirely understandable to the author (Whiting, 2008). Finally, the interviews were given unique IDs in order for the author to identify them in the subsequent analysis steps (Mayring, 2009).

<table>
<thead>
<tr>
<th>Interview ID</th>
<th>Alias</th>
<th>Duration of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exp1</td>
<td>Expert Interview Partner 1</td>
<td>23 min</td>
</tr>
<tr>
<td>Exp2</td>
<td>Expert Interview Partner 2</td>
<td>31 min</td>
</tr>
</tbody>
</table>

Table 7: Overview of Expert Interviews

3.4 Data Analysis

This section discusses the use of qualitative content analysis in order to interpret the interviews. It considers the three applications of content analysis proposed by Hsieh & Shannon (2005), and selects the most appropriate approach for this thesis. The systematic steps in the qualitative content analysis are then presented.

3.4.1 Qualitative Content Analysis

Hsieh & Shannon (2005, p.1278), refer to qualitative content analysis as the “research method used for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes and patterns.” They distinguish between three applications of content analysis, namely; conventional, directive and summative content analysis. Convention content analysis usually begins with observation, whereby the researcher reads the data repeatedly to achieve immersion and gain a sense of the whole (Tesch, 1990). Codes are then derived and defined during this data immersion and analysis (Hsieh & Shannon, 2005). Conventional content analysis is also referred to as the inductive approach (Mayring, 2000) and is the most common method used amongst researchers (Hsieh & Shannon, 2005). The directive approach to content analysis begins with using existing theory or prior research to develop the coding scheme before the actual analysis of the data (Hsieh & Shannon, 2005). The directive approach is also referred to as the deductive approach (Mayring, 2000).
Finally, the summative approach is fundamentally different to the previous two, as it uses keywords as opposed to examining entire texts. The keywords are analysed as a pattern, leading to the interpretation of specific words or content (Hseih & Shannon, 2005).

This thesis utilises the conventional content analysis approach to analyse the interview data. Hseih & Shannon (2005), state that conventional content analysis is usually the method of choice when existing theory or research literature on a phenomenon is limited. They describe the steps in conventional content analysis as follows: The researcher begins with reading the data repeatedly to obtain a sense of the whole. The data is then read word for word to derive codes, which are words that capture key thoughts or concepts. This process continues and labels for codes begin to emerge which reflect more than one key thought or concept. These codes are then sorted into categories, and the categories into meaningful clusters. Finally, definitions for each category, subcategory and code are established.

3.4.2 Data Interpretation Process

The evaluation steps of both the beauty salon owner interviews and expert interviews were identical. To begin with, audio recorded interviews were transcribed and later worked through several times. The steps of conventional content analysis presented by (Hseih & Shannon, 2005) were followed. Thus, the transcripts were read repeatedly to understand the overall picture. After that certain words were identified that capture key thoughts, and thus codes were created. This process was continued and labels for codes emerged. Categories were then formed based on these codes, and meaningful quotations were then assigned to various categories. This process was aided by the use of Microsoft excel. The author was then able to compare differences and similarities within each category. Thus, leading to the formation of the results, which are reported in the following chapter.

3.5 Research Findings: Beauty Salon Business Owners

In this chapter the research results purely relating to the interviews conducted with beauty salon owners are presented. Each section contains a category with its relevant subcategories, and the main findings are summarised following each major category. Direct citations from the interviews are included for clarification purposes.

3.5.1 General Marketing Landscape
This category deals with the general marketing landscape of the beauty salon. The subcategories are divided into three parts; marketing personnel, marketing activities and marketing development. The researcher’s aim in this section was to discover the general marketing aspects in addition to how marketing has evolved in the beauty salons.

**Marketing Personnel**

The statements regarding the subcategory “marketing personnel” revealed that all of the beauty salon owners were in charge of their marketing within the business. In general, the beauty salon owners were in charge of all business activities as well as providing treatments to customers. With one owner stating, “I do everything that the business requires, so marketing, treatments, cleaning, doing the bills, following up on the bills, making appointments, following up on appointments and finding new clients” (Int6_45-48). Another stated, “my role is to deal with clients, handle bookings, marketing etc…” (Int5_56-57). Overall, the beauty salon owners appeared to be stretched in terms of their responsibilities within the business, with marketing just being one of the many facets of their role as owner.

In relation to marketing personnel, the findings also exposed that none of the beauty salon owners had hired a professional marketing agency to aid them with marketing on a continuous basis. However, a few of the owners stated that they had a marketing agency design their website as well as maintain it from time to time. This was the extent of the outsourced professional help. One statement read, “I have got a website that was designed for me, it’s a Word Press, so I manage it, they just set it up for me and wrote whatever necessary code that needed to be done” (Int1_96-98). With another salon owner stating “I had help with the website, that was a quite a big sale for the person who sold it to me” (Int6_164-165). A non-professional opportunity for help with marketing activities, was from the beauty salon owner’s family members. With an owner noting, “my daughter is good, you know they grow up creating posts and visuals, I need to get her doing more for me” (Int5_252-253).

**Marketing Activities**

The statements regarding “marketing activities” from the beauty salon owners were vast. The extent of marketing activities varied greatly among the businesses. With some claiming to not do marketing at all, others performing a minimal amount of marketing activities, and some putting a substantial amount of effort into marketing activities. At the one end of the spectrum was the beauty salon owner who stated, “I do absolutely nothing at the moment. Just basically
if I talk to people” (Int4_85-86). While others mentioned marketing activities that included both traditional and digital methods of marketing. The marketing activities ranged from signage, posters, flyers, event marketing, free samples and vouchers, websites, Facebook pages, Google listings, Instagram, influencer marketing, as well as SMS and WhatsApp Messenger marketing. Statements from beauty salon owners included, “we also hand out pamphlets, we have specials every single month, so we hand out those throughout the mall” (Int3_92-94), and “I market a lot on Facebook and WhatsApp” (Int6_75-76). With a further data example being “I market at a networking event that’s held for ladies once a month” (Int6_127-128). Some businesses had a few marketing activities that they focused on, these were predominantly digital activities such as a website and Facebook page. While others had a vast range of marketing activities including both traditional and digital formats.

In general, most stated that in their communities word-of-mouth is a highly influential marketing tool. With a beauty salon owner stating “word of mouth is very powerful” (Int8_127-129) and another claiming, “word of mouth is hugely important in Durban” (Int1_123-124). Others conceded, and believed that clients are highly influenced by their friends and family as to which beauty salon to go to. A data example being, “I think it’s a very particular field. If you want to have a treatment done, you tend to ask your friends and go where they go, more than googling it and seeing what’s around” (Int7_232-234). The general consensus of the beauty salon owners was that clients frequently mention that they were recommended by a friend or family member to go to that particular beauty salon, thus word-of-mouth is a very relevant marketing tool in their industry.

The general attitude towards marketing and marketing activities was very mixed amongst beauty salon owners. With some expressing that marketing is a very important aspect to their business and others voicing that marketing is not a priority for them. Some statements representing positive attitudes towards marketing included, “my background is marketing, and I really enjoy the marketing side” (Int1_89-91), and “we still have a long way to go with our marketing but it is absolutely 100% an important aspect for us” (Int3_140-141). While, on the other hand some beauty salon owners were not convinced that marketing was imperative for their business. The chief reason being that they felt that they didn’t need to draw in more clients due to capacity constraints. A beauty salon owner revealed “I know it’s (marketing) a really good way of pulling people in…but I just feel like I don’t have the capacity” (Int2_140-143). In addition, another owner agreed, stating that “you have to be careful not to over market,
because then you have so many people looking for you and you can’t serve those clients” (Int6_233-235). Another agreed to some extent, that marketing would only be a priority for them if they were not drawing in or maintaining their client base, “I think if I ever got really quiet and needed to find clients…then I would definitely be pushing Facebook and Google ranking” (Int2_113-116).

**Marketing Development**

The statements regarding “marketing development” were relativity consistent with the beauty salon owners. The more established owners began marketing their products and services through traditional marketing channels such as advertisements in newspapers, flyers, and radio. Yet, these avenues have been fairly phased out, with beauty salon owners stating that feedback regarding these marketing activities has been poor. Supporting notions include “we’ve moved right away from print and press and are focussing heavily now on Facebook and the website and SMSing” (Int5_146-147). Additionally, “In the beginning I tried newspapers, community driven newspapers…I didn’t get much feedback from that” (Int8_89-93). Furthermore, a beauty salon owner said the following “when I first started I would do newspaper adverts, I got nothing from that, nothing at all” (Int6_121-122) and “back in the day we used to do flyers in post boxes. Nobody does that anymore” (Int6_126-127).

In summary, the findings reveal that the beauty salon microbusiness owners are completely responsible and in control of the marketing activities in their beauty salons. Additionally, they expressed that they are overloaded with multiple other tasks and responsibilities relating to their business. Few receive professional external marketing assistance, and this assistance is predominately in relation to digital factors, such as website development. While some admitted to asking for help from family members in terms of the design for social media posts. The marketing activities that beauty salon owners engage with are relatively ranged, from absolutely zero marketing, to a few free digital marketing formats, to both digital and traditional avenues. The consensus on the importance of marketing was that it is relevant in their industry, however some of the more established microbusiness stated that they didn’t prioritise marketing due to capacity constraints. Finally, print and press, and radio marketing has been phased out by the beauty salon owners, as they find it to be inefficient in reaching customers. Digital marketing is more popular, although some still utilise signage and word-of-mouth is still a very prevalent marketing tool in the communities.
3.5.2 Customer Relationship Management

This category relates to how the beauty salon owners interact with customers, maintain their relationships and receive feedback regarding products and services. The aim is to try and understand the nature of the customer relationships and how feedback is received.

Customer Interactions

The findings surrounding the subcategory “customer interactions” revealed the degree at which beauty salon owners interacted with customers. Overall they have very personal relationships with their clients. Many disclosed that they have friendships with their clients, and clients get along well with their employees too. Statements pointing to the personal nature of customer relations include, “we’ve got quite good relationships, myself and my customers” (Int4_135-136). Additionally, “I think we really do have a very intimate relationship with the majority of our clients” (Int7_243-244) and “a lot of business is based on friendship and I think that is what is so nice about the industry” (Int7_246-247). Furthermore, a beauty salon owner relayed that “the staff members, the people absolutely love them and a lot of the time they come back purely because they get along with the staff so well” (Int3_80-82).

Relationship Maintenance

The statements regarding the subcategory “relationship maintenance” uncovered that the beauty salon owners are typically contacting their clients directly via phone calls or using WhatsApp messenger to send them messages, as well as social media platforms such as Facebook. Supporting data examples include “I call them (clients) if I haven’t seen them in a while. Ask them how they are doing, what is happening in their life, when are you coming to see me? Is everything ok? If it’s their birthday, send them a message” (Int4_131-135). While, another beauty salon owner discussed the use of WhatsApp Messenger to keep in contact with clients “I WhatsApp them, probably about three times a month, even if it’s just to say, happy month of May, or sending them a special” (Int8_132-134). Furthermore, another beauty salon owner said “what happens with social media now is that a lot of my staff are on WhatsApp with clients, they are on Facebook with clients” (Int7_244-245).

3.5.3 Digital Marketing Channels

This category is related to the use of digital marketing channels by beauty salon owners. It aims to identify which digital marketing channels they are using, as well as if they are using any
analytics tools to monitor these digital channels and the overall beauty salon owner perception of digital marketing. The subcategories are digital channels, digital analytics and digital marketing attitude and future plans.

Digital Channels
The subcategory “digital channels” revealed the beauty salon owners were using Facebook, Google listings, websites, Instagram, WhatsApp Messenger and SMS. Almost all, microbusiness owners stated that they have a Facebook page whereby they post the price lists and pictures of their treatments, as well as interact with clients. Instagram was mentioned, however microbusiness owners revealed that they were not using it to its full potential, for example owners stated, “Instagram, but not a lot on Instagram” (Int6_81) and “I should probably have a better profile on Instagram” (Int5_78). A few of the beauty salon owners mentioned that they used Facebook boosters or Instagram boosters in order for their posts to gain more reach, “I’m boosting posts on Facebook and Instagram and that’s where I find I get a lot of feedback” (Int1_96-97) and “I use Facebook booster, but I try to keep it small within the community that I am, so within a 5km radius” (Int8_169-171). While, another mentioned that they use influencers to promote their products and services on Facebook and Instagram, stating: “we have a few celebrities that come through so they do a lot of advertising on Instagram and Facebook as well” (Int3_94-96). Overall, Facebook and Instagram were the two social media channels that were mentioned in the interviews.

Google listing was mentioned as a channel however the understanding of what it actually was seemed quite blurred as some microbusiness owners stated, “I’m on that google search thing which is free” (Int6_149) and “apparently I’m on Google, I didn’t put it there though” (Int4_90-94). Websites were not particularly common, but were still present amongst a few beauty salon owners. However, as mentioned previously they used a marketing agency to set up their websites. The use of the mobile application WhatsApp was mentioned frequently, the business owners use it regularly to broadcast messages, “I do also use WhatsApp, I have broadcasts for the three main products that I stock” (Int7_116-118) and “I use WhatsApp with my current clients and then I use Facebook to get to other clients, to new clients” (Int8_64-65). SMS messaging was also mentioned; however it was not a common channel to reach customers.
**Digital Analytics**

The subcategory “digital analytics” encompasses notions that involve the use of analytical tools to monitor post reach and interaction on social media. Unfortunately, this subcategory was highly underrepresented with only one microbusiness owner stating that they do any kind of digital analytics on their posts, “I definitely monitor my Facebook and Instagram posts, and they are always very, very positive. The reach that I get and interaction and stuff from boosting a post” (Int1_186-189).

**Digital Marketing Future Plans**

In terms of future digital marketing plans, most were content with their current channels, however some said with a larger budget they would look to develop their digital marketing further. Supporting statements include, “we are looking at getting professional help, it’s just too early at the moment, you know, cost-wise and that kind of stuff” (Int3_201-202) and “something that I will be interested in is Google Ads, and definitely looking into spending money on SEO” (Int1_237-238).

In summary, the digital marketing channels that are being utilised are Facebook, Instagram, websites, Google listings, WhatsApp and SMS. However, the beauty salon owners rely heavily on Facebook and WhatsApp, with the other channels not being utilised to the same extent. Most are using their social media platforms at a basic level, with only a few owners taking advantage of supporting tools such as Facebook or Instagram boosters. A few said they had a Google listing but couldn’t understand how this occurred. Furthermore, WhatsApp broadcasts are very popular, for contacting current clients regarding promotions and specials. In general, beauty salon owners were mainly utilising free digital channels, with the exception of the few using post boosters and hiring marketing agencies to design and maintain their websites. Digital analytics were scarce, with only one owner claiming to endeavour to understand their reach of social media posts. In general, some owners had plans to further develop digital marketing activities. Yet, most were content with their current digital marketing strategy.

3.5.4 Factors Inhibiting Digital Marketing Implementation

This category encompasses all the inhibiting factors that beauty salon owners stated in regards to the implementation of a digital marketing strategy. It includes the subcategories, attitude, skills, finance, time and environmental aspects.
Attitude

The subcategory attitude includes data that relates to how beauty salon owners feel regarding digital marketing, and if they plan to develop their digital marketing strategy in the future. Many had a positive outlook in respect to digital marketing statements included, “if I had an unlimited budget, I would go mad on digital marketing” (Int1_131), “I know if I wanted better, I could push the digital more” (Int2_157) and “avail yourself with skilled people to help you, because you can’t ignore it (digital marketing)” (Int5_277-278). Whereas, other beauty salon owners were more sceptical of digital marketing and the benefits, “I don’t know if I would turn to digital marketing in this field” (Int7_238-239) and “I think at this stage I’m not interested in learning in anymore (in regards to digital marketing)” (Int6_325).

Skills

A challenge that many beauty salon owners faced with digital marketing implementation was their own lack of skills regarding IT and their overall general lack of knowledge regarding digital marketing. The following statements relate to beauty salon owner’s IT skills: “I’m not very computer orientated” (Int4_126) and “you definitely have to have better computer skills than I do…if you have PowerPoint skills (they) are fantastic because you can make up your own little memes and things, my sister does it in five seconds because she’s used to using the computer (Int8_221-225). Furthermore, others relayed that they just didn’t have the digital marketing knowledge and the general skills to implement digital marketing channels sufficiently. Data examples include: “I should probably have a better profile on Instagram but the barrier is my own lack of knowledge” (Int5_88-90), “it irritates me when Facebook reminds me that I haven’t been there for a while because I know I should, but the barrier is my lack of skill” (Int5_138-140), and “you know if you do digital marketing you need to know what appropriate words to use and what appropriate words to use to entice people to come looking for you” (Int6_309-215). In addition, a beauty salon owner expressed their apprehension towards digital marketing, stating: “you have a fear of something you are not completely comfortable with or completely knowledgeable of (Int5_94-96).

Moreover, many beauty salon owners were fairly self-degrading when discussing their skills in relation to digital marketing. Statements such as “I can’t do those myself either because I’m useless” (Int8_225), “I would be hopeless in setting up a website. I would be hopeless to set up an ecommerce store. I would be hopeless at Google adverts. I have tried” (Int6_315-316), “…the little bit that I have taught myself (graphic design for posts), it really looks quite crappy
compared to the level that is out there, that you are competing with” (Int5_233-235), and “I wouldn’t be able to market something bigger than this” (Int7_292-293). Additionally, many believed that seeking professional digital marketing assistance was the answer to their lack of skills, data examples include: “I think unless you are actually engaged with someone professionally, you get left behind” (Int5_241-242), “I would have to have someone to help me, because I wouldn’t know how to go about doing it on my own (digital marketing)” (Int4_120-122) and “I would need someone to do it (digital marketing) properly” (Int3_210).

Finance
A further finding in regard to challenges that beauty salon owners face in regards to implementing digital marketing channels is the financial aspect. However, not in particular respect to the actual digital marketing channels, but the financial costs of hiring a professional to do digital marketing for them. For example a beauty salon owner said, “the expense of me paying a monthly fee to an outside company (for digital marketing) has proved a barrier” (Int5_90-91). While, another owned stated, “cost wise and that type of stuff, it’s just too early to get someone to do it (digital marketing)” (Int3_200-201). A further comment read, “outsourcing someone would cost me money and when you’re such a small business, you don’t have that sort of money to spend on marketing” (Int8_200-202).

With consideration to the financial aspects of digital marketing channels, a beauty salon owner mentioned, “I tried mostly to use free marketing channels in my business plan, because obviously I only have a certain amount of budget, I wanted it to be organic” (Int1_213-214). While another owner said, “if you are like me and a solo act then yes, definitely go for the free stuff first” (Int8_254-255). Furthermore, a beauty salon owner mentioned “so I found a thing called Canva and you can make your own graphics whereas before if you wanted to do an advert it would cost you money” (Int6_298-300).

Finally, survival aspects of the beauty salon businesses were revealed, with a beauty salon owner commenting that “it takes strength, courage and determination to still be at it after you haven’t been able to buy groceries for the month, because you have to allocate that money to salon rent” (Int6_339-342). Another said, “I would love to grow my client base, that would be a bit more reliable but ja, I just tick along. Survive” (Int5_269-270). These were interesting points in terms of finance, as it exhibited how financially constrained some of the beauty salons are, and why digital marketing may not be the highest on the list of priorities.
**Time**

Time was an additional finding in relation to challenges that the beauty salon owners expressed. They felt that they couldn’t devote enough time to digital marketing activities. The majority of the owners are also the main beauty therapists in the salon. Thus, attending to clients every day, as well as managing the business and personal life aspects, does not allow much time for digital marketing. Supporting data examples include, “I could definitely spend way more time on it but because I’m doing the work as well, I’m actually treating the clients, I don’t spend as much time as I could” (Int1_128-130), “I work basically six days a week, and with a manager and the staff, there’s just not enough time. It just eats every bit of time that you have up” (Int3_224-226) and “I should do more (digital marketing) but again it’s just time. I’ve got two kids…I have my life to deal with” (Int2_98-100). Time was also mentioned in connection to particular digital marketing channels, as such some beauty salon owners mentioned the following, “I’m very bad at Facebook, I just don’t have time really to focus on posting and pushing things” (Int2_94-96), “I’d like to do Instagram…but honestly I just don’t have the time” (Int8_158-159).

**Environment**

Further digital marketing implementation challenges related to environmental factors that were out of the beauty salon owners’ control. Environmental aspects that were mentioned include customer culture, economic climate, copyright law and privacy law. In terms of customer culture and economic climate, a beauty salon owner stated “the culture in Durban, it’s very much like word-of-mouth and who they know, they don’t like new things” (Int1_136-138) and “getting people to come and spend money (is a challenge), which also has probably a lot to do with the economic climate in South Africa right now, it’s not a very easy time to start a business (Int1_149-151). Another mentioned copyright law in terms of Facebook and Instagram, “ultimately Facebook is about being visual, so is Instagram, then there’s all the protocols about stealing images” (Int5_239-240). Finally, privacy law was alluded to, “I have to be careful to do advertising to a group of people if the other group of people can see names because of confidentiality” (Int6_239-240).

In summary, the findings derived from the category “challenges related to digital marketing” revealed four subcategories; skills, finance, time and environmental aspects. The beauty salon owners declared that they lacked IT skills and general knowledge about digital marketing. Some appeared frustrated, saying they had tried and failed with regards to digital marketing.
activities. Others mentioned that their computer skills were subpar, or that they lacked knowledge about specific channels such as Facebook or Instagram. Finance appeared to be a generic challenge, in addition to being a specific challenge for digital marketing. In the sense that the beauty salon owners expressed that financially they were just aiming to survive. Digital marketing wise, the financial challenges were more related to not having the finances to hire a digital marketing professional, than actually the cost of implementing certain digital marketing channels. However, some owners did mention that they were rather utilising free digital marketing channels. Time was a further challenge, with all beauty salon owners stating that they were laden with responsibilities within the business. Leaving little time to learn more about digital marketing or post more content on social media. Environmental aspects, were not commonly cited, however issues such as customer culture, economic climate, copyright laws and customer privacy were noted.

3.6 Research Findings: Experts

In this chapter the research results purely relating to the interviews conducted with experts are presented. The expert interviews are analysed individually, as the expert’s individual specialities varied and hence the guidelines were not identical. Regardless, the main themes are highlighted among each interview and direct citations from the interviews are included for clarification purposes.

3.6.1 The Digital Landscape

The interview with the digitalisation expert revealed vast insights regarding the general digital landscape of South Africa. The main themes that were unveiled in the interview were digitalisation opportunities, digital and digital marketing trends and digital infrastructure.

*Opportunities*

Overall, South Africa was said to be an exciting country in terms of opportunities for digitalisation. As such the expert started their business on the basis that there was an opportunity in Tech, “what I knew from my previous job was that there was an opportunity for Tech in South Africa…there was definitely a gap with what clients wanted and what they were getting” (Exp1_54-57). The expert went on further to illiterate the clients are demanding more digitalised business models, in essence they want to add digital to their offering. With the expert
stating “South Africa for me is exciting because you can be productive here in South Africa…you also have this demand (for digitalisation)” (Int1_295-297).

*Digitalisation and Digital Marketing Trends*

A main trend that was found was positive energy surround digitalisation, with businesses realising the importance of digitalisation. The expert commented, “I think there are a lot more people who believe that it’s important for them to be doing digital in their business, but they kind of don’t know how” (Exp1_122-124). The expert emphasised that digitalisation was at the moment more of a buzz word, with most businesses not knowing how to implement digitalisation in an advantageous way. This was also related to some extent to digital marketing trends in the sense that business owners, “want digital marketing but don’t know what it means” (Exp1_196). Findings from the expert uncovered that, “digital marketing is not currently being used as a powerful tool in the business to refine the messaging, the product offering, learn more about the customers” (Exp1_150-153). The expert illustrates that businesses in South Africa are currently on “digital marketing level one” (Exp1_152-153).

*Digital Infrastructure*

Infrastructure wise, it was believed to not be an issue for South Africa in relation to digitalisation efforts for businesses, especially in comparison to other sub-Saharan African countries it is advanced in terms of efficiency. Supporting statements from an expert included, “infrastructure is not a barrier at all. Infrastructure is perfect” (Exp1_116-117) and “the kind of knowledge infrastructure, the eco-system of open source information is available which is why it’s such a shame that we don’t have more of it in South Africa” (Exp1_113-115) in terms of efficiency “South Africa is not Pakistan and it’s not Germany…it’s interesting because its unique that way…not shockingly useless but also lots of room to play” (Exp1_291-294).

In summary, the findings of the South African digital landscape were positive. Businesses are increasingly demanding digitalisation aspects for their businesses. The country is excited about digital, but there does seem to be a general lack of understanding of how to implement digital aspects efficiently. Digital marketing is something businesses are demanding, but again there is a lack of understanding as to how to fruitfully gain from it. The components for digitalisation implementation are there, both the physical and knowledge infrastructure. Thus, the country is an exciting place to be at the moment in terms of digitalisation, with bountiful opportunities.
3.6.2 Digital Marketing

The category concerns the findings related to the interview with the digital marketing expert in South Africa. The findings from the interview allowed the author to understand digital marketing, from an expert’s perspective. It led to three main categories of findings; client observations, client demands and microenterprises.

Client Observations

Client observations refer to some of the noteworthy observations regarding clients that the digital marketing expert had encountered in their business. This included, the types and sizes of businesses that the expert mostly deals with, and the skills/knowledge about digital marketing that the clients have. In essence, this category covers the characteristics of the businesses and also the people that the digital marketing expert regularly consults with.

Findings related to business type and size revealed that the digital marketing expert only had clients whose businesses were classified as an SME. Furthermore, SMEs across a magnitude of industries necessitated the experts digital marketing services, the expert stated “there’s no particular one (industry), so we’ve got some in the beauty industry, we’ve got ones who sell clothing, we’ve got one that sells blankets, we’ve got…lawyers. Ja, literally everything” (Exp2_179-183).

Overall it was noted that clients didn’t fully understand digital marketing, clients just know it is something they need to drive sales, and therefore contact the digital marketing agency. A statement from the expert read “I often find they don’t understand it. I would say from (age) 40-45 up, they don’t understand digital, so we almost have to educate them what it’s all about” (Exp2_119-121). An example was referred to in relation to Google listings, “they don’t even know what it is, you have to try and explain to them, this is it. When you’ve gone to google and type something and that appears, that’s a Google listing” (Exp2_199-201). Furthermore, due to a lack of understanding some clients had reservations regarding trust and control, in allowing the agency to handle their digital marketing. It was noted that these particular clients had less digital knowledge, a supporting statement includes, “some people will literally give us work and let us run with it, and trust us. Some people…want to be very involved and know exactly what’s going on” (Exp2_293-296) and a further statement read “they don’t want to lose
control…generally those (clients) that aren’t that educated when it comes to digital” (Exp2_301-303).

Another observation that was eminent in the digital marketing expert interview, was the belief that digital marketing is easy. Many believe that digital marketing is merely just posting Facebook content, and the expert gave a supporting example “the one owner of a company will post himself on Facebook, and it will be a terrible post, not following best practice recommendations and just terrible” (Exp2_364-367) and “they (clients) do think that it’s quick and easy, because when they do it (post), they don’t put any design behind the images, whereas we do” (Exp2_373-374). This again related to the lack of understanding and knowledge of digital marketing.

Demands
A main finding from this subcategory was that everyone wants to be on Facebook, the expert commented, “they just come to us, saying I want to be on Facebook” (Exp2_138) and “they just want their company to go on Facebook, that’s all that matters to them” (Exp2_155). However, digital marketing demands did vary in respect to business size, with some medium sized businesses opting to market their website using Google Ads and SEO, however smaller businesses are more Facebook orientated. The expert stated “You have to market to have your website that can be found, either doing Google Ads or SEO…but the small businesses don’t have money for those things so they tend to go for Facebook” (Exp2_95-98). Generally, the extent of digital marketing demands for small businesses are Facebook and a basic website. While, the medium sized businesses also do request Facebook pages and websites, they have more budget to actually market their website online.

Microenterprises
With respect to purely microenterprises, the findings uncovered that due to the budget that microenterprises are working with, the digital marketing services that they request are minimal. Even with regards to Facebook, they request the simplest package. The expert gave an example, “we have one client…who does her own posts on Facebook but we run ads for her on Facebook because she doesn’t really know how to run ads and then at least she’s getting some sort of leads” (Exp2_214-216). A further aspect in relation to Facebook posts was given by the following statement “we’ll for example go and set up their page for them but then they’ll say, I’ll post on my own…then they get pictures from Google and post them as if it’s their
own…they are not creating recognisable posts…they’re literally just wasting their time posting themselves” (Exp2_165-174).

Findings also related to microenterprises was the advice that the digital marketing expert suggested, this included to learn a bit about digital marketing themselves. The expert stated, “not be completely oblivious…learn a bit, but especially if they’re in the older generation, get an agency to help them, guide them” (Exp2_226-228). Additionally, the expert relayed that if budget is an issue in hiring an agency, then going on a training course in order to learn more about digital marketing can really help.

In summary, the findings from the digital marketing expert were fruitful. Certain aspects overlapped with the digitalisation expert interview findings in the sense that forms of digitalisation, including digital marketing is currently a buzz word in South Africa. Hence, business owners want to have digital marketing, but they don’t fully understand all the facets of digital marketing. When using a digital marketing agency, larger businesses with more budget are demanding more extensive forms of digital marketing, while smaller businesses are settling for Facebook and websites. In general, there is a knowledge gap and deficit of understanding in relation to digital marketing, especially for the older generation.

4 Discussion

Grounded on the findings from the beauty salon owners’ interviews and the supporting expert interviews, this chapter endeavours to answer the research question posed at the beginning of the thesis:

What digital marketing practices are formal microenterprises in beauty salons in South Africa implementing, and what are the hindering factors that affect the implementation?

As the research question essentially has two parts, the author will first discuss the digital marketing practices being implemented by beauty salons. Thereafter, the factors with regards to digital marketing adoption will be deliberated.
4.1 Digital Marketing Practices

Digital marketing practices are minimal, in regard to beauty salons categorised as microenterprises in South Africa. They are minimal in the sense that not only are the beauty salons using a limited range of digital marketing channels, but the optimisation of these channels is at an elementary level. Despite the broad consensus that digital marketing is an important tool amongst the beauty salon microenterprise owners, many did not materialise this in practice. Overall, the beauty salons were using Facebook and WhatsApp messenger as the most common channels to reach customers. Websites were rare amid the beauty salon owners, and the same can be said regarding Instagram. It was surprising that Instagram was not utilised more by the beauty salon owners, considering the beauty is so visual. Moreover, Google Ads and SEO were only mentioned by one owner, however only as a future digital marketing plan. Crucially, it should be noted that this particular beauty salon owner had both an educational and professional background in marketing.

The optimisation of digital marketing channels was weak, in the view that most beauty salon owners were using Facebook to post content, but not using supporting tools to optimise post reach and target customers. This aligns with the expert view, that everyone wants to be on Facebook, yet they don’t understand the underpinnings of using Facebook for business purposes. Another expert stated that South Africans were at digital marketing level one, this is supported regarding the findings from the interviews. With digital marketing essentially being used, but not in the most efficient and advantageous way.

4.2 Inhibiting Factors

The factors that were found in relation to digital marketing implementation in beauty salon microenterprises were, the owner attitude and skills, as well as finance and time, and to a limited extent, environmental factors. The attitude of the owner towards digital marketing impacted whether they were driven to even try implement digital marketing or not. Furthermore, skills were a major challenge for the microenterprise owners, including both IT skills and knowledge relating to digital marketing. Time was another factor, the owners relayed that they were inundated with responsibilities in the business, as most had both managerial and beauty therapist roles. Finance, was a further factor in the sense that the beauty salon owners admitted that they didn’t have the skills to implement a strong digital marketing strategy, and therefore stated they would need to hire a professional marketing agency to do so. This was
not financially feasible for many microenterprise owners, with overall business survival being crucial. The environment was seen as a less significant factor, although mentioned. There was a minimal emphasis on environmental factors such as competition, digital content legalities, customer culture and economic climate. Furthermore, a surprising finding is that the digitalisation expert expressed that infrastructure is not a limiting factor in digital marketing adoption for firms in South Africa.

When relating the factors uncovered by this research to previous literature, which involved digital marketing adoption by SMEs and the factors that affect this adoption, similarities can be elicited. Karajaluoto & Huhtamäki (2010), categorised the factors that influence the adoption of digital marketing in SMEs into firm specific and owner-manager factors, resource related factors and environmental factors. The results of this research unveiled that owner attitude and skills, as well as time and finance influenced digital marketing adoption. Additionally, the location and reputation of the beauty salon were also influential factors in the use of digital marketing by the beauty salons.

4.2.1 Firm-Specific and Owner-Manager Factors

Looking into the first category proposed by Karajaluoto & Huhtamäki (2010), namely; firm-specific and owner-manager factors. Owner-manager factors included the attitude and skills of the beauty salon owners. Attitude was specifically important in beauty salon owners’ motivation to even try do to any digital marketing. Some just couldn’t see the value of digital marketing in the beauty industry, while others just believed they are useless with respect to digital marketing and didn’t want to learn anything new. Those with a positive attitude towards digital marketing, had a more accepting perception, and were utilising more digital channels. Skill was a major factor that the beauty salon owners discussed, both IT skills and knowledge of digital marketing. A lack of confidence with computers and related technologies was a large barrier for the beauty salon owners. From the findings it was also evident that knowledge of digital marketing was scarce, and therefore acted as a barrier for the beauty salons. However, it should be acknowledged that many of beauty salon owners were over the age of 40. Hence, by not being digital natives their experience with computers and related technologies may be limited. Some expressed fear, discomfort or frustration with using new technologies. Additionally, education-wise owners usually had a diploma in beauty and then had worked in a beauty salon as an apprentice, until they opened their own business. Therefore, their experience relates to their industry and not managerial.
4.2.2 Resource Related Factors

The resource related factors that the findings revealed for the beauty salons, time to do digital marketing and finance to hire a professional marketing agency to do digital marketing for the salon were barriers. Beauty salon owners had multiple roles in their respective salons, from accounting, to marketing, managing staff, cleaning, and doing the beauty treatments themselves. This was found across all beauty salons, regardless of the number of staff that worked in the beauty salon. Finance was the other resource related factor that the beauty salon owners mentioned. Yet, this was in relation to hiring a professional to manage their digital marketing, and not in respect to certain digital marketing channels or tools.

4.2.3 Environmental Factors

Some environmental factors were touched upon, however not in an emphasised manner. Issues of copyright with respect to images and customer privacy were mentioned. While, another did mention how the consumer culture in the region was very word-of-mouth orientated, and in regard to beauty treatments people are likely to listen to a friend as to where to go. This is an interesting observation in the sense that perhaps the beauty salon owners feel that word-of-mouth is the direction to go in, in their respective communities. Implying that the perception of consumer behaviour may in fact be a subtle barrier in digital marketing. A further observation regarding the environment, could be that because other small beauty salons are not implementing digital marketing to a great extent, the beauty salon owners in general do not feel pressured to implement digital marketing themselves.

4.3 Addressing the Research Question

To answer the research question, it can be said that the digital marketing practices that beauty salons categorised as microenterprises in South Africa are implementing, are on a minimal level. Furthermore, the factors that affect the implementation of digital marketing in the beauty salons are; the attitude and skills of the owner-manager, and the resources of time and finance.

As a side note, it was observed that some of the factors were linked or propounded each other. For clarity purposes an example will be used. A beauty salon owner would like to include digital marketing into their overall marketing strategy. However, this beauty salon owner lacks the skills and knowledge with regards to how to implement digital marketing, to use Facebook effectively, to have a Google listing etc. With a severe lack of time, the beauty salon owner is
unable to try learn these skills. Thus, the beauty salon owner knows that hiring a marketing agency would be the sensible option. Yet, finance is a major issue for this microenterprise and therefore they are hesitant in parting with their money.

4.4 Implications

The results of this thesis have both managerial and theoretical implications. This section first deals with the managerial implications. The digitalisation of consumer behaviour is a phenomenon that microenterprises should follow and digital marketing allows this. Through the use of digital marketing small business are able to be more competitive on the market (Mogoș, 2015). Digital marketing pertains further advantages such as cost efficiency, access to a broad customer base, as well as the ability to target and interact with customers. However, this study revealed that, fundamentally managers need to understand digital marketing and its advantages, in order to use it to its full potential. The current use of digital marketing is minimal, with microenterprises utilising few digital marketing channels. It is not enough to just be present on Facebook or other social media platforms. Managers need to optimise the use of these channels, by presenting unique content that is consistent with their brand. Furthermore, the reach of posts should be targeted at potential customers, by using additional tools that these social media platforms provide. It is important for managers to avail themselves with the free digital marketing channels and supporting tools. A google listing can be extremely helpful in allowing customers to locate your business, as well as provide contact details and the link to your website. Free design apps are also available, for content creation. However, in general digital marketing does take time and it is not as easy as one perceives it to be. It can be expensive, especially when a marketing agency is required, so knowledge is key, managers should try and learn as much as possible to understand this new digital environment.

The findings of this thesis also have theoretical implications. The findings build on theory related to digital marketing adoption in SMEs, in particular microenterprises. It is clear that microenterprises are at an early stage of digital marketing adoption, and their understanding of how digital marketing can benefit their business is limited. Regardless, there is a positive energy surrounding digital marketing, and this bodes well for the future. In terms of factors that affect the adoption of digital marketing in microenterprises, appropriate skills can be viewed a major factor. Microenterprise owners struggle with having the appropriate skills such as IT skills and knowledge to implement and understand digital marketing. Being so involved
in their microenterprise, perhaps leaves little space to develop skills outside of their industry. With microenterprises having minimal human resources, the microenterprise owners can become overladen with responsibilities. Thus, time becomes an important resource, which in turn influences the overall adoption of digital marketing. Furthermore, microenterprises are plagued with financial constraints, with many prioritising survival. This limited budget disables microenterprises from acquiring outside help in the form of digital marketing agencies. Overall, environmental aspects have had insignificance in terms of digital marketing adoption in microenterprises. Perhaps, as microenterprises begin to develop their digital marketing strategies, the influence of the environment may come into play.

4.5 Limitations

In this section, limitations of the study are discussed. Throughout this thesis, the author endeavoured to ensure that their work was as precise as possible. From using literature from reliable sources in the literature review, to following the correct methodology in the research design, data collection and data analysis. Furthermore, the findings were reported from a neutral and honest perspective. However, naturally this thesis does have some limitations, which can prove useful for future investigations.

The limitations in this section pertain to the sample profile that was studied. With regards to the industry, the research was focused on the beauty industry. This makes it difficult for the research findings to be transferred and compared across other microenterprises operating in varying industries. Another limitation with respect to sample, was the age of the respondents. Many of the beauty salon owners represented an older demographic. Thus, including more younger beauty salon owners could have resulted in a more representative sample. Furthermore, the size of the microenterprises in terms of number of employees inclined more towards the small size, with many of the beauty salons only having one employee. Therefore, with a greater spread in the number of employees the sample could have been more representative of microenterprises ranging from 1 to 4 employees.

Additionally, the regions that the beauty salons were operating in, were limited to Kwa-Zulu Natal and Gauteng. Thus, the sample did not represent beauty salons across all major provinces in South Africa. Finally, a further limitation is that the beauty salon owners were reluctant to disclose any financial information regarding their microenterprise, such as revenue. This made it difficult to compare the microenterprises in terms of financial growth. The beauty salon
owners did reveal the number of regular monthly customers that they receive, and said customer treatments were their main source of revenue. However, it is not equal to receiving financial data. Hence, for the author this was a significant limitation for the analysis.

4.6 Future Research

In respect to future research, the geographical spread of the study could be extended. Not only to more provinces across South Africa, but also to a developing country. Whereby, the findings could be compared in the context of a developing and developed country. Additionally, beauty salons in the various classifications of SME’s could be researched, so examining the differences between small, medium and microenterprises in digital marketing adoption. Moreover, further research could extend to microenterprises in different industries, for example examining a highly transactional industry such as retail. Again, this would be for comparable reasons, to evaluate how industry can affect digital marketing adoption in microenterprises.

Finally, the current study could be extended in the sense that researchers could evaluate the extent to which the factors influence the overall implementation of digital marketing. For example, evaluating how much owner-manager factors or resource factors influence the implementation of digital marketing in microenterprises.

5 Conclusion

In conclusion, digital technologies are constantly evolving and shaping the society we live in. Consumers have become immersed in the online realm, and this has had consequences for firms in both the developed and developing world. Digital marketing has enabled firms to interact and understand customers at a much deeper level than ever before. However, opportunities can be squandered if digital marketing is not fully understood and utilised to its full potential. In particular, for small businesses such as microenterprises it is important to endeavour to overcome the barriers that their exceptionally small size may bring, in order to reap the numerous advantages of digital marketing.
References


Appendix

Interview Guideline: Beauty Salon Microenterprise Owners

Introduction

Firstly, I would like to say thank you for taking the time to do this interview with me. To begin with, I would like to give you a short overview of what this research is about. The questions in this interview cover the topic of “Challenges in digital marketing adoption for microenterprises”. I would like to find out how microenterprises are adopting digital marketing practices in South Africa, and the subsequent challenges they face.

Do you feel sufficiently informed or do you have any further questions?

Questions arise:

I am interested in what you connect with the topic, what is relevant for you and what is not relevant for you. This research is conducted by the University of Innsbruck in the department of Strategic Management, Marketing and Tourism. I would like to find out how microenterprises are adopting digital marketing practices in South Africa, and the aspects which they find challenging.

Do you have any further questions?

I will be asking you open questions surrounding this topic. Additionally, I would like to emphasise that everything you say in this interview is relevant. There are no “wrong” or “right” answers. There is no need to rush, as we have all the time you need to answer my questions. However, the interview should last approximately 45min – 1 hour.

I would also like to inform you that this interview will be audio recorded and later transcribed. The interview material will of course remain strictly confidential and it will be completely anonymised. It will be impossible for the interview material to be traced back to you or your company. Therefore, personal data will be anonymised or deleted. In this respect, you will receive a confidentiality agreement after the interview is concluded.

Do you have any more questions?

Then let’s start with the first question
### Block 1: Introduction

**Ice breaking question, can you tell me a bit about your business?**

<table>
<thead>
<tr>
<th>Contextual Aspects</th>
<th>Perpetuating Questions</th>
<th>Further Questions</th>
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<tbody>
<tr>
<td>Business Idea</td>
<td>Could you elaborate on that?</td>
<td>Where did this business idea come from?</td>
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<tr>
<td>Duration of Microbusiness</td>
<td>What do you mean by this point?</td>
<td>How long has your company been operating?</td>
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<tr>
<td>Business Framework</td>
<td>Could you be more concise?</td>
<td>How many employees do you have and what are their roles?</td>
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<tr>
<td>Profile</td>
<td>Do you have an example to that point?</td>
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<td>Success Factors</td>
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<td>Help</td>
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<td>Challenges</td>
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### Block 2: Marketing

**Understand general marketing landscape**

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<th>Contextual Aspects</th>
<th>Perpetuating Questions</th>
<th>Further Questions</th>
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<tbody>
<tr>
<td>Current Marketing Channels</td>
<td>Could you elaborate on that?</td>
<td>Which marketing channels are you currently using?</td>
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<tr>
<td>Marketing Personnel</td>
<td>What do you mean by this point?</td>
<td>Is there someone who is designated to marketing activities?</td>
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<tr>
<td>Changes in Marketing</td>
<td>Could you be more concise?</td>
<td>How have your marketing practices changed over the years?</td>
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<tr>
<td>Effectiveness</td>
<td>Do you have an example to that point?</td>
<td>What challenges have you encountered?</td>
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<td>Challenges</td>
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### Block 3: Customer Relationships

**Customer Relationship Management**

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<th>Contextual Aspects</th>
<th>Perpetuating Questions</th>
<th>Further Questions</th>
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<tbody>
<tr>
<td>Customer base</td>
<td>Could you elaborate on that?</td>
<td>Where are most of your customers located?</td>
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<tr>
<td>Reach</td>
<td>What do you mean by this point?</td>
<td>How do you maintain these relationships?</td>
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<tr>
<td>Maintenance</td>
<td>Could you be more concise?</td>
<td>Do you think your customers are satisfied with the information receive about your products and services?</td>
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<td>Insights</td>
<td>Do you have an example to that point?</td>
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<td>Internationality</td>
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### Block 4: Digital Marketing

**Understand digital marketing strategy and challenges**

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<th>Contextual Aspects</th>
<th>Perpetuating Questions</th>
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<td>• Current Digital Marketing Channels</td>
<td>• Could you elaborate on that?</td>
<td>• What digital marketing channels are you currently using?</td>
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<tr>
<td>• Relevance</td>
<td>• What do you mean by this point?</td>
<td>• Do you think digital marketing is relevant to your company?</td>
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<tr>
<td>• Resources</td>
<td>• Could you be more concise?</td>
<td>• Which resources does digital marketing need to be implemented?</td>
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<tr>
<td>• Future Plans</td>
<td>• Do you have an example to that point?</td>
<td>• What challenges have you had to implement digital marketing?</td>
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<td>• Challenges</td>
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<td>• Have you received outsourced help?</td>
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<td>• Outsourcing</td>
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### Block 5: Closing Question

**What advice would you give to new microenterprises in terms of marketing and digital marketing?**

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<td>• Could you be more concise?</td>
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<td>• Do you have an example to that point?</td>
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</table>
Demographic Questions:

1. Year of Birth
2. Nationality
3. Highest level of education
4. Position in the business
5. Age of the business
6. Number of employees
7. Previous job
8. Position in the business
Expert Interview Guideline

Introduction

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Do you feel sufficiently informed or do you have any further questions?

Questions arise:

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Do you have any further questions?

I will be asking you open questions surrounding this topic. Additionally, I would like to emphasise that everything you say in this interview is relevant. There are no “wrong” or “right” answers. There is no need to rush, as we have all the time you need to answer my questions. However, the interview should last approximately 45min – 1 hour.

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Do you have any more questions?
### Block 1: Introduction

**What does your business do?**

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<th>Contextual Aspects</th>
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<td>• Business Framework</td>
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<td>• How long has your company been operating?</td>
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<td>• Profile</td>
<td>• Do you have an example to that point?</td>
<td>• How many employees do you have and what are their roles?</td>
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<td>• Success Factors</td>
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<td>• Are there many businesses in the digital marketing businesses industry?</td>
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<td>• Help</td>
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<td>• Challenges</td>
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### Block 2: Trends

**What digital trends are happening in South Africa at the moment?**

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<th>Contextual Aspects</th>
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<th>Further Questions</th>
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<tbody>
<tr>
<td>• Trends</td>
<td>• Could you elaborate on that?</td>
<td>• What are some current digital marketing trends?</td>
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<td>• Digital Landscape</td>
<td>• What do you mean by this point?</td>
<td>• How have these trends developed over time?</td>
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<td>• Developing Country</td>
<td>• Could you be more concise?</td>
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<td>• Do you have an example to that point?</td>
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### Block 3: Digital Marketing

**What kind of digital marketing are businesses doing at the moment?**

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<th>Contextual Aspects</th>
<th>Perpetuating Questions</th>
<th>Further Questions</th>
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<tr>
<td>• General</td>
<td>• Could you elaborate on that?</td>
<td>• What challenges do you think businesses have with digital marketing?</td>
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<td>• Challenges</td>
<td>• What do you mean by this point?</td>
<td>• What skills do you think people lack to be able to implement digital marketing</td>
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<td>• Skills</td>
<td>• Could you be more concise?</td>
<td>themselves effectively?</td>
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<td>• Do you have an example to that point?</td>
<td>• What kind of businesses usually come to you for</td>
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<pre><code>                         |                                                                                       |                                                                                    |
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**Block 4: Microenterprises**

In general, do you think microenterprises are using digital marketing as part of their strategy?

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<th>Contextual Aspects</th>
<th>Perpetuating Questions</th>
<th>Further Questions</th>
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<tbody>
<tr>
<td>General</td>
<td>Could you elaborate on that?</td>
<td>What would you say they are implementing?</td>
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<tr>
<td>Challenges</td>
<td>What do you mean by this point?</td>
<td>What challenges do you think microenterprises have with digital marketing?</td>
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<tr>
<td>Skills</td>
<td>Could you be more concise?</td>
<td>Do you think microenterprises compare to larger businesses in respect to digital marketing?</td>
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<td></td>
<td>Do you have an example to that point?</td>
<td>What skills do they lack?</td>
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**Block 4: Closing question**

What do you think the future holds for South Africa in terms of digital marketing?

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<th>Contextual Aspects</th>
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<td>Could you elaborate on that?</td>
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<td>What do you mean by this point?</td>
<td>What challenges do you think microenterprises have with digital marketing?</td>
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<td>Could you be more concise?</td>
<td>Do you think microenterprises compare to larger businesses in respect to digital marketing?</td>
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<tr>
<td></td>
<td>Do you have an example to that point?</td>
<td>Have you ever worked with a microenterprise?</td>
</tr>
</tbody>
</table>
Demographic Questions:

9. Year of Birth
10. Nationality
11. Highest level of education
12. Position in the business
13. Age of the business
14. Number of employees
15. Previous job
16. Position in the business
Affidavit

I hereby declare that this Master’s thesis has been written only by the undersigned and without any assistance from third parties. I confirm that no sources have been used in the preparation of this thesis other than those indicated in the thesis itself.

This Master’s thesis has heretofore not been submitted or published elsewhere, neither in its present form, nor in a similar version.

Place, Date Signature