



**EFFECTS OF SOCIAL MEDIA-MEDIATED CUSTOMER ENGAGEMENTS ON  
PURCHASE DECISIONS AND COMPETITIVE ADVANTAGE: MEDIATING ROLE OF  
BRAND EQUITY IN FULL-SERVICE RESTAURANTS**

By

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July 2022

## DECLARATION

I, Relebohile Constance Masoetsa, student number \_\_\_\_\_, do hereby declare that this dissertation submitted to the Central University of Technology, Free State for the Degree of Master of Management Sciences in Marketing management, is my own independent work and has not been previously submitted to any institution in attainment of any qualification. I further cede the copyright of the dissertation in favour of the Central University of Technology, Free State.



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## **DEDICATION**

I dedicate this dissertation to my father, Montoeli Marks Masoetsa, for whom I thank God for upon every remembrance.

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## LIST OF ACRONYMS

BE	Brand equity
B2C	business-to-customer
B2B	business-to-business
C2C	customer-to-customer
CBBE	Customer-based brand equity
CBE	Customer brand engagement
EWOM	Electronic word of mouth

## ABSTRACT

Despite the prominence of customer engagements with brands, as occasioned by latest technology developments, small businesses are yet to fully comprehend how they can tap into this dominant phenomenon to increase their market share, growth and profitability. This organisational inertia is unfortunate as, in the past decade and lately during the Covid 19 pandemic, customer consumption of brands and interaction with small firms has become significantly social media mediated due to the prevalence of emerging social technologies. The social media platforms' power to influence consumers' purchase intentions and decisions can no longer be ignored by firms if their competitiveness is to be sustainable. However, the disconcerting evidence from literature suggests that the restaurant businesses' adoption of social media has not been accompanied by an in-depth grasp of how such technology can be harnessed for the economic benefits of these firms, a research problem this study sought to address. Therefore, the objective of this study was to investigate the influence of social media mediated customer engagements on brand equity attributes, purchase intentions and competitive advantage of graded full-service restaurants in the Free State Province. The study drew on a positivist epistemology and quantitative research approach with an online and one-on-one survey conducted on 241 owners/managers of these restaurants and 379 of their customers. A total of 144 restaurant owners/managers and 307 customers successfully responded to the survey, representing a response rate of 72.7%. The statistical package for the Social Sciences was employed to conduct descriptive statistics and some inferential statistics, especially correlations and regression, for the study. The study's main statistical technique for testing the relationship in the model was the partial least squares structural equation modelling (PLS-SEM) technique. The results of this study revealed that social media engagements positively impact brand equity dimensions and exerted a positive impact on purchase intentions. The findings further revealed that restaurateurs are not using social media as their main strategy for gaining competitive advantage against their rivals. The study recommends the adoption of some targeted interventions to improve social media and ensure its enduring benefits for full-service restaurants. These include the mainstreaming of content creation, enhanced customer relationship management, greater emphasis on on-the-job digital skills training for



employees, the development of a social media marketing strategy, and promotion of greater digital integration in hospitality education.

## DEFINITIONS OF THE KEY ITEMS

### Social Media

Swanepoel and Bothma (2013) define social media as the conversations and the user-generated content created by people on online platforms mainly for social purposes, which are facilitated by third-party collaborative software systems referred to as social media channels.

### Competitive advantage

According to Keegan (2007), competitive advantage is defined as increased attractiveness a firm offers compared to competitors from customers' viewpoints.

### Purchase Intentions

According to Spears and Singh (2004), a purchase intention is defined as a cognitive plan made by a person in an effort to purchase a brand. Dees, Bennett and Villegas (2008) also argue that purchase intention, while not necessarily a predictor of actual purchase behaviour, is an expected indicator of an individual's motivation to purchase a specific product/service.

### Brand equity

Aaker (1991) defines brand equity as brand assets and liabilities connected to a brand, a symbol or name that may add value to the product or service.

### Full-service restaurants

These are restaurants that have a broad menu, with table, counter and/or booth services where that rely on waiter staff for its operations. These restaurant establishments can offer meals for immediate consumption on the premises or for as take away services.

## CHAPTER 1 ORIENTATION TO THE STUDY

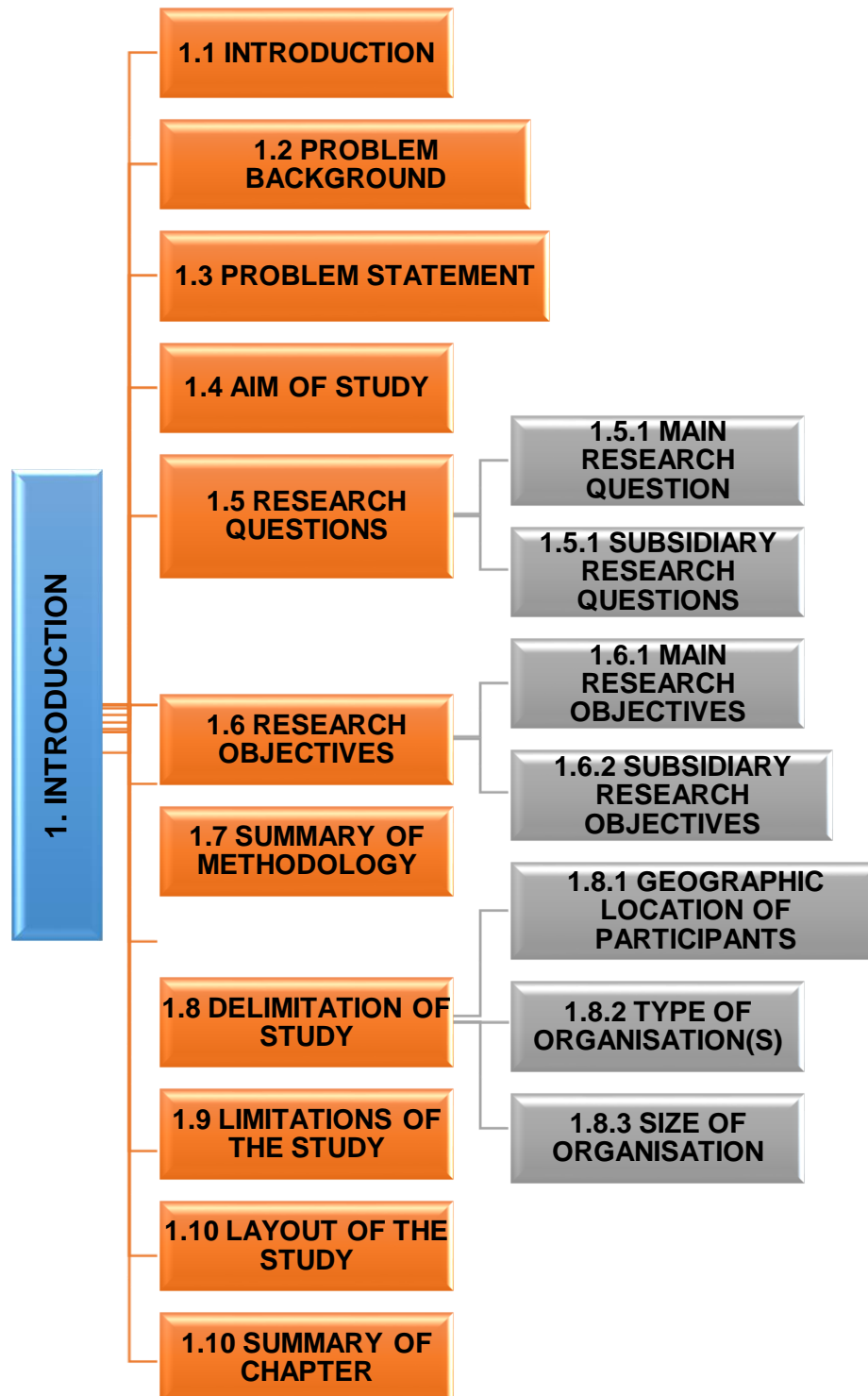


Figure 1.1 Flow diagram indicating chapter structure

## 1.1 INTRODUCTION

Social media, which denote online application platforms and media that facilitate the interaction, collaboration and sharing of content with a large audience (Burgess & Poell, 2017), enables customers to communicate and increase customer-to-business engagements. The growing impact of social media has changed how consumers gather and exchange information about products and services, and how they obtain and consume these products and services. However, current research (Li & Xie 2020; Trunfio & Rossie 2021) suggests that some firms, such as small restaurants, have increased their use of social media for business purposes that include communicating with customers, accessing potential customers and promoting new products or services (Moustakas, 2015). Yet this seems to be a more knee-jerk reactive response as this process is neither well-coordinated nor does it have a coherent strategy. Needles and Thompson (2013) state that there is a lack of well-defined social media goals in many restaurants. This lethargy and lacklustre response is concerning since restaurant customers have actively engaged their peers through social media platforms, such as Facebook and Twitter, and in that way advising these peers on their future purchase decisions (Brown, 2016).

The need to develop a better and broader grasp of the changing dynamics in the digital era regarding social media engagements is urgent as they are deemed to be a game changer that can enhance competitiveness of businesses (Fernández-Miguélez et al., 2020). The importance of social media among managers and business owners in different countries is linked with the view that, the prevalence of such platforms that customers employ routinely to access, communicate and share information about brands compels owners and managers to follow developments on these platforms or risk the closures of their businesses. Thus, Mhlanga and Tichaawa (2017) suggest that restaurateurs must not just market restaurants on any particular social network but put more emphasis on Facebook, Instagram, Twitter and YouTube as these social networks play a substantial role in influencing both the customers' experiences and behaviour. The centrality of social media's mediation of restaurateur- customer relationships lie in the reality that customers and potential customers who login onto a restaurant's Instagram or Facebook page and



find the food unappealing are less likely to go to these restaurants (Mhlanga & Tichaawa, 2017).

The popularity of social media and the increased emphasis placed by firms on social media approaches have highlighted the need to understand how social media exposure affects purchase intentions (Xie & Lee, 2015). Social media inspired purchase intentions of restaurant food are likely to be increased as a growing number of customers are more likely to read and adopt information posted on social media about a restaurant compared to trusting restaurant ratings posted on the internet. Research suggests that customers are more likely to trust the social media comments of customers who would have patronized the restaurants previously than information provided by restaurants themselves, which indicates the importance of examining social media comments (Seo, Almanza, Miao, & Behnke, 2015). In addition, Xie and Lee (2015) suggest that brand-related information from social media sources is more likely, in comparison to brand related information availed via traditional media such as newspapers, to trigger purchase behaviour due to its collaborative generation and convenient access to customers. Therefore, this importance of social media to customers' purchase intentions suggests that, the constitution of restaurant teams dedicated to social media marketing and digital marketing and engaging with current and potential customers cannot be underestimated.

The understanding of customers' engagement on social media, the strategies that should be created to increase engagement levels and what motivates the consumers to participate in the social media, are areas of interest for businesses (Gupta, Bakshi & Dogra, 2018), that can contribute to increased sales and profitability. Due to vast social media popularity, businesses and marketers cannot afford to ignore customers' engagement and communication via social media nor can they afford to ignore the strategies that enhance their engagement and can contribute to increased competitive advantage. As such, social media has become the backbone of communication and exchanges of information for firms with these firms cautioned to exploit information and reviews availed via such platforms or else such user-generated material will be lost (Gémar & Jiménez-Quintero, 2015) and become inconsequential for the firms.

## 1.2 PROBLEM BACKGROUND

The advent of emerging new media technologies, especially social media, has democratised customers' decision making regarding brands, and enabled customers to express their opinions on brand quality, preferences and tastes to a wide audience with very little resources. Social networking is characterised by the decentralisation of authority in knowledge creation and technology ownership, which may give rise to new forms of collaboration and knowledge sharing among customers (Ma & Au, 2014). Although previous studies have focused on how to use social media as means for advertising, promotions and generating sales (Dwivedi, Kapoor, & Chen, 2015; Madlberger & Kraemmer, 2018) customers have also used social media platforms in ways that promote negative publicity for business' brands. To the extent that social media can be exploited to build brands and increase their credibility and revenue, they can also be exploited to perpetuate fake news that can damage the reputation of brands, and hence the need for small firms to treat social media reviews and social mediated interactions seriously.

Literature also suggests significant relationships between social media mediated customer engagements and purchase intentions. For instance, customers using social media have the power to influence other buyers through their reviews of products or services used (Chaturvedi & Gupta, 2014). Online reviews are word-of-mouth (WOM), information about a restaurant such as its quality is greatly increased by online reviews (Parikh et al., 2014). Shamsudeen Ibrahim and Ganeshbabu (2018) concur that social media is an electronic word of mouth in its ability to reach billions across the globe.

Another important facet of social media usage is the creation of online collaborative communities. According to Ma and Au (2014), social media gives individuals, such as customers, with different interests a platform to build their own communities as they conveniently search for information on topics of interest on devices such as mobile devices. Shamsudeen Ibrahim and Ganeshbabu (2018) state that social media's ability to allow users to "retweet" or "repost" comments to their followers enables the users' social media communities to see messages and in that way reach more people.

### 1.3 PROBLEM STATEMENT

Although both customer-to-customer engagements and business-to-customer engagements via social media have increased, the food industry has not taken advantage of such engagements to model its brand strategy. For instance, Mhlanga and Tichaawa (2017), contend the growing international interest on the influence of social media on restaurant customers' experiences has nonetheless been met with limited research on this topic in South Africa. Although small firm managers (e.g. those of restaurants) are now increasingly concerned with how to best engage customers to develop favourable customer experiences (Marbach, Lages & Nunan, 2016) and impact their firms' bottom line, no clear concerted social media strategies for shaping purchase intentions have been established among small firms. Although social media is replete with customer behaviour that varies from information acquisition to post-purchase behaviour, such as posting dissatisfaction statements about a business (Chaturvedi & Gupta, 2014), the exact effects of such behaviour on the firm competitive advantage is yet to be fully investigated in the contexts of small firms.

The findings from Francisico and Rauf (2021) suggest that consumers are happier with the traditional means of communication, as social media does not give them close proximity. There remains a lack of consensus on the efficiency of social media. According to Trunfio and Rossi (2021) they have determined that interactions between customers and organisations have been reshaped by social media platforms, insisting that these platforms have created spaces for digital sharing as well as engagements. They go on to state that even though there have been conceptual discussions that have dominated the existing literature on customer engagement, research results seem to have fragmented when moved to the online context. Therefore, the problem lies with the limited knowledge on the ways in which customer engagements on social media shape their purchase intentions and competitiveness of emerging firms such as full-service restaurants.

## **1.4 AIM OF STUDY**

The aim of this study is to develop and extend the body of knowledge on how social media mediated customer engagement affects brand equity, purchase intentions, actual purchase and competitive advantage of full-service restaurants.

## **1.5 RESEARCH QUESTIONS**

### **1.5.1 The Main Research Question**

What is the influence of social media mediated customer engagements on brand equity attributes, purchase intentions and competitive advantages of full-service restaurants?

### **1.5.2 The Subsidiary Research Questions**

1. Which social media tools are commonly used by these restaurants to engage their customers?
2. To what extent does social media usage by these restaurants enhance their business performance especially their competitiveness?
3. What is the effect of such social media usage on marketing, growth in sales, profitability and market share of restaurants?
4. What are the perceptions of restaurant owners and managers on the effects of social media on business sustainability?
5. What are the perceptions of restaurant owners and managers regarding the effects of social media on competitive advantage of their businesses?
6. What are the perceptions of restaurant owners and managers regarding the effects of social media on brand equity of these restaurants?
7. To what degree does customer-to-customer social media engagements significantly affect the brand equity of these restaurants?

8. 8. To what magnitude does business-to-customer social media engagements significantly affect the brand equity of these firms?
9. To what level does customer-based brand equity mediate the relationship between customer-to-customer social media engagements and purchase intentions of customers?
10. To what extent does customer-based brand equity mediate the relationship between business-to-customer social media engagements and purchase intentions of customers?

## **1.6 RESEARCH OBJECTIVES**

### **1.6.1 The Main Research Objective**

To investigate the influence of social media mediated customer engagements on brand equity attributes, purchase intentions and competitive advantage of full-service restaurants.

### **1.6.2 The study's subsidiary research objectives**

1. To investigate which social media tools are used by these restaurants to engage their customers.
2. To determine whether social media usage by these businesses enhances their performance.
3. To establish the effects of social media usage on marketing, growth in sales, profitability, and market share of these firms.
4. To assess the perceptions of restaurant owners and managers on the effects of social media on business sustainability.
5. To evaluate the perceptions of restaurant owners and managers regarding the effects of social media on competitive advantage of their businesses.

6. To assess the perceptions of restaurant owners and managers regarding the effects of social media on brand equity of restaurants.
7. To explore whether customer-to-customer social media engagements significantly affect the brand equity of restaurants.
8. To establish whether business-to-customer social media engagements significantly affect brand equity of these firms.
9. To investigate if customer-based brand equity mediates the relationship between customer-to-customer social media engagements and purchase intentions of customers.
10. To determine if customer-based brand equity mediates the relationship between business-to-customer social media engagements and purchase intentions of customers.

## 1.7 RESEARCH HYPOTHESIS

H1: Social media mediated customer-to-customer engagement positively associates with consumer-based brand equity.

H2: Customer-based brand equity is directly linked with customer purchase intentions.

H3: Customer-based brand equity mediates the relationship between social media mediated customer to business engagements with customer purchase intention.

## 1.8 SUMMARY OF RESEARCH METHODOLOGY

The methodology used in this study is outlined at length in Chapter 3. Nevertheless, this study adopted a quantitative approach to the research design, analysis and data collection. The population targeted for this study consists of 161 full-service restaurants in the Free State Province, an area with a good concentration of restaurant owners. The study covered 144 restaurant owners/managers and 307 restaurant clients. The survey method was adopted as a means of collecting data using a structured questionnaire. The

Statistical Package for the Social science (SPSS) version 21 was used to capture data. Descriptive statistics, such as graphs, charts and frequency tables, and inferential statistics were used to analyse the collected data.

## **1.9 DELIMITATION OF THE STUDY**

The areas of inclusion and exclusion define the delimitation of the study. The areas covered in the study are availed in the section below. These areas made it easier for the research to be conducted as they were accessible to the researcher.

### **1.9.1 Geographic location of the participants**

This study was limited to full-service restaurants in the Free State province's areas of Bloemfontein, Ladybrand, QwaQwa, Clarence and Welkom. These are the areas with the highest concentration of restaurants in the Central region.

### **1.9.2 Type of organisation(s)**

The study was limited to full-service restaurants in the Free State province, and only registered businesses were used.

### **1.9.3 Size of organisation(s)**

The study was limited to full-service restaurant businesses whose owners employed at least 15 employees.

## **1.10 LIMITATIONS OF THE STUDY**

The study had the following limitations, which will not necessarily reduce the value of the study. Firstly, the study cannot be generalised to the entire nation as the focus of the study was specific to a provincial area due to time and financial constraints. However, the insights drawn from the study could be relevant to adjacent areas with similar characteristics even though they must be applied with some circumspection. Secondly, the study depended on the participation of the owner/managers and customers with low rates of participation being a main concern. However, low participation rates are common to most surveys in South Africa and insights made under such circumstances are still relevant.

## **1.11 LAYOUT OF THE STUDY**

Chapter 1: Introduction and scope of the study.

Chapter 2: Review of the literature on social media, social media-mediated engagements, brand equity, social media theories and competitive advantage.

Chapter 3: Description of the methodology used in the study. The chapter outlines how data was collected, the techniques used to analyse the data, and the ethical standards observed during the research.

Chapter 5: Presentation and discussion of the empirical findings from the survey conducted to determine how social media-mediated engagements impact purchase intentions and competitive advantage.

Chapter 6: Presents the conclusion and recommendations based on the literature and findings of the empirical research.

## **1.12 SUMMARY OF CHAPTER**

The chapter outlines the context of the study, research questions and objectives formulated for the study. It also presented a summary of the research methodology and delimitations of the study. The researcher's expectation is that after completion, this project will make a significant contribution to the literature on the impact of social media to business outcomes such as business competitiveness.



## CHAPTER 2: SOCIAL MEDIA, SOCIAL MEDIA ENGAGEMENTS, BRAND EQUITY, PURCHASE DECISIONS AND COMPETITIVE ADVANTAGE

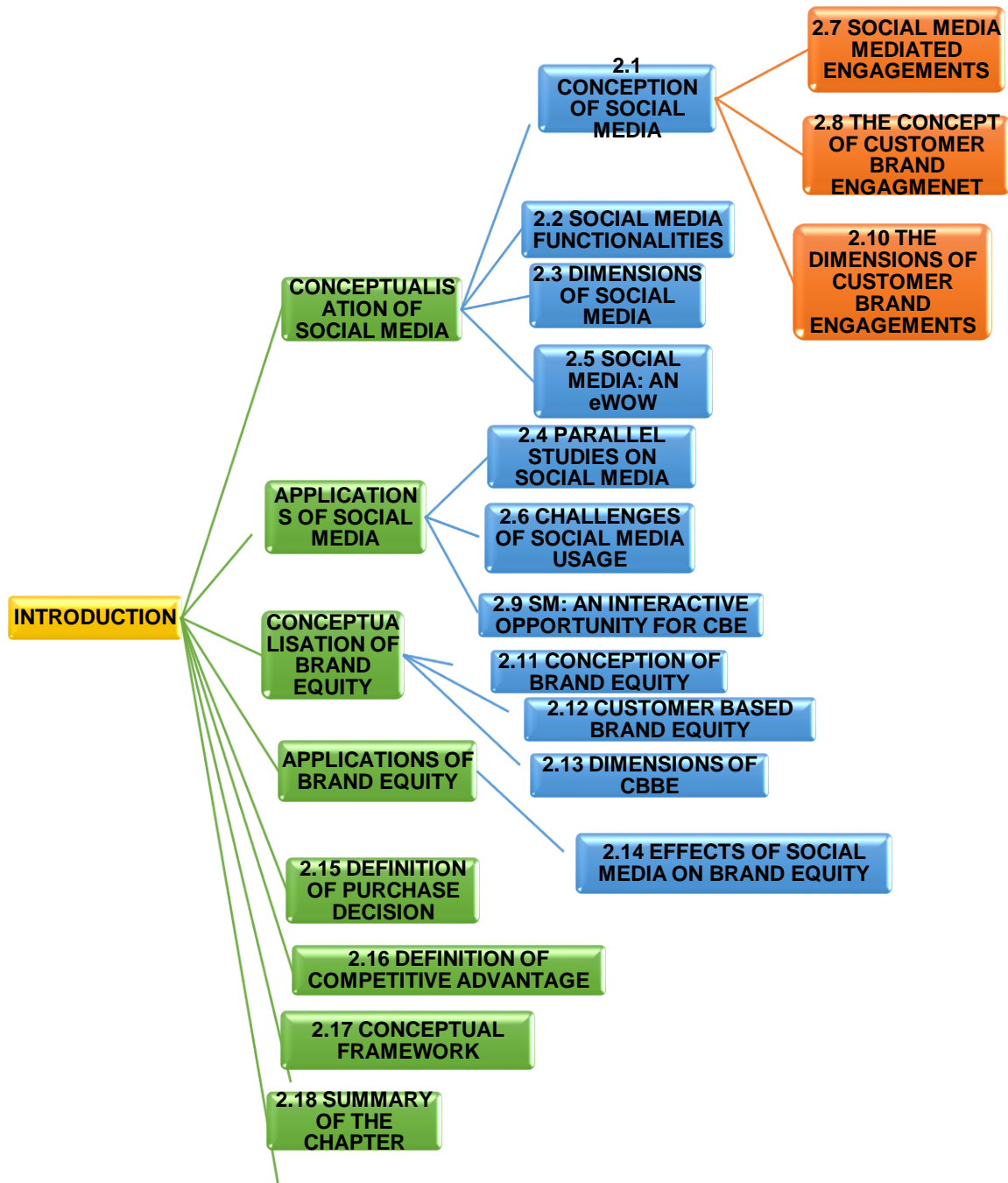


Figure 2.1 Flow diagram indicating chapter structure

## 2.1 INTRODUCTION

This chapter presents an in-depth review of the literature on social media, its dimensions and consequences at the global level and in both Africa and South Africa. The chapter contains four sections first it probes the background of social media and social media marketing globally. The section chapter reviews the theoretical composition of social media engagements. The third chapter discusses the concepts influenced by social media and social media mediated engagements. Lastly, the fourth sections scrutinises the proposed conceptual framework of this study.

## 2.2 BACKGROUND OF SOCIAL MEDIA AND SOCIAL MEDIA MARKETING GLOBALLY

### 2.2.1 CONCEPTION OF SOCIAL MEDIA

Social media's emergence can be traced back to Tim O'Reilly's introduction of "Web 2.0" (Trottier & Fuchs, 2015). As one of the web pioneers, O'Reilly notes that the web has become dominant and popular as social networking sites and web applications are produced on a regular basis (Oreillynet, 2006). The Web 2.0 applications that Oreillynet (2006) lists include Google AdSense, Blogging, Wikipedia, cost per clicks, and wikis among other applications. Web 2.0 gave way for the global phenomenon that is now popularly called social media (Trottier & Fuchs, 2015). According to Mandiberg (2012:2), the term "social media has been linked with different concepts such as "the corporate media and 'user-generated content,' Henry Jenkins' media-industries-focused 'convergence culture,' Jay Rosen's people formerly known as the 'audience', the politically infused 'participatory media,' Yochai Benkler's process-oriented 'peer-production,' and Tim O'Reilly's computer-programming-oriented 'Web 2.0'.

There exist different definitions of the term social media. Alalwan, Rana, Dwivedi and Algharabat (2017) suggest that, it is important to firstly distinguish between social media and social networking. The Oxford dictionary defines social networking as the use of social media applications to engage with other users, while social media is defined as applications that allow users to create content. While Manning (2014) refers to social media as forms of participation and engagements, Kietzmann, Hermkens, McCarthy and

Silvestre (2011) define social media as web-based applications that operate by sharing content and developing relationships among individuals and communities. Finally, it should be noted that while social media has been subjected to different definitions, the constant theme in these definitions is the interactivity among users (Alalwan et al. 2017).

## 2.2.2 SOCIAL MEDIA FUNCTIONALITY

Social media can be distinguished by the functionalities of different platforms and applications (Wolf, Sims & `Yang, 2018). Kietzmann et al. (2011) suggest that there are seven functional-based building blocks in social media functionality, even though some functions manifest to a greater or lesser extent in the different social media applications. Figure 2.2 demonstrates these social media functionalities. These functionalities, as pointed out by Romansky (2014), allow users to inspect each other's identity, relationships and reputations.

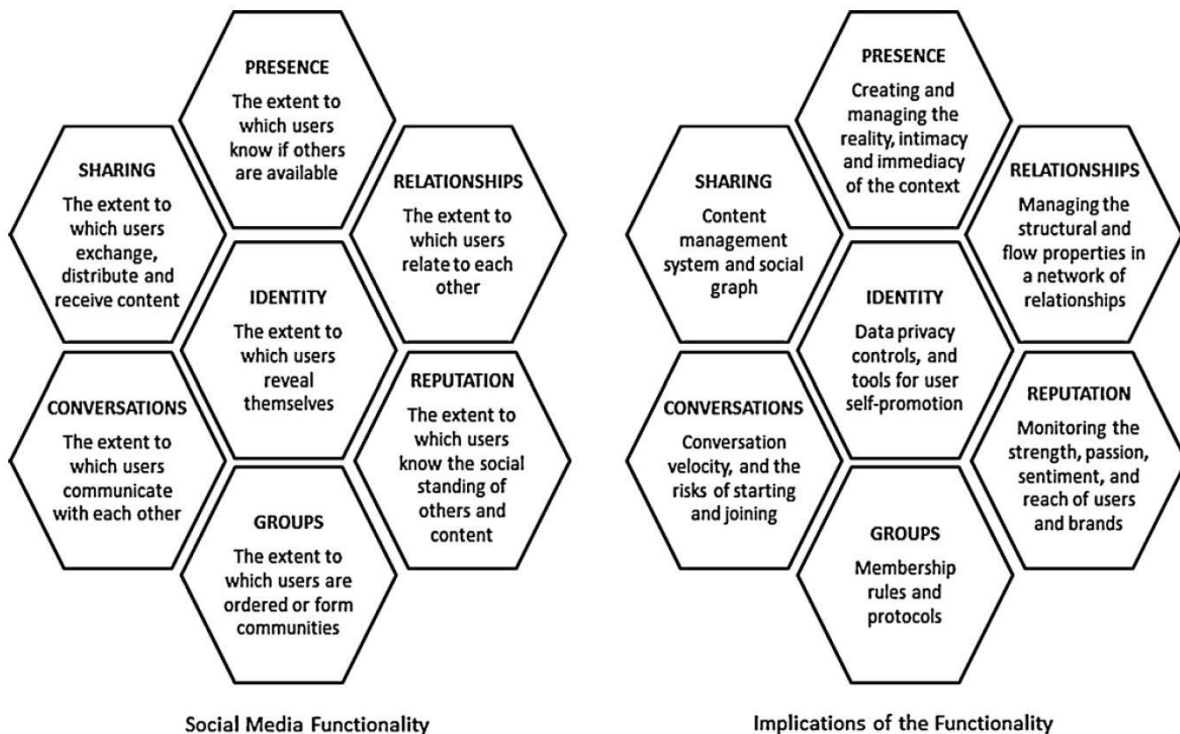


Figure 2.2 - Building blocks of social media (Kietzmann, 2011)

- *Identity* - describes the portrayal of a user in the virtual world (Wolf et al., 2018). Kaplan and Haenlein (2010) further explain that the disclosure of a user's identity can happen consciously or unconsciously when expressing subjective information. While different social media platforms, such as Facebook, require users to set up a profile, other platforms, such as virtual games, enable users to create profiles using nicknames or avatars (Kietzmann et al., 2011).
- *Conversations* - Most social media platforms are created primarily for interactions with individuals or groups (Kietzmann et al., 2011). Others use the platform to circulate their views on topics, such as economical, global and political issues, which create social awareness (Beirut, 2009). Finally, the various diverse conversations carried out on these platforms have led firms to note the need to track these conversations (Kietzmann et al., 2011).
- *Sharing* - this entails the scope to which individuals dispense, exchange and receive information (Kietzmann et al., 2011). Sharing on Facebook and Twitter involves user connections expressed through "friending or following", which suggests the scope of sharing is limitless (Wolf et al., 2018). Peng, Agarwal, Hosanagar and Iyengar (2018) argue that some users are unlikely to share popular content that several people have already shared.
- *Presence* – refers to the degree to which users can know each other's accessibility (Kietzmann et al., 2011) such as knowing their location, availability and online presence.
- *Relationships* – relate to the association that users have with each other when they communicate, share content, or tag each other as friends on different platforms. Some platforms, such as LinkedIn, are well regulated while others, such as Facebook and Twitter, have no formal structure (Kietzmann et al., 2011) in terms of relationships created. The different relationships shaped with the facilitation of

social media have an enormous influence on firms and customer relationships (Alalwana, Rana, Dwivedi, & Algharabat 2017).

- *Reputation* - on social media platforms, reputation is not solely based on people but the content they post or share (Kietzmann et al., 2011) via these platforms. Reputation is measured differently among platforms. For instance, YouTube users gain their reputation from the number of “views”, but on Facebook reputation is secured from the number of “likes” and on Twitter from the number of “retweets” (Kietzmann et al., 2011).
- *Groups* - this refers to the degree to which users form online communities and subcommittees (Kietzmann et al., 2011). Two types of social media groups exist with the first being where users can hand-select their followers and friends into self-made groups, and second on where online charts can be compared to clubs in the real world that are open to everyone and while some are closed to others.

### **2.2.3 DIMENSIONS OF SOCIAL MEDIA**

Social media can be defined by two prevalent characteristics (Manning, 2014) and these are its ability to allow participants to participate, and engage and interact with each other. The general review of social media characteristics indicates how some participants use the social media for recreation and professional purposes, and how it demonstrates the flexibility to do both (Manning 2014). The main dimensions are:

- Email – noted by Manning (2014) as electronic mail, which is used to send and receive mail electronically. Organisations employ firm rules on how work-based emails should be used (Manning, 2014). Restaurants are known to use emails to send bulletins, flyers and newsletters that inform customers about product changes, keeping them in the loop on developments. Customers also use this method to lodge complaints on customer service or queries about products.

- Texters –Texting permits communication between two individuals or more, with improvements in technology allowing the sharing of pictures, videos and stories when texting (Manning, 2014). The increase in smart phones and smart technology has made texting a worldwide phenomenon (Trub & Starks, 2017). Finally, broadcast texting has allowed restaurateurs to send promotional messages to various customers available in their databases.
- Blogs – Manning (2014) defines a blog as a platform where individuals or groups share ideas with a group of people via the internet. Blogs with high ranking can impact customer behaviour (Luo, Gu, Zhang & Phang, 2017) by shaping their views on a matter of interest. Some customers who use blogging to rate different restaurants on their food and services are called “Food bloggers”. Experienced customer experts mainly contribute content on the blogs, with their subject matters ranging from professional evaluations of products and insights about subject industries. Lastly, the product features and subjects are grouped on reputable platforms (Luo et al., 2017).
- Connection sites – these sites are made up of online dating sites and meet up sites that allow participants to find book clubs and hobby circles (Manning, 2014). Food lovers have dating sites as such SamePlate and My vegetarian dating with these platforms also allowing individual customers to engage in discussions on foods served by different restaurants.
- Social networking sites - these are platforms that allow user interaction by sharing content and receiving feedback (Lian et al., 2018). The social networking sites are the largest and enable customers from around the globe to engage with each other as well as form relationships with restaurants.

#### **2.2.4 PARALLEL STUDIES ON SOCIAL MEDIA**

- Social media use in the United States of America

A consideration of the possibility of increasing efficiency and budget savings pressured the US government to identify new technology (Hootsuite, 2018). Social media ensures effectiveness regarding outreach programs by the government (Hootsuite, 2018). The US government has established a policy aim called “Internet freedom”, which affirms people’s right to use the internet as freely as they would like to, as this is aligned with its goal of promoting freedom of expression (Shirky, 2011). This has given restaurateurs and food bloggers the opportunity to critique freely and, in that way, increase customer engagement.

Recent statistics show that 77% of the American population have a social media profile (Statista, 2017), which places the United States as the third-largest social networking country behind China and India. Many restaurants have used these numbers to their advantage. Wendy’s, a restaurant in America rates high on restaurants with large social media following. This has affected their brand response and brand relationship as they are persistent in regard to responding to customers’ complaints or concerns posted on social media. Nonetheless, a large following can also serve as a disadvantage, because a misguided comment can lead to high engagement that may spiral out of control and ruin the brand’s image.

- Social Media usage Asia

According to the WARC (2016), the largest number of social media activity and users is found in Asia, where six Asian countries, China, India, Indonesia, Japan, Malaysia and Thailand make up the top 10 ten global countries on social media use. Imamova (2015) states that regardless of the various attempts made by some Asian governments to restrict the internet, information flow via social media remains unstoppable. Imamova (2015) notes further that social media has given unmatched opportunities in Central Asia for decisive thinking and discussions on the challenging realities of the region to a wide audience. This explains why political decisions have led to government institutions providing online services, and promoting state policies online (Imamova, 2015).



According to StatsCounter (2019) Asia's most used social media platform is Facebook, which houses 73.52% users, followed by Twitter with 12.64%, YouTube with 6.08%, Pinterest with 3.98% and Instagram with 1.81%. These statistics give restaurateurs competitive advantage when used correctly. Tien, Rivas and Liao (2018) state that the adoption of electronic word of mouth has an essential role in impacting purchase behaviours. Engaging with a diverse customer range can lead to favourable customer perceptions and purchase decision outcomes.

- Social Media usage in the United Arab Emirates (UAE)

Mishaal and Abu-Shanab (2015) state that governments have started providing services electronically via e-government websites, which is a clear demonstration of the governments' acknowledgement of the importance of the internet. The e-government services have led to governments offering service deliveries over social media platforms such as Facebook and Twitter (Mishaal & Abu-Shanab, 2015). The Arab Spring which was an outbreak of anti-government protests facilitated the change in relationship between the governments and its citizens (Mishaal & Abu-Shanab, 2015). The social media facilitated the sharing of democracy in that citizens could express their opinions and provide the government with a platform to give feedback (Mishaal & Abu-Shanab 2015; The National 2017).

The most used social media platform in the UAE is Facebook where it is used by 77.5% of the population, followed by Pinterest, Twitter, YouTube and Instagram, where each platform houses 7.26%, 6.92%, 5.42% and 1.1%, respectively (Statcounter, 2018). Thus, the internet here has advanced engagements between customers and brands. The reality is that individuals are more inclined to believe what their peers say through social media than what brands say (Pedersen, Razmerita & Colleoni, 2014). In addition, customer-to-customer engagements lead to brand awareness as well as potential purchase intentions.

- Social Media and Africa

In some parts of the continent new legislation that targets social media has e been drawn (Ogola, 2018). The Ugandan government imposed a tax law on social media platforms



where participants are expected to pay over \$100, while the Tanzanian government passed a law on content creators where bloggers pay up to \$900 for a three-year license (Ogola, 2018). the Zambian government, as noted by Ogola (2018), also introduced a levy on internet calls and planned to introduce cybersecurity and cybercrimes law to target social media users as the Kenyan government had done. Ogola (2018) implies that the African governments' increased control over digital or social platforms gives the assumption that governments want to prevent free speech.

Nevertheless, StatsCounter (2019) states that, Facebook has a leading number of participants across the African continent with 76.56% of the population preferring it, followed by YouTube with 13.22%, Pinterest with 5.28%, Twitter with 3.59% and Instagram with 0.51. Internet-based media has thus significantly impacted on the way restaurateurs build relationships with customers and maintain them. Customers sharing product related information indirectly influence other customers' purchase-related decisions (Chu & Kim, 2011). This highlights that customer-to-customer engagements can impact purchase decisions.

### **2.2.5 SOCIAL MEDIA: AN ELECTRONIC WORD OF MOUTH (EWOM)**

Bulbul, Gross, Shin and Katz (2014) state that consumers rank eWOM as a significant factor in their relationships with brands. The customers' sharing of brand information via eWOM and the resultant perception of the brand as trustworthy can significantly influence customers' purchase decisions. Gunelius (2010) states that the concept of "prosumer", which represents the influential ability that consumers have in engaging with a large number of people about their different brand experiences, has been added to academia because of the rise of eWOM. Customers now play a significant role in influencing other customers' purchase intentions using eWOM. This use of eWOM can result in actual purchase when influenced customers use their experiences of online engagements to acquire brands. Thus, the prosumers' engagement in content creation and sharing brand experiences plays a fundamental role in the brand-imaging process for various marketers (Siuda & Troszynski, 2016).

Hu and Ha (2015) contend that eWOM via social media is significantly underdeveloped compared to other types, such as Email, even though the viral marketing of eWOM and its effect cannot be understated. However, Fine, Gironda and Petrescu (2017) highlight that social media eWOM allows for the sharing of content, which results in brand managers putting major emphasis on reputation management and review-generation-based initiatives. These strategies can enhance the competitive advantage of brands as brand managers have systems in place to connect with customers and rectify misunderstandings that customers may have about their brands. Fine et al. (2017) state that through social media eWOM, there is a likelihood of content sharing, allowing brands to manage professionally the negativity that may arise from use of brands.

Customers “liking” a brand page on Facebook plays a significant role in assembling and attracting potential customers as their “likes” or comments show on the brand pages and directly spreading the eWOM about the brand (Hu & Ha 2015). Customers are creating brand awareness by engaging with the brand, while inevitably helping the brand with improving its image. Halbusi and Tehseen (2018) state that the evaluation of the perceived brand image by consumers via eWOM can assist brands in understanding customers’ attitude by analysing their expectations. Restaurateurs can gain the know-how on how to better serve their customers and customer satisfaction through increased brand awareness from customer reviews and attraction of potential customers who desire to experience similar satisfaction. Fine et al. (2017) found that the engagement of consumers drawing on their eWOM review behaviour may positively impact service tangibles of restaurateurs.

## **2.2.6 CHALLENGES OF SOCIAL MEDIA**

Dominguez (2017) states that the presence of businesses on social media can be both beneficial and detrimental. For instance, negative content and comments from users about a company or its brands can destroy its reputation. Dominguez (2017) has established disadvantages of social media to businesses:

- Requires a lot of time – social media requires a lot of time and effort such that, businesses have to consider whether it is worth it to have social media. This is because it is counterproductive to have social media and not have the time to manage it effectively (Dominguez, 2017). This is even though restaurateurs need a presence on social media platforms to engage with and solve dissatisfaction among customers as noted in the way Twitter and Facebook offers customers a platform to take pictures of their orders and comment on these orders. Therefore, having a social media presence can open a firm to a barrage of attacks if they cannot respond effectively to customer complaints.
- Personnel is required – the personnel required to make a company’s online social presence beneficial include a social community manager who manages the business’ social media account and create content that attracts customers’ comments on their brand (Dominguez 2017; Tien et al., 2018). Most restaurateurs use online community managers for brand awareness purposes. These managers post weekly specials and promote new products on their menu.
- Exposes problems - engaging customers on social media may t expose the business’ problems to the world. Fine et al. (2017) states that customers that are dissatisfied are more likely to post about it online. Customers posting of burnt or undercooked meals on social media may give restaurateurs bad publicity. A pizza production company customer took to twitter to complain about their order being late:



Source: Twitter post 10 January 2020.

This Tweet gave way for other dissatisfied customers to engage in the topic:



Source: Twitter posts 1<sup>st</sup> and 2<sup>nd</sup> January 2020.

These customer engagements led to the pizza production company “trending”, with a possibility of negatively impacting its customer base and sales volumes.

## 2.3 THEORETICAL REVIEW OF SOCIAL MEDIA ENGAGEMENTS

### 2.3.1 SOCIAL MEDIA MEDIATED ENGAGEMENTS

The concept of engagement has been defined in academic marketing and advertising literature with the definitions being similar and sometimes contradictory (Bowden, 2009). This academic controversy persists despite Perreault and Mosconi (2018) stating that a consensus must be made about what constitutes social media engagement and how it can be measured. Higgins and Scholer (2009) view engagement as a state in which an individual is involved, absorbed, occupied, and fully engrossed in something. Social media engagements have been defined as the activity of sharing, liking and commenting on the content generated about a brand (van Doorn et al, 2010; Gummerus et al, 2012; Oviedo-García, et al, 2014). Social media engagements can also encompass user experience of a brand. Di Gangi and Wasko, (2016) redefine user experience in this way; “user experience composes of social interactions and the technical features of the actual interactions that occur through a social media platform”. Therefore, social media engagement describes the process and interactions involving sharing, viewing and creating content on social networks that includes information exchanges, which unfold among personal accounts and company accounts. In addition, the engagement effect on

social media has given customers immense power they previously never had, while simultaneously giving brands a chance to forge relations with customers as noted in the way social media and smart-phones allow customers to have assertive roles in their relationships with brands (Gunarathne, Rui & Seidmann, 2018).

### **2.3.2 THE CONCEPT OF CUSTOMER BRAND ENGAGEMENTS**

The CBE concept addresses engagements or interactions between customers and brands (Hollebeek, 2011). CBE can be conceived as an essential to the advancement of relationship marketing (RM) as RM is a strategy that aims to develop strong relationships with customers. Relationship marketing, here, is defined as the identification and maintenance of customer relationships established through customer-firm interactions (Gummerus, Koskull & Kowalkowski 2017; Kanagal 2009). Nonetheless, the brand engagement (BE) concept emerged in academic marketing and branding literature after gaining popularity in business practice literature (Gambetti & Graffigna, 2010; Briggs, 2010). BE specifically represents an imperative strategy to generate superior brand performance outcomes that include the enhancement of customer loyalty (Bowden, 2009). According to Hollbeek (2011) BE refers to a customer's "cognitive, emotional, and behavioural investment in specific brand interaction". This can be measured by the active relationship of customer brand engagements. A vast amount of data has been created by customers actively engaging brands on social media (Liu, Burns & Hou, 2017) and these can be employed to gain insights into BE.

Customer brand engagements (CBE) has gained relevance with marketing professionals who have made having an engaged customer base a key objective (Dessart, Veloutsou & Morgan-Thomas, 2015). The dimensions of CBE, identified by Hollebeek (2011, which are immersion, passion and activation, where enable customers to enhance BE expressions positively. It is imperative to elaborate further on the CBE dimensions of immersion, passion and activation. Immersion describes the level of a customer's concentration on brand-related thoughts and opinions, whether thoughts may be negative or positive (Hollebeek, 2011). Restaurateurs now have the burden to engage customers with interesting content to keep them engrossed in engagement with brands. Hollebeek

(2011) describes passion as the emotional attachment felt by customers in times of engagement with a brand. As a result, restaurateurs have turned some of their customers into “influencers” who engage with other customers on behalf of the restaurant with a view to promoting new menu items and restaurant specials. Finally, activation represents the level of energy, time and effort a customer spends engaging with a brand (Hollebeek, 2011). Therefore, restaurateurs can gain traction on social media by keeping their customers talking and earnestly posting content that customers can engage in.

### **2.3.3 SOCIAL MEDIA: AN INTERACTIVE OPPORTUNITY FOR CBE**

According to Keller (2016), social media marketing has emerged as the best option for promotion and a viable component of integrated marketing communication. Consumer brand engagement (CBE) is an emergent concept that has developed traction alongside the digital world and social media (Hollbeek, 2011). Customer-brand engagements via social media platforms are encouraged as social media offers brands with the opportunity to become more customer-centric (Kaplan & Haenlein, 2010; Schamari & Schaefer, 2015). In addition, Powers et al. (2012) note that the influence of social media on consumers’ lives is powerful and unquestionable as it has penetrated their daily life and one could make the same argument on how social media has shaped customers’ engagements in recent decades. Thus, social media marketing has become a rival to traditional marketing techniques.

Kaplan and Haelein (2010) point out that the interactive nature of social media has given brands a unique opportunity to develop a more customer-centric base that encourages customer involvement and engagements in specific brand activities (Schamari & Schefers, 2015). Social, digital and mobile media platforms have become more common and thus, making customer engagement via these platforms increasingly important (Malthouse, Calder & Vandenbosch, 2016). The rise in social media platforms means customers are no longer limited to just a passive role in brand relationships (Malthouse et al., 2013) as social media has proven advantageous in its ability to sustain and cultivate customer relationships. However, Ersoy et al., (2018) argue that social media mediated

customer engagement poses a threat to company reputation as customers can create both negative and positive feedback for brands.

Dessart et al. (2015) state that CBE has easily been interpreted in a social media context as providing essential insights and understanding. Brands that seek to engage customers via social media begin by advertising on different social networking platforms, where customers can consume information by “liking” or “sharing” brand content (Malthouse et al., 2013). According to Solem (2016), customers have shown interest in participating on social media platforms where they engage both emotionally and intentionally with the brand’s activities and content. This interest has given brands a monumental advantage as this displays elements of brand loyalty. As a result, social media has afforded CBE a significant mode of communication because establishments have been effectively seeking customer participation and engagements with the brand (Hollebeek, 2011).

#### **2.3.4 THE DIMENSIONS OF CBE**

Significant research on CBE by Linda Hollebeek, emerged with a number of varying dimensions. Engagement is conceptualised as a multidimensional construct that has a cognitive, behavioural and affective or emotional dimension (Hollebeek, 2011; Hollebeek, Glynn & Brodie, 2014; Hollebeek & Chen, 2014). This three-dimensional view offers a base to further understand the CBE concept. Other scholars agree with these dimensions as shown in Vivek, Beatty and Morgan’s (2012) support for the extraordinary experience of creating greater CBE and the enthusiasm of understanding the dimensions.

Following Hollebeek’s original understanding, So, King and Sparks (2014), displayed five dimensions for CBE, which are enthusiasm; attention; absorption; interaction and identification. Dwivedi (2015) characterises CBE with “vigor”, “dedication” and “absorption”, and states further g that each dimension corresponds with Hollebeek’s original research. So et al. (2014) suggest the use of these dimensions as a base from which to explore CBE and especially that which can be expressed in a negative quality. It should be noted that for the purpose of this study, the negative and positive quality of CBE via social media will be explored. This is because CBE has positive or negative



implications and key hallmarks that arise from customer's display of engagements with brands (Hollebeek & Chen, 2014).

It is imperative to understand how CBE is related to the efficiency of advertising in the context of social media (Calder, Malthouse & Schaedel, 2009). Calder et al., (2009) have characterised CBE, as noted by Calder et al., (2009), uses social interaction and personal engagement. The latter is associated with the online environment, where CBE draws from behavioural and collaborative elements of participation and the development of an online community. Finally, Harrigan, Evers, Miles and Daly (2017) identify social media as the ascendant mode for customer engagements, with the digital aspects growing to rival previous marketer to customer technology platforms.

This study follows the interpretation of CBE dimensions by So et al., (2014) because of their ability in effecting social media collaborations. Each dimension by one prominent scholar will be compared with those developed by related scholars.

Table 2.1 illustrates the comparing and summary of dimensions of CBE

Hollebeek et al. (2014)	So et al. (2014)	Dwivedi (2015)
Behavioural	Interaction	Vigour
Emotional	Identification	Dedication
Cognitive	Absorption	Absorption
	Enthusiasm	
	Attention	

Author's construction

I conceive So et al. (2014) as providing a comprehensive account of CBE dimensions and as result, this section discusses each of these dimensions.



- Interaction

Interaction describes a customer's online and offline participation with a brand or other customers that fall outside the purchase traction, and the customer's willingness to invest in those engagements (So et al., 2014; Dwivedi, 2015). Customer-brand engagement and customer-to-customer engagements are based on this dimension even though its effectiveness revolves around the willingness of the customer to engage with the brand or other customers. According to Chu and Kim (2011) social media has emerged as a considerable driver of brand related customer-to-customer engagements, which potentially increases the attention of customers to brands.

- Identification

Hollebeek et al. (2014) defines identification as the degree to which customers associate positive brand-related effects in CBE or Customer-to-customer interaction with a brand. The identification dimension results in brand image and brand awareness and as result, customers can now seek different restaurant products or services through social media platforms. Examples of such identification are show below:



Source: Twitter post 10 August 2016.

- Absorption

This is described a sense of satisfaction where the customer is genuinely happy, fully focused and submerged into brand-related activities (So et al., 2014; Dwivedi, 2015). itself an example of absorption is in the way Wendy's restaurant positioned itself on social media by engaging in humorous exchanges with its "followers"-:



Source: Twitter post 4 January 2017.

- Enthusiasm

This refers to the level of eagerness and thrill that a customer has in a brand (So et al., 2014). This eagerness can translate into a competitive advantage of a restaurateur. Customers getting a thrill from engaging with brands through social media build brand relationships that can affect purchase decisions.

- Attention

This refers to the level of focus, vigilance and connection that a customer has with a brand (So et al., 2014). Customers that portray this dimension are very loyal to the brand as they pay attention to any changes made by the brand owner. Through social media, brands can build solid relationships with customers and offer efficient brand responses as shown below:



Source: Twitter posts 11 July 2016.

Further examples of attention are when a customer goes complains on Twitter about changes to a barbeque sauce with the restaurant responding to its customer by bring back the old product, which another customer applauded. Thus, restaurateurs maintain brand relationships, by responding to and solving their customer complaints.

### 2.3.5 CUSTOMER-BASED BRAND EQUITY (CBBE)

Aaker (1991) is the first author to suggest the assessing of customer-based brand equity. His frameworks are widely used and commonly cited as customer-based equity. Keller (1993:8) further describes the concept of CBBE as “the differential effect of brand knowledge on consumer response to the marketing of the brand”. Pike (2007) suggests that CBBE can be seen as a tool that allows for a more extensive understanding of how brand equity goes beyond tangible assets. The CBBE construct is formulated as comprising four dimensions and these are: brand associations, perceived brand quality (activity), brand loyalty and brand awareness (Aaker, 1991; Keller, 2013).

Figure 2.3 illustrates Aaker’s model of brand equity (Aaker, 1996). This illustration shows dimensions of brand equity and how they interact with the firm and customers.

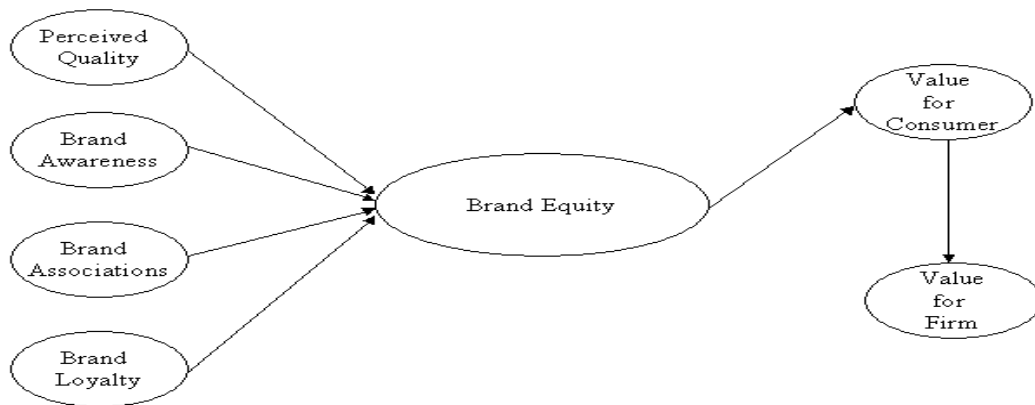


Figure 2.3: An illustration of Aaker's model of brand equity.

### 2.3.6 DIMENSIONS OF CBBE

- Perceived brand quality

The main feature with the CBBE framework is perceived quality (Aaker 1991; Keller 1993; Herrman, Huber, Shao & Bao, 2007). The perceived quality is a principal CBBE dimension as it relates to a customer's readiness to pay a premium price (Aaker, 1996; Keller, 1993). In addition, perceived quality is defined as the customer's perception of the general superiority of the product or service in relation to competitive brands (Keller, 1993). As noted further by Keller (1993), the perceived quality dimension plays a pivotal role in reducing risk perceived by buyers when purchasing a brand. Once trust is established, customers tend to prefer that specific brand among a range of products even if the product price is significantly higher than the competitors (He & Wang, 2014).

- Brand awareness

Aaker (1996) states that the brand awareness dimension, which is often overlooked, describes the ability of the customer to identify and recollect the brand in different situations. Keller (1993) suggests that brand awareness is composed of two sub-

dimensions referred to as recall and recognition. Keller (1993) further argues that brand recognition is the customer's ability to affirm the brand's exposure when given the brand as a cue while brand recall is the recovering of the brand from the customer's memory when given the product category and when her needs are fulfilled by the specific category. Thus, brand awareness displays a state in which customers are familiar with the brand and recall strong, unique and favourable brand associations (Tabrizi & Valanejad, 2018).

Researchers perceive brand awareness as a component that plays a pivotal role in customers' choice of brands. A substantial role is played by brand awareness in purchase intentions, and in considering customers' inclination to buy a familiar and well-known product (Keller, 1993). A study conducted by Lin and Chang (2003) reports that brand awareness has a major influence on purchase intentions. For this study, brand awareness that is social media-driven is investigated to discern its influence on purchase intentions.

- Brand association

Tabrizi and Valanejad (2018) state that brand associations are often linked to the value of the brand. Brand association is defined as anything that links the customer's memory to the brand (Aaker, 1991; Bailey & Ball, 2006). These links include product attributes such as brand name and relative price (Yoo, Donthu & Lee, 2000). Brand associations are described as "the heart and soul of the brand" (Aaker, 1996:8). In addition, Yoo et al. (2000) suggest that customers' positive association with a specific brand would mean more loyalty towards the brand. Therefore, the creation of CBBE indicates the significance of brand association, as it generates value for the firm and its customers by assisting in the processing and retrieval of information, distinguishing the brand, prompting a purchase intention, administering positive attitudes and providing a basis for extension (Chen, 2001).

- Brand loyalty

The significance of brand loyalty in predicting customer purchase intentions has resulted in industries and academics examining factors that could influence brand loyalty (Tabrizi & Valanejad, 2018). Brand loyalty is defined by Aaker (1991) as a circumstance that reflects the likelihood that a customer will switch brands, especially in the case of brands

changing their price or products. Loyalty in brands, therefore, describes customers' willingness to purchase the brand's product offerings over time. Aaker (1991) outlines loyalty from a behavioural stance, where classifications of brand loyalty are broken into five levels starting with switchers; habitual buyers; satisfied buyers with switching cost; brand loyalty and committed buyers. All these classifications can be conceived as representing different levels of consumer loyalty to specific brands. Finally, customers' repeated purchase of the brand is constituted as behavioural loyalty (Shrestha, 2010).

Literature postulates two dimensions of brand loyalty and these are: practical and emotional dimensions (Tabrizi & Valanejad, 2018). Practical loyalty constitutes the actual behaviour of the customer when purchasing a particular brand (Chen & Lin, 2015), while emotional loyalty exhibits the presence and willingness of the customer to purchase specific brands where actual purchase behaviour does not occur (Tabrizi & Valanejad, 2018). Therefore, the power of brand loyalty lies within its influence on swaying customer's decisions to purchase the same brand (Yoo et al., 2000).

## **2.4 CONCEPTS INFLUENCED BY SOCIAL MEDIA AND SOCIAL MEDIA MEDIATED ENGAGEMENTS**

### **2.4.1 BRAND EQUITY**

Solomon and Stuart (2002) define a brand as a name, term, symbol or unique element of a product that distinguishes one firm's products from others, and qualities that set that product apart. Tabrizi and Valanejad (2018) state that branding in today's competitive climate must be clearly defined, created and managed because producers gain profit by offering products that are uniquely superior, while providing an opening to transfer an identifiable relationship to other products or services. As a result, brands enhance customers' trust while simultaneously enabling them to effectively visualise and alleviate the perceived social, safety and financial risk of associating with a rival brand, thereby giving branding a special role in service companies (Simoes & Dibb, 2001).

The concept of “brand equity” has become one of the most important marketing concepts since the 1980s (Keller, 2008; Shrestha, 2010). Researchers, have however, defined the concept in different ways. Aaker (1991:7) defines brand equity as “a set of five categories of brand assets and liabilities linked to a brand’s name or symbol that add to (subtract from) the value provided by a product or service”. Yoo and Donthu (2001) define brand equity as the underlying difference in the customer’s choice between branded products and unbranded products that have the same product features. The term brand equity refers to the value-added to a product, extracted from its brand name that contributes to long-term profitability of the firm (Tabrizi & Valanejad, 2018).

Despite the varying interpretation of brand equity, one common feature of brand equity definitions is the role of brands quality in relation to the competition from rival products. This study focuses on how certain aspects of brand equity are influenced by social media and social media engagements. Kim and Ko (2012) state that brands active on social media tend to reduce assumptions and misunderstandings towards the brand, which increases brand value through CBE. Customer-based brand equity (CBBE) is used for the purpose of this study. The shift of CBE to digital platforms has indeed caused social media marketing strategies to become a vital form of brand management (Colicev, Malshe & Pauwels, 2018).

#### **2.4.2 EFFECTS OF SOCIAL MEDIA ON BRAND EQUITY**

The growth of social media marketing compelled researchers to study its impact on brand equity (Naveed, 2012). CBBE is deemed to be enhanced in a social media setting (Bruhn, Schoenmueller & Schafer, 2012; Kim & Ko, 2012). It is further observed that social media communication as well as traditional media, have a notable impact on brand equity (Bruhn et al., 2012). Findings from marketing researchers identify social media as exerting an influence on the brand image in a way that rivals traditional media’s focus on brand awareness (Jayasuriya & Azam, 2017). Moreover, brand visibility and engagements with existing and potential customers can be improved by social media (Naveed, 2012).



Social media plays a crucial role in impacting brand equity because of the communication mix element that is brought by brand awareness (Godey et al, 2016). Jayasuriya and Azam (2017) state that 80% of social media users follow their favourite brands on Facebook. It cannot be contested that the massive following on Facebook creates opportunities for firms' engagement with existing and potential customers and thus, giving them a competitive advantage over rival brands. Moreover, a Facebook presence assists in making brands discoverable and well connected (Pinto & Yagnik, 2017). Therefore, one can argue that the planning and frequent updates and maintenance of a brand's social media pages' form part of brand awareness (Scott, 2007).

Social media has proven that brands are now dependent on the wishes of the customer (Zailskaite-Jakste & Kuvykaitė, 2013). As such, research by Zailskaite-Jakste and Kuvykaitė (2013) highlights that CBE on social media has contributed to increased brand equity through content creation and communication. The effectiveness of communication on social media indicates that brand knowledge and resonance can be affected by social media communication (Zailskaite-Jakste & Kuvykaitė, 2013). Keller (2009) points out that the internet has become an enabler in brands' quest to reach customer groups that were difficult to reach as it creates access to brands and increases brand awareness for segmented markets.

### **2.4.3 THE DEFINITION OF PURCHASE DECISION**

The concept of purchase decision has been investigated by various marketing researchers over the years. Kotler and Levy (1969) describe purchase decision as consumer behaviours that indicate decision-making units based on buying, usage and disposal of goods and services. The disposal of products and services, which include the decision process that precede and follow these actions, are activities that are directly related to the process of purchase decision (Engel, Blackwell & Miniard, 1995). Therefore, the decision-making process and physical activity of evaluating, acquiring, using or disposing of goods and services by consumers are defined as the process of purchase decision (David & Albert, 2002).



The common theme in the researchers' definition is that purchase decisions do not simply end at the purchase of goods or services but, include post-purchase activities that are constitutive of consumer behaviour. Belch and Belch (2009:201) define consumer behaviour as the “process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services to satisfy their needs and desires as well as the decision processes that precede and follow these actions”.

Marketers have been tasked with trying to master the process by which consumers gather brand information and use that information to distinguish among competing brands (Belch & Belch, 2009) in order to make purchase decisions. Purchase decisions are components of what is broadly called consumer behaviour and these include the thought processes that consumers go through when making purchasing decisions. This consumer behaviour includes five stages established by marketers that consumers go through in making decisions (see Figure 2.4). Consumers can skip certain stages of the purchase decision process when some products are repeat purchases or when loyal to a specific brand.

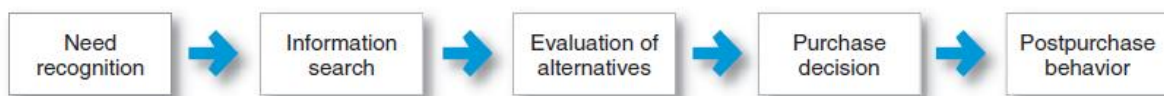


Figure 2.4: Decision Making Process (Kotler and Armstrong 2011).

Figure 2.4 reflects the process through which consumers make a purchase decision. Even though this study's focal point is online consumers, the consumers go through the same process of decision-making as traditional consumers. Cheung and Lee (2012) contend that electronic word of mouth (eWOM) constitutes a form of post-purchase behaviour. Overall, interactions and engagements of consumers on the internet shape the online purchase process (Karimi, Papamichail & Hollan, 2014). However, Kamiri et al. (2014) postulate that online consumer's style of decision making impacts greatly on the traditional process of decision making because the process is influenced by their intertwined decisions. As shown in Figure 2.4, these decisions are:

- *Need recognition* – this is the first stage of the decision-making process where consumers distinguish between the substantial level of satisfaction and their perceived level (Solomon et al., 2006).
- *Information Search* - this is a task that involves the consumer's exploration for sufficient data that is suitable to make a fair-minded decision (Soloman et al., 2006). At this stage online customers engage with previous customers about their purchases.
- *Evaluation of alternatives* - this stage consists of consumers making a choice from available alternatives (Solomon et al., 2006).
- *Purchase decision* - this occurs after various alternatives of products or services have already been evaluated by the consumer (Oke, Kamolshotiros, Popoola, Ajagbe, & Olujobi, 2016) and a purchase made.
- *Post Purchase behaviour* – this is the final stage and it is divided into three steps; first there is the consumption of the product and service, the second step involves the assessment of consumer consumption, where customer satisfaction level is measured while the last step is the disposition of the product (Aaker, 1996; Oke et al., 2016).

Powers et al. (2012) state that brands that use social media strategically, have created an opportunity to deepen consumer connection and build loyalty and affinity. Content generated on social media by users influences consumer behaviours (Heinonen, 2011). This influence on consumer behaviours can impact purchase intentions, hence, the current study seeks to find a link between social media generated content and purchase intentions. Nevertheless, the findings of the research conducted by Fauser, Wiedenhofer and Lorenz (2011) suggest that the different steps in the purchase stages can be effectively influenced by the use of social media platforms. Their research further observes that the purchase intentions/decisions of potential consumers can be influenced

by social web platform interactions. Finally, a study by Ioannas and Stoica (2014) suggests that the behaviour of consumers in the virtual environment is specifically influenced by the scope of information they are exposed, the scale of collected information and the development of the relationships between consumers intending to make purchases.

#### **2.4.4 THE DEFINITION OF COMPETITIVE ADVANTAGE**

The business environment is composed of various strengths and weaknesses that can make or break a business. Competitive advantage is the determinant of a business' success. Klein (2002) highlights that the term "business strategy" has been traditionally used over the years as a synonym for the search for competitive advantages and implies that the concept of competitive advantages is somewhat confusing. In addition, Steininger, Wunderlich and Pohl (2013) define competitive advantage as the exclusive position that a firm develops in the market because of the deployment of resources. Competitive advantage prevails in the dimensions of each enterprise as a predetermining factor in offering customers a better service than those of its competitors (Porter, 1990; Saaty & Vargas, 2006).

Furthermore, Cegliński (2016) notes that the primary task of a business' strategic management is the building and maintenance of competitive advantage and ensuring that business activities can achieve above-average results. In layman's terms, competitive advantage refers to the strengths of a business such as its financial standings based on its customer base. Ordinarily, competitive advantage creation is an organisation's primary goal and it is dependent on an organisation's resources and abilities (Hosseini, Soltani & Mehdizadeh, 2018). Hosseini et al. (2018) also state that an organisation's main role in gaining competitiveness is achieved by distinguishing its performance in the business market.

Wen-Cheng, Chien-Hung, and Ying-Chien (2011) state that an enterprise's ability to deliver identical brand benefits at a lower cost than its competitors (cost advantage) or while receiving benefits that surpass competing brands (differentiation advantage) shows the existence of competitive advantage. There are three essential ways in which firms can achieve a fundamental competitive advantage according to Michael Porter (Porter,

1985; Tanwar, 2013). These strategies are, cost leadership strategy, differentiation strategy and focus strategy (Porter, 1985; Tanwar, 2013). These three strategies can be intertwined with social media to shape a brand's competitive strategy. For instance, the cost of marketing can be reduced by using social media platforms to increase the visibility of the products to potential buyers- thereby reducing cost of accessing the product (cost leadership strategy). Ultimately, firms gain their competitive advantage by focusing on both their own competitive strategy and those of their competitors.

#### **2.4.4.1 Impact of social media-mediated capabilities on competitive advantage**

The performance of a business is greatly impacted by the business capabilities of organisations. As a tenet of Web 2.0, social media creates multiple capabilities that may exert a positive influence on a firm's competitive advantage as Andriole (2010) rightly observes. These capabilities are:

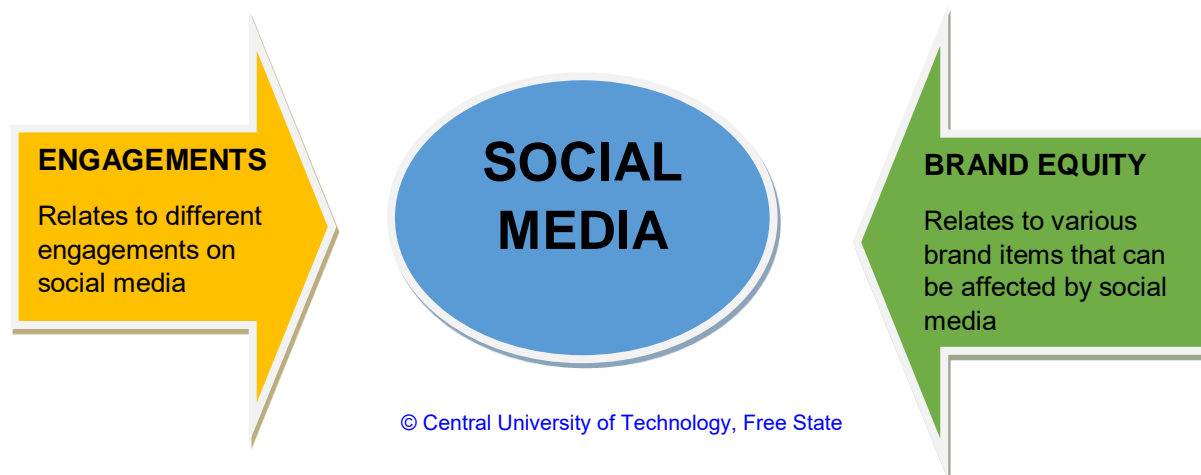
- *Collaboration and communication* - there are four indicators associated with this factor and these are 1) the capability to coordinate discussions, 2) the capability to reach more people faster 3) the capability to synchronise projects and tasks, and 4) the capability to audit communication streams.
- *Rapid application development* – this factor has three indicators, which are (1) the modification and fast developments of application, (2) easy support of an application, and (3) the capacity to improve modelling requirements.
- *Customer relationship management (CRM)* - this variable has four indicators and these are (1) the capability to mine customer data effectively, (2) the capability to reach more customers, (2) the capability to ask for customer feedback, and (4) the capability to communicate effectively with customers.

- *Innovation* – the innovation factor is measured as (1) the capability to syndicate innovation, (2) the capability to improve success rates, (3) the capability to increase innovation activities, and (iv) the capability to produce efficiently.
- *Training* - the impact of social media on training is measured as the capability to (1) support traditional training, (2) modify training content, (3) support asynchronous training, and (4) codify and distribute training content.
- *Knowledge management* – the factor of knowledge management is measured as the capabilities to (1) share, (2) retrieve, (3) organise, and (4) leverage knowledge.

Therefore, Adriole's (2010) model can be a useful heuristic in evaluating how social media can avail these capabilities to firms in ways that increase the performance and competitive advantage of small firms.

## 2.5 PROPOSED CONCEPTUAL FRAMEWORK

The conceptual model adopted for this study places emphasis on social media and its impact on customer engagements and brand equity. The model also includes how these variables shape purchase decisions and competitive advantage of firms, which can lead to growth and profitability as examples of firm performance. Bayram, Caglar, Ali, and Aljuhmani (2018) state that the use of social media for online advertising by firms has encouraged the financial growth of firms that brings tangible results to investors that invest in such firms. This suggests that a well-implemented social media branding can contribute directly to the growth of firms. Figure 2.5 below summarises the hypothesised relationships between variables.



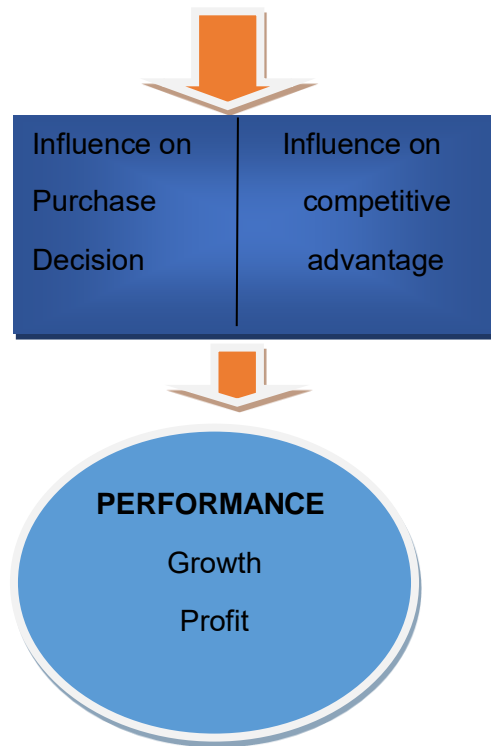


Figure 2.5: Conceptual framework influence of social media on firm performance

## 2.6 SUMMARY OF THE CHAPTER

The chapter presented a review of literature focusing on social media in relation to this study's focus. This was carried out in four segments. The first segment of this chapter reviewed the definitions of social media and explained the functionalities and characteristics that shape social media, as well as the challenges arising from its use. The second segment focused on the study of interactions mediated by social media and considered the nature of the interactions that are reflective of brand equity and its dimensions. The third segment highlighted the definitions and strategies of purchase decisions and competitive advantage. Finally, the fourth segment outlined the conceptual framework that was developed based on the adoption of social media and its influence on engagements, brand equity and firm competitiveness.



## CHAPTER 3 METHODOLOGY

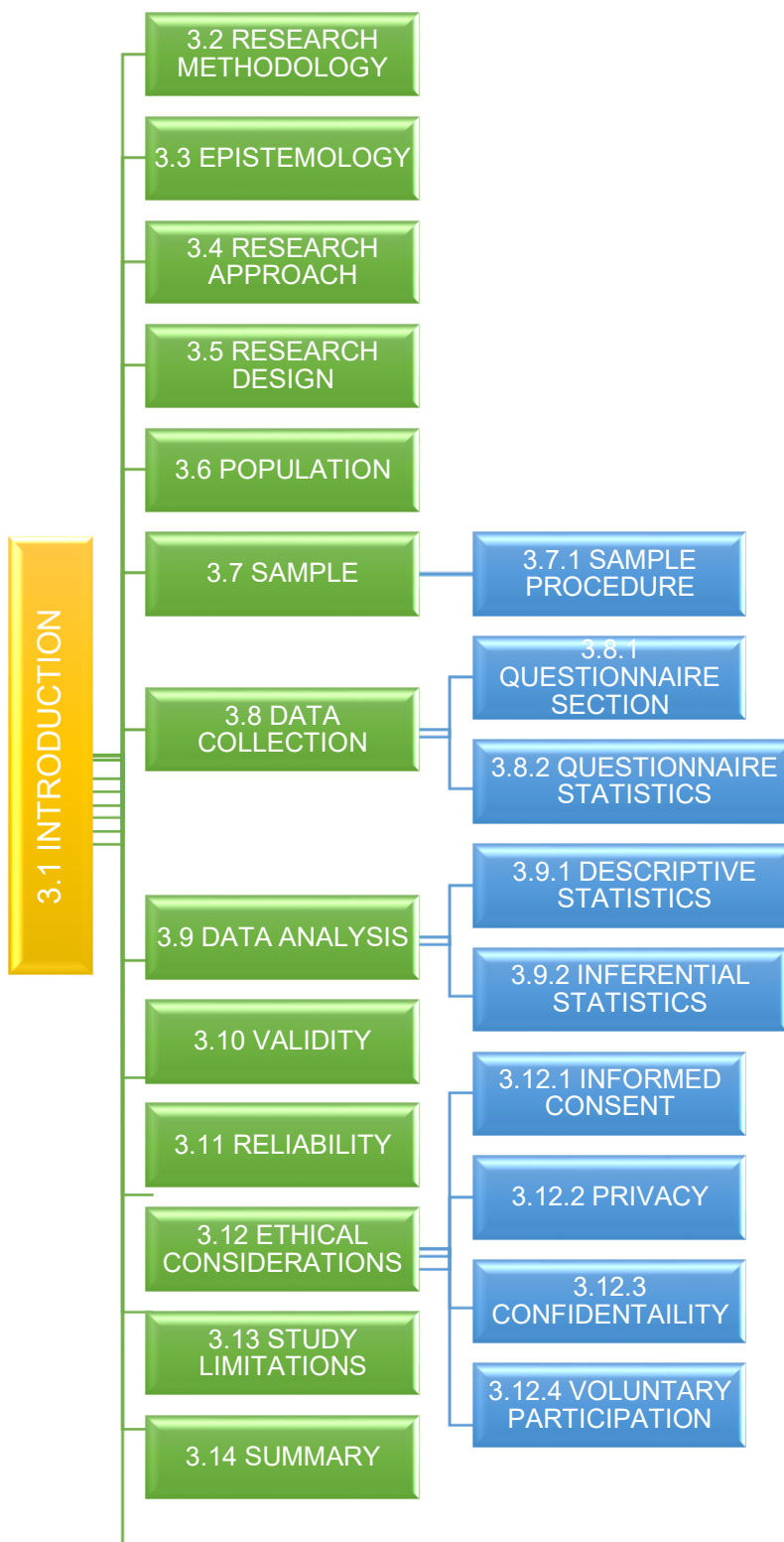


Figure 3.1 Flow diagram indicating chapter structure



### **3.1 INTRODUCTION**

This chapter focuses on the methodological orientation of this study. It outlines the research epistemology, research approach, research design, population, sample, data collection, data analysis, and the strategies for assuring the reliability and validity of the research instrument used in this study. The chapter also describes the data analysis and the ethical considerations applied to the study.

### **3.2 RESEARCH METHODOLOGY**

A researcher must provide a clear description of the philosophy of research that guided them while conducting their study to ensure that the reader fully appreciates and understands the beliefs, methods and processes that informed the researcher in the research process. Three major multi-dimensional aspects, ontology, epistemology and research methodology, guide the research process, even though research often concentrates on epistemology and methodology, as these deal with knowledge and its extraction during the research processes. Saunders, Lewis and Thornhill (2012:4) define the term methodology as “the theory of how research should be undertaken”. Howell (2013) argues further that a typical methodology comprises concepts such as paradigms, phases of conducting research, theoretical models, quantitative and qualitative techniques. This study’s methodology comprises a discussion of the epistemology, research approaches, research design, sampling and methods of data collection that have been adopted by the researcher to expand the scope of knowledge on effects of social media-mediated customer engagements on purchase decisions and competitive advantage of full-service restaurants.

### **3.3 EPISTEMOLOGY**

Neuman (2014) defines epistemology as the general assumptions that individuals make about the world around them and how knowledge is rooted in individuals’ ontological assumptions. Neuman (2014) further argues that an epistemology comprises the know-how required in producing knowledge and how the production of scientific knowledge is observed or experienced. The commonly used epistemology in social sciences are “positivism” and “interpretivism”. Epistemologically, positivism centres around objectivity

and authentication in the search for the truth, while the world remains uninfluenced by the researcher (Al-Saadi, 2014). In essence, the researcher and the subject are physically and emotionally detached to ensure that the researcher has no direct impact on the investigated subject. The positivist approach was chosen for this study because it is inherently quantitative, which enables the researcher to quantitatively examine and measure customer behaviour and the prediction of other measurements such as competitive advantage. Since most conceptions, such as level of social media engagements, brand equity, growth of firms and competitive advantage are measurable, their relationships were quantitatively determined and their associative and predictive relationship measured to make some useful inferences about the phenomenon under investigation.

### **3.4 RESEARCH APPROACH**

Saunders et al. (2016) distinguish three main approaches to theory development, as deductive, inductive and abductive. Kuosa (2011) distinguished the three research approaches by stating that the deductive approach is aimed to direct knowledge, and involves the use of physical argumentation, while the inductive approach aims to control information and involves the use of structural and categorisation argumentation. He further states that the abductive research approach aims to identify structures, connections, contexts and constrains and involves the use of cognitive argumentation. This research assumed the deductive research approach as the study will be testing theories and it aims to direct knowledge. This approach was chosen because deductive reasoning leads to certain conclusions which are logical necessities and developed theory is tested and verified by data collection Melnikovas (2018).

The ways of representing data can be categorised into three groups: qualitative approach, quantitative approach and the mixed method approach. Walliman (2011) defines qualitative research as data that is predominantly conveyed in words rather than numbers and cannot be precisely measured and counted. Similarly, Hoy and Adams (2016) point out that the qualitative method is determined by individuals' experiences through

fieldwork, ethnographic analyses and case studies. Fundamentally qualitative research focuses on comprehensively understanding human reasoning and behaviours. The mixed method approach uses both qualitative and quantitative approaches, where measurements, numbers, words and images are all used in the research design (Grover, 2015). However, this research adopted a quantitative approach, in which a structured questionnaire was used as the research instrument to gather data relating to how social media-mediated customer engagements affects purchase decisions of customers and competitive advantage. The instrument was also employed to determine predictive relations specifically the mediating role of brand equity in social media mediated engagement-competitive advantage relationships in the context of full-service restaurants.

The use of the quantitative methodology is based on explanations presented in existing studies and the study's context. Usman (2014) defines quantitative research as an investigation directed at measuring and quantifying data for comparisons with previously collected data to forecast or predict future events. Hoy and Adams (2016) concur as noted in their view that the measurements and statistics are fundamental to quantitative research as they are critical for connecting mathematical expressions to empirical observations. In the context of this study, data from owners/managers and clients of full-service restaurants extracted using a structured questionnaire was converted in statistical computations that allowed the researcher to make some inferences on social media-mediated engagements, brand equity and competitive advantage. Boeren (2018) explains that a quantitative approach utilises a structured, pre-determined approach to diagnose the extent of a problem and to quantify the discrepancies in the problem. Quantitative research is measured effectively by asking "how" or "what" questions, which are direct and quantifiable and also measures relationships between variables (Goertzen, 2017). Thus, the quantitative approach was ideal for this study as it isolated the variables under investigations (i.e., social media, purchase intentions, brand equity and competitive advantage) and formulated specific research questions that examined the effects of social media mediated interactions on customers' purchase intentions and competitive advantage.

### 3.5 RESEARCH DESIGN

Creswell (2014) defines research designs as a variety of research approaches that provide individuals with direction towards developing procedures for appropriately executing research. Grover (2015) also notes that research design refers to the procedures undertaken to address an issue that entails the incorporations of different components of the study, including a comprehensible way to ensure effective problem solving. Ultimately, a research design is a blueprint of the exact method that a researcher adopts to analyse, collect and interpret data.

Babbie (2015) states that the commonly used research designs are namely, exploratory, descriptive and correlational research designs. An exploratory research design's primary focus is on the exploration of concepts and revelations, which requires a research approach that allows for adaptability in considering various facets of a phenomenon (Kothira & Garg 2014; Babbie 2015). Babbie 2015 defines a descriptive study as one in which data is collected without changing the environment (i.e., nothing is manipulated), and it is sometimes referred to as a "correlation" or "observational" study (Bryman & Bell, 2007:34). Descriptive studies are usually ideal for collecting information that demonstrates relationships and describe the world as it exists (Singh & Nath 2010:250). A correlational study follows an empirical correlation between two variables exists when either changes in one variable correspond to changes in the other variable, or specific characteristics of one variable are linked to particular attributes of the other variable. It's essential to note that correlation alone does not imply a causal connection between the two variables, yet it serves as one factor in assessing causality (Babbie, 2015).

A survey design was adopted for this study to describe the perceptions of restaurant managers/owners and their customers on how social media mediated customer interactions affected purchase intentions and competitive advantage. This method was chosen because it was deemed convenient and appropriate in that it allows for the solicitation of information from a large number of restaurant manager/owners and customers in accessible areas around the Free State province that include Bloemfontein, Ladybrand, QwaQwa, Clarens, and Welkom. These places were conveniently selected

based on their accessibility to the researcher and the higher concentration of full-service restaurants in these areas.

A survey design involves the studying of a sample of a population through numeric description of trends, attitudes, or population opinions (Creswell, 2014). A survey design is suitable for this study due to its descriptive, explorative and explanatory nature. The study is descriptive in the sense that it outlines the perceptions of respondents regarding concepts under examination. Saunders, Lewis and Thornhill (2019) contend that a survey design is descriptive as it has the ability to highlight relationships between different variables. In addition, the survey design was deemed appropriate for this study as it seeks to accommodate data covering the personal demographic make-up of owner/managers of restaurants and their customers. The study is also explorative because the relationships analysed in the context of the owner/managers and customers were relatively new. The study is also explanatory as it determined the predictive and associative relationships between variables. Thus, a survey design is suitable for this study as it seeks to analyse the relationships between the variables social media mediated customer engagements, purchase decisions and competitive advantage and the mediation of brand equity.

### **3.6 POPULATION**

Babbie (2014) defines a population as a group of individuals that a researcher has decided to draw conclusions from during a study. Asiamah, Mensa, and Oteng-Abayie, (2017) also argue that a research population is a grouping of individuals that have characteristics of similar interest set for investigation by the researcher. Therefore, a study population can be referred to as the number of people a study is concerned with.

It should also be noted that the focus in a study population is on the target population. A target population is defined as “the total group of individuals from which a sample is drawn” (Dzansi, 2014: 28). The target population for this study consists of full-service restaurants situated in the Free State province. A list of locally registered full-service restaurants was obtained from DiningOut South Africa (2018) and constituted the target

population. This population of full-service restaurants in the Free State province at the time of conducting the study was 161.

### **3.7 SAMPLE**

Sampling refers to individuals that have been selected, as a subset within the defined population, to predict characteristics of the total population (Igwenagu, 2016). The group or individuals from whom the study will be drawn from are known as a sample. There are two major categories in sampling, which are probability sampling and non-probability sampling (Babbie, 2014). This study used probability sampling for managers/owners as it allowed the researcher to make generalisation from a sample to a larger population, which is in accordance with a quantitative research method (Babbie, 2014). Procedures are used, while conducting a probability sample, to ensure that every individual in the population is given a chance to be selected as part of the sample (Stangor, 2015). [A Non-probability sampling procedure was chosen for sampling customers, as this procedure is reliant on available subjects. This procedure was suitable as customers were approached and interacted with upon securing authorization form the managers/owners.](#)

### **3.7 SAMPLING PROCEDURE**

In view of the small study population, the researcher adopted a census in which all the 161 owner/managers of full-service restaurants in the Free State were considered for inclusion in the sample. Saunders, Lewis and Thornhill (2019) state that a census makes it possible to collect data from all the units of a selected population. There was an average of 4 managers per restaurant ( $161 \times 4 = 646$ ). Using a Raosoft sample size calculator set at a confidence level of 95% a margin of error of 5% and response distribution of 50%, a population size of 646, generates an estimated size of 241. Therefore, 620 questionnaires were distributed and 451 were received with 144 managers and 307 customers having responded.

### **3.8 DATA COLLECTION**

Quantitative data collection methods were employed as they are aligned to this research's adoption of a positivist epistemology. A predesigned structured questionnaire, which

consists of closed-ended questions, was used to gather data from owner/managers and customers. This allowed for the observations and comparisons of patterns in the data extracted from respondents (Cohen, Manion, & Morrison, 2011). Kothari and Garg (2014) aver that a questionnaire with definite, concrete and pre-determined questions where all respondents are presented with the same wording and order, is known as structured questionnaire. A Likert based scale was used to ask respondents about the extent to which they agreed with certain statements. The Likert based scale contains statements that express either a favourable or an unfavourable attitude towards questions that respondents are asked to respond to (Kothari & Garg, 2014).

### **3.8.1 Questionnaire design**

Stangor (2015:108) defines a questionnaire as “a set of fixed-format, self-report items that is completed by respondents at their own pace, often without supervision”. Two questionnaire types are suited for two types of samples. Large samples make use of a more structured closed questionnaire and a smaller sample makes use of a less structured questionnaire with open and word based questions (Cohen et al., 2011). In addition, Stangor (2015) states that questionnaires are relatively economical as they can be mailed to a large group of individuals and provide honest responses because of their anonymity. The current study employed a structured questionnaire as the sample was deemed to be fairly large.

### **3.8.2 Questionnaire sections**

The questionnaire, which was structured for both manager/owners and customers, consisted of 72 items with structured questions. It was based on concepts drawn from the literature review. In addition, the questionnaire development was based on the research questions that were extracted from the proposal. The questionnaire was divided into six sections that are presented below.

**Section A:** This section collected personal demographic data from the study respondents. The questions requested data about the managers/owners and customers’

gender, age groups, race, marital status, highest educational level, role in the business and the years of experience in a managerial capacity.

**Section B1:** This section collected data on the familiarity of and the extent to which manager/owners use social media sites.

**Section B2:** This section collected data on customers' familiarity with social media sites.

**Section C:** This section collected data from managers/owners using a five-point Likert scale on social media and its concepts.

**Section D:** This section collected data from customers using a five-point Likert scale on social media and its concepts.

**Section E:** This section collected data on the sustainability of restaurants using social media.

### **3.9 DATA ANALYSIS**

Data analysis is defined as “organising, accounting for and explaining the data; in short, making sense of data in terms of participants' definitions of the situation, noting patterns, themes, categories and regularities” (Cohen, Manion, & Morrison 2018:315). For this study, a quantitative data analysis approach was used to analyse data. Cárdenas (2019) defines quantitative data analysis as the process where data collected from research questions is presented in numerical form. The generated data that was obtained from the structured questionnaire, was captured and numerically coded and entered into the Statistical Package for the Social Sciences (SPSS), and then the SPSS and Adanco software were used to process the coded data. Descriptive and inferential statistics were produced from the analysed data to respond to the research questions of the study.



### **3.9.1 Descriptive statistics**

Descriptive statistics offer invaluable information about a classification of a specific group, and a numerical description of the surveyed group (Singh, 2016). For this study, the results were presented in descriptive statistics that include tables, pie charts and bar graphs. The frequencies and percentages produced from the descriptive statistics are presented in Chapter 4.

### **3.9.2 Inferential statistics**

There are different definitions of what inferential statistics is – some which relate to representativeness and some to generalisation. Inferential statistics, such as partial least squares path modelling (PLS-PM) analysis, was conducted to test the relationship between customer-based brand equity, customer-to-customer social media engagements, business-to-customer social media engagements, and purchase intentions. This involved path analysis, model testing, correlation and regression analysis. Kothari and Garg (2014) state that inferential statistics is “concerned with the process of generalisation” of a data set of the sample to the larger population. Singh (2016) also points out that inferential statistical analysis comprises sampling that is selected for a study with the number of participants that are presumed to be related to a large number of participants from which data is drawn.

## **3.10 VALIDITY**

Validity refers to the extent to which an instrument accurately reflects what it was designed to measure (Babbie 2014; Kothari & Garg, 2014). There are two forms of validity and these are, internal and external validity. Stangor (2015) states that internal validity refers to the degree to which a determination can be trusted to be internally consistent. Cohen, Manion and Morrison (2018) also posit that internal validity seeks to ask questions such as: “Do the experimental treatments make a difference in the specific experiments under scrutiny and is the research sufficiently free from errors or violations of validity?” External validity is concerned with the question: “Given these demonstrable effects, to what population or setting can they be generalised?” (Cohen et al., 2018:276). An assessment of the study’s validity, based on the measurement model with reflective

factors, as is the case with this study, was carried out through examining the unidimensionality of indicators, the factor loadings, the cross-loadings, and the bootstrapped loadings.

### **3.11 RELIABILITY**

Babbie (2014) refers to the reliability of data as a state in which the application of a particular technique multiple times on the same object yields the same result. Stangor (2015) also states that the measure of reliability should be error free and is concerned with precision and accuracy (Cohen et al., 2018). Various means were used to determine this study's reliability. The Cronbach's alpha ( $\alpha$ ) and Dillon-Goldstein's rho ( $\rho$ ) were calculated to evaluate the reliability of this study. Structured questions were used in the questionnaire design. The questions were reviewed and noted clear and unambiguous. The times in which questionnaires were administered was agreed upon by both the respondents and researcher. In addition, effort was put in minimising instrument related errors by defining key concepts and using simple and accessible language when developing items.

### **3.12 ETHICAL CONSIDERATIONS**

Researchers encounter numerous ethical issues at different stages during the research project. Cohen et al. (2018) note that ethical considerations are concerned with what is good/bad or right/wrong. They further explain that researchers are required to establish ethical concerns of their own, which are specific to their research and research behaviour. The ethical practices considered in this research are:

#### **3.12.1 Informed consent**

Babbie (2014) defines informed consent as the standard to which respondents base their voluntary participation and are made aware of potential risks involved in the research projects. Stangor (2015) mentions further that respondents have a right to decline or withdraw their participation from a research study at any time without any risks or sanctions. As a result, respondents were informed about the purpose of this study and the purpose to which collected data will be deployed. In addition, the respondents were

made aware that there would be no costs involved or potential or real harm or risk anticipated in their participation in the study.

### **3.12.2 Privacy**

Privacy has more to do with according respondents their rights to their space and preventing an invasion of their private spaces. The questionnaire used to collect data for the study had no questions about the identity of the respondents nor did it have their phone numbers or their location. There was no invasion of privacy when conducting the study as participants were expected to participate at times and places convenient to them.

### **3.12.3 Confidentiality**

Babbie (2015) states that confidentiality is assured when a researcher can associate a participant with their responses but guarantees not to disclose the information publicly. Cohen et al. (2018) add that confidentiality means that discussing a respondents' information is strictly prohibited. Anonymity means by no means should a researcher's report be presented in a fashion that discloses how a particular participant responded or behaved (Leedy & Ormond, 2016). The anonymity of a research project is attained when neither researchers nor readers of the data can identify the responses from particular respondents. Therefore, data collected from this study was only available to the researcher and data analyst with the elimination of personal identities from the data ensuring that neither the researcher nor data analyst could associate any responses with any respondents.

### **3.12.4 Voluntary participation**

Leedy and Ormond (2016) state that participation from respondents should be strictly voluntary. Respondents involved in the study were given the freedom to decide if they wanted to participate or not and were advised that they could withdraw from this study without any threats and sanctions. As such, the cover page of the questionnaire made provision for respondents to freely withdraw from the study without being threatened or put at risk in any way.

### **3.13 STUDY LIMITATION**

Due to participation being voluntary, a sizable number of the sample subjects cited that they had work commitments or were simply not interested in being part of the study. This means that there was nothing the researcher could do about respondents who refused to participate in the study. This contributed to only 451 questionnaires being received, instead of the recommended total sample size of 620 questionnaires.

### **3.14 SUMMARY**

This chapter outlined the research methodology and processes that were followed in this study. This study adopted a positivist paradigm and used a quantitative research approach. The chapter noted that the researcher used a descriptive survey design and administered questionnaires in person and by email to collect data from a sample of respondents. It was also pointed out in the chapter that, respondents were informed of all proposed data generation and analysis procedures as well as the ethical considerations that the researcher would emphasise in the research process.

The next chapter presents an interpretation of and discussion on the study's results.

## CHAPTER 4 RESEARCH RESULTS AND DISCUSSION

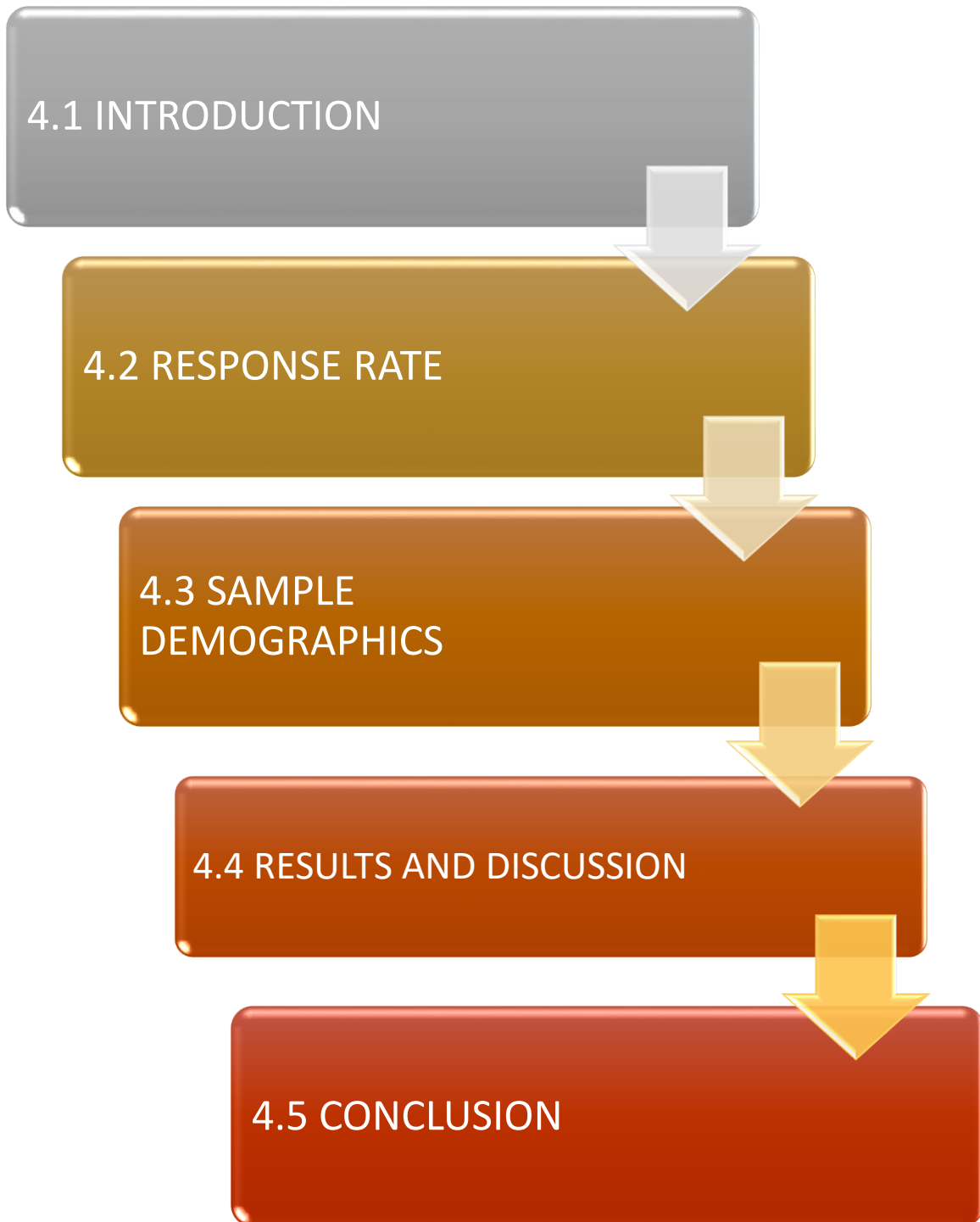


Figure 4.1: Flow diagram indicating chapter structure

## **4.1 INTRODUCTION**

This chapter builds on the previously outlined methodology, research approach, research design, sampling and data collection methods employed in this study to examine the relationship between social media engagements, purchase intentions and competitive advantage of full-service restaurants in the Free State Province by presenting and discussion the findings.

The chapter focuses on the response rate, sample and company demographics, and a discussion on the results based on the research questions. The next section presents the response rate for the survey conducted.

## **4.2 THE RESPONSE RATE**

The researcher distributed 620 questionnaires both by hand and by email to respondents and 473 were received. An analysis of the returned questionnaires showed that 451 questionnaires were successfully completed, which represents a response rate of 72.7%. A further observation on the 451 questionnaires that were completed successfully indicates that 144 were completed by owners/managers and 307 were completed by customers. The focus on both managers and customers was informed by the study focus on social media engagements between owners, managers and customers, which necessitated that both groups' perspectives and views be represented in the sample demographics. Boujena, Ulrich, Manthiou and Godey (2021) stress the importance of including the main stakeholders during investigations on customer engagements and hence the need to consider these three groups. It should also be noted that Bryman and Bell (2011) state that a response rate of 50% is acceptable for data analysis, hence, the response rate of 72.7% attained here was deemed appropriate for this study.

## **4.3 DEMOGRAPHICS**

The demographics of restaurant owners/managers and customers are presented in this section of the chapter. The demographic information relates to the respondents' age, gender, race, marital status, highest level of qualification, role in business and years in management. These profiles are summarised in Table 4.1 and Table 4.2.

Table 4.1: Biographical Information

Personal details	Type of respondent	Category	Frequency	Percentage
1. Gender	Manager/owners	Male	76	52.78
		Female	68	47.22
	Customers	Male	138	43.00
		Female	175	57.00
2. Age Group	Manager/owners	Below 21 years	0	0.00
		21-30 years	28	19.44
		31-40 years	43	29.86
		41-50 years	44	30.56
		51 years and up	29	20.14
		Customers	Below 21 years	30
			21-30 years	101
				31-40 years
				41-50 years
				51 years and up
3. Race	Managers/Owners			Black
		White	65	43.14
		Coloured	25	17.36
		Indian	8	5.56
		Other	2	1.39
		Customers	Black	141
			White	79
				Coloured
				Indian
				Other
4. Marital status	Managers/Owners			Single
		Married	65	45.14
		Divorced/Separated	21	14.58
		Widowed	7	4.86
	Customers	Single	146	47.56
		Married	121	39.41
		Divorced/Separated	29	9.45
		Widowed	11	3.38
5. Highest educational qualification	Managers/Owners	Degree	72	50.00
		Diploma	27	18.75
		Honours Degree	26	18.06
		Certificate	13	9.03
		Matric	1	0.69

		Masters	5	3.47
		PhD	0	0.00
	Customers	Degree	144	46.91
		Diploma	46	14.98
		Honours Degree	46	14.98
		Certificate	21	6.84
		Matric	38	12.38
		Masters	10	3.26
		PhD	2	0.65

#### 4.3.1 Gender of respondents

As depicted in Table 4.1 most respondents (53%) were male while the rest (47%) were female. This means that more men than women were running and managing restaurants in the geographical area where the study was conducted. This gender gap could be attributed to the fact that the hospitality industry's restaurant sector tends to be male dominated. This interpretation coheres with existing literature, which highlights that the restaurant industry is male dominated especially at managerial and corporate levels (Charlebois, 2016). Another study by Pinar, McCuddy, Birkan and Kozak (2011) states that the status of women and the diversity of gender in the hospitality industry has been and remains a great source of concern. Santero-Sanchez et al. (2013) also state that the hospitality industry is well known for its gender disparities that are created from the discrimination in the labour market brought about by the labour intensive and potentially high risk nature of hospitality work, and the dictates of patriarchy.

However, it should be noted that this study had an almost equal number of respondents. This suggests that women are making strides and getting involved in the restaurant industry unlike what the case in the decade prior to this study. The almost equal number of respondents suggests that women are getting involved in the restaurant industry in high numbers. These findings concur with the observation made by Yogita (2020) that the hospitality industry has changed in the past few years and now accommodates more female achievers who have perfected and are confident in their craft. Women tend to continue assuming hospitality and care giving roles in patriarchal societies, such as South Africa, hence the easy transition from household-related roles to the revenue generating



businesses such as the restaurant sector. Despite this encouraging statistic, Yogita (2020) maintains that the hospitality industry is fast-paced, time and energy consuming such that both men and women struggle with women being the worst affected as they double as care givers to their family and workers or owner/managers in this sector. Nevertheless, women have not been stopped by these challenges from taking their jobs very seriously and have risen into important positions in the industry where possible (Yogita, 2020).

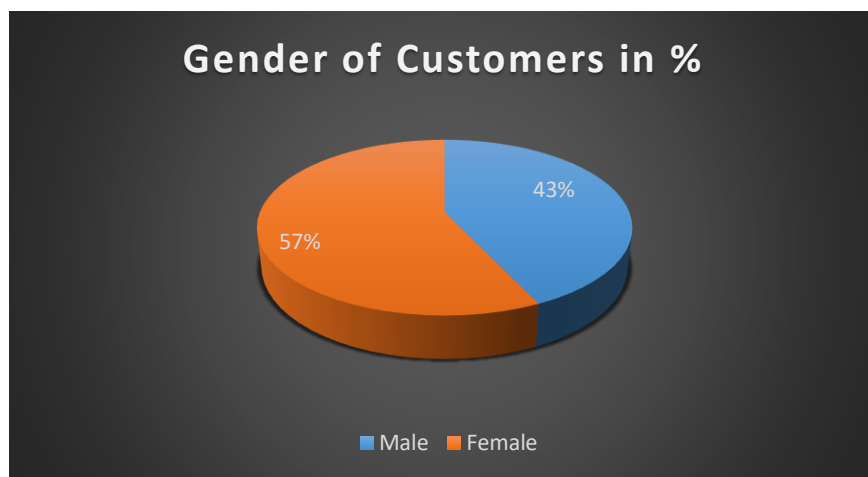


Figure 4.2 Gender of customers in %

Figure 4.2 reveals that out of the 307 respondents of the study, 57% (175) of participants were female, while 43% (138) of the respondents were male. This finding coheres with Ladislau et al's (2017) research observation that women frequented restaurant establishments more than men. They elaborate that this is not surprising as such a behaviour could be reflective of the population age pyramid in South Africa and the Free State province in general, which tends to have more young females than males.

#### 4.3.2 Age Composition

The highest percentages of managers/owners were in the 31-40 years age group (29.86%), and 41-50 years age group (30.56%). This demonstrates that young to more

mature entrepreneurs tend to manage and own restaurants. The prevalence of the middle age groups as owners and managers could be indicative of the amount of time it takes for entrepreneurs to accumulate resources and expertise needed to start and run their businesses successfully. For instance, Ramos-Rodríguez, Medina-Garrido, & Ruiz-Navarro (2012) suggest that the belief in one's skill, the availability of financial resources, experience in start-up and know-how are important factors when starting a business in the hospitality and restaurant sector. While the percentage of millennial managers and owners may not have been high (19.44%), these individuals between 21 and 30 years of age still have a presence in the industry even though most of them were managers. This finding on the limited presence of young owners of restaurants is explained by Ramos-Rodríguez, Medina-Garrido, & Ruiz-Navarro (2012) in their observation that having investments in other hospitality and restaurants business and knowing other entrepreneurs influences one's decision to start a business in the sector. The argument is that the lack of experience, exposure and prior investments in related fields undermines these young entrepreneurs' attempts at becoming owners of such businesses.

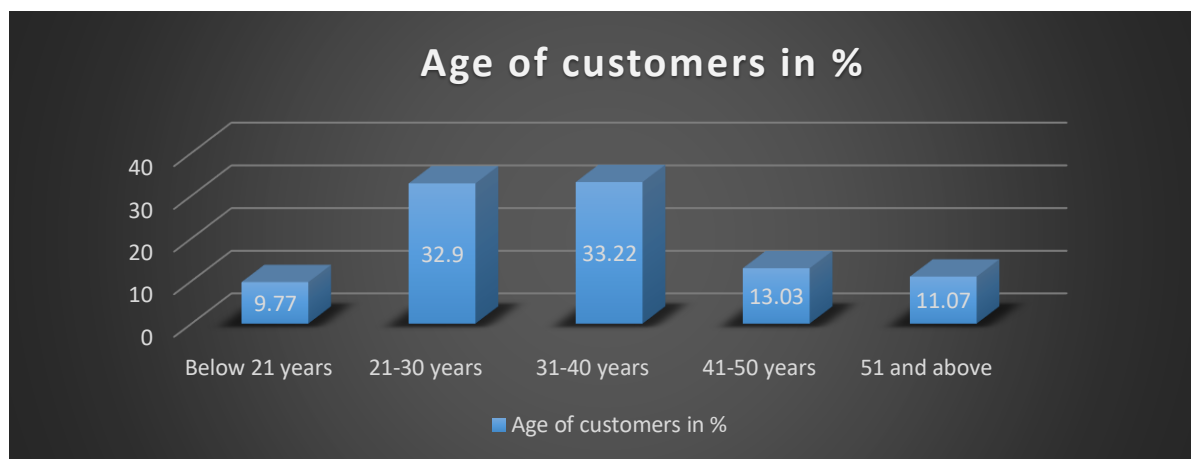


Figure 4.3 Age composition of customers in percentages

The findings also suggest that most restaurants are frequented by individuals in both the 21 to 30 years old group (32.90%) and 31 to 40 (33.22%). The patronising of restaurants by the younger generation can be attributed to the fact that it is mostly young people who

access restaurants for purposes, such as for relaxation, dining and socialisation, as they tend to explore more than older generation. This statement is supported by Apresley (2010) in the finding that millennials dine out more frequently compared to any other generation. Moreover, the younger generation is more inclined to consumption tendencies compared to older people who are more inclined cut consumption costs in order to save for targets such their retirement. Maze (2018) suggests that the older customers dine at home than they do at restaurants which points to frugal spending of older people compared to younger adults. This is evidenced in this study by only 11.07% of individuals from the 51 and above group who noted that they dine at restaurants. However, one could also argue that since South Africa is dominated by a relatively younger generation, as noted by Worldometers (2020) that South Africa's median age is 27.6 years, and thus, this youth dividend permeates the demographics of those who dine at restaurants.

#### 4.3.4 Race composition

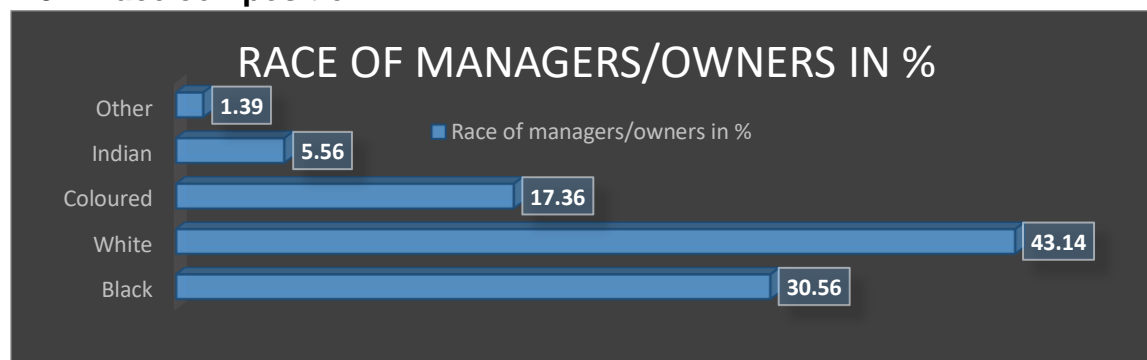


Figure 4.4 Race of managers/owners in percentages

Figure 4.5 demonstrates that the black (30.56%) and white (45.14%) respondents make up a big part of managers/owners. These results show that white respondents represent the majority of restaurant managers/owners. However, the considerable representation of black respondents in terms of business ownership and management seems to suggest that this previously disadvantaged group is increasing its involvement in the country's economic activities. The increase is probably the result of South Africa's black economic empowerment policy that aims to help bring black South Africans into the economic

mainstream and enable more black Africans to participate in economic activities (The Presidency of South Africa, 2004).

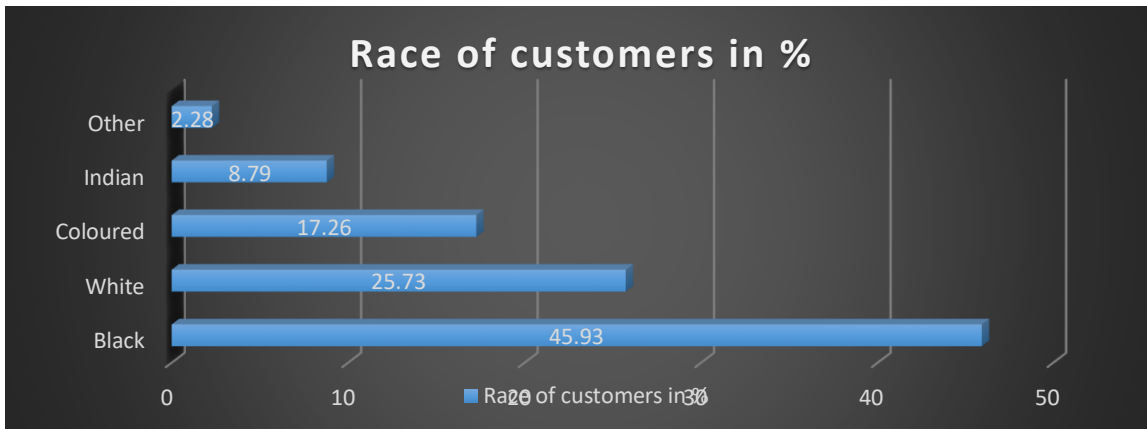


Figure 4.5 Race of customer respondents in percentages

The demographics displayed in Figure 4.5 convey that the majority of respondents (45.93%) are Black. They are followed by the White respondents (25.73%), Coloured respondents (17.26%), Indian respondents (8.79%) and other (2.28%). The dominance of black participants could be attributed to the geographical region the study was administered (i.e. the Free State Province) where the black racial group is more dominant. Britannica (2020) states that black Africans constitute three-fourths of the province's population, which is a huge part of the Free State. However, that white respondents are the second highest group in terms of representation is surprising as white Africans represent only one-tenth of the province's population (Britannica, 2020). It can also be argued that white respondents generally tend to have greater buying power in comparison to other groups because historically privileged groups continue to have greater economic privileges and advantages compared to historically disadvantaged groups (StatsSA, 2019).

#### 4.3.5 Marital status of respondents

The results from an analysis of the marital status of manager/owners, are shown in the above Figure 4.8. These results indicate that 45% of the respondents were married, while

35% and 15% of the respondents were single and divorced/separated, respectively. The widowed respondents stood at 5%. These results are in line with South Africa's divorce rate, as South Africa, with a 17.6% rate, is at the low end of the spectrum when it comes to divorces (Smit, 2021). This partly suggests the prominence of married status compared to other statuses.

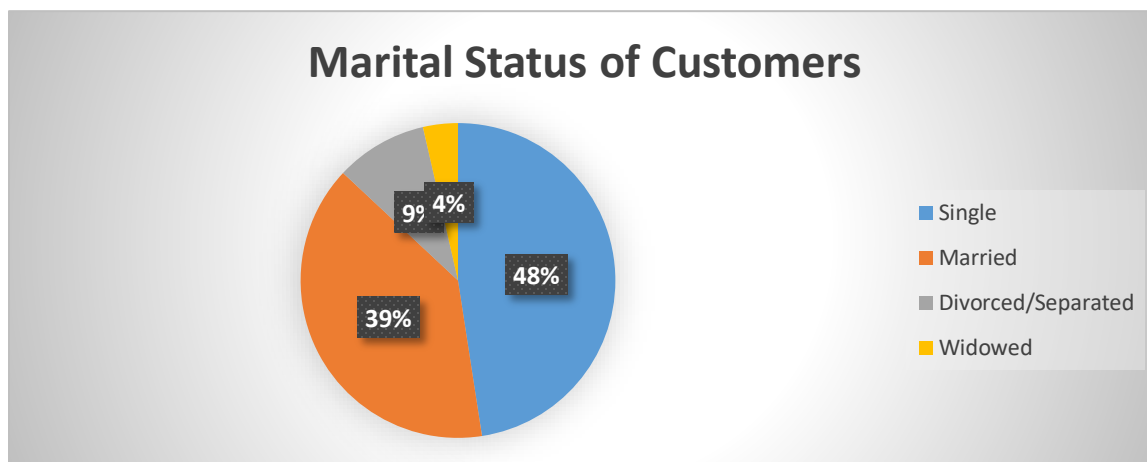


Figure 4.6 Marital status of customers in percentages

The findings in Figure 4.6 illustrate that the dominant responses were from single participants (47.56%). The single was closely followed by married respondents who account for 39% of the sample, while divorced/separated respondents form 4% and widowed respondents made up 3% of the sample. One infers that singles prefer to patronise restaurants followed by married people. Assunção et al. (2017) found that single people frequent restaurants and state that this could be attributed to the fact that they do not have individuals or partners to prepare their meals unlike is the case with married people.

#### 4.3.6 Education level

The results from an examination of the educational levels of the respondents shows that 50% of restaurant managers and owners had degrees, while 18.75% had diplomas and

18.06% of the respondents held honours degrees. The demographic trend demonstrates that generally managers and owners of the restaurant industry are gaining high academic achievements. This points to the fact that restaurants are generally run by moderately educated individuals. One would assume that the dynamism and complexity of the hospitality industry could explain why owners and managers would be naturally inclined to secure university education to sufficiently cope with the challenges of the industry. Slavica et al. (2012) point out that the hospitality sector has a good educational structure, as evidenced by the number of degree holders in their study. However, the study could not establish the discipline in which these degree qualifications were and hence, it is hard to ascertain whether the qualifications were secured primarily to increase knowledge, familiarity and expertise in the industry of operations or for other purposes. Finally, the respondents who held lower qualifications accounted for 0.69% (matric certificate) and 9.03% (higher certificate).

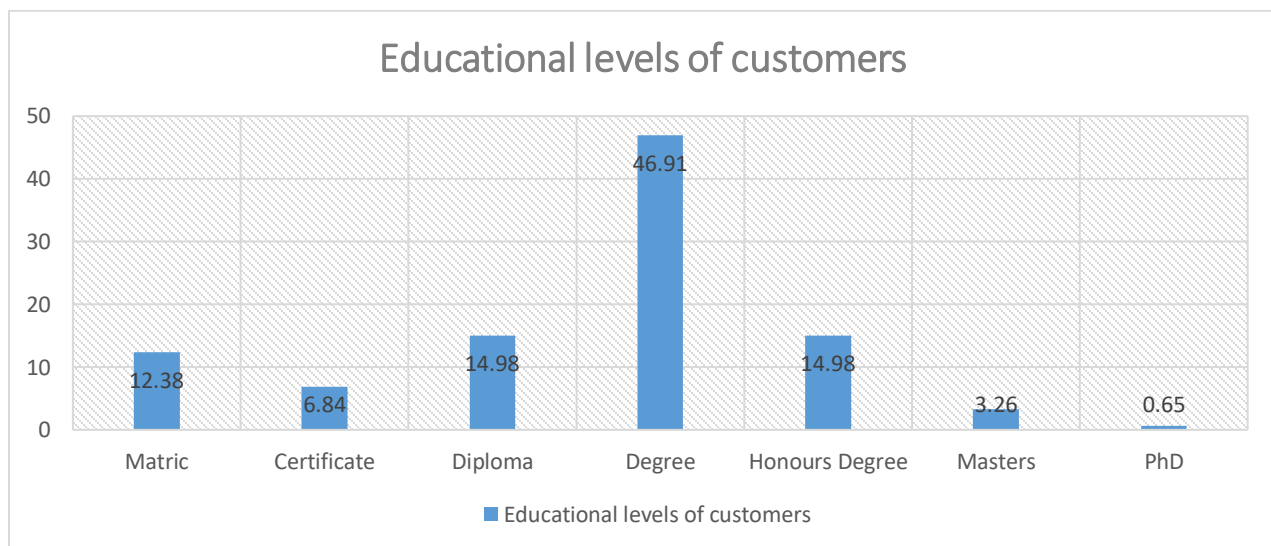


Figure 4.7 Educational levels of customers in percentages

Figure 4.7 shows the variation of qualifications across the sample. A substantial number of respondents (47%) had degrees, while those that had diplomas and honours degrees both stood at 14.89% and higher certificate holding respondents accounted for 6.84% of the sample. One infers that a sizeable percentage of customers that frequented restaurants possessed higher educational attainments. A further 12.38%, 3.26% and

0.65% comprised respondents who held matric certificates, masters' degrees and PhDs respectively.

Table 4.2 Company information

Company details	Category	Frequency	Percentage %
6. Role in restaurant business	Manager	51	35.42
	Owner	6	4.17
	Manager/Owner	85	59.03
	Other	2	1.39
7. Number of years in management	Below 1	3	2.08
	2-5 years	24	16.67
	6-10 years	48	33.33
	11-15 years	46	31.94
	16-20 years	22	15.38
Over 20 years	1	0.69	
8. Utilisation of the internet for day-to-day running	Yes	144	100.00
	No	0	0.00
9. Familiarity with social media applications	Yes	144	100.00
	No	0	0.00

#### 4.3.7 Role in the restaurant business

The findings from an analysis of the role of managers/owners in the restaurant business are reflected in table 4.2. It can be noted that the majority of restaurant businesses in the Free State are run or owned by the managers and owners (59%). Managers account for 35.42% of the sample, while 4.17% of the respondents were owners and 1.39% constituted the other. It is clear that most of the respondents (59.03%) preferred to perform the dual role of managing and owning their own restaurants concurrently than employ managers who would operate the business entities. These businesses were small to micro businesses and in that way, this finding coheres with Lewis, Andrea and Sequeira's (2012) observation that the defining character in small and micro businesses in the service industry is in their hiring internally for senior management positions rather

than hiring an outsider with management skills. One would expect those hired to end up taking an ownership stake in these business in situations where the owner would not be able to pay the managers for services rendered over an extended period of time.

#### **4.3.8 Managerial experience**

A consideration of the managers and owners' experiences shows, as indicated in figure 4.13 that, most owners and managers had six to ten years' experience in a managerial experience, followed closely by respondents by those with 11 to 15 years' experience that constituted 31.94%. If one assumes that the experience of the manager/owner was gained from the same organisation, then the years of experience could be linked to the longevity of the restaurant. Respondents with over 20 years' experience only accounted for 0.69% of the sample, while respondents with below a years' experience formed 2.08% of the sample.

#### **4.3.9 The internet and business operations**

The findings from owner/manager respondents revealed that 100% of respondents use the internet for the day-to-day running of their restaurants. This is not surprising as businesses have adapted to emerging technologies especially during the Covid 19 pandemic where direct contact with customers via seat-ins were minimised or banned depending on the country's lockdown level. Susanto et al (2021) point out there were restrictions on working periods from early March 2020, which were extended to January 2021 because of COVID-19 emergencies. In the contemporary digital era, technology has played a vital role as an incentive for reshaping business activities and growth strategies, which have impacted on the competitiveness of small business irrespective of the sector of operation (Apăvăloaie, 2014).

#### **4.3.10 Familiarity with social media applications**

All respondents (100%) indicated that they were familiar with social media applications. The owners and managers used social media to communicate with their customers. Literature highlights that small and medium sized businesses, such as restaurants, are



familiar with and use social media for promotional activities, to support customer relationship maintenance and for brand promotion (Polańska, 2014).

The next section discusses the results that address the research questions posed in this study.

## 4.4 RESULTS AND DISCUSSION BASED ON RESEARCH QUESTIONS

The results from the statistical analysis presented in this section are discussed in relation to the research questions posed in the study. Percentages, and frequency tables are used in the discussion on the results.

### 4.4.1 Measurement model, factor loadings and convergent validity

#### 4.4.1.1 Validation of the measurement model

The measurement or outer model was assessed by examining the unidimensionality of indicators and the loadings for each indicator, and the cross-loadings. Bootstrapping was also implemented to check the significance of each loading in the model.

##### 4.4.1.1.1. Unidimensionality of indicators

For reflective indicators (such as those presented in Figure 4.9), the latent construct must be positively correlated with one another. Therefore, if the latent variable increases then each indicator should increase in value as well. Unidimensionality of is assumed if the values of each Cronbach's alpha and Dillon-Goldstein's rho is high ( $\alpha \geq 0.7$  and  $\rho \geq 0.7$ ).

The Cronbach's alpha and Dillon-Goldstein's rho are presented in Table 4.3

Table 4.3: Unidimensionality of Indicators for each latent construct

Construct	Indicator Type	Number of items	$\alpha$	$\rho$
-----------	----------------	-----------------	----------	--------

Purchase intentions	reflective	4	0.68	0.81
Customer-based brand equity	reflective	10	0.77	0.83
Business-to-customer engagement	reflective	4	0.61	0.77
Customer-to-customer engagement	reflective	4	0.64	0.79

### Factor Loadings

The factor loadings were examined for the reflective indicators to identify any indicators with weak loadings for the latent variables. The variability in each indicator should explain at least 50% of its latent variable construct (loading  $\geq 0.50$ ) (Henseler et al., 2009; Sanchez, 2013; Chinn, 2010). Otherwise, it is identified as a weak loading. Table 4.4 shows that all indicators sufficiently loaded around specific latent constructs

Table 4.4: Outer Model Summary Table for the PLS-PM Model

	<i>Indicator</i>	<i>Purchase intention</i>	<i>Consumer-based brand equity</i>	<i>Customer to customer Engagements</i>	<i>Business to customer engagements</i>
	Q48		0.6057		
	Q49		0.6807		
	Q50		0.5975		
	Q51		0.5547		
	Q52		0.5537		
	Q53		0.5951		
	Q54		0.5090		
	Q55		0.6027		
	Q56		0.5492		
	Q57		0.5172		
	Q58			0.7252	
	Q59			0.7470	
	Q60			0.5867	
	Q61			0.7101	

	Q62	0.7026			
	Q63	0.7477			
	Q64	0.7055			
	Q65	0.7031			
	Q66				0.7863
	Q67				0.6985
	Q68				0.5481
	Q69				0.6488

#### 4.4.1.2 Cross-loadings

The cross-loadings were also examined for the reflective indicators to assess the validity of the model. A cross-loading occurs, when an indicator has a higher absolute loading on a different latent variable compared to the specified latent variable for that indicator (Henseler et al., 2015; Henseler et al., 2009; Sanchez, 2013). There were no cross-loadings for reflective variables in the model, indicating that the factor structure is appropriate for the data. The cross-loadings are presented in Table 4.5.

Table 4.5: Cross-loadings

<i>Indicator</i>	<i>Purchase intention</i>	<i>Consumer-based brand equity</i>	<i>Customer to customer Engagements</i>	<i>Business to customer engagements</i>
Q48	0.4678	<b>0.6057</b>	0.3309	0.3471
Q49	0.3955	<b>0.6807</b>	0.3855	0.4023
Q50	0.3813	<b>0.5975</b>	0.2823	0.2754
Q51	0.2952	<b>0.5547</b>	0.3297	0.2639
Q52	0.2802	<b>0.5537</b>	0.2684	0.2871
Q53	0.3544	<b>0.5951</b>	0.3060	0.3019
Q54	0.2020	<b>0.5090</b>	0.2098	0.1749
Q55	0.2792	<b>0.6027</b>	0.2470	0.2114
Q56	0.2697	<b>0.5492</b>	0.2475	0.2899

Q57	0.3246	<b>0.5172</b>	0.2606	0.2195
Q58	0.4061	0.4020	<b>0.7252</b>	0.3484
Q59	0.3952	0.3229	<b>0.7470</b>	0.3200
Q60	0.3251	0.3164	<b>0.5867</b>	0.2892
Q61	0.4469	0.3578	<b>0.7101</b>	0.3899
Q62	<b>0.7026</b>	0.3986	0.4547	0.3858
Q63	<b>0.7477</b>	0.4307	0.3858	0.4359
Q64	<b>0.7055</b>	0.4328	0.3551	0.3888
Q65	<b>0.7031</b>	0.3950	0.4295	0.5392
Q66	0.5534	0.4237	0.3875	<b>0.7863</b>
Q67	0.3626	0.3178	0.3455	<b>0.6985</b>
Q68	0.3637	0.2455	0.2438	<b>0.5481</b>
Q69	0.3443	0.3206	0.3287	<b>0.6488</b>

#### 4.4.2 Commonly used social media tools

The first research question sought to obtain insights on the engagements that unfolded between customers and restaurants such as interactions via the firms' social media pages. The study sought to assess the social media platforms that restaurant owners and managers frequently used in their engagements with customers. Thus, restaurant owners and managers were asked whether they used the internet for the day-to-day running of the business and whether they were familiar with social media applications. The answers to these questions were a unanimous affirmation (100%). The research shows that social networking sites are a commonly used social media platform among restaurant business. Matikiti, Kruger, and Saayman (2016) state that the popularity of social media platforms has resulted in businesses feeling compelled to stay connected with consumer behaviour via these channels. The study by Khan and Jan (2017) also states that business promotions have been transformed by social media, as it has become an unavoidable platform to gain competitive advantage on brand promotion. All 144 respondents were further asked to indicate whether they used Twitter, Facebook, Instagram or any other social media platform to engage their customers. Table 4.6 displays the percentages on the commonly used social media tools.

Table 4.6: Commonly used social media tools

Variable	<i>n</i>	%
Q10_1 (Twitter)		
Yes	60	41.66
No	83	57.64
Missing	1	0.69
Q10_2 (Facebook)		
/* Yes	136	94.44
No	8	5.56
Q10_3 (Instagram)		
Yes	57	39.58
No	87	60.42

Table 4.6 illustrates the statistical results from analysis of the 144 respondents' (restaurant managers and owners) use of Twitter, Facebook, Instagram or any other social media platform when engaging with their customers. Twitter was used by 42% of respondents ( $n=60$ ) while most restaurant owners/managers used Facebook (94%). Instagram was the least used social media platform (40%) and no respondents mentioned using any other social media platform besides the ones mentioned. These results cohere with Statcounter (2020) who highlights that more South Africans use Facebook (39%), followed by Twitter (3.75%) and then Instagram (1%). The extensive use of social media applications further resonates with Kolcubaşı and Akyar (2019) who state that the adoption of social media has become a necessity for businesses if their growth and competitiveness are to increase. The results reveal that the respondents are aware of the importance of adopting social media for their business. Hence, the reality that the hospitality industry is customer-interaction dependent for its success, means that the social media is an inevitability for businesses competing in this sector (Ernestad & Henriksson, 2010).

#### 4.4.3 Influence of social media on business performance

The emergence of social media has been affecting and influencing business structures differently. The second and third research question sets out to study whether social media

has had any influence on restaurants' business performance. The study aimed to determine whether social media activities (use of the internet, familiarity with social media tools, use of Facebook, use of Twitter, use of Instagram, use of other social media platforms, time since first usage, frequency of social media presence, time spent on social media doing sales activities, time spent on social media doing marketing activities, time spent on social media doing distribution activities, and time spent on social media doing crowdfunding public relations activities) can influence the outcome of the restaurants' profitability, market share, growth in sales, and marketing. Ordinal logistic regression was used to examine the depth of the influence, as regression is used to examine the relationship between one or more independent (predictor) variables and a single ordinal dependent (outcome) variable.

Yaya and Akıncı (2009:59) define ordinal logistic regression (OLR) as "the most suitable and practical technique for analysing the effects of multiple explanatory variables on the ordinal outcome that cannot be assumed to be a continuous measure with normal distribution". In this analysis, the overall significance of the regression model was tested by computing the  $\chi^2$  statistic, which is used with the degree of freedom to compute the p-value (i.e., significance level). A significant overall model means that the set of independent variables significantly predict the dependent variable.

The use of the internet, familiarity with social media tools, and use of other social media platforms contained only one unique value after listwise deletion was performed. These variables were removed from further tests as that are constant variables that provided no information to the analysis. In addition, the variables, frequency of social media presence, time spent on social media doing distribution activities, and use of Twitter, had categories with insufficient observations to conduct the analysis. Each group must have at least 3 complete cases to conduct any analysis except for descriptive statistics. Hence, the foregoing variables were dropped from the analysis.

#### 4.4.3.1 Social media usage and its influence on business performance

The results of the model were not significant based on an alpha of 0.05,  $\chi^2(13) = 18.32$ ,  $p = 0.146$ , thus suggesting the observed effects of the proposed predictor variables (Use of Facebook, use of Instagram, use of other social media platforms, time since first usage, frequency of social media presence, time spent on social media doing sales activities, time spent on social media doing marketing activities, and time spent on social media doing crowdfunding public relations activities) on profitability were not extreme enough to reject the null hypothesis. If the null hypothesis could not be rejected, it would mean that these variables (use of different forms of social media and time spent on them) did not have a significant effect on profitability of firms. These findings are contradicted by Matikiti, Afolabi and Smith (2012) whose study, which measured profitability using four financial measures (return on equity, operating cost, sales volume and profit margin) against the influence of internet marketing (including social media), found that all profitability measures, except operating cost, were positively influenced by the use of internet marketing.

In addition, the McFadden's R-squared was calculated to examine the model fit, where values greater than 0.2 are indicative of models with excellent fit (Louviere, Hensher & Swait, 2000). The McFadden R-squared value calculated for this model was 0.06. The overall model was not significant and as such, the individual predictors were not examined further. Table 4.4 summarises the results of the ordinal regression model.

Table 4.7: Ordinal Logistic Regression Results for predicting Profitability

Predictor	B	SE	95% CI	$\chi^2$	p	OR
(Intercept):1	-0.87	1.24	[-3.31, 1.56]	0.49	.482	
(Intercept):2	0.79	1.24	[-1.65, 3.23]	0.40	.525	
Facebook (No)	0.64	0.72	[-2.06, 0.77]	0.80	.372	1.90

Instagram (No)	0.08	0.34	[-0.75, 0.60]	0.05	.820	1.08
Social media experience More than 5 years	- 0.10	0.35	[-0.59, 0.79]	0.07	.785	0.91
Use Social Media _to_engage_customers Frequently	- 0.66	0.75	[-0.82, 2.13]	0.77	.381	0.52
Use Social Media _to_engage_customersAlways	- 0.48	0.77	[-1.02, 1.98]	0.39	.531	0.62
Time on SM_for_sales1 to 2 hours	0.16	0.82	[-1.77, 1.44]	0.04	.843	1.18
Time on SM_for_sales3 to 5 hours	0.59	0.82	[-2.20, 1.02]	0.52	.471	1.81
Time on SM_for_sales6 hours or more	1.97	0.96	[-3.85, - 0.09]	4.22	.040	7.19
Time on SM_for_marketing1 to 2 hours	- 2.01	0.99	[0.07, 3.95]	4.11	.043	0.13
Time on SM_for_marketing3 to 5 hours	- 0.54	0.85	[-1.14, 2.21]	0.39	.531	0.59
Time on SM_for_marketing6 hours or more	- 0.55	0.88	[-1.17, 2.28]	0.40	.528	0.57
Time on SM_crowd_funding1 to 2 hours	- 0.07	0.37	[-0.65, 0.80]	0.04	.842	0.93
Time on SM_crowd_funding3 to 5 hours	0.08	0.54	[-1.13, 0.97]	0.02	.888	1.08

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SM=social media

#### **4.4.3.2 Social media usage and profitability**

The results of the model were not significant based on an alpha of 0.05,  $\chi^2(13) = 18.32$ ,  $p = 0.146$ , which suggests that the observed effects of the proposed predictor variables (Use of Facebook, use of Instagram, use of other social media platforms, time since first usage, frequency of social media presence, time spent on social media doing sales activities, time spent on social media doing marketing activities, and time spent on social



media doing crowdfunding public relations activities) on profitability were not extreme enough to reject the null hypothesis. This means the null hypothesis that all these variables did not significantly affect profitability of the business was supported. The fact that these variables did not significantly predict profitability of the business resonates with Akram, and Kumar's (2017) view that organisations have experienced issues when measuring the consequences of web-based social networking on promoting different aspects of firm performance. The McFadden's R-squared was calculated to examine the model fit, where values greater than 0.2 are indicative of models with excellent fit (Louviere, Hensher & Swait, 2000). The McFadden R-squared value calculated for this model was 0.06 and since the overall model was not significant, the individual predictors were not examined further. Table 4.8 summarises the results of the ordinal regression model.

Table 4.8: Ordinal Logistic Regression Results for market share

Predictor	<i>B</i>	<i>SE</i>	95% CI	$\chi^2$	<i>p</i>	<i>OR</i>
(Intercept):1	1.02	1.36	[-1.64, 3.68]	0.56	.453	
(Intercept):2	2.65	1.37	[-0.04, 5.34]	3.72	.054	
Time on SM_crowd_funding1 to 2 hours	0.29	0.37	[-1.02, 0.45]	0.59	.444	1.33
Time on SM_crowd_funding3 to 5 hours	-0.59	0.57	[-0.53, 1.71]	1.06	.304	0.56
Time on SM_for_marketing1 to 2 hours	0.22	1.00	[-2.18, 1.74]	0.05	.829	1.24
Time on SM_for_marketing3 to 5 hours	0.04	0.92	[-1.85, 1.76]	0.00	.964	1.04
Time on SM_for_marketing6 hours or more	0.09	0.94	[-1.93, 1.75]	0.01	.925	1.09
Time on SM_for_sales1 to 2 hours	0.26	0.80	[-1.83, 1.31]	0.10	.747	1.29
Time on SM_for_sales3 to 5 hours	0.10	0.80	[-1.66, 1.47]	0.01	.904	1.10
Time on SM_for_sales6 hours or more	1.16	0.92	[-2.97, 0.65]	1.58	.209	3.20
Use of SM_to_engage_customersFrequently	0.67	0.85	[-2.33, 0.99]	0.63	.428	1.96

Use of SM_to_engage_customersAlways	0.36	0.87	[-2.06, 1.34]	0.17	.680	1.43
SM_experienceMore than 5 years	0.00	0.36	[-0.71, 0.70]	0.00	.995	1.00
FacebookNo	0.11	0.74	[-1.56, 1.33]	0.02	.879	1.12
InstagramNo	-0.20	0.35	[-0.48, 0.89]	0.33	.564	0.82

SM=social media

#### 4.4.3.3 Social media usage and growth in sales

The results of the model were not significant based on an alpha of 0.05,  $\chi^2(13) = 10.97$ ,  $p = 0.613$ , suggesting the observed effects of (Use of Facebook, use of Instagram, use of other social media platforms, time since first usage, frequency of social media presence, time spent on social media doing sales activities, time spent on social media doing marketing activities, and time spent on social media doing crowdfunding public relations activities) on growth in sales were not extreme enough to reject the null hypothesis. This means that the null hypothesis that these aforesaid variables did not significantly affect the growth in sales was supported. The fact that social media usage in its various forms did not affect the growth in sales somewhat corresponding with Rodriguez, Peterson and Krishnan's (2012) findings that although social media usage has a positive relationship with sales performance, there was no evidence of a significant outcome-based sales performance. However, this finding differs from Ainin et al, (2015) who noted that the usage of social media (Facebook) strongly impacted organisational performance in terms of the increase in sales volume, sales transactions, sales inquiries and the number of customers. McFadden's R-squared was calculated to examine the model fit, where values greater than 0.2 are indicative of models with excellent fit (Louviere et al., 2000). The McFadden R-squared value calculated for this model was 0.04 and since the overall model was not significant; the individual predictors were not examined further.

Table 4.9 summarises the results of the ordinal regression model.

Table 4.9: Ordinal Logistic Regression Results for predicting Growth in Sales

Predictor	B	SE	95% CI	$\chi^2$	p	OR
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(Intercept):1	-0.44	1.24	[-2.86, 1.99]	0.12	.725	
(Intercept):2	1.77	1.25	[-0.67, 4.22]	2.02	.155	
FacebookNo	0.33	0.72	[-1.74, 1.09]	0.20	.652	1.38
InstagramNo	-0.14	0.34	[-0.52, 0.80]	0.16	.688	0.87
SM_experienceMore than 5 years	0.72	0.35	[-1.40, -0.03]	4.22	.040	2.05
Use of SM_to_engage_customersFrequently	0.74	0.76	[-2.23, 0.76]	0.93	.336	2.09
Use of SM_to_engage_customersAlways	0.43	0.78	[-1.96, 1.10]	0.30	.581	1.54
Time on SM_for_sales 1 to 2 hours	0.40	0.75	[-1.87, 1.07]	0.29	.592	1.49
Time on SM_for_sales 3 to 5 hours	0.34	0.75	[-1.80, 1.13]	0.20	.654	1.40
Time on SM_for_sales 6 hours or more	-0.09	0.89	[-1.65, 1.83]	0.01	.919	0.91
Time on SM_for_marketing 1 to 2 hours	-0.19	0.93	[-1.65, 2.02]	0.04	.842	0.83
Time on SM_for_marketing 3 to 5 hours	-0.85	0.86	[-0.84, 2.54]	0.97	.326	0.43
Time on SM_for_marketing 6 hours or more	-0.78	0.89	[-0.96, 2.51]	0.77	.380	0.46
Time on SM_crowd_funding 1 to 2 hours	-0.21	0.36	[-0.50, 0.92]	0.34	.559	0.81
Time on SM_crowd_funding 3 to 5 hours	-0.75	0.52	[-0.27, 1.77]	2.09	.148	0.47

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SM=social media

#### **4.4.3.4 Social media usage and improved marketing**

The results of the model were not significant based on an alpha of 0.05,  $\chi^2(13) = 10.36$ ,  $p = 0.664$ , which suggested that the observed effects of the proposed predictor variables (Use of Facebook, use of Instagram, use of other social media platforms, time that lapsed since first usage of social media, frequency of social media presence, time spent on social media doing sales activities, time spent on social media doing marketing activities, and time spent on social media doing crowdfunding public relations activities) on marketing were not extreme enough to reject the null hypothesis. This means that the null hypothesis that the identified different forms of social media usage did not improve the marketing was supported. This finding contradicts the literature, which suggests that the use of

social media in small businesses contributes directly to the improvement of marketing strategies (Rugova & Prenaj, 2016). The same finding that the use of social media did not improve marketing strategies supports the view that companies are unable to deploy social media marketing strategies because of trait reactance influencing consumers' reactions to these strategies (Alves, Fernandes & Raposo, 2016). McFadden's R-squared was calculated to examine the model fit, where values greater than 0.2 are indicative of models with excellent fit (Louviere et al., 2000). The McFadden R-squared value calculated for this model was 0.04 and since the overall model was not significant; the individual predictors were not examined further.

Table 4.10 summarises the results of the ordinal regression model.

Table 4.10: Ordinal Logistic Regression Results for predicting Marketing

Predictor	<i>B</i>	<i>SE</i>	95% CI	$\chi^2$	<i>p</i>	<i>OR</i>
(Intercept): 1	-1.16	1.27	[-3.65, 1.33]	0.84	.360	
(Intercept): 2	1.16	1.26	[-1.32, 3.64]	0.84	.358	
Facebook No	-0.34	0.75	[-1.12, 1.81]	0.21	.646	0.71
Instagram No	0.13	0.35	[-0.82, 0.56]	0.13	.720	1.13
SM_experience More than 5 years	-0.01	0.36	[-0.70, 0.72]	0.00	.983	0.99
Use of SM_to_engage_customers Frequently	0.55	0.77	[-2.05, 0.95]	0.51	.474	1.73
Use of SM_to_engage_customers Always	0.44	0.78	[-1.98, 1.10]	0.31	.575	1.55
Time on SM_for_sales 1 to 2 hours	0.73	0.76	[-2.22, 0.77]	0.91	.341	2.07
Time on SM_for_sales 3 to 5 hours	0.45	0.76	[-1.94, 1.03]	0.36	.551	1.57
Time on SM_for_sales 6 hours or more	1.81	0.99	[-3.76, 0.14]	3.30	.069	6.09
Time on SM_for_marketing 1 to 2 hours	-0.51	0.97	[-1.39, 2.41]	0.28	.598	0.60
Time on SM_for_marketing 3 to 5 hours	-0.03	0.89	[-1.72, 1.79]	0.00	.970	0.97
Time on SM_for_marketing 6 hours or more	0.24	0.92	[-2.04, 1.57]	0.07	.797	1.27

Time on SM_crowd_funding 1 to 2 hours	0.16	0.38	[-0.90, 0.57]	0.19	.663	1.18
Time on SM_crowd_funding 3 to 5 hours	0.70	0.56	[-1.79, 0.39]	1.57	.210	2.01

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SM=social media

#### **4.4.4 Perceptions on the effect of social media usage on marketing, growth in sales, profitability, and market share**

Most respondents affirmed that the level to which they perceive social media usage affects marketing, growth in sales, profitability, and market share, in their responses to the fourth research question. The results from the study show that most respondents (54%) believed that the adoption of social media for customer engagement improved the marketing opportunities. These findings are supported by Agarwal (2018) who states that, to the extent that a large audience base is easily reached on social media, the use of these platforms eases marketing to potential customers. He further explains that the social media has given traditional marketing a twist by deepening small businesses' connections with customers and, hence, such media platforms are an undeniable necessity in building customer engagements.

In addition, most (47%) of the respondents indicated that growth in sales was somewhat better due to the usage of social media to engage with restaurant customers. The finding supports those by Beqiri and Bello (2021), whose study determined that social media marketing generated more sales arising from customer engagements compared to traditional means of marketing. About 47% of the respondents held the view that profitability had stayed the same, and 53% of the respondents believed profitability was better off following the adoption of social media. The findings on the increase in profitability because of social media usage resonate with Rishika et al. (2013) whose study reveals that the use of social media has a direct bearing on the profitability of firms, as their findings show that customer participation on firms' social media pages directly impacts the firms' bottom line.

Lastly, the most frequently observed response category of market share was that it stayed the same (56%). This finding contradicts literature (Sherly, Halim & Sudirman, 2021) that observes that the share of the market of small businesses tend to increase with increased

exploitation of social media channels for merchandise purpose. All in all, most respondents felt that social media usage had improved the marketing, and created growth in sales and market share of their businesses. Research by Yasa et al. (2020) resonate with the current study's findings as they note that the higher the social media promotion strategy the higher the business performance of SMMEs. Zhang and Ahmed (2018) echo these findings in their statement stating that the adoption of promotional activities on social media can increase sales turnover, market share and businesses profits.

Table 4.11: Frequency table for ordinal variables

Variable	N=144	%
<i>Marketing</i>		
Stayed the same	12	8.33
Somewhat better	54	37.50
Much better	78	54.17
<i>Growth in Sales</i>		
Stayed the same	45	31.25
Somewhat better	68	47.22
Much better	31	21.53
<i>Profitability</i>		
Stayed the same	67	46.53
Somewhat better	48	33.33
Much better	29	20.14
<i>Market share</i>		
Stayed the same	80	55.56

Somewhat better	43	29.86
Much better	21	14.58

*Note.* Due to rounding errors, percentages may not equal 100%.

#### **4.4.5 Social media and business sustainability**

The results from an analysis of the respondents' perceptions on the effects of social media on different aspects of business sustainability are presented in Table 4.9. Most respondents' responses were affirmative when asked to indicate the degree to which social media affected the following aspects of business sustainability: ability to forge customer relationships (74.31%), ability to satisfy customers (58.33%), ability to ensure customer satisfaction (67.36%), and the ability to set up sales targets (54.86%). All these findings cohere with existing literature that emphasises on the power of social media in supporting and facilitating customer relations (Matikiti-Manyevere, Roberts-Lombard, & Mpinganjira 2020). Furthermore, most of the respondents answered "slightly" or "not at all" when asked to indicate the degree to which social media affected the following aspects of business sustainability: ability to correctly schedule different orders (n=98, 68.06%), and ability to perform continuous improvement exercises (n=89, 59.03%). The different ways in which social media impacted on aspects of business sustainability resonates with the findings by Reilly and Hynan (2014) that social media has become one of the major communication tools for business sustainability.

The findings spanning customer contact, relationships and increasing satisfaction show that respondents utilise social media functions in multiple ways as highlighted in the literature. The functionalities, which are, identity, sharing, conversation, presence, relationship, reputation and group (Kietzmann et al, 2011) identify with the aforesaid findings. Broadly, the ability to forge customer relationships, satisfy customers, ensure customer satisfaction and the ability to set up sales targets, cohere with the six social media functionalities, identity formation, sharing resources, promoting conversations, facilitating online presence, promoting reputation and fostering business customer relationships, highlighted in the literature (Kaplan & Haenlein, 2010). Andriole (2010) identifies customer relationship management as a factor of business capabilities and

emphasises that social media influence manifests in mining the data of customers effectively, reaching several customers, receiving customer feedback and in effective customer communication. All these elements are aspects of customer relations and management, which contribute to increased business sustainability. Research by Tarsakoo and Charoensukmongkol (2019) concludes that the firms' development of marketing capabilities in social media can assist in the creation of competitive strengths that assist in the achievement of satisfactory performance than other firms. These results align with the findings of the current study, which investigated on how social media can influence engagements and result in competitive advantage and customer intentions.

Table 4.12: Effect of social media and business sustainability



		<b>Extremely And very</b>	<b>Moderately</b>	<b>Not at all and slightly</b>
Ability to correctly schedule different orders.	N	10	36	98
	%	6.94	25	68.06
Ability to forge customer relationships.	N	107	28	9
	%	74.31	19.44	6.25
Ability to satisfy customers.	N	84	49	11
	%	58.33	34.03	7.63
Ability to ensure customer satisfaction.	N	97	37	10
	%	67.36	25.69	6.94
Ability to perform continuous improvement exercises.	N	26	50	68
	%	18.05	34.72	47.22
Ability to set up sales targets.	N	79	5	60
	%	54.86	3.47	41.66
Ability to eliminate or reduce customer dissatisfaction.	N	40	54	50
	%	27.78	37.5	34.72
Ability in performing continuous improvement exercises.	N	50	9	85
	%	34.73	6.25	59.03
Ability in developing new menu items.	N	63	43	38
	%	33.75	29.86	26.39
Ability in forecasting future market trends.	N	56	45	43

#### 4.4.6 Social media usage and competitive advantage

The results in Table 4.10, which focus on social media usage and competitive advantage, show that only a minority of the respondents held the view that the use of social media had helped the businesses to exploit all market opportunities and neutralise competitive threats from other restaurant industry players. In other words, the respondents' perspective was that, social medial platforms play a minimal strategic role in gaining competitive advantage for restaurant businesses.

Table 4.13: Social media usage and competitive advantage

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Totals of Agree and strongly agree
I have exploited all market opportunities that have been presented via social media in my industry.	n	22	31	53	36	2	38
	%	15.278	21.528	36.806	25	1.389	26.389
I have fully exploited the market opportunities that have been presented to my industry.	n	21	44	59	18	2	20
	%	14.583	30.556	40.972	12.5	1.389	13.889
I have neutralised all competitive threats from rival restaurants in my industry.	n	15	36	65	28	0	28
	%	10.417	25	45.139	19.444	0	19.444
I have fully neutralise the competitive threats from rival restaurants in your industry.	n	14	40	63	24	3	27
	%	9.722	27.778	43.75	16.667	2.083	18.75

The findings show that most restaurant manager/owners have not taken complete advantage of social media. Even though social media has created a new environment that instantly creates competitive advantages, the finding fails to provide some concrete evidence to support this claim. For instance, while Naja and Mohamed (2015) state that businesses have adopted social media to attain a competitive advantage by using it for their “competitor benchmarking, market research, marketing management, identification

and outreach”, this claim on the strategic use of social media for gaining competitive advantage over rival firms could be supported with reference to full-service restaurants in the Free State. However, these businesses stated that they have not exploited all market opportunities nor have they neutralised competitive threats from other players in the restaurant industry.

Each organisation has its own unique vision and mission statements and thus, it is plausible that the researcher’s questions on competitive advantage may not have been in line with the respondents’ strategy. This view mirrors Singla and Durga’s (2015) argument that each organisation has its own competitive strategy and vision, which means that how they choose to implement social media is unique to their different activities. This statement may possibly explain the disconnect between claims from the literature and the findings, in that respondents make no reference to the strategies for increasing competitive advantage drawing on social media usage. This may be a missed opportunity for the respondents in that they have not integrated social media to improve their strategies for competitive advantage. Singla and Durga (2015) argue that even with the potential that social media represents, organisations are not taking full advantage as they lack structural mechanisms to analyse it.

#### **4.4.7 Social media engagement and brand equity**

Table 4.11 addresses the sixth research question regarding perceptions on social media and its influence on brand equity. The findings show that most respondents thought that social media engagement with customers enhanced brand equity. The aspect of brand equity, which received the greatest influence, was brand image (92.36%) and this was followed by brand awareness (85.41%). A study conducted by Shojaee and Azman (2013) established that customer engagements on social media have a positive relationship with brand awareness, and they recommend that organisations should take advantage of social media platforms to engage consumers for the purpose of increasing their brand awareness. The findings of this study also resonate with the view that marketing activities via social media significantly impact customers’ brand awareness (Bilgin, 2018). About 84.03% of the respondents felt content generation and

communication via social media by customers contributes to the establishment of brands. This coheres with Schivinsk and Dąbrowski's (2015) study, which established that user-generated content communication significantly impacts on two dimensions of brand equity, namely, brand loyalty and perceived brand quality.

In addition, the majority of respondents (87.5%) indicated that the customers' maintenance of a social media presence assists in making brands discoverable and well connected. Consumers follow brands that they are familiar with on social media, they create content that is brand-related or share their experiences with the brand with their followers, and thus showing that brand image and brand loyalty are reflected in their minds (Bilgin, 2018). A further 79.86% of the respondents held the view that fake online reviews of products/services among customers can give the restaurants bad publicity, which may affect its brand image. Hansen, Kupfer and Hennig-Thurau Brand's (2018) study echoes this finding as noted in the observation that social media firestorms in brand crises of the digital age have effects on brand perceptions and consumer memory. Finally, an overall, 93.75% of the respondents indicated that the use of social media for branding can have positive effects on the restaurant business. Social media helps ensure interactivity, and it provides brands with the opportunity to keep conversations among consumers and to create content that engages with such conversations while building brand equity by raising brand awareness and increasing consumer loyalty to the brand (Zailskaite-Jakste & Kuvykaite, 2012).

Table 4.14: Social media usage and brand equity

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Totals of agree and strongly agree columns
Social media engagements (e.g. online campaigns) among customers can be used by restaurants to increase customer awareness of their brands.	n	0	1	20	66	57	123
	%	0	0.69	13.89	45.83	39.58	85.41
I would say customer engagements on social media	n	0		11	67	66	73
	%	0		7.64	46.53	45.83	92.36

affect the image of restaurant brands.							
Content generation and communication via social media by customers contribute to the establishment of the brand.	n	0	1	22	63	58	121
	%	0	0.69	15.28	43.75	40.28	84.03
Maintaining a social media presence by customers assists in making brands discoverable and well connected.	n	0	2	16	68	58	126
	%	0	1.39	11.11	47.22	40.28	87.5
Social media interactions by customers play a crucial role in promoting brand equity.	n	0	2	29	61	52	113
	%	0	1.39	20.14	42.36	36.11	78.47
Social media engagements by customers have proven that brands have become dependent on interests of customers.	n	0	0	12	69	63	132
	%	0	0	8.33	47.92	43.75	91.67
Fake reviews of products/services among customers can give the restaurants bad publicity which may affect its brand image.	n	0	1	28	72	43	115
	%	0	0.69	19.44	50	29.86	79.86
The use of social media can have good effects on the restaurant business.	n	0	0	9	67	68	135
	%	0	0	6.25	46.53	47.22	93.75

The findings that most respondents conceived social media as having a great influence on brand equity resonates with Godey et al.'s (2016) view that social media marketing exerts a positive influence on brand equity, which leads to their suggestion that investing in social media would have a positive effect on brand loyalty, brand preferences and price premium. In addition, Zailskaitė-Jakštė and Kuvykaitė (2013) made the conclusion that accurately managed social media communication outputs exert a favourable image on brands and build awareness for brands.

The fact that most restaurants confirmed that customer-based brand equity, such as brand image and brand awareness, has been significantly enhanced by social media coheres with literature. For instance, Barutçu and Tomas (2013) write that social media usage has been universal in recent years and that it has become a necessity for businesses to adopt social media sites that include Twitter, Facebook, Instagram and YouTube to enhance their communication with customers, increase brand awareness and achieve customer loyalty.

#### 4.4.8 Social media engagement and purchase intentions

Social media mediated communication was examined based on its impact on brand equity and purchase intentions. This section addresses research questions 7-10. These relationships were investigated using a partial least squares path modeling (PLS-PM) analysis. The following four latent variables and their relationships were studied: customer-based brand equity, customer-to-customer social media engagements, business-to-customer social media engagements, and purchase intentions.

The PLS-PM was evaluated by examining both the measurement (outer) model and the structural (inner) model. The validity of the study was assessed by examining the unidimensionality of indicators, the factor loadings, the cross-loadings, and the bootstrapped loadings. Unidimensionality is evaluated with Cronbach's alpha and Duttin-Goldstein rho, where each group of indicators with values greater than 0.70 ( $\alpha \geq .70$  and  $\rho \geq .70$ ) are considered unidimensional (reliable). The cross-loadings were assessed by comparing the loadings for each indicator across every construct.

##### 4.4.8.1 Summary of results from the structural model tests

###### 4.4.8.1.1 Coefficient of determination ( $R^2$ )

The  $R^2$ -values were calculated for each endogenous variable to determine the appropriateness of the relationships among the latent variables. Each endogenous variable should have an  $R^2$ -value  $\geq 0.20$  (Sanchez, 2013). In this study, there were no low values, which indicates that each relationship is appropriate for the model.

Table 4.15 summarises the results. As shown in the table, customer-to-customer engagements and business-to-customer engagements account for 33.63% of the variance in consumer-based brand variance. In addition, customer-to-customer engagements, business-to-customer engagements and brand equity collectively account for 52.44% of the variance in purchase intentions.

Table 4.15: Structural model summary

<i>Construct</i>	<i>Type of construct</i>	<i>Coefficient of determination (<math>R^2</math>)</i>	<i>Adjusted <math>R^2</math></i>
------------------	--------------------------	--	----------------------------------

Purchase intention	Endogenous	0.5244	0.5197
Consumer-based brand equity	Endogenous	0.3363	0.3319
Business to customer engagement	Exogenous	-	-
Customer to customer engagement	Exogenous	-	-

NB- An endogenous variable is one that is affected by other variables in the model (therefore has big incoming arrows).  $R^2$  is a value from 0 to 1 that shows the fraction of variance in an endogenous variable explained by exogenous variables (predictors).

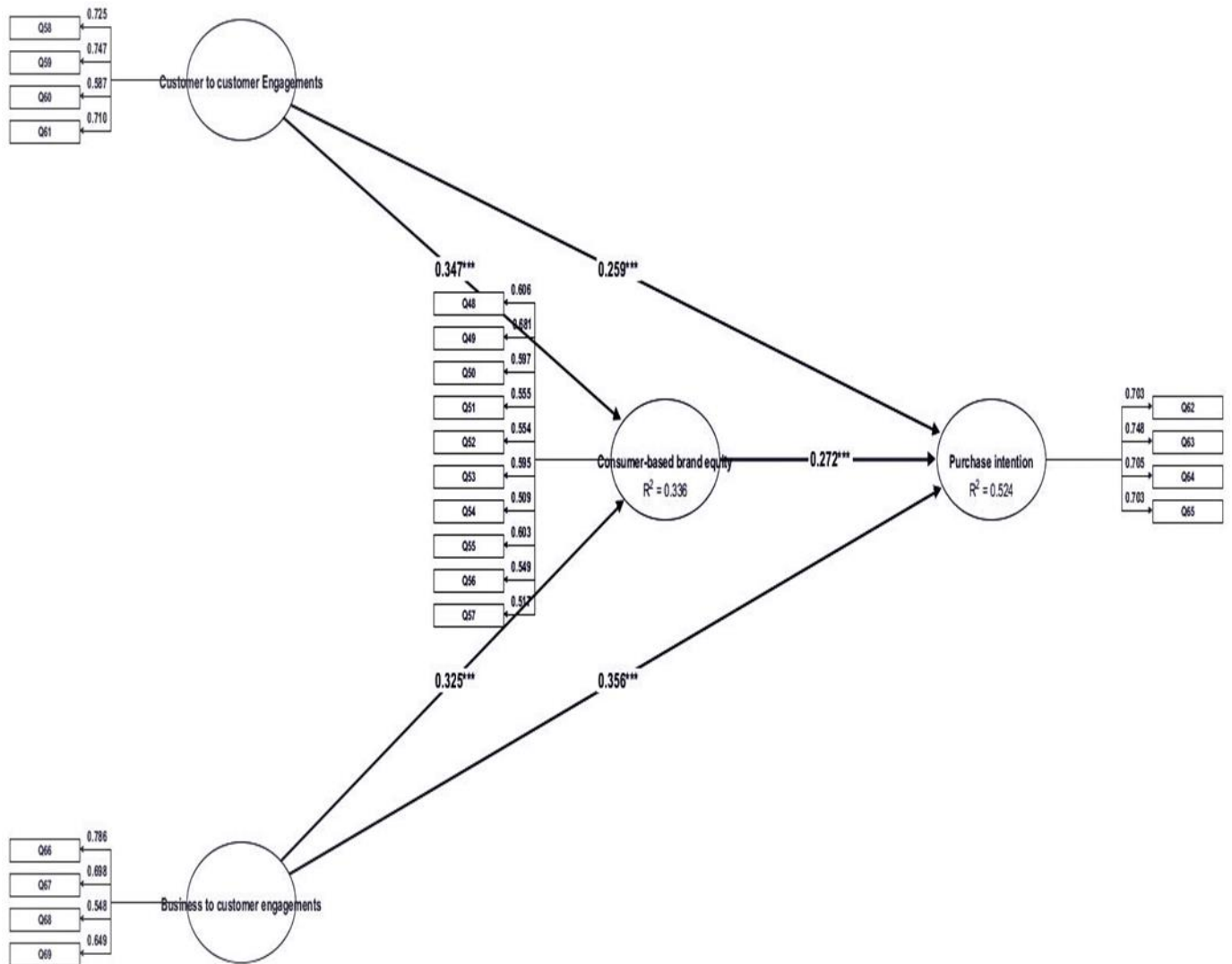


Figure 4.9: Results of the structural model tests

#### 4.4.8.1.2 Bootstrapping results

Bootstrapping was performed with 500 re-samples to test the significance of the hypothesized relationships. The regression coefficients were evaluated using 95%

confidence intervals to determine the significance of the regression paths using an alpha value of 0.05 (Henseler et al., 2009; Chin, 2010; Sanchez, 2013). Thus, direct, indirect and total effects were tested for their significance. Direct effects deal with the direct impact of one variable on another when not mediated or transmitted through a third variable. Indirect effects define the impact of one variable on another, when mediated or transmitted by a third variable. Total effects are the sum of direct and indirect effects. The results of these effects are summarised in Tables 4.15a, 4.15b and 4.15c, which are presented below.

Table 4.15a: Direct effects

Effect	Original Beta coefficient	Standard bootstrap results				
		Mean value	Standard error	t-value	p-value (2-sided)	p-value (1-sided)
Consumer-based brand equity -> Purchase intention	0.2719	0.2763	0.0497	5.4753	0.0000	0.0000
Customer Engagements to customer Purchase intention ->	0.2588	0.2561	0.0526	4.9212	0.0000	0.0000
Customer Engagements to customer Purchase intention -> Consumer-based brand equity	0.3474	0.3518	0.0515	6.7490	0.0000	0.0000
Business engagements to customer Purchase intention ->	0.3559	0.3550	0.0476	7.4776	0.0000	0.0000
Business engagements to customer Purchase intention -> Consumer-based brand equity	0.3247	0.3279	0.0486	6.6822	0.0000	0.0000

Table 4.15b: Indirect effects

Effect	Original beta coefficient	Standard bootstrap results				
		Mean value	Standard error	t-value	p-value (2-sided)	p-value (1-sided)
Customer Engagements to customer Purchase intention -> Consumer-based brand equity->	0.0945	0.0976	0.0241	3.9209	0.0001	0.0000
Business to customer engagements -> Consumer-based brand equity-> Purchase intention	0.0883	0.0905	0.0209	4.2257	0.0000	0.0000

Table 4.15c: Total effects



Effect	Original beta coefficient	Standard bootstrap results				
		Mean value	Standard error	t-value	p-value (2-sided)	p-value (1-sided)
Consumer-based brand equity -> Purchase intention	0.2719	0.2763	0.0497	5.4753	0.0000	0.0000
Customer to customer Engagements -> Purchase intention	0.3533	0.3536	0.0500	7.0692	0.0000	0.0000
Customer to customer Engagements -> Consumer-based brand equity	0.3474	0.3518	0.0515	6.7490	0.0000	0.0000
Business to customer engagements -> Purchase intention	0.4442	0.4455	0.0450	9.8634	0.0000	0.0000
Business to customer engagements -> Consumer-based brand equity	0.3247	0.3279	0.0486	6.6822	0.0000	0.0000

For the direct paths (effects), the customer to business engagements variable had the greatest predictive effect on customers' purchase intentions ( $B = 0.3559$ ,  $p = 0.0000$ ), followed by CBBE ( $B = 0.2719$ ,  $p = 0.0000$ ), and lastly, customer to customer engagements ( $B = 0.2588$ ). The customer-to-customer engagements variable was the stronger predictor of CBBE ( $B = 0.3474$ ,  $p = 0.000$ ), compared to customer to business engagements ( $B = 0.3247$ ,  $p = 0.000$ ). Hypotheses 1 and 2 were supported by this outcome. While hypotheses 3 which related to the indirect relationships i.e., customer to customer engagements -> CBBE-> purchase intention and customer to business engagements -> CBBE equity-> purchase intention are also supported by the findings,  $B = 0.00945$ ,  $p = 0.000$  and  $B = 0.0883$ ,  $p = 0.000$  respectively. The fact that both the direct and indirect effects were statistically significant means that the mediation effect of CCBE on the indirect relationships was partial.

Every regression path had a significant relationship, which suggests that a significant portion of each dependent latent variable is explained by its independent latent variable. For the direct paths, business-to-customer engagements had the greatest predictive effect and accounted for 0.3559 for every one unit change in customer intention of customers, followed by customer-based brand equity ( $B=0.2719$ ), and lastly, customer-

to-customer engagements ( $B=0.2588$ ). Customer-to-customer engagements was a relatively stronger predictor of customer-based brand equity ( $B=0.3474$ ,  $p=0.000$ ), compared to business-to-customer engagements ( $B=0.3247$ ,  $p=0.000$ ). It means that customer-to-customer engagements, such as through electronic word of mouth, exerts a stronger effect on customer-based brand equity than business-to-customer engagements. This also means that customers seem to trust what their peers in their networks say about brands rather than what the business claims about its products. Rynarzewska (2019) states that consumers tend to rely on other consumers' brand reviews and their decision-making process is strongly impacted on by eWOM, which tends to be more influential than expert opinions (Hussain et al., 2017). These findings seem to cohere with the view held by Zahoor and Qureshi (2017) e that the survival of businesses are dependent on the development of new customer channels, and the management of customer relations in the virtual world, as well as the capacity for the creation of value for business and customers.

The results above show that the listed variables have a significant and positive association with each other. The findings are supported by the literature, where research by Al-Zyoud (2018) found that changes in customer behaviour is strongly influenced by social media marketing influence. These results further suggest that restaurants' use social media for engagements has enhanced their engagements with customers and increased customer-to-customer engagements. The results were also in line with research by Agarwal (2018) that states that social media has created a platform for firms to reach an increased number of customers and specifically cater for their individual needs better. Agarwal (2018) also concludes that companies can use social media to build their brand image.

Although both indirect paths were statistically significant, that is customer-to-customer engagements > consumer-based brand equity-> purchase intention ( $B=0.00945$ ,  $p=0.000$ ) and business-to-customer engagements -> consumer-based brand equity-> purchase intention ( $B=0.0883$ ,  $p=0.000$ ), they were weaker than the direct paths. The findings agree with the observations made by Zailskaitė-Jakštė and Kuvykaitė (2013) that

communication via social media can result in a positive impact on brand equity only when consumers are highly involved in the communication. Furthermore, the results show that partial mediation was supported since both the indirect and total effects of customer-to-customer engagements and business-to-customer engagements on purchase decisions were statistically significant. Partial mediation means that the mediating variable accounts for some, but not all, of the relationship between the independent variable and dependent variable.

#### **4.5 CONCLUSION**

The chapter presented comprehensive discussion on the results obtained from the data analysis. It also provided results on the demographics of restaurant owner/managers. These results were presented in tables, percentages and figures forms. The chapter noted that both correlation and regression analysis using SPSS were employed to establish the relationship between variables.

The next chapter concludes the study and provides recommendations based on the results outlined in this chapter.

## CHAPTER 5 CONCLUSION AND RECOMMENDATION



Figure 5.1 Flow diagram indicating chapter structure.

## **5.1 INTRODUCTION**

This chapter concludes the study. The focus in this chapter draws on the discussion on the empirical findings of the study that provided a deeper understanding on the relationship between social media-mediated customer engagements, purchase decisions and competitive advantage of full-service restaurants in the Free State Region. The overall argument is that understanding the relationship between social media and purchase decisions is crucial for building brand equity and sustainability of full-service restaurants in emerging economies where social media has become the main purveyor of brand messages and communication. Social media indeed plays an essential role as a fundamental element in a business' success as it provides a foundation for developing brand equity (Riaz, Ahmed & Akhtar, 2019). Literature acknowledges the role of social media in leveraging the competitive advantage and promoting the profitability of firms. This role of social media is evident in Naja and Mohamed's (2015) statement that various business firms are adopting social media, which indicates that business have become aware that values such as competitor benchmarking, market research and reputation management can be achieved through the exploitation of social media.

This chapter, which concludes the study, focuses on: a recap of the research questions, conclusions based on the literature is provided, conclusions based on the research questions, recommendations, implications of the study findings on future research, the study's theoretical, policy contribution and practical contributions, limitations of the study and lastly outline the study's conclusion.

### **5.1.1 Recapping research questions**

It is critical to recap research questions so that the synopsis of findings can be conceived in their proper perspective. Overall, the main objective of this study was to investigate the influence of social media mediated customer engagements on brand equity attributes, purchase intentions and competitive advantage of full-service restaurants. The research question considered in this study were as follows:

1. Which social media tools are commonly used by full-service restaurants to engage their customers?
2. Does social media usage by these restaurants enhance their business?
3. What is the effect of such social media usage on marketing, growth in sales, profitability and market share of restaurants?
4. What are the perceptions of restaurant owners and managers on the effects of social media on business sustainability?
5. What are the perceptions of restaurant owners and managers' regarding the effects of social media on competitive advantage on their businesses?
6. What are the perceptions of restaurant owners and managers regarding the effects of social media on brand equity of these restaurants?
7. Does customer-to-customer social media engagements significantly affect brand equity of these restaurants?
8. Does business-to-customer social media engagements significantly affect brand equity of these firms?
9. Does customer-based brand equity mediate the relationship between customer-to-customer social media engagements and purchase intentions of customers?
10. Does customer-based brand equity mediate the relationship between business-to-customer social media engagements and purchase intentions of customers?

These questions had a bearing on the conclusions made and regarding the recommendations, significance of the study and limitations of the study that are presented below.

## **5.2 CONCLUSION BASED ON LITERATURE REVIEW**

A detailed review of the literature yielded the definition that, social engagements online consist of the sharing, communicating and exchange of information by individuals (Bernoff & Li, 2008). The definition also associates social media engagement with the acts of liking, commenting, downloading and sharing content about a brand (van Doorn, et al, 2010; Gummerus et al, 2012; Oviedo-García, et al, 2014). The literature reviews also revealed that social media has an impact on brand equity (Naveed, 2012), purchase intention (Heinonen, 2011; Ioanas & Stoica 2014; Tsiotsou 2019), and competitive advantage (Andriole, 2010). The literature review enabled the categorisation of the concept of engagement into customer-to-customer engagements (C2C) and business-to-customer engagements. Firstly, it was noted that the concept of engagement is mostly conceptualised as customer brand engagement or customer engagement in general, and it expresses the cognitive, emotional and behavioural connection that a customer has with a brand (Hollebeek, et al., 2014). CBE is characterised as consumers' relational bonds with a specific brand, and these are bonds consumers may wish to sustain into the future (Dwivedi, 2015; Moliner, Diego & Marta, 2018). C2C engagement is defined as social interactions among customers who previously had not known each other, in real-time or in the online environments (Libai et al., 2010; Nicholls, 2010). The digital world, especially that facilitated by social media platforms, has created an abundance of customer-to-customer relationships (Alalwan et al., 2017; Abdul-Ghani, Hyde & Marshall, 2018).

Given its capacity to promote electronic word-of-mouth (Fine, Girona & Petrescu, 2017) social media has been found to have a direct influence on customer-based engagements as it gives business an opportunity to be customer-centric (Kaplan & Haenlein, 2010; Schamari & Schaefer, 2015). Nonetheless, business-to-customer orientation is the

reverse of the view that social media participation and engagement has given customers the power to be drivers of conversations about brands and not just be spectators in the deluge of social media messages inspired by businesses.

### **5.3 CONCLUSION BASED ON RESEARCH QUESTIONS**

With regard to the first research question: **Which social media tools are commonly used by full-service restaurants to engage their customers?** The results in Table 4.3 indicate that the majority (94%) of these restaurants used Facebook to engage with customers, followed by 60% who used Instagram, and 41% who used Twitter. Although some managers/owners used all three tools (Facebook, Twitter and Instagram), others used just one or two social media tools. It is concluded that owners/managers commonly use Facebook, Instagram and Twitter, as they did not indicate that they used any other social media platforms. Lakha and Vaid (2021) suggest that companies in the hospitality industry enhance and tailor their customer experience by using social media platforms.

A regression analysis was to test the second research question: **Does social media usage by these restaurants enhance their business performance?** The regression analysis examined the relationship between the usage of social media platforms such as Facebook, use of Instagram, other social media platforms, time since first usage, frequency of social media presence, time spent on social media doing sales activities, time spent on social media doing marketing activities, and time spent on social media doing crowdfunding public relations activities and business performance variables (profitability, market share, growth in sales, and marketing) as illustrated in Tables 4.4-4.7.

The results indicated that social media usage and profitability resulted in a McFadden R-squared value of 0.06, while social media usage and market share, social media usage and growth in sales and social media usage and improved marketing all resulted in a McFadden R-squared value of 0.04. The findings were not extreme enough to reject the null hypothesis. This means that the use of social media did not significantly affect the



foresaid variables. The findings contradict those made by Matikiti, Afolabi and Smith (2012) who found that using social media has a great influence on business performance.

The third question was: **What is the effect of such social media usage of marketing, growth in sales, profitability and market share of restaurants?** The results, as highlighted in Table 4.8, indicate that the majority of restaurant managers/owners (54%) were of the view that social media based customer engagement has improved their marketing activities. This means that respondents believed that social media has improved their management of relationships especially through marketing. According to Taka and Vaid (2021), social media is the most impactful platform for customer feedback. The majority of firm owners and managers believed their growth in sales (47%) and profitability (53%) was somewhat better, which suggests that the use of social media broadened their growth spectrum. Lastly the most frequently observed response was that the market share stayed the same (56%). Therefore, while social media usage has a significant impact on marketing, growth in sales and impacted profitability, and market share remain unaffected.

There are findings from an analysis of data gathered in relation to the fourth question: **What are the perceptions of restaurant owners and managers on the effects of social media on business sustainability?** The findings, presented in Table 4.9, display the perceptions of owners/managers on social media and business sustainability. The majority indicated that social media can forge customer relationships (74.31%), has the ability to satisfy customers (58.33%), ensures customer satisfaction (67.36%) and has the ability to set up sales targets (54.86%). Nevertheless, the respondents indicated that social media does not have a bearing on their ability to correctly schedule different orders nor the ability to perform continuous improvement exercises. Therefore, it can be concluded that social media positively impacts on the ability to forge customer relationships, to satisfy customers, to ensure customer satisfaction and the ability to set up sales targets. These finding echo the literature by Andriole (2010), Reilly and Hynan (2014), Matikiti-Manyeverve, and Roberts-Lombard and Mpinganjira (2020) who collectively state that social media has the potential to influence factors of business

sustainability. However, social media has no impact on their ability to correctly schedule different orders nor to perform continuous improvement exercises.

Further results were also generated after an analysis of data gathered from responses made with regards to the fifth question: **What are the perceptions of restaurant owners and managers regarding the effects of social media on competitive advantage on their businesses?** The results presented in Table 4.10, indicate that most respondents were of the opinion that social media has not significantly affected their competitive advantage. Table 10 illustrated that several respondents had not fully used social media to effectively outwit their competitors. Although, today's competitive information in the marketplace necessitates social media (Aimiuwu, 2012), respondents seemed to not fully grasp the notion of social media as a driver of competitive advantage as proven in the findings. Therefore, restaurant owners and managers have not exploited all market opportunities, presented via social media, to neutralise competitive threats from rival restaurants. Furthermore, the conclusion to this research question is that respondents did not perceive the use of social media as a strategy and lever for improving competitive advantage of their businesses. These findings contradict Chen and Lin (2021) whose study concluded that social media use can positively and significantly lead to competitive advantage.

The study also drew conclusions from data collected in terms of the sixth question: **What are the perceptions of restaurant owners and managers regarding the effects of social media on brand equity of these restaurants?** The study proved that social media affects brand equity. The results displayed in Table 4.11 indicate that a greater number of respondents held the view that brand equity can be impacted by social media. Therefore, it was concluded that respondents perceived social media as a great tool that can be used to enhance brand equity. These findings affirm the available literature (Schivinsk & Dabrowski, 2015; Bilgin, 2018; Hansen et al, 2018) that found that social media positively affects factors of brand equity.

The study also gathered findings that addressed questions seven and eight: **Does customer-to-customer social media engagements significantly affect brand equity of these restaurants? And does business-to-customer social media engagements significantly affect brand equity of these firms?** The study investigated the relationships between the following variables: customer-based brand equity, customer-to-customer social media engagements and business-to-customer social media engagements and these were analysed using unidimensionality indicators, cross-loadings, factor loadings and bootstrapping results which were displayed in Tables 4.12-4.13. The results indicated that customer-to-customer engagements had a positive effect on customer based-equity ( $B=0.3474$ ,  $p=0.000$ ), and business-to-customer engagements also had a positive effect on customer based-equity ( $B=0.3247$ ,  $p=0.000$ ). These findings cohere with Manzoor's (2016) who states that business-to-customer engagements provide customers with information by answering questions and making comments. Therefore, it is concluded that customer-to-customer engagements and business-to-customer engagements have a positive impact on customer brand equity.

Lastly, there are results that were arrived at based on an analysis of data based on responses to questions 9 and 10: **Does customer-based brand equity mediate the relationship between customer-to-customer social media engagements and purchase intentions of customer? And does customer-base brand equity mediate the relationship between business-to-customer social media engagements and purchase intentions of customer?** The four variables (customer-based brand equity, customer-to-customer social media engagements, business-to-customer social media engagements, and purchase intentions) were investigated and the results illustrated in Tables 4.12 -4.13. The findings indicated that only partial mediation is proved. The conclusion, therefore, is that while customer-based equity can mediate the relationships between customer-to-customer engagement and purchase intentions, and between business-to-customer social media engagements and purchase intentions, the mediation is only partial. This means that some of the effects of either customer-to-customer social media engagement or business-to-customer social media engagements is transmitted directly to purchase intentions while some are transferred through customer- based brand

equity. Aimiuwu (2012) states that social media is a space where customers spend most of their time making purchase decisions and thus, firms should take advantage of this knowledge by representing themselves and engaging in conversations with customers.

## **5.4 RECOMMENDATIONS**

This section outlines the study's recommendations based on the findings and answers to research objectives. These comprise of policy and practice recommendations. The subsequent sections explore the policy recommendations for full-service restaurants located in the Free State Province.

### **5.4.1 Policy implication**

#### ***5.4.1.1. Development of full service regional social media boards***

Most restaurateurs professed to using social media. Restaurant owners/managers can develop collaborative regional blocs on social media that serve as interactive platforms for the promotion and marketing of brands instead of just competing with each other. The regional boards should consist of members that are selected by the restaurants themselves. These restaurants can pay a small monthly fees to the board and such fees can finance social media activities of common interest to restaurants. The board can facilitate the wider social media rollout on behalf of these restaurants.

#### ***5.4.1.2. Identification of operational areas most germane to social medial use***

Since increasing competitiveness of firms and leveraging the bottom line are the main reasons for creating business, one must find ways of using social media to increase the financial position and competitiveness of restaurants. However, social media usage did not have a significant effect on firm competitiveness. As a result, restaurants and firms must find specific operational areas that are most relevant to social media usage and would positively and significantly impact the bottom line and increase their competitiveness.

### **5.4.2 Practical contribution**

The several proposed practical recommendations are summarised in the following sections.

#### ***5.4.2.1 Mainstreaming content creation***

A vast majority and 84.03% of the respondents felt that content generation and communication via social media by customers contribute to the establishment of brand. All the managers/owners stated that they use social media sites at their restaurant establishments, which creates a unique advantage for establishments. Since social media content marketing creates a connection between the restaurant and potential customers and the current ones, the recommendation is that restaurateurs must develop content that is unique to their brand to ensure the visibility, recognition and competitiveness of their brand. The social media content can be linked to the company website for easy access by the customers, thereby allowing restaurateurs to have greater control of the narrative surrounding their businesses and brands.

#### ***5.4.2.2 Customer relationship management***

As indicated in the findings, most respondents stated that social media has extremely affected their ability to forge customer relationships and their ability to ensure customer satisfaction. In view of the fundamental importance of social media engagements in relationship to management, restaurateurs may need to have trained and dedicated staff members that will draw on social media capabilities and engagements to maintain and secure relationships between their firms and customers. The development of a centralised customer relationship management (CRM) is beneficial and would be critical to ensuring the collection of customers' data, their brand preferences and number of visits to the firms' social media sites. The use of customer information relating to the number of direct contacts with the firms, products they view the most and those that they purchase, would contribute to meeting their needs, and increased trust leading to increased loyalty behaviors of customers. Insights into the customers' decisions and demands in relation to the brand can be sufficiently monitored via customer relationship management.

#### ***5.4.2.3 On the job digital skills training***

An evaluation of the respondents' limited use of other social media platforms and not fully taking advantage of social media suggested that restaurateurs have basic knowledge of

social media and minimally incorporated the knowledge into their day-to-day operations. The development of employees' digital skills, through training, can help them sustain their competitive advantage over their rivals through a skilled handling of engagements on social media, allowing them to sift the created and distributed content, create content style appropriate to the restaurants, engage with customers, and handle post-purchase communications. Therefore, the provision of on-the-job training on digital skills development can assist these staff in creating relationships with customers, making customer recommendations and handling bad publicity online.

#### ***5.4.2.4 Social media marketing strategy***

As noted, restaurateurs use social media as a form of marketing. In this new digital age, where social media marketing is deemed to be cheap and allows for the easy sharing of content, restaurants need to develop social media strategy that facilitates content re-sharing by customers, and permits restaurants to use user-generated content, such as customer reviews, to showcase their brands. Since social media platforms such as Facebook, Twitter and Instagram are already used by restaurants to different degrees, it is recommended that restaurants continually use social media to develop an integrated social media marketing strategy that allows them to draw on the strengths of these different media platforms to neutralise the competitive threats from rival restaurants in their industry.

#### ***5.4.2.5 Digital integration in hospitality education***

The reality that restaurants are a major part of the hospitality industry that draws on digital technologies to improve their business sustainability and marketing possibilities, compels one to expect hospitality management studies to benefit from the offering of digital technologies. Hospitality studies mainly provide content knowledge on the operations of the industry and as such, the infusion of the management of digital technologies into the teaching of hospitality management can benefit small restaurants with regard to the scaling of their competitiveness and marketing opportunities.

## **5.5 IMPLICATIONS FOR FUTURE STUDIES**

- Firstly, the study was not extensive in geographical location and scope as it exclusively considered full-service restaurants operating in the Free State region alone. Therefore, future studies may need to broaden the scope of the research to include bed and breakfast establishments, motels, caravan business and other related establishments to give a broader perspective on issues examined. The study can also be expanded to other provinces so that the findings can be generalised to the entire country.
- Lastly, future studies may need to consider a combination of qualitative and quantitative perspectives, especially the narratives of owner/managers of full-service restaurants relating to the issues examined, in order to provide comprehensive explanations on sustainability, market share and profitability that could not be fully explained by statistical summaries and numerical representations of responses. For instance, it was noted that managers/owners of restaurants had positive views on how social media impacts sustainability, profitability and the market share, and yet the regression model did not suggest high correlations and a high impact of social media on these variables.

## **5.6 LIMITATIONS OF THE STUDY**

The study was constrained by the following and this may affect the generalisability of the results of the study:

1. It was impossible for all respondents to complete the questionnaires due to the work commitments to their businesses. A high response rate might have furnished more revelatory results even though all efforts were made by the researcher to elicit the voluntary participation of respondents. While some research subjects had initially agreed to take part in the study, they did not return the responses due to work commitments. The researcher's efforts to elicit the participation of these respondents by sending reminders and visiting these business premises to remind the business owners and managers were unfruitful.

2. The study was conducted in the Free State province alone and hence the extent of generalisation to other provinces that do not share similar characteristics could be limited. That said, it can be argued that the sample size was large enough to make some generalisations about the Free State. Hence, large sample means that the findings can still be extended to any province that shares similar characteristics as those in the Free State.
3. The study was a cross sectional survey in which means data was collected and analysed at a specific point in time, due to the researcher's constraints on time and financial resources. This means that the conditions that gave rise to the results obtained in this study may not be the same as those that would be obtained in the future. Perhaps longitudinal studies would be more revelatory in exposing the different dynamics relating to the concepts examined in this study over time.
4. This study solely covered managers, owners and their customers. A consideration of other stakeholders, such as suppliers and distributors of products, local communities, restaurant associations and government regulators, may provide a more comprehensive perspective on the variables studied.

## **5.7 CONCLUDING REMARKS**

This chapter outlined the conclusion and recommendations of the study. It focused on the relationship between social media-mediated engagements, competitive advantage, brand equity and purchase decisions of full-service restaurants in the Free State province. The chapter also recapped the research questions and their respective findings, the policy and practical implications of the study's findings, research limitations and implications for future research. Finally, the chapter also presented the concluding remarks based on the literature review and the empirical findings.



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## **ANNEXURE A**

### **SHORT BIOGRAPHICAL STATEMENT**

Relebohile Constance Masoetsa is a Master of Marketing Management student at the Central University of Technology, Free State. She possesses a BTECH Degree in Marketing Management from the same university. Her research interest lies in social media and its influence on purchase intentions and competitive advantage. She has co-authored the following article:

Ndofirepi, Rambe, and Masoetsa (2022). Effects of social media-mediated customer engagements on purchase intentions: evidence from full-service restaurants in the Free State province of South Africa.

## ANNEXURE B

### **QUESTIONNAIRE: EFFECTS OF SOCIAL MEDIA-MEDIATED CUSTOMER ENGAGEMENTS ON PURCHASE DECISIONS AND COMPETITIVE ADVANTAGE: MEDIATING ROLE OF BRAND EQUITY IN FULL-SERVICE RESTAURANTS**

My name is Relebohile Masoetsa. I am a Master of Technology student in Marketing Management at the Central University of Technology (CUT) in Bloemfontein. I am conducting a survey on the effects of social media-mediated customer engagements on purchase decisions and competitive advantage. At this stage, I am collecting data from the managers/owners of restaurants on their perceptions of how social media has influenced their business and from customers on how social media affects their choices. This study is supervised by Professor Patient Rambe and Ms Lorene Erwee who can be contacted on the following contact details:

**Professor Patient Rambe** (Main supervisor): 051 507 4064 or [prambe@cut.ac.za](mailto:prambe@cut.ac.za)

**Ms Lorene Erwee** (Co-Supervisor): 051 507 3221 or [lerwee@cut.ac.za](mailto:lerwee@cut.ac.za)

At this stage, I am conducting my field work on this topic and I would be very pleased if you take time to complete this questionnaire. Your participation in this survey is voluntary and your responses are confidential. The results of this survey will be reported in aggregate form to ensure your anonymity. The survey will help establish how social media engagements could positively impact the performance of these restaurants and establish the additional support that they may need for their growth. This survey will take approximately 20-30 minutes to complete. Space is provided at the end of the survey for you to add any additional comments you may have. I greatly appreciate your assistance.

I will be very grateful if you would answer all sections of this questionnaire as honestly as possible.

Yours faithfully,

Relebohile Masoetsa

**PLEASE NOTE MANAGERS/OWNERS PLEASE ANSWER SECTION A, B1, C AND E. CUSTOMERS PLEASE ANSWER SECTION A, B2 AND D.**

**SECTION A: DEMOGRAPHIC DATA (MANAGERS/OWNERS & CUSTOMERS)**

1. Gender:

1	2	3
Female	Male	Other

2. Age Group

1	2	3	4	5
Below 21 yrs	21-30 yrs	31-40 yrs	41-50 yrs	51 and above

3. Race

1	2	3	4	5
Black	Coloured	Indian	White	Other (please specify).....

4. Marital Status

1	2	3	4	5
Single	Married	Divorced/ separated	Widowed	Other (please specify).....

5. Highest Educational Level attained

1	2	3	4	5	6	7	8
Matric	Certificate	Diploma	Degree	Honours	Masters	PhD	Other (please specify).....

6. Role in the business

1	2	3	4
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Manager	Owner	Manager/Owner	Other (please specify).....
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7. Years of experience in managerial capacity

1	2	3	4	5	6	7
Below 1	2-5 years	6-10 years	11-15 years	16-20 years	Over 20 years	Not applicable

**SECTION B1: SOCIAL MEDIA SITES (MANAGER/OWNER SECTION)**

8. Do you use the internet for the day-to-day running of your restaurant?

YES	1
NO	2

9. Are you familiar with social media applications?

YES	1
NO	2

10. Which of these social media platforms do you use to facilitate the running of your restaurant?

1	2	3	4
Twitter	Facebook	Instagram	Other (please specify).....

11. How long have you been using social media platforms?

Never used	1
Less than 6 months	2
6 months- 1 year	3
1 year – 5 year	4
more than 5 years	5

12. How often do you maintain a social media presence?

1	2	3	4	5
Never	rarely	Sometimes	Frequently	Always

13. How often do you use social media to engage with your customers?

1	2	3	4	5
Never	rarely	Sometimes	Frequently	Always

14. How much time do you spend on the following business activities on social media – sales, marketing, distribution, crowd funding PR?

- Sales

Less than an hour	1
1 - 2 hours	2
2 – 5 hours	3
4 - 7 hours	4

- Marketing

Less than an hour	1
1 - 2 hours	2
2 – 5 hours	3
4 - 7 hours	4

- Distribution

Less than an hour	1
1 - 2 hours	2
2 – 5 hours	3
4 - 7 hours	4

- Crowd funding for PR

Less than an hour	1
1 - 2 hours	2
2 – 5 hours	3
4 - 7 hours	4

15. How likely are you to respond to customer complaints and inquires?

1	2	3	4	5
Always	Often	Sometimes	Seldom	Never

16. How do you approach customer complaints and inquires?

1	2	3	4
An automated response	Inbox privately	DM (direct message)	Other (please specify).....

## SECTION B2: SOCIAL MEDIA SITES (CUSTOMER SECTION)

17. Are you familiar with social media platforms?

YES	1
NO	2

18. How many social media platforms do you use?

1 platform	1
2-4 platforms	2
5-7 platforms	3

19. Which of these social media platforms to you use?

1	2	3	4
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Twitter	Facebook	Instagram	Other (please specify).....
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20. How long have you been using social media platforms?

Never used	1
Less than 6 months	2
6 months- 1 year	3
1 year – 5 year	4
more than 5 years	5

### SECTION C: SOCIAL MEDIA AND CONCEPTS (MANAGER/OWNER SECTION)

Evaluate the following statements by circling the appropriate response based on the scale below. Please do not leave any item unanswered

SCALES	1	2	3	4	5
Please indicate the extent to which you agree or disagree with the following statements regarding your-self. Please mark the appropriate answer with 'X'	Strongly disagree	Disagree	Neutral	Agree	Strongly agree

C.1 CUSTOMER PERCEPTION						
21	I consider customer perceptions made through social media to be trustworthy.	1	2	3	4	5
22	I regard consumer perceptions of service quality to be appropriate.	1	2	3	4	5
23	I perceive customers' views on the timeliness of food delivery as justifiable.	1	2	3	4	5
24	I perceive customers' views on open and clean restaurant environment as vital in promoting the restaurant image.	1	2	3	4	5
SOCIAL MEDIA AND BRAND EQUITY						

25	Social media engagements (e.g. online campaigns) among customers can be used by restaurants to increase customer awareness of their brands.	1	2	3	4	5
26	I would say customer engagements on social media affect the brand image of restaurant brands.	1	2	3	4	5
27	Content generation and communication via social media by customers contribute to the establishment of brand.	1	2	3	4	5
28	Maintaining a social media presence by customers assists in making brands discoverable and well connected.	1	2	3	4	5
29	Social media interactions by customers play a crucial role in promoting brand equity.	1	2	3	4	5
30	Social media engagements by customers has proven that brands have become dependent on interests of customers.	1	2	3	4	5
31	Fake reviews of products/services among customers can give the restaurants bad publicity which may affect its brand image.	1	2	3	4	5
32	The use of social media can have good effects on the restaurant business.	1	2	3	4	5
<b>BUSINESS-CUSTOMER ENGAGEMENTS</b>						
33	My restaurant's social media interactions with customers has improved business-customer relationships.	1	2	3	4	5
34	My business's social media interactions with customers has increased customers response to the restaurant's brand.	1	2	3	4	5
35	My business's social media interactions with customers has changed the dynamics of communicating with restaurant customers.	1	2	3	4	5
36	My business's social media interactions with customers encourages a customer centric base that encourages genuine engagements with restaurants.	1	2	3	4	5
<b>Customer-to-Customer Engagements</b>						
37	Customer interactions have led to an online buzz about my restaurant.	1	2	3	4	5
38	Customers are able to identify our offerings through engagements with their peers.	1	2	3	4	5
39	Customer engagements have changed how restaurant managers view dialogue about our products and services.	1	2	3	4	5
40	Customers can be fully immersed in engagements with other customers about our products and services.	1	2	3	4	5
<b>SOCIAL MEDIA AS A SOURCE OF COMPETITIVE ADVANTAGE</b>						



41	I have exploited all market opportunities that have been presented via social media in my industry.	1	2	3	4	5
42	I have fully exploited the market opportunities that have been presented to my industry.	1	2	3	4	5
43	I have neutralized all competitive threats from rival restaurants in my industry.	1	2	3	4	5
44	I have fully neutralize the competitive threats from rival restaurants in your industry.	1	2	3	4	5

**45. Please state the degree to which social media has affected the following, scaling from much better=1, somewhat better=2, stayed the same=3, somewhat worse 4, and much worse 5.**

<b>45.1</b>	Marketing	1	2	3	4	5
<b>45.2</b>	Growth in sales	1	2	3	4	5
<b>45.3</b>	Profitability	1	2	3	4	5
<b>45.4</b>	Market share	1	2	3	4	5

## **SECTION D: SOCIAL MEDIA AND CONCEPTS (CUSTOMER SECTION)**

### **CUSTOMER PERCEPTIONS**

46. Does your perception of the meal influence your online reviews?

Yes	1
No	2

47. How likely are you to recommend a typical restaurant to your friends or acquaintances?

1	2	3	4	5
Extremely Unlikely	Unlikely	Neutral	Likely	Extremely likely

**Evaluate the following statements by circling the appropriate response based on the scale below. Please do not leave any item unanswered**

<b>SCALES</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
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Please indicate the extent to which you agree or disagree with the following statements regarding your-self. Please mark the appropriate answer with 'X'	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
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<b>BRAND EQUITY</b>						
48	I rate the trustworthiness of a restaurant by what customers say about it.	1	2	3	4	5
49	I can recognise meals posted from my favourite restaurants from other restaurants.	1	2	3	4	5
50	I consider myself loyal to my favourite restaurant.	1	2	3	4	5
51	I will not go to a fast food restaurant if a full-service restaurant is an option.	1	2	3	4	5
52	The restaurants I frequent offer good quality meals.	1	2	3	4	5
53	I can recall different menu items upon selection of an eatery.	1	2	3	4	5
54	Consistency in the food quality is what keeps me going back to some restaurants.	1	2	3	4	5
55	I get value for money when dining at my favourite restaurant.	1	2	3	4	5
56	I have a clear image of a person that chooses to dine at full-service restaurants.	1	2	3	4	5
57	My favourite full-service restaurants have credibility.	1	2	3	4	5
<b>Customer-to-customer engagements</b>						
58	I have engaged with other customers about restaurant recommendations.	1	2	3	4	5
59	I rely on the postings from other customers more than those that are generated by the brand.	1	2	3	4	5
60	Sharing restaurant experiences with others helps navigate choices.	1	2	3	4	5
61	I am enthusiastic about engaging with other customers online.	1	2	3	4	5
<b>Purchase intentions</b>						
62	Recommendations made from engagements with other customers have influenced me to purchase.	1	2	3	4	5

63	I prefer purchasing a product if someone else recommended it.	1	2	3	4	5
64	I often evaluate different alternatives of restaurants checking for specials.	1	2	3	4	5
65	I usually post reviews about my experiences at different restaurants.	1	2	3	4	5
<b>Business-to-customer engagements</b>						
66	I am active in engaging restaurants pages on social media.	1	2	3	4	5
67	It is much easier to communicate with restaurants when active on social media.	1	2	3	4	5
68	I prefer personalised messages from restaurant pages rather than automated ones.	1	2	3	4	5
69	It is easier to receive relevant specials through restaurants' social media pages.	1	2	3	4	5

70. Why do you prefer to use social media when deciding where to eat out?

To compare different restaurant specials	1
To interact with restaurants and other customers	2
To see the "comment" section to gather information	3
It is very convenient to use because I am active on social media	4

71. What are you looking for on restaurant's social media pages?

To get special offers	1
To participate in competitions	2
To get new menu items	3
To get feedback and share it on my own page	4

## **SECTION E: SUSTAINABILITY (MANAGER/OWNER SECTION)**

72. Please select the degree to which social media affects the sustainability of your restaurant business.

		Not at all	Slight ly	moder ately	Ver y	extrem ely
72.1	Ability to correctly schedule different orders.	1	2	3	4	5
72.2	Ability to forge customer relationships.	1	2	3	4	5
72.3	Ability to satisfy customers.	1	2	3	4	5
72.4	Ability to ensure customer satisfaction.	1	2	3	4	5
72.5	Ability to perform continuous improvement exercises.	1	2	3	4	5
72.6	Ability to set up sales targets.	1	2	3	4	5
72.7	Ability to eliminate or reduce customer dissatisfaction.	1	2	3	4	5
72.8	Ability in performing continuous improvement exercises.	1	2	3	4	5
72.9	Ability in developing new menu items.	1	2	3	4	5
72.10	Ability in forecasting future market trends.	1	2	3	4	5

**Comments**

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THANK YOU FOR YOUR TIME!



## ANNEXURE C

From : I. Manase (PhD UKZN)

10 Laramie

Nienaber Street

Langenhovenpark

Bloemfontein

Date : 12 June 2022

Confirmation of proofreading and editing of Ms Relebohile Constance Masoetsa's Master of Management Sciences in Marketing Management dissertation titled: "Effects of social media-mediated customer engagements on purchase decisions and competitive advantage: Mediating role of brand equity"

This serves to confirm that I have proofread and edited Ms Relebohile Constance Masoetsa's above-noted Master of Management Sciences in Marketing Management dissertation. The suggested sentence and language construction changes have been attended to, and as such, the dissertation can now be submitted for examination.

Sincerely,

Email: irimanase@gmail.com / [Manasel@ufs.ac.za](mailto:Manasel@ufs.ac.za)