Digital marketing impact on the consumer decision making process in Nike's customer retail operations in South Africa

Girshwyn Reddy

15389317

A research proposal submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fufilment of the requirements for the degree of Master in Business Administration

7 November 2016

ABSTRACT

Technological advancements, the rise of the internet and development of Web 2.0 has enabled the interconnectivity of consumers to increase. As a result consumer behavior has changed and organisations needed to understand the impact of digital marketing on the consumer decision making process.

The research study analysed the impact of digital marketing on the consumer decision making process in Nike's customer retail operations in South Africa. The view of digital marketing impact on consumer decision making was that off the retail organisation.

The research methodology used for the study was a hybrid approach consisting of exploratory and descriptive research with exploratory being the primary research method. Exploratory research conducted consisted of primary and secondary data whilst descriptive research consisted of secondary data.

Analysis of the results revealed that consumer have embraced digital marketing and it has influenced consumer behavior. As a result retail organisations had to shift their marketing strategies to incorporate digital. It was further established that digital marketing has an impact on consumer decision making process with a more influential impact on problem recognition, purchase decision and post purchase behavior.

Due to these shifts in technology and consumer behavior retail organisations need to develop marketing strategies that reach out to consumers at moments that most influence their decisions.

KEYWORDS

Digital marketing, social media, consumer behavior, consumer decision making.

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Student Name   : _____

Signature   : _____

Date   : _____

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACRONYMS AND ABBREVIATIONS

Nike Inc. - Nike

Nike South Africa (Pty) Ltd – Nike South Africa

CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1 Introduction

Due to the advances in technology, the rise of the internet and the development of Web 2.0, interconnectivity between individuals has risen substantially (Hajli, 2014). The evolution of Web 2.0 as a technological advancement has changed the way organisations interact with consumers, and as a result has caused a shift in digital marketing strategies (Tiago & Verissimo, 2014).

The research study to follow is an exploratory view of the impact of digital marketing on the consumer decision making process from the perspective of retail organisations that are registered with Nike South Africa (Pty) Ltd (Nike South Africa). These organisations retail Nike products to consumers in the South Africa market.

1.2 Definition of the research problem

According to Tiago and Verissimo (2014), human interactions have changed significantly due to engagement on social networks; the rapid growth of web platforms has facilitated behavioural changes related to activities, habitats and interactions. Consumer behaviour changes require organisations to re-strategise their marketing activities in the digital space (Tiago & Verissimo, 2014), thus organisations must understand how digital and social media marketing impacts consumers' purchasing decision processes (Powers, Advincula, Austin, Graiko, & Snyder, 2012). Together with these processes, organisations must also be aware of how consumers' attitudes, values, and beliefs impact their digital marketing campaigns (Al Kailani & Kumar, 2011).

With the rise of social media, marketing departments now have various options available to them for branding their products, such as advertising, publishing of brand content, participation in social networks and developing engagement opportunities for consumers to participate with the brand (Ashley & Tuten, 2015). According to Stone and Woodcock (2013), applications or content for digital marketing can be designed to engage with the consumer at any time and in any place, with the purpose of informing, educating, entertaining or providing insights for the brand.

1

Due to the recent trends in technological advancements, marketing channels and consumer behaviours have seen a shift, which has impacted the consumer decision making process when it comes to product purchases. Consumers' engagement with brands has changed, thus organisations need to adapt their marketing strategies to reach them.

Limited research has been done on digital marketing from an organisation's perspective, as studies have focused more on the consumer (Tiago & Verissimo, 2014). Digital marketing media, which is regarded as a new marketing tool, has much to offer academics in the field of research; the Marketing Science Institute identified digital technology and consumers as a current trending topic and identified it as a top tier research area. Within South Africa very little research has been conducted, both from a consumer and an organisational perspective, on digital marketing and consumer decision making. With the emergence of the online platform, organisations need to adapt to reach out to consumers and remain competitive in the business environment.

Figure 1: Active internet, social media and mobile connections in South Africa (Kemp, 2016)

The above penetration statistics for South Africa as at January 2016 (Kemp, 2016) indicate that digital marketing is a significant platform that organisations can use to reach consumers. Of the total population, 49% are active internet users and 24% are active on social media.

Table 1: Year-on-year retail sales at current prices in South Africa (Statistics South Africa, 2016)

Retail Sales	2011	2012	2013	2014	2015
Total Retail Sales (R Million)	648,239	704,617	751,975	807,267	868,204
% Year-on-Year Growth	9.10%	8.70%	6.70%	7.40%	7.50%

As per Statistics South Africa (2016), the country's retail environment experienced year-on-year growth for the period 2011 to 2015. This is an indication of potential future industry growth in sales that can be captured by retail organisations.

Table 2: Three-month comparison of retail sales at current prices in South Africa (Statistics South Africa, 2016)

Retail Sales	Dec 2014 – Feb 2015	Dec 2015 – Feb 2016	% Change
Total Retail Sales (R Million)	224,798	243,854	8.50%
Textiles, Clothing and Footwear	47,973	52,618	9.70%

Figures taken from Statistics South Africa (2016) indicate retail sales growth of 8.5% for the period December 2014 to February 2016, as indicated in Table 2 above. Nike South Africa's main business segment is to wholesale clothing and footwear to retailers, which falls under the retail category of textiles, clothing and footwear. For the period indicated in Table 2 above, this category showed growth of 9.7%.

Whilst retail organisations market to consumers, organisations in the business-to-business segment such as Nike Inc. (Nike) and Nike South Africa market their products directly to the consumer to create a pull strategy of product from retail organisations to consumers.

This study aimed to identify and evaluate the impact of Nike's, Nike South Africa's and retailers' digital marketing on consumer decision making. Are the marketing initiatives based on the new digital trends reaching out to consumers in South Africa to create the consumer pull through strategy? With the growing retail sector in South Africa, there is potential for Nike and its retailers to generate sales growth by reaching out to consumers through digital marketing initiatives.

3

1.3 Research objective

The purpose of this study is to analyse the impact of digital marketing done by the global organisation Nike, as well as Nike South Africa (a subsidiary of Nike) and retail organisations in South Africa, on consumer decision making from the perspective of retail organisations. The research study will close the gap on the limited research done on consumers and organisations in the local and global environments. It will also supplement the extensive international research done on digital marketing and the impact on consumers from a consumer perspective.

1.4 Research scope

The scope of the study remains within the geographic region of South Africa, with the focus being on Nike, Nike South Africa, Nike products and retail organisations.

1.5 Chapter outline

Chapter 1 is the introduction to the research proposal and illustrates the problem identified, the evidence thereof and the relevance of the project topic.

Chapter 2 is the literature review of the research problem, which describes digital marketing and its consumer impact, a consumer behaviour model, the consumer decision making process, consumers in South Africa, and Nike retail organisations in South Africa.

Chapter 3 specifies the research questions for the study. It is divided into three aspects, namely consumer behaviour, marketing strategies and consumer decision making. Digital marketing spans all three aspects.

Chapter 4 explains the research methodology used in the study. It further describes the choice of methodology, sampling criteria, data gathering process and analysis approach used, as well as any limitations.

Chapter 5 illustrates the analysis of results from the semi-structured interviews conducted, the information retrieved from public internet related sources and the marketing campaigns data received from Nike South Africa's marketing department.

Chapter 6 is a discussion of the results, which provides answers to the research questions posed in order to meet the objectives of the study.

Chapter 7 is the conclusion of the research study. The chapter describes the limitations of the study and makes recommendations for business and future studies in this field.

1.6 Summary

The advancement of technology, the rise of the internet and the development of Web 2.0 has increased the interactions between, and the connectivity of, individuals. Due to these developments there has been a shift in consumer behaviour, thus organisations have had to change the way they interact with consumers. In turn, this has led to a shift in digital marketing strategies.

Due to these changes there has been an impact on the consumer decision making process. The aim of the research study is to gain an understanding of the impact of digital marketing on the consumer decision making process in Nike customer retail operations in South Africa.

The retail sector of South Africa has shown year-on-year sales growth for the period 2011 to 2015. The results of this study can be used by organisations in the retail industry to understand the impact of digital marketing on their businesses, and help them to align their marketing strategies to reach out to consumers and create the pull through strategy for products in their organisations.

5

CHAPTER 2: THEORY AND LITERATURE REVIEW

2.1 Introduction

The literature review explained in detail the impact of digital marketing on consumer decision making. The first section covered the aspect of digital marketing with regard to its marketing channels and thereafter the impact on consumers. The next section is a description of the consumer behaviour model, followed by the third section which is the description of the consumer decision making process. Thereafter the fourth section discusses consumers in South Africa, while the last section incorporates information regarding Nike retail organisations in South Africa.

2.2 Literature review methodology

The search for relevant literature was mainly conducted through academic textbooks and research databases such as EbschoHost and Google Scholar. Journal articles were sourced from the research databases and focus was placed on peer reviewed journal articles within the last five years. The literature review search was focused on the relevant aspects of the research study, which were digital marketing, consumer behaviour, consumer decision making, consumers in South Africa, and Nike retail organisations in South Africa.

 At first searches on these aspects were only done for South Africa but limited information was found, therefore the search was broadened to the international arena and journal articles were sourced from highly reputable publishing institutions such as the Journal of Marketing and the Journal of Market Research.

2.3 Digital marketing and consumers

Simply put, marketing is the creation of demand for a product/service, and the demand created should transform into sales and thereafter revenue. Digital marketing can be defined as the use of digital channels to market a brand. To build on these definitions, in digital marketing demand creation is driven by the internet, which is an interactive medium that allows for the exchange of currency and value (Stokes, 2011).

2.3.1. Digital marketing channels

Table 3: Digital marketing channels (Stokes, 2011)

Digital Marketing Channels	Definition
Email Marketing	Digital marketing that delivers messages to an audience though electronic mail
Online Advertising	Advertisements that are displayed on the internet
Affiliate Marketing	An online affiliate markets products of an organisation and gets rewarded for referrals
Search Engine Marketing	Marketing that is related to searches on the internet
Pay Per Click Advertising	An online advertising system whereby the advertiser pays for clicks on their advert
Social Media Marketing	The creation, publication and sharing of content by individuals such as blogs, images and videos on the internet

The channels to reach consumers through digital marketing are indicated in Table 3 above, which are email marketing, online advertising, affiliate marketing, search engine marketing, pay per click advertising and social media channels (Stokes, 2011).

The digital marketing channels of Nike are Instagram, Tumblr, Pinterest, Twitter, Facebook, Google and Email. With reference to Nike South Africa, the main digital marketing channels for the South African environment are Instagram, Twitter, Facebook, Google and Email. Google marketing is done through search engine marketing and placement advertisements, whilst Twitter, Facebook and Instagram are the social media channels.

Digital marketing performance on consumer influence can be measured through metrics such as conversion rate, engagement rate and click through rate. Conversion can be defined as the action the internet website wants the user to take, which generally leads to revenue for the website, for example users purchase a product or subscribe to a newsletter. Conversion rate expressed as a percentage is calculated by the number of conversions divided by the number of visitors to the online marketing channel (Stokes, 2011). Information on conversion rates for South Africa is limited, however data were found on geographic regions such as Germany, Greece, Italy, Netherlands and the United States of America. As per the Ecommerce Foundation (2016) conversion rates range from 1.03% to 2.85%, with Italy being the lowest and the United States of America being the highest.

The Ecommerce Foundation (2016) also indicated that to be in the top 25% of organisations one needs to have a conversion rate of 5.31%, while the top 10% of all organisations have a conversion rate of greater than 11%.

Online engagement with consumers played a significant role in building advocates of a brand, whereby they purchase the brand or refer the brand to other consumers, either through online or offline communication mediums (Smith, 2009). Engagement rate is a metric that measures the level of engagement digital content receives from an audience. Total engagement for digital content constitutes aspects such as likes, comments, shares, clicks, video views, re-tweets, replies and followers. Audience can be referred to as reach, which indicates the number of unique users who have viewed an online advertisement (Stokes, 2011). Information online engagement rates were limited for South Africa, however information on international research was gathered.

Figure 2: Facebook engagement rates per post by month: retail and ecommerce (The Sales Force Marketing Cloud, 2014)

	Reach	Engagement by Reach	Avg Likes	Avg Comments	Avg Shares	Avg Links Clicked
JAN	301.3M	1.55%	529.6	66.2	94.5	79.6
FEB	361.1M	1.80%	455.3	75.6	117.9	84.2
MAR	443.0M	1.17%	362.0	71.8	99.5	126.2
APR	148.4M	1.59%	201.8	24.6	51.3	97.1
MAY	194.2M	1.37%	190.3	23.3	62.1	98.4
JUN	219.3M	1.23%	221.8	29.0	49.5	91.4
JUL	188.2M	1.81%	260.9	23.6	57.2	80.0
AUG	267.8M	1.16%	233.8	22.4	47.8	39.1
SEP	246.8M	0.92%	195.0	20.9	43.7	28.0
OCT	144.1M	1.37%	203.4	18.7	36.0	66.2
NOV	65.8M	3.23%	166.6	21.0	30.7	54.0
DEC	12.7M	13.65%	150.8	15.5	30.2	62.2

As per research conducted by The Salesforce Marketing Cloud (2014) for 2013, Facebook engagement rates ranged from 0.92% to 13.65% for the Retail and Ecommerce industry, with September 2013 being the lowest and December 2013 being the highest, as indicated in Figure 2 above.

8

The success and effectiveness of digital marketing online advertisement campaigns are measured by whether users click on the advertisements (Wang, Li, Cui, Zhang, & Mao, 2010). Impressions are the number of times a web page or advertisement is viewed (Stokes, 2011). The metric used to measure clicks on digital content advertisements is called the click through rate, which is the ratio of the number of clicks to the number of impressions (Wang, Li, Cui, Zhang, & Mao, 2010). As per Salesforce.com Inc. (2013), the average click through rate was 0.332% for South Africa on digital advertisements displayed on social media platform Facebook.

2.3.2. Consumer impact

The rise of the internet provided a new channel for consumers and brands to connect, and also provided consumers with more choice, influence and power (Stokes, 2011). According to Al Kailani and Kumar (2011), the internet enabled organisations to reach consumers on a worldwide scale, whereby consumers survey, select and purchase products from organisations around the world. Due to the rise of the internet, consumers now have more control of their media consumption than ever before (Bright & Daugherty, 2012).

Marketers influence consumer decisions by delivering an online marketing experience that has a combination of functionality and information on products and services. Web experiences such as searching, selecting, evaluating information and online transactions assist marketers to determine the potential of their online strategies (Meera & Gayathiri, 2015). An increased amount of funds are being invested into digital marketing, and organisations utilise different techniques to expose consumers to their brands (Bright & Daugherty, 2012). Statistics published by PricewaterhouseCoopers (2015) indicated that internet advertising revenues in South Africa increased from R612 million in 2010 to R1,570 million in 2014, and is forecasted to grow to R5,497 million by 2019. The growth indicated is a result of organisations realising the power of digital marketing to reach consumers, thus investments are being made into these channels.

According to research undertaken by Tiago and Verissimo (2014), the web is a resourceful tool for organisations to create strong brands and gain a competitive advantage. Firms have utilised the benefits of the internet through the adoption of social media in order to provide information and connect with consumers and stakeholders to generate sales (Tiago & Verissimo, 2014). Furthermore, consumers are responsive to social media marketing implemented by retailers; it was argued by Kunz and Hackworth (2011) that

9

retailers need to plan and coordinate their marketing strategies to implement them across the different platforms to engage with consumers and generate sales. Research conducted by Kumar, Bezwada, Rishika, Janakiraman and Kannan (2016) found that social media marketing is important, and that organisations use these channels to communicate and manage consumer relationships. According to Rasool Madni (2014), social media enabled consumers to be at the centre of an organisation's activities and is a new tool for interacting with consumers.

Interactive web tools enhance consumer experiences and contribute to consumer engagement with organisations and their brands (Paolocci, 2014). Research conducted by Paolocci showed that due to technological advancements, organisations have adopted digital tools for consumer engagement and fostering relationships. Research undertaken by Hudson, Huang, Roth and Madden (2015) indicated that consumers who engage with their favourite brands on social media have built strong relationships with these brands.

According to Stone and Woodcock (2013), digital marketing is used throughout the customer cycle, from brand awareness creation to encouragement to purchase, purchase assistance support for convenient purchasing, brand usage assistance and management of after sale consumer service. Research by Moreno, Calderon and Moreno (2016) highlighted that digital marketing through social media leverages marketing communication channels, and is a substitute for traditional marketing channels to connect with consumers. These findings align with research conducted by Hassan, Nadzim and Shiratuddin (2015), which illustrated that social media is a powerful marketing channel which attracts and influences consumers' purchasing decisions.

The various studies discussed above found that digital marketing is a powerful marketing tool for reaching consumers. There are various methods of connecting to consumers through digital marketing which are listed above, and as indicated by the research studies, digital marketing has a significant impact on consumers through engagement, exposure to the brand, fostering relationships and influencing purchases, which results in sales of the product.

2.4 Consumer behaviour

As indicated in Chapter One of this study, due to consumer engagement in social media and the rise of Web 2.0, there has been a shift in consumer behaviour with respect to activities, habitats and interactions. Due to the significant changes in the media

10

environment, organisations have embraced digital marketing as a channel to engage with their consumers (Kumar et al., 2016). In digital marketing, understanding consumer behaviour is key for marketing success as consumers have embraced utilising the internet and online socialising tools (Vinerean, Cetina, Dumitrescu & Tichindelean, 2013). Being a new tool for interacting with consumers, organisations have to be cognisant of how social media has impacted consumer buying behaviour (Rasool Madni, 2014).

An organisation's brand is a symbol which organisations leverage to attract consumers and gain a competitive advantage (Malik, Ghafoor, Iqbal, Ali, Hunbal, Norman, & Ahmad, 2013). Advertisement as a marketing strategy is impactful in attracting consumers to an organisation's product and having a positive influence on the buying behaviour of consumers. Consumer buying behaviour is influenced by having knowledge and being orientated with the brand. According to research by Malik et al. (2013), advertisements empower brand awareness. In turn, brand awareness coupled with good brand perception and loyalty results in a stronger brand image in the minds of the consumer, which influences them positively and becomes part of their buying behavior (Malik et al., 2013).

Consumer behaviour is defined as the study of how individuals, organisations and groups select, buy and make use of products, services, experiences or ideas to satisfy their need and wants (Kotler & Keller, 2012). Extensive research has been conducted and models created on consumer behaviour, such as the Nicosia Model, Howard–Sheth Model, Engel-Kollat-Blackwell Model, Stimulus-Response Model and Foxall's Behavioural Perspective Model of purchase and consumption. For the purpose of this research study, the Black Box Consumer Behaviour Model of Kotler and Keller (2012) was chosen.

Figure 3: Consumer Behaviour Model (Kotler & Keller, 2012)

11
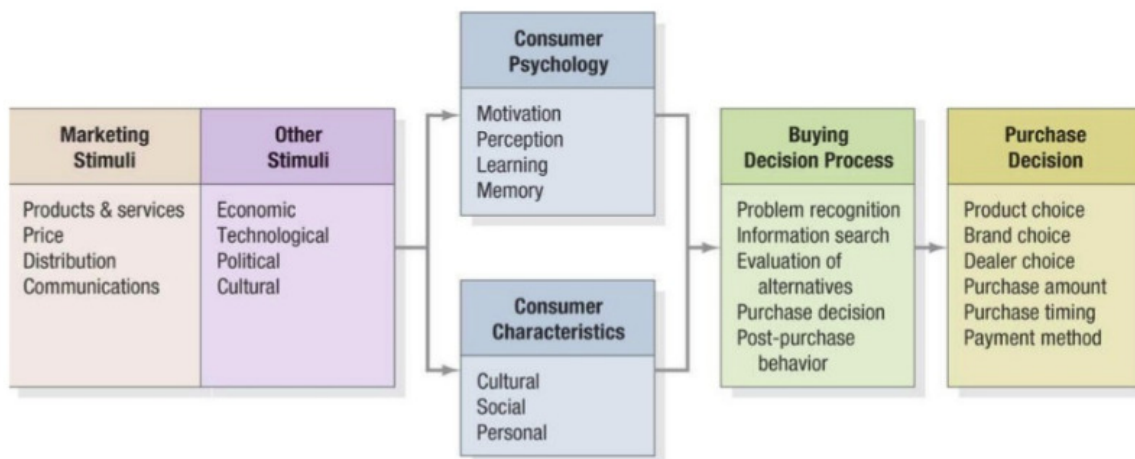
The buying behaviour of consumers are influenced by consumer characteristics and psychology, as indicated in Figure 3 above which is the buyer's black box. Marketing and other stimuli are critical components that impact consumer behaviour and organisations must understand the theory and reality of consumer behaviour (Kotler & Keller, 2012).

2.4.1   Consumer characteristics

Cultural, social and personal factors influence a consumer's buying behaviour. Factors of culture are made up of three aspects, i.e. culture, subculture and social class. Consumers' wants and behaviours are determined by culture (Kotler & Keller, 2012). A consumer's culture is influenced values and perceptions learnt from family members or the society to which a consumer is exposed. As culture has an influence on consumers buying behaviour organisations have to be cognisant when developing digital marketing advertisements as the content will resonate differently with consumers.

Culture can be broken down into smaller subcultures that provide a detailed identification of the socialisation of consumers. Elements of subcultures are geographic regions, nationalities, religion and racial groups (Kotler & Keller, 2012). Digital marketing channels need to be designed for a specific target market, as consumers will relate to content in different ways.

Social classes are divisions in society, which includes consumers that share similar behaviours, interests, and values, and these divisions are hierarchically ordered (Kotler & Keller, 2012). The social standing of consumers illustrates an aspect of a division in society, and through social classes, consumers' media engagement, lifestyle and consumption patterns are impacted.

Social factors include reference groups, families, roles and status. Attitudes and behaviours of consumers are directly or indirectly influenced by reference groups, which include family, friends, colleagues in the workplace, and professional or religious groups (Kotler & Keller, 2012). A consumer's lifestyle is adapted through the learnings derived from interactions and associations with reference groups. The most influential consumer in the group is regarded as the opinion leader, who is the consumer that offers advice and information on a product (Kotler & Keller, 2012). Organisations need to be cognisant of opinion leaders when developing digital media content.

12

Of all the consumer organisations in society, family is regarded as the most important buying organisation, and has the most influence on buying behaviour. Spouses generally have joint engagement in decision making, however they might respond differently to marketing media (Kotler & Keller, 2012). With respect to the brand and product, advertised digital marketing has to engage with the consumer that has the most influence on decision making.

Consumers in groups have a role and status, which influences their consumer behaviour (Kotler & Keller, 2012). To illustrate, a director in an organisation has a higher status than an admin clerk. Organisations need to know their target audience and align their digital marketing channels to reach out to consumers. Due to their role and status, a consumer's behaviour and purchase decisions are impacted.

The last concept of consumer characteristics is personal factors, which consists of age and lifecycle, occupation and economic circumstances, personality and self-concept, and lifestyle and values. Consumers' behaviours and consumption are influenced by factors such as age and the stage they are at in their life cycle (Kotler & Keller, 2012). As consumers age their preferences change and they go through different life cycles, such as moving from being single to being married, and having a family. Consumers' preferences and perceptions change as they move through their life cycle, so digital media content needs to be developed and adapted to these behavioural changes to reach them.

The occupations of consumers influence consumption patterns as they have different preferences. In times of economic expansion and retraction, the spending patterns of consumers change due to the impact on their disposable income (Kotler & Keller, 2012). Taking these changes into account, digital marketing needs to be adapted to position the organisation's brand in the consumer's mind to have an influence on their buying behaviour.

Personality incorporates the psychological characteristics of consumers that respond to environmental stimuli and impact buying behaviour. These characteristics include adaptability, sociability, autonomy, deference and defensiveness. In relation to this brands also have personalities, which include characteristics such as sophistication, sincerity, ruggedness, excitement and competence. Consumers' buying behaviours and preferences are impacted as consumers choose brands that are in line with their actual self-concept, their ideal self-concept and others' self-concept (Kotler & Keller, 2012).

Digital marketing of the brand needs to align with the personalities of the target market to have an impact on the consumers' buying behaviour and preference.

The last concept of personal factors is lifestyle and value. Lifestyle is the interests, activities and opinions that consumers live by (Kotler & Keller, 2012), while values are the belief systems of consumers that influence their attitudes and behaviours. Organisations must design digital marketing initiatives in order to create a relationship with targeted consumers based on their lifestyles and value systems.

As illustrated, the above consumer characteristics have an impact on consumer behaviour. Taking the above factors into consideration, organisations need to adapt their digital marketing initiatives to reach out to the different segments of consumers to create awareness and influence their buying decision.

2.4.2   Consumer psychology

To understand the link between marketing stimuli and consumers' purchasing decisions, organisations must be cognisant of five important psychological processes that influence the consumer. These are motivation, perception, learning, emotions and memory (Kotler & Keller, 2012).

Consumers have needs, which turn into motivation to act to satisfy those needs when there is a sufficient level of intensity for action to be considered. Once a consumer is motivated they are ready to act, and their actions are influenced by their perceptions. A perception is an illustration created by a consumer through the process of information selection, organisation and interpretation (Kotler & Keller, 2012). Consumers' exposure to digital marketing content has increased on the internet due to technological advancements. The vast exposure of digital media has led consumers to be more selective about engaging with products being advertised, therefore organisations need to drive marketing activities that attract consumers' attention (Noel, 2009).

Through actions learning takes place, and through learning a behavioural change takes place because of experience gained from the action taken (Kotler & Keller, 2012). The buying experience of consumers evolves as they learn. A purchase might not be made from the first action, but brand awareness may be created which can then lead to a future purchase. Organisations should develop their digital marketing initiatives to drive brand awareness.

14

Consumers have emotional responses and may relate to a brand or advertisement with different emotions. With a brand a consumer feels proud, confident or excited, whilst with advertisements they feel wonder, disgust or amusement (Kotler & Keller, 2012). These emotions have an influence on the buying behaviour of consumers, thus organisations should develop digital marketing content that impacts positively on consumers' emotions.

Through learning experiences consumers create memories, storing the knowledge they have acquired over time, including aspects such as products, services, purchasing and experience of product usage (Noel, 2009). There are two types of memories, i.e. short-term memory and long-term memory; long-term memory is more permanent and is where a consumer's life experience and the information they encounter ends up. Information may be in the memory but may not be recalled by consumers unless they are exposed to retrieval cues or reminders (Kotler & Keller, 2012). Digital marketing is a powerful tool that can be effectively used for retrieval cues and reminders.

Organisations need to understand the five key psychological processes which are motivation, perception, learning, emotions and memory that link marketing stimuli to consumers' purchasing decisions, and adapt their digital marketing initiatives thereto to enable the purchase decision to take place.

2.5 Consumer decision making

Consumers have evolved and no longer make purchasing decisions in a linear approach; they enter at various points, which are dependent on their first engagement with the brand, product research or word of mouth from their social networks (Powers et al., 2012).

Brands that adopt digital and social media build relationships with consumers, and in turn gain consumer loyalty to the brand (Powers et al., 2012). Organisations must be aware of social media sites and how they influence consumer buying behaviour (Vinerean, Cetina, Dumitrescu & Tichindelean, 2013). According to Powers et al. (2012), consumers constantly consider potential purchases and evaluate alternatives in the market. Research undertaken by Meera and Gayathiri (2015) found that consumer expectations of interactive visual experiences such as moving images and clickable videos have increased, which allows the consumer to learn about products. Powers et al.'s (2012) research findings also indicate that consumers use social media to gather information about potential purchases and to introduce them to new products, and can also cause them to have a mind-set change about a brand. Due to digital connectivity and the time spent online by consumers,

15

they now view shopping as an everyday activity (Powers et al., 2012). Research by Xie and Lee (2014) found that increased consumer exposure to a brand on social media increased the likelihood of the consumer to purchase the brand. In relation to this, research conducted by Rasool Madni (2014) indicated that 53% of consumers get their information from forums, social media, organisations' websites and peer reviews before purchasing a product.

Figure 4: Consumer decision making process (Kotler & Keller, 2012)

The consumer decision making process illustrated above is an essential aspect of the research study, as it is the next step in the Consumer Behaviour Model indicated in Figure 4, taking into account the buying behaviour of consumers.

The five-stage consumer decision making process was first introduced in 1910 by John Dewey (Bruner & Pomazal, 1988), and include: problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behaviour. According to Kotler and Keller (2012), consumers do not always pass through all the stages, skipping some to get to the purchasing decision. The decision making process occurs daily in consumers' minds, however the extent of this depends on whether the product is expensive or inexpensive (Noel, 2009). The consumer generally passes through more of the stages for an expensive product, whereas for an inexpensive product the consumer experiences problem recognition for the product and makes a decision to purchase the product without gathering information or evaluating alternatives. As inexpensive products are a low financial risk, consumers evaluate these products after trial (Noel, 2009).

The first step in the decision making process is problem recognition. This is where the consumer purchase process begins, as the consumer recognises a problem that is triggered by internal or external stimuli (Kotler & Keller, 2012). A problem is identified when the consumer's existing state differs from their ideal state. Marketers in organisations also attempt to motivate problem recognition by initiating the decision making process through advertising. This is done by creating a new ideal state for the consumer or creating dissatisfaction with the consumer's current state (Noel, 2009). With digital marketing,

external stimuli such as advertisements will trigger the consumer problem recognition phase and organisations need to understand the dynamics at play.

The second step is information search, whereby the consumer searches for information to attend to the problem recognised, and does so by gathering information about different brands and their features (Kotler & Keller, 2012). A consumer's information search process is internal and external, whereby internal is information in the consumer's memory, and external are sources of information through advertising and external media (Noel, 2009). As the consumer gathers information, a few brands are strong contenders for the final choice to be made (Kotler & Keller, 2012). Organisations should thus identify the consumer choices to search for information in the digital space and prepare marketing initiatives that will reach out to the consumer.

The third step in the process is the evaluation of alternatives, whereby the consumer evaluates product brand alternatives to satisfy their needs and attain benefits. Beliefs and attitudes acquired through learning and experiences influence the buying behaviour of consumers and play a role in the evaluation of alternatives (Kotler & Keller, 2012). Organisations should design their digital marketing initiatives to attract and retain consumers based on their values and beliefs.

The fourth step is the purchase decision, which comes after the evaluation of alternatives when the consumer derives a preference among the brands considered and intends to buy the preferred brand (Kotler & Keller, 2012). The purchase decision is influenced by perceived risk, whereby the purchase can be modified, postponed or avoided. Perceived risk attributes consist of product attribute uncertainty, amount of money involved in the purchase, and the level of consumer self-confidence (Kotler & Keller, 2012). Organisations should provide information through digital marketing to reduce the perceived risk consumers face so that the purchase can take place.

The final step in the process is post purchase behaviour, which is the level of dissatisfaction or satisfaction the consumer derived from the experience post the purchase of the product. Satisfied consumers promote the product and are likely to purchase further products, whilst dissatisfied consumers will return and complain about the product (Kotler & Keller, 2012). An organisation's response to consumer complaints plays a key role in its success; on average a dissatisfied consumer shares their views with approximately ten other individuals (Noel, 2009). Digital media connects consumers and provides a platform for consumers to air their views, so organisations need to monitor post purchase behaviours

17

via these channels to attend to consumer complaints and enable the retention and attraction of consumers. Organisations can use information derived from post purchase behaviour to understand consumers and build a relationship to entrench them and avoid consumer brand switching.

With the rise of digital technology, it is valuable to understand how the trend of digital marketing impacts consumers in influencing their decision making processes. This research study aims to explore this concept from the perspective of organisations.

2.6 Consumers in South Africa

Table 4: South Africa's 2015 population statistics by population group (Statistics South Africa, 2015)

Population Group	Black	Coloured	White	Indian	Total
People	44,227,995	4,832,916	4,535,008	1,362,002	54,957,921
% of Population	80%	9%	8%	2%	100%

A consumer is an individual who purchases products and services for personal use, whilst a market is the grouping of consumers (Kotler & Keller, 2012). South Africa is a country that is rich with diverse cultures, heritage and history. As illustrated in the table above, the population of South Africa is largely made up of four racial groups - Black, Coloured, White and Indian - with Blacks being the predominant racial population. The consumer environment in South Africa is diverse as the different racial groups adhere to different cultures, lifestyles, religions, beliefs and values.

As indicated in Figure 1 above, 49% of the total population are active internet users, and 24% are active on social media (Kemp, 2016). Kemp (2016) added that 60% of the adult population owns a smartphone, 18% owns a laptop or desktop computer, and 7% owns a tablet device. The average time spent on the internet via a laptop or desktop computer daily is four hours and 54 minutes, and two hours and 59 minutes on a mobile phone. Daily social media usage is two hours and 43 minutes across all devices, and the most popular social media platforms in order are Facebook, Google+, LinkedIn, Twitter, Pinterest and Instagram (Kemp, 2016). The marketing channels used by Nike South Africa are Instagram, Twitter, Facebook, Google and Email.

18

Figure 5: Annual growth in digital statistical indicators (Kemp, 2016)

As indicated in Figure 5 above, the number of internet users and social media users in South Africa grew by 5% and 10% respectively between January 2015 and January 2016. As per the statistics indicated above, it is clear that consumer exposure to digital marketing campaigns is on the increase.

Figure 6: Personal disposable income: Household consumption and GDP - South Africa (PricewaterhouseCoopers, 2012)
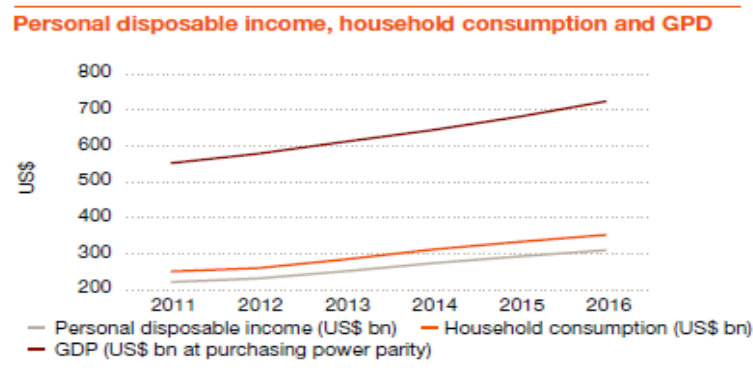
According to PricewaterhouseCoopers (2012), the disposable income of individuals was forecast to increase until 2016, and with the rise of aspirational middle class consumers

19

with increased disposable income, this would lead to an increased spend in the retail industry.

Due to the diversity of the South Africa consumer, growing access to online content and rising disposable incomes, the alignment of digital marketing initiatives is pivotal for reaching out to different consumer groups to expose an organisation's brand and impact the consumer decision making process.

2.7 Nike retail organisations in South Africa

Business to business operations occurs when an organisation sells its products and services to other organisations, while business to consumer operations is when organisations sell their products and services to consumers (Stokes, 2011).

Figure 7: Retailers' levers to improve positioning (PricewaterhouseCoopers, 2012)
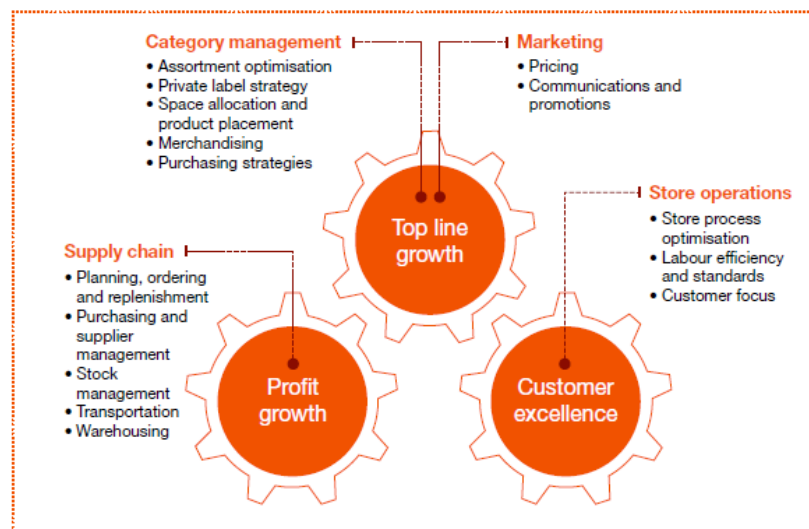
The above figure shows which levers retail organisations utilise to improve their position in the market. Marketing is a lever that is used to increase top line growth, i.e. revenue, as well as to create and strengthen brand awareness, attract new consumers and retain current consumers. Digital marketing falls under the category of communications, which is an aspect of marketing as indicated above.

As already stated, the retail industry in South Africa grew its sales for the period 2011 to 2015, with 7.5% growth between 2014 and 2015 alone. To further illustrate the growth in

the retail industry, for the period December 2015 to February 2016, industry sales grew by 8.5% compared to the same period the previous year, while the textiles, clothing and footwear segment grew by 9.7% during the same period.

This research study focuses on Nike South Africa's business to business segment, whereby Nike South Africa wholesales products to retail organisations, which in turn sell them to the consumer. Nike South Africa's active customer base is 214 retail accounts, which are spread across the country (Nike South Africa, 2016).

These accounts are segmented in Nike South Africa according to strategic, partner and independent accounts. Strategic accounts are high revenue, partner accounts are Nike franchise stores, and independent accounts are the mid to lower revenue accounts. Strategic accounts include The Foschini Group Limited and Edcon Limited, which are significant players in the clothing and footwear environment in South Africa and have a retail footprint in each province in the country.

2.8 Summary

The research problem in this study concerns the impact of digital marketing on the consumer decision making process in Nike's customer retail operations in South Africa. In the literature review, the methodology and each aspect of the research problem was described, which included digital marketing and consumers, the Consumer Behaviour Model, the consumer decision making process, consumers in South Africa, and Nike's retail organisations in South Africa. From the literature review it is evident that due to the rise of the internet and Web 2.0, consumer engagement, behaviour and decision making has changed. Organisations thus need to understand these changes and align their marketing initiatives accordingly.

CHAPTER 3: RESEARCH QUESTIONS

3.1 Introduction

The literature review presented in Chapter 2 illustrates the need for organisations to understand the digital marketing impact on consumer decision making. As per Tiago and Verissimo (2014), there is need to understand digital marketing and consumers from an organisation's perspective. The description to follow outlines the study's research questions.

3.2 Research Question 1: Understanding the impact of digital marketing on consumer behaviour in Nike South Africa retail organisations

Due to technological advancements and the enhancement of digital marketing in the marketing mix, there has been a shift in consumer engagement and behaviour. The aim of this research question was to understand the impact of digital marketing on consumer behaviour in Nike South Africa retail organisations.

- ✓ What is the consumer's perception around the trend of digital marketing?
- ✓ What are the characteristics of these consumers?
- ✓ How does the digital marketing environment influence consumer behaviour?

3.3 Research Question 2: Understanding the impact of digital marketing on Nike South Africa retailers marketing strategies

Due to technological advancements, engagement with consumers has shifted and organisations need to align their marketing initiatives to reach consumers. The aim of this section is to provide insights into the digital marketing strategies of retailers, and to assess if they leverage the digital marketing initiatives done by Nike in their marketing strategy.

- ✓ Do you embark on digital marketing campaigns of your own, and if so, through which channels?
- ✓ How do you align your marketing strategies to include digital marketing?
- ✓ How do you leverage off the digital marketing done by Nike in your marketing strategy?

3.4 Research Question 3: Understanding the impact of digital marketing on consumer decision making regarding Nike products in South Africa

Due to increased access to information via the digital space, consumers' exposure to brands has increased. This section aims to explore the impact of digital marketing across the five-stage decision making process of consumers, as well as the link from marketing stimuli to post purchase decisions.

- ✓ Are consumers likely to be influenced by digital marketing for Nike products when identifying a problem/need?
- ✓ What is the perception of consumers using digital marketing to gather information about Nike products?
- ✓ What is the perception of consumers using digital marketing in evaluating alternatives of product choices including Nike products?
- ✓ How important is digital marketing in influencing the actual purchase of Nike products?
- ✓ How important is digital marketing in the post purchase behaviour of consumers of Nike products?

The aim of the research question is to understand the impact of digital marketing on the consumer decision making process indicated in the literature review of this study, which was from problem recognition to post purchase behaviour, with respect to Nike and their products in the South African market.

3.5 Summary

The research questions derived for the study focused on three sections with regard to digital marketing and its impact on the consumer decision making process in Nike customer retail operations in South Africa. The first research question consisted of a set of questions that were created in order to understand the impact of digital marketing on consumer behaviour; the second research question consisted of a set of questions that were created to understand the impact of digital marketing on Nike retailers' marketing strategies, and the last research question was created to understand the impact of digital marketing on consumer decision making from problem recognition to post purchase behaviour. Analysis of the questions were carried out with the results being depicted in Chapter 5, followed by a discussion of the results in Chapter 6.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

Research can be conducted using different methodologies, such as exploratory, descriptive and explanatory research. Exploratory research can be conducted by gathering information through academic literature and conducting interviews; the intention is to gather new insights, ask new questions and assess on which topics little research has been conducted. Descriptive research aims to gain a more accurate description of situations, persons and events, and can be conducted through interviews, sampling, questionnaire surveys and the reanalysis of secondary data. Lastly, explanatory research focuses on the study of a situation to explain the relationships between variables, and can be conducted through case studies, statistical surveys, observation, attitude surveys and historical surveys (Saunders & Lewis, 2012).

The research methodology chosen for this study was a hybrid approach, i.e. exploratory (qualitative) and descriptive (quantitative), as not much research has been done on digital marketing and consumer decision making from an organisation's perspective in the retail industry in South Africa. A hybrid approach seemed appropriate as it is a mixed approach of qualitative and quantitative testing, which leverages exploratory and descriptive research (Edmondson & Mcmanus, 2007). The research was conducted in two phases, with the first phase being exploratory and the second phase being descriptive.

4.2 Research Phase One

4.2.1 Choice of methodology

The choice of research methodology for phase one was exploratory, which was undertaken to expand on the limited research done on this topic. In the research process, primary and secondary data were gathered whereby the primary data was specific to the research study, whilst the secondary data were retrieved from data collected for other purposes (Saunders & Lewis, 2012).

4.2.2 Population

According to Saunders and Lewis (2012), 'population' can be defined as a complete set of group members. Nike South Africa is the only distributor of Nike products to retailers in South Africa in the business-to-business segment. There are no wholesale activities from retailers to retailers, therefore the population for exploratory research was the active accounts registered with Nike South Africa, which amounted to 214 accounts

4.2.3 Unit of analysis

The unit of analysis was retail organisations in South Africa related to Nike South Africa.

4.2.4 Sampling method and size

There are two types of sampling methods - probability and non-probability. Probability sampling consists of various techniques for the random selection of participants from the entire population. Because of the researcher's access to the entire population, the selection probability of each member of the population can be known. Non–probability sampling consists of various techniques of selecting a sample when the complete set of the population is unknown. As the researcher does not know the compete population, a random sample cannot be conducted and the probability of each member of the population being chosen is unknown (Saunders & Lewis, 2012).

Table 5: Probability and non–probability sampling techniques (Saunders & Lewis, 2012)

Probability Sampling	Non–Probability Sampling
Simple random sampling	Quota sampling
Systematic random sampling	Purposive sampling
Stratified random sampling	Snowball sampling
	Self–selection sampling
	Convenience sampling

The various methods of the different probability and non–probability sampling methods are indicated above in Table 5. The population of the customer base of Nike South Africa consisted of strategic, partner and independent accounts. Although each member of the

population was known, the complete list of retail organisations that embark on their own digital marketing campaigns was unknown.

Given the above, non-probability purposive sampling was used to select participants. Purposive sampling occurs when the researcher's judgement is used to select sample members, from whom he believes the best possible information will be gathered to answer the research question (Saunders & Lewis, 2012).

According to Dworkin (2012), the sample size required for qualitative research is often smaller than the sample size required for quantitative research. A smaller sample size is required for qualitative research as in-depth information can be gathered to understand the research problem (Dworkin, 2012). Data saturation is eventually reached in a qualitative study, which often indicates completion of the study and thus no further need for more sampling (Suter, 2012). Research done by Guest, Bunce and Johnson (2006) indicated that if there is a high level of homogeneity amongst the population, the first six interviews enable useful interpretations, and the first 12 interviews generally result in data saturation with meaningful themes in qualitative research. The sample size for the qualitative primary data was thus a maximum of 12 with a minimum threshold of six.

For the qualitative primary and secondary data, discussions were held with the Nike Sales Departments regarding accounts that implement digital media, with a list of 20 accounts being identified. Out of these, 10 semi-structured interviews were conducted for the research study, which constituted the sample size. Although the maximum of 12 was not reached, the minimum threshold of six was achieved with the number of interviews being close to 12. Each respondent in the process had knowledge and insights into digital marketing and the consumers of their respective organisations, therefore the results derived were insightful in gaining an understanding of the research questions in the study.

The list of 10 accounts identified were also used to search for secondary qualitative data through social media, and of these, information was retrieved for eight accounts. The sample size for the secondary qualitative data were thus eight accounts.

4.2.5 Measuring instruments

Two measurement instruments were used for the exploratory study. Firstly, from a primary data perspective, semi–structured interviews were conducted via an interview script included as Appendix A. Secondary data were obtained from social media digital marketing

26

campaigns. The campaigns are illustrated in section 5.5.1 of the research study and in Appendix E.

4.2.6 Data gathering process

For the qualitative aspect, primary data were gathered through a semi–structured interview process either telephonically or through face-to-face interviews. According to Saunders and Lewis (2012), a semi-structured interview is a data collection method whereby the researcher asks about a set of themes using predetermined questions, varies and omits themes, and asks additional questions based on the feedback from the interviewees. This method allowed the researcher to explore the themes in-depth and to identify themes not covered in the literature review. As indicated, limited research has been conducted in this area and a semi-structured interview was ideal to gain insightful data for the research study.

The semi–structured interviews were recorded using a digital voice recorder and additional questions were asked during the interview process. The data will be submitted electronically with the submission of this research study.

As indicated, secondary data is attained from data that are collected for other purposes apart from the research study. To further build on the qualitative research, secondary qualitative data was gathered from social media relating to digital marketing campaigns that were implemented by retail organisations who participated in the interview process. The qualitative data retrieved are included in Chapter 5 and the appendices of the research document.

4.2.7 Analysis approach

There are three steps in analysing qualitative research: firstly, categories and codes must be developed to describe the data, after which the unit of data that is appropriate for the analysis and to which categories they must be attached are decided on, and thirdly, relevant categories must be attached to the units of the data (Saunders & Lewis, 2012).

Primary data gathered through the qualitative semi-structured interview approach was analysed using software called Atlas.ti, which is a tool used to analyse qualitative research. The information retrieved from the semi–structured interviews was transcribed using a transcription service provided by Dictaman Student. These transcriptions were uploaded

into the Atlas.ti software, through which it was coded, categorised into themes and relations were established for analysis.

A microblog is a type of blog that consists of short posts and is used in spaces such as Facebook and Twitter (Stokes, 2011). Secondary qualitative data retrieved from internet sources such as social media and microblogs were analysed and used to supplement the themes categorised from the semi–structured interviews.

The results from the qualitative study were used to analyse the research questions and derive conclusions.

4.3 Research Phase Two

4.3.1 Choice of methodology

The choice of research methodology for phase two was descriptive research, which was conducted to supplement and build on the exploratory research to deliver a more accurate analysis. As previously indicated, secondary data gathered for the research was retrieved from data collected for other purposes.

4.3.2 Population

As indicated, Nike South Africa is the only distributor of Nike products to retailers in South Africa in the business-to-business segment, and there are no wholesale activities from retailer to retailer, therefore the population for the descriptive research was the 214 active accounts registered with Nike South Africa.

4.3.3 Unit of analysis

Similar to the exploratory research, the unit of analysis for the descriptive research was retail organisations in South Africa related to Nike South Africa.

4.3.4 Sampling method and size

Purposive sampling was applied for quantitative descriptive research as not all retail accounts partner with Nike South Africa to run digital marketing campaigns and at the time of data analysis limited secondary data was available to do a quantitative study.

The sample size for the quantitative secondary data study were two accounts. This information was retrieved from the Nike South Africa marketing department.

4.3.5 Measuring instrument

The measurement instrument for the descriptive study was secondary quantitative numerical data derived from digital marketing campaigns.

4.3.6 Data gathering process

Quantitative secondary data were retrieved from the Nike South Africa marketing department on marketing campaigns implemented by Nike South Africa in partnership with their retail customers.

4.3.7 Analysis approach

The quantitative secondary data received from the marketing department on digital marketing campaigns were analysed through statistical software called Microsoft Excel, and was used to calculate metrics such as the conversion rate, engagement rate and click through rate. These metrics were discussed in Chapter 2 of the research study. The results derived from the quantitative study were used to supplement the qualitative study in analysing the research questions and deriving conclusions.

The formulas were as follows:

- Conversion Rate = (Conversions / Online Marketing Channel Visitors)*100 (Stokes, 2011)
- Engagement Rate = (Total Engagement / Total Audience)*100 (Buhalis and Mamalakis, 2015)
- Click Through Rate = (Total Clicks / Total Impressions)*100 (Wang, Li, Cui, Zhang, & Mao, 2010).
-

4.4 Limitations

Although the research methodology was well defined, there were limitations to the study. Firstly, the research was focused on products from one specific company, Nike. Secondly,

purposive sampling was used which resulted in selection bias, which is a sample bias resulting from the differential selection of participants (Zikmund, 2003). Lastly, the interviewer is not expertly trained in conducting interviews and is also an employee of Nike South Africa, which could have resulted in interviewer bias. Interviewer bias occurs when the responses of participants are influenced by the interviewer (Zikmund, 2003)

4.5 Summary

The research methodology for the research study was a hybrid approach, which consisted of an exploratory and a descriptive approach. The research approach consisted of two phases - firstly exploratory, then descriptive. As limited information and research were found on digital marketing and its impact on consumer decision making in South Africa, an exploratory approach was used to gain new insights into the research topic. The descriptive approach was undertaken thereafter to supplement the exploratory approach. The hybrid research approach provided the required data needed for analysis to gain insights into the research questions indicated in Chapter 3.

The population for the research study are retail organisations registered with Nike South Africa. Non-probability purposive sampling was conducted to get the best results for the research questions, as not all retail organisations embark on digital marketing initiatives and limited secondary data was available.

In the exploratory approach, primary data were gathered through semi–structured interviews and secondary data were retrieved through internet sources. The semi–structured interviews were transcribed and coded using Atlas.ti software to identify themes, and the secondary qualitative data were used to supplement these themes. In the descriptive approach, secondary quantitative data were retrieved from Nike South Africa's marketing department on digital marketing campaigns that were implemented. Analysis was done Excel and information was used to supplement the exploratory approach. The research process was subject to limitations as indicated and acknowledged.

CHAPTER 5: RESULTS

5.1 Introduction

Chapter 5 delves into the results derived from the semi–structured interviews, as well as the secondary data obtained from internet sources and Nike South Africa's marketing department.

In the analysis approach, key themes emerged which enabled an understanding of the research questions provided in Chapter 3 of this study. The themes identified will be discussed in detail later on in this chapter.

This chapter will first outline the data gathering process, after which a description of the analysis approach will be provided. Next, the study's reliability and validity will be discussed, the detailed results derived for the three research questions will be illustrated, and lastly the chapter will be summarised.

5.2 Data gathering process

This section illustrates the data gathering process as discussed in Chapter 4 of this study, which took place in two phases. The first phase was implemented during the semi-structured interviews and from internet sources, while the second phase incorporated secondary data retrieved from Nike South Africa's marketing department regarding digital marketing campaigns implemented in partnership with retail organisations.

A total of 10 semi–structured interviews were conducted and recorded (see Table 6 for a summary of the respondents' details and interview durations). Ethical clearance (see Appendix A) was obtained for the research study, but was based on the condition that the respondents' information would be kept confidential. This was also indicated to the respondents on the consent statement (see Appendix B) which was signed by each participant. In Table 6 the organisations' names and respondents' personal information are not indicated, however the titles of the respondents are included.

Table 6: Summary of respondents' details and interview duration

Organisation	Respondent Title	Digital Marketing	Duration (min)
Organisation 1	Entrepreneur / Owner	Yes	28.41
Organisation 2	Entrepreneur / Owner	Yes	18.82
Organisation 3	Marketing Manager	Yes	32.37
Organisation 4	Marketing Director	Yes	18.56
Organisation 5	Merchandising Director	Yes	23.17
Organisation 6	Product Sourcing Manager	Yes	18.31
Organisation 7	Project Manager - Stores	Yes	17.51
Organisation 8	Merchandise Manager	Yes	16.05
Organisation 9	Marketing Manager	Yes	20.43
Organisation 10	Brand Manager	Yes	23.00
Total (min)			216.63
Average (min)			21.66

The interviews were conducted over a period of two months. The first two interviews were done in person, whilst the remaining eight were done telephonically due to geographic and time constraints. Each interview was recorded using a digital voice recorder, and transcription was outsourced to a professional third party transcription organisation. The respondents from each retail organisation were either a manager, director or owner of the organisation, and the total duration of the interviews conducted amounted to 216.63 minutes, with an average of 21.66 minutes per interview.

The second data gathering process for phase one involved retrieving public secondary digital marketing data from the social media internet sources of the retail organisations that embarked on their own digital marketing initiatives, as indicated in Chapter 4 of the study. All 10 respondents were active on social media digital marketing. Nike specific data was searched for on social medial and data were retrieved for eight out of the 10 participants.

The second data gathering phase involved retrieving quantitative secondary data from the Nike South Africa marketing department regarding marketing campaigns implemented by Nike South Africa in partnership with their retail customers. Data on two marketing campaigns were retrieved and the information was supplied by Nike South Africa on condition (see Appendix C) that the names of the retail organisations and Nike products relevant to the marketing campaigns are not disclosed.

5.3 Description of the analysis approach

Table 7: Transcript analysis – summary

CATEGORY	NUMBER	QUOTATIONS	ACUMULATIVE WORDS
Codes	64	605	36737
Family	10	1059	65907
Network Diagrams	10	0	0

As indicated in Chapter 4 of the study, the primary data gathered through the qualitative semi–structured interview approach were analysed using software called Atlas.ti Transcriptions were uploaded into the software whereby it was coded, categorised into themes and relations established for analysis. The table above provides a summary of the number of codes, families and network diagrams created, together with the number of quotations and accumulative words per category. The codes, families and network diagrams created formed the basis of the analysis approach into the research questions.

The approach used in the coding process was an induction approach so no codes were initially developed, however codes were later developed through the process of going through the transcripts in Atlas.ti. An induction approach is referred to as a bottom up approach, and encompasses theory development that results from analysing data which are already collected (Saunders and Lewis, 2012). According to Thomas (2006), an inductive approach allows research findings to emerge from themes that are inherent in raw data without the constraints presented by methodologies that are structured. In an inductive analysis approach, a model or theory can be developed regarding the information that is evident in the raw data.

Secondary qualitative data collected through social media platforms were analysed to understand consumers' engagement with digital marketing. No software was used to analyse the content, however micro blogs were reviewed and links to themes around the research questions were established.

As indicated in Chapter 4, secondary quantitative data retrieved from Nike South Africa were analysed using Microsoft Excel, and calculations such as conversion rate, engagement rate and click through rate were performed. In the analysis, these results were

used to further understand consumers' engagement with digital marketing and the impact they have on actual sales of a Nike product.

5.4 Research validity

An inductive approach in qualitative analysis can produce findings that are reliable and valid, as it is an analysis approach that is easily used and has a systematic set of procedures (Thomas, 2006). As indicated in Chapter 4, the primary data gathered through the qualitative semi–structured interview approach were analysed using Atlas.ti. An inductive systematic set of procedures were used to analyse the data as indicated in section 5.3 of Chapter 5 above.

The concept of triangulation is a validity process whereby sources of information for themes and categories for study are retrieved from multiple and different sources (Creswell and Miller, 2000). As indicated in Chapter 4, data were received from multiple and different sources, including qualitative semi–structured interviews, secondary qualitative data retrieved from internet sources, and secondary quantitative data received from the marketing department of Nike South Africa.

Research reflexivity is a validity procedure whereby the researcher discloses his assumptions, beliefs and biases (Creswell and Miller, 2000). According to Creswell and Miller, it important for the researcher to disclose these aspects, as this allows readers to understand the researcher's position and provide them with the ability to take note of the biases mentioned. These biases were disclosed in section 4.4 under limitations.

Keeping an audit trail is a validity procedure whereby the researcher provides documentation regarding the decisions and activities of the research study (Creswell and Miller, 2000). All primary and secondary forms of data were submitted with the research study, including the semi–structured interviews' voice recordings and transcripts, secondary qualitative data retrieved from the internet including their sources, and secondary quantitative data received from the marketing department of Nike South Africa. Soft copies were saved together with the hermetic unit from Atlas.ti, which was used in the analysis process.
.

5.5 Understanding the impact of digital marketing on consumer behaviour in Nike South Africa's retail organisations

Table 8: Research Question One: quotations and accumulative words

RESEARCH QUESTION	QUOTATIONS	ACCUMULATIVE WORDS
RQ1 - Consumer perceptions	53	3805
RQ1 - Consumer characteristics	83	5016
RQ1 - Influence of digital marketing on consumers	127	7685
TOTAL RQ1	263	16506
GRAND TOTAL %	24.83%	25.04%

This section illustrates the insights derived for the first research question from the analysis performed. The key themes around digital marketing that emerged were consumer perceptions, consumer characteristics, and influence of digital marketing on consumers. As per Table 8 above indicates, these themes had a total of 263 quotations and 16,506 accumulative words. This equates to 24.83% and 25% of the quotations and accumulative words for the overall themes derived in Atlas.ti. The analysis provided key insights into the first research question, which are segmented into the three themes indicated below.

5.5.1 Consumer perceptions of digital marketing

Figure 8: Consumer perceptions
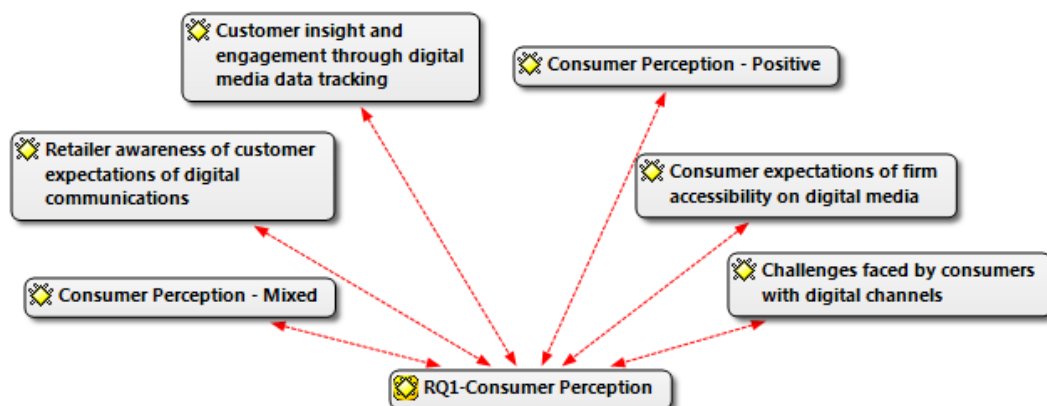
The first theme of research question one is customer peceptions of digital marketing. As indicated in Table 8, the analysis of the semi–strucutred interviews resulted in 53

quotations and 3,805 accumulative words. In the analysis, six codes were identfied to provide insights into consumer perceptions, as indicated in the network diagram in Figure 8 above. Quotations from these codes are illustrated in Table 9 below.

Table 9: Consumer perceptions of digital marketing

Organisation	Quotes Describing Consumer Perception of Digital Marketing
Organisation 1	"We've got teenagers where the perception gets created with digital marketing for these consumers. Okay. And then we also get a slightly older consumer and their buying pattern is not based too much on what the digital marketing campaign, they are not affected as much. But the younger generation are a lot more inclined to buy products which are marketed on Instagram, Facebook, you know, social media sites."
Organisation 2	"We see a massively positive impact on our business. If you look at our stats on digital marketing over the years we have grown exponentially in terms of how many people actually use our digital platforms and every month it is just growing bigger and bigger, which suggests to us that our consumer actually is finding our digital marketing to be hugely beneficial."
Organisation 3	"I wouldn't say they embrace it, I think it's effective. I have from speaking to people, been told before that being chased around the internet by products, that they have seen on our website is highly annoying, and yet at the same time, from our perspective, it is highly effective. So there is a, I guess a balance to be found in terms of how much you should or shouldn't be doing that."
Organisation 4	"It's a positive perception reason being is that we are at the digital age at the moment and you can see that in, if you look at the old forms of marketing, where it was print based or people would print flyers or billboards or put ads in newspapers. The trend now is to allocate the marketing budget for social media and digital marketing. So I would think that the consumers' perception is positive and definitely warmed up to them because majority of the guys have cell phones and once they have cell phones they've basically got the digital power in their hands."
Organisation 5	"Okay so I think the consumers are bombarded by various organisations and various different digital marketing messages. So either the consumers love being constantly being bombarded or they are the type that won't be bombarded and would rather have the freedom to go look for the info that they choose to find."

"As a whole? So they, I mean the consumers are very much aware of how powerful digital marketing is, whether it's online shopping, product development, sales or customer services. So that's point one and the customers expect that all retail organisations will have an online presence, I mean our customers are expecting and I think everyone is just very much in the digital space and will be in the future and there's a perception that if a retail organisation is not represented digitally, they are falling behind the organisations which have a strong digital marketing presence." |

Organisation 7	*"Subsequently, consumers are becoming more and more susceptible to digital marketing, as well as online shopping and you find that, you know, in South Africa and, you know, within Africa as well Edcon finds that more and more consumers engage with our brand via mobile connections, and this allows us to leverage off the many hours spent by consumers on their mobile, PC or tablet."*
Organisation 8	*"Absolutely, I think because of the nature of the brand being Nike and because of the nature of the consumers of the Nike product, they would be very open to digital marketing and I would say by virtue of the positioning, they are already are comfortable with the, with anything online. "*

Quotations were retrieved from seven out of the 10 organisations to illustrate the perceptions of consumers on digital marketing. All the respondents indicated that consumers have an embracing perception of digital marketing, and commented that it is a trend that consumers are becoming accustomed to. However, it was also identified that the uptake of digital marketing is more prevalent in the younger generation, and consumers at times find it cumbersome of being inundated with digital markeing communications. It was also stated that the uptake of consumers engaging with a brand via mobile connections is on the increase.

Consumers are finding it easier to access digital marketing content and retail organisations are finding it benefical for creating awareness and engaging with the consumer. A retail organsation indicated that in this day and age, organisations have to be present in the digital space to stay relevant in the industry and connect with the consumer.

Table 10: Digital Marketing Campaign One

ADVERTISER	Retail Organisation
CAMPAIGN	Nike Running Sneaker
START	20 April 2016
END	5 May 2016

PLACEMENT	IMPRESSIONS	REACH	CLICKS	CLICKTHROUGH RATE	ENGAGEMENT	ENGAGEMENT RATE
FACEBOOK	982,065	693,408	24,156	2.46%	155,528	22.43%
TWITTER	138,496	138,496	1,864	1.35%	7,304	5.27%
INSTAGRAM	556,778	455,623	366	0.07%	61,043	13.40%
TOTAL	**982,065**	**693,408**	**26,386**	**2.69%**	**155,528**	**22.43%**

Table 11: Digital Marketing Campaign Two

Advertiser	Anonymous	
Campaign:	Nike Football Boot	
Period of campaign:	20 July - 25 August 2016	

PLACEMENT	Impressions	Clicks to Site	CTR%
SOCCER LADUMA DESKTOP	249,064	794	0.32%
SOCCER LADUMA MOBILE	381,881	1,898	0.50%
GOAL.COM DESKTOP	307,911	469	0.15%
GOAL.COM MOBILE	636,500	2,879	0.15%
PROGRAMMATIC DESKTOP	1,683,924	2,792	0.17%
PROGRAMMATIC MOBILE	1,404,385	2,712	0.19%
DISPLAY MEDIA	**4,663,665**	**11,544**	**0.25%**
FACEBOOK	3,933,129	13,828	0.35%
INSTAGRAM	400,113	846	0.21%
TWITTER	148,292	338	0.23%
SOCIAL MEDIA	**4,481,534**	**15,012**	**0.33%**
TOTAL	**9,145,199**	**26,556**	**0.29%**

Tables 10 and 11 provide statistics for two of the digital marketing campaigns run by Nike South Africa in 2016. In campaign one consumers viewed the advertisment 982,065 times, and the advert had a reach (consumer audience) of 693,048. In campaign two, consumers viewed the advetisement 9,145,199 times.

In campaign one the click through rate was 2.69% and in campaign two it was 0.29%. Campaign one also indicated am engagement rate of 22.43%. These statisitics further solidfy the insights derived from the interviews that consumers have an embracing perception of digital marketing, which is further discussed in Chapter 6 of this research study.

Figure 9: Social media marketing campaign one (Shesha Lifestyle, 2016)
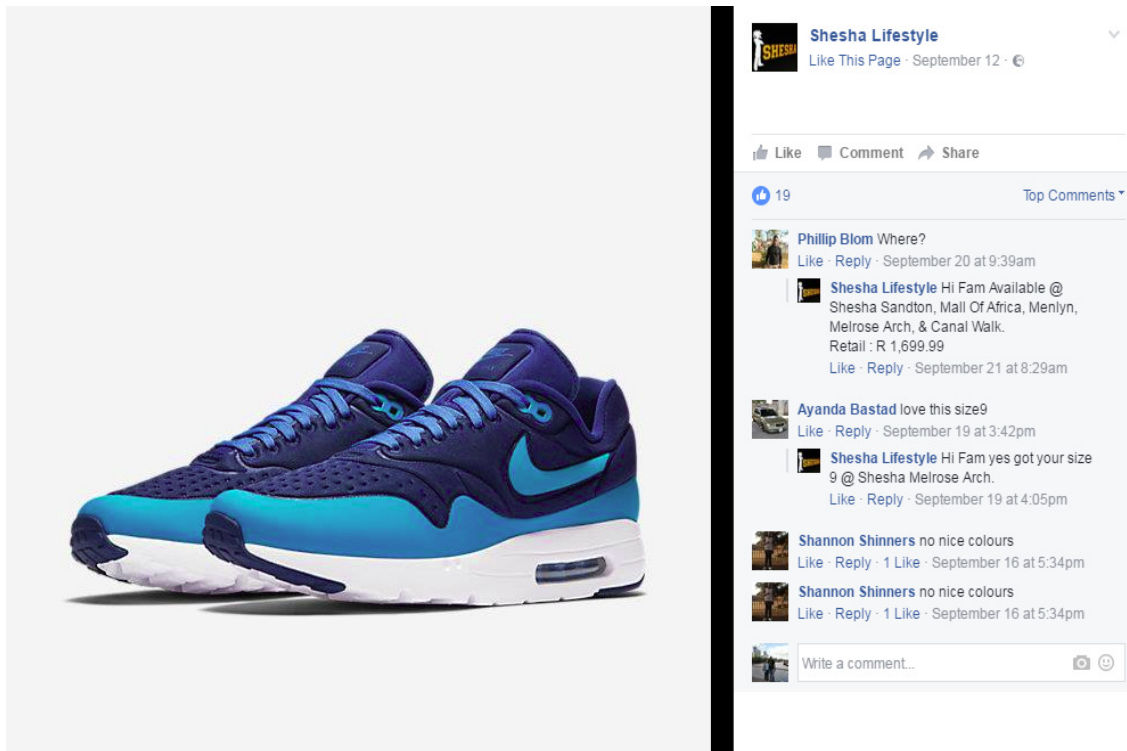
Figure 9 above illustrates a social media digital marketing campaign from an organisation interviewed for the study. The campaign illustrates that consumers do engage with digital marketing, which further indicates that consumers have an embracing perception of digital marketing. Seven more social media digital campaigns from different retail organisations are illustrated in Appendix E. Consumers are enagaging with social media campaigns through likes, comments and shares, however engagment with the various campaigns differs, with some being better than others. Overall, however, the perception of digital marketing by consumers is embraced and significant.

5.5.2 Digital marketing consumer characteristics

Figure 10: Consumer characteristics
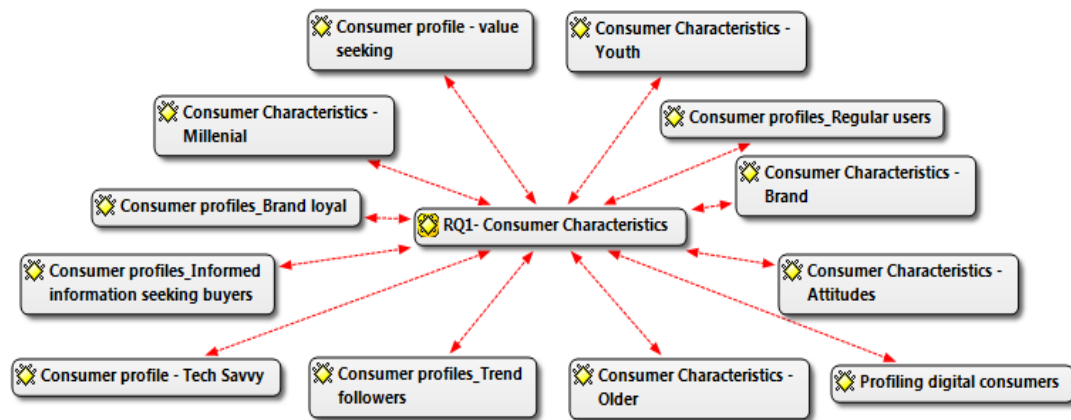
The second theme of reasearch question one was consumer characterisitics related to digital marketing. As indicated in Table 8, the analysis of the semi–strucutred interviews resulted in 83 quotations and 5,016 accumulative words. In the analysis, 12 codes were identfiied to provide insights into consumer characteristics as indicated in the network diagram in Figure 10 above. Quotations from these codes are illustrated below and discussed.

"So brand loyal meaning that if you are a Nike fan it's very difficult for you to intentionally like a product item from another brand if you know what I'm saying. Those are brand loyal customers, they will stay like that for the rest of their lives regardless of what the opposing brands offer they will like the same thing." (Owner, Organisation 1)

"I think over the years the Shesha consumer has become more "savvy" with technology and the majority of our consumers, their entire perception of all the products we sell is relevant to digital marketing, so essentially if you're not digitally savvy, your consumer is going to actually think you are backwards."

"They're generally very young, they love technology, so they generally have the latest and best smartphones, and they love all the apps and they love convenient shopping, so essentially they want to be able to access anything they want on their phones." (Owner, Organisation 2)

"I think, there's also like an inherent you know insight around the person considering a Nike product. You know, that they have X amount of disposable income, you know that they're potentially educated and I think, you know if anyone is even considering spending that amount of money on a product, you can assume certain things about them. You know, that they are kind of in the know, that they are educated, that they do have kind of X amount of financial wellbeing withstanding and I think when someone is making this type of product choice, they have to be highly involved in the decision making, because they're not going to make a decision on a whim."

"I think they're open-minded, so they-they're open to trying new solutions and channels. They probably quite liberal, they're self-expressive. So, everything's about, you know, how-how do people perceive me and how do I put my best self forward. So, it's all about expressing yourself and obviously social media fuels that expression. I think they're reversely passionate about, you know, things they believe in and, you know, you see a lot about kind of, I guess new term millennial specifically being quite focused on the quality and like core-related marketing and really tapping into that."

"Millennial market, who I probably think are the most-receptive and kind of acknowledging of digital marketing."

"On the older scale of things, the kind of digital immigrants. You know, potentially my parents, et cetera. They can be characterised as being quite untrusting of digital marketing. Quite sceptical but they admitting that, you know, it is a technic, like tech and digital is like a necessity in their lives." (Marketing Manager, Organisation 3)

"I would think that because one of the characteristics is that the consumer would be probably younger right, because they are a little bit more of tech savvy than an older consumer. That's definitely one of the characteristics." (Marketing Director, Organisation 4)

"So you know, so and basically as I said, that it's very easy for a customer to, who can go online and do a quick sort of, you know, they're always looking for the best deals and in terms of that they would go onto what's it Price Check and would type in a brand or if they have got the actual SKU, then they do a quick check." (Product Sourcing Manager, Organisation 6)

"Similarly you find that campaigns like you mentioned earlier on between Nike and Cristiano Ronaldo, you know those types of efforts really influence the purchase of a product, and you find that once you associate a brand like Nike with an athlete or a movie star, whatever the campaign idea may be, it then becomes an aspirational brand and consumers want to purchase that to be in the trend." (Project Manager, Organisation 7)

"So I think that with that younger person working, let's say 25 - 35, they are also influenced a fair amount by digital marketing. I would say the biggest catchment would be, I don't know, 12 to about 20, and then from about 25 to 35. You do get the, you know, the people who enjoy technical innovations, you do get a fair amount of customers from those type of people." (Merchandise Manager, Organisation 8)

"I mean if its celebrity endorsed, I mean their idols, their sporting…harder, in the sporting where it could be the Cristiano Ronaldos and Serena Williams, so you are, if you feel like that's your idol, you're going to be wanting to wear the same product they're wearing."

"And also we find that networking is very important to them, they are big on social occasions, at being at the right social occasions, they want to be at all of the events and the peer approval is very important to them." (Brand Manager, Organisation 10)

Quotations were used from eight out of the 10 organisations to illustrate the characteristics of consumers who engage with digital marketing. The insights of consumer characterisitics gained are as follows: the uptake of digital marketing is more significant in the younger generation than the older; they are millenials, technology savvy, want the latest technology, are brand loyal, follow trends and icons, are educated, open minded, liberal, expressive, social information seeking and love convenient shopping experiences.

Consumers who engage in digital marketing have a diverse set of characteristics, as indicated above. They enjoy the two way communication and engagement with digital markering initiatives. In the digital environment consumers are more connected with organisations and each other, and with that being social they are more vocal.

5.5.3 Digital marketing's influence on consumer behaviour

Figure 11: Consumer behaviour
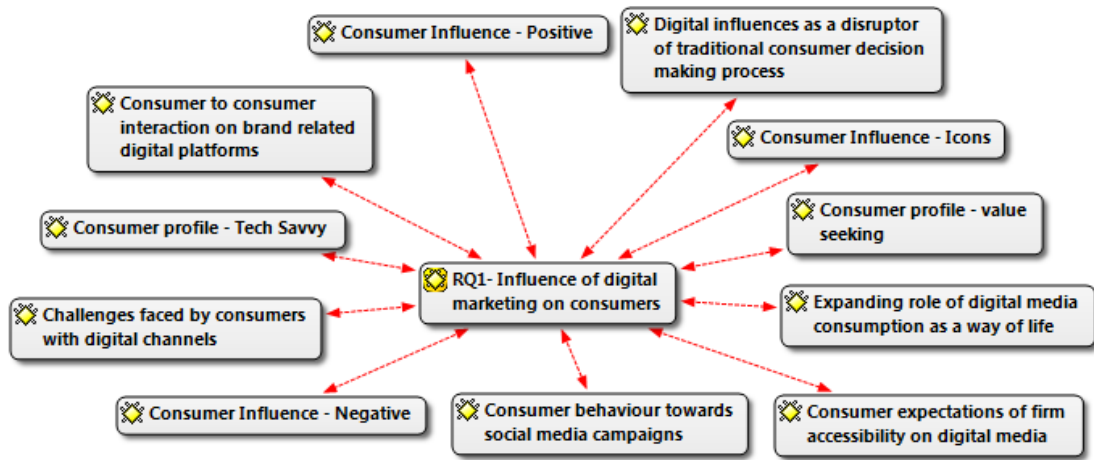
The last theme of research question one was digital marketing influence on consumer behaviour. As indicated in Table 8, the analysis of the semi–strucutred interviews resulted in 127 quotations and 7,685 accumulative words. In the analysis, 11 codes were identfied to provide insights into consumer behaviour as indicated in the network diagram in Figure 11 above. Quotations from these codes are illustrated in Table 12 below and discussed.

Table 12: Digital marketing influence on consumer behaviour

Organisation	Quotes describing digital marketing influence on consumer behaviour
Organisation 3	"One the one hand, you know, as Superbalist we-we speak to a very millennial consumer and audience, who probably find the term, you know, "digital marketing" quite irrelevant, it's frankly, you know, almost obsolete because digital consume everything that they do. And I think, for me, you know, if we putting into the academic kind of sense, yes, it is a trend but we are talking about our customer and how they consume media and specifically products and brands, I think it's not, it's part of what they do, it is who they are."
Organisation 5	"Yeah I think to answer that question, I think consumers connect to the various digital marketing platforms to be sure, to be kept abreast of the latest products. They perceive digital marketing to be the latest and quickest updates so they have an expectation that we would have the correct info and are available to advise them on Nike products online."
Organisation 6	"Yeah so it's also obviously hugely, because you know, we obviously want the customer to come you know back, so yeah we actually talking about, well we saying, we call it the 'last mile.' So what's the last mile is, that the customer get her goods, she's actually happy and then she goes

	onto one of our social platforms and she actually tells, she tells the rest of the world, that we're great, so the last mile is part of 360, making her actually, you know, happy and if she is happy, she comes back. "
Organisation 7	" Yes you know what absolutely. I think comparative websites as well as various digital marketing campaigns will, will certainly influence and assist the consumer in the purchase. Consumers value the opinions of friends and review boards prior to making a purchase and digital marketing definitely ties into this."
Organisation 9	"Consumers today very much live in the now and your mobile phone is the first place you go to search when making a decision. A change that has happened on consumer behaviour online in the last, call it 3 years, is that it immediate access to information. So we did touch in the briefly but if you were sitting by a or you stand post about to buy shoes and you can do that research online, it might be closing the deal there and then at the shop, rather than the customer going home and doing the research. So there's a lot more immediacy to digital marketing than there was in the past in terms of helping influence that decision."
Organisation 10	"Technology has kind of shrunk the world, so I think our youth are exposed to so many different cultures and development and so it's a new style, our tenants dropped, be it in New York or London, the perception is that they want to know about it first, where it happens and they also want to have that product available here in South Africa as well."

Quotations were used from six out of the 10 organisations to illustrate digital marketing's influence on consumer behaviour. The digital space has influenced consumers in the sense that it has now become a way of life and consumers have become deeply entrenched in the digital environment.

The majority of the respondents interviewed commented that the digital space provides consumers with a new source of information, that they turn to digital to keep relevant with regards to information, to follow global trends, they embark on online research to get the latest updates, that their decisions are infuenced by the digital social space, and that they are very interactive in the social digital enviroment. Their behaviour has moved to incorporate the digital trend and the uptake of consumers on digital marketing is on the increase.

5.5.4 Digital marketing impact on consumer behaviour - results summary

The analysis of the results from research question one aimed to illustrate consumers' perceptions of digital marketing, the characteristics of consumers that embrace digital marketing, and how digital marketing influences their behaviour. In summary, consumers have a diverse set of characteristics, have an embracing perception of digital marketing,

and digital marketing has an influence on their behaviour. The section that follows discusses the results for research question two.

5.6 Understanding the impact of digital marketing on Nike South Africa's retailers' marketing strategies

Table 13: Research Question Two: quotations and accumulative words

RESEARCH QUESTION	QUOTATIONS	ACCUMULATIVE WORDS
RQ2 - Retailer use of digital	96	6223
RQ2 - Retailer own digital initiative	170	9608
RQ2 - Leverage of Nike campaigns	66	3904
TOTAL RQ2	332	19735
GRAND TOTAL %	31.35%	29.94%

This next section illustrates the insights gleaned for the second research question from the analysis performed. The key themes that emerged around digital marketing and retail organisations' strategies were the retailers' use of digital marketing, the retailers' own digital initiatives, and the leveraging of Nike's campaigns. As Table 13 above indicates, these themes gathered a total of 332 quotations and 19,735 accumulative words. This equated to 31.35% and 29.94% of the quotations and accumulative words for the overall themes derived in Atlas.ti. The analysis provided key insights into the second research question, which are segmented into the three themes indicated below.

5.6.1 Retail organisations' digital marketing channels

Figure 12: Digital marketing channels
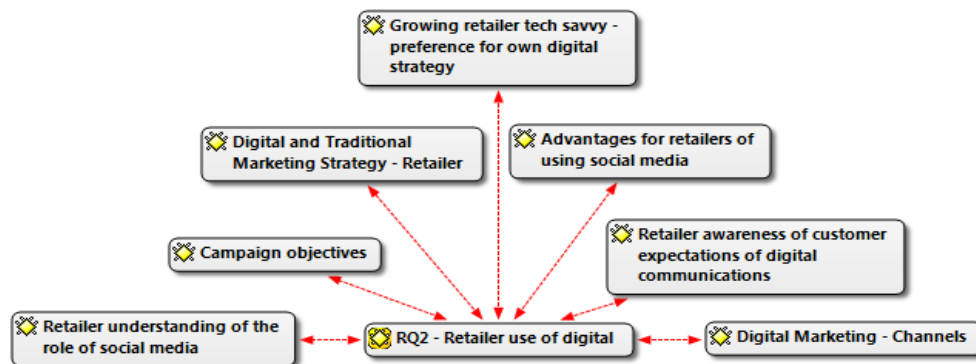
The first theme of research question two was the digital channels used for marketing by the retail organisations interviewed. As indicated in Table 13, the analysis of the semi–structured interviews resulted in 96 quotations and 6,223 accumulative words. In the analysis, seven codes were identified to provide insights into consumer retailers' use of digital marketing channels, as indiated in the network diagram in Figure 12 above.

Figure 13: Retail organisations' digital marketing channels
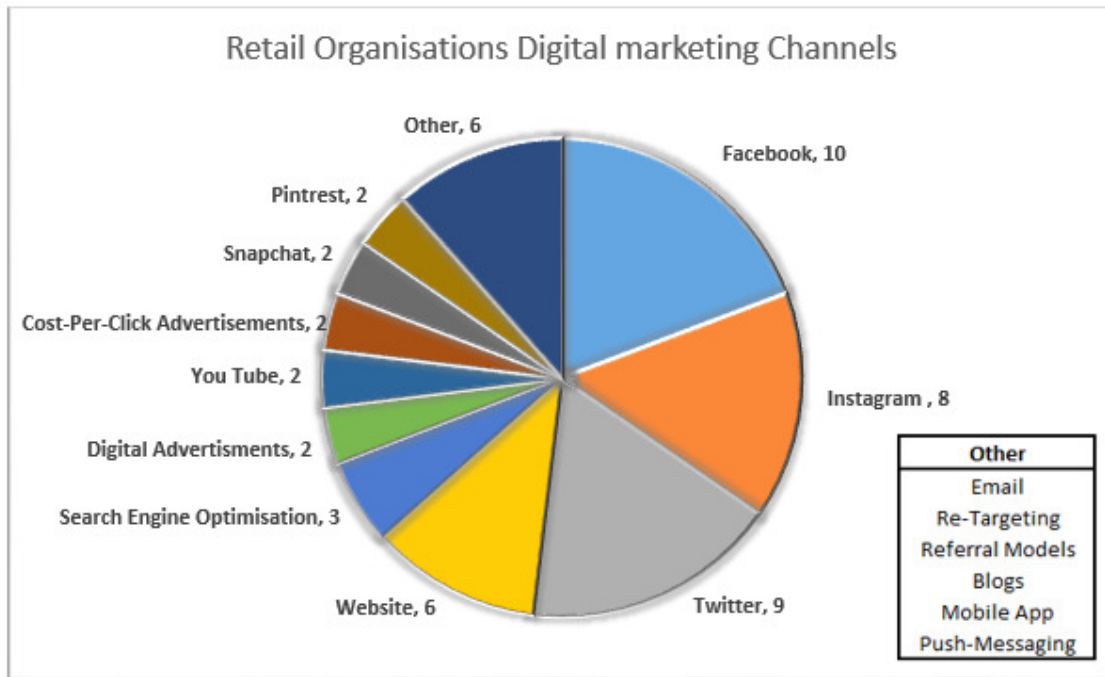
Figure 13 above indicates the digital marketing channels utilised by retail organisations interviewed. Respondents across the 10 organisations indicated that they are on multiple digital platforms for their marketing initiatives.

As illustrated, these organisations are present across multiple platforms, with channels such as Facebook, Instagram, Twitter and their own websites being more prevalent than the remaining channels.

Social media channels such as Facebook, Instagram and Twitter are the preferred choice on which to run digital marketing initiatives. As indicated in research question one, consumers love the social aspect of the digital space, thus these channels are relevant for organisations to reach out to consumers.

5.6.2 Retail organisations' digital marketing strategies

Figure 14: Retail organisations' marketing strategies
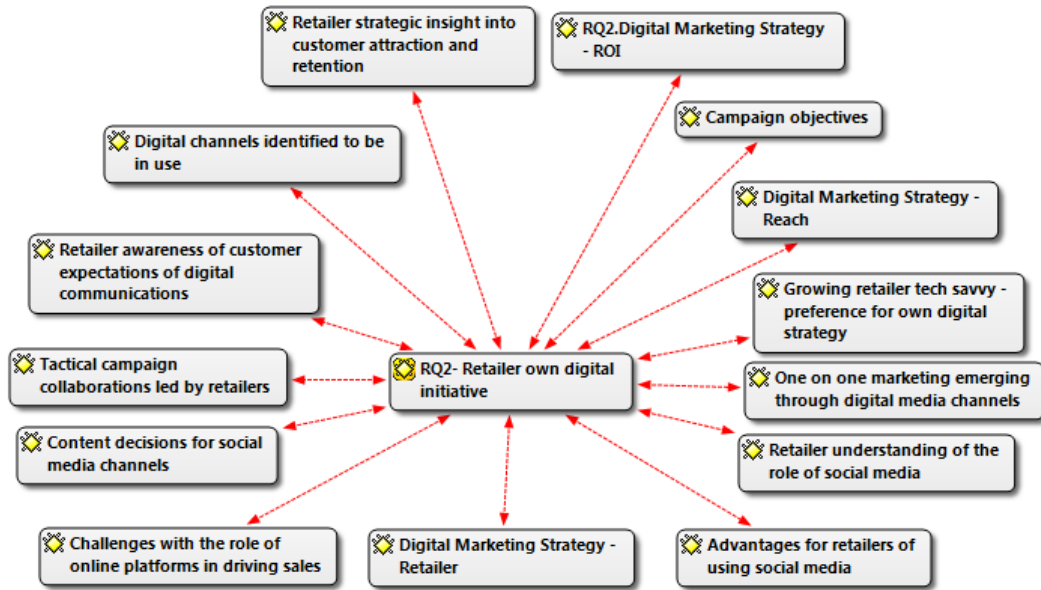
The second theme of research question two was retail organisations' digital marketing strategies. As indicated in Table 13, the analysis of the semi–structured interviews resulted in 170 quotations and 9,608 accumulative words. In the analysis, 14 codes were identified to provide insights into consumer behaviour, as indiated in the network diagram in Figure 14 above. Quotations from these codes are illustrated below and discussed.

"It has the best impact for us. It costs the least amount of money and also from a point of view of getting the message directly to your consumer, you get it in the fastest possible time. So if we do an Instagram post now, which we will do one off to a thousand people, it gets to those thousand people almost instantaneously. And it, I don't know if I can use the word direct marketing, but we are literally marketing to the people who are our consumers." (Owner, Organisation 1)

"Everything is through digital we find digital to be the most cost effective marketing strategy we can adopt and we find that the money we spend for digital and the return we get, there is no other marketing platform that will give us the same returns."

"So that is why we have to make sure that on our digital platforms, we actually provide the full presentation of all the different categories so we can service the needs of all the different customers on our digital platform."

"It definitely does, especially, and I will give you an example, we might sell a "Nike Pack", so for example it will be a "Life Style Pack", or three different types of sneakers. We might find in store, we might find that this sneaker, that the sales we are achieving is very slow, so what we will do is, we will say we need to create more awareness around the sneaker, create more desirability, and we'll actually do a big digital marketing launch on one of our social media platforms." (Owner, Organisation 2)

"So, we definitely do both. I think our marketing strategy however started with digital. So, we really do kind of start from the ground up and the reason we do this, is because digital allows us to promote accurately forecast what the…, based on like our-our activity, what we can expect from it. So, the most driven ROI channel. And, we start there because we know if we spend X amount of money on Google search, it can bring us X amount of traffic. So, we know really what-what we spend we can buy and based on those conversion rates, we can forecast the number of orders we expect from our digital channels." (Marketing Manager, Organisation 3)

"We will have like for example if we're printing posters for the stores or something for the windows for the brick and mortar stores, we will do a take down. We'll have the digital outlook posted at the same time, on social media and stuff." (Marketing Director, Organisation 4)

"So as the digital marketing area grows, it increased, there is an increase need for retailers to come up with engaging material and fresh ideas to entice the consumer and show them that they are different to the other organisations. Consumers are spoilt for choice in the digital marketing environment, so it gives them freedom to decide who they choose to engage with." (Merchandising Director, Organisation 5)

"Okay so I think you know in terms of that I just want to be quite clear is that we, we market on different, marketing channels so we're actually marketing on the social, we also marketing on our own, plus we've just launched an app, so I think in terms of that, we actually send a newsletter every single day to our entire database. To the ladies, we're sending them every day, to the men we're sending them twice a week."

"We actually changed our tone to whatever the channel we actually use, we've got a tone that we use on you know Facebook, versus we've got a tone that we use on you know Instagram" (Product Sourcing Manager, Organisation 6)

"Yes absolutely, from an Edcon perspective, you know, we see digital marketing as a form of engaging with our consumers and therefore is its priority in our marketing initiatives. So mediums such as Facebook, Twitter and Instagram are used by Edcon to ensure consumers are kept up to speed with new and various store offers, as well as special campaigns and fashion trends." (Project Manager, Organisation 7)

"So at the moment it's still very much paper based, in terms of our marketing strategy and our ability to target our consumer, but what we are doing is supporting, every print campaign, we are supporting it on-line, digitally to establish that space, and then effectively, we're also using social media types, the likes of Facebook and Twitter to target specifically specific groups whether it be specific geographic areas or specific interest group that we've started to build up a database with." (Merchandise Manager, Organisation 8)

"So once the customer has been to that site, we know then, we then watch what they do on site, if they land up looking at specific shoes, we then find other forms of digital marketing to actually start reinforcing that message. So if they have been on a specific product page, we might do things like re-marketing where we chase them all over the internet with the product they've looked at, if they signed up to our newsletter, we might note down the fact that they signed up to our newsletter and were looking at a Nike product and therefore try and push it their way. So, at different points in their decision making process, we're using different forms of digital marketing to try engage them."

"So we, we are very IRR focused and you can measure that exact IRR from digital therefore most of our spend goes there, but we need to engage with consumers who are not online and we should get them online, that's when we start looking at traditional media." (Marketing Manager, Organisation 9)

"At Totalsports, we work on a 360° marketing approach, so everything, every touchpoint will have the same message, so whether it's a Nike, for example Nike or, if it's a Nike campaign in our window, then we will talk about it on our digital platforms, in our media, on E-com, so we try to touch every point on our 360° marketing strategies."

"I'm going to say that digital marketing for us is certainly about creating awareness, you know, if your consumer isn't aware that a product is out there, they're not going to go and purchase it." (Brand Manager, Organisation 10)

Quotations were retrieved from all 10 organisations to illustrate their digital marketing strategies. As illustrated, all the organisations interviewed implement marketing initiatives on a digital platform. The majority of the respondants stated that their organisations are more prevalent in the digital marketing space compared with traditional marketing. They do try to align their messages sent out through the digital and traditional marketing channels so that the consumer receives one message.

The respondents indicated that digital marketing strategies create consumer awareness for their organisations' products; they have a high impact due to the large number of consumers that can be reached; they are low cost and provide a good return on investment; they provide them with the abililty to forecast sales orders; they have the ability to display a wider product range due to the digital capabilities; they enable the organisations to quickly adapt their marketing initiatives to keep up with the recent trends; they enable the organisation to provide engaging content and have different marketing communication tones across the different digital channels; they can have marketing campaigns to target specific consumers; and they have the ability to develop digital marketing materials to re-target their exisiting consumer base.

From the semi–structured interviews conducted it became evident that retail organisations understand the influence of the digital marketing environment and are incorporating digital marketing initiatives into their overall marketing strategies.

5.6.3 Retail organisations' leveraging of Nike's digital marketing

Figure 15: Retail organisations' leveraging of Nike's digital marketing
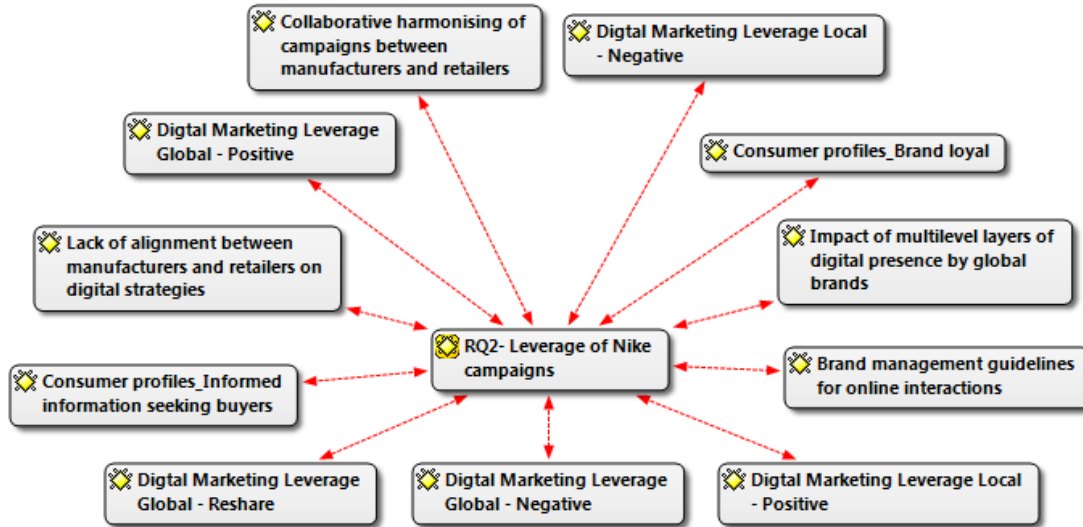
The last theme of research question two was retail organisations' leveraging of Nike's digital marketing. As indicated in Table 13, the analysis of the semi–structured interviews resulted in 66 quotations and 3,904 accumulative words. In the analysis, 11 codes were identfied to provide insights into consumer behaviour as indiated in the network diagram above. Quotations from these codes are illustrated in Table 14 below and discussed.

Table 14: Retail organisations' leveraging of Nike's marketing: quotations

Organisation	Quotes describing retail organisations' leveraging of Nike's marketing
Organisation 2	"I think Nike South Africa, what we have seen is most of their marketing is relevant to their core business which is running. Given that our business is very specialised, we generally don't find that Nike South Africa per se does marketing campaigns which is specifically relevant to the product we lead with." "Correct, so on a lot of launch products, which is not really performance based, so for example you might have "Jordan Retro" products, we will always tie into Jo'burg's marketing strategies, for example global will run global campaign such as "Air Max". We will always tie into their global marketing digital launch interest."

Organisation 3	"And, I think where I started with really was like the global content that Nike puts out. So, we absolutely leverage these types of launches and kind of global activity that Nike produces. Where possible we also like to take digital content that's been created by Nike and working Nike's objective around the brand we like to put our own Superbalist stamp on it. So, what this means is technically, you know, we happy to kind of repost and resend out Nike content, digital content."
Organisation 5	"So we would like it in the Nike marketing department should work closer with us in terms of informing us of a campaign or imagery or key products at the moment there is no collaboration. There is also quite strict guidelines in terms of our trading, in terms of with Nike there's a lot of red tape in terms of marketing on the online sector of digital marketing."
Organisation 6	"Yes, absolutely, you know what we try and do, we are trying to ensure that, that the marketing calendars are in line. So we do try, yes. It's very hard because we all working on different, what's the timelines and but yeah, you know, we are obviously trying."
Organisation 8	"So I would suggest if we think that we could, we would and by that I mean, if there is a, if it makes commercial sense and the alignment of the brand, that we could connect by way say for instance on Nike's website to have a kind of click-through to Game or vice versa, I think absolutely we would be open to it. I would probably; I would probably suggest Nike would be less open to it that what we are open to it."
Organisation 9	"We sell Nike, and if I'm completely blunt and honest with you, Nike digital is extremely weak and we build most of our own marketing around Nike and ourselves, so it's about the fact that were leveraging your brand name, very little of the online marketing done by Nike is of any use to us in terms of supporting our needs."
Organisation 10	"Yeah we're always trying to align ourselves with the Nike campaign. So if Nike, for example, is launching in October, then the window campaigns would be a Nike Global campaign. Also the content from Nike for our digital platform and those will put digital spend behind that, as well as if possible we will try to push the product in traditional media." "Where we can we try having the same messages Nike talking about on their, on their platform, we would ask for content from Nike, they can't, or they do not always provide, but where they can they do provide content plan, so we will follow that Nike content plan"

Quotations were used from seven out of 10 organisations to illustrate the leveraging of retail organisations on Nike's digital marketing. The question regarding Nike's marketing leverage was twofold - first it was leveraging Nike South Africa's digital marketing, and second it was leveraging Nike Inc.'s marketing.

The insights from the respondents were mixed, but the majority of the respondents do not leverage Nike South Africa's digital marketing as Nike South Africa focuses on specific categories of products and not all retail organisations have access to these products.

More of the respondents leverage Nike Inc.'s digital marketing and the brand awareness that is created. They incorporate these digital marketing initiatives into their marketing strategies, and in doing so, utilise content that is created to raise awareness about Nike products - especially those that they have available in their retail outlets. They utilise Nike's digital marketing content by feeding in and sharing campaigns onto their digital marketing channels, especially in social media. To further illustrate, Tables 10 and 11 above include statistics from digital marketing initiatives implemented by Nike South Africa in partnership with their retail customers.

The organisations interviewed would generally like to work closer with Nike South Africa on digital marketing initiatives, however Organisation 9 in particular was indifferent and would prefer to create its own digital marketing campaigns.

5.6.4 Digital marketing impact on retail organisations' marketing strategies - results summary

The analysis of the results from research question two aimed to illustrate the digital marketing channels of retail organisations, as well as to provide insights into their digital marketing strategies and their leveraging of Nike Inc.'s and Nike South Africa's digital marketing. In summary, retail organisations in South Africa are present across a broad range of digital marketing channels; they view digital marketing as an important component of their marketing strategies; and lastly they leverage Nike Inc.'s digital marketing and would like to partner with Nike South Africa to implement digital marketing initiatives. The section to follow discusses the analysis of the results for research question three.

5.7 Understanding the impact of digital marketing on consumer decision making on Nike products in South Africa

Table 15: Research Question Three: Quotations and accumulative words

RESEARCH QUESTION	QUOTATIONS	ACCUMULATIVE WORDS
RQ3 - Consumer use of Nike's digital marketing	64	4211
RQ3 - Digital influences on consumer choice	131	8436
RQ3 - Evolving consumer behaviour towards digital marketing	133	8792
RQ3 - Evolving trends in digital marketing activities	136	8227
TOTAL RQ3	464	29666
GRAND TOTAL %	43.81%	45.01%

53

This last section illustrates insights derived for the third research question from the analysis performed. The key themes around digital marketing and consumer decision making that emerged were consumers' use of Nike's digital marketing, digital influences on consumer choice, evolving consumer behaviour towards digital marketing, and evolving trends in digital marketing activities. As Table 15 above indicates, these themes gathered a total of 464 quotations and 29,666 accumulative words. This equates to 43.81% and 45.01% of the quotations and accumulative words for the overall themes derived in Atlas.ti. The analysis provided critical insights into the third research question which was the key area of the research study, which are segmented into four areas indicated below.

5.7.1 Use of digital marketing to identify Nike product needs

Figure 16: Use of digital marketing for Nike product needs
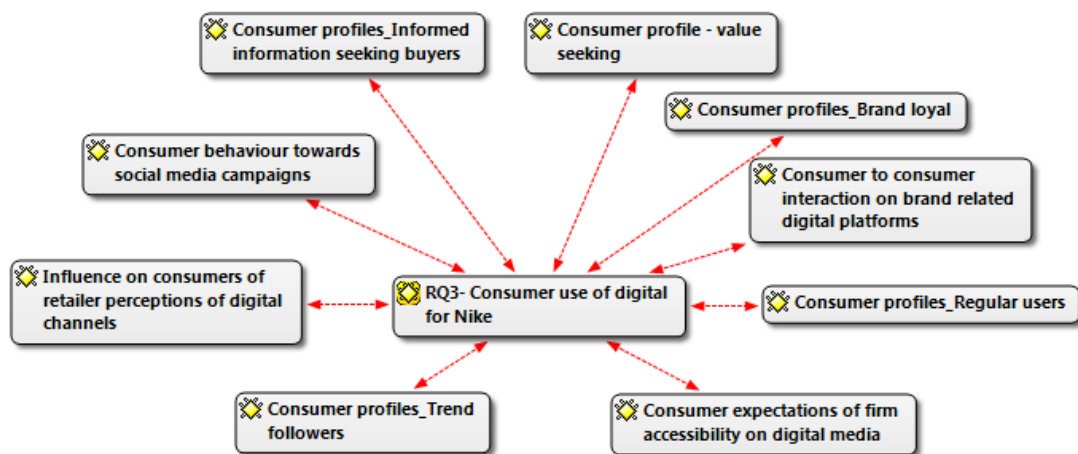
The first theme of research question three was the use of digital marketing to identify Nike product needs. As indicated in Table 15, the analysis of the semi–structured interviews resulted in 64 quotations and 4,211 accumulative words. This theme dealt with the aspect of problem recognition, which is the first step in the consumer decision making cycle. In the analysis, nine codes were identified to provide insights into the theme, as indicated in the network diagram in Figure 16 above. Quotations from these codes are illustrated in Table 16 below and discussed.

Table 16: Consumer use of digital marketing to identify product needs

Organisation	Quotations describing consumer digital marketing use to identify product needs
Organisation 1	"So, technically what they will do is contact us via social media first on the page, on the picture and then ask questions; have you got this, have you got that, I'm coming in. So we respond with a yes we've got it, which store do you want us to keep it at? And then they'll say okay we are coming to the store in Linksfield and we'll keep the item there and then they'll come and pick it up."
Organisation 2	"Definitely, definitely. We have a lot of instances in our store where customers will actually walk into our store and say "I have seen this product on your Facebook, where is it?" "We have also got a lot of people on our digital platform who will actually message us and say 'I love this product, do you have this size, if you do, please confirm I will be at your Sandton store tonight to pick it up'."
Organisation 3	"If they are speaking of a solution, digital marketing absolutely influences the need or want that they answer. I mean, like for example, they're looking for something highly technical, you know, they're going to be using digital marketing source to find out as much information as they can. And, whatever digital marketing provides in the form of an answer, that will influence what they choose. So, I think you know, it also definitely influence like a desire, as well, you know, absolutely because if I'm seeing kind of my favourite celebrity online kind of talking about this new dropped sneaker, it's absolutely going to fuel my want or desire for that product."
Organisation 4	"They will, they've got the picture or there's the image of a shoe on their phone and there was a parent who would come in and ask you for specifically for that particular product."
Organisation 7	"Similarly you find that campaigns like you mentioned earlier on between Nike and Cristiano Ronaldo, you know those types of efforts really influence the purchase of a product, and you find that once you associate a brand like Nike with an athlete or a movie star, whatever the campaign idea may be, it then becomes an aspirational brand and consumers want to purchase that to be in the trend."
Organisation 10	"But yes if they see Nike, they see Nike as a premium brand, so if Nike launch, say for example the SRT, the latest launch, then they want that, or the latest CR7 that Ronaldo's wearing, yes they want it, they do inspire to it. So more often than not, they see that collateral in the digital space and we have the same product in our stores so yeah, they see that and they do want it."

Quotations were used from six out of the 10 organisations to illustrate the use of digital marketing to identify product needs. All 10 respondents provided the insight that digital marketing does trigger a product need for the consumer.

In the semi-structured interview process, the respondents highlighted that digital marketing has an influence on consumers to identify a product need. As per the above, Organisations

1, 2 and 4 stated that they have experienced instances when a consumer has come to their outlet asking for product they had seen online.

Organisations 3, 7 and 10 added that when digital marketing is corroborated by icons and celebrities, it is viewed positively by the consumer and has an influence in triggering a need for the product.

The social media marketing campaigns illustrated in Figure 9 and Appendix E are instances when digital marketing influenced a product need for a consumer. With reference to digital marketing campaign five in Appendix E, consumers were querying as to where they could purchase the product that was digitally marketed on social media.

5.7.2 Digital marketing influence on consumer choice

Figure 17: Digital marketing influence on consumer choice
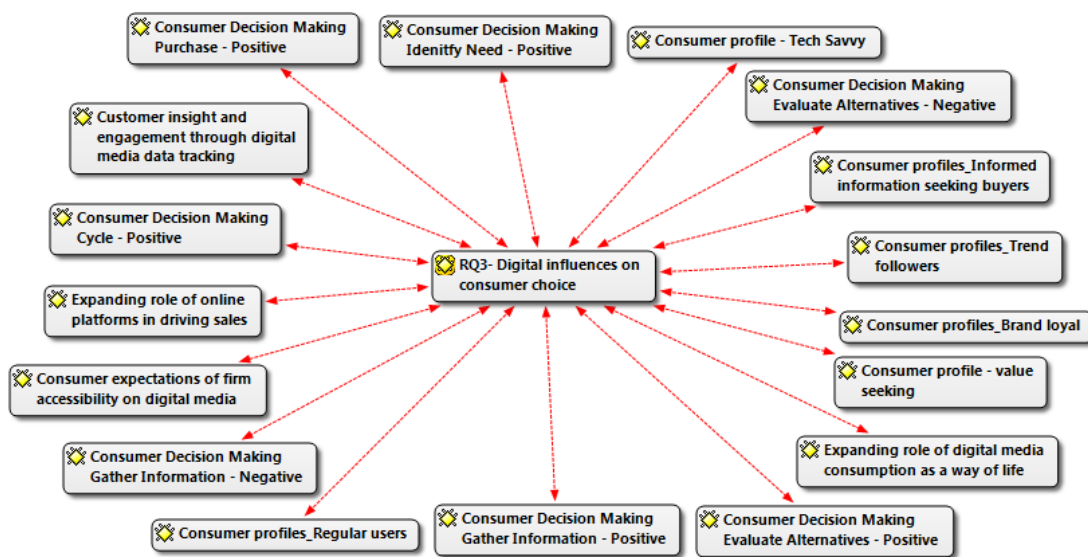
The second theme of research question three was digital marketing influence on consumer choice. As indicated in Table 15, the analysis of the semi–structured interviews resulted in 131 quotations and 8,436 accumulative words. The theme identified dealt with the aspects of information search and evaluation of alternatives, which are the second and third steps in the consumer decision making cycle respectively. In the analysis, 17 codes were identified to provide insights into the theme as indicated in the network diagram in Figure 17 above. Quotations from these codes are illustrated below and discussed. The first

aspect in the discussion will be information gathering, followed by an evaluation of the alternatives.

"Generally speaking our consumer is very loyal to a specific category of lifestyle products. So for example if a customer is an "Air Max" fanatic, they only buy "Air Max", if a customer is an "Air Force" fanatic they only buy "Air Force", so we will always see those customers requesting more and more information about that category of products." (Owner, Organisation 2)

"It's got to be sought out, it's got to be researched, it's got to be really interrogated and evaluated because if I'm going to spend this much money, it's kind of an investment. I think, you know, sneaker-heads have popped up and they're the ones, absolutely, kind of weigh out whether the colourway is right, whether the technical specs actually answer what they are looking for and you know this user is invested in the detail and they're going to use digital marketing to make that decision." (Marketing Manager, Organisation 3)

"I think consumers connect to the various digital marketing platforms to be sure, to be kept abreast of the latest products. They perceive digital marketing to be the latest and quickest updates so they have an expectation that we would have the correct info and are available to advise them on Nike products online." (Merchandising Director, Organisation 5)

"There will be a lot of research around it, especially when it comes to, you know, when it comes to lifestyle products, where its latest Air Jordan. That is fashion and trend. But when it comes to running footwear or football boots or performance products. I mean our customers, they are tech savvy, they are going to be research on the latest footwear." (Brand Manager, Organisation 10)

Quotations were used from four of the 10 organisations to illustrate the information search aspect regarding digital marketing influence on consumer choice. All 10 of the respondents indicated that digital marketing has an influence on the consumer to gather information about products.

The insights found that consumers gather information but are influenced by their product choice, i.e. if a consumer likes a specific category of a Nike sneaker, they will not research the different categories of Nike but rather gather information on the different products within a specific category. This was evident in the quotations above from Organisations 2 and 10.

Consumers gather information as they see the purchase of a product as an investment and do not want to make the wrong decision. Consumers believe that gathering information from the digital space will provide them with the most up-to-date information.

The social media marketing campaigns illustrated in Figure 9 and Appendix E are instances when consumers utilised digital marketing to gather information about a product. With reference to digital marketing campaign two in Appendix E, the consumers were asking information about the price of a product that was digitally marketed on social media.

The below section includes quotes retrieved from seven out of the 10 organisations to illustrate the evaluation of alternatives aspect in the consumer decision making cycle.

"So brand loyal meaning that if you are a Nike fan it's very difficult for you to intentionally like a product item from another brand if you know what I'm saying. Those are brand loyal customers, they will stay like that for the rest of their lives regardless of what the opposing brands offer they will like the same thing." (Owner, Organisation 1)

"Definitely, especially because the product we sell, Nike will always launch their latest lifestyle styles and trends to Shesha, and our digital marketing platform definitely gives the customer an opportunity to evaluate the different options and alternatives on the latest releases from Nike." (Owner, Organisation 2)

"And if you finding someone who's weighing out pros and cons and doing their research for comparing, the idea of something brand new, is, it really doesn't get better than that. If, there's a brand new version of something or there's a brand new product or something like that, that-that, digital marketing is what, is driving on that passion point or need." (Marketing Manager, Organisation 3)

"Yeah so I would think that perception is definitely there, a guy will definitely weigh up, you know, looking at the digital marketing, let as say A6, with Puma, with Adidas in terms of running versus what Nike's got and then they make their decision." (Marketing Director, Organisation 4)

"I think they will look at it when they get to the store, I think people like to shop and touch and feel but I think they come in there with their mind kind of made up on what they want to buy; on the look and feel and what they've been presented with online. So I have no

58

doubt that they will consider the other options when they get to the store but they generally buy what they came in for, generally." (Merchandising Director, Organisation 5)

"So you know, so and basically as I said, that it's very easy for a customer to, who can go online and do a quick sort of, you know, they're always looking for the best deals and in terms of that they would go onto what's it Price Check and would type in a brand or if they have got the actual SKU, then they do a quick check." (Product Sourcing Manager, Organisation 6)

"So, in evaluating alternative choices, they would be doing it to compare prices across three different South Africa retailers online so for the same pair of shoes, and at the same time if they were on our website they might be a comparative to Adidas or another brand for making their decision sort of thing." (Marketing Manager, Organisation 9)

The majority of the respondents indicated that digital marketing has an influence on consumers to evaluate product choices across different brands once a need is identified. References were made to consumers comparing prices of products and comparing products within the different competing organisations.

However Organisation 1 indicated that consumers are brand loyal and the evaluation of products amongst different brands is limited, while Organisation 5 indicated that consumers evalaute products in-store, but have already identified the product they intend on purchasing before coming in.

5.7.3 Evolving consumer behaviour towards digital marketing

Figure 18: Evolving consumer behaviour towards digital marketing
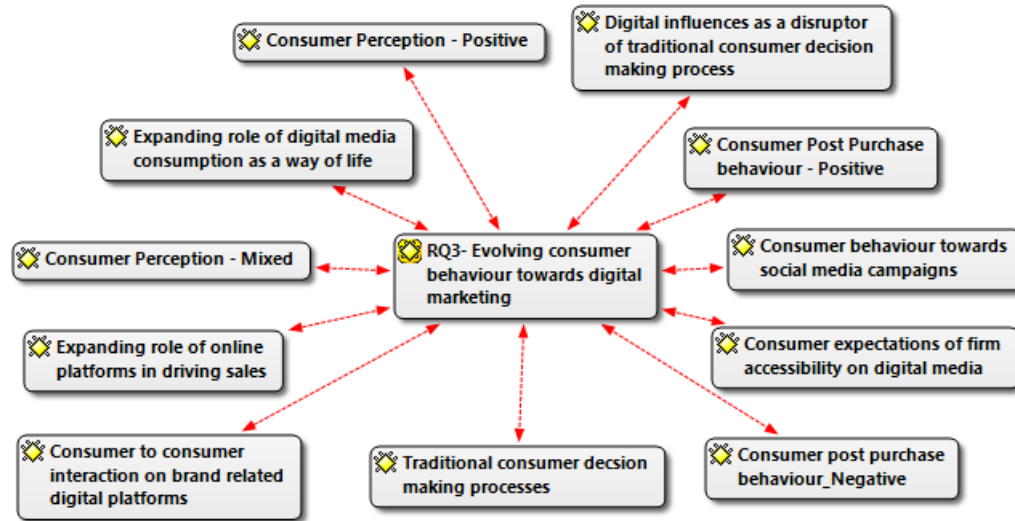
The third theme of research question three was evolving consumer behaviour towards digital marketing. As indicated in Table 15, the analysis of the semi–structured interviews resulted in 133 quotations and 8,792 accumulative words. The theme identified deals with the the last two aspects of the consumer decision making cycle, namely purchase decision and post purchase behaviour. In the analysis, 11 codes were identified to provide insights into the theme as indicated in the network diagram in Figure 18 above. Quotations from these codes are illustrated below and discussed.

Quotations indicated below were used from five of the 10 organisations to illustrate the purchasing decision aspect in the consumer decision making cycle.

"So they won't initially come in and say I've seen it on social media because they would open up the conversation already on the social media page. And all they need to do is consult when they come in and say 'listen, I asked you to keep a pair of shoes can I fit them on?' and 'I'm happy, I'll purchase them now." (Owner, Organisation 1)

"We believe it is the biggest influence in our business. So even though we're in the super regional shopping centres, where we have got hundreds of thousands of people walking past our doors every day, we still find that digital marketing is our biggest influence in increasing our turnover, and that is why all our efforts in terms of marketing Shesha and

60

marketing the product itself, is through our digital marketing platform." (Owner, Organisation 2)

"The digital space is very, such a powerful tool that influences basically the spending habits of the customers. So it's also important that it can also lead to future sales by showing off Nike products and the organisation and the consumer to see what Nike is about and where they want to go and buy their shoes." (Merchandising Director, Organisation 5)

"We need to actually market in order to get our sales and I think it's very, it's probably very sort of important on the digital side because you need to converse, so the only way that you can get actually do that, is to actually market the actual site and then they will then click, click through and then we convert it into sales." (Product Sourcing Manager, Organisation 6)

"You know you find that more and more users of mobile devices are actually not within a specific bracket and you know, it's not where once the norm would be a university student has a mobile phone and is making purchases now, so I think that even, even users of mobile phones in schools are being influenced by digital marketing campaigns, and hence fall into that consumer bracket of actually making a purchase based on a digital marketing campaign." (Project Manager, Organisation 7)

All the respondents who participated provided the insight that digital marketing is important in influencing the consumer to purchase a product. As the consumer goes through the decision making cycle, digital marketing plays a role in leading them to purchase products.

The respondent from Organisation 2 indicated that digital marketing is the biggest influence in increasing their sales, which was corroborated by the respondent from Organisation 5, who commented that digital marketing influences the spending habits of consumers and can lead to future sales. Organisation 6 also referenced online sales conversions, whereby a digital advertisement is posted and consumers click through to the organisation's website, where they purchase the product online.

Table 17: Digital Marketing Campaign One: Sales conversion rates

Sneaker Category	Visitors	Conversion	Conversion Rate
Men's Running Sneaker F	1118	121	11%
Men's Running Sneaker FF	180	38	21%
Total Men's Running Sneaker	*1298*	*159*	*12%*
Women's Running Sneaker F	681	125	18%
Women's Running Sneaker FF	223	42	19%
Total Women's Running Sneaker	*904*	*167*	*18%*
Total Running Sneaker	2202	326	15%

The digital marketing campaign in Table 10 was a Nike South Africa marketing initiative in partnership with one of their retail organisations, whereby consumers could click through the advertisment and buy the product advertised. Table 17 above indicates the conversion rate into sales from the digital marketing campaign, which resulted in a total conversion rate of 15%. The conversion rate percentage is further discussed in Chapter 6 of the research study.

The below section includes quotes used from five of the 10 organisations to illustrate the post purchase behaviour aspect of the consumer decision making cycle.

"We do see a lot of customers posting pictures of the sneaker they bought, of them wearing it, because it is seen as almost a status symbol, if we have got a very limited release of a certain sneaker, and if a customer manages to get their hands on it after they seen it in our stores, they very proud to actually post a picture of themselves wearing it, and we have seen a lot of that because it shows a customer's status, because they managed to get a limited edition pair of sneakers from Shesha." (Owner, Organisation 2)

"And, it influences everything that we as a brand do and the relationship we create post the checkout. I also think we look at, a massive opportunity offered to customer service. So, we use something called "net promotive score", and this allows us to have a touch point to get feedback from the customers. So, what did we do right? What did we do wrong? And it essentially comes down to one question, would you refer us based on your experience." (Marketing Manager, Organisation 3)

"So post-purchase behaviour will definitely, the guy will now expose what he actually settled on, what he has actually purchased. So I think it's quite important because if the

guys an influential person, before it used to be word of mouth now people just basically send their friends a pic and they would probably want to buy the same shoe but in a different colour. So in the digital marketing post purchase aspect is very important I think in playing their role." (Marketing Director, Organisation 4)

"Consumers that they have an online space to give feedback on the product that they are purchasing and the experience. It also enables the organisations to market to the consumer that already have the Nike product and doing specific analytics and advertising activities, it could be determined who are the Nike customers and must follow the organisation to utilise the digital marketing to market similar or Nike related products to the consumer for the long term businesses. So definitely I mean it is definitely a big factor hey. As to post behaviour, post purchase."

"There is definitely a lot, yeah definitely a lot of that, you know the guys if they are satisfied with the experience, where they purchased, you know they are happy with the purchase, they happy with the brand, they are happy with the experience they definitely will carry on following you and when we launch new products, it's a much easier sale." (Merchandising Director, Organisation 5)

"The post purchase side is very important, we do want them to, when they buy, they must be posting it on our social. Now I just got, we look at posts like that for, they've just literally got their product out the box and they're posting it for us and they will tweet us and we will tweet back, so as I say it's very important that they are broadcasting for us, and we are not paying for that. That is consumer content creation, I mean, that's the best, if they can tweet us saying, thank you Totalsports for this awesome Nike footwear I have just bought and post to their friends and they share and that, that means digital marketing is working for us." (Brand Manager, Organisation 10)

All 10 respondents from the semi–structured process acknowledged that digital marketing plays an important role in post purchase behaviour. The respondents provided insights such as that it provides a platform for a consumer to display their product purchase, which also leads to word of mouth marketing for the organisation at no cost. In addition, it provides a platform for organisations to offer customer service by resolving complaints and queries, and organisations can re-target consumers on new products as they now follow the organisation's social media space. Digital marketing is a tool that organisations can use to retain consumers, acquire new consumers and engage with consumers post their purchases.

5.7.4 Evolving trends in digital marketing activities

Figure 19: Evolving trends in digital marketing activities
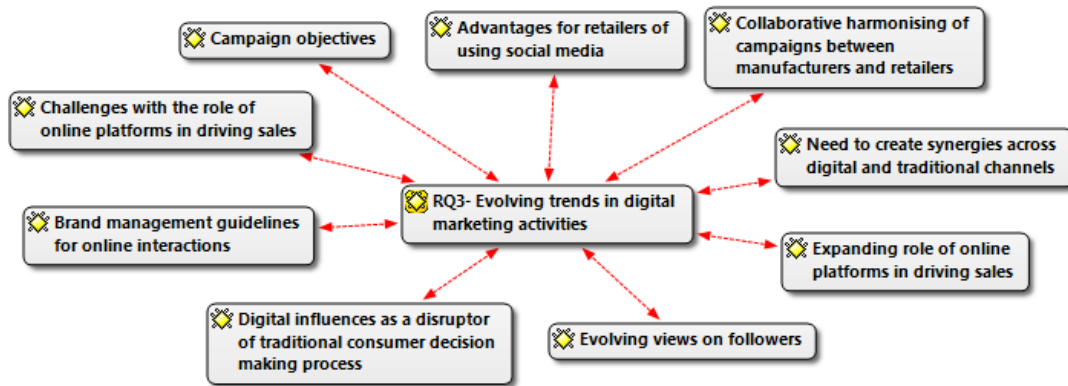
The last theme of research question three was evolving trends in digital marketing activities. As indicated in Table 15, the analysis of the semi–structured interviews resulted in 136 quotations and 8,277 accumulative words. The theme identified illustrates the evolution of the consumer decision making process due to digital marketing. In the analysis, eight codes were identified to provide insights into the theme, as indicated in the network diagram in Figure 19 above. Quotations from these codes are illustrated in Table 18 below and discussed.

Table 18: Evolving trends in digital marketing activities

Organisation	Quotations describing evolving trends in digital marketing activities
Organisation 3	"I think, you know, digital marketing makes also bring kind of a complexity to the decision making process because all of a sudden I'm looking for this type of branding shoe and now I'm confronted by five other competitive brands and offering the same or better. So, digital marketing actually probably confuses the whole conundrum whilst of making that decision because suddenly you know that blue and that shoe or that you know, that support cushioning isn't quite as good as the Adidas one or you know maybe will now interrogate the Adidas one even though I'm a Nike fan. And, look at the pricing and wonder why it's less or more and then come back to it. And, digital marketing definitely kind of place levels up from that kind of decision making process."
Organisation 4	"Back in the day, before if a guy came into a store looking for a Nike and we didn't have the Nike, you could have sold him a Reebok, because there was nothing else he had to compare or evaluate with and now with this digital data, you know in the palm of their hands, the guy wants something, he is certain about it and it's much more direct if you ask me. Marketing is much more direct in terms of influence."

Organisation 5	"Yeah I think, it's going to be important, I think it's part of, it's almost part of the same transaction so the same way they got into it, is going to be the same way they going to interact with it, especially if their initial interaction was, was a good, a good one, they will continue to use that same media, there's no reason for them to change. So whether it's pre-purchase, purchase or post-purchase, I think it's about the whole transaction."
Organisation 7	"Consumers nowadays see a business' digital presence as the norm and not an innovation. Consumers want a quick and convenient way of engaging with the brand. I feel that this engagement begins with the influence of purchasing a product, to the actual online purchase and also from an after sales perspective."
Organisation 9	"Yes it, we see it as an important part of our strategy in terms of actual volume, it's not the kind of the volume where the customers come from but we see it as an important part of our bigger play, in being connected to our customers."
Organisation 10	"I'm going to say that digital marketing for us is certainly about creating awareness, you know, if your consumer isn't aware that a product is out there, they're not going to go and purchase it. For us, we've got a strategy, and I think Nike's got a similar…I think it's Nike strategy and we've got a similar one, but we want to win before the mall, because the consumer must have made that decision before they even get to the mall, that that's the Nike they want to buy."

Quotations were used from six of the 10 organisations to illustrate evolving trends in digital marketing activities. Feedback from the respondents indicated that digital marketing adds a new dynamic to the consumer decision making process. Consumers can more easily gather information and evaluate products than ever before thanks to the evolution of the internet, and consumers do not have to go in-store to evaluate products.

Due to the digital arena, consumers can go through the decision making cycle and decide to purchase a product before they go into the stores, and they will also look at online methods to make their purchase. Due to the dynamics at play in the digital space Organisation 10 indicated that their strategy is to influence consumers to purchase their products before they enter a shopping mall. The consumers' view of the digital space has moved from being innovative to a daily norm in their lives, and organisations have identified digital marketing as a critical component in their marketing strategies to connect with consumers.

5.7.5 Digital marketing impact on consumer decision making - results summary

Overall digital marketing has an impact on the consumer decision making process however it has a bigger influence on problem recognition, purchase decision and post purchase behaviour than information search and evaluation of alternatives. Digital marketing has

introduced a new dynamic to the consumer decision making process as it facilitates the different steps in the process prior to the consumer entering a retail outlet.

5.8 Summary

The results that emerged from the hybrid research approach were illustrated in this chapter. Ten themes were identified and discussed in Chapter 5, which focused on areas such as digital marketing and consumer behaviour, retail organisations' marketing strategies, and the consumer decision making cycle.

Chapter 6 will provide a discussion on the comparison of the results and the literature reviewed in Chapter 2. Table 19 below offers a summary of the results with regards to the impact of digital marketing.

Table 19: Summary of results

Research Question	Themes
Consumer Behaviour	✓ Consumer Perception ✓ Consumer Characteristics ✓ Consumer Behaviour Influence
Retailer's Marketing Strategies	✓ Digital Marketing Channels ✓ Digital Marketing Strategies ✓ Leverage of Nike Digital Marketing
Consumer Decision Making	✓ Identify Product Need ✓ Influence on Consumer Choice ✓ Consumer Behaviour Towards Digital Marketing ✓ Trends in Digital Marketing Activities

CHAPTER 6: DISCUSSION OF RESULTS

6.1 Introduction

The research findings discussed in Chapter 5 will be discussed in this chapter in relation to the literature reviewed earlier in the research study. The layout of Chapter 6 will be similar to Chapter 5, i.e. the research questions will be addressed in order. The first aspect is understanding the impact of digital marketing on consumer behaviour in Nike South Africa's retail organisations, after which the impact of digital marketing on Nike South Africa's retailers' marketing strategies will be addressed. Lastly, there will be a discussion regarding the impact of digital marketing on consumer decision making for Nike products in South Africa.

6.2 Understanding the impact of digital marketing on consumer behaviour in Nike South Africa's retail organisations

For the first research question, three themes were identified - consumer perception of digital marketing, digital marketing consumer characteristics, and digital marketing influence on consumer behaviour. Results linked to these themes are discussed below, linking it to the relevant literature.

6.2.1 Consumer perception of digital marketing

According to Haji (2014), interconnectivity between individuals has risen substantially on the internet due to the advancement of technology, the rise of the internet and the development of Web 2.0.

As at January 2016, 49% of the South African population were active internet users, and 24% were active on social media. To build on this, 60% of the adult population owned a smartphone, 18% owned a laptop or desktop computer, and 7% owned a tablet device (Kemp, 2016). Further statistics published by Kemp (2016) showed that the number of internet users and social media users in South Africa grew by 5% and 10% respectively for the period from January 2015 to January 2016.

The results obtained from the respondents indicated in section 5.5 corroborate the above statistics, as the insights obtained suggested that consumers have an embracing

perception of digital marketing and the uptake of consumers to digital marketing is on the increase.

The results further established that in order for organisations to stay relevant in the industry, they need to be present in the digital space to connect to consumers. This is in line with the finding by Rasool Madni (2014), who argued that social media enables consumers to be at the centre of an organisation's activities, and is a new tool for interacting with consumers. Ultimately, interactive web tools enhance consumer experiences and contribute to consumer engagement with organisations and their brands (Paolocci, 2014).

Engagement rates and click through rates measure the success and effectiveness of digital marketing advertisements. According to research conducted by The Salesforce Marketing Cloud (2014) for 2013, Facebook engagement rates ranged from 0.92% to 13.65% for the retail and e-commerce industries, while research conducted by Salesforce Inc. (2013) indicated that the average click through rate was 0.332% in 2013 for South Africa for Facebook advertisements.

The results from the digital marketing campaign in Table 10 illustrated an engagement rate of 22.43% and a click through rate of 2.69%. These statistics, which are greater than the average engagement and click through rates, cement the notion that consumers have a strong, embracing perception of digital marketing. However, it must be noted that the click through rate indicated in the digital marketing campaign in Table 11 was 0.29%, which is lower than the average of 0.332% published by Salesforce Inc. (2013).

Figure 9 and Appendix E present the social media campaigns that were implemented by the organisations interviewed for the research, which illustrate that consumers engage with digital marketing. Consumers engage with social digital media marketing through views, likes, shares and comments.

Overall, it can be noted that consumers have an embracing perception of digital marketing and the findings are in line with the literature reviewed in this study. However it must be noted that other marketing means other than digital are still relevant to consumers. The next section describes the characteristics of these consumers.

6.2.2 Digital marketing consumer characteristics

According to Hudson, Huang, Roth and Madden (2015), consumers who engage with their favourite brands on social media have built strong relationships with these brands. Powers et al. (2012) indicated that when brands adopt digital and social media, they build relationships with their consumers and in turn gain consumer loyalty to the brand. The characteristics of consumers, as per Kotler and Keller (2012), are age and lifecycle, occupation, economic circumstances, personality and self-concept, lifestyle and values, consumer influence and responding to external stimuli, which include adaptability, sociability, autonomy, deference and defensiveness.

Table 20: Research and literature comparison of consumer characteristics

Research: Consumer Characteristics	Literature: Consumer Characteristics
Brand Loyal	Brand Loyal
Younger Generation / Millennials	Age / Lifecycle
Technology Savvy	Adaptability
Follow Icons	Consumer Influence
Follow Trends	-
Educated	Lifestyle
Open Minded	Values
Liberal	Values
Self-Expressive / Communication	Sociability
Social Information Seeking	-
Convenient Shopping	Lifestyle

Table 20 above compares consumer characteristics from the research conducted and the literature retrieved. Alignment was established for the most part, with the exception of trend followers and social information seeking. This is due to the internet bringing in a new dimension that consumers have access to, which has the ability to facilitate behavioural changes. With the emergence of social media and the high volume of information that can be accessed on the internet, consumers are finding it easier to follow trends in the global and local environment as well as seek information through websites and social media.

Overall, consumers who access the digital environment have a diverse set of characteristics and are evolving. However the older generation and consumer who do not

69

have access to digital are still accustomed to the traditional channels of marketing which cannot be ignored by retail organisations.

To build onto the insights of the research question, the section below discusses digital marketing's influence on consumer behaviour.

6.2.3 Digital marketing's influence on consumer behaviour

According to Vinerean, Cetina, Dumitrescu and Tichindelean (2013), consumers have embraced the internet and online socialising tools, and understand that consumer behaviour is key for marketing success. Tiago and Verissimo (2014) also stated that human interaction has seen significant changes due to engagement on social networks, and the growth of web platforms has facilitated the human behavioural change of activities, habitats and interactions. As per Stokes (2011), the internet has provided a new channel for consumers, offering them more choice, influence and power. Consumers now view shopping as a daily activity due to digital connectivity and the time spent online by consumers (Powers et al., 2012).

The quotes by the respondents are in sync with the above literature regarding the impact of digital marketing on consumer behaviour. Digital marketing has provided a new channel for consumers to connect with an organisation's brand, and has facilitated a human behavioural change as consumers are now turning to the digital space to follow trends, obtain information and get the latest updates on brands. It was also indicated that digital media consumption by consumers is now part of who they are. Consumers who engage through social media enjoy way communication with retail organisations and is a move away from the traditional marketing method of one way communication to the consumer.

According to Smith (2009), engaging with a consumer online plays a role in building advocates of brand, whereby they purchase the brand or refer the brand to other consumers, either through online or offline communication media. According to the respondent from Organisation 6, there is an internal concept in their organisation called the "last mile", i.e. a consumer who purchases a product through online engagement promotes the organisation.

Overall, the research shows that digital marketing has an influence on consumer behaviour, which is in line with the literature reviewed for this study.

6.2.4 Digital marketing's impact on consumer behaviour - discussion summary

The research findings from section 5.5 were compared to the literature review of the study, and the results were aligned to the literature. In summary, consumers have an embracing perception of digital marketing, a diverse set of characteristics and digital marketing influences consumer behaviour. These aspects were also evident in the literature review however consumer characteristics such as following trends and social information seeking emerged as new aspects.

6.3 Understanding the impact of digital marketing on Nike South Africa's retailers' marketing strategies

In the second research question, three themes were identified - retail organisations' digital marketing channels, retail organisations' digital marketing strategies, and retail organisations' leveraging of Nike's and Nike South Africa's digital marketing. The results linked to these themes are discussed below, relating them to the relevant literature of the research study.

6.3.1 Retail organisations' digital marketing channels

According to Stokes (2011), the definition of digital marketing is the use of digital channels to market a brand. Due to changes in the media environment, organisations have encompassed digital marketing as a channel to engage with their consumers (Kumar et al., 2016). As per Stokes (2011), the digital channels to reach consumers with regard to digital marketing are email marketing, online advertising, affiliate marketing, search engine marketing, pay per click advertising and social media.

With reference to Figure 13 in section 5.6.1, the digital marketing channels of retail organisations are aligned to the findings of the literature review. Digital marketing channels as per the respondents are Facebook, Twitter, Instagram, Websites, Search Engine Optimisation, Digital Advertisements, YouTube, Cost-Per-Click Advertisements, Snapchat, Pinterest, Email, Re-Targeting, Referral Models, Blogs, Mobile App and Push-Messaging.

The retail organisations interviewed have embraced digital marketing as an effective channel to connect to consumers, and are active across a wide variety of channels. However it must be noted that social media channels are popular amongst these

organisations as it is easy to access and they can implement marketing initiatives at low cost.

The next section provides insights into the digital marketing strategies of retail organisations.

6.3.2 Retail organisations' digital marketing strategies

According to Tiago and Verissimo (2014), the evolution of Web 2.0 has changed the way organisations interact with consumers, and as a result there has been a shift to digital marketing strategies. Insights from the majority of the respondents illustrated in 5.6.2 indicated that their organisations' marketing strategies are predominantly digital and respondents also pointed out that digital marketing provides a good return on investment, as it is low cost and can reach a wide consumer base. As retail organisations shift towards digital marketing they leverage of the digital environment to engage with consumers via two way communication.

According to Bright and Daugherty (2012), consumers now have more control of their media consumption than previously, as a result of the rise of the internet. In particular, the respondent from Organisation 5 indicated that in the digital environment, consumers have options of who to engage with, thus due to the evolution of digital marketing, retail organisations need to develop engaging content in the digital space. Due to the high volume of digital content that is easy accessible to the digital consumer, retailers have to be cognisant of implementing digital marketing initiatives that attract the consumers attention.

According to Ashley and Tuten (2015), social media marketing departments have options to vary branding marketing content to engage with consumers. Applications or content on digital marketing can be designed to engage with the consumer at any time and in any place (Stone and Woodcock, 2013). The respondents' insights are aligned with the literature, as marketing initiatives have the ability to be speedily adapted, provide engaging content, and can vary their tone across the different platforms to better engage with consumers. Through the adaptation of digital marketing content, retail organisations have an increased ability to specifically target and engage segmented consumers.

According to Kunz and Hackworth (2011), retailer organisations need to develop their marketing strategies across the different platforms to engage with consumers and

generate sales. The response from Organisation 2 provided an example of how they leverage social media to create awareness for a slow-moving product in order to boost sales of that product. By implementing marketing strategies across different digital platforms retail organisations expand the audience of consumers to be exposed to the marketing initiative.

Digital marketing through social channels is a substitute for traditional marketing channels (Moreno, Calderon and Moreno, 2016). As illustrated, the majority of the respondents indicated that their organisations are more focused on digital marketing. It is thus evident that these organisations are substituting digital for traditional marketing, however traditional marketing still exists in these organisations and they collaborate with both marketing segments to connect to consumers.

Overall retail organisations are embracing the trend of digital marketing and incorporating digital into the marketing strategy however traditional marketing is still in use and plays a key role in reaching out to consumers.

The next section illustrates how retail organisations leverage Nike's and Nike South Africa's digital marketing initiatives in their strategies.

6.3.3 Retail organisations' leveraging of Nike's digital marketing

An organisation's brand is a symbol which is leveraged to attract consumers and gain a competitive advantage (Malik, Ghafoor, Iqbal, Ali, Hunbal, Norman, & Ahmad, 2013). The respondents indicated that they leverage Nike's digital marketing and the brand awareness that is created. While the retail organisations leverage more from the digital marketing that is created by Nike on a global level than on a local level in South Africa, some retailers do partner with Nike South Africa to implement marketing initiatives. Being associated with a strong global brand such as Nike is beneficial to a retail organisation in creating brand awareness for Nike product in their stores. By leveraging of a strong brand retail organisations find it easier to attract consumers.

6.3.4 Digital marketing impact on retail organisations' marketing strategies - summary

The research results established in section 5.6 were compared to the literature review of the study, the results of which were aligned to the literature. In summary, retail organisations are present across a wide range of digital marketing channels, they use more

digital marketing than traditional marketing however traditional marketing is still relevant, and they leverage of digital marketing done by Nike and Nike South Africa however more on the digital content produced on a global level.

6.4 Understanding the impact of digital marketing on consumer decision making regarding Nike products in South Africa

Figure 20: Consumer decision making process (Kotler & Keller, 2012)

In the last research question on the subject of the impact of digital marketing on the consumer decision making process, four themes were identified - use of digital marketing to identify Nike product need, digital marketing influence on consumer choice, evolving consumer behaviour towards digital marketing, and evolving trends in digital marketing activities. The results connected to these themes are discussed below, linking them to the relevant literature in the research study.

6.4.1 Use of digital marketing to identify Nike product need

According to Kotler and Keller (2012), the first step in the consumer decision making process is problem recognition, whereby the consumer recognises a problem that is triggered by internal or external stimuli. To build on this (Noel, 2009), marketers in organisations also attempt to motivate problem recognition by initiating the decision making process through advertising.

In relation to the above literature, all the respondents indicated that digital marketing does trigger a need for the consumer. Examples were given of when consumers go to retail outlets with pictures retrieved from digital marketing, and ask to purchase the product advertised. Icons linked to digital marketing also influence consumers by triggering a product need. Another illustration is in social media campaign 6 (see Appendix E), where the need for the product is triggered by external stimuli, i.e. digital marketing.

Identifying a product need is the first and most important step in the consumer decision making process, as consumers must have a need for the product which can lead to the actual product purchase. Digital marketing plays and important role in influencing digital consumers in identifying a need for products and through the digital space organisations can align their marketing strategies to target consumers as discussed in section 6.3.2.

The next section illustrates digital marketing's influence on consumer choice, which consists of information search and evaluating alternatives in the consumer decision making process.

6.4.2 Digital marketing's influence on consumer choice

Once a consumer identifies a need for a product they search for information regarding the different brands and their features (Kotler & Keller, 2012). According to Noel (2009), one of the channels that consumers can gather information through is external sources such as advertising.

In line with the literature, all the respondents indicated that consumers utilise digital marketing to gather information about products, however the respondent from Organisation 2 stated that at times consumers will not gather information about different brands, i.e. if they like a certain category in a brand they will only gather information about products within that category of the specific brand. This is a result of brand loyal consumers, which is a characteristic of digital marketing consumers.

According to research conducted by Powers et al. (2012), consumers use social media to gather information about products. This is evident in social media campaign two in Appendix E, when consumers query the price of the product advertised in the marketing campaign.

The third step in the consumer decision making process is the evaluation of alternatives. According to Kotler and Keller (2012), consumers evaluate alternative products and brands to satisfy their needs and to attain benefits. Powers et al. (2012) agreed with this, stating that consumers constantly consider and evaluate alternatives in the market when considering a potential product purchase.

The majority of the respondents' insights are aligned with the literature reviewed, however there are different dynamics at play. Consumers who are not brand loyal and looking for a

75

good deal and evaluate products across different brands in greater extent compared to brand loyal consumers whereby evaluation is limited.

With regard to the theme of digital marketing influence on consumer choice, the insights from the respondents indicated that consumers utilise the digital arena to gather information and evaluate alternatives, however brand loyal consumers add in a new dimension as indicated above.

The next section discusses evolving consumer behaviour towards digital marketing, which leads to purchasing decisions and post purchase behaviour in the consumer decision making process.

6.4.3 Evolving consumer behaviour towards digital marketing

According to Kotler and Keller (2012), the purchase decision is the fourth step in the consumer decision making process. After the evaluation of the alternatives, the consumer derives a preference among the brands considered and intends to buy the preferred brand. Research conducted by Xie and Lee (2014) indicated that due to increased consumer exposure to a brand on social media, there is an increased likelihood of that consumer purchasing the brand. Hassan, Nadzim and Shiratuddin (2015) concurred, illustrating that consumer purchase decisions are influenced by social media.

The literature aligned to the respondents from all 10 organisations, who stated that digital marketing plays an important role in influencing consumers to purchase products. The key insights revealed that digital marketing is an organisation's biggest influence when it comes to increasing sales, and digital marketing influences the spending habits of consumers which can lead to future sales. Digital marketing thus has an influence throughout the consumer decision making process.

As indicated, information regarding conversion rates for South Africa is limited, however as per the Ecommerce Foundation (2016), the conversion rates of sales for geographic areas such as Germany, Greece, Italy, Netherlands and the United States of America for digital marketing range from 1.03% to 2.85%, with Italy being the lowest and the United States of America being the highest. According to the Foundation, organisations that have a conversion rate of 5.31% are in the top 25% ranking amongst organisations, and to be in the top 10%, the organisation has to have a conversion rate greater than 11%. As indicated, when Nike South Africa partnered with a retail organisation to run a digital

marketing campaign, it resulted in a conversion rate of sales of 15%. This further illustrates the success of the campaign and the fact that digital marketing has a significant impact on the purchase decision of individuals.

The final step in the process is post purchase behaviour. As per Kotler and Keller (2012), post purchase behaviour indicates the level of dissatisfaction or satisfaction the consumer derives from the experience. Consumers who are satisfied promote the product and are likely to purchase more products in the future, whilst dissatisfied consumers will return the product and complain about it.

As per the literature, all the respondents in the study indicated that digital marketing is important to post purchase behaviour. As the characteristics of consumers indicated, they are self-expressive and social, and digital marketing provides consumers a platform on which to display their satisfaction or dissatisfaction. Consumers can promote a brand on social media, which is beneficial to the organisation as no costs are incurred. This is linked to research undertaken by Rasool Madni (2014), where 53% of consumers had gathered information from forums, social media, organisations' websites and peer reviews before purchasing a product.

Organisations have adopted digital tools for consumer engagement and to foster relationships (Paolocci, 2014). Post purchase behaviour is important as organisations can use the digital tools to resolve customer complaints and to profile consumers, which enables them to re-target consumers for future purchases. Through the digital environment retail organisations can build relationships with consumers and in turn have an increased ability to retain consumers.

Regarding the theme 'evolving consumer behaviour towards digital marketing', the respondents indicated that digital marketing is important to the purchase decision and post purchase behaviour. Thanks to digital marketing, as consumers pass through the decision making cycle, there is a high probability that they will purchase the product and thereafter utilise the digital space to express their feelings about the purchase.

6.4.4 Evolving trends in digital marketing activities

As per Powers, Advincula, Austin, Graiko, and Snyder (2012), due to digital and social media marketing, organisations must understand how these aspects of marketing impacts the consumer decision making process. According to Stone and Woodcock (2013), digital

marketing is used throughout the customer cycle, while Malik et al. (2013) indicated that adverts are impactful in attracting consumers to the products of an organisation, which has a positive influence on their buying behaviour. Organisations must also be cognisant of how consumers' attitudes, values, and beliefs impact their digital marketing campaigns, together with the consumer decision making process (Al Kailani & Kumar, 2011).

Feedback from the respondents indicated that digital marketing has added a new dynamic to the consumer decision making process. Due to technological advancements in the digital arena, consumers have more knowledge at their fingertips and can make the decision on which product to purchase before entering a retail outlet.

Therefore the buying behaviour of consumers has changed, as a decision to purchase can be made from just utilising digital technology, which removes the aspect of touching and feeling products. This has impacted consumers' behaviours, as it is a daily norm in their lives to use digital marketing to research products and make purchasing decisions. The actual purchase of the product can be done online or visiting a retail outlet.

6.4.5 Digital marketing impact on the consumer decision making process - summary

The research results established in section 5.7 were compared to the literature review of the study and the outcomes were mostly aligned to the literature, however some key differences were noted. In summary, digital marketing has an impact on the consumer decision making process, however aspects such as gathering information and evaluating alternatives is limited for brand loyal consumers. In addition, digital marketing has introduced a new dynamic to the consumer decision making process, as consumers can decide which product to purchase before entering a retail outlet.

6.5 Summary

The research findings discussed in Chapter 5 were examined in Chapter 6 in relation to the literature reviewed earlier in the study.

The results were discussed in relation to the themes identified, i.e. understanding the impact of digital marketing on consumer behaviour in Nike South Africa's retail organisations; understanding the impact of digital marketing on Nike South Africa's retailers' marketing strategies; and understanding the impact of digital marketing on consumer decision making on Nike products in South Africa.

The literature was aligned to most of the results, however certain key differences were noted and discussed. Consumers who enter the digital space have a diverse set of characteristics, and as a result of digital marketing they can make a decision on which product to purchase before entering a retail outlet. Brand loyal consumers also add a new dynamic, as aspects such as gathering information and evaluating alternatives are limited for these consumers.

CHAPTER 7: CONCLUSION

7.1 Principal findings

This research study was conducted in order to gain insights into, and an understanding of, digital marketing's impact on the consumer decision making process in Nike customer retail operations in South Africa. The research methodology for the study was a hybrid approach, using exploratory and descriptive methods, with the exploratory approach being the primary research methodology. In total, analysis was conducted on 10 semi-structured interviews, eight social media campaigns and two sets of digital marketing data statistics.

The study was segmented into three research questions as indicated in Chapter 3 of the study. The analysis of results were illustrated in Chapter 5 to address the three research questions, and as indicated 10 themes emerged which were discussed. The results are predominantly aligned with the literature in Chapter 2 and with the consumer decision making process discussed by Kotler and Keller (2012), however some differences were found.

The first research question was centred around the impact of digital marketing on consumer behaviour. The results revealed that consumers have an embracing perception of digital marketing and their uptake of the trend is on the increase. It was also established that these consumers have a diverse set of characteristics, which are influenced by the evolving trend of digital marketing. Consumers are now more connected with organisations than ever before. Lastly, it was illustrated that digital marketing does have an influence on consumer behaviour, which has evolved to incorporate the digital space into consumers' daily lives. Digital marketing has provided a new source of information for consumers and a platform to be social.

The second research question covered the aspect of understanding the impact of digital marketing on Nike South Africa's retailers' marketing strategies. The results illustrated that due to the rise of the internet and Web 2.0, Nike South Africa retail organisations market on a wide range of digital platforms. Yet while organisations mainly drive their marketing initiatives through digital platforms, it must be noted that traditional marketing still plays a role in their marketing strategies. Lastly, it has been established that retail organisations do leverage the digital marketing initiatives implemented by Nike Inc. and Nike South Africa, however they leverage more off Nike Inc. and would like to partner more with the

local subsidiary Nike South Africa. Retail organisations incorporate these digital marketing initiatives into their marketing strategies.

The last research question was aimed at understanding the impact of digital marketing on consumer decision making regarding Nike products in South Africa. It must be noted that digital marketing has an impact on the consumer decision making process, however it is more prevalent in problem recognition, purchase decision and post purchase behaviour than information search and evaluation of alternatives. This is mainly due to consumers being brand loyal, and gathering information and evaluating alternatives on competitor brands is limited. An interesting new dynamic was also established, which is that due to digital technology, consumers can make a purchase decision of which product to purchase decision prior to entering a retail outlet and this poses new challenges for retail organisations which is elaborated on under business recommendations below.

The results of the study were aligned to the literature reviewed, however elements of consumer characteristics and the consumer decision making process were added. Taking the results of the research study into consideration, recommendations for business and future studies are advised, however the limitations of this study must be taken into consideration when considering the recommendations.

7.2 Business recommendations

When analysing the themes of the study, businesses must take into account the factors regarding how digital marketing impacts the consumer decision making process.

Firstly, business needs to understand the consumer profile of digital consumers and how their behaviour has shifted. These consumers have a diverse sets of characteristics and their consumer behaviour has shifted to incorporate digital, which is becoming the way of life for consumers - especially the millennial generation – who now have the ability to make more informed decisions. Consumer access to digital is becoming easier and more convenient, so consumers now decide which channels they want to be communicated on rather than businesses deciding for them. To reach out to consumers, business needs to understand this consumer behaviour shift.

The second recommendation is for business to be present in the digital space and be represented across a wide range of digital channels. It will be a challenge for businesses to be relevant in their industry if they are not present in the digital environment. Businesses

thus need to understand the different sources of information that consumers utilise, and align their marketing messages to consumers across digital and traditional marketing channels.

The next recommendation is that businesses understand how digital marketing has impacted the consumer decision making process. In the problem recognition phase, due to the consumers' ease of access to the digital environment, businesses need to market and position their products as solutions to the consumers' needs; digital content needs to appeal to consumers

In the information search phase businesses need to ensure that accurate and up-to-date information is available for the consumer to search through. Information must be easily accessible to consumers, thus there is a need to identify the correct digital channels to utilise.

With regard to the evaluation of alternatives, which is more relevant for consumers who are not brand loyal, businesses need to have a wide range of products available in the digital environment together with the specifications of products. This will better enable the consumer to evaluate different products across different organisations.

In the purchase decision phase the consumer is ready to make the purchase. Businesses need to ensure a smooth process for the consumer to purchase, whether it is an online or in-store purchase. The product needs to be available and the checkout process needs to be a pleasurable experience for the consumer.

The last phase – the post purchase decision - can enable a business to turn a customer into a loyal consumer and become an ambassador of the brand. Here customer service plays a key role. Businesses need to develop strategies to retain consumers by resolving consumer complaints, engaging in ongoing two way communication and re-targeting of consumers.

The last recommendation to business is the evolving process of consumer decision making. Due to the digital environment, consumers can make a decision to purchase product prior to visiting a retail outlet, therefore the in-store influence on a consumer to purchase becomes minimal. In principle, businesses need to develop strategies to reach out to consumers at the moments that most influence their decisions.

7.3 Research limitations

The research study followed a hybrid approach of exploratory and descriptive research, but was subject to limitations as per Chapter 4. These limitations are reiterated below:

- ✓ The research study focused on products from one specific company, Nike.
- ✓ A purposive sampling method was used which can be subject to selection bias.
- ✓ The research study was exposed to interviewer bias as the interviewer is an employee of Nike South Africa and is not expertly trained in conducting interviews.

7.4 Future research recommendations

Although the research study followed a hybrid approach, the research methodology was primary exploratory which was based on qualitative research. The results of the study were analysed through themes that were identified in the primary qualitative data, and supplemented with secondary qualitative and quantitative data.

Future research can be conducted on different industries in the South African market, and on organisations and consumers. As indicated, the research approach was predominantly qualitative, thus future research could be conducted using a quantitative approach, taking into account the themes identified in the research study.

Lastly, future research can be conducted taking into account additional factors in digital marketing and the consumer decision making process, and can be compared to the findings of this research study to identify any differences.

7.5 Conclusion

The research study was centred around digital marketing and the impact on consumer decision making. According to Tiago and Verissimo (2014), limited research has been conducted on digital marketing from an organisational perspective, thus the academic need for this study. As a result, the study conducted was focused on the retail organisational view of digital marketing and the impact on consumer decision making. As illustrated, the retail industry has shown sales growth and there is potential for Nike South Africa's retailers to generate sales growth by reaching out to consumers through digital channels. The business need for the study was to identify and evaluate the impact of digital

marketing initiatives implemented by Nike Inc., Nike South Africa (Pty) Ltd, and their retailers in South Africa on the consumer decision making process.

The research process retrieved data from ten semi–structured interviews, eight social media campaigns and two digital marketing campaigns implemented by Nike South Africa in partnership with a retail organisation.

The results presented in Chapter 5 and discussed in Chapter 6 were mostly aligned with the literature review illustrated in Chapter 2 of the research study. Additional insights into consumer characteristics and the consumer decision making process were described.

To conclude, recommendations for business were discussed, which must be considered in light of the limitations indicated in the research study. Lastly, future research recommendations based on this research study were outlined.

REFERENCES

Al Kailani, M., & Kumar, R. (2011). Investigating uncertainty avoidance and perceived risk for impacting Internet buying: A study in three national cultures. *International Journal of Business and Management*, *6*(5), 76.

Ashley, C., & Tuten, T. (2015). Creative strategies in social media marketing: An exploratory study of branded social content and consumer engagement. *Psychology & Marketing*, *32*(1), 15-27.

Bright, L. F., & Daugherty, T. (2012). Does customization impact advertising effectiveness? An exploratory study of consumer perceptions of advertising in customized online environments. *Journal of Marketing Communications*,*18*(1), 19-37.

Bruner, G. C., & Pomazal, R. J. (1988). Problem recognition: the crucial first stage of the consumer decision process. *Journal of Consumer Marketing*,*5*(1), 53-63.

Buhalis, D., & Mamalakis, E. (2015). Social media return on investment and performance evaluation in the hotel industry context. In *Information and Communication Technologies in Tourism 2015* (pp. 241-253). Springer International Publishing.

Creswell, J. W., & Miller, D. L. (2000). Determining validity in qualitative inquiry. *Theory into practice*, *39*(3), 124-130.

Dworkin, S. L. (2012). Sample size policy for qualitative studies using in-depth interviews. *Archives of sexual behavior*, 1-2.

Ecommerce Foundation. (2016). *Ecommerce Benchmark and Retail Report 2016*. Retrieved from http://www.ecommerce-europe.eu/app/uploads/2016/06/Ecommerce-Benchmark-Retail-Report-2016.pdf

Edgars. (7 September 2016). Looking to shake off winter? We've got 30% off all active wear until Sunday! T's and C's apply. Retrieved from: https://www.facebook.com/EdgarsFashion/photos/a.177039319106754.54552.1442 66892383997/869330189877660/?type=3&theater

Edmondson, A. C., & McManus, S. E. (2007). Methodological fit in management field research. *Academy of Management Review*, *32*(4), 1246-1264.

Footgear. (19 September 2016). New week, new shoes!
Click here to view our Nike range: http://www.footgear.co.za/en/Brands/Nike. Retrieved from:
https://www.facebook.com/Footgear/photos/a.265591423482982.57038.256715671 037224/1191813524194096/?type=3&theater

Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough? An experiment with data saturation and variability. *Field Methods*,*18*(1), 59-82.

Hajli, M. (2014). A study of the impact of social media on consumers. *International Journal of Market Research*, *56*(3), 387-404.

Hassan, S., Nadzim, S. Z. A., & Shiratuddin, N. (2015). Strategic use of social media for small business based on the Aida model. *Procedia-Social and Behavioral Sciences*, *172*, 262-269.

Hudson, S., Huang, L., Roth, M. S., & Madden, T. J. (2015). The influence of social media interactions on consumer–brand relationships: A three-country study of brand perceptions and marketing behaviors. *International Journal of Research in Marketing*, *33*(1), 27-41.

Kemp, S. (2016). *We Are Social, Digital in 2016.* Retrieved from http://wearesocial.com/uk/special-reports/digital-in-2016

Kotler, P. and Keller, K.L (2012). *A Framework for Marketing Management. 5th edition.* Pearson Education.

Kumar, A., Bezawada, R., Rishika, R., Janakiraman, R., & Kannan, P. K. (2016). From Social to Sale: The Effects of Firm-Generated Content in Social Media on Customer Behavior. *Journal of Marketing*, *80*(1), 7-25.

Kunz, M. B., & Hackworth, B. A. (2011). Are consumers following retailers to social networks? *Academy of Marketing Studies Journal*, *15*(2), 1.

Malik, M. E., Ghafoor, M. M., Iqbal, H. K., Ali, Q., Hunbal, H., Noman, M., & Ahmad, B. (2013). Impact of brand image and advertisement on consumer buying behavior. *World Applied Sciences Journal*, *23*(1), 117-122.

Meera, V., & Gayathiri, P. (2015). Digital Marketing and Enhancing Consumer Experience in Online Shopping. *The International Journal of Business & Management*, *3*(6), 186.

Moreno, S. M., Calderón, G. G. A., & Moreno, F. M. (2016). Social Media Marketing Perspectives in the Organization in Morelia, Mexico. *International Journal of Marketing Studies*, *8*(2), 128.

Noel, H. (2009). *Basics marketing 01: Consumer behaviour (Vol. 1).* AVA Publishing.

Paolocci, E. (2014). Digital Strategies of Consumer Involvement and Innovation Dynamics: A Cross-Sector Explorative Study. *International Journal of Marketing Studies*, *6*(5), 21.

Powers, T., Advincula, D., Austin, M. S., Graiko, S., & Snyder, J. (2012). Digital and social media in the purchase decision process. *Journal of Advertising Research*, *52*(4), 479-489.

PricewaterhouseCoopers. (2012). *South African retail and consumer products outlook 2012 - 2016*. Retrieved from https://www.pwc.co.za/en/assets/pdf/retail-and-consumer-products-outlook-2012-2016.pdf

Rasool Madni, G. (2015). Consumer's Behavior and Effectiveness of Social Media. *Global Journal of Management and Business Research*, *14*(8).

Salesforce (2013). *The Facebook Ads Benchmark Report*. Retrieved from http://www.salesforcemarketingcloud.com/wp-content/uploads/2013/06/The-Facebook-Ads-Benchmark-Report.pdf

Saunders, M., & Lewis, P. (2012). *Doing research in business and management: An essential guide to planning your project*. Harlow, UK: Financial Times Prentice Hall.

Shesha Lifestyle. (12 September 2016). Retrieved from: https://www.facebook.com/SheshaItsaLifestyle/photos/pcb.1268859079831598/1268747599842746/?type=3&theater

Smith, T. (2009). The social media revolution. *International Journal of Market Research*, *51*(4), 559-561.

Sportzlink. (4 May 2016). The next chapter in the Kaishi story. The Nike Kaishi 2.0 brings back the simplified, speedy look with amplified comfort. The Kaishi 2.0 in stores now. Retrieved from https://www.facebook.com/Sportzlink/photos/a.342594269271956.1073741840.326278410903542/547603402104374/?type=3&theater

Spree. (12 July 2016). Your next big step should be in these. Retrieved from: https://www.facebook.com/spree.co.za/photos/a.539226182794318.1073741828.530635810320022/1179596125423984/?type=3&theater

Statistics South Africa (2015). *Statistics South Africa, 2015.* Retrieved from http://www.statssa.gov.za/publications/SAStatistics/SAStatistics2015.pdf

Statistics South Africa (2016). *Retail trade sales (Preliminary) February 2016*. Retrieved from http://www.statssa.gov.za/publications/P62421/P62421December2015.pdf

Stokes, R. (2011). *eMarketing: The essential guide to digital marketing* (4th ed). Quirk Pty Ltd.

Stone, M., & Woodcock, N. (2013). Social intelligence in customer engagement. *Journal of Strategic Marketing*, *21*(5), 394-401.

Superbalist.com. (11 April 2016). Just dropped on site. We've got brand new women's Nike on Superbalist!. Retrieved from: https://www.facebook.com/search/top/?q=superbalist

Suter, W. N. (2012). Qualitative data, analysis, and design. *Introduction to educational research: A critical thinking approach*, 342-386.

The Salesforce Marketing Cloud. (2014). *Social Engagement Benchmark Report*. Retrieved from https://www.marketingcloud.com/sites/exacttarget/files/deliverables/etmc-socialengagementbenchmarkreport-fb.pdf

Thomas, D. R. (2006). A general inductive approach for analyzing qualitative evaluation data. *American Journal of Evaluation*, *27*(2), 237-246.

Tiago, M. T. P. M. B., & Veríssimo, J. M. C. (2014). Digital marketing and social media: Why bother? *Business Horizons*, *57*(6), 703-708.

Totalsports. (20 September 2016). It's #Chooseday and it's time to decide. Nike Hypervenom Phantom II FG // VS // Nike Mercurial Veloce III DF FG. Retrieved from: https://www.facebook.com/totalsports.southafrica/photos/a.126188917413239.13056.105951532770311/1275015439197242/?type=3&theater

Vinerean, S., Cetina, I., Dumitrescu, L., & Tichindelean, M. (2013). The effects of social media marketing on online consumer behavior. *International Journal of Business and Management*, *8*(14), 66.

Wang, X., Li, W., Cui, Y., Zhang, R., & Mao, J. (2010). Click-through rate estimation for rare events in online advertising. *Online Multimedia Advertising: Techniques and Technologies*, 1-12.

Xie, K., & Lee, Y. J. (2015). Social Media and Brand Purchase: Quantifying the Effects of Exposures to Earned and Owned Social Media Activities in a Two-Stage Decision Making Model. *Journal of Management Information Systems*, *32*(2), 204-238.

Zando. (6 November 2015). Loving these new Nike Roshe One sneakers at the moment. Shop this and more here:http://go.zando.co.za/1XUk7fW. Retrieved from: https://www.facebook.com/zando.co.za/photos/a.190997450986416.48249.186668248086003/908988805853940/?type=3&theater

Zikmund, W. G. (2003). *Business Research Methods* (7th ed.). Southern - Western.

APPENDICES

APPENDIX A: ETHICAL CLEARANCE

Dear Mr Girshwyn Reddy

Protocol Number: **Temp2016-01401**

Title: **Digital marketing impact on the consumer decision making process in Nike customer retail operations in South Africa**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker

APPENDIX B: INTERVIEW SCRIPT

Consent Statement

I am conducting research on ***Digital marketing and the impact on consumer decision making in South Africa.*** Our interview is expected to last about an hour and will help in understanding how digital marketing impacts consumers purchasing behaviour. **Your participation is voluntary and you can withdraw at any time without penalty**. Of course, all data will be kept confidential. If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher	: Girshwyn Reddy
Email	: girshwyn.reddy@nike.com
Phone	: 072 4729491

Research Supervisor	: Dunja Kartte
Email	: dunja.kartte@gmail.com
Phone	: 082 067 2853

Participant Name	
Participant Signature	
Participant Job Title	
Organisation Name	
Date	

Researcher Name	
Researcher Signature	
Date	

Interview Questions

Research Question 1: Understanding the impact of digital marketing on consumer behaviour in Nike South Africa retail organisations

1. What is the consumer's perception around the trend of digital marketing
2. What are the characteristics of these consumers
3. How does the digital marketing environment influence the consumer

Research Question 2: Understanding the impact of digital marketing on Nike South Africa retailers marketing strategies

4. Do you embark on digital marketing campaigns of your own, if so through which channels
5. How do you align you marketing strategies to include digital marketing
6. How do you leverage off digital marketing done by Nike in you marketing strategy

Research Question 3: Understanding the impact of digital marketing on consumer decision making on Nike product in South Africa

7. Are consumers likely to be influenced by digital marketing for Nike product in identifying a problem / need
8. What is the perception of consumers using digital marketing to gather information about Nike products
9. What is the perception of consumers using digital marketing in evaluating alternatives of product choices including Nike product
10. How important is digital marketing in influencing the actual purchase of Nike product.
11. How important is digital marketing in post purchase behaviour of Nike product
12. Are there any aspects that you think was missed out in the interview around digital marketing and the consumer decision making process?

APPENDIX C: NIKE MARKETING CAMPAIGNS ACCESS LETTER

<div align="right">

Nike South Africa (Pty) Ltd

12A Growth Point Business Park

Tonnetti Street

Halfway House

1685

South Africa

</div>

6/7/2016

Gordon Institute of Business Science

P O Box 787602

Sandton

South Africa

2146

Approval to access Nike South Africa Pty Ltd private information – Girshwyn Reddy

Dear Sir/Madam

Hope all is well

An employee of Nike South Africa (Pty) Ltd Girshwyn Reddy is currently studying his Master's in Business Administration through your institution and has requested to use the company's private marketing information for his Integrative Research Project dissertation.

This letter serves to confirm that Nike South Africa (Pty) Ltd will allow Girshwyn Reddy to use company information for his dissertation based on the below conditions

- The information can be submitted to the Gordon Institute of Business Science but must be kept confidential and safe. It cannot be distributed for other purposes.
- The information given to the institution will be anonymous as the information is on marketing campaigns run for Nike customer's and the name of the customer and product name cannot be disclosed when the information is submitted

I hope the above is in order and you will allow Girshwyn to use the information based on the above conditions for his dissertation.

Sincerely,

Wayne Jenkins

Finance Director - Nike South Africa (Pty) Ltd

Email: Wayne.Jenkins@nike.com

NIKE SOUTH AFRICA (PTY) LTD 12A, Growthpoint Business Park Tonnetti Street Halfway House 1685 Private Bag X98 Halfway House, 1685
Tel: 27.11.256 0700 Fax: 27.11.315 6208
DIRECTORS: MS. HILARY K KRANE (USA), MR LAURENT PAYRE (FRANCE)
Reg No 1995/000105/07

APPENDIX D: ATLAS.TI CODES AND FAMILIES

ATLAS.TI CODES LIST (64)	
Advantages for retailers of using social media	Consumer profiles_Trend followers
Brand management guidelines for online interactions	Consumer to consumer interaction on brand related digital platforms
Campaign objectives	Content decisions for social media channels
Challenges faced by consumers with digital channels	Customer insight and engagement through digital media data tracking
Challenges with the role of online platforms in driving sales	Digital and Traditional Marketing Strategy - Retailer
Collaborative harmonising of campaigns between manufacturers and retailers	Digital channels identified to be in use
Consumer behaviour towards social media campaigns	Digital influences as a disruptor of traditional consumer decision making process
Consumer Characteristics - Attitudes	Digital Marketing - Channels
Consumer Characteristics - Brand	Digital Marketing Strategy - Reach
Consumer Characteristics - Millenial	Digital Marketing Strategy - Retailer
Consumer Characteristics - Older	Digital Marketing Strategy - ROI
Consumer Characteristics - Youth	Digtal Marketing Leverage Global - Negative
Consumer Decision Making Cycle - Positive	Digtal Marketing Leverage Global - Positive
Consumer Decision Making Evaluate Alternatives - Negative	Digtal Marketing Leverage Global - Reshare
Consumer Decision Making Evaluate Alternatives - Positive	Digtal Marketing Leverage Local - Negative
Consumer Decision Making Gather Information - Negative	Digtal Marketing Leverage Local - Positive
Consumer Decision Making Gather Information - Positive	Evolving views on followers
Consumer Decision Making Idenitfy Need - Positive	Expanding role of digital media consumption as a way of life
Consumer Decision Making Purchase - Positive	Expanding role of online platforms in driving sales
Consumer expectations of firm accessibility on digital media	Growing retailer tech savvy - preference for own digital strategy
Consumer Influence - Icons	Impact of multilevel layers of digital presence by global brands
Consumer Influence - Negative	Influence on consumers of retailer perceptions of digital channels
Consumer Influence - Positive	Lack of alignment between manufacturers and retailers on digital strategies
Consumer Perception - Mixed	Need to create synergies across digital and traditional channels
Consumer Perception - Positive	One on one marketing emerging through digital media channels
Consumer Post Purchase behaviour - Positive	Profiling digital consumers
Consumer post purchase behaviour_Negative	Retailer awareness of customer expectations of digital communications
Consumer profile - Tech Savvy	Retailer strategic insight into customer attraction and retention
Consumer profile - value seeking	Retailer understanding of the role of social media
Consumer profiles_Brand loyal	Tactical campaign collaborations led by retailers
Consumer profiles_Informed information seeking buyers	Traditional consumer decsion making processes
Consumer profiles_Regular users	Traditional media channels in use

ATLAS.TI FAMILY LIST (10)
RQ1-Consumer Perception
RQ1- Consumer Characteristics
RQ1- Influence of digital marketing on consumers
RQ2 - Retailer use of digital
RQ2- Leverage of Nike campaigns
RQ2- Retailer own digital initiative
RQ3- Consumer use of digital for Nike
RQ3- Digital influences on consumer choice
RQ3- Evolving consumer behaviour towards digital marketing
RQ3- Evolving trends in digital marketing activities

94

APPENDIX E: RETAIL ORGANISATIONS' SOCIAL MEDIA MARKETING CAMPAIGNS

Social Media Campaign Two (Totalsports, 2016)

Social Media Campaign Three (Edgars, 2016)

Social Media Campaign Four (spree.co.za, 2016)

Social Media Campaign Five (Footgear, 2016)

Social Media Campaign Six (Superbalist.com, 2016)

Social Media Campaign Seven (Sportzlink, 2016)

Social Media Campaign Eight (Zando, 2016)