



# Digital brand awareness threshold determination for a differentiated farm stall in the Eastern Free State: An exploratory study.



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## **CHAPTER 1: INTRODUCTION**

### **1.1 Introduction**

Chapter 1 presents the study to be conducted within the discipline of brand strategy, relating to the digital brand awareness of a differentiated farm stall in the Eastern Free state. The background to the study, problem statement and research aim are discussed, as well as the creation of the topic and assumptions.

A preliminary literature review is presented to demonstrate a preliminary understanding of pertinent academic literature and related theories. This is followed by the research design and methodology. The elements involved in developing the research design are described, as well as the research methodology with reference to the research instrument, data collection, data analysis, reliability and validity. Additionally, limitations and delimitations are clarified.

Lastly, the proposed chapters are outlined, followed by the ethical considerations and possible contributions. Chapter 1 is summarised by concluding remarks.

#### **1.1.1 Background to the study**

In the process of seeking decision opportunities and areas for improvement in any business, Bougie and Sekaran (2020:35) advise identifying market opportunities and constraints, customer analysis and industry evaluation, as potential research applications. Certain facets to research need to be understood, these include the existing situation, underlying problems and the desired situation (Bougie & Sekaran, 2020:37). A differentiated farm stall in Eastern Free State, South Africa, considers expending resources to establish a digital brand awareness footprint to grow. As such, the situation requires consumer insights for informed business decisions.

Farm stalls are an integral part of South African culture and evolved from marginal roadside stalls to prominent businesses (Stern, 2014:8). Research on farm stalls is limited, especially relating to consumer perceptions, expectations and the role of digital brand awareness. Farm stalls are considered part of the formal sector (Van der Bank & Van der Merwe,

1990:123; SME South Africa, 2022) and face marketing related challenges as small, medium and micro enterprises (SMMEs) in South Africa (Van Scheers, 2018:27).

SMMEs face challenges in building brand awareness due to limited resources and competition from larger, established brands (Rugova & Prenaj, 2016:94). One potential solution is utilising social media platforms as it provides organisations an opportunity to engage, interact and create relationships with consumers (Wibawa, Baihaqi, Nareswari, Mardhotillah & Pramesti, 2022:27). Most businesses use social media to increase brand awareness. Numerous studies show the value of social media and its positive association with the performance of organisations (Tajvidi & Karami, 2021:1). However, limited empirical studies measure the impact of adopting social media on performance (Ahmad, Abu Bakar & Ahmad, 2019:84). It is unknown if creating a digital footprint will have a noteworthy impact on the performance of farm stalls. This is particularly relevant for a differentiated farm stall in the Eastern Free State which is the focus of this study.

It is thus known that a digital footprint is beneficial in promoting brand awareness, but the effectiveness of a digital footprint as a brand awareness tool, specifically for farm stalls, has yet to be understood. Simpson and Taylor (2002:375) relate the actual marketing activities within an organisation with the external environment's demand for marketing and elaborate on the evident mismatch. By obtaining insight into the perceptual external demand for a digital footprint of farm stalls, one is able to determine whether allocating resources to increase digital brand awareness is conducive to more sales.

### 1.1.2 Problem statement

Limited resources and uncertainty of an increase in resultant financial performance, are hindering a differentiated farm stall in Eastern Free State, South Africa, from establishing a digital footprint. Most SMME owners in South Africa perceive resource limitations as a leading marketing challenge for increasing brand awareness (Van Scheers, 2018:27). A farm stall faces a predicament in deciding whether investing resources to improve digital brand awareness, with the goal of increasing foot traffic and possibly sales, aligns with the desired situation. The management problem therefore involves establishing consumer expectations and perceptions of digital brand awareness to inform decisions and action related to resource allocation.

A research problem is clear, specific and required to guide the actions of a researcher. It is unambiguous and addressed after the management problem from a distinct academic perspective. According to Bougie and Sekaran (2020:51):

*“A well-defined management [problem] provides the foundation for defining the research problem [...] we need a research problem to guide our actions as a researcher.”*

Therefore, research is the logical next step to be taken in the problem-solving and decision-making process. Farm stalls are SMMEs and part of the formal sector in South Africa, but differ as mainly roadside enterprises providing mostly local sourced goods (Rooms for Africa, 2016) with a consumer market largely consisting of tourists (Van der Bank & Van der Merwe, 1990:128). Business and marketing operations are influenced by the difference in geographic location, consumer market, products and services. Although a positive relationship exists between social media networking and firm competitiveness (Rambe, Mosweunyane & Dzansi, 2019:1), the effectiveness of a digital footprint specifically for farm stalls has yet to be understood. Hofstee (2006:85) emphasises the importance of identifying a problem within the topic and therefore the research aims to answer the question of what consumers perceive and expect from the digital footprint of a farm stall.

Therefore, the problem statement for this study can be articulated as follows:

*Without knowing if a digital footprint will lead to more sales, any resources allocated to establishing and maintaining a digital footprint will not necessarily lead to more customers visiting a business.*

The problem statement fulfils its purpose as stated by Bougie and Sekaran (2020:52) that a good problem statement includes both the statement of the research question and research objective. To support the process in reaching a conclusion to the problem statement, either research questions or objectives are more precisely formulated.

### 1.1.3 Research aim

Research questions are used to name what a study attempts to achieve and used when limited information is available. Hofstee (2006:85) does not recommend using research

questions as it is more difficult to maintain a focused and precise approach. Therefore, research objectives are set to reach a feasible conclusion to the problem statement.

The overarching research objective is set in order to address the identified problem and achieve the purpose of the study, which is articulated as:

*The study aims to scientifically and methodically determine if the perceptions and expectations of customers of a differentiated farm stall in Eastern Free State, South Africa, indicate a quantifiable threshold for digital brand awareness from whence a decision could be made to allocate or refrain from allocating resources to establish a digital footprint.*

Therefore, the research focus on the following objectives:

- To establish the thresholds of expectations and perceptions of existing customers.
- To show that existing academic literature within the context of digital brand awareness and social media marketing in SMMEs, is understood and built upon.
- To follow a scientific, methodical and ethical approach in data collection and analysis.
- To determine a contextually sensible, quantifiable threshold for digital brand awareness.
- To determine whether the differentiated farm stall in the Eastern Free State should allocate resources to establish a digital footprint, or not.

The research objectives are used to guide a review of literature and design a suitable research methodology and method to collect and analyse data and interpret findings (Saunders, Lewis & Thornhill, 2019:43-44). The above research objectives outline the specific aims of the study and are carefully crafted to ensure the research remains relevant and focused to address the problem statement.

The first impression of a research study is the title. It enables potential readers to decide whether they want to read the study and a descriptive and informative title is recommended by Du Plooy-Cilliers, Davis & Bezuidenhout (2014:286). Therefore, the concept, industry and geographic demarcation are included to accurately reflect the content of the study. This led to the creation of the title:

*Digital brand awareness threshold determination for a differentiated farm stall in the Eastern Free State: An exploratory study.*

#### 1.1.4 Assumptions

Assumptions provide a framework to guide the research design and identify potential limitations. It is made on several facets to ensure the study is feasible, align with the research objectives and has value (Hofstee, 2006:88). Therefore, the following assumptions are made:

Firstly, the resource-based view (RBV) theory applies to a differentiated farm stall as it does to SMMEs in other industries. Secondly, a linear relationship between a digital footprint and brand awareness is assumed. Thirdly, that the digital brand awareness threshold for a farm stall is quantifiable. Lastly, increased foot traffic is assumed to lead to more sales.

This concludes the introduction and overview of the background, problem statement and research aim. The next section presents a preliminary review of the literature which will serve as the theoretical foundation for the research.

## **1.2 Preliminary literature review**

The background to the study, problem statement, research objectives, title and assumptions are discussed in the introduction. The preliminary literature review follows to demonstrate an understanding of scholarly work related to the context of brand awareness, social capital theory and the resource-based view. These concepts and theories are identified as relevant to research pertaining to the digital footprint of SMMEs. Key insights, gaps and debates in the literature are reviewed to inform an empirical investigation.

Brand awareness is a pivotal component of brand equity models of Keller (1993) and Aaker (2014) and forms the starting point to build brand equity. It is defined as the ability of consumers to recognize or recall a brand to a certain extent to make a purchase (Keller, 1993:3). Brands are more likely considered when recognized in sufficient detail and it supports consumers to make informed decisions (Kall, 2022:4). Consumers assign positive attitudes towards familiarity and brand awareness affects consumer perceptions and behaviour. It is therefore a valued asset in the purchasing process (Aaker, 2014:10). Consumers are more likely to purchase from businesses they are familiar with, therefore high brand awareness enhances the profitability and sales of a business (Baldauf, Cravens & Binder, 2003:220). These statements attach value to activities that may enhance the brand awareness of any business.

It is important to develop and maintain brand awareness to enhance firm performance (Baldauf et al., 2003:223). Brand awareness is driven through various digital platforms (Desai & Vidyapeeth, 2019:197) and it is thus argued that the digital footprint of a business plays a role in the process of being seen by consumers. North and Oliver (2014:1-3) emphasise the importance of identifying clear goals for expanding a firm's digital footprint. A potential goal may be to engage with customers and drive sales. It is therefore of interest to consider consumer demand for an online presence and whether it integrates with core business processes. Investing in a digital footprint without understanding how, where and if target consumers engage with digital media, could lead to a sunk cost for the business.

Recent studies (Dilham, Sofiyah & Muda, 2018; Ansari, Ansari Ghor, & Kazi, 2019; Zia, Younus & Mirza, 2021) focus on brand awareness and firm performance, digital marketing in small businesses (Ritz, Wolf & McQuitty, 2019), the impact of social media on brand awareness (Momany & Alshboul, 2016; Cheung, Pires & Rosenberger III, 2019) and more

specifically on the performance of SMMEs (Tajvidi, R. & Karami, 2021; Qalati, Yuan, Khan & Anwar, 2021; Emmanuel, Somonon, Amoah & Egala, 2023). Little research however focuses specifically on farm stalls in South Africa and factors influencing a differentiated farm stall's performance and need for a digital footprint.

The performance of SMMEs is measured in various ways (Rojas-Lema, Alfaro-Saiz, Rodriguez-Rodriguez & Verdecho, 2021:1803-1804). The capabilities and resources of a business form the foundation for developing a competitive advantage (Grant, 2018:128) and Kamasak (2017:252) indicates that intangible resources and capabilities have a greater impact on a firm's performance compared to tangible resources. Social capital is an intangible resource often neglected and represents the value embedded in social relationships. Social capital refers to the amount of repeated relationships and connections with others, as well as the mutual respect between businesses and consumers (Ciambotti & Palazzi, 2015:3-5). Social capital is thus a relationship of inherent capital that provides useful support when needed and stable relationships are most effective for building and maintaining trust. Social capital influences consumer behaviour and a SMME is able to gain social capital through a strong digital footprint to establish trustworthy relationships with consumers.

Literature on social media as digital footprint, are viewed from numerous theoretical perspectives, but when the impact of effective social media marketing is explored, a reoccurring theory is the Resource based view (RBV). RBV is introduced by Barney (1991) to link a firm's heterogeneous resources with the competitive advantage enjoyed by the firm. Internal resources and capabilities are analysed to form strategic decisions and effectively compete in the external business environment (Madhani, 2009:3). Intangible resources are utilised to improve a firm's performance and it forms the foundation for developing dynamic capabilities. Dynamic capabilities refer to the unique ability to create and improve new abilities in reaction to a changing environment (Edwards, 2014:132).

Grant (2016:108-111) emphasises the relevance of RBV by elaborating on the effects of a changing environment. A firm's purpose often relates to its consumers and their needs, but a market-focused strategy may not provide a stable direction which is needed for a long-term effective strategy. A firm and its resources and capabilities, form a more stable basis on which to define its identity compared to its changing external environment. Therefore, the unique resources and capabilities of a firm are the primary drivers of long-term profitability

and these internal factors are more important than external factors such as industry conditions. RBV thus suggests that firm effects outweigh industry effects.

The RBV theory has been used as foundation to link the value of social media to firms and the theory supports the assumption that a firm's competitive advantage is depended on managing and applying strategic resources that are rare, valuable, non-substitutable and imperfectly imitable (Tajvidi & Karami, 2021:1). Technological resources and the capability to successfully manage it, is thus a source of competitive advantage and social media marketing capabilities contribute to a firm's improved performance. Implementing and maintaining an effective social media strategy is therefore considered a resource capability and by establishing a digital footprint, knowledge is shared between SMMEs and consumers which improve brand awareness.

The RBV as a theoretical framework is used in studies (Wang & Kim, 2017; Shin, 2013; Morgan, Vorhies & Mason, 2009) to show social media marketing is positively associated with the financial performance of large and small firms. Tajvidi and Karami (2021:2) investigate the influence of social media on firm performance with the role of marketing capabilities, by applying RBV as a theoretical framework and the results demonstrate a positive relationship between social media use and firm performance. Olayah (2019:5-6) refers to RBV when examining the use of social media tools and the relationship between social customer relationship management (CRM) and SMME performance. Marchand, Hennig-Thurau and Flemming (2019:2) furthermore draw on RBV and the concept of dynamic capabilities that enhance social media marketing performance. Bhatti, Farhan, Ahmad and Sharif (2019:2) also use the theoretical framework to analyse the impact of CRM capabilities and customer engagement of firm performance.

Social media and brand awareness within the context of SMMEs in South Africa is relatively under-researched (Urban & Maphathe, 2021) and literature related to the digital footprint of SMMEs, specifically located in the countryside of South Africa, is limited. Although a dearth of literature exists on farm stall businesses in South Africa, the basic tenets within RBV are well-researched. The study will therefore contribute to the topic by drawing on the RBV theory and investigate the perceptions and expectations of customers of a differentiated farm stall in Eastern Free State, South Africa.

The next step following the preliminary literature review, is the research design and methodology, which refer to the approach and methods used to collect and analyse data.

1.3 Research design and methodology

The preliminary literature review provides a foundation to understand relevant theories and concepts which inform the research design and methodology. The research is designed in a manner that makes it possible to collect and analyse requisite data to reach a conclusion to the problem statement. Bougie & Sekaran (2020:103) refer to the research design as a plan to collect, measure and analyse data to achieve research objectives. No research design is superior and choices are carefully made to create the most suitable design for achieving a quality and accurate conclusion.

1.3.1 Research design

Research design is the overall approach and strategy chosen to integrate different elements in the process to address the topic (Hofstee, 2006:113). Saunders *et al.* (2019:161) present the research onion model to articulate how the different elements involved are used to develop the research design. Methodologies and their associations to philosophical assumptions should be considered in the process of choosing the most suitable research strategy. It is insufficient to only differentiate between quantitative and qualitative as numerical and non-numerical data (Saunders *et al.*, 2019:130).

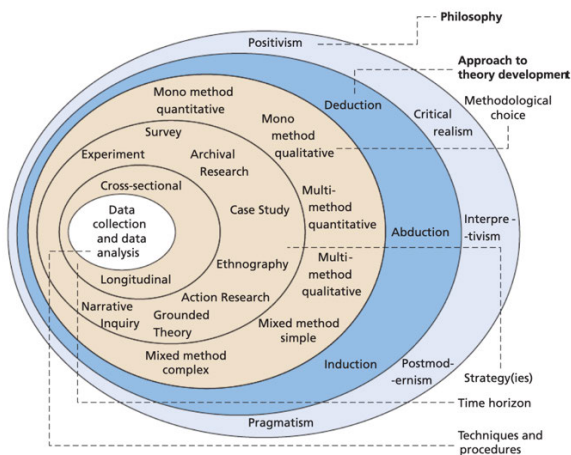


Figure 1.1: The research onion (Saunders *et al.*, 2019:130)

Quantitative methods involve statistical techniques and analysis procedures that use or generate numerical data in order to obtain results (Apuke, 2017:40). According to Saunders *et al.* (2019:162), quantitative research examines relationships between numerically measured variables and is usually associated with positivism. Positivists are concerned with

the replicability of research, generalizability of findings and reliability of observations. Positivism is also associated with deductive research by using data to test theories by means of a scientific method, fixed objectives and a predetermined research design. Positivism focuses on explanation and prediction and defines knowledge on observable facts. Exploratory research is needed when insufficient knowledge is available to guide the development of a theoretical framework. Philosophical assumptions inform methodological choices (Bougie & Sekaran, 2020:23;58). Therefore, the exploratory study will follow a positivist paradigm, with a mono quantitative and deductive approach.

### 1.1.1 Surveys Research methodology

Quantitative research is predominantly associated with survey research strategies, which are normally conducted through questionnaires (Saunders *et al.*, 2019:162). Cross-sectional studies involve once-off data collection over a period of days, weeks, or months (Du Plooy-Cilliers *et al.*, 2014:149). A cross-sectional survey is described by Lavrakas (2008:171-172) as a snapshot of the population about which the data is gathered, at a single point in time. Although a survey is completed over a duration of time, it is assumed that the attitudes and behaviour of the population does not change significantly during the period. Therefore, a survey questionnaire collecting primary data, with a cross-sectional design, is best suited to address the research objectives of the study.

#### 1.1.1.1 Research instrument

Surveys are used to elicit information from a sample of individuals who are intended to represent a larger population and are effective to collect information regarding expectations and perceptions of people (Hofstee, 2006:122). A questionnaire survey is therefore an applicable data collection method for the study. The questions will be as consistent and short as possible to encourage a higher response rate with carefully considered answers. Surveys are relatively easier to analyse and convert into quantitative results. As important ethical considerations, it is done with a random and unbiased sample size and offers confidentiality to respondents.

### 1.1.1.2 Data collection

Defining the target population is a necessary step to commence sampling and the research objectives and scope of the study significantly contribute to accurately define the target population. The sampling frame represents the entire population from which the sample is drawn (Bougie & Sekaran, 2020:226). The overarching research objective pertains to the customers of the differentiated farm stall and their perceptions and expectations. Therefore, road users not stopping at the farm stall, are excluded from the population of interest and scope of the study. The sampling frame is the customers who visit the farm stall during the study period.

Convenience sampling will be conducted by means of online and paper questionnaire surveys made available to all customers. In addition to the QR codes displayed at each pay point in the business, paper questionnaires and stationery are provided at restaurant tables. All customers are prompted to respond to the questionnaire by staff trained on the purpose and significance of the survey. The process takes place over a continuous period until a minimum of 90 survey questionnaires are completed. This ensures a random and unbiased quantity and quality of data that represents the bigger population of customers.

Traditionally research of this nature would make use of simple random sampling. As the surveys need to be voluntary, simple random sampling is thereby excluded. As such the sampling method will technically be convenience sampling, but the data should resemble a simple random sampling technique.

### 1.1.1.3 Data analysis

Data is screened after the data collection has been completed and any unengaged responses are removed. Thereafter a set of statistical techniques will be employed, culminating in descriptive and inferential statistics. These will include but will not be limited to tests for normality, hypothesis testing and t-tests (Statistics Solutions, 2013).

Factor analysis is a multivariate technique that is used to condense a large number of variables into fewer numbers of factors by extracting the maximum common variance. A common score represents the index of all variables and is used for further analysis (Statistics Solutions, 2013). Regression analysis is statistical technique applied when a hypothesis

exists that a single dependent variable is influenced by one or more independent variables (Montgomery, Peck & Vining, 2021:1). Factor analysis can be used as a precursor to regression analysis and is either confirmatory or exploratory. Confirmatory factor analysis (CFA) tests an existing theory, while exploratory factor analysis (EFA) is not based on any prior theory (Statistics Solutions, 2013). Therefore EFA and regression analysis are used in the study to explore data. By assuming that any variable may be associated with any factor, information is provided about the factors representing the data.

#### 1.1.1.4 Reliability and validity

Reliability and validity are major criteria in quantitative research, to ensure the measurements of the instrument are consistent and the findings obtained are accurate (Sürücü & Maslakçi, 2020:2723). Hyman and Sierra (2016:2-3) investigate the advantages and disadvantages of surveys which indicate that close-ended surveys as a research instrument are high in reliability, but potentially low in validity. Various techniques and methods however are used to test reliability and validity, Sürücü and Maslakçi (2020) highly recommend methods of internal consistency and construct validity.

Reliability indicates the extent to which an instrument is error free and refers to the stability and consistency of the findings across time and across various items in an instrument. It ensures consistent and accurate findings which are not due to chance. Interitem consistency reliability, split-half reliability and Cronbach's alpha, are among popular methods to examine the consistency (Bougie & Sekaran, 2020:211-212). Test-retest reliability to assess stability and inter-rater reliability to assess consistency, are additional reliability methods which will be reported on (Statistics Solutions, 2013).

Validity refers to the truthfulness of the findings and ensures the results are meaningful and relevant to the concept. Therefore ensuring that the instrument measures what it is intended to measure. Construct validity verifies how well the findings fit the theories and are assessed through convergent and discriminant validity (Jhangiani, Chiang, Cuttler & Leighton, 2019:95-97).

Table 1.1 indicates the elements of the research design and methodology.

|                                     |                                                         |
|-------------------------------------|---------------------------------------------------------|
| <b>Ontology</b>                     | <i>Objectivism</i>                                      |
| <b>Epistemology</b>                 | <i>Positivism</i>                                       |
| <b>Research Approach</b>            | <i>Deductive</i>                                        |
| <b>Research Design</b>              | <i>Exploratory</i>                                      |
| <b>Research Method</b>              | <i>Quantitative, Primary data</i>                       |
| <b>Data Collection Method</b>       | <i>Questionnaire Survey</i>                             |
| <b>Distribution Method</b>          | <i>Online and paper questionnaires</i>                  |
| <b>Analysis Method</b>              | <i>Descriptive and inferential statistical analysis</i> |
| <b>Time Horizon</b>                 | <i>Cross-sectional</i>                                  |
| <b>Intended Minimum Sample Size</b> | 90                                                      |

Table 1.1: Research design and methodology

### 1.1.2 Limitations

Limitations refer to the weaknesses and shortcomings within the research design that may affect the outcome and conclusion of the study (Ross & Zaidi, 2019:261). A limitation of the study is scant literature focussing on farm stalls and factors influencing a demand for a digital footprint. The study focuses on a differentiated farm stall and the narrow-defined population involves the customers of the farm stall. Therefore, it is uncertain whether correlation findings will generalise to the larger population of road users, or other target populations and industries. Convenience sampling might erode the generalisability of the findings. This is mitigated by the rest of the data collection and analysis resembling simple random sampling, which will allow for parametric statistics instead of non-parametric statistics. Furthermore, the use of survey questionnaires may result in the potential for a low response rate and response bias.

### 1.1.3 Delimitations

Delimitations are set to define the boundaries of the study and ensure the research objectives and conclusion to the problem statement, are achievable (Theofanidis &

Fountouki, 2019:157). It is more likely to achieve a feasible conclusion by limiting the scope of the study (Hofstee, 2006:28).

The study specifically focuses on one differentiated farm stall, located in the Eastern Free State, South Africa. The identified problem revolves around whether establishing and maintaining a digital footprint will lead to more customers and sales for the farm stall, therefore the study aims to determine if the perceptions and expectations of customers indicate a quantifiable threshold for digital brand awareness from whence a decision could be made to regarding the allocation of resources to establish a digital footprint, or not.

## 1.2 Proposed chapter outline

Hofstee (2006:35-36) highlights predictable rules to create a tight and well-structured dissertation and advises against deviation from the classical dissertation model. Therefore, the proposed chapter outline follows a logical order and includes all necessary elements.

The envisaged chapter titles with a brief description are presented in table 1.2.

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Chapter 1:</b><br>Introduction                    | <ul style="list-style-type: none"> <li>• Background to the study, problem statement, research aim.</li> <li>• Topic discussion, assumptions.</li> <li>• Preliminary literature review.</li> <li>• Research design.</li> <li>• Research methodology, research instrument, data, analysis.</li> <li>• Reliability and validity, limitations, delimitations.</li> <li>• Ethical considerations.</li> </ul> |
| <b>Chapter 2:</b><br>Literature review               | <ul style="list-style-type: none"> <li>• Critical review of relevant literature.</li> <li>• Brand awareness, social capital theory, the resource-based view theory.</li> <li>• Review in context of industry, SMMEs.</li> </ul>                                                                                                                                                                         |
| <b>Chapter 3:</b><br>Methodology                     | <ul style="list-style-type: none"> <li>• Propositions and hypotheses.</li> <li>• Research context, research design and method.</li> <li>• Questionnaire design.</li> <li>• Ethical considerations.</li> </ul>                                                                                                                                                                                           |
| <b>Chapter 4:</b><br>Results                         | <ul style="list-style-type: none"> <li>• Population and sample size.</li> <li>• Statistical analyses.</li> <li>• Findings.</li> </ul>                                                                                                                                                                                                                                                                   |
| <b>Chapter 5:</b><br>Conclusions and recommendations | <ul style="list-style-type: none"> <li>• Interpretation, limitations, summary.</li> <li>• Conclusion.</li> <li>• Possible contribution of the research.</li> <li>• Areas for further research.</li> </ul>                                                                                                                                                                                               |

Table 1.2: Proposed chapter outline

### 1.3 Ethical considerations

Research surveys provide valuable information, but it is crucial to adhere to ethical standards. Maintaining scientific rigour by using reliable survey instruments and analytical methods are important (Hammer, 2017:159). The research method best suited for the study is with survey questionnaires to collect primary data involving human participants.

Bougie and Sekaran (2020:158-159) and Bryman and Bell (2007:154-155) highlight several ethical issues that should be addressed while collecting primary data. The ethical considerations to ensure the study meets ethical standards, are as follows:

- Respondents are informed about the purpose of the study, nature of questions and any potential risks associated with participation.
- Information provided by participants is guarded and treated with privacy and confidentiality.
- Data is collected in a respectful and responsible manner and the self-esteem and self-respect of the participants are not violated in any way.
- Informed consent is obtained from individuals prior to participating and any individual's decision not to participate in the survey is respected.
- Respondents are free to withdraw from the study at any stage.
- Data is collected in a respectful and responsible manner and guidelines are followed to avoid being perceived as intrusive when prompting individuals to participate.
- The data results are presented accurately and honestly without any manipulation.

Survey administrators will undergo comprehensive training to ensure consistent data collection practices, completed consent forms and well-informed participants. The survey consists of clear and concise questions to facilitate comprehension and response accuracy and will be conducted within a realistic time period. The privacy and confidentiality of participant information and responses are safeguarded using secure storage and transmission methods with only authorised individuals having access to the data.

These important considerations are followed to ensure the study is ethically conducted with integrity. Although the potential for harm exists in conducting research and collecting primary

data with survey questionnaires, all reasonable ethical considerations, as well as reliability and validity tests, are done to counteract it.

#### **1.4 Possible contributions of the research**

The preliminary literature review reveals that brand awareness within the context of SMMEs in the countryside of South Africa is under-researched. Furthermore, scant literature focuses specifically on farm stalls and factors influencing a demand for a digital footprint. By drawing on the RBV theory and by investigating the perceptions and expectations of customers of a differentiated farm stall in the Eastern Free State, the study will possibly shed light on previously unexplored aspects of digital brand awareness.

By following a scientific, methodical and ethical approach to conduct research, collect and analyse data, a quantifiable threshold for digital brand awareness is determined. The findings and conclusions of the study could possibly inform and impact both discipline literature and industry, providing new insights and practical suggestions.

The research has the potential to provide valuable insights to inform strategic resource allocation decisions for farm stalls and small businesses similar in nature to the farm stall, particularly in relation to establishing and maintaining a digital footprint. Using brand awareness expectation or perception from customers will be a novel overlap between resource allocation theory and brand lore.

## 1.5 Conclusion

Brand awareness can improve the performance of SMMEs, but given the resource limitations that these enterprises face, it is crucial to allocate resources strategically. An established and maintained digital footprint plays a role in building brand awareness and mitigate market-related challenges, but limited research relates to the digital footprint for farm stalls.

Without knowing if a digital footprint will lead to more sales, any resources allocated to establishing and maintaining a digital footprint might be a sunk cost. As such, understanding consumer expectations and perceptions of digital brand awareness is crucial in informing resource allocation decisions. To address this, the study aims to determine if customers' expectations and perceptions of a differentiated farm stall in the Eastern Free State, indicate a quantifiable threshold for digital brand awareness.

The preliminary literature reveals the RBV theory as relevant to research pertaining to the digital footprint of SMMEs and subsequently leads into the research design and methodology. The study follows a positivist paradigm, with a quantitative and deductive approach, to collect primary data through a survey questionnaire. Reliability and validity tests are implemented to maintain scientific rigour regarding the sampling technique and analysis and the limitations and delimitations are expressed. Lastly, all reasonable ethical considerations are done to counteract any potential harm involving the study.

Ultimately, the research aims to help a farm stall and similar enterprises to make informed decisions regarding resource allocation towards establishing and maintaining a digital footprint.

## **CHAPTER 2: CRITICAL LITERATURE REVIEW**

### **2.1 Introduction**

This chapter will show that existing academic literature within the context of digital brand awareness and social media marketing in SMMEs, is understood and built upon. This research objective will be achieved through a critical review of recent and seminal works related to the proposed research.

Hofstee (2006:95-96) emphasises the importance of applying the funnel method for structuring the literature review. Therefore, this chapter adopts the approach by starting with a broad scope and theory base, gradually narrowing the funnel to categories of published works pertaining closer to the topic.

The first section will provide a theoretical overview of marketing by exploring the evolution of modern marketing and its current state with the availability of the internet.

Secondly, brand equity and the role of brand awareness will be investigated within the brand strategy framework.

The funnel will narrow down to brand awareness in the digital age, the establishment of a digital footprint and the influence of demographics, as well as consumer needs and perceptions. Additionally, it will explore the role of variables beyond a digital footprint and review RBV.

The subsequent section will analyse purchase intention and how it is measured. This is followed by digital presence in South African SMMEs, focussing on the adoption and utilisation of digital technologies from both a SMME and consumer perspective.

Lastly, propositions are formulated to outline the constructs to be used in the research instrument.

## 2.2 Marketing: A Theoretical Overview

The American Marketing Association (2017) defines marketing as the activities, institutions and processes involved in creating, communicating, delivering and exchanging offerings that provide value to customers, clients, partners and society. Over time, marketing has evolved through different schools of thought, shaped by pioneers (Drucker, 1958; Levitt, 1960; McCarthy, 1960; Kotler, 1991) and influenced by various fields such as psychology, philosophy, economics, management and other social sciences (Kermally, 2003:13).

### 2.2.1 Modern Marketing

During the 1950s, marketing theorists started promoting a managerial-based approach (Kermally, 2003:12) and Drucker (1958:252-253) emphasised the significance of marketing in economic development, particularly in underdeveloped countries where it is often neglected. Marketing provides systematic discipline in economic activities and integrates the economy with society to fulfil human needs and values. This allows businesses to understand consumer needs and adjust economic activities towards fulfilling these needs.

Levitt (1960) advocated a shift from product orientation to customer orientation and annotated the critical role of problem-solving skills in business, highlighting the link between declining sales and marketing. Levitt emphasises that marketing involves an understanding of one's business (Diderich & Mamali, 2017:5) and explains that successful organisations are those that adapt to market changes and innovate to fulfil customer needs (Levitt, 1960:56). Furthermore, business growth is often at risk due to a lack of marketing imagination and the failure to recognize opportunities and adapt capabilities (Kermally, 2003:44). Negligence of customers' needs, are more likely to result in a failing pattern. Therefore, investing to discover the needs of customers and incorporating it into strategic planning, is important for business growth.

According to McCarthy (1960:37), marketing involves satisfying a specific group of customers with a product or service. This understanding serves as the starting point for the manager's efforts to develop a strategic marketing plan to navigate complexities. A marketing strategy consists of the target market and a combination of tools to meet the needs of the target market. However, the implementation of marketing is often ineffective due to a lack of competence and a poor understanding of the marketing concept and its role.

This inefficiency can result in higher costs. Business operations, efficiency and marketing effectiveness could significantly improve if management comprehends the marketing concept, which emphasises that the primary goal of a business is to satisfy the consumer (McCarthy, 1960:740).

Overall, marketing revolves around the exchange of goods and services. Kotler and Zaltman (1971:4) emphasise that marketing is fundamentally about facilitating these exchanges. Marketing involves exploring, creating and delivering value to meet the target market's needs profitably (Kotler, 2012:27). It is the process through which an organisation generates value for their customers, builds strong relationships and in return captures value from customers. The role of marketing is strategic, as it requires an organisation to align its goals, resources and capabilities with market opportunities to maximise returns on investment (Kotler & Keller, 2015:25-27). Marketing is not static and varies significantly across different countries, economies, cultures and industries. Therefore, it should be tailored to specific contexts (Kotler, 2012:29).

### 2.2.2 Marketing and the Internet

Marketing has undergone substantial transformations over the past years, with traditional marketing principles becoming less effective (Constantinides, 2006:431). The emergence of the internet has changed the marketing landscape and presents individuals with new opportunities and forms of empowerment (Urban, 2005:155). Evolving technology and the internet require businesses to continuously make strategic decisions in order to remain competitive (Porter, 2001:64).

Effective marketing decisions improve brand equity, which creates value (Aaker, 1991:27-29), thereby laying the foundation for building strong brands. Marketing remains integral to understanding consumer needs and requires businesses to continue adapting to different industry, cultural and economic contexts. An aspect of this adaptation is the role of brand awareness in building brand equity to improve firm performance.

The following section will explore brand equity and the role of brand awareness within the context of brand strategy.

## **2.3 Brand Strategy: Brand Equity and the Role of Brand Awareness**

Kotler (1991:442) defines a brand as a distinctive combination of elements to identify and distinguish the goods and services offered by a particular seller or group from competitors in the market. It essentially has the power to influence buyers by creating certain associations and expectations, representing a promise of specific qualities and benefits. Successful brands create value by embedding trust, saliency and differentiation into their offerings, ultimately guiding consumer choice and fostering loyalty (Kapferer, 2008:12-15). Although numerous brand definitions exist in the field, they are mostly static and do not provide practical guidance on the dynamic process of brand building (Kapferer, 2008:52).

### **2.3.1 Brand Equity**

A primary brand building goal is to improve brand equity (Aaker, 2014:10). Keller (1993:1) refers to brand equity as the specific marketing outcomes distinctively linked to a brand, underlying the value that a brand adds to a product or service. A specific result arises due to the name of the brand. This result is derived from consumer perceptions and experiences with the brand (Aaker, 2014:10-11). Consumers experience, evaluate and build associations with a brand to perceive value (Brakus, Schmitt & Zarantonello, 2009:52).

Demonstrating the value of brand building activities on the future performance of an enterprise poses a significant challenge. It is pivotal to gain a comprehensive understanding of how different brand assets are linked and the impact it has on future performance. To justify the allocation of resources, it is critical to identify key underlying assets and its contribution to brand equity (Aaker, 1991:26). By leveraging these assets and its potential impact on performance, a stronger case can be made regarding the importance of investing in specific brand building activities. Aaker (1991:27) extensively explores the concept of brand equity, which refers to a set of brand assets which affect the value and strength of a brand. Although these assets differ in various contexts, it commonly involves brand loyalty, associations and awareness, perceived quality and other proprietary assets. These dimensions play a beneficial role in delivering value to both the company and its customers.

Enterprises aim to maximise the effectiveness of marketing investments due to competitive markets and increasing costs. Therefore, a reason to study brand equity arises from strategic purposes and the motivation to improve marketing productivity. This necessitates

a thorough understanding of consumer behaviour, perceptions and expectations, to inform better strategic decisions. Consumers' knowledge of a brand relates to brand equity and it is important to understand the structure of brand knowledge as it influences how consumers react to marketing activities. Brand awareness is a distinguishing factor in brand knowledge and affects how consumers perceive a brand (Keller, 1993:1-3).

### 2.3.2 Brand Awareness

Brand awareness forms the foundation of brand equity models (Keller, 1993; Aaker, 2014) and refers to the ability of consumers to recognize or recall a brand to a certain extent to make a purchase (Keller, 1993:3). Therefore, brand awareness plays a critical role in building brand equity as it influences consumer perceptions and behaviour and supports decision-making (Kall, 2022:4). The preference towards familiarity makes brand awareness a valued asset in the purchasing process and consumers tend to prefer and purchase from brands they recognize (Aaker, 2014:10).

Organisations have discovered the importance of actively managing, nurturing and controlling brand equity (Kapferer, 1992:4). Aaker (1991) suggests that a combination of organisational efforts contribute to the development of various brand equity dimensions. Baldauf *et al.* (2003:221) examines the impact of these dimensions on value creation and argue that strong brand equity can lead to increased profitability, sales and customer value. This hypothesis is tested by surveying Austrian managers and finding that the aspects of brand equity, including brand awareness, are positively correlated with performance. It is suggested that firms focus on building strong brand equity to improve performance (Baldauf *et al.*, 2003:232-233). Therefore, high brand awareness is improving profitability and sales and activities to improve any business' brand awareness, are considered valuable.

Although marketing improves brand awareness (Keller, 1993:14) and is important for economic development, it is only one aspect and not a cure-all (Drucker, 1958:259). Many organisations devote attention to marketing activities which tend to become a primary focus and neglect the important role of other functions within the organisation to ensure a successful brand strategy and overall growth. Marketing is only a means to achieve the purpose of a brand (Kapferer, 2008:31), which indicates that a broader perspective of various resources is required in the brand-building process.

## 2.4 Brand Awareness in the Digital Age

It is essential to develop and sustain brand awareness as part of the overall brand-building process (Baldauf *et al.*, 2003:223). Various digital platforms are used to raise brand awareness (Desai & Vidyapeeth, 2019:197) and it is argued that SMMEs require an online presence to be competitive in modern society (Bija & Balas, 2014:163). The technological revolution over the past decade has influenced companies' strategies and consumer behaviour (Dropulić, Krupka & Vlašić, 2022:293). The dynamic nature of the online environment became an important challenge faced by brands and this is not likely to change. More time is being spent on digital platforms and consumer behaviour is heavily influenced by technology, specifically social media (Veloutsou & Guzman, 2017:6). This suggests that firms are expected to adapt and integrate new technologies to establish a digital footprint and meet consumer needs in an evolving digital environment.

### 2.4.1 Establishing a Digital Footprint

Establishing a digital footprint requires the adoption of digital technologies, such as social media presence, websites, digital customer experience and digital marketing (Banner, 2018:19). SMMEs are important drivers of economic success and in South Africa they are considered as a solution to the poor economic growth and high unemployment rate (Botha, Smulders, Combrink & Meiring, 2020:153). A growing number of South Africans are using digital platforms to find products and services online (Kemp, 2024), which presents SMMEs with the opportunity to foster a digital presence, expand market reach and ultimately increase sales (Classen, Garbutt & Njenga, 2021).

A firm's digital footprint plays a role in the process of being seen by consumers and it is important to identify clear goals when expanding a firm's digital footprint (North & Oliver, 2014:1-3). A potential goal may be to engage with customers and increase purchase intent. It is therefore of interest to consider consumer demand for an online presence and whether it integrates with core business processes. Customer value has a considerable relationship with brand awareness and marketers should leverage the biggest value drivers relevant for their target market (Malanda, 2020:82). Given that value drivers vary across different demographic groups (Nawaz, Jiang, Alam & Nawaz, 2020:12-13), a firm should understand the unique needs and preferences of their customers.

## 2.4.2 The Influence of Demographics

When researching and implementing digital marketing strategies, Dwivedi, Hughes, Ismagilova, Aarts, Coombs, Crick, Jackson, Kizgin, Williams, Simintiras and Wang (2020:15-16) emphasise the importance of considering different contexts, such as country, sector and demographics, which influence the way organisations and consumers engage with the internet.

### 2.4.2.1 Consumer Demographics

Demographic variables, such as age and gender, significantly influence how consumers engage with digital content and make purchasing decisions (Patel & Bansal, 2018:318). Therefore, it is crucial to consider these variables when measuring consumer perspectives on a digital footprint.

By analysing the effect of digital marketing on brand awareness, several studies (Maria, Pusriadi & Darma, 2019; Mac-Ozigbo, Ogohi & Araga, 2021; Karen & Zai, 2022) indicate a significant correlation between these two variables. Karen and Zai (2019:155,165) argue that digital media enables consumers to easily learn about brands and that social media presence has a significant impact on brand awareness. However, the study primarily included respondents between the ages of 18 and 25, which is among the most active social media age groups (Howe, 2024). Other studies on the topic also include a predominantly younger demographic (Malanda, 2020; Noqayi, 2020) which represents a population significantly active on digital platforms (Kemp, 2024).

Vasudevan and Senthilkumar (2017) attempt to determine brand awareness towards doughnut retail outlets in India among an older demographic. Findings indicate that word of mouth and in-store experiences are more effective than a digital footprint, which includes websites and social media presence (Vasudevan & Senthilkumar, 2017:110).

Dabbous and Barakat (2020:6-7) demonstrate that the quality of social media content has a positive impact on brand awareness and brand interactivity, advising that companies should deploy various social media marketing tools. This is particularly evident among Millennials, where increased engagement and brand awareness through social media lead to higher

offline purchase intentions. However, the study also only considered the younger generation with active social media profiles.

This might not be an accurate representation of the larger population's digital preferences and usage. Therefore, it is crucial to include age as a mediator in the study to determine the correlation between digital brand awareness and purchase intention.

Furthermore, investing in a digital footprint without understanding the online activity and usage of different digital platforms among target consumers, would not necessarily lead to higher purchase intention.

#### 2.4.2.2 Industry and Sector

Kotler (2012:28) explains that marketing strategies should be adapted for different countries, regions and industries. Therefore, the perceptions and preferences of customers within different market segment should be understood.

Research by Szucs (2020:24-35) concludes that an online presence enhances the competitiveness of SMMEs. Enterprises with digital footprints tend to be stronger and more resistant to economic challenges since the management approach towards digitalization impacts various functions within the business. While having an online presence is among notable pillars to measure competitiveness, it does not apply to all industries. Sectors such as insurance, finance and information communication indicate higher average values for online presence and benefit from digital solutions due to the nature of their services. Contrarily, the agriculture sector indicates lower average values (Szucs, 2020:32) and may not require as strong an online presence due to the nature of their operations.

The nature of the farm stall industry within the agriculture sector is unique in terms of the context within which customers visit the enterprises. Van der Bank and Van der Merwe (1990:123,128) elaborate on various genres of visits and the impact of farm stall locations on visits. These variables are considered relevant for the purpose of the study.

Tran, Nguyen and Tran (2021:187) suggest that brand awareness plays an important role in improving the brand equity of a tourist destination, as it influences tourists' perceptions, satisfaction and indirectly, their loyalty. This furthermore highlights the relevance of

considering closeness and genre of visit, as customers of the farm stall also include tourists (Van der Bank & Van der Merwe, 1990:128). Therefore these variables are used in formulating the propositions.

### 2.4.3 Consumer Needs and Perceptions

According to Alamsyah, Indriana, Ratnapuri, Aryanto and Othman (2021:9), consumer preferences for digital advertising are influenced by their needs. The direct impact of digital marketing on brand awareness is limited when it is not accurately tailored to these needs. This suggests that digital marketing may be ineffective without acquiring the necessary resources, which may not be feasible for SMMEs. Furthermore, Azzari and Pelissari (2020:670) demonstrate that brand awareness solely does not influence consumers' purchase intention in the smartphone industry. Brand awareness however is a variable that enables dimensions such as positive brand association, perceived quality and loyalty, which have a direct impact on purchase intention (Azzari & Pelissari, 2020:679-680).

While social and digital marketing offer opportunities to increase brand awareness and sales, it also poses challenges which arise from negative electronic word-of-mouth (eWOM) and an intrusive online presence. (Dwivedi *et al.*, 2020:1). Dwivedi *et al.* (2020: 6-7) highlight the importance of carefully managing an online presence to mitigate negative consumer attitudes which could result in decreasing sales.

Lanyi, Hornyak and Kruzslicz (2021) provide empirical evidence that the existence and quality of a firm's online presence are important, suggesting that SMMEs with websites are more competitive than those without. Firms that do not invest in a digital footprint and adopt the latest technologies, suffer a competitive advantage (Lanyi *et al.*, 2021:480). However, SMMEs do not have the capital and human resources of larger firms, giving larger firms the ability and inherent advantage to easier adopt digital technologies (Zairis, 2021:549).

The findings above (Azzari and Pelissari, 2020; Dwivedi *et al.*, 2020; Lanyi *et al.*, 2021) indicate that consumers often rely on factors beyond brand awareness when making purchase decisions. Therefore, more independent variables should be considered to understand the propensity for digital brand awareness and its correlation with purchase intention.

#### 2.4.4 Beyond a Digital Footprint

Malik, Srisusilawati, Silviany, Fajaria and Tsania (2022) emphasise the critical role of digital marketing in making SMMEs products widely known to the public. However, their study concludes that digital marketing alone is not sufficient. The effectiveness of digital marketing is significantly enhanced when supported by positive word-of-mouth (WOM) marketing, resulting in increased brand awareness within the community. To optimise the benefits of digital marketing, SMMEs need to engage in additional activities such as participating in digital marketing training, recruiting expert human resources in marketing communications and establishing profitable partnerships. Furthermore, improving product quality and facilities are essential to build consumer trust and loyalty. These strategies underscore that a digital footprint, while crucial, requires additional resources and efforts to achieve optimal results (Malik *et al.*, 2022:287). Social capital is an additional and often neglected resource that plays a role in supporting these efforts.

##### 2.4.4.1 Surveys Social Capital

While awareness is considered a fundamental asset for brands, it alone is insufficient to generate sales (Aaker, 1991:69). The performance of SMMEs is measured in various ways (Rojas-Lema, Alfaro-Saiz, Rodriguez-Rodriguez & Verdecho, 2021:1803-1804). The capabilities and resources of a business form the foundation for developing a competitive advantage (Grant, 2018:128) and Kamasak (2017:252) indicates that intangible resources and capabilities have a greater impact on a firm's performance compared to tangible resources. Social capital is an intangible resource that represents the value embedded in social relationships. Social capital refers to the number of repeated relationships and connections with others, as well as the mutual respect between businesses and consumers (Ciambotti & Palazzi, 2015:3-5). Customer engagement thus forms part of social capital, as it relates to the connections and interactions between a business and its customers.

Mujica-Luna, Villanueva and Lodeiros-Zubiria (2021:30-31) explore the relationship between social media marketing, customer brand engagement and brand awareness within the educational sector. The findings indicate that while social media activities increase brand awareness, its effectiveness is enhanced through increased customer engagement. A positive brand image and high brand awareness contribute to repeat purchases, greater consumer loyalty and the overall likelihood of a brand being chosen by consumers (Keller,

1991:8). Triantafillidou and Siomkos (2018:168) indicate that consumer engagement on social media involves both cognitive and affective components, resulting from a mental state of involvement and attention. Therefore, social media marketing has a more significant impact on brand awareness when it involves fostering customer engagement.

Gvili and Levy (2018:496) found that social capital plays a significant role in consumer engagement with eWOM on social media. These findings highlight the importance of leveraging social capital to enhance eWOM effectiveness on digital platforms. Digital marketing is more effective in improving brand awareness when supported by positive WOM and it is recommended that SMMEs conduct additional activities which involve digital marketing training, improving human resource capabilities and establishing profitable partnerships (Malik *et al.*, 2022:287).

An established digital footprint significantly improves customer relationship management, customer satisfaction and operational efficiency, while average benefits are noted in market expansion and turnover (Mahto & Mohan, 2020:14395). This indicates that the return on investment in digitalization may vary. Singh, Singh and Dhir (2024:125) indicate that although online activities impact competitiveness of the restaurant industry, the in-person restaurant experience and post-service quality are more significant than website experiences.

Physical interactions however also play a crucial role in creating meaningful connections with customers. While digital platforms offer opportunities for social connections and information dissemination, physical interactions are perceived as more substantial and impactful by customers (Blut, Kulikovskaja, Hubert, Brock & Grewal, 2023:949).

Additionally, Razmus (2021:1) highlights that consumer brand engagement goes beyond online interactions and has an impact on brand related consumer constructs. Higher brand engagement leads to greater consumer satisfaction, brand loyalty and perceived value of a brand. This demonstrates the crucial role of social capital in enhancing brand engagement to achieve optimal firm performance.

Social capital is thus a relationship of inherent capital that provides useful support when needed and stable relationships are most effective for building and maintaining trust. Social capital influences consumer behaviour and SMMEs are able to gain social capital through a

strong digital footprint to establish trustworthy relationships with consumers. However, brands cannot be built solely through the creation of online advertising (Kotler & Pfoertsch, 2007:358). Therefore, additional resources are required to achieve optimal results.

#### 2.4.5 Resource-Based View

Although brand awareness lays the foundation for consumer recognition and consideration, it requires marketing efforts to drive sales and achieve success in the marketplace. The most effective approach to build and enhance brand awareness depends upon the context (Aaker, 1991:70), which emphasises the importance of a strategic and context-specific approach to brand awareness. Context may include aspects of consumer behaviour, cultural factors, market dynamics and the objectives of an enterprise. A thorough analysis of the context and various influencing factors should require a comprehensive understanding of the enterprise's resources, capabilities and target audience.

Literature on social media as digital footprint, are viewed from numerous theoretical perspectives, but when the impact of effective social media marketing is explored, a reoccurring theory is RBV. RBV is introduced by Barney (1991) to link a firm's heterogeneous resources with the competitive advantage enjoyed by the firm. Internal resources and capabilities are analysed to form strategic decisions and effectively compete in the external business environment (Madhani, 2009:3). Intangible resources are utilised to improve a firm's performance and it forms the foundation for developing dynamic capabilities. Dynamic capabilities refer to the unique ability to create and improve new abilities in reaction to a changing environment (Edwards, 2014:132).

Grant (2016:108-111) emphasises the relevance of RBV by elaborating on the effects of a changing environment. A firm's purpose often relates to its consumers and their needs, but a market-focused strategy may not provide a stable direction which is needed for a long-term effective strategy. A firm and its resources and capabilities, form a more stable basis on which to define its identity compared to its changing external environment. Therefore, the unique resources and capabilities of a firm are the primary drivers of long-term profitability and these internal factors are more important than external factors such as industry conditions. RBV thus suggests that firm effects outweigh industry effects.

The RBV theory has been used as foundation to link the value of social media to firms and the theory supports the assumption that a firm's competitive advantage is depended on managing and applying strategic resources that are rare, valuable, non-substitutable and imperfectly imitable (Tajvidi & Karami, 2021:1). Technological resources and the capability to successfully manage it, is thus a source of competitive advantage and social media marketing capabilities contribute to a firm's improved performance. Implementing and maintaining an effective social media strategy is therefore considered a resource capability and by establishing a digital footprint, knowledge is shared between SMMEs and consumers which improve brand awareness.

Ultimately, achieving sustained competitive advantage requires more than identifying environmental opportunities and threats. It involves the unique resources and capabilities of a firm to capitalise in a changing environment (Barney, 1995:60). Simply adopting advanced digital tools is insufficient without the internal capabilities to manage and strategically utilise these technologies. Effective digital adoption requires a strategic blend of technical, human and conceptual skills, as well as a supportive organisational culture (Noqayi, 2020; Mamorobela, 2023).

RBV as a theoretical framework is used in studies (Wang & Kim, 2017; Shin, 2013; Morgan, Vorhies & Mason, 2009) to show social media marketing is positively associated with the financial performance of large and small firms. Tajvidi and Karami (2021:2) investigate the influence of social media on firm performance with the role of marketing capabilities, by applying RBV as a theoretical framework and the results demonstrate a positive relationship between social media use and firm performance. Olayah (2019:5-6) refers to RBV when examining the use of social media tools and the relationship between social CRM and SMME performance. Marchand *et al.* (2019:2) furthermore draw on RBV and the concept of dynamic capabilities that enhance social media marketing performance. Bhatti *et al.* (2019:2) also use the theoretical framework to analyse the impact of CRM capabilities and customer engagement of firm performance.

Ultimately, RBV still applies to SMMEs today and highlights the critical role of firm-specific resources and capabilities. Exploring these principles, along with social capital, could support a differentiated farm stall in the process to adopt and utilise digital technology to improve firm performance.

Firm performance is furthermore influenced by purchase intention, which is the best determinant of actual consumer behaviour (Abumalloh, Ibrahim, Nilashi & Abu-UIbeh, 2018:387). Therefore, understanding the factors that influence purchase intention is essential for improving the performance of SMMEs with resource limitations.

The next section will explore purchase intention and its determinants, including brand awareness, WOM, genre and amount of purchase.

## **2.5 Purchase Intention**

Purchase intention refers to the willingness of a consumer to buy a specific product in a specific situation (Hameed, Malik, Hadi & Raza, 2023:1). This is influenced by various internal or external factors, which include trigger, outcome expectation, recommendation and personal association (Shahid, Hussain & Zafar, 2017:36-37).

Brand awareness and brand loyalty are argued to be positively, strongly correlated with purchase intention in the clothing sector (Malik, Ghafoor, Iqbal, Riaz, Hassan, Mustafa & Shabaz, 2013: 70). However, the study by Malik *et al.* (2013) do not consider the components of brand awareness and brand loyalty. In the context of the farm stall, it is crucial to include factors influencing the propensity for digital brand awareness.

Sehar, Ashraf and Azam (2019:44) reveal that the relationship between a brand and its customers can be improved by the use of social media platforms. An improved relationship enables the brand to convince customers to become loyal, which results in loyal customers being more willing to pay a premium price.

In contrast with the findings by Malik *et al.* (2013) and Sehar *et al.* (2019), Susilowati and Sari (2020) indicate no significant correlation between brand loyalty and purchase intention. The findings however specify a positive relationship among brand awareness, association and perceived quality towards brand loyalty and purchase intention (Susilowati & Sari, 2020:39). Recent studies by Chen (2024 239) and Amperawati, Rahmawati, Haerofiatna and Rusmawan (2024:1715) furthermore confirm a strong relationship between brand awareness and purchase intention.

However, in the age of digital communication, brand awareness alone may not be ample to significantly enhance consumer purchase intention (Hameed *et al.*, 2023:1) and ultimately firm performance. Therefore, the study will investigate the relationship between purchase intention and propensity for digital brand awareness among customers of the farm stall by considering additional variables such as digital readiness and the usage of digital communication.

In addition to brand awareness, there are other key variables influencing purchase intention. Harris and Goode (2010:231) and Mahliza (2020:73) emphasise the essential role of trust in determining online purchase intention and exchange. Trust is the expectation that a seller will fulfil their commitment towards the customer and a lack of trust hinders consumers from making online purchases.

For farm stalls that do not sell online, the impact of trust on purchase intention could still be considered relevant. Various social presence factors contribute to building trust (Lu, Fan & Zhou, 2016:225) and trust influences the intention of consumers to follow the advice of others, which fosters positive WOM (Filieri, Alguezaui & McLeay, 2015:174). Therefore, WOM should be considered in the study as a variable influencing purchase intention.

### 2.5.1 Word-of-Mouth (WOM)

WOM refers to the communication about a brand among individuals without commercial intent (Lin & Lu, 2010:21). It can be positive and encourage purchase intention, or negative and discourage purchase intention (Vázquez-Casielles, Suárez-Álvarez & Del Río-Lanza, 2013:44). Lin and Lu (2010:29) emphasise the importance of considering the moderating effect of word-of-mouth. The study indicates that positive WOM strengthens the impact of trust on purchase intention.

Additionally, Abubakar and Ilkan (2016:199) argue that eWOM significantly influences both destination trust and the intention to travel. This supports the relevance of WOM on a farm stall customer's purchase intention, given its geographic location and popularity as a roadside stop among travellers.

Purchase intention and consumer behaviour are furthermore related to the specific genre of the purchase and the amount a customer is willing to spend.

### 2.5.2 Genre and Amount of Purchase

Consumer expenditures often fluctuate independently of financial variables such as income and commonly involve anticipatory variables (Juster, 1966:659). The purchase intention towards a product is largely influenced by consumers' attitude and interaction with the product, as well as their willingness to pay (Volschenk, Gerber & Santos, 2022:2).

Consumers are more motivated to purchase a genre of products with higher perceived symbolic value and are willing to spend more if the perceived value is higher than the related cost (Tsuchiya, Fu & Huang, 2022:271). This necessitates the inclusion of the genre and amount of purchase as antecedents of purchase intention among farm stall customers.

The next section will explore the digital presence of South African SMMEs, highlighting the adoption and utilisation of digital technologies. Additionally, the perspectives of SMMEs and consumers will be considered, as well as an overview within and the context of a farm stall.

## 2.6 Digital Presence in South African SMMEs

Recent studies (Dilham, Sofiyah & Muda, 2018; Ansari, Ansari, Ghori, & Kazi, 2019; Zia, Younus & Mirza, 2021) focus on brand awareness and firm performance, digital marketing in small businesses (Ritz, Wolf & McQuitty, 2019), the impact of social media on brand awareness (Momany & Alshboul, 2016; Cheung, Pires & Rosenberger III, 2019) and more specifically on the performance of SMMEs (Tajvidi & Karami, 2021; Qalati, Yuan, Khan & Anwar, 2021; Emmanuel, Somonon, Amoah & Egala, 2023). Little research however focuses specifically on farm stalls in South Africa, factors influencing a differentiated farm stall's performance and need for a digital footprint to improve purchase intention.

Social media and brand awareness within the context of SMMEs in South Africa is relatively under-researched (Urban & Maphathe, 2021) and literature related to the digital footprint of SMMEs, specifically located in the countryside of South Africa, is limited. Numerous South African studies however identified common barriers preventing SMMEs from adopting digital technologies (Lekhanya, 2013; Rambe *et al.*, 2019; Noqayi, 2020). Regardless of these challenges, the potential benefits of digital platforms are widely recognized (Tlapana & Dike, 2020; Nhuvira & Dorasamy, 2021; Mothudi & Bothma, 2023).

### 2.6.1 Adoption of Digital Technologies

The usage of social media for business purposes among rural SMMEs in KwaZulu-Natal, is finite. Challenges preventing these SMMEs to create a digital footprint relates to illiteracy, lack of computer skills, poor telecommunications infrastructure and managerial incompetence (Lekhanya, 2013:3-4). Rambe *et al.* (2019) explores the use of social media technologies among tourism SMMEs in the Free State and the findings also indicate limited adoption. Their challenges relate to the high costs of internet connectivity, limited knowledge, skills, financial and human resource constraints to employ specialists or invest in training (Rambe *et al.*, 2019:6). Noqayi (2020:69-73) identifies a blend of technical, human and conceptual skills as critical for SMMEs to manage digital platforms effectively. In the South African context, internal and external factors, such as skills gaps, infrastructure, digital divide, funding and social capital have an impact on digitalisation (Noqayi, 2020:83).

The findings above, considering that they are somewhat recent, require some pondering. Firstly, poor telecommunications infrastructure and managerial incompetence falls outside the scope of this study, but the lack of computer skills might play a role as it relates to digital readiness. Secondly, all the challenges posed by Rambe *et al.* (2019), along with those of Noqayi (2020), relate exclusively to either the exact geographical location, or the challenges experienced from management. Whilst informative, none of these considerations relate to a consumer's decision to visit the farm stall due to the presence or absence of the farm stall's digital brand footprint. This further necessitates the inclusion of the context of visits, as well as the digital readiness level of farm stall customers, to determine the correlation with digital brand awareness.

### 2.6.2 Utilisation of Digital Technologies

Tlapana and Dike (2020:5) indicate that South African SMMEs make use of social media marketing and recognise its benefits to increase brand awareness at minimal costs. However, SMMEs have limited knowledge, skills and strategies which hinder utilising the full capabilities of digital platforms.

The study by Nhuvira and Dorasamy (2021:1) highlight the benefits that fashion SMMEs in South Africa gain from adopting digital marketing strategies. Although mobile applications and social media platforms are widely used, most of these SMMEs do not own websites.

Davids and Jokonya (2019) emphasise the importance of utilising digital platforms among SMMEs in the hospitality industry in the Western Cape. The study indicates that most SMMEs make use of social media, while only few have websites as it requires extra expenditure on technology infrastructure and a need for immediate return on investment exists. Although the level of information and communication technologies among competitors are a prevalent factor in the adoption of digital technologies, customer service satisfaction and personal interaction are considered more important (Davids & Jokonya, 2019:93).

These findings suggest that while a number of SMMEs overcome digital adoption barriers, new challenges emerge hindering the optimal use of digital platforms. For a farm stall, these insights are particularly relevant as utilising, rather than merely adopting a digital footprint, requires additional investment and resources. Therefore, the importance of customer service satisfaction and personal interactions should be measured to determine if it outweighs the benefits of an online presence. To identify whether such an investment will deliver returns, it is crucial to understand the digital skill levels and platform usage among customers of the farm stall.

### 2.6.3 SMME Perspective

Social media marketing (SMM) is considered a cost-effective marketing method that improves customer engagement for laundry and dry-cleaning (LDC) businesses. While some LDC businesses have adopted SMM, others have not due to a lack of knowledge and skills. To successfully implement SMM, businesses require a good strategy, understanding of social media channels, setting clear goals and creating valuable content (Mothudi & Bothma, 2023:39). Additionally, integrating advanced technologies requires sufficient knowledge and investments in financial and human resources. Therefore, efficient resource allocation is crucial. Digital marketing could increase costs, destruct value and harm long-term benefits, when not managed properly (Aswani, Kar, Ilavarasan, Dwivedi, 2018:107).

Classen *et al.* (2021) explore perceptions of digital technology adoption among SMMEs in the Western Cape, South Africa. The findings indicate that awareness of digital presence benefits, perceived capabilities and time effort expectancy influence SMMEs' adoption of technology. Additionally, the adoption is moderated by external support availability, prior experiences and the perceived pressures from competitors and customers.

South African SMMEs' motivation to adopt social media goes beyond challenges and capabilities. Mamorobela (2023:179) indicates that the motivation to adopt social media also differs by age groups. The younger generation are more prone to adopt social media for marketing and networking, while older entrepreneurs are more sceptical towards social media and mostly do not trust digital platforms with sensitive data of their businesses. The benefits gained by SMMEs through their online presence also vary based on the demographic characteristics of the SMMEs and their owners (Mahto & Mohan, 2020:14396-14397).

#### 2.6.4 Consumer Perspective

While many of these studies focus on the perspective of SMMEs, they do not consider consumer expectations and perceptions. It is vital to gain a comprehensive understanding of customer wants, needs and demands to develop marketing strategies (Armstrong, Adam, Denize & Kotler, 2014:5). Therefore, it is pertinent to explore this facet, since brand awareness affects consumer decision making, which influences the strength and formation of brand associations within the brand image. Brand image represents consumers' perceptions and interpretations of a brand, which are reflected by the associations held within their memory (Keller, 1991:3). Customers are a significant external factor influencing businesses' adoption of digital technology (Bogea & Brito, 2018:15; Classen *et al.*, 2021). Blut *et al.* (2023:949) argue that physical interactions also play a crucial role in creating meaningful connections with customers. While digital platforms offer opportunities for social connections and information dissemination, physical interactions are perceived as more substantial and impactful by customers (Blut *et al.*, 2023:949).

#### 2.6.5 Farm Stall Context

In addition to the importance of understanding consumer perceptions, Armstrong *et al.* (2014:56-58) also emphasise the importance of resource allocation and the financial viability of marketing expenditures. This is to ensure optimised return on marketing investments, especially in the context of a more constrained economic landscape. Investing in a digital footprint without comprehending the impact of digital brand awareness may not lead to higher purchase intentions and increased sales for the farm stall.

Therefore, it is essential to consider the unique characteristics of the farm stall industry and its customers to determine the propensity for digital brand awareness. Although a dearth of literature exists on farm stall businesses in South Africa, the basic tenets within RBV are well-researched. The study will draw on the RBV theory and investigating the perceptions and expectations of customers of a differentiated farm stall in Eastern Free State, South Africa.

The next section will state the propositions of the study and define the variables involved.

## 2.7 Propositions

Propositions are statements about observable concepts that may be regarded as true or false. Preliminary propositions are formulated for empirical testing, which will lead to the derivation of the hypotheses and null hypothesis (Cooper & Schindler, 2014:58). The propositions involve the propensity for digital brand awareness and its relationship with the context of visit, digital readiness level. This will be measured against the purchase intention of customers of the farm stall by using age as moderator.

*Proposition 1: The propensity for digital brand awareness is weakly, but positively correlated with purchase intention.*

*Proposition 2: Age is a positive moderator between the relationship between the propensity for digital brand awareness and purchase intention.*

*Proposition 3: The propensity for digital brand awareness is strongly and positively correlated with the context of visit.*

*Proposition 4: Context of visit is weakly, but positively correlated with digital readiness level.*

*Proposition 5: The propensity for Digital readiness level is strongly and positively correlated with digital readiness level.*

Hypothesis will be derived from above mentioned propositions and detailed in Chapter 3.

## 2.7 Conclusion

This chapter has achieved the research objective by demonstrating an in-depth understanding and expansion of existing academic literature within the context of digital brand awareness and social media marketing in SMMEs.

By following the recommended funnel method by Hofstee (2006), the chapter commenced with a broad theoretical overview of marketing and gradually narrowed down to closely related works pertaining to brand equity and brand awareness within the framework of brand strategy.

Works related to brand awareness in the digital age were analysed by evaluating the impact of consumer demographics, the industry and sector, as well as social capital and variables beyond a digital footprint. Additionally, seminal and recent studies involving RBV were reviewed.

As the funnel narrowed down, the chapter proceeded to identify purchase intention as an independent variable and analysed internal and external factors influencing it. This was followed by an examination of the digital presence in South African SMMEs, highlighting the challenges related to adopting and utilising digital technologies from both an SMME and consumer perspective.

Lastly, this structured and critical review provided a foundation from which propositions were formulated, enabling the development of hypotheses in the next chapter.

Chapter 3 will outline the research methodology by discussing the research paradigm, design and methods, as well as the questionnaire design and ethical considerations.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 Introduction**

Research methodology is a structured plan that specifies the techniques and procedures applied in the study (Patil & Aditya, 2020:3) to address the research questions and objectives. The third research objective will be achieved in this chapter by following a scientific, methodical and ethical approach in data collection and analysis.

The first section presents the research hypotheses derived from the preliminary propositions, followed by a discussion of the underlying research paradigm, including ontology and epistemology.

The chosen research design and methodology will be explored by detailing the population and sampling technique, as well as the data collection method. This will be followed by the data analysis procedure with emphasis on reliability and validity.

The next section will provide a description of the questionnaire design and refer to the limitations and delimitations of the study.

Lastly, the ethical considerations will be made.

## 3.2 Hypotheses

Hypotheses are used in Structural Equation Modelling (SEM) to provide a way to determine proposed relationships between dependent and independent variables (McCoach & Cintron, 2022:85). The propositions formulated in Chapter 2 offer a conceptual framework of the variables that require testing and are used to derive the hypothesis below.

H1: There is a weak but positive relationship between the propensity for digital brand awareness and purchase intention.

H2: Age as moderator will have a positive effect on the relationship between the propensity for digital brand awareness and purchase intention.

H3: There is a strong and positive relationship between the propensity for digital brand awareness and the context of visit.

H4: There is a weak but positive relationship between the context of visit and digital readiness level.

H5: There is a strong and positive relationship between the propensity for digital brand awareness and digital readiness level.

The next section will explore the study's research paradigm grounded in objectivism and positivism.

### 3.3 Research Paradigm

Paradigms shape methodologies and refer to a set of shared beliefs and practices that guides the research approach and data interpretation (Du Plooy-Cilliers et al., 2014: 19). A research paradigm guides how research is conducted, enabling the attainment of knowledge to better understand the reality and articulate beliefs. The framework involves assumptions about ontology, epistemology, methodology and methods (Rehman & Alharti, 2016:51).

#### 3.3.1 Ontology and Epistemology

Ontology is comprised of objectivism and subjectivism, referring to assumptions about reality and the nature of our beliefs (Richards, 2003:33). Objectivism assumes that entities exist independently of social actors (Kiichiro & Ikeda, 2012:1) and is the appropriate ontology to use for determining the relationship between different aspects of reality.

Epistemology involves philosophy about knowledge and how it is acquired and validated. There are three key approaches to research, including positivism, interpretivism and critical theory (Rehman & Alharti, 2016:52). Positivists are concerned with the replicability of research, generalizability of findings and reliability of observations (Bougie & Sekaran, 2020:23). The relevant epistemology is positivism, as it believes that cause-and-effect relationships can be identified and predicted with certainty (Rehman & Alharti, 2016:53).

The theoretical perspective above enables a rigorous process of scientific inquiry and will enable the collection and analysis of data to reach a conclusion to the problem statement.

The next section will discuss the research design of the study as it pertains to the research paradigm.

### 3.4 Research Design

Bougie and Sekaran (2020:103) refer to the research design as a plan to collect, measure and analyse data to achieve research objectives. No research design is superior and choices are carefully made to create the most suitable design for achieving a quality and accurate conclusion.

Research design is the overall approach and strategy chosen to integrate different elements in the process to address the topic (Hofstee, 2006:113). Saunders *et al.* (2019:161) present the research onion model to articulate how the different elements involved are used to develop the research design. Methodologies and their associations to philosophical assumptions should be considered in the process of choosing the most suitable research strategy. It is insufficient to only differentiate between quantitative and qualitative as numerical and non-numerical data (Saunders *et al.*, 2019:130).

Quantitative methods involve statistical techniques and analysis procedures that use or generate numerical data in order to obtain results (Apuke, 2017:40). According to Saunders *et al.* (2019:162), quantitative research examines relationships between numerically measured variables and is usually associated with positivism. Positivism is also associated with deductive research by using data to test theories by means of a scientific method, fixed objectives and a predetermined research design. Positivism focuses on explanation and prediction and defines knowledge on observable facts.

Exploratory research is needed when insufficient knowledge is available to guide the development of a theoretical framework. Philosophical assumptions inform methodological choices (Bougie & Sekaran, 2020:23;58). Therefore, the exploratory study will follow a positivist paradigm, with a mono-quantitative and deductive approach.

The following section discusses the research methodology and includes detailed descriptions of the population and sampling, research instrument, data collection method and analysis, as well as reliability and validity.

### 3.5 Research Methodology

Quantitative research is predominantly associated with survey research strategies, which are normally conducted through questionnaires (Saunders *et al.*, 2019:162). Cross-sectional studies involve once-off data collection over a period of days, weeks, or months (Du Plooy-Cilliers *et al.*, 2014:149). A cross-sectional survey is described by Lavrakas (2008:171-172) as a snapshot of the population about which the data is gathered, at a single point in time.

Although a survey is completed over a duration of time, it is assumed that the attitudes and behaviour of the population does not change significantly during the period. Therefore, a survey questionnaire collecting primary data, with a cross-sectional design, is best suited to address the research objectives of the study.

#### 3.5.1 Population and Sampling

Defining the target population is a necessary step to commence sampling and the research objectives and scope of the study significantly contribute to accurately define the target population. The sampling frame represents the entire population from which the sample is drawn (Bougie & Sekaran, 2020:226). The overarching research objective pertains to the customers of the differentiated farm stall and their perceptions and expectations. Therefore, road users not stopping at the farm stall, are excluded from the population of interest and scope of the study. The sampling frame is the customers who visit the farm stall during the study period.

Convenience sampling will be conducted by means of online and paper questionnaire surveys made available to all customers during the data collection period. This ensures a random and unbiased quantity and quality of data that represents the bigger population of customers.

Traditionally research of this nature would make use of simple random sampling. As the surveys need to be voluntary, simple random sampling is thereby excluded. As such the sampling method will technically be convenience sampling, but the data should resemble a simple random sampling technique.

### 3.5.2 Research Instrument

Surveys are used to elicit information from a sample of individuals who are intended to represent a larger population and are effective to collect information regarding expectations and perceptions of people (Hofstee, 2006:122). A questionnaire survey is therefore an applicable research instrument for the study.

The research instrument will employ a Likert-type scale to understand how the perceptions of the participants relate to a single variable (Joshi, Kale, Chandel & Pal, 2015:398). Customers of the farm stall will indicate their level of agreement or disagreement with several statements related to each construct derived from the literature.

The questions will be as consistent and short as possible to encourage a higher response rate with carefully considered answers. Surveys are relatively easier to analyse and convert into quantitative results. As important ethical considerations, it is done with a random and unbiased sample size and offers confidentiality to respondents.

The actual survey instrument designed for the purpose of this study can be found as Appendix A.

### 3.5.3 Data Collection

Data will be collected using structured questionnaires distributed both online and in paper form. The online questionnaire will be accessible through the scanning of QR codes displayed at each pay point in the business, while paper questionnaires and stationery are provided at restaurant tables.

The data collection will be self-administrated and will commence from the date of ethical clearance until 15 September 2024. A minimum of 90 survey questionnaires needs to be completed during this continuous period. To ensure this is reached, all customers will be prompted to respond to the questionnaire by staff trained on the purpose and significance of the survey.

This data collection process ensures a random and unbiased quantity and quality of data that represents the bigger population of customers.

### 3.5.4 Data Analysis

Data is screened after the data collection has been completed and any unengaged responses are removed. Thereafter a set of statistical techniques will be employed, culminating in descriptive and inferential statistics. These will include but will not be limited to tests for normality, hypothesis testing and t-tests (Statistics Solutions, 2013).

Factor analysis is a multivariate technique that is used to condense a large number of variables into fewer numbers of factors by extracting the maximum common variance. A common score represents the index of all variables and is used for further analysis (Statistics Solutions, 2013).

Regression analysis is statistical technique applied when a hypothesis exists that a single dependent variable is influenced by one or more independent variables (Montgomery, Peck & Vining, 2021:1). Factor analysis can be used as a precursor to regression analysis and is either confirmatory or exploratory. Confirmatory factor analysis (CFA) tests an existing theory, while exploratory factor analysis (EFA) is not based on any prior theory (Statistics Solutions, 2013).

Therefore EFA and regression analysis are used in the study to explore data. By assuming that any variable may be associated with any factor, information is provided about the factors representing the data.

### 3.5.5 Reliability and validity

Reliability and validity are major criteria in quantitative research, to ensure the measurements of the instrument are consistent and the findings obtained are accurate (Sürücü & Maslakçi, 2020:2723). Hyman and Sierra (2016:2-3) investigate the advantages and disadvantages of surveys which indicate that close-ended surveys as a research instrument are high in reliability, but potentially low in validity. Various techniques and methods however are used to test reliability and validity, Sürücü and Maslakçi (2020) highly recommend methods of internal consistency and construct validity.

### 3.5.5.1 Reliability

Reliability indicates the extent to which an instrument is error free and refers to the stability and consistency of the findings across time and across various items in an instrument. It ensures consistent and accurate findings which are not due to chance. Inter-item consistency reliability, split-half reliability and Cronbach's alpha, are among popular methods to examine the consistency (Bougie & Sekaran, 2020:211-212). Test-retest reliability to assess stability and inter-rater reliability to assess consistency, are additional reliability methods which will be reported on (Statistics Solutions, 2013).

Inter-item consistency refers to the consistency of scale items' measurements within a framework (Tang, Cui & Babenko, 2014:207). Thus, determining if the different scale items proposed to measure the same construct, yield similar results. The Cronbach's coefficient Alpha is commonly used to determine the reliability of inter-item consistency (Tang *et al.*, 2014:207).

Split-half reliability ensure consistency in measuring a construct by splitting a set of measures into two halves and calculating the correlation between the responses from both sets (Babbie, 2008:159).

Test-retest reliability is the method to assess the consistency of results by repeating the same test with the same participant at a different point in time. The outcome should deliver the same results (Babbie, 2008:158).

### 3.5.5.2 Validity

Validity refers to the truthfulness of the findings and ensures the results are meaningful and relevant to the concept. Therefore, ensuring that the instrument measures what it is intended to measure (Jhangiani, Chiang, Cuttler & Leighton, 2019:95-97). Babbie (2008:161) elaborate on three ways to measure validity, which are criterion-related validity, construct validity and content validity.

Criterion-related validity, also referred to as predictive validity, evaluates the degree to which a measure predicts an outcome based on an external criterion (Babbie, 2008:161).

Construct validity assesses whether a measure relates to other variables and verifies how well the findings fit the theories. This is assessed through convergent and discriminant validity (Jhangiani *et al.*, 2019:96).

Content validity evaluate how well a measure covers all relevant parts of the construct and the full range of meanings within concept (Babbie, 2008:161).

Having established the important role of reliability and validity, the next section will elaborate on the questionnaire design, construct outline and scale structure.

3.6 Questionnaire Design

Babbie (2008:8-10) elaborates on common errors in research which include inaccurate and selective observations, overgeneralization and illogical reasoning. A well-designed research framework mitigates these errors and allows for the quantification of observations and understanding their underlying constructs. Constructs are theoretical creations based on observations and cannot be observed directly or indirectly. It is used to support the organization, communication and understanding of observations (Babbie:135-136).

The constructs and factors used to address complex facets are illustrated in Figure 3.1.

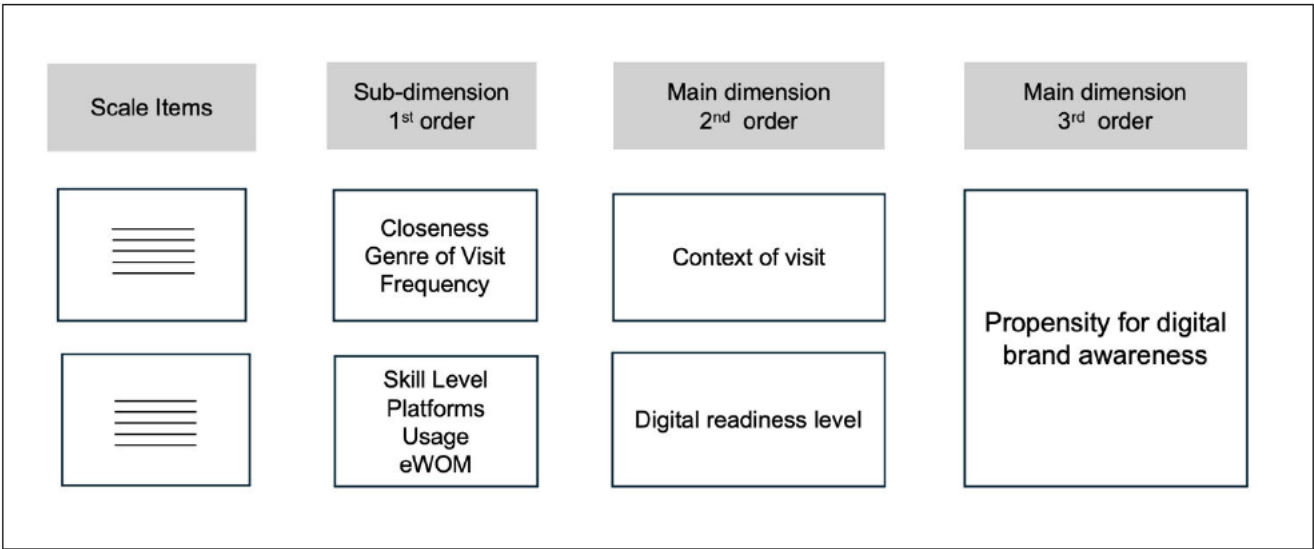


Figure 3.1: Construct Outline

The constructs illustrated in Figure 3.1 were developed during the review of literature in Chapter 2 and are categorised as first and second dimension orders. The scale items are measurable factors aggregated to provide a comprehensive understanding of the circumstances and motivations of a customer to visit the farm stall. This informs the context of visit. ‘Digital readiness level’ include the factors ‘skill level’, ‘platforms’, ‘usage’ and ‘eWOM’ to measure how a customer interact with digital technologies.

‘Context of visit’ and ‘digital readiness level’ are grouped together under the construct ‘Propensity of digital brand awareness’, which refers to the susceptibility of a customer to be influenced by the digital presence of a brand when making decisions.

It is essential to measure these constructs against a dependent variable. This variable is ‘purchase intention’, as it reflects the outcome influenced by the constructs of digital brand awareness. ‘WOM’, ‘genre of purchase’ and ‘amount’ are additional factors included in the framework that inform the purchasing behaviour of a farm stall customer.

Figure 3.2 represents the scale structure and relationship between the dependent and independent variables. Age is used as moderator to account for the role of demographic variations. Since demographics influence the correlation, age is used as moderator.

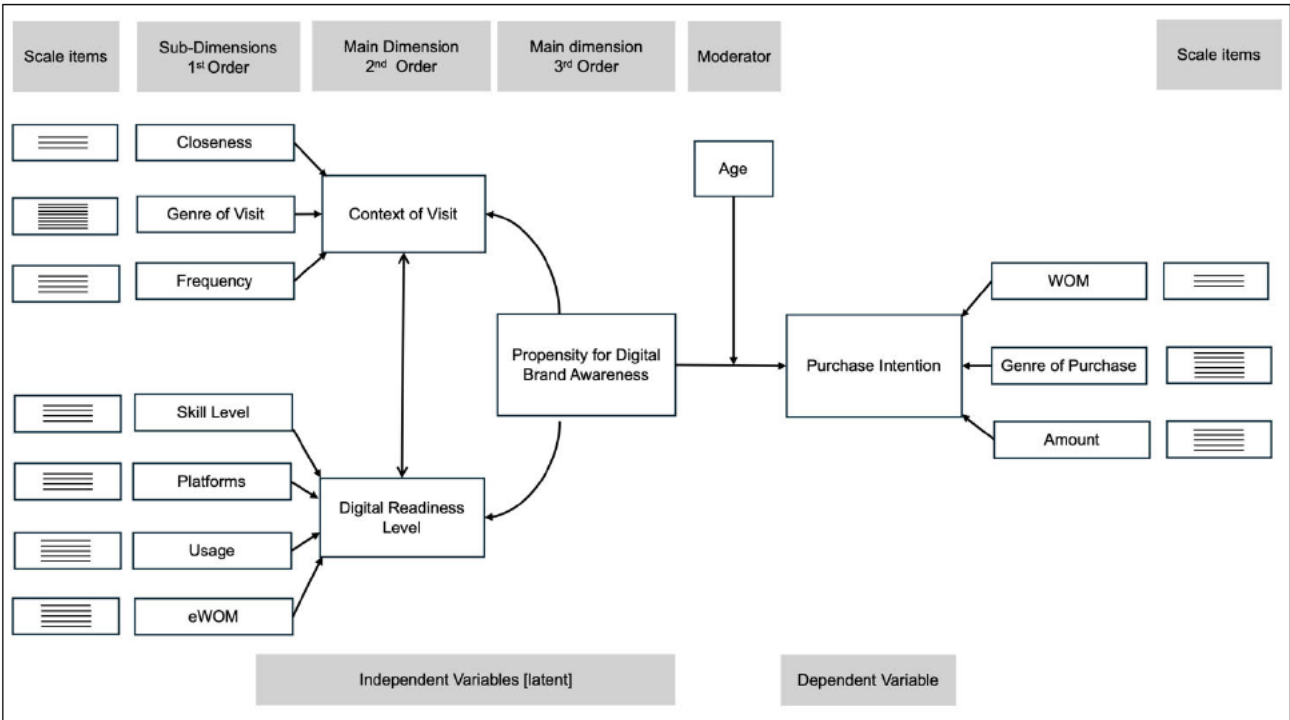


Figure 3.2: Scale Structure

The scale structure visually illustrates the connections between the different factors, facilitating the creation of the questionnaire to collect the required data. This approach enables a better interpretation and understanding of the results and ensures all necessary aspects are covered by formulating questions related to the scale items.

The next sections will discuss the limitations and delimitations of the study. Understanding these aspects is crucial as they define the scope, potential weaknesses and boundaries of the research.

### **3.7 Limitations**

Limitations refer to the weaknesses and shortcomings within the research design that may affect the outcome and conclusion of the study (Ross & Zaidi, 2019:261). A limitation of the study is scant literature focussing on farm stalls and factors influencing a demand for a digital footprint. The study focuses on a differentiated farm stall and the narrow-defined population involves the customers of the farm stall. Therefore, it is uncertain whether correlation findings will generalise to the larger population of road users, or other target populations and industries. Convenience sampling might erode the generalisability of the findings. This is mitigated by the rest of the data collection and analysis resembling simple random sampling, which will allow for parametric statistics instead of non-parametric statistics. Furthermore, the use of survey questionnaires may result in the potential for a low response rate and response bias.

### **3.8 Delimitations**

Delimitations are set to define the boundaries of the study and ensure the research objectives and conclusion to the problem statement, are achievable (Theofanidis & Fountouki, 2019:157). It is more likely to achieve a feasible conclusion by limiting the scope of the study (Hofstee, 2006:28).

The study specifically focuses on one differentiated farm stall, located in the Eastern Free State, South Africa. The identified problem revolves around whether establishing and maintaining a digital footprint will lead to more customers and sales for the farm stall, therefore the study aims to determine if the perceptions and expectations of customers

indicate a propensity for digital brand awareness from whence a decision could be made to regarding the allocation of resources to establish a digital footprint, or not.

### **3.9 Ethical Considerations**

The appropriate ethical considerations have been outlined in Chapter 1. These considerations will be revisited and expanded upon as required.

Research surveys provide valuable information, but it is crucial to adhere to ethical standards. Maintaining scientific rigour by using reliable survey instruments and analytical methods are important (Hammer, 2017:159). The research method best suited for the study is with survey questionnaires to collect primary data involving human participants.

Bougie and Sekaran (2020:158-159) and Bryman and Bell (2007:154-155) highlight several ethical issues that should be addressed while collecting primary data. The ethical considerations to ensure the study meets ethical standards, are as follows:

- Respondents are informed about the purpose of the study, nature of questions and any potential risks associated with participation.
- Information provided by participants is guarded and treated with privacy and confidentiality.
- Data is collected in a respectful and responsible manner and the self-esteem and self-respect of the participants are not violated in any way.
- Informed consent is obtained from individuals prior to participating and any individual's decision not to participate in the survey is respected.
- Respondents are free to withdraw from the study at any stage.
- Data is collected in a respectful and responsible manner and guidelines are followed to avoid being perceived as intrusive when prompting individuals to participate.
- The data results are presented accurately and honestly without any manipulation.

These considerations are adhered to by informing participants of the nature of the study, not exposing them to unnecessary harm and risks and offering the choice of either participating or not. This is ensured by including an informed consent form required to be signed by all participants. Leedy, Ormrod and Johnson (2021:136-137) recommend that this consent form include the following elements:

- A brief description of the study.
- An explanation of the activities and duration involved.
- A statement that participation is voluntary and can be stopped at any time.
- A description of potential risks and benefits.
- A guarantee of confidentiality and anonymity.
- Contact details of the researcher.
- Contact details of the institution if questions or concerns arise.
- An offer to provide a summary of findings upon completion.
- An area to sign and date, indicating consent.

These elements are included in the online and paper questionnaires. Survey administrators will undergo comprehensive training to ensure consistent data collection practices, completed consent forms and well-informed participants. The survey consists of clear and concise questions to facilitate comprehension and response accuracy and will be conducted within a realistic time period. Additionally, careful consideration and evaluation of any potential psychological harm caused by the survey questions revealed no ethical issues or anticipated harm to respondents. The privacy and confidentiality of participant information and responses are safeguarded using secure storage and transmission methods with only authorised individuals having access to the data. No data will be collected without prior ethical approval by the review board and the findings will be reported in a complete and honest fashion.

Gideon (2012:172-173) highlights various errors that may occur in the research process, including sampling, non-response and measurement errors, emphasising the importance of identifying any errors that, if ignored, would be misleading.

These important considerations are followed to ensure the study is ethically conducted with integrity. Although the potential for harm exists in conducting research and collecting primary data with survey questionnaires, all reasonable ethical considerations, as well as reliability and validity tests, are done to counteract it.

### **3.10 Conclusion**

This chapter comprehensively outlined the research methodology to determine the propensity for digital brand awareness.

The adoption of a positivist paradigm, with a mono quantitative and deductive approach, ensures that a structured approach is followed to the data collection and analysis. The

By adopting a positivist paradigm and utilizing quantitative methods, the study ensures a structured process for data collection and analysis. The importance of reliability and validity has been emphasised and various techniques are implemented to ensure consistent and accurate measurements. The design of the research instrument and corresponding constructs laid the foundation to collect the relevant data.

Lastly, the limitations and delimitations were discussed and the appropriate ethical considerations have been made.

Ultimately, this chapter achieved the third research objective by following a scientific, methodical and ethical approach in data collection and analysis.

## **CHAPTER 4: RESEARCH RESULTS**

### **4.1 Introduction**

The chapter will begin with an overview of the population and sample size, followed by revisiting the hypotheses and theoretical framework. Codes will be assigned to the constructs to link the framework with the data analysis to follow.

An overview of the descriptive statistics will be provided, followed by an exploratory factor analysis (EFA). Sampling adequacy will be confirmed through inter-item correlations, the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test of sphericity. Monte Carlo PCA and scree plots will guide which factors to include, while Cronbach's alpha will measure internal consistency.

A correlation analysis will explore the relationships among constructs and PLS-SEM will assess predictive relationships within the constructs and assess the reliability and validity of the measurement model.

The chapter will conclude with accepting and rejecting the null hypotheses, determining which are accepted or rejected.

Ultimately, the chapter will establish the thresholds of expectations and perceptions of existing customers and achieve the first objective. Additionally, the fourth research objective will also be achieved by determining a contextually sensible, quantifiable threshold for digital brand awareness.

## **4.2 Population and Sample size**

The target population and sample size were outlined in Chapter 3 to align with the research objectives and scope of the study which pertains to the customers of the differentiated farm stall and their perceptions and expectations. Therefore, the population included all customers who visited the farm stall during the data collection period, forming the sampling frame. Convenience sampling through voluntary surveys allowed for collecting responses from individuals whose experiences and perceptions relate to the scale items.

The initial target sample size was set to 90 responses and paper questionnaires and QR codes were intended for data collection. However, a sufficient number of responses was obtained through the paper questionnaires, eliminating the need to make use of QR codes.

A total of 104 responses were collected during the timeframe, after which case screening was conducted to identify any missing values or signs of unengaged responses. Following this process, 93 questionnaires met the quality standards required for inclusion in the analysis.

Field (2009:647) recommends a sample size between 5 and 10 observations per variable. With 93 observations and 14 variables in this study, a ratio of 6.6:1 was achieved, exceeding the minimum recommended ratio of 5:1. Therefore, data analysis commenced with the scientifically justified sample size of 93.

## **4.3 Scale Assessment**

The process of assessing the scale was systematic and conducted in several steps to ensure data quality, validity and reliability.

These steps consist of an overview of the hypotheses, theoretical framework and coding of the different measures. This is followed by an overview of the descriptive statistics and exploratory factor analysis (EFA).

4.3.1 Hypotheses, Framework and Coding

Table 4.1 presents the propositions and derived hypotheses and Figure 4.1 represents the scale structure which indicates the dependent and independent variables, as well as the moderator, dimensions and sub-dimensions.

| Proposition                                                                                                                        | Hypothesis                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. The propensity for digital brand awareness is weakly, but positively correlated with purchase intention.                        | H1: There is a weak but positive relationship between the propensity for digital brand awareness and purchase intention.                        |
| 2. Age is a positive moderator between the relationship between the propensity for digital brand awareness and purchase intention. | H2: Age as moderator will have a positive effect on the relationship between the propensity for digital brand awareness and purchase intention. |
| 3. The propensity for digital brand awareness is strongly and positively correlated with the context of visit.                     | H3: There is a strong and positive relationship between the propensity for digital brand awareness and the context of visit.                    |
| 4. Context of visit is weakly, but positively correlated with digital readiness level.                                             | H4: There is a weak but positive relationship between the context of visit and digital readiness level.                                         |
| 5. The propensity for digital readiness level is strongly and positively correlated with digital readiness level.                  | H5: There is a strong and positive relationship between the propensity for digital brand awareness and digital readiness level.                 |

Table 4.1 Tabulated propositions and derived hypotheses

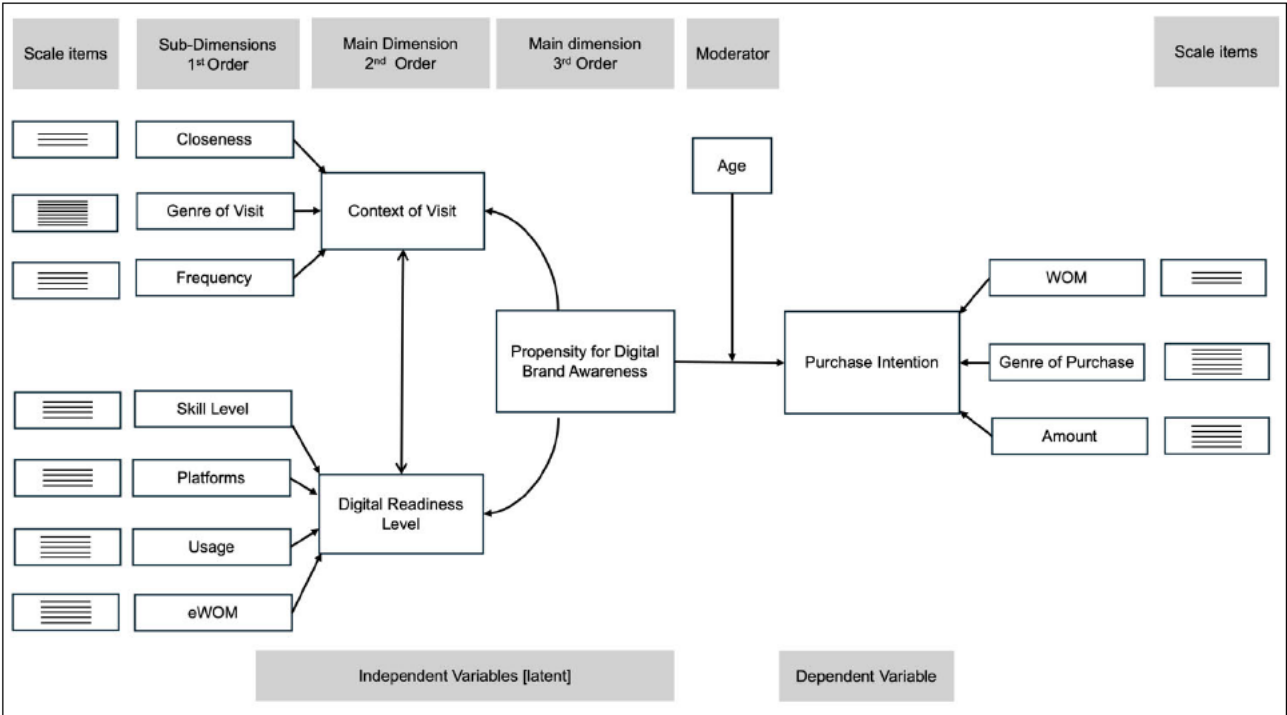


Figure 4.1: Scale Structure

Table 4.2 provides an overview of the scale items, each representing a specific aspect of the constructs measured in this study.

| Scale Item | Description                                                                          |
|------------|--------------------------------------------------------------------------------------|
| CL1        | I live in the surrounding area.                                                      |
| CL2        | I am passing through the area.                                                       |
| CL3        | The location makes it convenient to visit.                                           |
| GV1        | My visit today was planned.                                                          |
| GV2        | My visit today was unplanned.                                                        |
| GV3        | I stopped because I needed to take a break.                                          |
| GV4        | I stopped here today for the supermarket.                                            |
| GV5        | I stopped here today for takeaway.                                                   |
| GV6        | I stopped here today to visit the restaurant.                                        |
| GV7        | I stopped here today for fuel.                                                       |
| GV8        | I stopped here to use the restroom facilities.                                       |
| FV1        | This is my first time at the business.                                               |
| FV2        | I am a returning customer.                                                           |
| FV3        | I visit the business as part of my regular routine.                                  |
| FV4        | I intend to visit again in the future.                                               |
| SL1        | I can easily navigate social media platforms.                                        |
| SL2        | I know how to use search engines like Google.                                        |
| SL3        | I know how to search and find a business online.                                     |
| SL4        | I am comfortable using online maps to locate a business.                             |
| PF1        | I am active on social media platforms.                                               |
| PF2        | I frequently use social media platforms to find information about a business.        |
| PF3        | I follow brands and businesses on social media.                                      |
| PF4        | Social media platforms influence my decision to visit a business.                    |
| US1        | I have access to the internet.                                                       |
| US2        | I engage with brands through their social media pages.                               |
| US3        | I use social media to find and follow brands.                                        |
| US4        | I rely on social media to stay updated with business promotions and events.          |
| US5        | I often visit a business's website to get more information before making a purchase. |
| EW1        | I often share my experiences with a business online.                                 |
| EW2        | I can read and understand online reviews of businesses.                              |
| EW3        | I trust the opinions of others online.                                               |
| EW4        | I am more likely to visit a business after seeing positive reviews online.           |
| EW5        | I will likely not support a business after seeing negative reviews online.           |
| WM1        | I am likely to support a business recommended by others.                             |
| WM2        | I am likely to buy a product recommended by others.                                  |
| WM3        | I am visiting the business because it was recommended to me.                         |
| GP1        | I am purchasing grocery items.                                                       |
| GP2        | I am purchasing takeaway food, drink, or snacks.                                     |
| GP3        | I am purchasing from the butchery section.                                           |
| GP4        | I am purchasing from the gift shop.                                                  |
| GP5        | I am purchasing from the restaurant.                                                 |
| GP6        | I am refuelling my vehicle.                                                          |
| AP1        | I am likely to spend less than R50.                                                  |
| AP2        | I am likely to spend between R50 – R200.                                             |
| AP3        | I am likely to spend between R200 – R500.                                            |
| AP4        | I am likely to spend between R500 – R1000.                                           |
| AP5        | I am likely to spend more than R1000.                                                |

Table 4.2: Description of scale items

The items are assigned codes to logically link the theoretical structure with the data analysis and to clarify how each item represents the broader latent variables within the structural model. Table 4.3 articulates the assigned codes of the different variables in Figure 4.1.

| #         | Independent Variable                          |                          | Dimension Order             | Scale Items | Code Assigned                                          |
|-----------|-----------------------------------------------|--------------------------|-----------------------------|-------------|--------------------------------------------------------|
|           | <b>Propensity for digital brand awareness</b> |                          | <b>1<sup>st</sup> order</b> |             | <b>PDBW [CV, DR]</b>                                   |
| <b>1.</b> | <b>Context of Visit</b>                       |                          | <b>2<sup>nd</sup> order</b> | <b>15</b>   | <b>CV [CV.CL, CV.GV, CV.FV]</b>                        |
|           | 1.1                                           | Closeness                |                             | 3           | CV.CL [CL_1, CL_2, CL_3]                               |
|           | 1.2                                           | Genre of Visit           |                             | 8           | CV.GV [GV_1, GV_2, GV_3, GV_4, GV_5, GV_6, GV_7, GV_8] |
|           | 1.3                                           | Frequency of Visit       |                             | 4           | CV.FV [FV_1, FV_2, FV_3, FV_4]                         |
| <b>2.</b> | <b>Digital Readiness Level</b>                |                          | <b>2<sup>nd</sup> order</b> | <b>18</b>   | <b>DR [DR.SL, DR.PL, DR.US, DR.EW]</b>                 |
|           | 2.1                                           | Skill Level              |                             | 4           | DR.SL [SL_1, SL_2, SL_3, SL_4]                         |
|           | 2.2                                           | Platforms                |                             | 4           | DR.PL [PF_1, PF_2, PF_3, PF_4]                         |
|           | 2.3                                           | Usage                    |                             | 5           | DR.US [US_1, US_2, US_3, US_4, US_5]                   |
|           | 2.4                                           | Electronic Word-of-Mouth |                             | 5           | DR.EW [EW_1, EW_2, EW_3, EW_4, EW_5]                   |
| #         | Dependent Variable                            |                          | Dimension Order             | Scale Items | Code Assigned                                          |
| <b>3.</b> | <b>Purchase Intention</b>                     |                          |                             | <b>14</b>   | <b>PI [PI.WM, PI.GP, PI.AM]</b>                        |
|           | 3.1                                           | Word-of-Mouth            |                             | 3           | PI.WM [WM_1, WM_2, WM_3]                               |
|           | 3.2                                           | Genre of Purchase        |                             | 6           | PI.GP [GP_1, GP_2, GP_3, GP_4, GP_5, GP_6]             |
|           | 3.2                                           | Amount                   |                             | 5           | PI.AP [AP_1, AP_2, AP_3, AP_4, AP_5]                   |

Table 4.3 Coding of different measures

### 4.3.2 Descriptive Statistics

Descriptive statistics serve as the initial step in the data analysis process, allowing for an assessment of how each scale item conforms to a normal distribution.

To assess normality, the skewness and kurtosis of each scale item are assessed. Skewness indicates symmetry in the distribution, while kurtosis relates to the shape, specifically whether it's more peaked or flat. Positive skewness values indicate that most scores are concentrated to the left-hand side, while negative skewness values indicate a higher concentration of scores to the right-hand side of a graph. If distribution is perfect, both skewness and kurtosis will be 0, this however is rare in social sciences and not expected in self-developed scale models. Similarly, positive kurtosis suggests a more peaked distribution and kurtosis below 0 implies a flatter distribution (Pallant, 2020:57).

If the data meet the criteria for normality, parametric statistics are appropriate for analysis. However, when the data do not assume normal distribution, it is recommended to distort the mean and use the median as a measure of central tendency instead (Pallant, 2020:57-58).

Table 4.4 represents the descriptive statistics and provide an overview of the respondents' level of agreement across the scale items measured in the survey questionnaire. As can be seen, the mean of the scale items [GV\_2], [GV\_3], [GV\_4], [GV\_5], [GV\_7], [GP\_4], [AP\_1], [AP\_2], [AP\_4] and [AP\_5], are below 3 and indicate a tendency toward lower levels of agreement among respondents. The skewness and kurtosis values for majority of these scale items are between -2 and 2 and considered acceptable (Hair, Hult, Ringle and Sarstedt, 2022:66). It should be noted that the kurtosis value of [FV\_1] is 2.017, suggesting a too peaked distribution.

Scale items [FV\_2], [FV\_4], [SL\_2], [SL\_3], [US\_1] and [GP\_5], with skewness values exceeding -2 and kurtosis values are considered highly skewed towards the right-hand side of the graph with high peaks and long tails, indicating potential deviations from normality. Items [CL\_3] and [SL\_4] indicate normal skewness, however, their kurtosis values exceeds 2.

| Descriptive Statistics |           |           |           |             |                |               |            |               |            |
|------------------------|-----------|-----------|-----------|-------------|----------------|---------------|------------|---------------|------------|
| Scale Items            | Statistic | Minimum   | Maximum   | Mean        | Std. Deviation | Skewness      |            | Kurtosis      |            |
|                        | Statistic | Statistic | Statistic | Statistic   | Statistic      | Statistic     | Std. Error | Statistic     | Std. Error |
| [CL_1]                 | 93        | 1         | 5         | 3.58        | 1.702          | -0.614        | 0.250      | -1.380        | 0.495      |
| [CL_2]                 | 93        | 1         | 5         | 3.11        | 1.671          | -0.059        | 0.250      | -1.692        | 0.495      |
| [CL_3]                 | 93        | 1         | 5         | 4.44        | 1.016          | -1.998        | 0.250      | <b>3.648</b>  | 0.495      |
| [GV_1]                 | 93        | 1         | 5         | 3.77        | 1.623          | -0.764        | 0.250      | -1.187        | 0.495      |
| [GV_2]                 | 93        | 1         | 5         | <b>2.11</b> | 1.577          | 0.991         | 0.250      | -0.710        | 0.495      |
| [GV_3]                 | 93        | 1         | 5         | <b>2.66</b> | 1.612          | 0.405         | 0.250      | -1.469        | 0.495      |
| [GV_4]                 | 93        | 1         | 5         | <b>2.68</b> | 1.603          | 0.334         | 0.250      | -1.488        | 0.495      |
| [GV_5]                 | 93        | 1         | 5         | <b>2.99</b> | 1.678          | 0.017         | 0.250      | -1.667        | 0.495      |
| [GV_6]                 | 93        | 1         | 5         | 3.80        | 1.550          | -0.795        | 0.250      | -1.029        | 0.495      |
| [GV_7]                 | 93        | 1         | 5         | <b>2.72</b> | 1.832          | 0.316         | 0.250      | -1.783        | 0.495      |
| [GV_8]                 | 93        | 1         | 5         | 3.35        | 1.685          | -0.328        | 0.250      | -1.601        | 0.495      |
| [FV_1]                 | 93        | 1         | 5         | <b>1.66</b> | 1.363          | 1.913         | 0.250      | <b>2.017</b>  | 0.495      |
| [FV_2]                 | 93        | 1         | 5         | 4.45        | 1.229          | <b>-2.182</b> | 0.250      | <b>3.276</b>  | 0.495      |
| [FV_3]                 | 93        | 1         | 5         | 3.83        | 1.396          | -0.813        | 0.250      | -0.640        | 0.495      |
| [FV_4]                 | 93        | 1         | 5         | 4.76        | 0.666          | <b>-3.529</b> | 0.250      | <b>14.084</b> | 0.495      |
| [SL_1]                 | 93        | 1         | 5         | 4.19        | 1.135          | -1.485        | 0.250      | 1.476         | 0.495      |
| [SL_2]                 | 93        | 1         | 5         | 4.62        | 0.859          | <b>-2.868</b> | 0.250      | <b>8.755</b>  | 0.495      |
| [SL_3]                 | 93        | 1         | 5         | 4.54        | 0.939          | <b>-2.325</b> | 0.250      | <b>5.260</b>  | 0.495      |
| [SL_4]                 | 93        | 1         | 5         | 4.38        | 1.052          | -1.840        | 0.250      | <b>2.857</b>  | 0.495      |
| [PF_1]                 | 93        | 1         | 5         | 4.17        | 1.230          | -1.374        | 0.250      | 0.788         | 0.495      |
| [PF_2]                 | 93        | 1         | 5         | 4.06        | 1.301          | -1.243        | 0.250      | 0.353         | 0.495      |
| [PF_3]                 | 93        | 1         | 5         | 3.88        | 1.390          | -0.876        | 0.250      | -0.588        | 0.495      |
| [PF_4]                 | 93        | 1         | 5         | 3.34        | 1.493          | -0.432        | 0.250      | -1.205        | 0.495      |
| [US_1]                 | 93        | 1         | 5         | 4.63        | 0.857          | <b>-2.600</b> | 0.250      | <b>6.722</b>  | 0.495      |
| [US_2]                 | 93        | 1         | 5         | 3.72        | 1.263          | -0.479        | 0.250      | -1.023        | 0.495      |
| [US_3]                 | 93        | 1         | 5         | 3.76        | 1.289          | -0.541        | 0.250      | -1.049        | 0.495      |
| [US_4]                 | 93        | 1         | 5         | 3.56        | 1.264          | -0.334        | 0.250      | -1.067        | 0.495      |
| [US_5]                 | 93        | 1         | 5         | 3.75        | 1.316          | -0.611        | 0.250      | -0.894        | 0.495      |
| [EW_1]                 | 93        | 1         | 5         | 2.99        | 1.298          | 0.295         | 0.250      | -1.034        | 0.495      |
| [EW_2]                 | 93        | 1         | 5         | 4.17        | 1.157          | -1.204        | 0.250      | 0.492         | 0.495      |
| [EW_3]                 | 93        | 1         | 5         | 3.37        | 1.159          | -0.200        | 0.250      | -0.680        | 0.495      |
| [EW_4]                 | 93        | 1         | 5         | 3.92        | 1.096          | -0.760        | 0.250      | -0.331        | 0.495      |
| [EW_5]                 | 93        | 1         | 5         | 3.42        | 1.288          | -0.207        | 0.250      | -1.077        | 0.495      |
| [WM_1]                 | 93        | 1         | 5         | 4.27        | 0.957          | -1.023        | 0.250      | 0.174         | 0.495      |
| [WM_2]                 | 93        | 1         | 5         | 4.11        | 1.026          | -0.959        | 0.250      | 0.280         | 0.495      |
| [WM_3]                 | 93        | 1         | 5         | 3.71        | 1.356          | -0.603        | 0.250      | -1.063        | 0.495      |
| [GP_1]                 | 93        | 1         | 5         | 3.35        | 1.404          | -0.322        | 0.250      | -1.163        | 0.495      |
| [GP_2]                 | 93        | 1         | 5         | 3.89        | 1.306          | -1.024        | 0.250      | -0.042        | 0.495      |
| [GP_3]                 | 93        | 1         | 5         | 3.46        | 1.515          | -0.463        | 0.250      | -1.258        | 0.495      |
| [GP_4]                 | 93        | 1         | 5         | <b>2.56</b> | 1.507          | 0.517         | 0.250      | -1.164        | 0.495      |
| [GP_5]                 | 93        | 1         | 5         | 4.40        | 1.044          | <b>-2.036</b> | 0.250      | <b>3.826</b>  | 0.495      |
| [GP_6]                 | 93        | 1         | 5         | 3.66        | 1.591          | -0.705        | 0.250      | -1.123        | 0.495      |
| [AP_1]                 | 93        | 1         | 5         | <b>1.81</b> | 1.209          | 1.551         | 0.250      | 1.451         | 0.495      |
| [AP_2]                 | 93        | 1         | 5         | <b>2.95</b> | 1.563          | 0.039         | 0.250      | -1.475        | 0.495      |
| [AP_3]                 | 93        | 1         | 5         | 3.45        | 1.543          | -0.488        | 0.250      | -1.271        | 0.495      |
| [AP_4]                 | 93        | 1         | 5         | <b>2.60</b> | 1.540          | 0.387         | 0.250      | -1.373        | 0.495      |
| [AP_5]                 | 93        | 1         | 5         | <b>2.09</b> | 1.357          | 1.042         | 0.250      | -0.230        | 0.495      |

Table 4.4: Descriptive Statistics

These descriptive statistics provided an overview of the data distribution and are an essential step ensuring the data is suitable for factor analysis.

### 4.3.3 Exploratory Factor Analysis

Factor analysis is primarily used to measure latent variables, which are complex and unobservable concepts, through observable aspects. This is done by identifying related variables and determining whether they reflect an underlying concept (Field, 2009:628).

This section explores the perceived significance of factors related to 'digital readiness level', 'context of visit' and 'purchase intention'. EFA is conducted to understand the variable structure, evaluate the scale items measuring the underlying variables and combine similar variables to reduce data complexity.

Firstly, data were evaluated for suitability based on sample size and inter-item correlations. The sample size with an observations-to-variables ratio of 6.6:1 exceeds the minimum recommended ratio of 5:1 (Field, 2009:647). Inter-item correlations are presented in the Tables 4.5, 4.11 and 4.17, which indicate an acceptable number of correlations above 0.3 between scale items. This further supports the suitability of the data for EFA.

In addition to the correlation-matrix, the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) and Bartlett's test of sphericity were conducted to determine whether there is substantial correlation in the data. KMO values below 0.5 are considered unacceptable, above 0.5 are barely acceptable, above 0.6 are mediocre, above 0.7 are good, above 0.8 are great and values above 0.9 are superb (Field, 2013:647). Therefore, a minimum KMO value of 0.6 is recommended and Bartlett's test of sphericity should produce a significant result ( $p < 0.05$ ) to confirm the data's suitability for EFA (Field, 2013:660).

Secondly, factor extraction is conducted to identify the minimum number of factors required to accurately represent the relationships between the variables. Kaiser's criterion, scree plot and Monte Carlo PCA for parallel analysis, are implemented to guide this process. Kaiser's criterion retains factors with eigenvalues above 1.0, the scree test provides a visual plot of eigenvalues against factors and parallel analysis compares the eigenvalues from the actual data to those from a randomly generated dataset with the same structure (Field, 2009:639;641;664).

After factor extraction, the variables are rotated to maximize their loading on a single factor and improve interpretability. Oblique rotation (Direct Oblimin) is used to determine how variables are loaded in terms of the factors (Field, 2009:631).

The established structured approach to EFA is applied in the following analysis of the factors of 'digital readiness level', 'context of visit' and 'purchase intention'.

#### 4.3.3.1 Digital Readiness Factors

Table 4.5 presents the inter-item correlations for the second-order dimension 'digital readiness level'. The correlation matrix contains many correlations above 0.3, which confirms the data's suitability for EFA.

| Correlation Matrix |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                    | [SL_1] | [SL_3] | [SL_4] | [SL_5] | [PF_1] | [PF_2] | [PF_3] | [PF_4] | [US_1] | [US_2] | [US_3] | [US_4] | [US_5] | [EW_1] | [EW_2] | [EW_3] | [EW_4] | [EW_5] |
| [SL_1]             | 1.000  | 0.622  | 0.534  | 0.630  | 0.560  | 0.581  | 0.483  | 0.429  | 0.509  | 0.432  | 0.321  | 0.325  | 0.454  | 0.311  | 0.372  | 0.127  | 0.213  | 0.070  |
| [SL_2]             | 0.622  | 1.000  | 0.793  | 0.688  | 0.597  | 0.557  | 0.463  | 0.365  | 0.077  | 0.353  | 0.341  | 0.306  | 0.350  | 0.182  | 0.460  | 0.205  | 0.039  | -0.062 |
| [SL_3]             | 0.534  | 0.793  | 1.000  | 0.684  | 0.540  | 0.505  | 0.391  | 0.270  | 0.085  | 0.311  | 0.286  | 0.348  | 0.355  | 0.201  | 0.344  | 0.197  | 0.103  | -0.018 |
| [SL_4]             | 0.630  | 0.688  | 0.684  | 1.000  | 0.403  | 0.467  | 0.328  | 0.311  | 0.202  | 0.342  | 0.243  | 0.290  | 0.303  | 0.266  | 0.303  | 0.153  | 0.223  | 0.027  |
| [PF_1]             | 0.560  | 0.597  | 0.540  | 0.403  | 1.000  | 0.679  | 0.705  | 0.435  | -0.002 | 0.570  | 0.595  | 0.609  | 0.483  | 0.362  | 0.475  | 0.382  | 0.179  | 0.105  |
| [PF_2]             | 0.581  | 0.557  | 0.505  | 0.467  | 0.679  | 1.000  | 0.828  | 0.593  | 0.109  | 0.580  | 0.599  | 0.527  | 0.575  | 0.271  | 0.534  | 0.273  | 0.301  | 0.094  |
| [PF_3]             | 0.483  | 0.463  | 0.391  | 0.328  | 0.705  | 0.828  | 1.000  | 0.560  | -0.055 | 0.631  | 0.719  | 0.632  | 0.519  | 0.355  | 0.405  | 0.317  | 0.272  | 0.119  |
| [PF_4]             | 0.429  | 0.365  | 0.270  | 0.311  | 0.435  | 0.593  | 0.560  | 1.000  | 0.176  | 0.651  | 0.642  | 0.525  | 0.403  | 0.294  | 0.305  | 0.410  | 0.468  | 0.292  |
| [US_1]             | 0.509  | 0.077  | 0.085  | 0.202  | -0.002 | 0.109  | -0.055 | 0.176  | 1.000  | 0.196  | 0.039  | 0.040  | 0.247  | 0.123  | 0.141  | -0.017 | 0.237  | 0.150  |
| [US_2]             | 0.432  | 0.353  | 0.311  | 0.342  | 0.570  | 0.580  | 0.631  | 0.651  | 0.196  | 1.000  | 0.840  | 0.712  | 0.566  | 0.482  | 0.435  | 0.576  | 0.503  | 0.193  |
| [US_3]             | 0.321  | 0.341  | 0.286  | 0.243  | 0.595  | 0.599  | 0.719  | 0.642  | 0.039  | 0.840  | 1.000  | 0.663  | 0.439  | 0.414  | 0.363  | 0.539  | 0.480  | 0.139  |
| [US_4]             | 0.325  | 0.306  | 0.348  | 0.290  | 0.609  | 0.527  | 0.632  | 0.525  | 0.040  | 0.712  | 0.663  | 1.000  | 0.725  | 0.507  | 0.469  | 0.579  | 0.533  | 0.235  |
| [US_5]             | 0.454  | 0.350  | 0.355  | 0.303  | 0.483  | 0.575  | 0.519  | 0.403  | 0.247  | 0.566  | 0.439  | 0.725  | 1.000  | 0.380  | 0.563  | 0.416  | 0.394  | 0.209  |
| [EW_1]             | 0.311  | 0.182  | 0.201  | 0.266  | 0.362  | 0.271  | 0.355  | 0.294  | 0.123  | 0.482  | 0.414  | 0.507  | 0.380  | 1.000  | 0.341  | 0.415  | 0.435  | 0.204  |
| [EW_2]             | 0.372  | 0.460  | 0.344  | 0.303  | 0.475  | 0.534  | 0.405  | 0.305  | 0.141  | 0.435  | 0.363  | 0.469  | 0.563  | 0.341  | 1.000  | 0.406  | 0.362  | 0.053  |
| [EW_3]             | 0.127  | 0.205  | 0.197  | 0.153  | 0.382  | 0.273  | 0.317  | 0.410  | -0.017 | 0.576  | 0.539  | 0.579  | 0.416  | 0.415  | 0.406  | 1.000  | 0.535  | 0.195  |
| [EW_4]             | 0.213  | 0.039  | 0.103  | 0.223  | 0.179  | 0.301  | 0.272  | 0.468  | 0.237  | 0.503  | 0.480  | 0.533  | 0.394  | 0.435  | 0.362  | 0.535  | 1.000  | 0.400  |
| [EW_5]             | 0.070  | -0.062 | -0.018 | 0.027  | 0.105  | 0.094  | 0.119  | 0.292  | 0.150  | 0.193  | 0.139  | 0.235  | 0.209  | 0.204  | 0.053  | 0.195  | 0.400  | 1.000  |

Table 4.5: Correlation matrix for digital readiness factors

The Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) and Bartlett's test of sphericity were used to evaluate and determine whether there is substantial correlation in the data. The calculated values are presented in Table 4.7 and indicate that the KMO of 0.845 is greater than 0.6, as well as the significance level of the Bartlett's test below 0.001. Therefore, the data were appropriate for EFA (Field, 2013:647-648).

| KMO and Bartlett's Test: Digital Readiness Level |                    |          | Required thresholds for good 'factorability' |
|--------------------------------------------------|--------------------|----------|----------------------------------------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | 0.845    | >0.6                                         |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 1161.015 |                                              |
|                                                  | df                 | 153      |                                              |
|                                                  | Sig.               | 0.000    | <0.05                                        |

Table 4.6: KMO and Bartlett's Test for digital readiness level

The 18 digital readiness scale items originally produced four factors, namely 'Skill Level', 'Platforms', 'Usage' and 'eWOM'. However, after running the Monte Carlo PCA for parallel analysis, it is advised to use two factors as indicated in Table 4.7.

| Total Variance Explained |                     |               |              |                                     |               |              |                                                |
|--------------------------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|------------------------------------------------|
| Component                | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings <sup>a</sup> |
|                          | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total                                          |
| 1                        | 7.849               | 43.605        | 43.605       | 7.849                               | 43.605        | 43.605       | 6.216                                          |
| 2                        | 2.297               | 12.763        | 56.368       | 2.297                               | 12.763        | 56.368       | 5.89                                           |
| 3                        | 1.494               | 8.298         | 64.666       |                                     |               |              |                                                |
| 4                        | 1.022               | 5.676         | 70.342       |                                     |               |              |                                                |
| 5                        | 0.897               | 4.983         | 75.325       |                                     |               |              |                                                |
| 6                        | 0.796               | 4.421         | 79.745       |                                     |               |              |                                                |
| 7                        | 0.688               | 3.823         | 83.568       |                                     |               |              |                                                |
| 8                        | 0.532               | 2.957         | 86.525       |                                     |               |              |                                                |
| 9                        | 0.493               | 2.737         | 89.262       |                                     |               |              |                                                |
| 10                       | 0.367               | 2.039         | 91.301       |                                     |               |              |                                                |
| 11                       | 0.333               | 1.848         | 93.149       |                                     |               |              |                                                |
| 12                       | 0.287               | 1.595         | 94.744       |                                     |               |              |                                                |
| 13                       | 0.266               | 1.48          | 96.224       |                                     |               |              |                                                |
| 14                       | 0.194               | 1.08          | 97.304       |                                     |               |              |                                                |
| 15                       | 0.162               | 0.899         | 98.202       |                                     |               |              |                                                |
| 16                       | 0.139               | 0.772         | 98.974       |                                     |               |              |                                                |
| 17                       | 0.107               | 0.593         | 99.568       |                                     |               |              |                                                |
| 18                       | 0.078               | 0.432         | 100          |                                     |               |              |                                                |

Table 4.7: Total variance explained – digital readiness factor

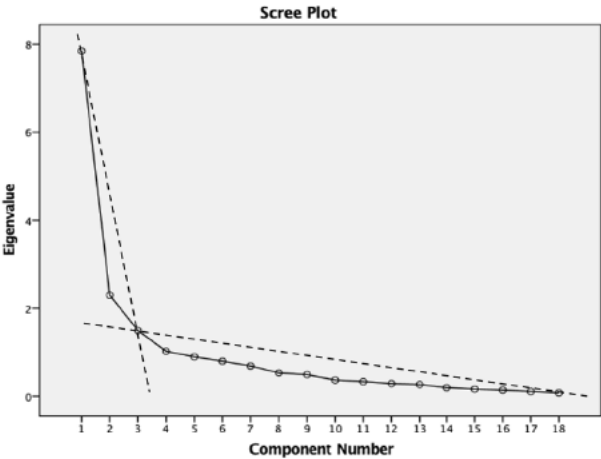


Figure 4.2: Scree plot of digital readiness level

Field (2009:640) recommends only including factors to the left of the ‘elbow’ on the scree plot. Figure 4.2 visually indicates the ‘elbow’ at three factors, which supports the parallel analysis selection of two factors.

These two factors, renamed ‘Digital Behaviour’ [DR.DB] and ‘Digital Literacy’ [DR.DL], represent 56.37% of the total variance. ‘Digital Behaviour’ refers to how individuals interact with brands and businesses online, while ‘Digital Literacy’ refers to the ability to effectively navigate online platforms, use search engines and locate businesses and information online.

The component correlation matrix (Table 4.8) indicates that a medium and negative correlation of -0.354 exist between the two factors.

| Correlation Matrix | Digital Behaviour | Digital Literacy |
|--------------------|-------------------|------------------|
| Digital Behaviour  | 1.000             | -0.354           |
| Digital Literacy   | -0.354            | 1.000            |

Table 4.8: Component correlation matrix for digital readiness level

Reliability was computed by conducting a Cronbach's alpha test to assess the internal consistency of the scale items. The Cronbach alpha for ‘Digital Behaviour’ (0.896) and ‘Digital Literacy’ (0.887) indicated high levels of internal consistency and were deemed acceptable for the purpose of the study. Table 4.9 indicate the factor loadings and Cronbach’s alpha reliability coefficients.

| Digital readiness level factors and component aspects | Factor loadings   |                  |
|-------------------------------------------------------|-------------------|------------------|
|                                                       | Digital Behaviour | Digital Literacy |
| <b>Digital Literacy [DR.DL]</b>                       |                   |                  |
| [SL_1] -> [DL_1]                                      |                   | -0.786           |
| [SL_2] -> [DL_2]                                      |                   | -0.933           |
| [SL_3] -> [DL_3]                                      |                   | -0.87            |
| [SL_4] -> [DL_4]                                      |                   | -0.808           |
| [PF_1] -> [DL_5]                                      | 0.338             | -0.618           |
| [PF_2] -> [DL_6]                                      | 0.355             | -0.64            |
|                                                       |                   |                  |
| <b>Digital Behaviour [DR.DB]</b>                      |                   |                  |
| [PF_3] -> [DB_1]                                      | 0.488             | -0.476           |
| [PF_4] -> [DB_2]                                      | 0.608             |                  |
| [US_1]                                                |                   |                  |
| [US_2] -> [DB_3]                                      | 0.76              |                  |
| [US_3] -> [DB_4]                                      | 0.742             |                  |
| [US_4] -> [DB_5]                                      | 0.777             |                  |
| [US_5] -> [DB_6]                                      | 0.555             | -0.323           |
| [EW_1] -> [DB_7]                                      | 0.584             |                  |
| [EW_2] -> [DB_8]                                      | 0.377             | -0.396           |
| [EW_3] -> [DB_9]                                      | 0.749             |                  |
| [EW_4] -> [DB_10]                                     | 0.795             |                  |
| [EW_5] -> [DB_11]                                     | 0.51              |                  |
|                                                       |                   |                  |
| Cronbach's $\alpha$ reliability coefficient           | 0.896             | 0.887            |

Table 4.9: Results of the factor analysis for digital readiness level

The EFA altered the theoretically predicted structure of 'digital readiness level' and regrouped the scale items under the two new factors. 'Digital literacy' now includes six items and 'digital behaviour' 11 items. [US\_1] did not load significantly on either of the two factors. Each scale item has been reassigned coding to reflect its measurement with the revised structure. The new structure for 'digital readiness level' is presented in table 4.10.

| Structure of [DR] |                           |                                                                                           |
|-------------------|---------------------------|-------------------------------------------------------------------------------------------|
| #                 | First-Order Sub-Dimension | Scale Items                                                                               |
| 1.                | [DR.DL]                   | [DL_1], [DL_2], [DL_3], [DL_4], [DL_5], [DL_6].                                           |
| 2.                | [DR.DB]                   | [DB_1], [DB_2], [DB_3], [DB_4], [DB_5], [DB_6], [DB_7], [DB_8], [DB_9], [DB_10], [DB_11]. |

Table 4.10: Summary of 2<sup>nd</sup> order dimension 'digital readiness level' structure

## 4.3.3.2 Context of Visit Factors

Table 4.11 presents the inter-item correlations for the second-order dimension 'context of visit'. An acceptable number of correlations are above 0.3, which indicate that the data is suitable for EFA. Additionally, the calculated KMO value of 0.676 and a significant Bartlett's test of sphericity ( $p < 0.001$ ) in Table 4.12 confirms the suitability of the data for EFA.

| Correlation Matrix |              |              |              |              |        |        |              |              |              |              |               |              |              |
|--------------------|--------------|--------------|--------------|--------------|--------|--------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|
|                    | [CL_1]       | [CL_2]       | [CL_3]       | [GV_1]       | [GV_3] | [GV_4] | [GV_5]       | [GV_6]       | [GV_7]       | [GV_8]       | [FV_2]        | [FV_3]       | [FV_4]       |
| [CL_1]             | 1.000        | -0.519       | 0.020        | 0.142        | -0.267 | 0.169  | 0.132        | -0.066       | 0.074        | -0.118       | <b>0.372</b>  | <b>0.422</b> | <b>0.305</b> |
| [CL_2]             | -0.519       | 1.000        | 0.209        | -0.075       | 0.417  | -0.105 | -0.089       | 0.076        | -0.050       | 0.145        | <b>-0.331</b> | -0.262       | -0.055       |
| [CL_3]             | 0.020        | 0.209        | 1.000        | 0.101        | 0.147  | -0.012 | 0.098        | 0.154        | 0.178        | 0.181        | 0.100         | 0.085        | <b>0.365</b> |
| [GV_1]             | 0.142        | -0.075       | 0.101        | 1.000        | 0.045  | 0.139  | -0.029       | 0.215        | 0.161        | 0.284        | <b>0.351</b>  | <b>0.314</b> | 0.242        |
| [GV_3]             | -0.267       | <b>0.417</b> | 0.147        | 0.045        | 1.000  | 0.045  | 0.059        | 0.202        | 0.129        | 0.554        | -0.190        | -0.157       | -0.016       |
| [GV_4]             | 0.169        | -0.105       | -0.012       | 0.139        | 0.045  | 1.000  | <b>0.346</b> | -0.071       | 0.265        | 0.071        | 0.113         | 0.242        | 0.030        |
| [GV_5]             | 0.132        | -0.089       | 0.098        | -0.029       | 0.059  | 0.346  | 1.000        | -0.172       | <b>0.300</b> | -0.041       | 0.134         | 0.138        | -0.041       |
| [GV_6]             | -0.066       | 0.076        | 0.154        | 0.215        | 0.202  | -0.071 | -0.172       | 1.000        | 0.087        | <b>0.390</b> | 0.015         | 0.004        | -0.005       |
| [GV_7]             | 0.074        | -0.050       | 0.178        | 0.161        | 0.129  | 0.265  | <b>0.300</b> | 0.087        | 1.000        | 0.223        | 0.124         | 0.164        | 0.025        |
| [GV_8]             | -0.118       | 0.145        | 0.181        | 0.284        | 0.554  | 0.071  | -0.041       | <b>0.390</b> | 0.223        | 1.000        | -0.078        | -0.149       | 0.017        |
| [FV_2]             | <b>0.372</b> | -0.331       | 0.100        | <b>0.351</b> | -0.190 | 0.113  | 0.134        | 0.015        | 0.124        | -0.078       | 1.000         | 0.610        | <b>0.344</b> |
| [FV_3]             | <b>0.422</b> | -0.262       | 0.085        | <b>0.314</b> | -0.157 | 0.242  | 0.138        | 0.004        | 0.164        | -0.149       | <b>0.610</b>  | 1.000        | <b>0.377</b> |
| [FV_4]             | <b>0.305</b> | -0.055       | <b>0.365</b> | 0.242        | -0.016 | 0.030  | -0.041       | -0.005       | 0.025        | 0.017        | <b>0.344</b>  | 0.377        | 1.000        |

Table 4.11: Correlation matrix for 'context of visit' factors

| KMO and Bartlett's Test: Context of Visit        |                    |         | Required thresholds for good 'factorability' |
|--------------------------------------------------|--------------------|---------|----------------------------------------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | 0.676   | >0.6                                         |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 276.893 |                                              |
|                                                  | df                 | 78      |                                              |
|                                                  | Sig.               | 0.000   | <0.05                                        |

Table 4.12: KMO and Bartlett's Test for context of visit

In the initial factor analysis, item [FV\_1] did not load positively on any of the four factors and were removed from the analysis. Following this adjustment, item [GV\_2] failed to load positively on any factor and it was subsequently removed as well. With these two items excluded, the new factor analysis yielded three factors consistent with the theoretically

predicted structure. These three factors consist of 13 scale items and represent 51.59% of the total variance. Table 4.13 indicate the parallel analysis of the 'context of visit' factor.

| Total Variance Explained |                     |               |              |                                     |               |              |                                                |
|--------------------------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|------------------------------------------------|
| Component                | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings <sup>a</sup> |
|                          | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total                                          |
| 1                        | 2.919               | 22.452        | 22.452       | 2.919                               | 22.452        | 22.452       | 2.797                                          |
| 2                        | 2.253               | 17.330        | 39.781       | 2.253                               | 17.330        | 39.781       | 2.230                                          |
| 3                        | 1.535               | 11.809        | 51.591       | 1.535                               | 11.809        | 51.591       | 1.767                                          |
| 4                        | 1.212               | 9.321         | 60.911       |                                     |               |              |                                                |
| 5                        | 0.869               | 6.686         | 67.598       |                                     |               |              |                                                |
| 6                        | 0.783               | 6.021         | 73.619       |                                     |               |              |                                                |
| 7                        | 0.667               | 5.128         | 78.747       |                                     |               |              |                                                |
| 8                        | 0.659               | 5.068         | 83.814       |                                     |               |              |                                                |
| 9                        | 0.596               | 4.587         | 88.401       |                                     |               |              |                                                |
| 10                       | 0.456               | 3.504         | 91.905       |                                     |               |              |                                                |
| 11                       | 0.428               | 3.295         | 95.201       |                                     |               |              |                                                |
| 12                       | 0.332               | 2.552         | 97.753       |                                     |               |              |                                                |
| 13                       | 0.292               | 2.247         | 100.000      |                                     |               |              |                                                |

Table 4.13: Total variance explained – context of visit factor

The scree plot (Figure 4.3) visually indicates the 'elbow' at four factors and by only including factors to the left of the 'elbow', the scree plot justifies the use of three factors.

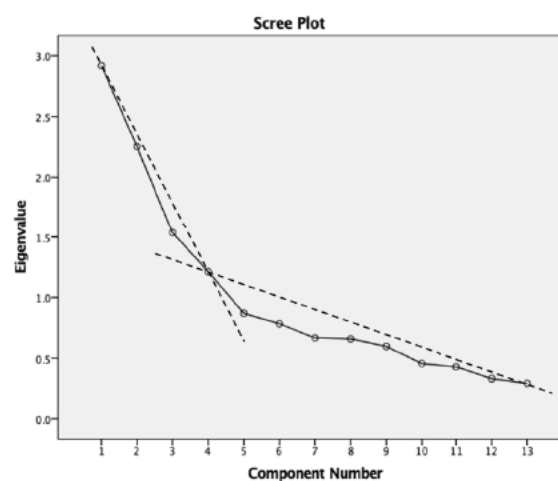


Figure 4.3: Scree plot of context of visit

The EFA altered the factors of 'context of visit' in the way the scale items loaded. The original three factors, previously identified as 'Closeness,' 'Genre of Visit,' and 'Frequency of Visit,' have been redefined as 'Customer Loyalty' [CV.CL], 'Visit Motivation' [CV.CM] and 'Purpose of Visit' [CV.PV]. 'Customer Loyalty' refers to respondents' intention to continuously visit and return to the farm stall, while 'Visit Motivation' includes situational reasons for visiting the farm stall. 'Purpose of Visit' involves the specific services sought and accessed.

The reliability (Cronbach's alpha) of 'Customer Loyalty' (0.693), 'Visit Motivation' (0.629) and 'Purpose of Visit' (0.564) were computed and deemed acceptable. Table 4.14 contains these reliability coefficients, the factor loadings of the restructured factors with reassigned coding.

| Context of visit factors and component aspects | Factor loadings  |                  |                  |
|------------------------------------------------|------------------|------------------|------------------|
|                                                | Customer Loyalty | Visit Motivation | Purpose of Visit |
| <b>Visit Motivation</b>                        |                  |                  |                  |
| [CL_2] -> [VM_1]                               | -0.515           | 0.433            |                  |
| [CL_3] -> [VM_2]                               |                  | 0.504            |                  |
| [GV_3] -> [VM_3]                               | -0.375           | 0.664            |                  |
| [GV_6] -> [VM_4]                               |                  | 0.594            |                  |
| [GV_8] -> [VM_5]                               |                  | 0.762            |                  |
|                                                |                  |                  |                  |
| <b>Purpose of Visit</b>                        |                  |                  |                  |
| [GV_4] -> [PV_1]                               |                  |                  | 0.71             |
| [GV_5] -> [PV_2]                               |                  |                  | 0.782            |
| [GV_7] -> [PV_3]                               |                  |                  | 0.633            |
|                                                |                  |                  |                  |
| <b>Customer Loyalty</b>                        |                  |                  |                  |
| [CL_1] -> [CL_1]                               | 0.67             |                  |                  |
| [GV_1] -> [CL_2]                               | 0.493            | 0.446            |                  |
| [FV_2] -> [CL_3]                               | 0.774            |                  |                  |
| [FV_3] -> [CL_4]                               | 0.759            |                  |                  |
| [FV_4] -> [CL_5]                               | 0.628            |                  |                  |
|                                                |                  |                  |                  |
| Cronbach's $\alpha$ reliability coefficient    | 0.693            | 0.629            | 0.564            |

Table 4.14: Results of the factor analysis for context of visit

The component correlation matrix (Table 4.15) indicates a small correlation of 0.004 between 'Customer Loyalty' and 'Visit Motivation', 0.010 between 'Visit Motivation' and

'Purpose of visit' and 0.105 between 'Customer Loyalty' and 'Purpose of Visit'. The low levels of correlation indicate independence between the factors. The new structure for context of visit is presented in table 4.16.

| Correlation Matrix | Customer Loyalty | Visit Motivation | Purpose of Visit |
|--------------------|------------------|------------------|------------------|
| Customer Loyalty   | 1.000            | 0.004            | 0.105            |
| Visit Motivation   | 0.004            | 1.000            | 0.010            |
| Purpose of Visit   | 0.105            | 0.010            | 1.000            |

Table 4.15: Component correlation matrix for context of visit

| Structure of [CV] |                           |                                         |
|-------------------|---------------------------|-----------------------------------------|
| #                 | First-Order Sub-Dimension | Scale Items                             |
| 1.                | [CV.CL]                   | [CL_1], [CL_2], [CL_3], [CL_4], [CL_5]. |
| 2.                | [CV.VM]                   | [VM_1], [VM_2], [VM_3], [VM_4], [VM_5]. |
| 3.                | [CV.PV]                   | [PV_1], [PV_2], [PV_3].                 |

Table 4.16: Summary of 2<sup>nd</sup> order dimension 'context of visit' structure

#### 4.3.3.3 Purchase Intention Factors

| Correlation Matrix |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                    | [WM_1] | [WM_2] | [WM_3] | [GP_1] | [GP_2] | [GP_3] | [GP_4] | [GP_5] | [GP_6] | [AP_1] | [AP_2] | [AP_3] | [AP_4] | [AP_5] |
| [WM_1]             | 1.000  | 0.579  | 0.387  | 0.074  | 0.128  | -0.004 | 0.038  | 0.001  | 0.161  | -0.011 | 0.111  | 0.071  | -0.133 | -0.026 |
| [WM_2]             | 0.579  | 1.000  | 0.530  | 0.018  | -0.016 | -0.123 | -0.053 | 0.092  | 0.276  | 0.061  | 0.051  | 0.099  | -0.035 | -0.007 |
| [WM_3]             | 0.387  | 0.530  | 1.000  | 0.135  | 0.044  | -0.008 | 0.197  | -0.010 | 0.190  | 0.085  | 0.034  | 0.032  | -0.035 | 0.102  |
| [GP_1]             | 0.074  | 0.018  | 0.135  | 1.000  | 0.341  | 0.520  | 0.424  | 0.066  | 0.279  | 0.079  | -0.100 | 0.051  | 0.212  | 0.235  |
| [GP_2]             | 0.128  | -0.016 | 0.044  | 0.341  | 1.000  | 0.520  | 0.357  | 0.319  | 0.045  | 0.207  | 0.162  | 0.003  | 0.130  | 0.067  |
| [GP_3]             | -0.004 | -0.123 | -0.008 | 0.520  | 0.520  | 1.000  | 0.438  | 0.240  | 0.310  | 0.132  | -0.127 | -0.035 | 0.233  | 0.171  |
| [GP_4]             | 0.038  | -0.053 | 0.197  | 0.424  | 0.357  | 0.438  | 1.000  | 0.237  | 0.108  | 0.239  | 0.045  | -0.040 | 0.106  | 0.231  |
| [GP_5]             | 0.001  | 0.092  | -0.010 | 0.066  | 0.319  | 0.240  | 0.237  | 1.000  | 0.123  | 0.036  | 0.007  | 0.103  | 0.113  | -0.078 |
| [GP_6]             | 0.161  | 0.276  | 0.190  | 0.279  | 0.045  | 0.310  | 0.108  | 0.123  | 1.000  | 0.118  | -0.156 | -0.091 | 0.196  | 0.155  |
| [AP_1]             | -0.011 | 0.061  | 0.085  | 0.079  | 0.207  | 0.132  | 0.239  | 0.036  | 0.118  | 1.000  | 0.489  | -0.034 | 0.116  | 0.196  |
| [AP_2]             | 0.111  | 0.051  | 0.034  | -0.100 | 0.162  | -0.127 | 0.045  | 0.007  | -0.156 | 0.489  | 1.000  | -0.125 | -0.041 | -0.054 |
| [AP_3]             | 0.071  | 0.099  | 0.032  | 0.051  | 0.003  | -0.035 | -0.040 | 0.103  | -0.091 | -0.034 | -0.125 | 1.000  | 0.076  | 0.111  |
| [AP_4]             | -0.133 | -0.035 | -0.035 | 0.212  | 0.130  | 0.233  | 0.106  | 0.113  | 0.196  | 0.116  | -0.041 | 0.076  | 1.000  | 0.521  |
| [AP_5]             | -0.026 | -0.007 | 0.102  | 0.235  | 0.067  | 0.171  | 0.231  | -0.078 | 0.155  | 0.196  | -0.054 | 0.111  | 0.521  | 1.000  |

Table 4.17: Correlation matrix for 'purchase intention' factors

The inter-item correlations for the second-order dimension 'purchase intention' is presented in Table 4.17 above. The correlation matrix contains a low number of correlations above 0.3,

which are indicated in bold. To determine whether the data is suitability for EFA, the KMO and Bartlett's test are conducted. Table 4.18 indicate the KMO value of 0.622, which meets the minimum required threshold of 0.6 for good factorability. Additionally, the Bartlett's test of sphericity is significant ( $p < 0.001$ ). Therefore, the data is suitable for EFA.

| KMO and Bartlett's Test: Purchase Intention      |                    |         | Required thresholds for good 'factorability' |
|--------------------------------------------------|--------------------|---------|----------------------------------------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | 0.622   | >0.6                                         |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 305.772 |                                              |
|                                                  | df                 | 91      |                                              |
|                                                  | Sig.               | 0.000   | <0.05                                        |

Table 4.18: KMO and Bartlett's Test for purchase intention

The parallel analysis for the 'purchase intention' factor is presented in Table 4.19, indicating four factors which represent 57.21% of the total variance.

| Total Variance Explained |                     |               |              |                                     |               |              |                                                |
|--------------------------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|------------------------------------------------|
| Component                | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings <sup>a</sup> |
|                          | Total               | % of Variance | Cumulative % | Total                               | % of Variance | Cumulative % | Total                                          |
| 1                        | 2.906               | 20.756        | 20.756       | 2.906                               | 20.756        | 20.756       | 2.596                                          |
| 2                        | 2.098               | 14.984        | 35.740       | 2.098                               | 14.984        | 35.740       | 2.171                                          |
| 3                        | 1.593               | 11.382        | 47.122       | 1.593                               | 11.382        | 47.122       | 1.594                                          |
| 4                        | 1.412               | 10.086        | 57.208       | 1.412                               | 10.086        | 57.208       | 1.892                                          |
| 5                        | 1.131               | 8.077         | 65.285       |                                     |               |              |                                                |
| 6                        | 0.975               | 6.966         | 72.251       |                                     |               |              |                                                |
| 7                        | 0.765               | 5.462         | 77.713       |                                     |               |              |                                                |
| 8                        | 0.733               | 5.232         | 82.946       |                                     |               |              |                                                |
| 9                        | 0.519               | 3.704         | 86.650       |                                     |               |              |                                                |
| 10                       | 0.506               | 3.614         | 90.264       |                                     |               |              |                                                |
| 11                       | 0.382               | 2.730         | 92.994       |                                     |               |              |                                                |
| 12                       | 0.370               | 2.645         | 95.639       |                                     |               |              |                                                |
| 13                       | 0.328               | 2.343         | 97.982       |                                     |               |              |                                                |
| 14                       | 0.283               | 2.018         | 100.000      |                                     |               |              |                                                |

Table 4.19: Total variance explained – purchase intention

In the theoretically predicted structure, purchase intention consists of three factors, namely 'word-of-mouth', 'genre of purchase' and 'amount'. The original factor analysis produced five factors with the 14 purchase intention items. However, item [AP\_3] yielded a value below

0.3 and it was removed from the analysis. After conducting the Monte Carlo PCA, four factors were extracted. The scree plot (Figure 4.4) visually indicates the ‘elbow’ at five factors, which supports the parallel analysis selection of four factors.

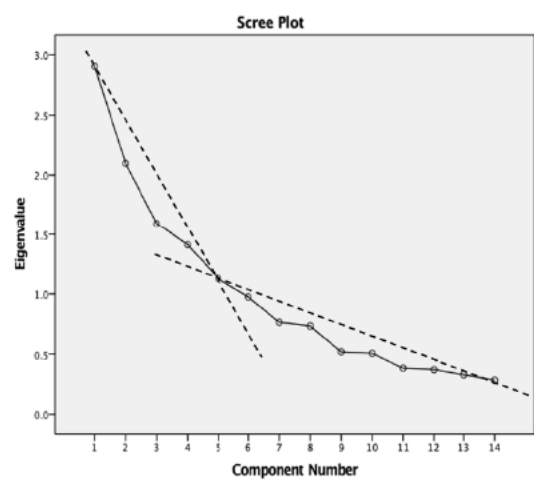


Figure 4.4: Scree plot of purchase intention

Therefore, the original factors were adjusted to 'Purchase Behaviour' [PI.PB] reflecting the items customers are purchase, 'Referral Influence' [PI.RI] represents the likelihood of supporting a business based on the recommendations of others and includes refuelling at the location. 'Low Spend' [PI.LS] refers to spending less than R200, while 'High Spend' [PI.HS] refers to spending more than R500.

Table 4.20 represents the component correlation matrix for purchase intention and the small correlations indicate independence between the factors.

| Correlation Matrix | Purchase Behaviour | Referral Influence | Low Spend | High Spend |
|--------------------|--------------------|--------------------|-----------|------------|
| Purchase Behaviour | 1.000              | 0.087              | 0.054     | 0.158      |
| Referral Influence | 0.087              | 1.000              | -0.071    | 0.108      |
| Low Spend          | 0.054              | -0.071             | 1.000     | -0.108     |
| High Spend         | 0.158              | 0.108              | -0.108    | 1.000      |

Table 4.20: Component correlation matrix for purchase intention

Reliability (Cronbach's alpha) was computed and 'Referral Influence' (0.639), 'Purchase Behaviour' (0.734), 'Low Spend' (0.643) and 'High Spend' (0.682) were deemed acceptable.

Table 4.21 consist of the factor loadings of the four extracted factors. The new structure for 'purchase intention' is presented in table 4.22.

| Purchase intention factors and component aspects | Factor loadings    |                    |           |            |
|--------------------------------------------------|--------------------|--------------------|-----------|------------|
|                                                  | Purchase Behaviour | Referral Influence | Low Spend | High Spend |
| <b>Referral Influence</b>                        |                    |                    |           |            |
| [WM_1] -> [RI_1]                                 |                    | 0.792              |           |            |
| [WM_2] -> [RI_2]                                 |                    | 0.887              |           |            |
| [WM_3] -> [RI_3]                                 |                    | 0.755              |           |            |
| [GP_6] -> [RI_4]                                 |                    | 0.352              |           |            |
|                                                  |                    |                    |           |            |
| <b>Purchase Behaviour</b>                        |                    |                    |           |            |
| [GP_1] -> [PB_1]                                 | 0.62               |                    |           |            |
| [GP_2] -> [PB_2]                                 | 0.75               |                    |           |            |
| [GP_3] -> [PB_3]                                 | 0.817              |                    |           |            |
| [GP_4] -> [PB_4]                                 | 0.649              |                    |           |            |
| [GP_5] -> [PB_5]                                 | 0.549              |                    |           |            |
|                                                  |                    |                    |           |            |
| <b>Low Spend</b>                                 |                    |                    |           |            |
| [AP_1] -> [LS_1]                                 |                    |                    | 0.793     | 0.317      |
| [AP_2] -> [LS_2]                                 |                    |                    | 0.885     |            |
|                                                  |                    |                    |           |            |
| <b>High Spend</b>                                |                    |                    |           |            |
| [AP_4] -> [HS_1]                                 |                    |                    | 0.779     |            |
| [AP_5] -> [HS_1]                                 |                    |                    | 0.87      |            |
|                                                  |                    |                    |           |            |
| Cronbach's $\alpha$ reliability coefficient      | 0.734              | 0.639              | 0.643     | 0.682      |

Table 4.21: Results of the factor analysis for purchase intention

| Structure of [PI] |                           |                                         |
|-------------------|---------------------------|-----------------------------------------|
| #                 | First-Order Sub-Dimension | Scale Items                             |
| 1.                | [PI.RI]                   | [RI_1], [RI_2], [RI_3], [RI_4], [RI_5]. |
| 2.                | [PI.PB]                   | [PB_1], [PB_2], [PB_3], [PB_4], [PB_5]. |
| 3.                | [PI.LS]                   | [LS_1], [LS_2].                         |
| 4.                | [PI.HS]                   | [HS_1], [HS_2].                         |

Table 4.22: Summary of 2<sup>nd</sup> order dimension 'purchase intention' structure

#### 4.4 Causal Results

#### 4.4.1 Correlation Analysis

Correlation Analysis is statistical method used to identify and explore a relationship between variables (Field, 2009:167). This analysis is conducted to understand the context of the observed relationships prior to commencing with SEM\_PLS.

In this study, Pearson's correlation coefficient is used to understand the context of the observed relationships. According to Field (2009:57), the effect size of Pearson's coefficient should be interpreted as follows small ( $r = 0.1-0.29$ ), medium ( $r = 0.3-0.49$ ) and large ( $r = 0.5$  and above). A minimum significance level ( $p < 0.05$  or  $p < 0.01$ ) (2-tailed) is required to indicate a significant relationship between the variables (Field, 2009:551). Correlations between the constructs are presented in Table 4.23:

| Correlations                                                 |                     |                                               |      |                              |
|--------------------------------------------------------------|---------------------|-----------------------------------------------|------|------------------------------|
|                                                              |                     | Propensity for Digital Brand Awareness [PDBW] | Age  | Digital Readiness Level [DR] |
| Digital Readiness Level [DR]                                 | Pearson Correlation | .924**                                        |      |                              |
|                                                              | Sig. (2-tailed)     | .000                                          |      |                              |
|                                                              | N                   | 93                                            |      |                              |
| Purchase Intention [PI]                                      | Pearson Correlation | .000                                          | .000 |                              |
|                                                              | Sig. (2-tailed)     | NaN                                           | NaN  |                              |
|                                                              | N                   | 93                                            | 93   |                              |
| Context of Visit [CV]                                        | Pearson Correlation | -.151                                         |      | -.005                        |
|                                                              | Sig. (2-tailed)     | .608                                          |      | .879                         |
|                                                              | N                   | 93                                            |      | 93                           |
| *. Correlation is significant at the 0.05 level (2-tailed).  |                     |                                               |      |                              |
| **. Correlation is significant at the 0.01 level (2-tailed). |                     |                                               |      |                              |

Table 4.23: Correlations of the constructs

There is a very strong, positive and significant correlation between [PDBW] and [DR] ( $r=0.924$ ,  $p<0.01$ ). This is the only statistically significant correlation in the table, aligning with the prediction that a strong and positive relationship exist between the propensity for digital brand awareness and digital readiness level. The p-values were not calculated for the correlation between [PDBW] and [PI], as well as 'Age' and [PI], as no relationships exist between these constructs, contrary to the underlying theoretical structure. The weak, negative correlation between [PDBW] and [CV], as well as [DR] and [CV], were not significant with p-values above the minimum significance threshold.

Correlations of the latent variables are presented in Table 4.24 which indicates a weak positive correlation between [CV.VP] and [PI.PB] ( $r=0.242$ ,  $p<0.05$ ), [CV.VP] and [DR.DB]

( $r=0.242$ ,  $p=0.020$ ). A moderate positive correlation exists between [DR.DB] and [PI.RI] ( $r=0.336$ ,  $p<0.01$ ).

| Correlations                                                                                                                |                     |                          |                          |                       |                           |                          |                            |                            |                   |                    |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------|--------------------------|-----------------------|---------------------------|--------------------------|----------------------------|----------------------------|-------------------|--------------------|
|                                                                                                                             |                     | Customer Loyalty [CV.CL] | Visit Motivation [CV.CM] | Visit Purpose [CV.VP] | Digital Behaviour [DR.DB] | Digital Literacy [DR.DL] | Purchase Behaviour [PI.PB] | Referral Influence [PI.RI] | Low Spend [PI.LS] | High Spend [PI.HS] |
| Customer Loyalty [CV.CL]                                                                                                    | Pearson Correlation |                          |                          |                       |                           |                          |                            |                            |                   |                    |
|                                                                                                                             | Sig. (2-tailed)     |                          |                          |                       |                           |                          |                            |                            |                   |                    |
|                                                                                                                             | N                   |                          |                          |                       |                           |                          |                            |                            |                   |                    |
| Visit Motivation [CV.CM]                                                                                                    | Pearson Correlation | -.213*                   |                          |                       |                           |                          |                            |                            |                   |                    |
|                                                                                                                             | Sig. (2-tailed)     | 0.040                    |                          |                       |                           |                          |                            |                            |                   |                    |
|                                                                                                                             | N                   | 93                       |                          |                       |                           |                          |                            |                            |                   |                    |
| Visit Purpose [CV.VP]                                                                                                       | Pearson Correlation | .223*                    | 0.028                    |                       |                           |                          |                            |                            |                   |                    |
|                                                                                                                             | Sig. (2-tailed)     | 0.032                    | 0.792                    |                       |                           |                          |                            |                            |                   |                    |
|                                                                                                                             | N                   | 93                       | 93                       |                       |                           |                          |                            |                            |                   |                    |
| Digital Behaviour [DR.DB]                                                                                                   | Pearson Correlation | -0.140                   | 0.146                    | .244*                 |                           |                          |                            |                            |                   |                    |
|                                                                                                                             | Sig. (2-tailed)     | 0.180                    | 0.163                    | 0.018                 |                           |                          |                            |                            |                   |                    |
|                                                                                                                             | N                   | 93                       | 93                       | 93                    |                           |                          |                            |                            |                   |                    |
| Digital Literacy [DR.DL]                                                                                                    | Pearson Correlation | -0.125                   | 0.020                    | 0.162                 | .581**                    |                          |                            |                            |                   |                    |
|                                                                                                                             | Sig. (2-tailed)     | 0.231                    | 0.847                    | 0.121                 | 0.000                     |                          |                            |                            |                   |                    |
|                                                                                                                             | N                   | 93                       | 93                       | 93                    | 93                        |                          |                            |                            |                   |                    |
| Purchase Behaviour [PI.PB]                                                                                                  | Pearson Correlation | 0.150                    | 0.151                    | .242*                 | 0.114                     | 0.114                    |                            |                            |                   |                    |
|                                                                                                                             | Sig. (2-tailed)     | 0.151                    | 0.148                    | 0.020                 | 0.275                     | 0.276                    |                            |                            |                   |                    |
|                                                                                                                             | N                   | 93                       | 93                       | 93                    | 93                        | 93                       |                            |                            |                   |                    |
| Referral Influence [PI.RI]                                                                                                  | Pearson Correlation | 0.118                    | 0.144                    | 0.119                 | .336**                    | 0.028                    | 0.186                      |                            |                   |                    |
|                                                                                                                             | Sig. (2-tailed)     | 0.260                    | 0.169                    | 0.258                 | 0.001                     | 0.787                    | 0.074                      |                            |                   |                    |
|                                                                                                                             | N                   | 93                       | 93                       | 93                    | 93                        | 93                       | 93                         |                            |                   |                    |
| Low Spend [PI.LS]                                                                                                           | Pearson Correlation | 0.079                    | 0.042                    | 0.034                 | -0.121                    | -0.175                   | 0.100                      | 0.052                      |                   |                    |
|                                                                                                                             | Sig. (2-tailed)     | 0.453                    | 0.691                    | 0.743                 | 0.246                     | 0.093                    | 0.340                      | 0.623                      |                   |                    |
|                                                                                                                             | N                   | 93                       | 93                       | 93                    | 93                        | 93                       | 93                         | 93                         |                   |                    |
| High Spend [PI.HS]                                                                                                          | Pearson Correlation | 0.045                    | 0.167                    | 0.157                 | -0.034                    | 0.084                    | .266**                     | 0.097                      | 0.054             |                    |
|                                                                                                                             | Sig. (2-tailed)     | 0.668                    | 0.109                    | 0.133                 | 0.747                     | 0.421                    | 0.010                      | 0.355                      | 0.606             |                    |
|                                                                                                                             | N                   | 93                       | 93                       | 93                    | 93                        | 93                       | 93                         | 93                         | 93                |                    |
| *. Correlation is significant at the 0.05 level (2-tailed).<br>**. Correlation is significant at the 0.01 level (2-tailed). |                     |                          |                          |                       |                           |                          |                            |                            |                   |                    |

Table 4.24: Correlations of latent variables

#### 4.4.2 Age as Moderator

In this study, age was used as moderator and figure 4.5 indicates a balanced representation of different age groups among the 93 respondents. Majority of respondents were between 25 and 34 years (29.0%), followed by 35 to 44 and 55 to 64 years, each representing 23.7%. Respondents aged 45 to 54 years (11.8%) and 65 years and older (7.5%) are the fourth and fifth largest age groups, respectively. 18 to 24 year old respondents (4.3%) represented the smallest sample size.

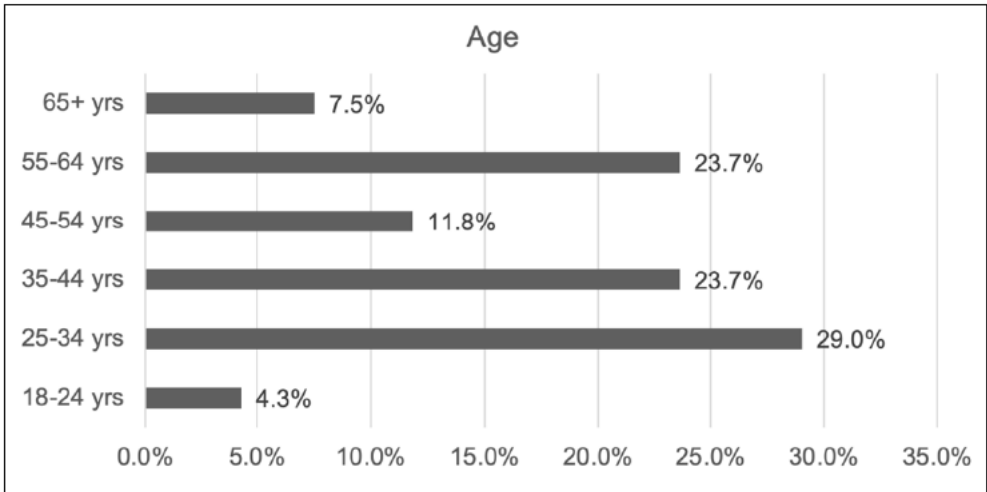


Figure 4.5: Age of Respondents

To test for homogeneity of variances, Levene’s Test was conducted to assess whether the variances across the age groups were equal, which is an assumption required to conduct a one-way ANOVA test (Field, 2009:149-150). The results in Table 4.25 indicates that Levene’s Significant level is below 0.05 and therefore violates the assumption of homogeneity of variance.

As a result, the Welch and Brown-Forsythe robust tests of equality of means were conducted as preferable alternatives. The Brown-Forsythe is specifically designed to provide accurate results when the assumption of homogeneity of variances is violated (Field, 2009:782). Table 4.26 indicates that robust tests of equality of means cannot be performed for ‘Digital Behaviour’ because at least one group has 0 variance.

Test of Homogeneity of Variances

|                    | Levene Statistic | df1 | df2 | Sig.  |
|--------------------|------------------|-----|-----|-------|
| Customer Loyalty   | 0.741            | 5   | 87  | 0.595 |
| Visit Motivation   | 1.146            | 5   | 87  | 0.343 |
| Visit Purpose      | 1.488            | 5   | 87  | 0.202 |
| Digital Behaviour  | 2.695            | 5   | 87  | 0.026 |
| Digital Literacy   | 2.998            | 5   | 87  | 0.015 |
| Purchase Behaviour | 0.678            | 5   | 87  | 0.641 |
| Referral Influence | 0.776            | 5   | 87  | 0.570 |
| Low Spend          | 1.271            | 5   | 87  | 0.284 |
| High Spend         | 1.775            | 5   | 87  | 0.126 |

Table 4.25: Levene's Test

| Robust Tests of Equality of Means <sup>b</sup>                                                                            |                |                        |     |        |       |
|---------------------------------------------------------------------------------------------------------------------------|----------------|------------------------|-----|--------|-------|
|                                                                                                                           |                | Statistic <sup>a</sup> | df1 | df2    | Sig.  |
| Customer Loyalty                                                                                                          | Welch          | 1.490                  | 5   | 19.511 | 0.238 |
|                                                                                                                           | Brown-Forsythe | 1.307                  | 5   | 32.058 | 0.286 |
| Visit Motivation                                                                                                          | Welch          | 0.299                  | 5   | 20.047 | 0.908 |
|                                                                                                                           | Brown-Forsythe | 0.238                  | 5   | 50.798 | 0.944 |
| Visit Purpose                                                                                                             | Welch          | 1.910                  | 5   | 20.794 | 0.136 |
|                                                                                                                           | Brown-Forsythe | 1.621                  | 5   | 61.097 | 0.168 |
| Digital Behaviour                                                                                                         | Welch          |                        |     |        |       |
|                                                                                                                           | Brown-Forsythe |                        |     |        |       |
| Digital Literacy                                                                                                          | Welch          | 0.979                  | 5   | 19.571 | 0.455 |
|                                                                                                                           | Brown-Forsythe | 1.156                  | 5   | 24.572 | 0.359 |
| Purchase Behaviour                                                                                                        | Welch          | 1.515                  | 5   | 21.574 | 0.227 |
|                                                                                                                           | Brown-Forsythe | 1.033                  | 5   | 60.336 | 0.406 |
| Referral Influence                                                                                                        | Welch          | 0.229                  | 5   | 19.091 | 0.945 |
|                                                                                                                           | Brown-Forsythe | 0.277                  | 5   | 37.218 | 0.923 |
| Low Spend                                                                                                                 | Welch          | 0.968                  | 5   | 19.006 | 0.462 |
|                                                                                                                           | Brown-Forsythe | 1.155                  | 5   | 35.918 | 0.350 |
| High Spend                                                                                                                | Welch          | 1.307                  | 5   | 20.176 | 0.301 |
|                                                                                                                           | Brown-Forsythe | 1.594                  | 5   | 48.486 | 0.180 |
| a. Asymptotically F distributed.                                                                                          |                |                        |     |        |       |
| b. Robust tests of equality of means cannot be performed for Digital Behaviour because at least one group has 0 variance. |                |                        |     |        |       |

Table 4.26: Welch and Brown-Forsythe

ANOVA is a statistical method used to assess whether there are significant differences in the means of different groups (Field, 2009:349). In this study, a one-way ANOVA was conducted to determine whether responses were significantly different across the age groups. Table 4.27 indicates no statistically significant differences in factor variables across the age groups.

| ANOVA                      |                |                |    |             |       |       |
|----------------------------|----------------|----------------|----|-------------|-------|-------|
|                            |                | Sum of Squares | df | Mean Square | F     | Sig.  |
| Customer Loyalty [CV.CL]   | Between Groups | 6.621          | 5  | 1.324       | 1.351 | 0.251 |
|                            | Within Groups  | 85.271         | 87 | 0.980       |       |       |
|                            | Total          | 91.892         | 92 |             |       |       |
| Visit Motivation [CV.VM]   | Between Groups | 1.515          | 5  | 0.303       | 0.224 | 0.951 |
|                            | Within Groups  | 117.517        | 87 | 1.351       |       |       |
|                            | Total          | 119.032        | 92 |             |       |       |
| Visit Purpose [CV.VP]      | Between Groups | 14.033         | 5  | 2.807       | 1.389 | 0.236 |
|                            | Within Groups  | 175.774        | 87 | 2.020       |       |       |
|                            | Total          | 189.806        | 92 |             |       |       |
| Digital Behaviour [CV.CL]  | Between Groups | 11.626         | 5  | 2.325       | 1.982 | 0.089 |
|                            | Within Groups  | 102.073        | 87 | 1.173       |       |       |
|                            | Total          | 113.699        | 92 |             |       |       |
| Digital Literacy [DR.DL]   | Between Groups | 6.270          | 5  | 1.254       | 1.499 | 0.198 |
|                            | Within Groups  | 72.763         | 87 | 0.836       |       |       |
|                            | Total          | 79.032         | 92 |             |       |       |
| Purchase Behaviour [PI.PB] | Between Groups | 4.628          | 5  | 0.926       | 0.888 | 0.493 |
|                            | Within Groups  | 90.662         | 87 | 1.042       |       |       |
|                            | Total          | 95.290         | 92 |             |       |       |
| Referral Influence [PI.RI] | Between Groups | 1.499          | 5  | 0.300       | 0.305 | 0.908 |
|                            | Within Groups  | 85.404         | 87 | 0.982       |       |       |
|                            | Total          | 86.903         | 92 |             |       |       |
| Low Spend [PI.LS]          | Between Groups | 10.934         | 5  | 2.187       | 1.261 | 0.288 |
|                            | Within Groups  | 150.894        | 87 | 1.734       |       |       |
|                            | Total          | 161.828        | 92 |             |       |       |
| High Spend [PI.HS]         | Between Groups | 12.725         | 5  | 2.545       | 1.373 | 0.242 |
|                            | Within Groups  | 161.232        | 87 | 1.853       |       |       |
|                            | Total          | 173.957        | 92 |             |       |       |

Table 4.27: ANOVA for regression analysis

## 4.5 The Conceptual Model

### 4.5.1 Structural Equation Modelling (SEM)

Structural equation modelling (SEM) is a multivariate data analysis method used to analyse the relationships between constructs, each measured by one or various indicator variables. SEM measures complex model relationships while accounting for measurement error present within the indicators. Covariance-Based SEM (CB-SEM) and Partial Least Squares SEM (PLS-SEM) are two types of SEM models that differ in the way model parameters are estimated, as well as assumptions about the nature of measurement (Hair *et al.*, 2022:23).

Hair *et al.* (2022:22) propose to use PLS-SEM with exploratory studies, a small data population and complex structural models which includes various constructs and indicators. Therefore, PLS-SEM was preferred over CB-SEM, as the research involved a small sample size of 93 and an untested model derived from theory. The study made use of SmartPLS 4 software to evaluate the effect of manifest variables on the 'propensity for digital brand awareness' and 'purchase intention'.

PLS path models are defined by two elements: the measurement model, detailing the relationships between the constructs and the latent variables (LVs) and the structural model, detailing the relationship between the constructs. Measurement model variables are either exogenous or endogenous. Exogenous latent variables are not affected by other latent variables, while endogenous latent variables are affected by one or more latent variables in the model (Hair *et al.*, 2022:5-6).

A two-step approach is followed to estimate the model and confirm the measurement theory before testing the structural theory. First, the measurement model was evaluated by providing factor loadings and reliability measures to confirm that each indicator accurately represents its latent variable. Without a reliable and valid measurement theory, the structural theory cannot be tested. Once consistency and validity of the constructs are confirmed, the structural model is assessed by examining path coefficients, which illustrate the relationships between constructs. It is assumed that the factor is the reality and the measured variables are a sample of all the possible indicators. As a result, removing an indicator does not significantly change the meaning of the latent variable, as the remaining indicators still represent it (Hair *et al.*, 2022:7).

### 4.5.2 The Measurement Model

The measurement model is assessed to calculate and establish reliability and validity of the observed variable. This assessment involves 4 steps:

1. Composite reliability to assess internal consistency
2. Outer loadings of indicators for the individual indicator's reliability
3. Average variance extracted (AVE) to evaluate convergent validity
4. Fornell-Larcker criterion and cross-loadings to assess discriminant validity.

Table 4.28 presents composite reliability results above 0.7 for a greater part of the constructs, indicating a high level of internal consistency. The average variance extracted values above 0.5 for 'Digital Literacy', 'Digital Behaviour', 'Low Spend' and 'High Spend' indicate acceptable convergent validity.

|                                        | Composite reliability (rho_c) | Average variance extracted (AVE) |
|----------------------------------------|-------------------------------|----------------------------------|
| Context of Visit                       | 0.160                         | 0.219                            |
| Customer Loyalty                       | <b>0.734</b>                  | 0.450                            |
| Visit Motivation                       | <b>0.735</b>                  | 0.387                            |
| Visit Purpose                          | 0.011                         | 0.365                            |
| Digital Literacy                       | <b>0.920</b>                  | <b>0.657</b>                     |
| Digital Behaviour                      | <b>0.916</b>                  | <b>0.509</b>                     |
| Digital readiness level                | <b>0.928</b>                  | 0.436                            |
| Propensity for digital brand awareness | 0.566                         | 0.348                            |
| Purchase Intention                     | <b>0.750</b>                  | 0.223                            |
| Purchase Behaviour                     | <b>0.820</b>                  | 0.487                            |
| Referral Influence                     | <b>0.785</b>                  | 0.479                            |
| Low Spend                              | <b>0.780</b>                  | <b>0.656</b>                     |
| High Spend                             | <b>0.864</b>                  | <b>0.761</b>                     |

Table 4.28: Composite reliability and average variance extracted for all constructs.

Figure 4.6 displays the outer loadings for manifest variables of the conceptual model.

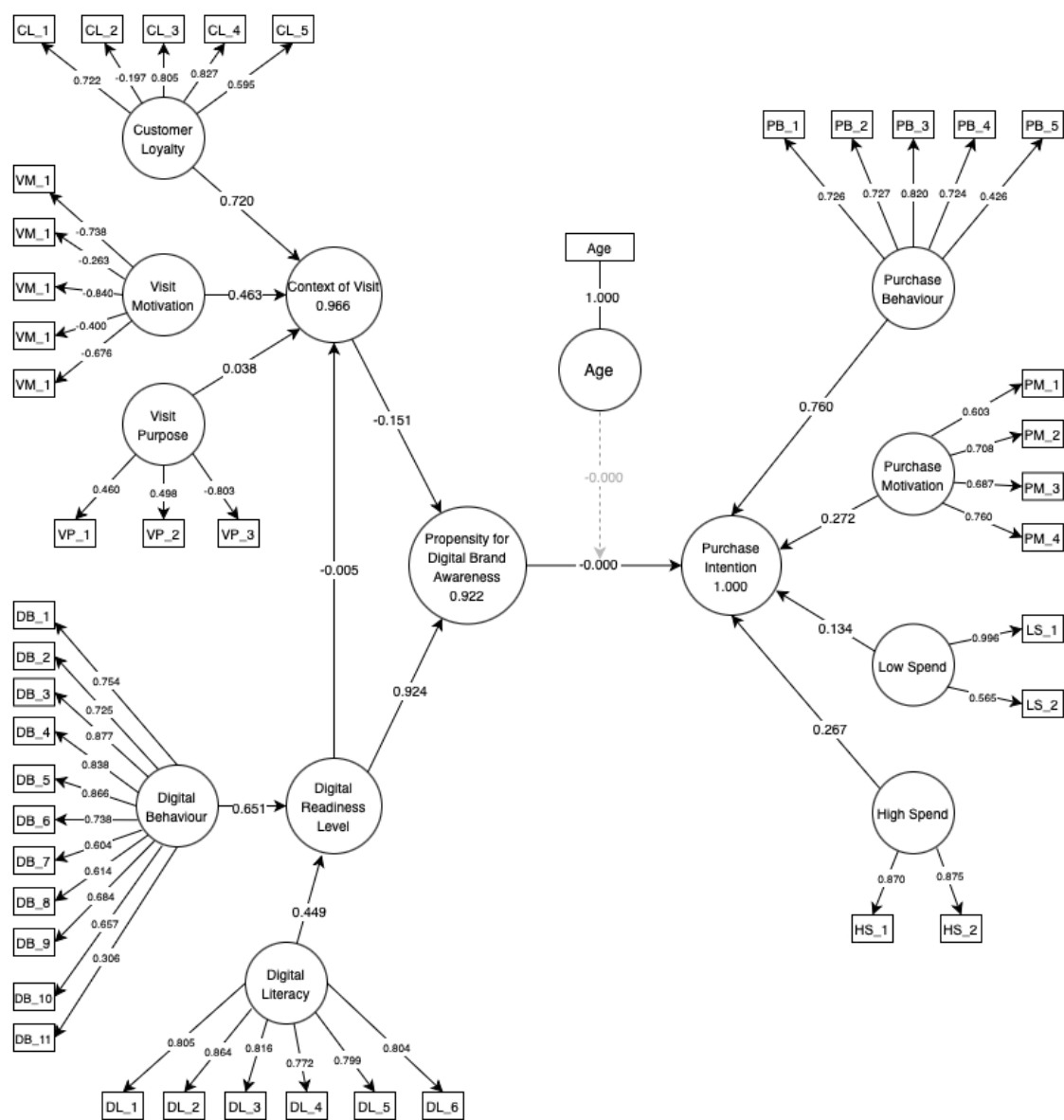


Figure 4.6: Path diagram from Smart-PLS

According to the path diagram, age has no moderating effect on the propensity for digital brand awareness and purchase intention. Additionally, there is no relationship between the propensity for digital brand awareness and purchase intention. Digital readiness level has a strong, positive effect on propensity for digital brand awareness and digital readiness level has a weak, negative relationship with context of visit.

Table 4.29 presents the path coefficients from the Smart-PLS analysis, indicating the strength and direction of relationships between the constructs.

|                  | Path coefficients |
|------------------|-------------------|
| Age -> PI        | 0.000             |
| CV -> PDBA       | -0.151            |
| CL.CV -> CV      | 0.720             |
| VM.CV -> CV      | 0.463             |
| VP.CV -> CV      | 0.038             |
| DL.DR -> DR      | 0.449             |
| DB.DR -> DR      | 0.651             |
| DR -> CV         | -0.005            |
| DR -> PDBA       | 0.924             |
| PDBA -> PI       | 0.000             |
| PB.PI -> PI      | 0.760             |
| RI.PI -> PI      | 0.272             |
| LS.PI -> PI      | 0.134             |
| HS.PI -> PI      | 0.267             |
| Age x PDBA -> PI | 0.000             |

Table 4.29: Path coefficient data from Smart-PLS

The R-squared ( $R^2$ ) value also known as the coefficient of determination, range between 0 to 1, with values closer to 1 indicating higher predictive accuracy. For a model to be considered substantial, the  $R^2$  value of endogenous latent variables should be higher than 0.26. The  $R^2$  value reflects the predictive accuracy of the structural model by indicating the proportion of variance in an endogenous construct that is explained by its underlined exogenous constructs (Field, 2009:179). Table 4.29 presents high  $R^2$  values, suggesting that the model is effective in capturing the variance for the variables, indicating strong predictive accuracy.

|                                        | R-square | R-square adjusted |
|----------------------------------------|----------|-------------------|
| Context of Visit                       | 0.996    | 0.996             |
| Digital readiness level                | 0.999    | 0.999             |
| Propensity for digital brand awareness | 0.922    | 0.920             |
| Purchase Intention                     | 1.000    | 1.000             |

Table 4.30: Results for  $R^2$  and  $R^2$  adjusted

With reliability and validity of the measurement model confirmed, the analysis proceeded with the evaluation of the hypotheses.

## 4.6 Hypotheses

The hypotheses derived in Chapter 3, along with the null hypotheses and decision to accept or reject, are presented in Table 4.31.

| Hypothesis                                                                                                                                      | Null Hypothesis                                                                                                                                      | Decision for null hypothesis                |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| H1: There is a weak but positive relationship between the propensity for digital brand awareness and purchase intention.                        | H0 <sub>1</sub> : There is no statistically significant relationship between the propensity for digital brand awareness and purchase intention.      | Accept<br>( $r = .000$ , $p = \text{NaN}$ ) |
| H2: Age as moderator will have a positive effect on the relationship between the propensity for digital brand awareness and purchase intention. | H0 <sub>2</sub> : Age as a moderator has no effect on the relationship between the propensity for digital brand awareness and purchase intention.    | Accept<br>( $r = .000$ , $p = \text{NaN}$ ) |
| H3: There is a strong and positive relationship between the propensity for digital brand awareness and the context of visit.                    | H0 <sub>3</sub> : There is no statistically significant relationship between the propensity for digital brand awareness and the context of visit.    | Accept<br>( $r = -.151$ , $p = .608$ )      |
| H4: There is a weak but positive relationship between the context of visit and digital readiness level.                                         | H0 <sub>4</sub> : There is no statistically significant relationship between the context of visit and digital readiness level.                       | Accept<br>( $r = -.005$ , $p = .879$ )      |
| H5: There is a strong and positive relationship between the propensity for digital brand awareness and digital readiness level.                 | H0 <sub>5</sub> : There is no statistically significant relationship between the propensity for digital brand awareness and digital readiness level. | Reject<br>( $r = .924$ , $p = .000$ )       |

Table 4.31: Acceptance or rejection of null hypotheses

4.7 Resultant Model

Age as moderator is not included in the exploratory model (Figure 4.7), which is a presentation of the model based on correlation-type relationships. From a predictive or explanatory perspective (Figure 4.8), ‘context of visit’ is also excluded. These adjustments align with the outcome of the hypothesis testing results.

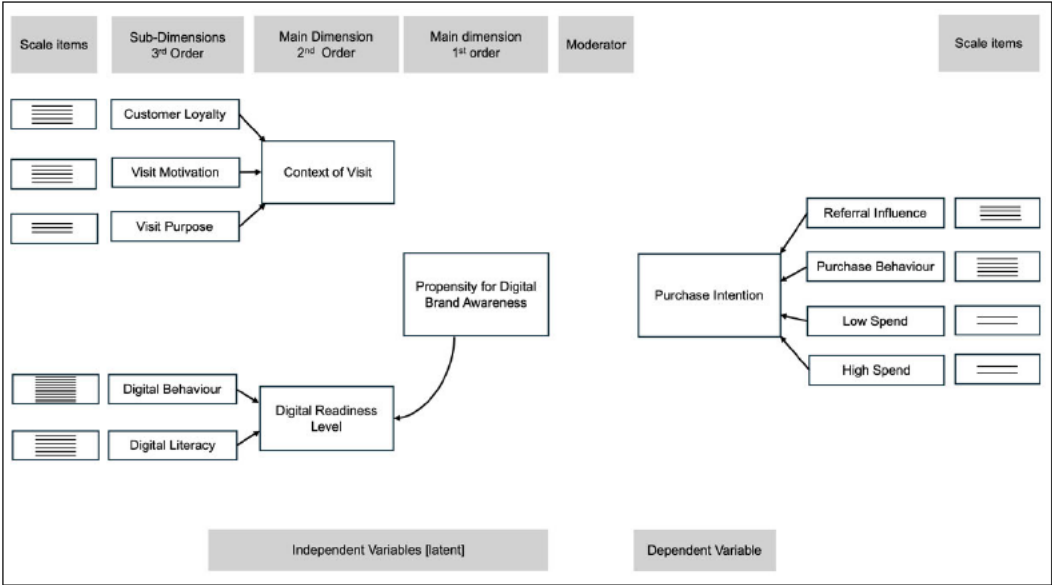


Figure 4.7: Model from an exploratory perspective

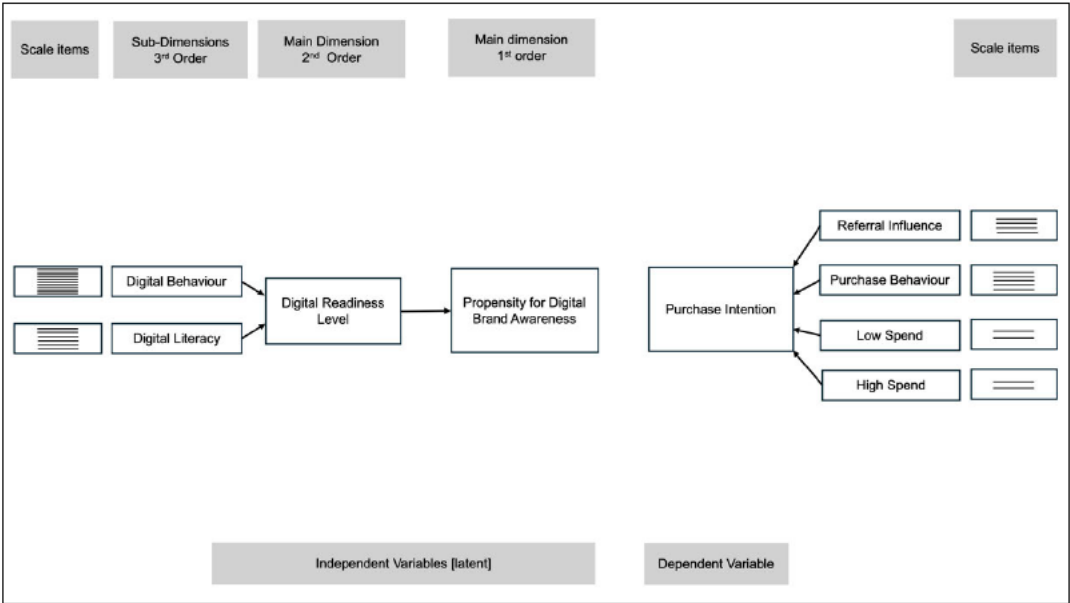


Figure 4.8: Model from an explanatory perspective

## 4.8 Conclusion

Chapter 4 followed an incremental, systematic approach throughout the analysis phase, adhering to the principles of the scientific method to achieve the first and fourth objectives of the study.

The chapter commenced with an overview of the sample population and size, elaborating on the considerations that determined the final sample size. The complete dataset of 93 was scientifically justified to be used for analysis, after which the scale assessment commenced.

The scale assessment revisited the hypotheses and theoretical framework from Chapter 3. The constructs were structured according to the measurement model and assigned codes to logically link the theoretical structure with the data analysis. The descriptive statistics were assessed to provide an overview of the data distribution and ensure suitability for factor analysis.

EFA was conducted in stages to understand the variable structure, evaluate the scale items measuring the underlying variables and combine similar variables to reduce data complexity. The data was suitable based on sample size and inter-item correlations and the KMO and Bartlett's test of sphericity indicated substantial correlation. Monte Carlo PCA and scree plot were conducted to reduce the number of factors to accurately represent the relationships between the variables, after which a Cronbach's alpha test assessed internal consistency and determined reliability.

EFA reduced 'digital readiness' to two factors, namely 'digital behaviour' and 'digital literacy', while 'context of visit' was regrouped to 'customer loyalty', 'visit motivation' and 'purpose of visit'. Lastly, 'purchase intention' factors loaded as 'purchase behaviour', 'referral influence', 'low spend' and 'high spend'. The reliability assessment indicated acceptable internal consistency and correlation scores.

Correlation analysis was conducted to determine the relationships among constructs and provided a basis for hypothesis testing. A strong positive correlation was observed between 'digital readiness' and 'propensity for digital brand awareness', however, no correlation exists between 'propensity for digital brand awareness' and 'purchase intention'. Age was

tested as a moderator and indicated no moderating effect on the propensity for digital brand awareness and purchase intention.

PLS-SEM was applied to determine the predictive relationships within the constructs and the measurement model was assessed for reliability and validity. The model was considered substantial with high  $R^2$  values close to 1.

The null hypotheses could be evaluated, with four being accepted and one rejected.

Overall, the data analysis provided valuable insights on how the theoretical framework translated into the exploratory and explanatory model within the context of a differentiated farm stall.

## **CHAPTER 5: FINDINGS, RECOMMENDATIONS AND CONCLUSIONS**

### **5.1 Introduction**

In this chapter, the fifth and final research objective will be achieved by determining whether the differentiated farm stall in the Eastern Free State should allocate resources to establish a digital footprint, or not.

The chapter will commence by re-introducing the purpose of the study and research problem from which the findings will be articulated and the major findings elaborated on. The section will continue with a discussion of the limitations, as well as the theoretical and practical contributions of the study. Thereafter, recommendations will be made with evidence from the findings. Lastly, the conclusions section will link the findings, recommendations and research objectives in a meaningful manner to achieve the purpose of the study.

### **5.2 Findings**

The purpose of this study was to determine the necessity of establishing a digital footprint for a differentiated farm stall in the Eastern Free State, South Africa, by measuring whether the perceptions and expectations of the customers indicate a quantifiable threshold for digital brand awareness.

SMMEs across South Africa face resource constraints and challenges related to adopting and utilising digital technologies. Therefore, understanding the relationship between customers' propensity for digital brand awareness and purchase intention, is crucial to inform resource allocation. This context articulated the research problem that, without knowing if a digital footprint will lead to more sales, any resources allocated to establishing and maintaining a digital footprint will not necessarily lead to more customers visiting a business.

Findings from the literature review suggested that SMMEs require an online presence to remain competitive in today's digital-driven society. However, within the South African context, the impact of digital brand awareness on firm performance is relatively under-researched. Studies have identified common challenges that prevent SMMEs from adopting digital technologies while also recognizing the benefits attributed to an established digital

footprint. Overall, existing literature indicated a strong relationship between brand awareness and purchase intention, with age influencing customer perceptions of digital brand awareness.

Findings from the data analysis revealed that the factor structure somewhat deviated from the original theoretical framework. For 'digital readiness level', the original four factors were reduced into two factors, namely [DR.DB] and [DR.DL]. 'Context of visit' originally produced four factors, but the factor analysis yielded three factors, namely [CV.CL], [CV.CM] and [CV.PV]. Lastly, the factor analysis for 'Purchase intention' regrouped the scale items across four factors, namely [PI.PB], [PI.RI], [PI.SL] and [PI.HS]. The scale items [US\_1], [FV\_1], [GV\_2], [AP\_3] failed to load on any of the factors and were removed.

Additionally, the analysis revealed weak correlations among the exogenous latent variables within the model. Specifically a weak, positive correlation between [CV.VP] and [PI.PB] ( $r = 0.242$ ,  $p < 0.05$ ) and between [CV.VP] and [DR.DB] ( $r = 0.242$ ,  $p = 0.020$ ). A moderate positive correlation was also observed between [DR.DB] and [PI.RI] ( $r = 0.336$ ,  $p < 0.01$ ).

The major findings however related to the moderator variable and endogenous latent variables.

### 5.2.1 Findings

*Age has no moderating effect on the propensity for digital brand awareness and purchase intention.* Previous studies (Patel & Bansal, 2018) emphasised that age affect how consumers engage with digital content and make purchasing decisions. Research conducted with younger demographics (Karen & Zai, 2020; Malanda, 2020; Noqayi, 2020; Dabbous & Barakat, 2020) showed high levels of digital readiness and a strong propensity for digital brand awareness. In contrast, studies involving older demographics (Vasudevan & Senthilkumar, 2017) indicated that purchase intention was less affected by the digital footprint of a business.

Age was measured as a moderating variable in the relationship between digital brand awareness and purchase intention among customers of a differentiated farm stall. Contrary to expectations, the results revealed that age did not significantly influence this relationship, indicating no moderating effect. This finding suggests that age may no longer play a

significant role in shaping the propensity for digital brand awareness as it once did. Instead, customers across different age groups now engage with digital media in similar ways that do not significantly impact their purchase intentions.

*Propensity for digital brand awareness has no significant relationship with purchase intention.* The specific context of this study contributed to a non-existing correlation as customers likely visited the farm stall with a pre-existing intent to purchase, limiting the role of digital influence on their decision-making. Additionally, the survey questionnaire was conducted with visitors, whose digital behaviour and digital literacy did not influence their purchase decisions.

Customers arrive with a clear purpose and while they may be active on digital platforms, their digital readiness levels do not relate to the reason for their visit. However, this does not imply that the factors within 'context of visit' were inaccurate, as they demonstrated several significant correlations within the model.

*Digital readiness level has a strong, positive effect on propensity for digital brand awareness.* Digitally literate customers are more receptive to digital brand awareness, although it does not influence their purchase intention within this context. The strong, positive correlation ( $r=0.924$ ,  $p<0.01$ ) suggests that these constructs essentially measure similar aspects of digital behaviour and digital literacy. Given their close alignment, future research may consider using including one of these constructs or combining them, as they are sufficiently related to serve as a single construct.

Based on these findings, both younger and older customers share similar literacy and behavioural levels with digital content and this does not significantly impact their purchase decisions within the context of a differentiated farm stall. Additionally, the lack of relationship between the propensity for digital brand awareness and purchase intention implies that visitors arrive to the farm stall with clear intention to purchase, largely uninfluenced by digital presence. Therefore, digital brand awareness does not substantiate a quantifiable threshold that justifies the allocation of resources to establish a digital footprint solely to increase sales.

### 5.2.2 Limitations

A limitation of the study was scant literature focussing on farm stalls and factors influencing a demand for a digital footprint. The study focused on a narrow-defined population which involved the customers of the farm stall. Convenience sampling might limit the generalisability of the findings. This however was mitigated by the data collection process and analysis resembling simple random sampling and allowed for parametric statistics. Ultimately, a systematic, replicable and methodical approach was followed during the data analysis phase of this research.

Criticism of the RBV is its inherently static, inward-looking focus, which tends to measure resources that a business already possesses, thereby describing what already exists (Mintzberg, Ahlstrand & Lampel, 2012:298). The success of a business is often attributed to valuable resources due to its past contributed to success. By maintaining and protecting these existing resources, businesses often fail to acquire new competitive capabilities and adapt to changing market conditions.

In the context of this study, the differentiated farm stall relies on established and valuable resources, such as loyal and returning customers with high purchase intent. The potential competitive advantage that could be gained from an established digital footprint may be overlooked by not including road users and potential customers who bypassed the business and did not stop.

This however is outside the scope of the study, as the model does not measure the perceptions and expectations of potential customers who did not visit the business. Including by-passing road users would require a longitudinal study, whereas this study was cross-sectional and captured data from customers at a single point in time. Therefore, the study does not account for individuals who may have visited the business solely due to being prompted by its digital footprint.

### 5.2.3 Contributions

By drawing on the RBV theory to measure the perceptions and expectations of customers of a differentiated farm stall, the study contributed both theoretical and practical to previously unexplored aspects of digital brand awareness.

### 5.2.3.1 Theoretical Contributions

Three theoretical contributions to the discipline and industry have been made by challenging prevailing assumptions in the literature regarding the role of digital brand awareness in consumer purchasing behaviour.

Firstly, the results demonstrated that age no longer has a significant moderating role in the relationship between digital brand awareness and purchase intention. Digital brand awareness does not appear to affect the purchase intentions of customers across various age groups differently, regardless of their irrespective digital readiness levels. This recommends future research to reconsider the weight of demographic factors, such as age.

Secondly, the inventive approach to create and develop a scale instrument addressed the gap in literature specific to the farm stall industry where limited research is available. The model was demonstrated to be reliable and valid, with acceptable Cronbach's alpha and AVE values, establishing it as a valuable tool to be used in future research relating to the propensity for digital brand awareness.

Thirdly, although certain primary constructs did not contribute significantly to the propensity for digital brand awareness, the scale items loaded reliably within their respective constructs, indicating acceptable internal consistency. This is evident for 'context of visit', which, although removed from the exploratory model, indicated composite reliability values for [CL] and [VM] exceeding 0.7. This outcome is promising for future research, as these constructs can be effectively applied in other studies.

### 5.2.3.1 Practical Contributions

Two practical contributions have been made to the industry. Firstly, the results can be used to inform strategic resource allocation decisions for farm stalls and small businesses similar in nature to the farm stall, particularly in relation to establishing and maintaining a digital footprint. Additionally, the validated scale instrument can serve as a practical framework to assess customer perceptions in other SMMEs. This could deliver valuable insights and guide decision-making on whether or not to establish a digital footprint based on the availability of resources.

### 5.3 Recommendations

Based on the findings, it is recommended that a differentiated farm stall in the Eastern Free State, South Africa, should not allocate resources towards establishing a digital footprint, as the results indicated no significant relationship between the propensity for digital brand awareness and purchase intention.

Establishing and maintaining an online presence is often expected in the present digital landscape, however, this expectation may not necessarily pertain to the customers of a specific SMME. Therefore, SMMEs of similar nature, should carefully consider the perceptions and expectations of their customers prior to investing in a digital footprint.

For future research, the study can serve as basis for further exploration of the South African farm stall industry. Future studies could investigate farm stalls and similar businesses in diverse geographic locations, particularly within the South African context, to determine if findings vary for the context of visit.

Given the close alignment of digital readiness level and the propensity for digital brand awareness, future research may consider including only one of these constructs or combining them, as they are sufficiently related to serve as a single construct. Additionally, the explanatory model can be refined and further developed to assist SMMEs in unique industries, such as butcheries, bakeries and florists, to determine optimal resource allocation for digital footprint development. This would give businesses more concrete guidance on the value and prospects of digital investments.

A limitation of the study involved the cross-sectional nature of data collection. By conducting a longitudinal study, future studies could provide additional insights on the perceptions and expectations of road users and potential customers who do not visit farm stalls. This could determine if the propensity for digital brand awareness could positively influence the purchase intention of non-customers and attract them to visit and purchase from the business.

## 5.4 Conclusions

This section aims to connect the findings with the research problem and purpose of the study. In Chapter 1, the research problem was defined as:

*Without knowing if a digital footprint will lead to more sales, any resources allocated to establishing and maintaining a digital footprint will not necessarily lead to more customers visiting a business.*

The research problem shaped the overarching research objective, consequently, the purpose of the study was articulated as:

*The study aims to scientifically and methodically determine if the perceptions and expectations of customers of a differentiated farm stall in Eastern Free State, South Africa, indicate a quantifiable threshold for digital brand awareness from whence a decision could be made to allocate or refrain from allocating resources to establish a digital footprint.*

The study, therefore, focused on achieving the following objectives:

- *To establish the thresholds of expectations and perceptions of existing customers.* This research objective was achieved in Chapter 4 through the research instrument indicating no significant relation between purchase intention and propensity for digital awareness, along with age not moderating any influence thereof. As such, the resultant model consists of a healthy scale instrument which could be used to conduct studies of a similar nature in future.
- *To show that existing academic literature within the context of digital brand awareness and social media marketing in SMMEs, is understood and built upon.* This research objective was achieved in Chapter 2 by conducting a critical review of recent and seminal works related to the proposed research.
- *To follow a scientific, methodical and ethical approach in data collection and analysis.* This objective was achieved in Chapter 3 and Chapter 4 by following a scientific, methodical and ethical approach to collect and analyze the data.
- *To determine a contextually sensible, quantifiable threshold for digital brand awareness.* The threshold for digital brand awareness was determined in Chapter 4 and the study achieved the objective through a reliable and valid scale model.

- *To determine whether the differentiated farm stall in the Eastern Free State should allocate resources to establish a digital footprint, or not.* This objective was achieved in Chapter 5 by discussing the findings, which indicated that the differentiated farm stall should not allocate resources to establish a digital footprint.

## **5.5 Concluding Remarks**

The purpose of the study and research problem were re-introduced, followed by a summary of key findings with specific focus on the major findings within the context of a differentiated farm stall.

The limitations and contributions were addressed and added context for future recommendations. Finally, the conclusions section integrated the findings, recommendations and research objectives, aligning them to fulfil the purpose of the study.

This chapter thus offered a comprehensive assessment of the potential value of a digital footprint for the farm stall and provided strategic direction based on empirical insights.

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## Appendix A: Survey Instrument



### PARTICIPANT OR RESPONDENT INFORMED CONSENT FORM

| Explanatory information sheet and consent form for participants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>To whom it may concern,</p> <p>My name is Jan Andries Meiring and I am a student at The IIE's Vega School. I am currently conducting research under the supervision of Dr. Wilhelm Neuland about the propensity of digital brand awareness. I hope that this research will enhance our understanding of the quantifiable threshold for digital brand awareness.</p> <p>I would like to invite you to participate in my study. In order to explain to you what your participation in my study will involve, I have formulated questions that I will try to fully answer so that you can make an informed decision about whether or not to participate. If you have any additional questions that you feel are not addressed or explained in this information sheet, please do not hesitate to ask me for more information. Once you have read and understood all the information contained in this sheet and are willing to participate, please complete and sign the consent form below.</p> |
| What will I be doing if I participate in your study?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>I would like to invite you to participate in this research because you are a customer of a differentiated farm stall in the Eastern Free State. If you decide to participate in this research, I would like you to complete a survey, which will take approximately 10-15 minutes. The questions are opinion-based and will measure your perception. There are a total of 10 topics.</p> <p>You can decide whether or not to participate in this research. If you decide to participate, you can choose to withdraw at any time or to decide not to answer particular interview questions.</p>                                                                                                                                                                                                                                                                                                                                                                                               |
| Are there any risks/ or discomforts involved in participating in this study?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>Whether or not you decide to participate in this research, there will be no negative impact on you. There are no direct risks or benefits to you if you participate in this study of questioning, you may withdraw or refrain from participating. Apart from the time commitment, there should be no discomfort or inconvenience beyond what you may experience in your daily life.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Do I have to participate in the study?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <ul style="list-style-type: none"> <li>Your inclusion in this study is completely voluntary;</li> <li>If you do not wish to participate in this study, you have every right not to do so;</li> <li>Even if you agree to participate in this study, you may withdraw at any time without having to provide an explanation for your decision.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Will my identity be protected?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>I promise to protect your identity. The survey questionnaire only requires your age and not your name or any personal information. I will make sure that your answers and any details are disguised so that nobody will be able to identify you.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

**What will happen to the information that participants provide?**

Once the required amount of research questionnaires have been achieved, a data analysis will be conducted and included in my research report, which is a requirement to complete my Masters of Commerce in Strategic Brand Leadership. You may ask me to send you a summary of the research if you are interested in the final outcome of the study.

**What happens if I have more questions about the study?**

Please feel free to contact me or my supervisor should you have any questions or concerns about this research, or if there is anything you need to know before you decide whether or not to participate.

You should not agree to participate unless you are completely comfortable with the procedures followed.

My contact details are as follows:

Jan Andries Meiring

[REDACTED]  
[REDACTED]

The contact details of my supervisor are as follows:

Dr. Wilhelm Neuland

[REDACTED]  
[REDACTED]

**Participant or respondent Informed Consent – Audio and Visual Recordings.**

I agree to participate in the research conducted by Jan Andries Meiring about determining if the perceptions and expectations of customers of a differentiated farm stall in Eastern Free State, South Africa, indicate a quantifiable threshold for digital brand awareness, from which a decision could be made to allocate or refrain from allocating resources to establish a digital footprint.

This research has been explained to me and I understand what participation in this research will involve. I understand that:

- I agree to participate in this research for the purpose of data collection.
- My confidentiality will be ensured. My age and answers will be kept private and confidential.
- My participation in this research is voluntary and I have the right to withdraw from the research at any time. There will be no repercussions should I choose to withdraw from the research.
- I may choose not to answer any of the questions in the research questionnaire.

**Signature**

**Date**

## DIGITAL BRAND AWARENESS QUESTIONNAIRE

The following questionnaire is designed to measure the propensity for digital brand awareness.

The questions are opinion-based and there are no right or wrong answers. Please complete all the questions honestly, since incomplete questionnaires will render the data unusable.

The questionnaire consists of two sections. **Part A** relates to your Age and **Part B** to the questions.

The questionnaire makes use of a five-point scale, ranging from NOT AT ALL to YES, ABSOLUTELY.

Please select only one answer that best describes your level of agreement.

At the end of the questionnaire there will be an open space to leave any feedback for the researcher.

All the information will be treated confidentially.

**Part A: Age**

Please indicate your age group:

| 18 - 24 | 25 - 34 | 35 - 44 | 45 - 54 | 55 - 64 | 65+ |
|---------|---------|---------|---------|---------|-----|
|         |         |         |         |         |     |

**Part B: Questions**

Please indicate your agreement with the following statements.

**1. Context of Visit**

1.1 Closeness. This section relates to the location of the business.

| #     |                                            | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|--------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 1.1.1 | I live in the surrounding area.            |            |            |                     |                        |                 |
| 1.1.2 | I am passing through the area.             |            |            |                     |                        |                 |
| 1.1.3 | The location makes it convenient to visit. |            |            |                     |                        |                 |

1.2 Genre of visit. This section relates to the primary reason for your visit.

| #     |                                               | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|-----------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 1.2.1 | My visit today was planned.                   |            |            |                     |                        |                 |
| 1.2.2 | My visit today was unplanned.                 |            |            |                     |                        |                 |
| 1.2.3 | I stopped because I needed to take a break.   |            |            |                     |                        |                 |
| 1.2.4 | I stopped here today for the supermarket.     |            |            |                     |                        |                 |
| 1.2.5 | I stopped here today for takeaway.            |            |            |                     |                        |                 |
| 1.2.6 | I stopped here today to visit the restaurant. |            |            |                     |                        |                 |

|       |                                                |  |  |  |  |  |
|-------|------------------------------------------------|--|--|--|--|--|
| 1.2.7 | I stopped here today for fuel.                 |  |  |  |  |  |
| 1.2.8 | I stopped here to use the restroom facilities. |  |  |  |  |  |

1.3 Frequency of Visit. This section refers to how often you visit the business.

| #     |                                                     | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|-----------------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 1.3.1 | This is my first time at the business.              |            |            |                     |                        |                 |
| 1.3.2 | I am a returning customer.                          |            |            |                     |                        |                 |
| 1.3.3 | I visit the business as part of my regular routine. |            |            |                     |                        |                 |
| 1.3.4 | I intend to visit again in the future.              |            |            |                     |                        |                 |

## 2. Digital Readiness Level.

2.1 Skill Level. This section relates to your ability to use digital platforms.

| #     |                                                          | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|----------------------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 2.1.1 | I can easily navigate social media platforms.            |            |            |                     |                        |                 |
| 2.1.2 | I know how to use search engines like Google.            |            |            |                     |                        |                 |
| 2.1.3 | I know how to search and find a business online.         |            |            |                     |                        |                 |
| 2.1.4 | I am comfortable using online maps to locate a business. |            |            |                     |                        |                 |

2.2 Platforms. This section relates to the social media platforms you use.

| #     |                                                                               | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|-------------------------------------------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 2.2.1 | I am active on social media platforms.                                        |            |            |                     |                        |                 |
| 2.2.2 | I frequently use social media platforms to find information about a business. |            |            |                     |                        |                 |
| 2.2.3 | I follow brands and businesses on social media.                               |            |            |                     |                        |                 |
| 2.2.4 | Social media platforms influence by decision to visit a business.             |            |            |                     |                        |                 |

2.3 Usage. This section relates to how you interact with digital media.

| #     |                                                                                      | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|--------------------------------------------------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 2.3.1 | I have access to the internet.                                                       |            |            |                     |                        |                 |
| 2.3.2 | I engage with brands through their social media pages.                               |            |            |                     |                        |                 |
| 2.3.3 | I use social media to find and follow brands.                                        |            |            |                     |                        |                 |
| 2.3.4 | I rely on social media to stay updated with business promotions and events.          |            |            |                     |                        |                 |
| 2.3.5 | I often visit a business's website to get more information before making a purchase. |            |            |                     |                        |                 |

2.4 Electronic Word-of-Mouth. This section relates to how you engage with and are influenced by online reviews and recommendations

| #     |                                                                            | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|----------------------------------------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 2.4.1 | I often share my experiences with a business online.                       |            |            |                     |                        |                 |
| 2.4.2 | I can read and understand online reviews of businesses.                    |            |            |                     |                        |                 |
| 2.4.3 | I trust the opinions of others online.                                     |            |            |                     |                        |                 |
| 2.4.4 | I am more likely to visit a business after seeing positive reviews online. |            |            |                     |                        |                 |
| 2.4.5 | I will likely not support a business after seeing negative reviews online. |            |            |                     |                        |                 |

### 3. Purchase Intention

3.1 Word-of-Mouth. This section relates to how recommendations influence your decisions

| #     |                                                              | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|--------------------------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 3.1.1 | I am likely to support a business recommended by others.     |            |            |                     |                        |                 |
| 3.1.2 | I am likely to buy a product recommended by others.          |            |            |                     |                        |                 |
| 3.1.3 | I am visiting the business because it was recommended to me. |            |            |                     |                        |                 |

3.2 Genre of Purchase. This section refers to what type of items you purchased.

| #     |                                                 | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|-------------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 3.2.1 | I am purchasing grocery items.                  |            |            |                     |                        |                 |
| 3.2.2 | I am purchasing takeaway food, drink or snacks. |            |            |                     |                        |                 |
| 3.2.3 | I am purchasing from the butchery section.      |            |            |                     |                        |                 |
| 3.2.4 | I am purchasing from the gift shop.             |            |            |                     |                        |                 |
| 3.2.5 | I am purchasing from the restaurant.            |            |            |                     |                        |                 |
| 3.2.6 | I am refuelling my vehicle.                     |            |            |                     |                        |                 |

3.3 Amount of Purchase. This section refers to the amount you are spending.

| #     |                                            | Not at all | Not really | Yes, to some degree | Yes, to a large degree | Yes, absolutely |
|-------|--------------------------------------------|------------|------------|---------------------|------------------------|-----------------|
| 3.3.1 | I am likely to spend less than R50.        |            |            |                     |                        |                 |
| 3.3.2 | I am likely to spend between R50 – R200.   |            |            |                     |                        |                 |
| 3.3.3 | I am likely to spend between R200 – R500.  |            |            |                     |                        |                 |
| 3.3.4 | I am likely to spend between R500 – R1000. |            |            |                     |                        |                 |
| 3.3.5 | I am likely to spend more than R1000.      |            |            |                     |                        |                 |

4. Do you have any comments or feedback you would like to bring to the attention of the researcher?