THE CHALLENGES IN EMPLOYING DIGITAL MARKETING AS A TOOL FOR IMPROVING SALES AT SELECTED RETAIL STORES IN THE TRANSKEI REGION

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1. Introduction

The practical implementation of various digital platforms in the business sector has provided new opportunities, as today’s globalised world relies on the internet as a dependable source of credible information that clients can examine before acquiring goods and services [1]. Digital Marketing (DM) gives retailers several options for establishing a competitive advantage and better customer insights[2]. However, Digital Marketing prospects demand consistency in generating new material, which Eriksson [3] asserts, is difficult for most merchants and may lead to a refusal to use DM strategies. Over the past decade, the internet has brought the information age and electronic commerce (e-Commerce) to millions of people globally, including those living in remote areas, thus providing businesses with an alternative platform for consumer interaction to brick and mortar [4]. Therefore, retailers must change their traditional marketing tactics and establish new strategies to engage customers on platforms where they prefer to interact and purchase because of the impact of Digital Marketing on the commercial and micro-economic levels [5].

People spend a significant amount of time online, communicating with friends, reading the news and looking for new information, thus making the internet a viable tool for engaging customers [6]. While Digital Marketing is still in its infancy in developing countries like South Africa, specifically the Transkei region, global digital platforms are continually evolving to achieve new levels of innovation [7]. In addition, the global COVID-19 pandemic and the limits and prohibitions, imposed by most governments to control the epidemic’s spread, had profoundly altered how people
worked and bought goods and services by 2020. This has significantly impacted the retail industry, and new trends are emerging to deal with these novel issues [8]. Therefore, this study evaluated the perceived challenges in employing to boost sales in retail stores in the Transkei region.

1. 1. Theoretical Background of Digital Marketing

Digital marketing uses information and communication technology to meet client needs better [9]. Digital marketing is commonly confused with Social Media Marketing (SMM). Nevertheless, Social Media Marketing is a type of DM. SMM is a marketing method that uses social media networks and platforms, whereas Digital Marketing uses computer resources [10]. Traditional and Digital Marketing are diametrically opposed when it comes to time constraints like planning, production and change management [11]. Despite being considered “traditional”, these marketing strategies continue to have a role in print media, albeit in decreasing proportions.

Many people still prefer to read a newspaper or magazine or look through a catalogue in print. Other buyers prefer to purchase an item in person, especially if the item is costly [12, 13]. Digital Marketing, on the other hand, is simple, convenient and low-cost, albeit it may take some time to completely replace traditional marketing techniques [14]. Digital Marketing thrives on technology, which continues to evolve due to its rapid growth and evolution. The critical thing to remember is that there are various ways to contact clients, and each company should choose platforms and approaches that are appropriate for reaching out to their target markets [15].

1. 2. Digital Marketing in Retail

Retail marketing refers to retailers’ strategies, methods, and activities to promote brand awareness, sales, and overall returns on investment [16]. It has been observed, that 43 percent of consumers buy goods online, and 88 percent of firms now provide online purchasing [17]. Thus, retailers are reconsidering their strategies, with internet sales accounting for 58 percent of total sales. Retailers, particularly in the FMCG industry, such as SPAR, Checkers and Pick n Pay, began to provide online shopping as a service, with the added convenience of same-day delivery. According to Business Insider South Africa, consumers eschewed retail malls, favouring online shopping and delivery, with online sales exceeding R30.2 billion, 50 percent more than expected totals [18]. Others are forced to follow Checkers’ lead and set a minimum of 60 minutes from online order to delivery. Moreover, numerous businesses and shopping malls have taken a different route and erected free central pick-up stations [8].

Retailers in South Africa have begun working together with other sectors and the local community to offer clients a smooth delivery experience. Several retailers in South Africa have used online apps, such as UberEats and Yethu, to leverage the taxi industry to satisfy same-day delivery commitments, guaranteed to customers [19]. Shop streaming is the latest retail shopping fad, and although adoption is slower than in China, many brands and stores are quickly catching up with the trend [20]. Brand ambassadors may now show and promote their products, while connecting with clients who are already in the shop through a live streaming connection. There is a renewed focus on the customer buying experience, convenience, and time-saving [21, 22].

1. 3. Advantages of Using Digital Marketing

Digital Marketing is critical for any organisation that wants to grow and thrive because, in the modern globalised world, a business is advertised and promoted using digital techniques. The primary advantage of digital marketing is that it enables businesses to reach their target customers at a low cost [23]. A well-planned marketing campaign can reach customers for much less money than traditional marketing methods like newspaper advertisements, mail-in flyers and expensive television and radio advertisements [24]. Digital marketing is critical because it allows a company to reach out to many customers in seconds [25]. According to Veleva and Tsvetanova [26], one of the benefits of digital marketing is locating and accessing new markets and clients due to the internet’s broad reach. Digital marketing is more convenient for customers because it does not necessitate a physical presence. Through Digital Marketing, customers can interact with businesses, making them more responsive and focused on their needs. Additionally, customers can use the
internet to learn about products and even buy them. Digital Marketing also allows businesses to target specific customers and determine which products and services they need, thereby increasing marketing efficacy [6]. This view is shared by Silvia [27], who argues that DM provides useful data on customer preferences and behaviour.

Employing Digital Marketing helps retailers reach a target audience through interactive media and omni-channel communication tools, such as email, an interactive website, Short Message Service (SMS), WhatsApp and mobile phones. In addition, customers can select the most secure payment method because most financial institutions and retailers collaborate to provide a secure and convenient payment option [5]. According to Prajapati [11], one of the advantages of digital marketing is that a retailer may adjust a product’s pricing on the digital platform anytime. The retailer might provide a discount on holidays like Christmas or Easter to attract more consumers or sell excess products. Customers value openness, and this practice reflects that.

According to Bala and Verma [14], brand development is more effective when a well-designed website provides significant value to the target audience, while generating new prospects for the firm. In light of its 24/7 and real-time availability, Digital Marketing has the potential to create a ripple effect by disseminating content across numerous digital and social media channels exceptionally quickly. Data, collected from digital platforms, can be used to examine and, in some cases, predict consumer behaviour. Through the interactive component of DM, consumers can contact companies and share information about their needs, preferences, experiences and future purchase intentions [28]. The popular adage: “If a company cannot be found on Google, it does not exist” is now more accurate than ever, as it typifies modern consumer behaviour [29]. Consequently, consumer behaviour has been transformed by digitisation and social media, with significant implications for businesses, products, services and brands [30]. Digital Marketing is critical for businesses because the number of internet users and smartphone owners is growing every day and the young, in particular, want to shop online and compare prices on their phones [14]. Digital Marketing can also be used to assess the appeal, performance and loyalty to a brand [29].

According to Shirisha [31], digital marketing produces quick, real-time results. Time is money and Digital Marketing allows the company to track how many customers visit the site, what they search for, and which items are not attracting attention. This readily available data could be used by the company to quickly align its items and promotions, saving time and money. Tiago and Verissimo [32] conducted research on the importance of Digital Marketing adoption in Portuguese businesses, and the findings showed that external competitive pressure was the most important factor in considering DM adoption. This shows that businesses are under much pressure from competitors and cannot maintain the same marketing techniques. With the rapid advancement of technology and the emergence of new start-up businesses, standing out and attracting attention has become more complex [33].

1. 4. Challenges of Digital Marketing

Some drawbacks of Digital Marketing include that online advertising changes often and that developing online content requires skilled employees [26]. Because of DM, competitors can easily identify the target market and items for sale, allowing them to gain the attention of the same target audience, generally on the same digital platform. This often leads to rivals’ duplicating the Digital Marketing effort and defrauding clients by using the brand name or logo [11]. Digital Marketing has several disadvantages, the most serious of which seems to be bombarding customers with adverts with no way for them to "opt-out" of the service. Consumers are often worried about “ad clutter,” which refers to adverts from various companies that show when exploring a specific website [34]. According to Prajapati [11], another downside of a company’s over-reliance on technology is that customers frequently have no alternative way to investigate items and prices or contact the merchant with a question when the internet is down. Customers in conventional marketing may physically inspect and feel a product to ensure that it is what they want, fits them well, and is of excellent quality. The client trusts the merchant that the things are of excellent quality, match the description, and will be delivered if payment is made in advance, while using Digital Marketing. Customers have been known to purchase items and commodities using a false name without ever completing
the pay-on-delivery transaction. This severe flaw in multiple ordering and payment procedures puts the store in danger. According to Diez-Martin, Blanco-Gonzalez, and Prado-Roman [35], sustainability is a key challenge in digital marketing. Jones, Clarke-Hill, Comfort, and Hillier [36], as mentioned in Diez-Martin et al. [35], undertook marketing and sustainability research between 1990 and 2018. In this research, six barriers to Digital Marketing and sustainability were identified: customer orientation and value proposition, digital consumer behaviour, digital green marketing, competitive advantage, supply chain and capacities. Customers are overwhelmed with alternatives due to fast technological advancements [37], and businesses seek to convey the value proposition of their goods and services. Companies should also spend time and money investigating the purchase habits of digital customers, which vary considerably from those of conventional consumers [13].

Customers want immediate service and are no longer willing to wait for items until the firm can deliver them, therefore, the company’s supply chain may be an extra obstacle [38]. Furthermore, the company should verify that its goods and services are available since the old adage “over-promise and under-deliver” may result in client loss. From the simplicity of viewing the internet page through final delivery and after-sales assistance, the consumer’s experience should be streamlined [35]. According to Prajapati [11], the availability and proliferation of multiple digital devices and channels is a difficulty since it makes it difficult for marketers to choose the proper channel and audience. Another commonly overlooked issue is the vast quantity of data, created by users each time they use a channel or visit a website. All of this data will impact customer storage, security, and privacy. Other challenges for digital marketing include information security and law. The Protection of Personal Information Act (POPIA) (POPI Act of 2016) in South Africa has lately emphasised the safety and security of consumer information [39]. In Digital Marketing, ‘cookies’ are used when people visit websites or utilise social media platforms. Before a ‘cookie’ is installed, the customer must provide permission, which restricts access to their contacts and past user history and limits the amount of data they can use to predict behaviour and demand. As a result, organisations should comprehend data use, consumer protection, and security needs, while designing a digital strategy [40].

2. Materials and Methods
   2.1. Research design and sampling
   A research design serves as the study’s central framework, tying all of the study’s components together to address the research question [41]. Cooper and Schindler [41] distinguish between descriptive, informal and exploratory study designs. Exploratory research is frequently used when there is a dearth of prior academic studies or information on a particular phenomenon or when the topic is not well defined [42]. Exploratory research is more adaptable and does not seek to provide definitive answers at the study’s conclusion. Due to this research’s qualitative and exploratory nature, a phenomenological philosophy was used to investigate the perceived challenges in employing Digital Marketing amongst retailers in the Transkei area. Purposive sampling was used to ensure that the 14 appropriate store managers provided accurate information regarding their understanding of Digital Marketing and the challenges of developing a Digital Marketing strategy. Purposive sampling, also known as judgment sampling, was conducted to identify individuals who met the researcher’s criteria, such as subject matter experts, professionals in the field or individuals with years of experience [43].

   2.2. Research participants
   The participants in this study were between the ages of 25 and 54 year, with 21 % being between the ages of 25 and 34 year; 50 % being between the ages of 35 and 44; and 29 % being between the ages of 45 and 54. Moreover, 64 % of those who took part were men and 36 % were women. A total of 50 % of the participants had completed matriculation, followed by 29 % who had completed a diploma, 14 % who had completed a bachelor’s degree and 7 % who had completed a master’s degree. In terms of the year of service, 50 % of participants had 11 to 20 years of service; 29 % had 5 to 10 years of service; and 21 % had less than 5 years of service (Table 1).
Table 1
Socio-demographic characteristics and profiles of the participants

<table>
<thead>
<tr>
<th>Age Range in Years</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>25–34</td>
<td>3</td>
<td>21 %</td>
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<tr>
<td>35–44</td>
<td>7</td>
<td>50 %</td>
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<tr>
<td>45–54</td>
<td>4</td>
<td>29 %</td>
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<tr>
<td>Total</td>
<td>14</td>
<td>100 %</td>
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<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Male</td>
<td>9</td>
<td>64 %</td>
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<tr>
<td>Female</td>
<td>5</td>
<td>36 %</td>
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<tr>
<td>Total</td>
<td>14</td>
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<tr>
<th>Highest Qualification</th>
<th>Frequency</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Matric</td>
<td>7</td>
<td>50 %</td>
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<tr>
<td>Diploma</td>
<td>4</td>
<td>29 %</td>
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<tr>
<td>Bachelor’s Degree</td>
<td>2</td>
<td>14 %</td>
</tr>
<tr>
<td>Masters</td>
<td>1</td>
<td>7 %</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
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<table>
<thead>
<tr>
<th>Years of Service Range</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>3</td>
<td>21 %</td>
</tr>
<tr>
<td>Between 5 and 10</td>
<td>4</td>
<td>29 %</td>
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<tr>
<td>Between 11 and 20</td>
<td>7</td>
<td>50 %</td>
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<tr>
<td>Total</td>
<td>14</td>
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2.3. Data analysis

Thematic analysis was used in this qualitative research study in order to analyse the data. Data from the interviews were recorded, transcribed and then subjected to thematic analysis to uncover patterns or connections.

2.4. Ethical Considerations

Every research endeavour has ethical considerations that must be carefully evaluated to guarantee that the researcher adheres to the highest ethical standards. A letter of authorisation was acquired from the organisation under investigation. Each participant was supplied with a letter and consent form to sign, indicating their desire to engage in the research willingly. The letter and consent form outlined the purpose of the research, each participant’s ability to withdraw, and confirmed anonymity and confidentiality. The information, gathered during the interview, was anonymised, and each participant was allocated a number.

3. Results

3.1. Challenges in employing Digital Marketing in a retail store

The domain of challenges encompasses a multiplicity of problems that retail stores encounter in using Digital Marketing. The key themes that emerged from this study were: cost for retail stores, government legislation, customer perception, connectivity and angry customer responses. These themes will be further presented and dissected below.

- Digital Marketing Cost
  The cost of sending messages to customers is one of the challenges that retail establishments face because it is too high. According to Teixeira et al. [24], businesses can reach clients using Digital Marketing at a lower cost than traditional techniques with a well-planned marketing campaign. However, this assertion is contradicted because the cost of SMS messaging is high, as demonstrated by the following statement from one of the participants, where he states that: “at 20 cents an SMS, the costs of sending messages can be very high for a store with a huge database. Long messages are charged twice as two separate messages. This limits the amount of promotional activity as we have to control expenses” (Participant 13).

- Government Legislation
Another challenging aspect of Digital Marketing is the increasing awareness of security and privacy risks and legislation, such as South Africa’s POPI Act of 2016. Thus, businesses must comply with the provisions of the POPI law, as shown in the following statement from one of the participants who answered that: “management must guide us on how best to optimise other digital platforms in a period of the POPI Act that regulates how we use customer details” (Participant 12). The gathering and use of consumer information for marketing should be thoroughly explored beforehand since personal data should not be obtained as an afterthought. Data security breaches and their costs may have severe ramifications for retail businesses. In the event of a personal data breach, the organisation’s relationships with consumers and partners would suffer, as will the company’s legal expenditures [44].

Customer perception

The frequency, with which marketing communications are sent, affects client reactions. Some clients are irritated by bulk texts on their phones and choose to ignore them, as demonstrated by one of the participants who stated that: “Sometimes customers are weary of scams and fraud syndicates, misleading them through adverts. These threads result in customers ignoring adverts or selecting to delete the message without reading” (Participant 10). According to the theory presented, some consumers may see the message and not reply to it (come to the store). The mere fact that someone has seen an advertisement does not guarantee that they will buy anything. If the sender’s phone number changes, the message will be returned as undeliverable. Before a new marketing message can be delivered, the database must be cleansed, which is time-consuming and expensive. The only way to update a customer’s information is for them to return to the store and provide new mobile phone information at checkout. As new technology becomes accessible, it aids in the solution of this challenge, as remarked upon by one of the participants who stated that: “TEXT ME allows us to see how many messages reached the customers or, how many have been rejected. From this, we are able to clean our database. Customers are also given an option to opt out if they don’t want to get the adverts from the store. This method is safe from negative comments from disgruntled customers” (Participant 11).

Connectivity

Connecting retail establishments and clients to the digital communication network may be difficult, particularly in remote locations. This view is supported by the remarks that: “the availability of airtime for individuals as a result of limited income prevents individuals from connecting to the digital platform” (Participant 2) and “the network in Transkei is very poor to the extent that some customers might miss the advertising on time” (Participant 6). The data needs of current programs, such as WhatsApp and Facebook, are incompatible with older generation mobile phones. Notifications arose in the media that WhatsApp will cease to function on devices using Android OS 4.1, Apple’s iOS 10, or KaiOS 2.5.1 as of November 2021, due to the fact that newer operating systems cannot interface with older technologies. Even if access is present, it is possible that prospective consumers may be unable to react to Digital Marketing., as suggested in a statement that: “The market may not have the means to connect and react to the promotional activities on digital platforms” (Participant 7).

Angry customer responses

Angry customer responses are also one of the challenges for retailers. The proliferation of social media networks has given angry customers a platform to voice their concerns to the whole world, which may have significant ramifications for the business’s image. As evidenced by the following statement, nasty comments, made by angry customers on Facebook and WhatsApp groups, might have a detrimental influence on the integrity of the retail store: “Some customers can easily publish discrediting pictures of the store/products, while others can discredit the retail store through false advertising” (Participant 3).

4. Discussion

The purpose of this research was to identify the perceived challenges to Digital Marketing adoption in retail enterprises in the Transkei area. The study’s results revealed that some of the
perceived obstacles in employing Digital Marketing in retail stores are the costs for retail stores, government legislation, customer perception, connectivity and angry customer responses. Traditional marketing tactics, such as newspaper advertising, leaflet distribution and television and radio advertisements, are too expensive. However, a well-thought-out marketing strategy may enable organisations to communicate with clients at a significantly lower cost via Digital Marketing [45]. The findings of this study noted that one of the challenges in employing DM is having to deal with angry customers who frown upon the company’s services when they are not satisfied. Such customers tend to use social media to post derogatory remarks, thereby giving leverage to competitors to exploit the situation, whilst causing significant damage to the image of the company concerned. According to Ashenden [46], the conventional customer service relationship is being disrupted by customers who post their queries and complaints on public forums. More than a million people may see customer support conversations, including complaints that a company receives on social media. As a result of the increased visibility of customer complaints, companies now have additional alternatives for assisting and engaging customers, who may turn out to be advocates in the process.

The findings also show that government legislation, such as the POPI Act, places specific standards and obligations on retailers. The implication is that consumer data for marketing should be used appropriately and not shared with third parties or used for other purposes than what it was collected for. Thus, failure to comply may lead to retailers’ suffering significant consequences from data security breaches, and the associated costs may be devastating for the business as customers will now have recourse [39, 47]. The findings of this study further show that customer perception is one of the significant challenges in employing Digital Marketing in a retail store. For instance, the frequency of marketing messages affects customer reactions. In addition, bulk SMS messages upset customers and are ultimately ignored. With respect to customer perception, customers are suspicious of fraudsters and fraud syndicates that fool them through advertisements. As a result, messages are not read and are deleted [48]. Therefore, connecting retail establishments and consumers to digital communication networks may be challenging.

The study has some limitations. Data collection was a challenge due to Covid 19 restriction measures. However, the researchers took the necessary steps to avoid the study being a vehicle for the spread of Covid 19. In addition, this study focussed on the Transkei region, such that the findings cannot be applied wholesale to all retail stores. However, the findings can be helpful to other retail stores with a similar management architecture. Future research should focus on the perceived benefits of adopting Digital Marketing in retail stores within the same jurisdiction or beyond. In addition, a comparative study to ascertain the nature of the challenges, experienced by different stores, will add more value to the academic discourse. This will help ascertain the most prevalent challenges, affecting the retail sector in the region. Such information can also facilitate the implementation of sector-wide approaches or strategies to reduce bottlenecks and serve customers better.

5. Conclusion

The purpose of this research was to identify the perceived challenges to Digital Marketing adoption in retail enterprises in the Transkei area. In light of the study’s findings, it is suggested, that stakeholders be educated on the various Digital Marketing tactics, employed by retailers to foster acceptability and uptake. In order to minimise the cost, associated with bulk short messaging, store managers must be trained on developing marketing content and messages that are short but that have the most significant impact. Thus, the cost for bulk SMS’s might be high if SMS messages are overly lengthy, resulting in costs being doubled.

Store managers must also ensure that they have a client database in place to employ Digital Marketing successfully. However, caution needs to be taken in customer data usage because people’s personal information is valuable, making it an attractive target for crooks. Therefore, this client database must be managed in accordance with the 2016 South African POPI Act. It is further
recommended, that data security measures, such as firewalls, antivirus software, passwords and limited database access, be implemented. The management of retail stores must also ensure that data can be recovered in the event of a security breach by conducting regular database backups.

Conflicts of interest

The authors declare no conflict of interest.

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