

Determine Small and Medium Enterprise (SME) Internet Marketing Usage in the Tshwane Area, South Africa

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Abstract: The research is aimed to determine SME Internet marketing usage in the Tshwane area. The benefits of Internet marketing seem to be ignored by most SMEs. Social media is one of Internet marketing's tools and it seems that challenges prevent SME owners from using this tool effectively. A survey study method of research design has been selected for the research. The sample for the study comprised 200 SME owners who currently manage small businesses in the Tshwane area. To assess the internal consistency of the instrument, Cronbach's alpha was run and a reliability coefficient of 0.836 resulted. The instrument was validated through content validity. The instrument was structured and multi-chotomous in design covering demographic and research variable questions. Descriptive statistical analysis was employed to determine the SME Internet marketing usage in the Tshwane area. In general the SMEs in this area have a positive attitudes regarding Internet use. The capabilities of the Internet allow SMEs to use it as communication tool and marketing channel. The conducted research recommends that Internet marketing can be cost effective if the SMEs make use of their own social networks and use best practises that enable them to get their adverts or posts shared across social networks. The conducted research also recommends that SMEs with limited resources should start with using social media to enhance Internet marketing. YouTube as a marketing tool for Internet marketing is effective as well because the learning curve is low and cost involved is almost nil. Tshwane SMEs should use Internet marketing rather than traditional marketing to promote their businesses because these methods are cost effective.

Keywords: Internet marketing; Internet marketing usage; Cost effective marketing; Learning curve; Tshwane area

JEL Classification: M31

1. Introduction

The small and medium scale enterprises (SMEs) have contributed to the economic growth of the nations. They formed 96.8% of all companies in Africa and are considered to be the engine for society's development. This is because they play a significant part in employment and professional training of young people. Compared to big companies, they employ more women, young people and part-

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time employees. SMEs are closely connected with the region than large employers and therefore have significant influence on the region's development. Van Scheers (2011) observes that SMEs comprise over 90% of South African business operations and contribute to over 50% of South African employment and gross domestic product (GDP). The SME sector has shown some positive signs in South Africa, Mauritius and North Africa; Van Scheers 2011 stated that SMEs constitute 55% of all jobs. Research by Bowler, Dawood and Page (2006) revealed that 40% of new business ventures fail in their first year, 60% of businesses in their second year of operations, and 90% in their first 10 years of existence. A number of challenges have been identified as contributing to the failure of SMEs in South Africa and worldwide. Hussain, Si, Xie & Wang (2010) observe that SMEs are vital to the economies of all countries, specifically developing countries. Considering the competitive and challenging global environment, Herath & Mahmood (2013:43) advise that an extremely viable and dynamic SME sector is essential for the economic development of developing countries such as South Africa. Chong (in Ching & Ellis, 2004) observes that South Africa is following a trend of developing the SME sector. According to an ILO report (ILO, 2011), significant contribution of SMEs to national economic development has led to policy changes in developing countries including South Africa. The Department of Trade and Industry (DTI) report (South Africa, 1995) confirms that small businesses represent 98% of the total number of firms in South Africa, employ 55% of the country's labour force, contribute approximately 42% to total remuneration and 35% towards South Africa's GDP.

Despite the significance and importance of SMEs and their contribution to the economic growth of South Africa, SMEs are still faced with numerous challenges that inhibit growth (Hussain, et al. 2010). Apart from SME funding and limited access to finance, the Global Entrepreneurship Monitor Reports (GEM, 2012) noted that South Africa's SMEs also suffer from poor management and marketing skills. South Africa has one of the highest SME failure rates in the world due to these factors (Strydom, 2013:2863–2871). Ceglie and Dini (2005) emphasise that marketing decisions are essential to succeed as small business in the market sector and that successful marketing will generate crucial sales for sustainable SMEs. Unfortunately, marketing is only afforded a small percentage of the SMEs' investment budget due to the high costs of sustaining a business. As owner of a series of global commercial sites, the researcher has observed that marketing for small business is crucial to getting market coverage and market penetration. The costs of the market investment to the return on market investment are crucial to SMEs with very limited marketing budgets. Although they have limited marketing budgets, SMEs still need to use marketing tools to advertise their products. Secondary research conducted (Ceglie & Dini, 2005; Tan et al 2010; UN, 2012) indicates that Internet marketing may offer a solution to this problem. Internet marketing is when a SME only use Internet to market the business. Internet

marketing consists of online advertisements to drive traffic to an advertiser's website such as banner advertisements, pay per click (PPC), and targeted email lists (World Wide Worx (2012). However, it seems that the small business sector has been slow to enter the Internet marketing world. Kshetri (2011) mentions that social media platforms provide SMEs with an opportunity to communicate with customers directly which is an added strategic function that search engines and display networks cannot provide. The use of Internet marketing will enable SMEs to understand customers' needs. World Wide Worx (2012) indicates that 410 000 SMEs in South Africa have a website.

This research (World Wide Worx, 2012) shows that SMEs with a website are more likely to be highly profitable. However, limited research was conducted concerning usage of social media and Internet marketing of SMEs in South Africa. It seems that there is a gap in the literature and therefore this research aims to determine the usage of social media and Internet marketing of the Tshwane SMEs. Tshwane is the largest metropolitan municipality in South Africa and the third-largest city in the world after New York and Tokyo (Tshwane, 2013). This area contributes 34% to the South African economy although it occupies only 1,4% of the land surface of the country, and is home to 22% of the South African population. This area is an economical hub and motivated the researcher to conduct the research in the Tshwane area.

Determining the usage of Internet marketing of the Tshwane SMEs is a positive intervention in arresting failure and equally to ensure sustenance of the SME industry through the process of identifying the areas of Internet needs. Following the introduction, section two of the paper considered the review of literature, section three discussed the methodology of the paper, and section four presented the analysis, results and discussion while the last section dwelled on the conclusion and recommendations.

2. Literature Review

2.1 SMEs Defined

SMEs are defined in different ways with reference to the number of employees or to turnover (as in the National Small Business Act 1996, which also allows for variations according to industry sector) (South Africa, 1996). In South Africa, a 'small business' is officially defined in Section 1 of the National Small Business Act of 1996 as amended by the National Small Business Amendment Acts of 2003 and 2004 (South Africa, 1996) as a separate and distinct business entity. This includes co-operative enterprises and nongovernmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is

predominantly carried on in any sector or sub-sector of the economy (South Africa, 1996).

The National Small Business Act categorises South African small businesses into the following distinct groups: the survivalist, micro, very small, small, and medium businesses. The term 'SMME' is therefore used to describe small, medium and micro-enterprises. However, in South Africa the terms 'SMME' and 'SME' are used interchangeably. In South Africa, the SME is defined by the number of employees per enterprise-size category combined with the annual turnover category, and the gross assets excluding fixed property. The National Small Business Act (Act 102 of 1996) provides definitions for various SMME categories as identified in Table 1.

Table 1. Definitions of SMEs given in the National Small Business Act.

Enterprise Size	Number of employees	Annual turnover	Gross assets, excluding fixed property
Medium	Fewer than 100 to 200, depending on industry	Less than R4 million to R50 million, depending upon industry	Less than R2 million to R18 million, depending on industry
Small	Fewer than 50	Less than R2 million to R25 million, depending on industry	Less than R2 million to R4,5 million, depending on industry
Very small	Fewer than 10 to 20, depending on industry	Less than R200 000 to R500 000, depending on Industry	Less than R150 000 to R500 000, depending on industry
Micro	Fewer than 5	Less than R150 000	Less than R100 000

Source: Dockel and Ligthelm, (2012)

As indicated in table 1 the small enterprise has fewer than 50 employees. Currently, there is a lot of focus in South Africa on the development of SMEs. SMEs in a wide variety of fields and industries are regarded as a major force in economic development and wealth creation. In South Africa, the importance of an entrepreneurial-driven economy is becoming increasingly important, particularly because of the employment-creation opportunities it offers. Globally, the SME sector is regarded as the main driving force in economic growth and job creation but unfortunately, these SME owners suffer from a lack of marketing skills (Lunsche & Barron, 2010).

2.2 Marketing in SMEs Defined

Marketing for SMEs in theory is different from the prescribed approach taken for large organisations. SMEs are challenged to compete with large organisations in today's global marketplace. The technologies that can be applied to market SME products and services are relatively simple with the focus on the impact on the customer relationship, as noted by Harrigan (2011). Dockel and Ligthelm, (2012) showed that SMEs are confronted with several issues, sales and marketing being the most pressing. From their studies, the level of importance in descending sequence are sales and marketing at 40,2%, followed by human resources at 15,3%, general management at 14,3% and operations at 8,6%. SMEs must constantly innovate around their existing business processes to survive, especially in their marketing activities (Harrigan, 2011). In the next section, internet marketing will be defined and its different facets described.

2.3 Internet Marketing Defined

Online marketing, also referred to as online advertising, consists of activities using the Web or email to drive direct sales via electronic commerce, or creating sales leads from websites or email marketing (Dockel & Ligthelm, 2012). Internet marketing is a diverse area with many tools to bring customers to the SMEs' products and services. Figure 1 shows the breadth of marketing possible on the Internet to date.



Figure 1. The Internet Marketing Tree

Source: Mainline Media, 2009.

As indicated in figure 1, the main tools for Internet marketing are:

1. Search engine marketing (Google, Bing, Yahoo etc.);
2. Directories and listings;
3. Email marketing;
4. Social media marketing;
5. Public relations;
6. Online advertising.

These Internet marketing tools are shown in the tree as branches. The main part of the tree is made of a website where clients come to read and be converted to a sale. Here, the following is important:

- Development (The approach and technology here is crucial to ensure all Internet users are reachable and servable)

- Design (Ensuring your customer or client base experience your processes and branding as a user-friendly and enjoyable experience is crucial to conveying the marketing message which facilitates conversion of a lead to a sale)

The roots of the tree show the methodologies and practices that ensure any Internet marketing approach is successful. They are:

- Conduct research to understand the target market and the marketing message to enable a conversion from lead to sales, as well as the competition's approach and its influence on the strategy.
- Strategy to attract the target market that will buy the product or service.
- Communication strategies to engage and convert potential leads to a sale.
- Branding of the products and the medium used to reach your target market.
- 'Content is king' is a very true catch phrase in Internet marketing. Relevant, value-added driven information is important not just to win over your customer or clients' trust, but also in some cases it is a necessity to some of the Internet instruments' usage.

Mutula and Mostert (2011) indicate that both domestic and global marketing sales depend on the targeting of specific groups, which usually involves the use of Internet search engine and display companies providing advertising and routing to your company's sales page or contact details. Tan et al (2010) observes that it seems although most SMEs have access to Internet, they still experience challenges in using it. There are five main issues that the previous studies (UN, 2012) noticed with traditional Internet advertising using search engine and display networks:

- The cost and the difficulty in targeting specific groups according to your sales funnel.
- Understanding and applying keyword search methodology and SEO (Search Engine Optimization) – most SMEs do not have the knowledge or the time to gain this knowledge to apply keyword and SEO successfully.
- Most sites set up by SMEs do not provide adequate customer or consumer experience to ensure high conversion.
- Most SME owners do not understand how to approach Internet marketing and Internet customer interaction technologies.
- Even SMEs that do have budgets to outsource the building of a website, they usually do not get the service and technology to enable them to fully service both the desktop, tablet and mobile market.

The objective of this study is to show the usage of Internet marketing, specifically by using social media marketing, by SMEs to sustain business. In the next section, social media marketing will be discussed in detail and its overall importance to SMEs operating domestically and globally. It is clear from figure 1 that social media marketing is one of the branches of Internet marketing.

2.4. Is Internet Marketing Usage Crucial for Small Businesses?

Internet marketing refers to a set of powerful tools and methodologies used for promoting products and services through the Internet. Internet marketing is ideal for SMEs, as SMEs, more so than larger organisations, focus on drawing the attention of customers. Thus, Internet marketing fosters drawing customers towards SMEs, as deeper audience engagement is possible (Bakeman & Hanson, 2012, p. 20). In other parts of the world, SMEs have been slower to adopt social media as a marketing tool (Bakeman & Hanson, 2012, p. 106). Theunissen (2012) suggests that organisations should implement a basic yet effective social media and Internet marketing strategy involving Facebook, Twitter, a blog and an updated and user-friendly website. The social media strategy variables can be used to create brand awareness, promote offers, provide information, and provide interaction opportunities with consumers and a means to engage with customers.

However, designing and implementing an attractive website does not guarantee individuals will visit it; regular updates, value-added content and marketing of the website online is the key to drawing potential clients to visiting an SME's website. Theunissen (2012, p. 1) mentioned that: "The vital part of any Internet marketing activity for SMEs is that it enables entrepreneurs to have one-on-one discussions with people who actively express an interest in their companies. As such, if they're managed properly, they can act as a 'call centre' for their operations." The question can be asked what challenges exist in adopting Internet marketing in small business.

2.5 Challenges to Adopting Internet Marketing in Small Business

As the researchers has mentioned previously, SMEs do not have the same resources as those of large organisations to promote themselves with the use of Internet marketing. Larger organisations have human capital and financial means to create and implement a social media strategy to enable Internet marketing (Bakeman & Hanson, 2012, p. 107). Internet marketing has taken advertising to a whole new level by using social media activities. In a study carried out by Johnstone and Wright (2004, p. 228) on the barriers affecting the implementation of Internet systems and procedures in different countries, it was revealed that the high cost of installing infrastructure; high price of technology, large investment

requirements and liquidity constraints forms the largest barrier. Uncertain return on investment (ROI); Limited worker expertise caused by a general shortage of highly skilled workers and insufficient training; Lack of management vision, support and enthusiasm in the adoption of Internet technology, Inability to outsource IT expertise; and Bad experiences in the past are other challenges. Therefore, despite the affordability of social media networks, the time factor, lack of skills and the learning factor, whereby investing time to learn and manage the social media page, Internet marketing may still be out of reach of the SMEs. However, SME owners do understand the value of Internet marketing in enhancing productivity and competitiveness (Bakeman & Hanson, 2012, p. 107). In the Tshwane area not much research were conducted concerning SME Internet marketing usage. Therefore the aim of the current study is to determine SME Internet marketing usage in the Tshwane area. The study therefore seeks to answer the following question: What is the Internet marketing usage rate of SMEs in the Tshwane area?

3. Methodology

To determine the SME Internet marketing usage in the Tshwane area, a survey research was designed. Primary data were collected from SMEs in the city of Tshwane of all sectors. The population of study was 200 SMEs in the Tshwane area. In selecting the sample, simple random sampling techniques were adopted by using a list of registered SMEs from the Tshwane municipality. The questionnaire was developed based on existing literature and pretested with five small businesses to ensure clarity and comprehension, as well as to gauge average completion time. Minor revisions were made in question wording and order as a result of the pretest. Because of careful monitoring, the total of 200 questionnaires were returned representing 100% response rate. To assess the internal consistency of the instrument, Cronbach's alpha was run and a reliability coefficient of 0.836 resulted. The instrument was validated through content validity. The instrument was structured and multi-chotomous in design covering demographic and research variable questions. Descriptive statistical analysis was employed to determine the SME Internet marketing usage in the Tshwane area. The outcome of the determination was used to make decision.

4. Results, Analysis and Discussion

4.1. Characteristics of Respondents

Age of the Tshwane SME respondents

None of the respondents were under 18 years of age. The largest proportion of the respondents was older than 50 years while the rest of the respondents were relatively equally distributed among the other age groups.

Gender of the Tshwane SME

Women are increasingly joining the work force, but because of child-rearing duties lack formal education and work experience. They are also too busy with family duties, therefore most SMEs are owned by males. The results are revealed in Figure 2.

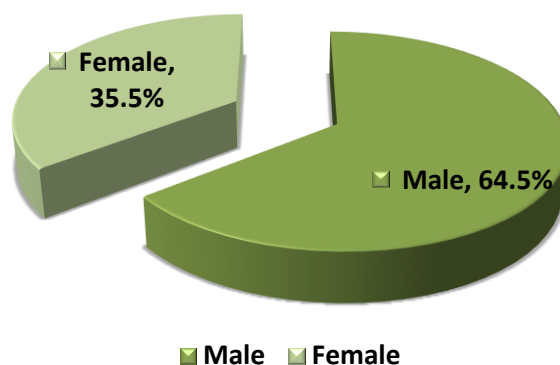


Figure 2. Gender of the Tshwane area SMEs respondents

As Figure 1 confirms, almost two-thirds (64,5%) of the respondents were male. Only 35,5% of the respondents were women, which validates the secondary research conducted.

Education of the Tshwane SMEs

Education plays an important role in the success of an SME, as highlighted in the introduction. The results of the research are illustrated in Figure 3.

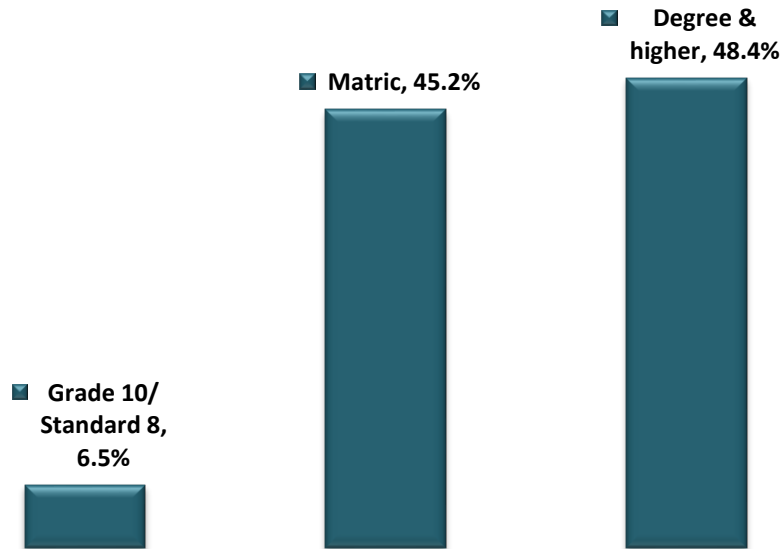


Figure 3. Education of Tshwane area SME respondents

Figure 3 substantiates that most SME owners in Tshwane received good education as only 6,5% of the respondents had an educational level of less than grade 12. The proportion of respondents with a graduate education and higher (48,4%, n=15) was only slightly larger than those with grade 12 (45,2%, n=14).

4.2. SME Internet Marketing Usage

The primary objective of this study was to determine Internet marketing usage of Tshwane SMEs because that will give the researchers an indication of the level of Internet marketing used. As the secondary research has established, Internet marketing plays an important role in the survival of SMEs both globally and nationally. Questions 10 to 21 of the field report were asked to determine Tshwane SME Internet marketing use. Questions Q7, Q8 and Q9 of the filed report disclosed whether Tshwane SMEs consider that Internet marketing should be used in small businesses (question7); Tshwane SMEs have access to the Internet (question 8); Tshwane SMEs currently marketed through Internet marketing (question 9). The results are illustrated in Figure 4.

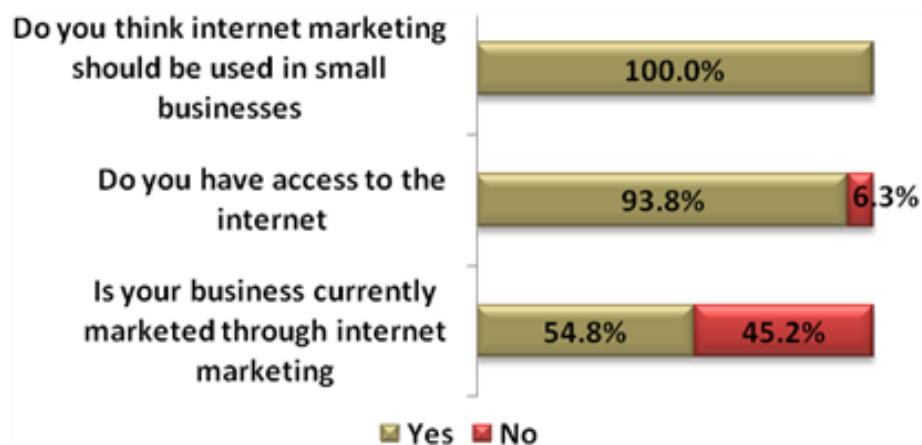


Figure 4. Tshwane SME internet current usage

Source: 2015 Field report

Figure 4 shows that all the respondents think that small businesses should utilise the Internet for marketing while just over half (54,8%, n=17) of the respondents are currently marketed through the Internet. Only 6,3% of the respondents do not have access to the Internet. Although the results show that most Tshwane SMEs have access to Internet, only 54,8 % of the respondents use Internet marketing to promote their businesses. This shows that there is definitely space for improvement. The non-parametric Wilcoxon rank sum test will be used to determine whether current Internet marketing has an effect on the overall Internet activity levels of the respondents (Tables 2 and 3).

Table 2. Wilcoxon rank sum test SME owners

Ranks

9. Is your business currently marketed through internet marketing? 1= Yes, 2= No		N	Mean Rank	Sum of Ranks
Internet activity index	Yes	17	18.03	306.50
	No	12	10.71	128.50
Total		29		

Table 3. Wilcoxon rank sum test SME respondents

Test Statistics	
	Internet activity index
Mann-Whitney U	50.500
Wilcoxon W	128.500
Z	-2.288
Asymp. Sig. (2-tailed)	.022
Exact Sig. [2*(1-tailed Sig.)]	.021 ^b

a. Grouping Variable: 9. Is your business currently marketed through internet marketing. 1= Yes, 2= No

b. Not corrected for ties.

Tables 2 and 3 indicate that the Wilcoxon rank sum test revealed a significant difference between respondents who are currently marketing on the Internet and those who don't ($z=-2.288$, $p<.05$). Respondents who currently market on the Internet (M rank=18.03, $n=17$) exhibit a higher Internet activity level than that of respondents who do not currently market on the Internet (M rank=10.71, $n=12$). Therefore, the results indicate that respondents currently using the Internet for marketing show a higher level of business activities.

Increase in business productivity as a result of Internet marketing

Question 10 of the field report was asked to establish whether there was an increase in sales, product awareness, consumer support and overall productivity of the SME as a result of Internet marketing communication efforts. The result is disclosed in Table 4 and Figure 5.

Table 4. Increase in business productivity as a result of Internet marketing

	1% to 20%	21% to 40%	41% to 60%	61% and above	Total
What is the estimated percentage (%) Increase in sales	16 61.5%	3 11.5%	6 23.1%	1 3.8%	26 100.0%
What is the estimated percentage (%) Increase in product awareness	11 50.0%	4 18.2%	4 18.2%	3 13.6%	22 100.0%
What is the estimated percentage (%) Increase in customer support	12 54.5%	2 9.1%	5 22.7%	3 13.6%	22 100.0%
What is the estimated percentage (%) Increase overall productivity of SME	9 40.9%	4 18.2%	8 36.4%	1 4.5%	22 100.0%

Source: Question 10 of field report

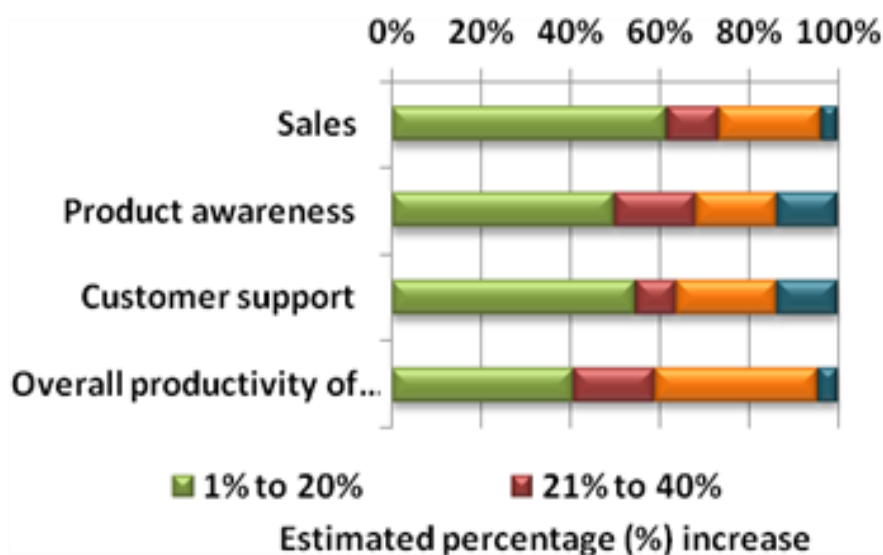


Figure 5. Increase in business productivity as a result of Internet marketing

Source: Question 8 of field report

Table 4 and Figure 5 give an indication of the increase in business productivity as a result of Internet marketing. The respondents report a 1% to 20% increase in all four of the listed areas, ranging from 40,9% (n=9) for overall productivity to 61,5% (n=16) for sales. Larger proportions of respondents reported a 41% to 60% increase in all four of the listed areas than those who reported 21% to 40% increase in the listed areas. Some respondents also reported a 61% and above increase in all four listed areas. These results are indications of the success with which SMEs employ the Internet to market their businesses. Multivariate results of the data reflect the results of question 10 in Figure 6.

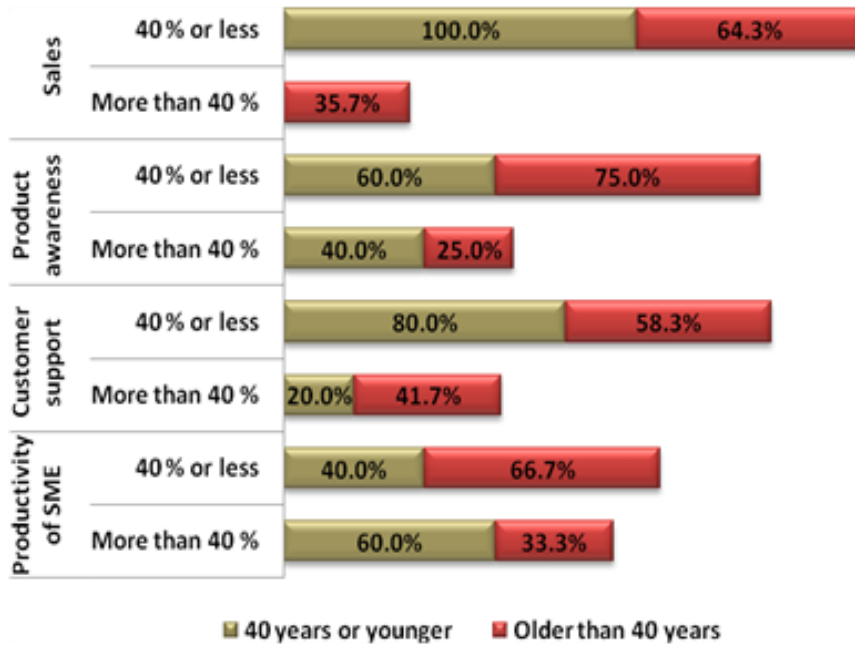


Figure 6. Increase in business productivity as a result of Internet marketing

Source: Question 9 of field report

Figure 6 illustrates that the respondents report an increase in sales, product awareness, consumer support and overall productivity. Age seems to have an effect on the percentage increase in sales, product awareness, consumer support and overall productivity. In the case of sales and customer support, larger proportions of the respondents that are 40 years or younger reported increases of 40% or less while larger proportions of the respondents older than 40 years reported increases of more than 40%. In the case of product awareness and overall productivity, larger proportions of the respondents older than 40 reported increases of 40% or less while larger proportions of the respondents that are 40 years or younger reported increases of more than 40%.

Thus, on average it seems that older respondents are more successful in stimulating better sales and customer support through their internet marketing communication efforts than younger respondents, while younger respondents are more successful in increasing product awareness and overall productivity of their SME than older respondents. The data analysed according to gender to indicate sales awareness, customer support and productivity after Internet marketing usage is shown in Figure 7.

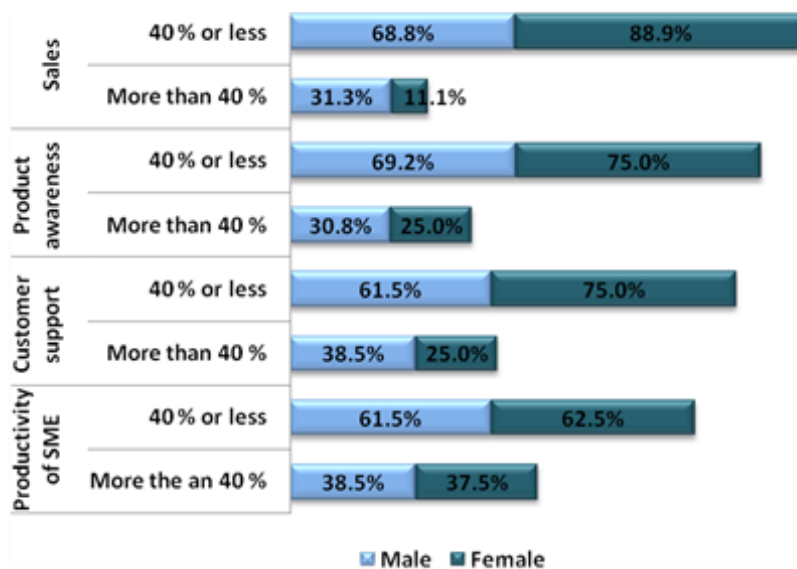


Figure 7. Increase in business productivity as a result of Internet marketing

Source: Question 10 of field report

Figure 10 shows that on average, female respondents are more successful in increasing sales, product awareness and consumer support with up to 40% due to their internet marketing communications, while males seem to be able to effect increases of over 40% in sales, product awareness and consumer support. Both males and females seem to be equally successful in increasing overall productivity of the SME in both the 40% and lower and the over 40% category (Figure 10). A multivariate analysis of comparing the education level of respondents and Internet usages are reflected in Table 5 and Figure 8 below.

Table 5. Multivariate analysis of comparing the education level of respondents and internet usages

	Grade 10/ Standard 8	Matric	Degree & higher	Total
What is the estimated40 % or percentage (%) Increaseless in sales	2	6	10	18
	100.0%	75.0%	66.7%	72.0%
More than 40 %	0	2	5	7
	0.0%	25.0%	33.3%	28.0%
Total	2	8	15	25
What is the estimated40 % or percentage (%) Increaseless	1	6	7	14
	100.0%	85.7%	53.8%	66.7%

in product awareness	More than 40 %	0 0.0%	1 14.3%	6 46.2%	7 33.3%
Total		1	7	13	21
What is the estimated percentage (%) Increase in customer support	40 % or less	1 100.0%	6 75.0%	6 50.0%	13 61.9%
	More than 40 %	0 0.0%	2 25.0%	6 50.0%	8 38.1%
Total		1	8	12	21
What is the estimated percentage (%) Increase overall productivity of SME	40 % or less	1 100.0%	5 62.5%	6 50.0%	12 57.1%
	More than 40 %	0 0.0%	3 37.5%	6 50.0%	9 42.9%
Total		1	8	12	21

Source: Question 10 of field report

It seems that (Table 5) on average, educational level has an effect on how successful the respondents are to increase their sales, product awareness, consumer support and overall productivity through their Internet marketing communications. More specifically, the proportions of respondents that increase their sales, product awareness, consumer support and overall productivity by 40% or less, decrease as the level of education increases. The inverse is true for the respondents who increase their sales, product awareness, consumer support and overall productivity by more than 40%. In fact, none of the Grade 10 / Standard 8 respondents increased their sales, product awareness, consumer support and overall productivity by more than 40%. Figure 12 shows it graphically.

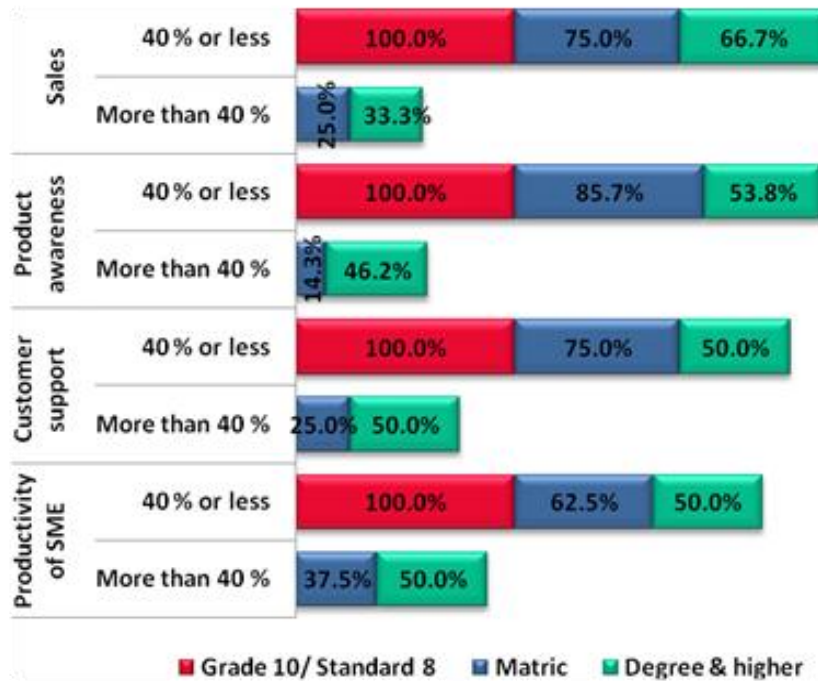


Figure 8. Multivariate analysis of comparing the education level of respondents and internet usages

Source: Questions 4 and 8 of field report

Internet activities – frequency

Question 11 inquiries into Internet activities, frequency and tools that Tshwane SMEs are using. The results are shown in Figure 9.

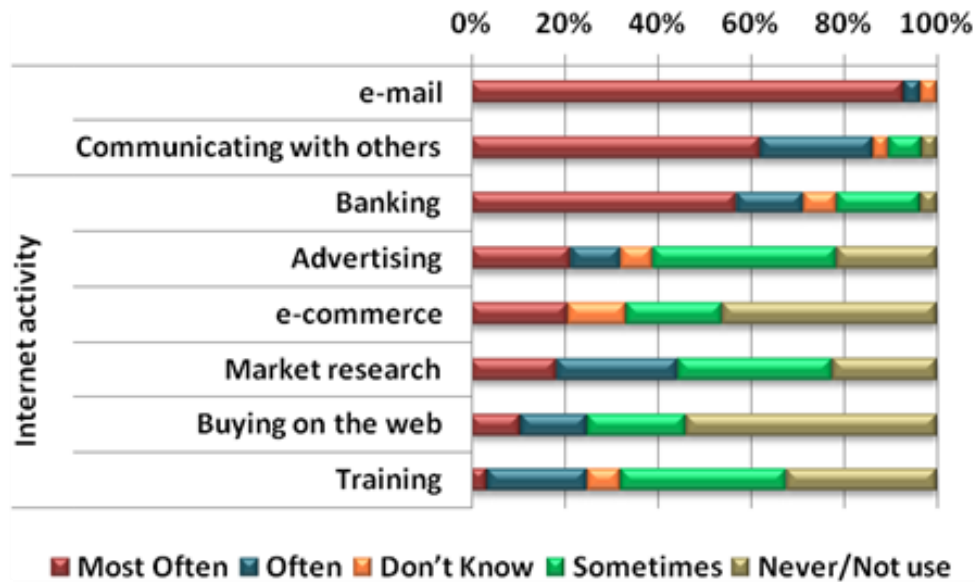


Figure 9. Internet activities, frequency and tools

Source: Question 11 of field report

It is clear from Figure 14 that email is the activity most often used by almost all (92.9%, n=26) respondents, followed by communicating with others (62.1%, n=18) and banking (57.1%, n=16). Email is also the one activity for which none of the respondents reported that they never, or even sometimes, use. Although some respondents also engage in all the other activities most often, the proportions of those who do vary from 3,6% (n=1) for training to 21,4% (n=6) for advertising.

The proportions of respondents who appear not to know enough of the Internet to know what they are doing are small, while for market research and buying on the web, nobody reported that they did not know. Buying on the web (53,6%, n=15) and e-commerce (45,8%, n=11) are the activities for which the largest proportions of respondents reported that they never engage in them.

Table 6. Normality of the index**Normality of the index****Descriptive**

	Statistic	Std. Error
Internet activity index Mean	12.83	.937
95% Confidence Interval for Mean	Lower Bound	10.92
	Upper Bound	14.75
5% Trimmed Mean	12.89	
Median	12.50	
Variance	26.351	
Std. Deviation	5.133	
Minimum	0	
Maximum	23	
Range	23	
Interquartile Range	7	
Skewness	-.046	.427
Kurtosis	.260	.833

Table 7. Kolmogorov-Smirnov**Tests of Normality**

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Internet activity index	.076	30	.200*	.979	30	.804

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

In both the Kolmogorov-Smirnov and the Shapiro-Wilk tests (Table 7), the null hypothesis the distribution of the internet activity index conforms to a normal distribution. With the p-value (sig.) > .05, the null hypothesis cannot be rejected. Thus, as can also be seen in the visual representations of the distribution, this variable can be assumed not to deviate significantly from a normal distribution. The histogram (Figure 10) shows the mean and standard deviation of the respondents.

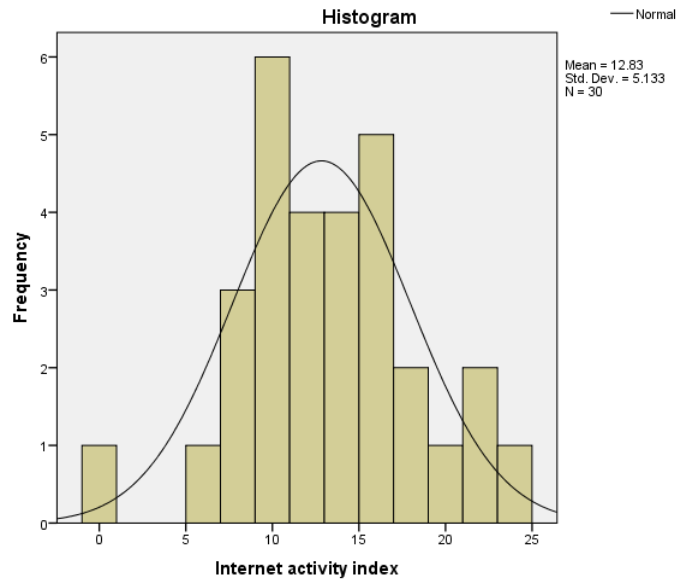


Figure 10. Mean and standard deviation of the respondents

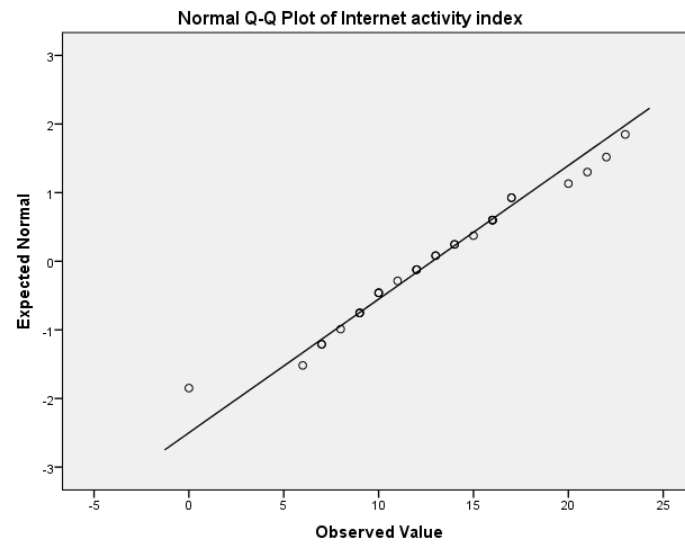


Figure 11. Mean and standard deviation of the respondents

The mean and standard deviation of the respondents show a linear positive correlation which indicates a strong linear relationship between the variables.

4.3. Discussion

The significance of this study is that it reveals to the Tshwane SMEs owners underlying issues surrounding Internet usage. As such, it serves as an indicator of the amount of improvement yet to be effected. Conducted research indicated that Internet is an important tool that Tshwane's SMEs can use to improve business sustainability. The results reveal that the largest proportion of the respondents was older than 50 years while the rest of the respondents were relatively equally distributed among the other age groups. Almost two-thirds (64,5%) of the respondents were male while only 35,5% of the respondents were women which validates the secondary research conducted in chapter two. Most SME owners in Tshwane received good education as only 6,5% of the respondents had an educational level of less than grade 12.

The primary objective of this study was to determine Internet marketing usage of Tshwane SMEs. All the respondents believe that small businesses should utilise the Internet for marketing while just over half (54,8%) of the respondents are currently marketed through the Internet. Although the results show that most Tshwane SMEs have access to Internet, only 54,8 % of the respondents use Internet marketing to promote their businesses.

The non-parametric Wilcoxon rank sum test was used to determine whether current Internet marketing has an effect on the overall Internet activity levels of the respondents. The Wilcoxon rank sum test revealed a significant difference between respondents who are currently marketing on the Internet and those who don't ($z=-2.288$, $p<.05$). Respondents who currently market on the Internet (M rank=18.03) exhibit a higher internet activity level than that of respondents who do not currently market on the Internet (M rank=10.71). Therefore, the results reveal that respondents currently using the Internet for marketing show a higher rate of business activities.

The respondents reported an increase in sales, product awareness, customer support, and overall productivity of the business as a result of Internet marketing. Age seems to have an effect on the percentage increase in sales, product awareness, consumer support and overall productivity. In the case of sales and customer support, larger proportions of the respondents that are 40 years or younger reported increases of 40% or less while larger proportions of the respondents older than 40 years reported increases of more than 40%. In the case of product awareness and overall productivity, larger proportions of the respondents older than 40 years reported increases of 40% or less while larger proportions of the respondents that are 40 years or younger reported increases of more than 40%.

The results also revealed that older respondents are more successful in stimulating better sales and customer support through their Internet marketing communication efforts than younger respondents, while younger respondents are more successful

in increasing product awareness and overall productivity of their SME than older respondents.

The results also show that on average, female respondents are more successful in increasing sales, product awareness and consumer support by using Internet marketing tools. It seems that on average educational level has an effect on how successful the respondents are to increase their sales, product awareness, consumer support and overall productivity through their Internet marketing communications. More than half (53,3%) of the respondents do have a website for their SME business. The most important motivating reasons to use Internet marketing was the possibility to have 24-hour accessibility and the possibility to provide more up-to-date information, followed by the possibility of providing clients with information more quickly.

The results also reveal that the marketing communication element that is used at the highest rate is creating awareness for their product or service, followed by attracting clients to their business through personal selling and relying on word-of-mouth promotion (social media tools). The marketing communication element that is used least often is using sales promotion to increase their business revenue. The two elements that are used by all respondents at various rates are personal selling and word of mouth promotion.

5. Conclusion and Recommendations

Based on the analysis and the findings thereof, this paper concludes that Tshwane SMEs should use Internet marketing to promote their businesses because it is cost effective. ‘Unauthorised access to sensitive or proprietary information and limited verification of authorship of messages’ is mentioned as the largest challenge to using Internet marketing. Tshwane SMEs should rather utilise social media as Internet marketing tool, as the learning curve and cost can be low in comparison to other Internet marketing tools. The conducted research recommends that Tshwane SME owners utilise Youtube channels to educate and train themselves on the effective usage of Internet marketing instruments. The conducted research would also recommend display networks, email marketing and social media as marketing tools. From the conducted research it is obvious SMEs have resource limitations. It is therefore recommended that SMEs with limited resources start with social media and YouTube as a marketing tool, as the learning curve is low and cost involved almost nil. It’s also the easiest Internet marketing tool to use cost effectively. Search and display networks have a high learning curve and are costly to operate if the marketing operator is not skilled in the marketing use of search and display networks. The researches warn that unskilled use of search and display networks (Bing, Yahoo and Google) can easily result in negative returns on marketing investments and should rather be avoided.

6. References

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