

Web and Social Media Adoption in the Manawatu Retail Clothing Sector

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ABSTRACT

This paper presents an investigation into the adoption and usage of web and social media services by retail clothing stores in Palmerston North, New Zealand. Specifically, the study examines the extent to which a sample of retail clothing stores from the Palmerston North central business district use websites, Facebook, Twitter, and Instagram for marketing and promotion, and customer engagement purposes. Furthermore, the findings of the study are also compared and contrasted with national, regional, and sector averages from small to medium enterprises. Ultimately, the paper provides insight into how regional retail clothing businesses are using online services to promote and engage with their target markets.

Keywords: Social Media, Business, Ecommerce

1. INTRODUCTION

A major aspect, and perhaps the primary purpose of most business and computing education at the tertiary level is to not only prepare graduates for industry, but to enable graduates to be influenced by industry. This seemingly simple task becomes an interesting challenge when the industry environment that students are being prepared for is known for its rapid speed of change and adoption of new technologies.

Degree level business education in New Zealand has existed for decades, and since its inception, it can be argued that nothing has impacted the field of study as much as the internet and information and communications technology (ICT). Likewise, ICT and computing education faces the same challenges with the ICT industry evolving and changing on almost a daily basis. An industry where a simple game can go “viral” and turn the creator into a billionaire in the space of only a few years (Mac, Ewalt, & Jedeur-Palmgren, 2015). The same industry where a simple software fault can cause an investment company to lose an estimated 440 million dollars in the space of only 45 minutes (Grandel, 2012). Navigating today’s business and computing industries is becoming a larger and larger challenge, with new innovations and technologies being perpetually released.

Within this rapidly changing environment, one of the most significant developments has been the emergence of social media, or social networking services (Asur, & Huberman, 2010; Kaplan & Haenlein, 2010; Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). From an educational perspective a challenge exists regarding how best to cover these innovative technologies while maintaining a solid educational foundation that will retain currency and relevance in years to come (Selwyn, 2012). This paper aims to investigate the current state of web and social media usage by a sample of regional businesses (specifically retail clothing stores from the Palmerston North Central Business District)

and to compare these results with national averages (Raik-Allen, 2014). The intention is to provide insight to business and computing educators in terms of what is currently happening regarding social media usage by businesses and to provide a snapshot of industry practice that can be used to inform current teaching practices.

2. BACKGROUND

During the mid-1990’s, any business with a promotional website or even an email address would have been considered a front-runner in terms of online marketing and internet usage. The turn of the century saw a rapid expansion and adoption of the internet by businesses, in what some would call the eCommerce revolution (Steward, Callaghan, & Rea, 1999; Garrett & Skevington, 1999). It can now be argued that any business that does not have a website or some type of online presence has a distinct competitive disadvantage in terms of marketing and promotion, and customer engagement (Raik-Allen, 2014; Evans, 2010). Some are now suggesting that social media in particular has become a primary tool for higher levels of customer engagement for businesses, and that specific tactics and strategies should be employed to effectively harness these tools (Evans, 2010; Saffko, 2010; Tuten, & Solomon, 2014).

Over the past decade the internet has seen the aggressive rise of social media services (Groves, 2014). Although a number of these services benefited from a first mover advantage (e.g. MySpace and Bebo) they have since waned in popularity and are no longer considered legitimate competition for the main players in the social media market (Gehl, 2012; Kehl, 2010). Currently, Facebook and Twitter (and to some extent Instagram, a subsidiary of Facebook) can be considered the current leaders in social media services that are being harnessed by business (Yu, 2014). Although Facebook was initially launched in 2004 specifically for Harvard University students, it quickly expanded, and is now the most widely used virtual community in the world boasting over 1.44 billion active monthly users, see Figure 1 (Facebook, 2015; Statista, 2015).

The company mission of Facebook is to “give people the power to share and make the world more open and connected.

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People use Facebook to stay connected with friends and family, to discover what’s going on in the world, and to share and express what matters to them” (Facebook, 2015). Interestingly the mission statement is distinctly void of any mention of business usage for marketing purposes. Nevertheless, this has not prevented a considerable surge of businesses seemingly scrambling to take advantage of the massive user base and online social networks therein. Current measurements indicate that over 40 million companies worldwide have business pages on Facebook, with approximately 10 million being added over the last year (Snyder, 2015).

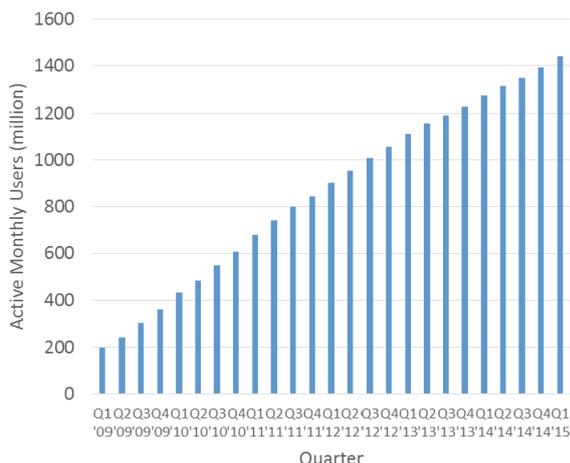


Figure 1. Facebook Active Monthly Users

Within New Zealand there are an approximately 460,000 small and medium-sized enterprises or businesses (SME’s) (Reik-Allen, 2014; MBIE, 2014). MYOB (Mind Your Own Business) is a leading provider of business management solutions for SME’s throughout Australasia (MYOB, 2015). MYOB publish an annual report based on the MYOB Business Monitor, a survey of over 1000 New Zealand SME operators conducted in conjunction with Colmar Brunton (Reik-Allen, 2014). The goal of the survey is to gain insight into the key factors that influence success of New Zealand’s SME’s. The survey has been conducted yearly since 2010 and includes data specifically focused on business website usage and social media usage. The most recent MYOB Business Monitor special edition ‘State of the Digital Nation’, published in October 2014 provides a national snapshot of the New Zealand SME landscape. Figures 2, 3, 4, and 5 show the most recent findings from the survey regarding business website and social media usage.

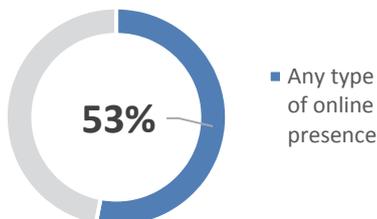


Figure 2. NZ SME’s with some Online Presence

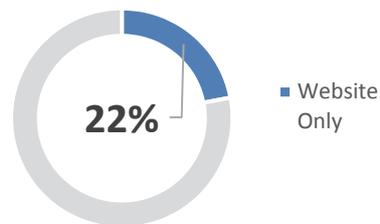


Figure 3. NZ SME’s with a Website Only

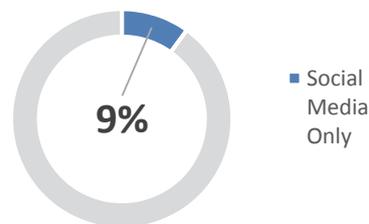


Figure 4. NZ SME’s with a Social Media Site Only

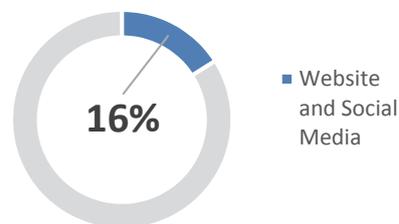


Figure 5. NZ SME’s with a Website and Social Site

On a regional level, the MYOB Business Monitor survey reports that SME’s in the Manawatu – Wanganui area are generally on par with national averages, see Table 1.

Table 1. Online Presence by Region

Region	Website Only	Social Site Only	Website and Social Site
Hawke’s Bay	43%	3%	18%
Auckland	28%	10%	19%
Christchurch	29%	8%	13%
Waikato	20%	9%	14%
Northland	9%	4%	29%
Bay of Plenty	14%	10%	14%
Wellington	12%	13%	13%
Otago & Southland	14%	3%	20%
Manawatu-Wanganui	24%	3%	8%

Data is also provided by the MYOB Business Monitor that breaks the research sample down by sector. Sectors include Manufacturing & Wholesale; Retail & Hospitality; Finance & Insurance; Business, Professional & Property; Construction and Trades; and Primary (see Table 2).

Table 2. Online Presence by Sector

Sector	Website Only	Social Site Only	Website and Social Site
Manufacturing & Wholesale	41%	13%	19%
Retail & Hospitality	25%	9%	29%
Other	18%	13%	28%
Finance & Insurance	30%	3%	19%
Business, Professional & Property	20%	11%	14%
Construction & Trades	21%	8%	12%
Primary	14%	2%	4%

Of interest to this study is the regional data relating to the Manawatu – Wanganui region and sector data relating to the retail and hospitality sector.

3. METHOD

The primary goal of this study is to investigate the adoption and utilisation of websites and social media services by a sample of Palmerston North retail clothing stores. A non-random sample of 34 retail clothing stores, all located in the Plaza shopping complex in Palmerston North was selected for the study. These 34 businesses represent 100% of the retail clothing stores in the Plaza shopping complex. The Plaza shopping complex is also home to a number of other business areas including: banks, telecommunications, bookstores, eateries, electronics, and beauty therapy services. It should also be noted that a number of stores within the research sample were not solely retail clothing stores but also provide products in additional related areas (e.g. Kmart, Farmers, Baby City).

In order to analyse each of the stores from the research sample, each store was searched for using Google to ascertain the existence of a website, Facebook business page, Twitter, or Instagram account. The Plaza Palmerston North store directory was also used to help examine the particular stores. In addition, the target market of each of the stores was recorded as either women’s, men’s, mixed, or kids’ clothing. The estimated target age range was also recorded for each store. The existence of a business website, Facebook business page, Twitter account, and Instagram account was recorded for each of the stores (see results in the next section). The totals were then averaged and compared to the national, regional, and sector averages.

4. RESULTS AND DISCUSSION

The research sample consisted of 34 retail clothing stores from the Plaza Palmerston North, the estimated target age groups for each of the stores is given in Figure 6.

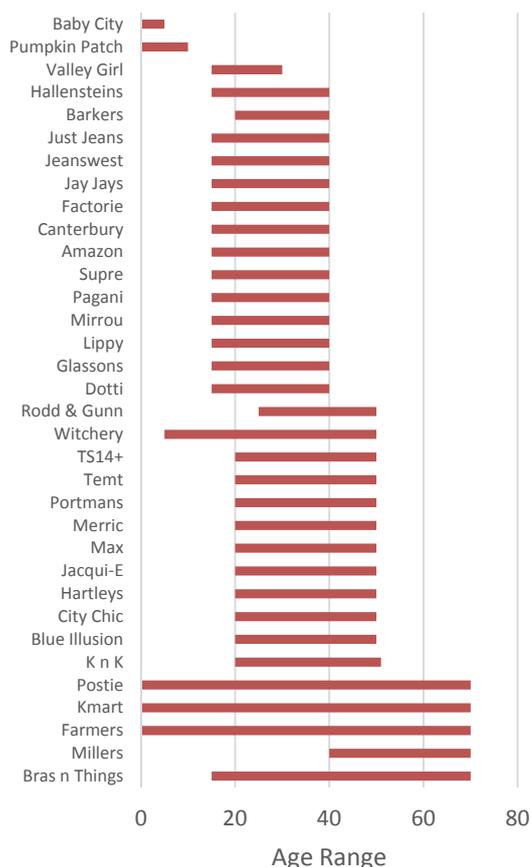


Figure 6. Estimated Age Range of Stores

Of the 34 stores from the research sample, the target market of the stores were predominately women’s clothing, with some male, some mixed gender, and some kids (see Figure 7).

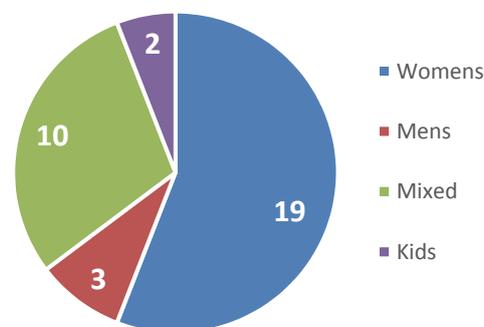


Figure 7. Target Market Breakdown

Interestingly, for this particular research sample, every single one of the 34 stores were found to have a business website (see Figure 8). This 100% result for Palmerston North retail clothing stores is significantly higher than the national average of 38% for SME’s (z-value of 7.26, result is significant at the $p < 0.01$ level). It is also significantly higher than the regional (Manawatu – Wanganui) average of 32%, and the sector average for Retail and Hospitality which sits at 54%.

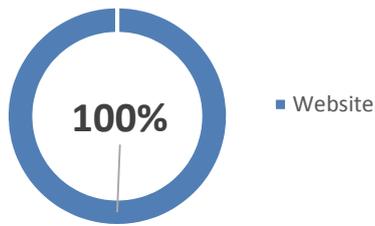


Figure 8. Palmerston North Retail Clothing Stores with a Website

In a similar fashion, of the 34 stores in the research sample, 31 were found to have a Facebook page (91%, see Figure 9). Again this is noticeably higher than a comparable national average of 25% for 'social sites' (z-value = 8.53, result is statistically significant at the $p < 0.01$ level). The 91% result is also higher than the regional average of 11%, and the Retail and Hospitality sector average of 38%.

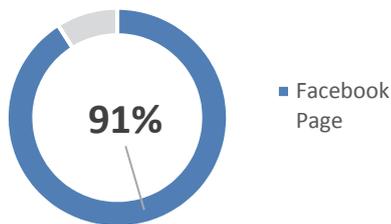


Figure 9. Palmerston North Retail Clothing Stores with a Facebook Page

Likewise, although not quite as high, of the 34 Palmerston North retail clothing stores from the research sample, 19 also had a Twitter account, this equates to 56% (see Figure 10) (z-value = 4.04, result is statistically significant at the $p < 0.01$ level). Similarly, 23 (or 68%) of the clothing stores had an Instagram account (see Figure 11) (z-value = 5.55, result is statistically significant at the $p < 0.01$ level). These results are also above the national average of 25% for 'social sites' (the regional average of 11% and the sector average of 38%.

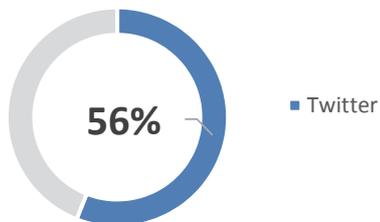


Figure 10. Research Sample Stores with Twitter

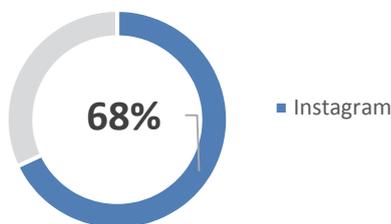


Figure 9. Research Sample Stores with Instagram

The three stores from the research sample which did not have a Facebook page also did not have a Twitter or Instagram account.

Interestingly, the results from this particular research sample appear to be considerably different to what has previously been reported by the MYOB Business Monitor 'State of the

Digital Nation' survey and report. This could be due to the research sample being specifically made up of retail clothing stores which is a subset of the Retail & Hospitality sector that is reported on by the MYOB report. Additionally, the results may suggest that retail clothing sales is a particular business area that is at the forefront of website and social media utilisation for marketing and promotion, and customer engagement.

5. CONCLUSION

This paper aimed to investigate the adoption and utilisation of websites and social media services in the Manawatu retail clothing sector. The study examined 34 businesses located in the Plaza Palmerston North shopping complex to determine the existence of a business website and social media accounts. The study also compared these results with national, regional, and sector averages provided by a MYOB report (Raik-Allen, 2014). The results reveal that the retail clothing stores from the research sample had much higher levels of website and social media utilisation than the national, regional, and sector averages. The results also suggest that the retail clothing sector may be at the forefront of website and social media utilisation both within the retail & hospitality sector, as well as the Manawatu-Wanganui region, and throughout New Zealand.

In terms of business and computing education, the results of this study further confirm that social media is a growing area interest that should be covered within both business and ICT education at the tertiary level. The results also suggest that the growing standard and expectation for businesses is to have not only a website, but also a Facebook business page and associated accounts on Twitter and/or Instagram. Future work will look at expanding the size of the research sample and potentially conducting deeper analysis into the ways in which social media services are being used by SME's.

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