

**The Use of Marketing Strategies  
by Small, Medium and Micro Enterprises  
in Rural KwaZulu-Natal**

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**The Use of Marketing Strategies by Small, Medium and Micro Enterprises in  
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Advertising (UNISA), Dip: Marketing Management (IMM), PG Cert T+L (HE) (UWolv);

## DECLARATION

This work has not been previously accepted in substance for any Doctoral Degree, and is not being concurrently submitted in candidature for any other Doctoral Degree.

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This submission is the results of my own independent work/investigation, except where otherwise stated. Other sources are acknowledged giving explicit references.

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## **ABSTRACT**

Many researchers undertook research about small, medium and micro enterprise in South Africa. Although there are numerous articles and a lot of previous research surveys about SMMEs in South Africa, USA, UK, Taiwan, China, Australia and many other countries, no research has been done in South Africa with regard to the use of marketing strategies by SMMEs in rural areas with specific reference to KwaZulu-Natal rural areas. Therefore, the assumptions and the confusion that surrounds rural owners'/managers' awareness, perceptions and the use of marketing strategies in their areas highlight the need and create interest for marketers to conduct more research on this particular area. There were number of other important reasons such as the failure rate of SMMEs, high rate of unemployment and the large numbers of people moving from South African rural to urban areas due to unemployment and poverty.

The study was conducted within the rural areas of KwaZulu-Natal province, using both quantitative and qualitative research methods. The sample for the study consisted of 374 respondents of owners/managers of SMMEs. The respondents were selected using quota sampling. Respondents were required to complete a 10 page questionnaire with an interviewer present to assist.

The overall aim of the study was to investigate and describe the use of marketing by SMMEs, in order to identify factors influencing the possible insufficient use of marketing, so as to improve rural SMME marketing, and thus reduce SMME failure. The results of the research revealed that there was a lack of marketing knowledge and expertise and limited use of marketing strategies by the owners/managers of the rural SMMEs. There were also some external and internal factors contributing to the use of marketing strategies by the rural SMMEs. This means that marketers in South Africa cannot simply apply the marketing strategies and marketing theories in this situation. It is also important for marketers to conduct more specific research studies to determine the suitable marketing strategies for the rural businesses, as the rural situation is different from the urban situation.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 INTRODUCTION TO THE STUDY**

Small, medium and micro enterprises (SMMEs) play a crucial role in the economic development of a country since they contribute more towards the creation of employment than large companies (Chalera, 2006; Rogerson, 2008: 307-328). This makes it very important for the SMMEs' owners/managers to have a good knowledge of how they can market and run their business successfully against the bigger businesses. SMMEs are regarded as the most crucial factor in the economic development of Southern African countries including South Africa (Ndabeni, 2005).

The essential attributes expected from SMMEs' owners/managers are skills of human and social skills, business, professional, legal, innovative, liaison, handling officials, fund mobilizing and the ability to take technical, economic, social and environmental risks. Thus, a successful entrepreneur is one who knows the art and the science of handling the government as well as to manage the ever changing commercial-economic situation and taxation laws.

The common belief is that an entrepreneur is born and not made. However, by giving the right type of training and follow-up support and assistance, one can develop as an entrepreneur (Perumal, in Bhatia and Batra, 2003: 69). This means that the right type of entrepreneurial training helps to identify and develop the natural inherent and potential virtues of a human being. In South Africa, what is lacking is not the spirit of entrepreneurship but the application of the related skills. The degree of application of this ability is being constrained by the absence of a just and fair industrial infrastructure, particularly in the rural areas. Programmes of support for

individual needs have to be established to eliminate problems of SMMEs in the rural areas (Poucek and Wilda, 2006: 110). There is not enough evidence in South African literature about this issue, particularly within the area of marketing. Bradford (2007: 94) indicates that the government of South Africa (SA) has formally adopted a policy of proactive support of entrepreneurship, providing business assistance to all of its entrepreneurs, but this is beyond SA's financial and human resource capabilities. On the other hand, Graig, Jackson III and Thomson (2007: 116) maintain that policymakers look to the small business sector as a potential engine of economic growth. Policies to promote small business include tax relief, direct subsidies, and indirect subsidies through government lending programmes. There is uncertainty on how this promotion works to make resource available for skills development such as marketing and financial management for the rural SMME sector. The assumptions of marketing knowledge among rural SMMEs' owners/managers need more attention from marketing professionals and affiliated stakeholders. The perception is that the lack of market-related knowledge is one of the difficulties facing the SMME sector in rural areas. The crucial points that SMMEs are unable to meet are manifested by a lack of information about where the best market areas are located, inability to analyse their respective market, lack of skills to set competitive prices and inability to effectively promote products. Tung and Aycan (2008: 381-384) maintain that, despite their potential to contribute to the world economy, SMMEs face many challenges.

The purpose of this study is to determine the use of marketing strategies by small, medium and micro enterprises in rural KwaZulu-Natal (KZN). Therefore, this chapter will include the following sections: background to the research study, research problem, overall aim of the study, sub-objectives, rationale for the study, scope of the study, delimitations and limitations and structure of chapters.

## **1.2 BACKGROUND TO THE RESEARCH**

Kroon (2006: 27-35) indicates that the private sector in South Africa is divided into three sectors: the informal sector, the small business sector and the large business sector. The informal sector is further divided into two additional categories: survivalists and the micro enterprises. The small

business sector is divided into three further categories: small, medium and micro enterprises (SMMEs).

Ntsika (1999: 9-10) indicates that medium enterprises are the largest group of the SMME sector. They are owner/manager controlled. Ownership and management are complex and are characterized by centralisation of power, division of labour and functional division. There is no separation of management and ownership.

South Africa's SMME economy has been actively promoted since 1995 when the South Africa government developed a small business promotion strategy to achieve the following goals:

- Economic growth and development;
- Poverty alleviation;
- Income redistribution;
- Employment creation;
- Economic empowerment of the previously disadvantaged population groups;
- Democratisation of economic participation; and
- Replacement of the present oligopolistic structure of the economy with one that allows a higher degree of competition (Ntsika, 1999: 11).

According to Curran and Blackburn (in Page, Forer and Lawton, 1999: 438), entrepreneurship and the small business sector were neglected during the period 1930 to 1970, when the 'big is best' paradigm prevailed. It is only since the 1970s that small firms have been seen as a vital element in the success of national economies. In South Africa, the service industry generated 1.4 million jobs, and businesses with fewer than four workers generated 2.6 million jobs between 1989 and 1991. General opportunities lie in the small, medium and micro enterprises that are still under-utilised in South Africa (Page *et al.*, 1999: 438). Infrastructure and facilities have to be developed to contribute to the development of SMMEs. To facilitate this economic growth, development should take place in the SMME industry in rural areas. However, realising the potential value of rural resources is essential for rural development, but marketing is often the weak link in rural diversification strategies. This weak link frequently arises from the costs

involved and the lack of expertise (McDonagh and Commins, 2008: 8). McDonagh and Commins (2008: 8) maintain that rural SMMEs tend to lose competitiveness in the context of weak promotion and marketing. The fact that there is still a lack of data available on the SMMEs, particularly those in the rural areas in the South African context, impedes the development of this sector. Success factors and problem areas, as experienced by the SMMEs, cannot be determined unless accurate data is available.

As businesses do not operate in a vacuum, SMMEs operate within an environment, which, directly or indirectly, affects the way in which they function. Therefore, it is very important to evaluate marketing factors that contribute to their success. The development of SMMEs' marketing abilities and marketing knowledge within the SMME sector in rural areas is essential. Clarke (2007: 4-5) highlights that in South Africa, small businesses have long struggled under the burden of complying with complicated and onerous legislation. The environment should include, among other things, a good marketing environment and a legislative framework that is good for business, such as tax amnesty, policies regarding media coverage of business, intellectual property, and competition protection.

There are problems facing South Africa's SMME sector. Research conducted by Radipere and Van Schemer (2005: 402) indicates that there is a lack of marketing experts and specialists within the South African SMME sector. The South African SMME sector is far from homogeneous and requires a fine-tuned set of interventions rather than the generic assistance currently provided (Kesper, 2000: 3). Lewis (2001) claims that the challenge of development in rural areas remains a high priority for South African SMMEs. Furthermore, Tanner (2007: 1) states that the external marketing environment influences affect consumer behaviour and an organization's development of effective marketing mixes. The above information shows that gaps exist in the understanding and the use of marketing by the SMMEs, particularly in rural areas. Lack of marketing and poor marketing are the major reasons for SMMEs' failures (Nickel, McHugh and McHugh, 2007: 165; Kroon, 2006: 35; Bannock, 2005: 50; Ty, SOV, Walsh and Anurit, 2008: 7). Rogerson (2004: 770) indicates that SMMEs in rural areas are very important for the South African economy. This is a challenge that exists within the SMME industry, more particularly in the South African rural areas, which needs more attention from business

professionals in the marketing field. Therefore, it is necessary to investigate the role of SMME's marketing in KZN rural areas.

### **1.3 RESEARCH PROBLEM**

According to Rogerson (2000: 1-2), the constraints on rural small enterprise development have attracted a number of researchers. Analyses of the major external constraints on the expansion of rural SMMEs have highlighted a lack of access by SMMEs to finance and markets. In addition, the stiff competition faced from the formal and urban informal sectors in selling products and services severely restricts the rural SMME sector to narrow markets (Norcliffe, 1983, in Rogerson, 2000: 5). Poor conditions of rural local economies across South Africa result in few expanding enterprises, and the predominance of new enterprise start-ups in marginal activities that are founded out of a dire need for household survival. The lack of access to markets emerges across virtually all case studies as a central constraint that will require targeted policy intervention. In the remotest areas, market access is further constrained by inadequate infrastructure (Bukula, 1997, in Rogerson, 2000: 2). Deakins and Freel (2003: 74-75) indicate that the environment affects organizations through the process of making available or withholding resources, and organizations can be ranked in terms of their efficacy in obtaining resources. The rural environment is perceived as being disadvantaged, but it also offers the ideal circumstances in which to study business. Entrepreneurs have to engage with their environment to survive and prosper. Boyd, Walker and Larreche (1995: 62) claim that the environmental component has a potential impact on marketing activities. Furthermore, Dess, Lumpkin and Eisner (2007: 41) state that strategies are not, and should not be, developed in a vacuum. These strategies must be responsive to the external business environment.

It appears that there is a lack of marketing knowledge in the South African SMME sector, particularly in rural and under-developed areas in KZN. Bocked and Ligthelm (2002, in Radipere and Van Scheers, 2005: 402), support the premise that the problems experienced by small business owners in conducting a successful business are market-related issues such as marketing, locality, lack of knowledge of the market, product demand and competition, which are associated with the industry in which the enterprise operates. The above authors maintain that small business owners lack certain managerial skills, including financial, marketing and human resource management

skills, needed to operate their businesses successfully. In addition, McCartan-Quinn and Carson (2003: 201-213) adds that the management style in small firms often means there is little or no marketing planning and many small business failures result from deficiencies in marketing.

Arising from this challenge, the following questions were addressed in this study to determine the growth and development problems facing South Africa's SMME sector in rural KZN.

What are the marketing factors contributing to the failure of SMMEs in the rural areas of KZN?

How does the lack of marketing knowledge influence the marketing abilities of SMME owners/managers to do business more effectively in rural KZN areas?

What are the marketing strategies and tactics used by SMME owners/managers to cope with marketing difficulties in rural areas in KZN?

The literature shows that there is a knowledge gap that needs to be filled by the marketing researcher. The problem can be summarized as (i) the extent of a lack of marketing knowledge of the SMMEs in rural KZN areas, and (ii) whether rural SMMEs are able to use relevant marketing tactics in order to grow.

#### **1.4 OVERALL AIM**

The overall aim of the study is to investigate and describe the use of marketing strategies by SMMEs, in KZN. This overall aim is guided by the following research objectives:

**Sub-objective 1:** To identify to what extent marketing is used by SMMEs in rural KZN;

**Sub-objective 2:** To describe who ( individuals or firm) uses marketing in rural KZN;

**Sub-objective 3:** To identify the aspects or tools of marketing that are most used by SMMEs  
in rural KZN areas;

**Sub-objective 4:** To identify the awareness of and knowledge about, marketing  
strategies and marketing activities by SMMEs in rural KZN areas;

**Sub-objective 5:** To identify SMMEs' owners/entrepreneurs' attitudes and opinions  
about marketing in rural KZN;



**Sub-objective 6:** To identify factors that limit the use of marketing by rural KZN;

These factors are specifically split into:

6.1. Internal or personal factors; and

6.2. External/environmental factors; and

**Sub-objective 7:** To suggest the steps that should be taken to improve rural marketing strategies and thereby reduce SMME failure in rural KZN.

Therefore, in order to measure the sub-objectives for this study, the types of variables will be as follows:

Extent of marketing use = dependent variable

Marketing aspects/tools most used = dependent variables

Factors that limit marketing use = independent variable

Awareness of marketing by SMMEs = independent variable

Attitudes to various marketing aspects = independent variable

Personal or corporate characteristics = independent variables

## **1.5 RESEARCH HYPOTHESES**

Based on the sub- objectives and on the literature review, a number of research hypotheses were developed to guide research. These were:

H1: It was hypothesed that marketing were not widely used by SMMEs in rural KZN

H1: It was hypothesed that marketing were used most by sole owned SMMEs in rural KZN

H1: It was hypothesed that not all tools of marketing used by SMMEs in rural KZN areas

H1: It was hypothesed that marketing is not clearly understood by SMMEs in rural KZN areas

H1: It was hypothesed that there were not positive attitudes and opinions about marketing in rural KZN

H1: It was hypothesed that there were internal and external factors that limit the use of marketing by rural KZN

## **1.6 RATIONALE OF THE STUDY**

The reason for conducting this study is to contribute to the body of existing knowledge concerning the influence of marketing on rural SMMEs in the South African context, particularly in rural areas in KZN. The study will be useful to people in the South African marketing sector and the small medium and micro-enterprises sector because this will act as a guide for them in their decision-making by giving them advice on what to do when their businesses are not doing well. This study will be a necessary tool for all those who operate SMMEs by providing data that will allow them to make informed decisions regarding marketing strategies of SMMEs in the rural areas of KZN.

This study intends to enable SMMEs to grow, particularly in rural KZN areas. The methods that will be employed in this study are an example of a contribution to what needs to be done to bring about a more desirable environment of entrepreneurship development and support in rural areas in KZN, from a marketing perspective. The literature reviewed for this study underlines the need for studies of this nature. Ultimately, it is hoped that the results of studies of this nature will contribute to the assurance of standards of quality in the development and support network for entrepreneurship on the part of government and other external funders.

This contribution aims to improve effective and efficient utilization of scarce developmental and support resources in the long-term for SMMEs in KZN rural areas.

## **1.7 SCOPE OF THE STUDY**

### **1.7.1 Delimitations**

This work did not consider other provinces in South Africa. The research conducted was confined to KZN. Therefore, the results of the study cannot be generalized to the South African population.

The focus of this study was on the aspect of marketing strategies only. Other areas that might be useful for growth of the business, such as rural training and development strategies, financial management and many other important areas, need to be covered more intensively, specifically in the rural areas including rural KZN.

Due to the complexity of South African geographical profiles, social attributes and economic conditions of the rural communities, future researchers need to include informal businesses in rural businesses because this study did not cover this area.

### **1.7.2 Limitations**

The perception amongst small, medium and micro businesses that questionnaire completion is a waste of time was a restricting factor. This perception could have limited the number of respondents and could have led to obtaining inadequate results to make sound conclusions and recommendations. However, to deal with these issues, teachers that work at local schools within these selected areas were used as research assistants. Respondents were given adequate time to read the questionnaire and an appointment was made to collect the questionnaire at a later date. All respondents were given a maximum of 3 days to complete the questionnaire. This concession helped to build trust and a good working relationship between the researcher and respondents. The selection of local teachers as research assistants facilitated respondents' willingness to participate. The teachers explained the purpose and the benefit of participating in the survey and encouraged the respondents to complete the survey.

There may also have been fear amongst some of the respondents regarding the use of the information gathered. To counter this potential problem, anonymity and confidence was stressed. The use of the personally administered questionnaire did help to alleviate this fear of some of the respondents. Respondents were assured that they were not required to provide their names and business particulars.

Respondents sometimes are unwilling to reveal their turnover, since many regard such information as sensitive. Therefore, their actual turnover was not requested.

Lack of time and willingness by business owners and managers to complete questionnaires may have created difficulty in obtaining a representative sample. This study was focused only on existing businesses and did not consider proposals for new business. Information from other sources was not used because the aim of this study was to address the current situation. However, to deal with these issues, four months were allocated to the field work. The intention was to give the researcher and research assistants enough time to explain in more detail to the target population the purpose of the surveys. This action did help to create a willingness to participate.

## **1. 8 RESEARCH METHODOLOGY AND DATA COLLECTION**

According to Weman and Kruger (2001: 107), research design is defined as “a set of guidelines and instructions to be followed in addressing the research problem” and the main function of research design is to enable the researcher to plan an appropriate research process that should maximize the validity of the eventual results. In this study a literature review of recent relevant literature on the establishment and evolution of SMMEs was conducted. The empirical research process was facilitated by the literature review. A survey was conducted using a closed ended questionnaire (questionnaire that provides a number of alternatives answers from which the respondent is instructed to choose) was used to collect primary data. The interview guides were structured in such a way that opinions answers could be recorded while some questions were structured along the Likert scale rating.

Space was also provided to recorded comments and opinions as questions were asked. The questionnaire consisted of questions developed from a review of relevant literature on the area of research. The list of questions was so designed to gain the most pertinent facts regarding aspects of SMMEs in the South African rural business sector. The questionnaires contained all the questions for which data were required for the topic of research.

A question was designed and pre-tested in order to obtain the desired information. Data were collected in five rural areas of KZN. The interviews were conducted in the following rural areas: Empangeni, Ulundi, Nquthu, Escourt and Kwa-Nongoma areas. The reason for choosing these areas was that wide cross sections of people live in these places and, therefore, the interviewers will be able to find a wide section of people to interview. Cross-section design was used. The single cross- sectional method was used. Where one sample of respondents was drawn from the target population and information was obtained from this sample once.

The target population was confined to SMMEs' owners/managers residing in the rural KZN areas. Strewing and Stead (2001: 125) state that it is not possible to identify whether an ideal sample size is good or bad. But the researcher must rather consider the purpose and goals of the study. Therefore, seventy- four respondents from four areas (Empangeni, Nquthu, Escourt and Kwa-Nongoma) and seven-eight from one area (Ulundi) were chosen from each, resulting in three hundred and seventy-four respondents being interviewed. The reason for selecting 374 respondents as the size of the sample was to ensure that it coincided with demographic profile of KZN. Whatever the research questions and objectives are, the researcher will need to collect enough data to answer them (Saunders, Lewis and Thornhill, 2003: 280-326). However, for the purpose of the study, a non-probability sampling method was used in the form of quarter sampling. This technique does not use chance selection procedures but rather relies on personal convenience for the researcher. The reason for using this is that there is not an adequate sampling frame available for the population and, therefore, probability sampling cannot be utilized.

In order to standardize the condition under which the questionnaires were completed. The interviewers were well trained and briefed on the topic. The interviews were also conducted at the same time at the selected areas (Empangeni, Nquthu, Escourt and Kwa-Nongoma) in order to try to standardize the effect of external events. The information obtained was then captured using SPSS (Statistical Programme for Social Sciences) version 13.0. Lastly, in order to establish the validity of the study, the following questions regarding the study were asked:

- Does the research actually measure the use of marketing strategies by SMMEs in rural KZN?

- Do the findings of the research agree with the research objectives?

## **1.9 STRUCTURE OF CHAPTERS**

This study is divided into eight chapters.

### **Chapter 1: Introduction**

This chapter introduces the reader to the problem statement of the study. The reader is informed of the intentions of the study, the aims and objectives of the study and the limitations of the study. This chapter guides the reader through the reasoning behind the problem and outlines the intention of the researcher to solve the problem.

### **Chapter 2: Literature review – Background to the SMME context in South Africa**

The literature review will provide an overview of previous research on marketing knowledge, awareness of marketing and marketing activities within the SMME sector, particularly in rural areas. The chapter will also examine the target population, the number of customers and the marketing role of SMMEs in the rural KZN areas.

### **Chapter 3: Literature review- SMMEs marketing and networking**

This chapter will focus on marketing knowledge, and the marketing abilities of the SMMEs' owners/managers.

### **Chapter 4: Literature review - Entrepreneurship and environment**

This part of the literature review will focus more on the internal factors, personal factors and external/ environmental factors affecting SMME marketing.

## **Chapter 5: Research Methodology**

### **Part I: Open ended questions**

This chapter will include open ended questions used primarily to define a problem and generate hypotheses. In this study, open ended questions will be used to probe below the surface in order to understand what drives and motivates behaviour. The open ended will be used to find attitudes and opinions of the SMMEs' owners/managers with regard to the use of marketing. It will also be used to establish other relevant aspects that might contribute to the use of marketing by the rural SMMEs.

### **Part II: Quantitative**

In this section the quantitative research methodology will be explained. This method will be used to explain the relationships between the variables to enable the researcher to determine if the research hypothesis is acceptable. The quantitative method will use a statistical test such as Chi-Square test and Cronbach alpha. These tests will ensure that the relationships of variables are relevant.

## **Chapter 6: Analysis of the results**

The purpose of this chapter will be to present the findings and the statistical analysis of the data obtained through the questionnaires. The data will be processed into meaningful results that the reader will be able to interpret and understand.

## **Chapter 7: Discussion and Interpretation**

This chapter will discuss and interpret the results of the study. This chapter will highlight the relevance and the importance of the study.

## **Chapter 8: Conclusions and Recommendations**

This final chapter of the dissertation will contain the conclusions that are drawn from the findings in chapters five and six. It will also include the various recommendations that are made for further research.

### **1.10 CONCLUSION**

This chapter discussed the background of the study, research problem, and objectives of the study, delimitations and limitations. An outline of the chapters was also presented. In the following chapter, the literature review, covering the marketing strategies used by the SMMEs in the rural areas, will be discussed.



## **CHAPTER 2**

### **THE SMME SECTOR IN SOUTH AFRICA**

#### **2.1 INTRODUCTION**

The definition of the term “rural” is derived from official policy documents (South Africa, 1997). Rural areas are populated areas in which local communities farm or depend on natural resources; the definition of “ rural South Africa” includes villages and small towns as well as those larger “rural clusters” in the former homelands, created as a result of apartheid removals, which largely depend for their survival on migratory labour and remittances (South Africa, 1997: 5). The people who live in this part of the country normally live in the disadvantaged areas where poverty and unemployment are high. Jinabhai and Kadwa (2007) indicate that unemployment levels in South Africa are standing at 42 %. Therefore, the government’s priority is to focus on economic transformation and SMME development. Furthermore, Henderson (2002: 45) adds that entrepreneurs create economic growth in their communities by forming new firms. However, according to Rogerson (2000), the constraints on rural small enterprise development have attracted a number of researchers. Ekwulugo (2006: 65) supports the notion that the SMME development has been the subject of a growing interest among academics and practitioners, as well as multilateral institutions. However, this is not the case in rural KZN areas, more especially with regard to marketing professionals, as marketing is one of the most important tools that can generate business.

Analyses of the major external constraints on the expansion of rural SMMEs have highlighted a lack of access by SMMEs to finance and markets. In addition, the stiff competition faced from both the formal and urban informal sectors in selling products and services severely restricted the rural SMME sector to narrow markets (Norcliffe, 1983, in Rogerson, 2000). The bad situation of rural local economies across South Africa results in the limited existence of expanding enterprises and the predominance of new enterprise start-ups in marginal activities that are founded out of dire need

for household survival. The lack of access to markets emerged across virtually all cases as a central constraint that will require targeted policy intervention. In the remotest areas, market access was further constrained by inadequate infrastructure (Bukula, 1997, in Rogerson, 2000; Jin and Deininger, 2008). This study will focus more on marketing knowledge, to what extent marketing is used by SMMEs and its influence on SMMEs in rural and under-developed areas in KwaZulu-Natal.

Literature indicates that small, medium and micro enterprises play a vital role in stimulating economic activity, job creation, poverty alleviation and the general upliftment of living standards has been recognized both internationally and in South Africa (Nieman, Hough and Nieuwenhuizen, 2003: 4). Owing to the low economic growth, high unemployment and an unsatisfactory level of poverty in South Africa, particularly in the rural areas, SMMEs become a critical solution for starting and developing the standard of living in the South Africa rural areas. The development of the rural sector is of paramount importance for development of the country (Badi and Badi, 2006: 60). This means that there is a need for rural entrepreneurs to be well developed in many different areas such as marketing. Furthermore, Gupta (2008) continues that the development of the nation largely depends upon the development of the rural population. This means that the rural market might have an enormous potential growth even though there are many challenges being faced by corporates in the rural areas. However, rural marketing strategies are also significantly different from the marketing strategies aimed at an urban or industrial consumer awareness (Spake, Joseph and Finney, 2009:21-28; Mukerjee, 2007: 17).

Marketing in SMMEs is a contentious issue among both academics and practitioners (Brodie *et al.*, 1997; Gilmore *et al.*, 2001, in Simpson and Padmore, 2005: 1). Simpson and Padmore (2005: 1) maintain that marketing theory development in SMMEs seems to be limited and qualitative in nature. Davis, Hills and Laforge (1985, in Siu and Kirby, 1999: 135-146) stipulate that conducting small firm marketing research is a difficult and demanding task, as small firms are notorious for their lack of attention to keeping complete and accurate records and for their reluctance to divulge information about their business. Campbell (1987, in Ndabeni, 2005) states that the increasing number of small enterprise development strategies reflects the growing importance of the SMME sector. The research shows that there is need for the local governments to focus more on rural

SMMEs in local economic development planning, more especially on growth strategies such as promotional strategies.

Therefore, the purpose of this literature review was to investigate the literature related to the use of marketing knowledge and skills in rural KZN areas. The research will cover information on the overall aim and the sub-objectives that have been described in detail and factors that surround the topic will also be discussed. The researchers' aim was to identify issues that have been omitted by previous researchers on similar topics in other parts of the world. Particular attention will be given to the use and the attitudes of marketing by owners/managers since these are the key aspects in this study.

## **2.2 AN OVERVIEW OF THE SMME SECTOR IN SOUTH AFRICA**

Literature reveals that small businesses play an increasingly important role in South Africa. In 2004, about 130 000 companies and close corporations were formed every year where small, medium and micro enterprises (SMMEs) contributed about 30% of GDP (South African Business Guidebook, 2005/2006). In order to keep this trend, the total value of goods and services produced within South Africa in SMMEs has to be improved. One of the key findings of the Global Entrepreneurship Monitor (GEM) indicates that countries with lower incomes per capita tend to have higher rates of entrepreneurship demand. The findings also reveal that, within the South African context, entrepreneurship is driven by poverty (Driver, Wood, Segal and Herrington, 2001: 50). Thus, there is a dire need for growth and development within the South African economy.

One of the prerequisites for economic growth is entrepreneurship (O'Neill and Viljoen, 2001). These authors maintain that it is important to get the previously disadvantaged communities into the mainstream economy through the support of SMMEs as they play a vital role in the economy in terms of creating sustainable employment and also generating income for the majority of South Africans. Despite the programmes and policies put into place, 62 000 jobs were lost in the first six months of 1997 (Cosatu, 1998). According to DTI (2002), the government introduced the integrated sustainable rural development programme and the urban renewal strategy and the integrated economic action plan in 2001 as a Microeconomic Reform

Strategy in order to encourage employment and stimulate growth. These programmes aim at addressing priority microeconomic interventions over the next few years. It also outlines the structural change which is to be achieved within the next few years. It also outlines the structural change which is to be achieved within the economy. It also outlines the structural change which is to be achieved within the economy by the year 2014.

According to Cosatu (1998), creation need not necessarily mean that there would be economic growth. However, this could be achieved by maintaining and expanding demand for domestically produced goods and services. Expansion of production would generate new jobs. The Government's National Strategy for Small Business (1995) places emphasis on developing the SMME sector and it has been universally accepted that SMMEs are growth engines for any economy.

## **2.3 DEFINITION OF SMALL, MEDIUM AND MICRO ENTERPRISES (SMMES)**

Small business has different meanings in different contexts. It differs from country to country, from sector to sector. Different characteristics are used to constitute its definition. Some of the characteristics are economically motivated, while others are quantitatively motivated. Characteristics include number of employees, turn-over, independent ownership, asset values, as well as the degree of formalization contributes to the determination of size (Kotze, 1991, in Solomon, 2004). On the other hand, South African White paper (1995) defines micro-enterprises, small enterprises and medium-sized enterprises, with the general term "small business" and the abbreviation "SMMEs" is widely used to contrast this sector with big(ger) business. According to the White paper due, to the similarity of some of the obstacles facing them, survivalist and micro-enterprises are often lumped together, whereas many support agencies feel that medium-sized enterprises need not be viewed as a category warranting particular attention.

According to Beaver (2001), there is no generally agreed operational or numerical definition of what constitutes a small business. The definition of SMMEs depends on the country concerned and individual institutions within them that reflect their own particular requirements. In the

South African context, small businesses are defined in terms of the National Small Business Act 102 of 1996 into the following categories:

- Survivalist Enterprises;
- Micro Enterprises;
- Very Small;
- Small Enterprises; and
- Medium Enterprises.

This will be discussed in the following sections, culminating in a clear description in section 2.4.7 of what is meant by SMMEs in this report.

## **2.4 CATEGORIES OF SMMEs**

According to Kroon (2006; Page *et al.*, 1999), it has been noticed that, worldwide, the development and growth of SMMEs can play an important role in turning and economic situation around. Literature reveals that more clear policies and programmes to support the development of SMMEs are an important part of the democratic government's programmes to create a better life for the local communities (Ndabeni, 2006).

A strategy was outlined in a White paper by the Department of Trade and Industry (the lead department for SMME development) entitled: "A National Strategy for the Development of Small Business in South Africa (May 1995)". A year later, the National Small Business Act 1996 was passed by Parliament, which provided for the institutions to implement this strategy and state the categories. Small business can also be divided between *established formal SMMEs* in predominantly urban settings and the emerging SMME economy situated in townships, informal settlements and rural areas (www.etu.org.za/toolbox/docs/government/sbd.html; South Africa, 1995). According to the White paper, by far the largest sector is the survivalist enterprise sector. This means that most people are active in the informal sector where they have little institutional support.

### **2.4.1 Survivalist Enterprises**

Survivalist enterprises are enterprises that are run by owners themselves with minimal asset value. Income generated from this sector is below the income and poverty line. The main aim for people running these businesses is to provide minimal subsistence for the unemployed and their families. This sector is made up of a wide range of hawking, vending, subsistence farming, productive service and trade activities in rural and urban areas, the inner city, peri-urban, suburban and informal settlements (Mole, 2000). According to the National Small Business Act (1996), the survivalist sector is considered to be part of the micro-enterprise sector. Survival enterprises are characterized by inadequate finance, low level of education and poor managerial skills (Bekele and Worku, 2008: 548). The study suggests that participation in social capital and networking is critically helpful for long-term survival. Van Vuuren (2002) maintains that, although these businesses are relatively small in scale, limited in funds, and weak in structure, they make significant contributions to economic prosperity, create innumerable jobs, and promote social stability.

### **2.4.2 Micro Enterprises**

Micro Enterprises have a turnover below the value-added tax registration limit and have less than 5 paid employees. These enterprises tend to lack formality in terms of registration for tax purposes, labour legislation, business premises and accounting procedures. Examples of micro enterprises are spaza shops, mini bus taxis and household industries (DTI, 1998). Nieman and Nieuwenhuizen (2009: 30) add that, due to the difficulty in getting loans from banks, in micro enterprises, assistance projects focus on credit rather than training and technical assistance.

### **2.4.3 Very Small and Small Enterprises**

Very Small Enterprises employ less than 10 paid employees. However, in the mining, electricity, manufacturing and construction sectors, there are less than 20 employees (DTI, 1998). Very small enterprises do not have the ability to train their personnel and the use of new technologies

(Dagdilelis and Satratzemi, 2003: 1). In South Africa, lack of skills development is one of the barriers to very small enterprises employing ten or less workers (McGrath, 2005). Very small enterprises are characterized by a great deal of movement in the creation, transformation, and disappearance of jobs and the extent of turnover, which seems tied with intensive use of public employment programmes (Elyes, Stephene and Philippe, 1998). IFAD-Ghana: Rural Financial Services Project, (2000) highlights that many small enterprises have short lifespans of five years or shorter.

#### **2.4.4 Medium Enterprises**

Medium enterprises offer sustainable business solutions that simultaneously fight poverty and accelerate economic growth (Agbeibor, 2006: 35). Medium-sized enterprises are enterprises that have up to 100 paid employees (DTI, 1998) although, in the mining, electricity and manufacturing sectors this number may increase up to 200. They are usually controlled by an owner/manager and the ownership and management structure is more complex than small enterprises. The decentralization of power to an additional management layer and a greater division of labour are the main differences between small and medium-sized enterprises (DTI, 1998). However, Bewley and Bryson (2006) highlight that medium-sized enterprise has 50-249 paid employees. Wiesner and McDonald (2001: 58) state that acquiring, developing, compensating and retaining employees are major problems for medium enterprises. Matthews (2004) indicates that medium enterprises produce strategic human resource management related practices such as career development, ongoing learning and development.

#### **2.4.5 International characteristics of SMMEs**

Bjerke and Hultman (2002: 5-6) state that, in the United States, United Kingdom, Japan, Hong Kong, Malaysia, Philippines as well as the official European Union (EU), SMMEs are defined according to their respective countries and the number of employees differ according to their labour laws of each country. Ahmed and Chowdhury (2009: 126-127) indicate that, in Bangladesh, a micro enterprise has 0-9 employees, a small enterprise has 10-49 employees, a medium enterprise has 50-99 employees and a large enterprise has above 99 employees. This means that there is no

single definition for this sector. According to Brand, Preez and Schutte (2007), the term ‘SMME’ is mostly South African-related and includes ‘micro’ enterprises, as opposed to the general accepted term ‘SME’. The South African Small Business Act of 1996 (20) defines SMMEs in terms of the number of employees per enterprise, size, category and with the annual turnover for the specific sector in which the enterprise operates.

#### **2.4.6 The main functions of SMMEs**

SMMEs, as enterprises, have an economic role to fulfil. They contribute to a country’s national product by either manufacturing goods of value, or through the provision of services to both consumers and other enterprises. This function encompasses the provision of products, and to a lesser extent, services to foreign clients, thereby contributing to overall export performance (Berry et al., 2002: 4; Ntsika, 2000: 10). From an economic perspective, however, enterprises are not just suppliers, but also consumers, who have an important role to play if they are able to position themselves in a market with purchasing power. Their demand for industrial or consumer goods will stimulate the activity of suppliers, just as their own activity is stimulated by the demand of their clients.

Von Broemsben, Wood and Herrington (2005: 4) argue that, within the South African context, SMMEs have, at least in theory, the potential to generate employment and upgrade human capital. Economic historians have demonstrated the importance of this phenomenon in Europe’s industrialization and subsequent development in other economies. As technological progress in agriculture liberated the agrarian labour force, this unskilled excess labour force was absorbed into small manufacturing industries and exposed to business experience, thereby encouraging a ‘learning by doing’ effect. This combination of the employment of vacant labour force, and improvement of their skills exposure, strongly characterized the process of industrialization and development (Berry et al., 2002: 5). Falkena, Abedian Von Blottnitz, Coovadia, Davel, Magungandaba, Masilela and Rees (2001: 23) point out that South Africa’s current economic situation is comparable to the above scenario. However, these authors did not refer to rural SMMEs.



#### 2.4.7 Description of Small, Medium and Micro Enterprises (SMMEs)

According to Rogerson (1999), the National Small Business Act 102 of 1996 divides SMMEs into the categories in Table 2:1. For the purpose of more clarity with regard to categories of SMME and description.

**Table 2:1 Categories of SMME and description**

Category of SMME	DESCRIPTION
<b>Survivalist enterprises</b>	Operates in the informal sector of the economy. Mainly undertaken by unemployed persons. Income generated below the poverty line, providing minimum means to keep the unemployed and their families alive. Little capital invested, not much assets. Not much training. Opportunities for growing the business very small.
<b>Micro enterprises</b>	Between one to five employees, usually the owner and family. Informal - no licence, formal business premises, labour legislation turnover below the VAT registration level of R300 000 per year. Basic business skills and training potential to make the transition to a viable formal small business.
<b>Very small enterprise</b>	Part of the formal economy, uses technology. Less than 10 paid employees. Includes self-employed artisans (electricians, plumbers) and professionals.
<b>Small enterprise</b>	Less than 100 employees more established than very small enterprises, formal and registered, fixed business premises. Owner managed, but more complex management structure.
<b>Medium enterprise</b>	Up to 200 employees still mainly owner managed, but decentralised management structure with division of labour. Operates from fixed premises with all formal requirements.

#### 2.5 CHARACTERISTICS OF SMMEs

Van Auken (2001: 241) states that the characteristics of small firms have an important impact on their ability to raise capital. Factors such as the stage of product development, risk, availability of capital, firm type, ownership structure, and sales history affect the source and amounts of capital that are the most appropriate to pursue (Timmons, 1997 in Van Auken, 2001: 241). SMMEs, by definition, are small. This obvious observation has a major significance on the management and decision-making capability of such organizations. It means the existence of certain significant deficiencies. Internally, SMMEs are shackled by a general lack of financial resources, which suppresses their growth potential. Similarly, they do not have the benefit of a team of specialist

experts in functional aspects of business but, instead, must rely on generalist jack-of-all-trades individuals, usually the owner or manager. Externally, the SMMEs' small size means that they do not have any control over their environment. One manifestation of this shortcoming is its vulnerability to adverse environmental change and competitive threats.

An SMME is also characterized by its entrepreneur. The entrepreneur is likely to dominate all decision-making throughout the enterprise. The style of this decision-making will be heavily influenced by entrepreneurs' culture and background and will be dominated by their personality and desire for power and influence. As a consequence of size limitations and entrepreneurial influence, such decision-making is also likely to be lacking in structure and processes and, therefore, is likely to be non-sophisticated, even simplistic, in nature. It will however, be opportunistic and flexible, changeable and innovative in a competitive and customer-oriented way. Clearly, these characteristics will have an impact on the marketing activity of SMMEs. However, Carson *et al.* (1995: 82) consider a few of the mainstream strategic aspects of marketing management, for example, positioning itself in its market by taking account of a range of factors. Primarily, in relation to the competition, it thinks it can outperform the market opportunities that appear to be most attractive. Targeting entails developing a highly focused strategy aimed at a specific grouping of potential customers who have been identified as being most receptive to a firm's offerings. Market share is another tool of marketing which companies use as a strategic objective and as a means of measuring competitive performance comparison.

Similarly, companies consider some of the standard marketing activities and decision-making within the firm in relation to the product range, such as a balanced mix of products ranging from new introduction, growing stores, and mature sources of income and declining old products. This range might also transcend aspects of quality differentiations, different purpose in use, and so on. Pricing decisions may be taken strategically in relation to expanding market share, consolidating, or changing a market position. Promotion decisions will seek to achieve a balanced mix between advertising media and direct customer communications. Distribution decisions may incorporate a balanced choice of distribution channels ranging from directly to the end-user to connections with many intermediaries, who might also be involved in physical handling of the products (Carson *et*

*al.*, 1995: 82).

The shortage of skill is a recurring theme, which appeared again in a 1990 GJMC-World Bank SMME survey in Johannesburg (Chandra *et al.*, 2001). However, the primary constraint to increased investment and employment growth in the enterprises, as identified by the SMME entrepreneurs in the survey, was ‘insufficient demand’ for their product/services (Chandra *et al.*, 2001). As for the issue of finance, the survey confirmed the predominant use of private savings for financing the SMMEs’ capital requirements and revealed that most SMMEs appear not be severely constrained by lack of access to credit (Chandra *et al.*, 2001).

In an attempt to characterize the ‘typical’ SMME entrepreneur, the survey discovered the following: Over 70% of the SMMEs’ entrepreneurs had previously held formal sector jobs and chose to start their own enterprise because they perceived a lucrative business opportunity. Moreover, the majority of the SMME entrepreneurs chose the sector in which they operated because of previous work experience in that sector (Chandra *et al.*, 2001). Interestingly, most of the previous research on SMMEs in South Africa found that unemployment was the key motivator for starting an SMME, whereas Chandra *et al.* (2001) indicate that less than 5% of SMME entrepreneurs were previously unemployed (excluding retrenched workers).

Watson (2002) states that many of rural areas are characterized by population sparsing, remoteness, poor infrastructure little or no access to vibrant markets, and many similar negative factors that impede rural economic development. Some of the most significant problems currently facing South Africa are unemployment (45%) and rural poverty (71%) which have direct effects on other social ills such as crime and AIDS (Aliber, 2002). In tackling some of these problems, some rural dwellers start their own small business enterprises in an attempt to earn a living. A number of those SMMEs, however, end up failing (AMC, 2004, in Watson, 2005). Reasons that lead to failure include limited resources, inexperience in running and managing own enterprises, poor cash management and weak marketing efforts (AMC, 2004, in Watson, 2005).

## **2.6 THE IMPORTANCE OF THE SMME SECTOR**

Small, Medium and Micro enterprises are an important force for economic development and industrialization in poor countries (Liedholm and Mead, 2003, in Fjeldstad, Kolstad and Nygaard, 2006: 1). Small businesses have a major role to play in the South African economy in terms of employment creation, income generation and output growth. SMMEs account for approximately 60 percent of all employment in the economy and 40 percent of the output in South Africa (DTI, 1998; Cant and Stanford, 2004: 2; Ghatak, 2007). SMMEs are the lifeblood of any economy and, therefore, the British government has put in great amounts of effort to promote entrepreneurship, innovation and increased productivity (Beaver, 2001). To emphasize the importance of the SMME sector, the South African government has formulated two major strategies to advance its economic aims and objectives, and the promotion of SMMEs, namely, the Reconstruction and Development Programme (RDP) (ANC, 1994) and the Growth, Employment and Redistribution (GEAR) strategy (DTI, 1998). According to Beaver (2001), research carried out in the United States of America showed that small firms employing less than 20 people created 66% of all new jobs. SMMEs represent 94% of business enterprises and account for 71% of total employment in Singapore (DTI, 2002). Small-scale enterprises are instruments for creating jobs in economies where large formal industries fail to do so. However, in South Africa, this is not the case; people are still moving from rural areas to urban areas for employment.

## **2.7 RELATIONSHIP OF SMMEs AND LARGE COMPANIES**

In most cases, the small business sector is subject to the same economic and management constraints as larger corporations. However, the small business entrepreneurs are normally considered to be a 'jack of all trades' as far as the management functions are concerned. There is little doubt of the importance of the small business (SME) sector for the development aspirations of South Africa to address the serious problems of unemployment, income inequality and low economic growth (SACOB, 1999; Ntseka, 2000: 5). Levitsky (1996: 1) indicates that, virtually all countries, at whatever stage of economic development, recognize the importance of small, medium

and micro enterprises (SMMEs) and the need to support their development. SMMEs contribute more than 90% of employment opportunities in many countries, are responsible for revenue creation and poverty alleviation, and are a source for creativity and innovation (UNCTAD, 2003: 3). This means that the SMMEs' sector, when adequately supported and marketed, could see many developing countries realize their dreams of improving the economies. The literature reveals that, throughout the world, SMMEs are playing a critical role in absorbing labour, penetrating new markets and generally expanding economies in creative and innovative ways. Small businesses have a major role to play in the South African economy in terms of employment, income generation and output growth. SMMEs account for approximately 60% of all employment in the economy and 40% of output (DTI, 1998). Given the large number of people involved in survivalist activities, this sector constitutes a vast challenge for development. Survivalist activities are often the vehicle by which the lower-income people in society gain access to economic opportunity-at a time when distribution of income and wealth in South Africa is one of the most unequal in the world. In the current macroeconomic context, it is imperative that significant investment is made in SMMEs, in order to create both short-term capacities for labour absorption and output growth, as well as improve income generation and redistribution. These objectives are firmly recognized in the main development and macroeconomic strategies adopted by this government, through the RDP and GEAR programmes.

SMMEs are seen as a key to providing economic and employment opportunities to historically disadvantaged groups and helping to open the door to educational advancement. It is important for a significant investment to be made in SMMEs, if SMMEs are to address the challenges of job creation, and generating sustainable and equitable growth.

The National Strategy for Small Businesses (1995: 5) indicates that SMMEs must be seen as part of an integrated strategy to take the South African economy onto a higher road in which the economy is diversified, productivity is enhanced, investment is stimulated and entrepreneurship flourishes. Special reference has been made in The National Strategy for Small Business Development for the development of the female entrepreneur (1995). One specific objective underlying the support framework of the national small-business policy is to facilitate equalization of income, wealth and economic opportunities, with special emphasis on supporting the advancement of women in all

business sectors.

The literature reveals that the small business sector in any economy must be seen as the ultimate manifestation of a free-market system in a country. It is generally acknowledged that small business has a vast array of important economic and social characteristics linked to it. These include:

- Small business is unique in the extent that it lends itself to inventions and innovations due to the personal initiatives of the entrepreneur;
- Small business turns itself to economic stability and to better and more equal distribution of economic activities and opportunities in the economy;
- Small business lends to be more flexible and adaptable;
- Small businesses act as sub-contractors to larger corporations in the economy;
- Small business activities result in a multiplier effect in the socio-economic activities in the economy; and
- Small business is seen as the point of entry to big business in the economy (Du Plessis, 1993, in Lloyd, 2002: 10-94).

Although there are several important socio-economic characteristics linked to small business, it is not without its problems. These problems include the following:

- The large percentage of small businesses that fail each year;
- The susceptibility of the small business sector to external factors such as the current economy climate, political and legislative environment, the high start-up and maintenance costs, as well as discriminatory practices against small businesses; and
- The problem linked to the internal functions of small business such as management capabilities, financing, marketing and people management (Du Plessis, in Lloyd, 2002: 10-94).

In general, most small businesses have certain common needs, which include the following:

- Requiring help in diagnosing internal problems;

- Requiring increases in productivity and general competitiveness;
- Lacking access to appropriate technologies;
- Access to better business management practices;
- Requiring more access to market and appropriate marketing techniques;
- Suffering from poor human development skills; and
- Lacking the awareness of available resources.

However, the South African small, medium and micro enterprises sector in the development and growth of an economic development, particularly in the rural areas, needs more attention in the marketing landscape.

## **2.8 SMMEs' CONTRIBUTION TO THE ECONOMY**

Tambunan (2005) indicates that Small, Medium and Micro enterprises (SMMEs) are very important for employment creation and are important sources of economic growth and foreign currencies. The Global Entrepreneurship Monitor 2002, a report on entrepreneurship in 37 countries (including South Africa), sponsored by the London Business School and Babson College, estimates that 460 million adults worldwide are engaged in entrepreneurial activity. The study found that the correlation between entrepreneurial activity and economic growth was strongest in less-developed countries where entrepreneurship tends to be a necessity rather than an option (Vinturella and Erickson, 2004: 3; Ayyagari, Beck and Demirg, 2005). The critical importance of the SMME economy for addressing the challenge of sustainable development in South Africa was recently highlighted through the release of the 2003 Human Development Report for South Africa, UNDP (2003, in Rogerson, 2004: 766; SSACI, 2002). This study is intending to evaluate the impacts in relation to a range of policy objectives, including poverty alleviation, job creation and enhancement of national economic growth as part of post-apartheid reconstruction in the rural areas. The Free State Province economy exhibits a high level of dependence upon primary sector activity, most importantly agriculture and mining. Compared to other provinces, the manufacturing base is underdeveloped; indeed, the manufacturing economy is estimated to contribute only 14 % of gross geographic product (GGP) and 3.6 % of manufacturing GGP in South Africa (Annual Review of Small Business in South Africa, 2003: 109). The contribution of small, medium and micro size

enterprises (SMMEs) to a healthy economy has long been recognized and capability development of small firms remains critical to economic prosperity (Matlay, 1999, in Jayawarna, McPherson and Wilson, 2007: 321; Dana, 2001: 405-416). This concern for SMME development is not new. Literature indicates that, since the early 1970s in the UK, both academics and policy makers alike have started to pay attention to the role played by SMMEs in economic growth, employment, and technological change. Maasdorp (2007: 11) singled out that the importance of SMMEs is the continuing effort by government to raise the long-term growth capacity of the economy and reduce unemployment. Berry, Cassim, Kesper, Rajaratnam and Van Seventer (2002: 25) state that, although statistics about the weight of SMMEs in the economy are frequent and popular, giving reliable and precise estimations is difficult. The reason might be the lack of statistics about the informal sector which considerably affects the economy. Van Vuuren and Groenewald (2007: 274) indicate that SMMEs form 97.5 % of all business in South Africa. They generate 34.8 % of the gross domestics product (GDP), contribute to 42,7 % of the total value of salaries and wages paid in South Africa, and employ 54,5 % of all formal private sector employees.

Small, medium and micro enterprises (SMMEs) are a major feature of the economic landscape in all developing countries today. More specifically, rural SMME development objectives have been linked to efforts aimed at poverty alleviation, employment creation and increased non-farm incomes (Ndabeni, 2005; Holanda, 2008). Many government and aid agencies believe that small businesses can contribute to promoting more equitable development, as well as enhancing the competitiveness to local industries within a global economy. While small, medium and micro-sized enterprises (SMMEs) may have a role to play in creating jobs, and generating and redistributing wealth, they need to overcome many obstacles (Jeppesen, 2005: 463-474). The study stresses the importance of understanding the specific context, establishing priorities among competing policy goals, and potential roles of different kinds of enterprises (by sector, size and geographical location).

The economic contribution of the SMME sector is even more significant if its relative size in most economies in the world is considered. Although the economy of the USA is normally considered to consist of industrial giants and “big operators”, most American businesses are actually small, independently owned and operated undertakings. In 1975, for example, 89% of manufacturing firms had fewer than 100 employees and 64% had less than twenty employees. In non-manufacturing



industries, even more people were employed in small businesses and it was estimated that 98% of the total number of businesses of all kinds employed less than 50 people (Baumback, 1985: 3).

In Europe, SMMEs are the backbone of economic activity. By 1992, SMMEs formed 99, 9% of the 13.5 million businesses in the European Community (EC) (this figure excluded the 5 million farms, fisheries and other primary businesses). In 7.1 million of these SMMEs, the one or more owners of these businesses worked without any additional staff. Of the 6.4 million SMMEs that did employ staff, 1.2 million of them provided employment to between 10 and 499 workers, which represented 45% of total non-primary sector employment. In contrast, companies with more than 500 workers provided only 28 % of the employment in the non-primary sector. In manufacturing, 57% of the employment was provided by SMMEs, while 90% of employment in construction and 78% of employment in services were provided by SMMEs (Solomon, 2004).

In the European case, it would appear as if the size of a country's big business sector is no indication of its economic performance. While the United Kingdom (UK) had 201 of the 500 largest industrial companies in the EC, it had a lower GDP per head than France with only 111 of the 500 largest companies. While Germany had 81 and Italy only 25 of the 500 largest companies in the EC, their per capita GDP was higher than either that of the UK or France (Solomon, 2004)

## **2.9 SMME GROWTH IN THE RURAL AREAS**

The growth of rural firms is limited by a number of factors, including limited scope of local demand and poor access to extra-regional markets, low density and consequent lack of opportunity for networking, and inadequate accessing capital (Fuller-love, Midmore, Thomas and Henley, 2006: 191; Perren, 1999: 366). The key to future growth and expansion requires a basic change in attitude and thinking-veritable cultural shift—by owner/managers (Butler, 2001: 14). The owner/manager can make the necessary culture shift to improve the performance and focus on the direction in which the business is to go. Thornhill and Amit (1998) indicate that the high incidence of failure during the first three to five years of operation for a new business is concomitant with the fact that growth rates are highest during this same period. For instance, the evidence suggests that much of the growth experienced by Canadian business ventures occurs during their first five years of operation.

Literature indicates that the impact of marketing activities during the growth stage is not well understood. The growth appears to be an important element for the demonstration of the entrepreneurial orientation of small firms (Davidsson, 1989; Greene and Brown, 1997). Other studies have emphasized the role of alliances and network strategies for the market expansion of SMMEs (Beamish, 1999). International network represents another strategic option that small firms may pursue to overcome resource constraints (Lipparini and Lorenzoni, 2000). The use of alliances allows SMMEs to save on scarce resources such as capital, international information and managerial resources (Lazerson and Lorenzoni, 1999). Moreover, small firm networking challenges conventional concepts of the firm itself by weakening the firm's boundaries (Velo, 1997). The development of new methods of production such as flexible specialization has coincided with growth in the Small, Medium and Micro enterprise (SMMEs) sector in the 'mature' economies (Danson and Whittam, 1999: 1). This growth in importance of the SMME sector can be attributed to a number of factors such as a reaction to a downturn in the economy with people being made redundant turning to self-employment as a means of earning a living. Danson and Whittam (1999: 1) stress that the main reason for the growth of SMMEs in 'mature' economies is due to the changes in the organization of production.

It is hard to imagine a small firm taking advantage of opportunity and having a considerable impact in the market without growth. According to Garnsey, Stam, Heffernan and Hugo (2006: 1-20), the advantages of early growth are internal (learning effects) and as well as external (market position). In this sense, the growth seems to come out as an important demonstration of the business owner/manager of small firms (Greene and Brown, 1997: 161-173). A firm's growth has become a very important topic in the field of strategic research. These authors suggest that researchers in this field should see growth as a complement part of the small business process. Storey (2004: 112-130) concludes that the process of growth in a small firm results from a combination of three basic components which are:

- The characteristics of the entrepreneur;
- The characteristics of the small firm; and
- The development strategies of the firm.

These three components are not mutually exclusive and they influence the growth of small firms in a combined way. When studying the strategy of small firms, and particularly marketing strategy, which can influence the growth, it is very important to look at these dimensions.

## **2.10 FAILURE AND SUCCESS ISSUES OF SMMEs**

A significant number of small businesses fail. Some fail in infancy, others a few years later. Failure rate is probably due to under-preparedness and the lack of accurately estimating the cost of starting and running an enterprise (Ladzani and Van Vuuren, 2002: 155). The failure rate of SMMEs is very high compared to large-scale business. In the United States of America, approximately 2 400 small businesses start, while 2 100 shut down on a daily basis, and older firms tend to survive more than younger firms (Baumback, 1985:17-18). In South Africa, the failure rate of SMMEs is estimated to be between 70% and 80%, with a related cost to 117 246 SMME failures to be in excess of R68 million over a 4 year period (Van Eeden, Viviers and Venter, 2003: 13). Predictors of failure or success are historically based on financial ratios. Financial models identify symptoms of poor performance, rather than solutions to problems. Factors other than financial factors such as the industry sector, entrepreneurial background and the firm's age are ignored. The models used are invariably derived from large enterprises and not from small enterprises (Storey, 2004: 112).

Significant contribution factors to the success of a small firm are the ability to grow shortly after start-up; a wider product range; level of external debt; and size of a customer base (Storey, 1994: 10). Small firms in Africa, that increase their number of employees marginally, increase their return per hour of labour significantly and, hence, become more efficient, thereby improving their income per capita (Haan, 2001: 33). More than 50% of African informal firms close within three years and the majority close within one year (Haan, 2001: 34). Most firms, that fail, close within the first few years (Ladzani, 2002: 155) due to the fact that SMMEs are vulnerable during their initial years, when the entrepreneurs are still learning how to operate their businesses. According to Haan (2001: 35), informal SMMEs, in the African context, that are best able to survive have the following characteristics:

- Have grown their employees' base;
- Started with less employees compared with those that started with more employees;
- Are in specific industries e.g. real-estate, wood processing, wholesale traders and non-metallic manufacturing are least likely to close whereas retail faces the highest closure risk; and
- Urban located enterprises have a 25% greater chance of survival.

## **2.11 CONSTRAINTS OF SMME GROWTH**

The major challenges and constraints facing the SMME economy of South Africa are the same in all the provinces (Rogerson, 2007: 62; Ndabeni, 2006). According to Kroon (1998; Badi and Badi, 2006: 65; Egan, 2009), because of SMMEs' size, they are hamstrung by many problems, external and internal. Some of these problems are the economic environment, deregulation and the political environment, demographic changes, buildings and physical facilities, incompetence of management, continuous shortage of capital, marketing and personnel problems. Interest rate, access to finance, funding agencies, marketing, management skills, financial control, cash flow (working capital), costing and trade skills are critical issues for the success of South African SMMEs (DTI, 1998; Khumalo, 1994). Driver, Wood, Segal and Herrington (2001) elucidate the issues further when these authors mention that education, cultural and social norms, financial support and government policy are critical for entrepreneurial success. KwaZulu-Natal Review (2007/8: 79) highlights that the Rural Financial Services Organisation provides a range of services, including support of co-operatives. The report does not indicate how much money has been allocated to help rural SMMEs' owners/managers in the region. Similarly, Beaver (2001) mentions that many small firms fail within the first year, due to the above factors. Entrepreneurs usually finance their businesses through their own savings, that of family and relatives, neighbours and friends, work colleagues, employer, bank or other financial institutions and government programmes (Driver *et al.*, 2001). The success of smaller firms tends to be limited by factors such as inadequate management, shortages of capital, government regulation and paperwork, and a lack of proper recordkeeping (Megginson, Byrd and Megginson, 2006: 24). Poorly planned growth appears to be a built-in obstacle facing many small businesses. If owners are incapable, inefficient, or lacking in initiative, their businesses may

flounder and eventually fail. This study intends to find out if the same situation exists in SMMEs in rural KwaZulu-Natal areas.

Ruzzier, Hisrich and Antoncic (2006: 476-497) stress that, given the nature of today's marketplace, SMMEs are increasingly facing similar international problems as those of larger firms. For many SMMEs, especially those operating in high-technology and manufacturing sectors, it is no longer possible to act in the marketplace without taking into account the risks and opportunities presented by foreign and /or global competition.

## **2.12 AWARENESS, USE AND PERCEPTIONS OF GOVERNMENT SUPPORT FOR SMMEs**

Ahmed and Chowdhury (2009: 130b) state that problems of SMMEs is access to market and lack of awareness regarding the importance of marketing tools. Issaacs (2007: 31) articulates that due to the lack of education among the SMMEs owners/managers most of them are not even aware of the existence of support organizations because, in many instances, the organizations do not market their services properly due to limited funds. This statement is supported by Amathole SMME Survey (2007: 16-17) that SMMEs' owners/managers are not aware of business registration processes, tax implications once the business has been registered and lack of affiliation to business organization such as financial and non-financial institutions. Owners/managers often perceive barriers to growth as being external in origin. These barriers include government controls and lack of skilled labour (Jones and Tilley, 2003: 4). Mambula (2002: 59) stresses that some entrepreneurs indicated that government policies and attitudes of public officials adversely affect their businesses, especially the harsh economic policy of the structural adjustment programme. According to Ordford, Herrington and Wood (2004: 46), it is clear that efforts to promote small enterprises are not well regarded by the SMMEs' owners/managers. The research indicates that one reason for this might simply be that SMMEs are unaware of government initiatives to support them or even if they are aware of them, they have not used them. This could be due to the lack of marketing or clear government policy with regard to promoting SMMEs.

Bloch and Kesper, in Berry, Von Blottnitz, Cassim, Kesper, Rajaratnam and Ernst van Seventer (2002), report that 57% of emerging and established small enterprises in Johannesburg and 70% in the Western Cape were unaware of any government support institutions (Berry *et al.*, 2002). This report revealed that rural SMMEs are likely to decrease the rate of use and awareness of marketing. In Taiwan, a study conducted by Siu, Fang and Lin (2004: 161-178) indicates that the higher performing Taiwanese SMMEs have more strategic planning tools, but they make less use of them. The research concludes that both Chinese cultural value orientations and mediating environmental factors play significant roles in shaping the attitudes and behaviour of Taiwanese owners/managers and, in turn, the marketing practices of Taiwanese SMMEs. In the South African context, these situations are still not clear, more especially in the rural areas. The SMMEs must be aware of what is happening in both its external and internal business and operating environments (Wagner, 2008). This means that it is important for SMMEs to take cognizance of changes in the political and legislative environments, as well as changes in customer expectations and competitors' behaviour. Hornsby, Kuratko, Shepherd and Bott (2009: 236-247) and McGee and Sawyerr (2003: 385) stress that owners/managers rely more heavily on internal and impersonal information sources to address environmental uncertainty.

### **2.13 SUPPORT OF SMMEs**

South Africa's SMMEs are acknowledged as having a significant role to play regarding the achievement of social (poverty alleviation), economic (employment creation, increased incomes, and economic growth), and political (black economic empowerment) objectives (Rogerson, 1999, 2006; South Africa, 1998; Philip, 2001). The viewpoint is that, in both developed and developing countries, many new ventures fail and only few survive and grow. "Supporting the development of small and medium-size enterprises does more than stimulate and diffuse economic growth. It creates a middle class" (UNDP/USAID, 2006). However, according to UNIDO (2007), the challenge is to transform the traditional ways of supporting small enterprises. Such a transformation is not clear for the South African rural SMMEs, particularly those in KwaZulu- Natal.

Manuel gave a clear indication of government's commitment to supporting entrepreneurs, developing small business and boosting jobs. This is obvious from the R1.7bn allocation to the

Department of Trade and Industry to be used to promote industrial development, Black Economic Empowerment and small business (Manuel, 2007: 11). Buthelezi (2005: 74) states that as SMMEs start to grow, spending on marketing and advertising begins to be a challenge as they try to ensure a good return on their spend. Inevitably, as SMMEs start to grow, they are often confronted with having to spend more and more on marketing and advertising. However, Rogerson (2006: 1-2; Berry, 2008: 2) indicates that one of the issues that has been raised in the analysis of small enterprises (SMMEs) is support programmes.

In South Africa, support initiatives have often been in the form of generic packages that overlook the specificities of particular sectors. The SMME economy in South Africa is extraordinarily diverse and composed of different groups of enterprises which require different kinds of support intervention. However, currently, there exists only limited research on the specific support needs and on the constraints that challenge SMME development in any particular sector of the economy. Lindile (2002: 2) highlights that the rural SMME sector is very diverse. The heterogeneity of the sector makes it almost impossible to design, in detail, policies that are appropriate to all the different undertakings within the rural SMME sector. Moolman (in Kroon, 2006: 40) argues that urbanisation is taking place at an unprecedented rate and the rural areas are being depopulated. At the same time, changes are taking place in the composition of rural populations. While the number of farmers is decreasing, more and more young people are seeking a livelihood in the cities, and professional practices and service enterprises are moving into the larger centres. Stagnating and shrinking towns in remote areas create problems for SMMEs that provide necessary goods and services.

### **2.13.1 Institutional constraints**

Institutional constraints may arise directly or indirectly from a perceived lack of either government or private sector support for SMMEs (Darroch and Clover, 2005). International experience shows that an appropriate regulatory and institutional environment is the single most important element in an economic growth strategy (SME alert, 2002). This means that interventions to improve the national regulatory and institutional environment within which business operates offer prospects for far more rapid impact than inherently long-term education and skills strategies. Hallaberg (2003)

mention that SMMEs in developing countries reported significantly more problems than did large firms in almost all dimensions of the institutional framework such as access to information about policy changes, the predictability of judiciary, discretionary bureaucracies, and corruption. SMMEs in developing countries also report that they had to bribe more often than large firms. Lynch, Baty, Abdullah and Seaman (2005: 641-652) believe that owners/managers have sophisticated product requirements to be satisfied which would necessitate significant changes in high education course provision and processes.

### **2.13.2 Lack of government support for SMMEs**

“Entrepreneurs may interpret the administrative and financial burdens placed on their enterprise by having to comply with a range of government legislated procedures and laws as a lack of government support for the agribusiness SMME sector. Lack of investment, or start-up capital and difficulty in accessing investment capital has been identified by SMME owners in South Africa as a major constraint to their business survival and growth” (Darroch and Clover, 2005). According to Jesselyn (2004), there is enough evidence indicating that institutional environments have a direct effect on the performance of small enterprises. This means that perceptions of how the institutional environment will hinder or foster their respective firms shape the actions that entrepreneurs take in their daily business activities.

### **2.14 PERSONAL DIFFICULTIES OF SMMES**

Ryan, Ray and Hiduke (1999: 12) maintain that lack of sound psychological or emotional strength at the head of a company leads to failure in 50% of the cases. If a company founder cannot cope with the many challenges that he/she must confront and if he has private problems as well, the collapse is predetermined. Reid (1981, in Hutchinson, Quinn and Alexander (2006: 513), articulates that for SMMEs, decision-making power is generally concentrated in the hands of one or very few persons. Small companies can experience various personnel problems. They might find it difficult to attract quality staff with the necessary qualifications. Obtaining suitable staff at the managerial and supervisory levels can be a particularly serious problem because small businesses do not always



have the necessary knowledge and experience with regard to the recruitment and selection of staff (Liebenberg, 1998: 29).

## **2.15 CONCLUSION**

The focus of this chapter was on the overview of the SMME sector in South Africa, definition of SMMEs, categories of SMMEs, international characteristics of SMMEs, importance of the SMME sector, SMME's contribution to the economy, SMME growth in the rural areas, failure and success issues of SMMEs and constraints of SMME growth. This chapter concludes that there is a need for this study as the literature review has indicated that most SMMES have constraints to grow and unique characteristics that may lead to their failure and also limit their marketing usage abilities. The following chapter will discuss marketing activities and how SMMEs develop their marketing campaigns.

## **CHAPTER 3**

### **MARKETING AND NETWORKING OF SMMEs**

#### **3.1 INTRODUCTION**

The literature review in this chapter will cover marketing of small, medium and micro enterprises in general and more especially SMMEs rural sector in KwaZulu natal rural areas. Other aspects of SMMEs sector which will be examined include marketing knowledge of SMMEs, understanding of marketing by SMMEs, marketing management practice in the context of SMMEs, organization of marketing activity for SMMEs, the attitudes of SMMEs' owners/ managers towards marketing, marketing as a strategy, market targeting, product, price, place, promotion, marketing as the interface between a small firm and the external environment, corporate entrepreneurship, the individual enterprises, networks, types of network utilized by entrepreneurs and personal networking amongst SMMEs.

#### **3.2 MARKETING OF SMALL, MEDIUM AND MICRO ENTERPRISES**

Marketing in small, medium and micro enterprises (SMMEs) seems to be a contentious issue among both academics and practitioners (Simpson and Padmore, 2005: 1). However, Levitt, in Doyle and Stern (2006: 63), describes marketing as a distinct set of activities and tasks that constitute marketing, planning and decision making. Marketing is important in the early, vulnerable years of the life of a business because it provides a vital interface between the organisation and its external environment (Leigh, 1992, in Stokes, 2000: 44; Kara., Spillan and DeShields Jr, 2005: 105). Bellamy (2009: 534) states that marketing managers need to plan properly as SMMEs normally operate in a turbulent environment. Mason (2004) maintains that companies have to understand the extreme environment in which they are doing business. When choosing target markets and developing the four Ps (product, price, promotion and place), managers must work with many variables in the broader marketing environment. The understanding of these environments is important in the overall appreciation of how marketing operates within the contemporary and often dynamic world (Groucutt, 2005: 19). Fernie, Fernie and Moore (2004: 106-

107) point out that organizations exist within a changing environment and successful companies know the vital importance of constantly watching and adapting to the changing external pressures (Saffu, Walker and Hinson, 2008: 395-404). These external marketing environmental influences include:

- Political and legal influences;
- Socio-demographics;
- Economics;
- Technology;
- Competitive environment; and
- Natural environment (Brooks and Weatherston, 2000: 6).

Groucutt (2005: 19) points out that a critical issue to bear in mind is that these environments are not static; they are in a constant state of fluidity. This fluidity is an issue that is often overlooked. Baron (2006: 2) indicates that the environment should include, among other things, good marketing. However, most entrepreneurs have skills in the technical field but lack marketing skills. Marketing is often neglected by SMMEs because they are involved in everyday problem situations (Kroon, 1998). Not enough funds are set aside for advertising, promotions and modern marketing techniques. Marketing strategies used by SMMEs, especially black entrepreneurs, are very few. A business's success depends on the knowledge, skills, creativity and motivation of its labour force (Yasamis *et al.*, 2002). Therefore, it is important that the business makes provision for trade and quality-related training for its employees. According to Kroon (1998), for any business to be successful, expert, trained and productive labour is essential. But SMMEs in remote areas find it extremely difficult to engage skilled workers because they are not able to offer the workers the same benefits as their bigger counterparts in urban areas.

At the same time, Gilmore, Carson and Grant (2001: 6-11) acknowledge that SMMEs cannot do conventional marketing because of their limited resources. This limitation is inherent all SMMEs. In addition, SMME owners/managers behave and think differently to conventional marketing decision-makers in large companies. Davis and Lessen (1991, in Siu and Kirby, 1998: 40-60), highlight that insufficient knowledge about marketing in small business remains a problem. On the

other hand, Hills (1987), Hisrich (1989) and Wortman (1987, in Siu and Kirby, 1998: 40-60) stress that an appropriate small business marketing theory, specifically related to the understanding and knowledge of strategic marketing, is absent. Feinstein (2003: 18-19) adds that a key problem in small and medium enterprises is the inability to identify and market quality goods. He continues that SMMEs often have difficulty in competing effectively when it comes to tenders and procurement. However, Chaston (1999: 43) points out that during the 1980s in Denmark, the government working with the Technological Institute sought to encourage growth in the small, medium and micro enterprise (SMME) through the creation of business networks. In those industrial sectors or geographic regions, where there are no large firms to fulfill the role of hub facilitator, there was a need for independent network brokers to manage the processes of identifying potential network members from within the local business community and act as mentors/facilitators in the creation of new, commercially viable, trading entities. Studies of economic development initiatives, which utilize business networks to stimulate SMME sector growth, have revealed that sharing of resources to achieve a greater scale in the execution of marketing processes is one of the commonest reasons for smaller firms to enter into a partnership with other organizations (Chaston, 1999: 43).

### **3.2.1 Marketing knowledge of SMMEs**

Baker (2003: 761) argues that SMMEs will perform marketing differently according to their stage of life. SMMEs tend to concentrate their efforts on those aspects of the marketing mix that are associated with short-term or operational benefits. In these circumstances, SMMEs have little or no knowledge of who their customers are or where they come from. Any knowledge that such enterprises have is usually patchy and fragmented. Similarly, any marketing activity in which they indulge is fragmented, haphazard and disjointed. Marketing is carried out without any clear purpose in mind (Baker, 2003: 761). Marketing, as a culture, relates to a basic set of values and beliefs about the central importance of the customer that guides the organization. According to Webster (1992: 11), marketing as a culture relates to the ability of an organization to assess market attractiveness (by analyzing customer needs and competitive offerings in the marketplace) and potential competitive effectiveness. Further, it involves promoting customer orientation by identifying

customer viewpoints and, finally, by developing the firm's overall value proposition which reflects customer needs and wants that will be supported by the organization in the marketplace.

The South African SMME sector is not homogeneous and requires a fine-tuned set of interventions rather than the generic assistance currently provided (Kesper, 2000). Moreover, Liedholm, McPherson and Chuta (in Singh, Fegegne, Corner, Ekanen, Muhammed and Sutanto, 2001: 174-182) stress the potential contribution of SMMEs to generating employment and income in densely populated rural areas of Asia. On the other hand, Humphrey and Schmitz, (in Singh *et al.*, 2001: 174-182) believe that SMME development is seen as a way of providing aid to the poor and creating job opportunities for the under-employed. Therefore, marketers need to promote and encourage SMMEs' owners/managers to focus and use marketing more effectively in rural and under-developed areas. Furthermore, Lewis (2001) maintains that the challenge of development in rural areas remains a high priority for South Africa in terms of SMMEs. Small firms tend to suffer from a limited customer base and smaller market share, which could mean a much lower profit margin than their larger competitors. The smaller share is inevitable, the lower profit is not. However, because the small firm will have a far smaller output than its larger counterpart, it will be particularly vulnerable to the decline or loss of an important customer. A further difficulty faced by the smaller firm is the limited availability of financial resources as compared to its larger competitors (Clow and Baack, 2004: 474).

According to Carter and Jones-Evans (2000: 296), small businesses engage in little marketing. Most small businesses have few resources to devote to marketing and many owners/managers have no experience of marketing and prefer to devote their time to activities that they are more familiar with. However, Carson, Cromie, McGowan and Hill (1995: 82) consider a few of the mainstream strategic aspects of marketing management such as market positioning, where a company positions itself in its market by taking account of a range of factors, primarily in relation to the competition and market share.

Czinkota (2001: 11) concludes that small firms are just as susceptible to marketing solutions as are large ones. The difference is that they usually do not have the resources or expertise to exploit marketing in its most sophisticated forms and are unlikely to make much of an impact on their

environment. Some claim that small firms have a distinctive marketing style. For example, there is generally little or no adherence to formal structures and frameworks. The marketing style relies heavily on intuitive ideals and decisions and on common sense. Solomon (2004) indicates that planning is a problem for small firm management that tends to be reactive in style. Since small firms lack the expertise and specialists available in larger enterprises, the manager of a small business needs to be a generalist. Control is tightly exercised through informal practices and management shuns procedures and structures that it fears might limit freedom of action and independence. The management style in small firms often means there is little or no marketing planning and many small business failures result from deficiencies in marketing (Solomon, 2004). According to Carter and Jones-Evans (2000: 298), in many cases, small businesses operate in sectors that have a stable technological trajectory, allowing the small business to pursue a reactive strategy; that is, to respond to external changes as they happen. However, with technology developments, the technical demands on many small businesses have increased significantly and technological competence has become a prerequisite to survival in many sectors. Hough, Neuland and Bothman (2003: 167) add that advances in information technology and e-business, in particular, have undoubtedly facilitated SMME activity as they benefit from global electronic procurement systems, and are able to market and sell their products and services on the Internet.

### **3.2.2 Understanding of marketing by SMMEs**

Marketing is the process of creating and delivering desired goods and services to customers and involves all of the activities associated with winning and retaining loyal customers. Secret to successful marketing is to understand what one's target customers' needs, demands, and wants are before one's competitors can; offer them the products and services that will satisfy those needs, demands, and wants; and provide customer service, convenience, and value so that they will keep coming back. Unfortunately, there appears to be a sizeable gap between sound marketing principles and actual marketing practices among small businesses. One recent study of small company marketing practices by Dun and Bradstreet revealed many serious weaknesses. For instance, the study found that just one in five small business owners creates a strategic marketing plan and that the most common sales approach is to react to customer orders rather than to proactively seek them out. (Efforts are so passive that walk-in-traffic was cited as the most popular sales method). The

study also revealed that word-of-mouth promotion and referrals comprise the typical small company's marketing efforts (Hough, Neuland and Bothman, 2003: 167).

In a small business, the marketing function cuts across the entire company, affecting every aspect of its operation from finance and production to hiring and purchasing as well as the company's ultimate success. As the global business environment becomes more turbulent and competition becomes more intense, small business owners must understand the importance of developing creative marketing strategies; their success and survival depend on it. A marketing plan is not just for megacorporations competing in international markets. Although they may be small in size and cannot match their larger rivals' marketing budgets, entrepreneurial companies are not powerless when it comes to developing effective marketing strategies (Zimmerer and Scarborough, 2002: 180).

According to Stoke (2000: 355), it is not surprising that research has identified marketing management as a key internal function, which influences survival. The judgment of individual investors in small business, or so-called 'business angels' is interesting in that indicates what they have been discovered to be critical factors, which make a venture more likely to succeed or fail. Harris (1993, in Stokes, 2000: 356) believes that the principal reasons given by business angels for not investing are:

- Lack of relevant experience of entrepreneur and any associates;
- Deficiencies in marketing; and
- Flawed, incomplete or unrealistic financial projections.

Previous research conducted by Cromie (1990, in Stokes, 2000: 356) interviewed 35 manufacturing and 33 service firms which had been trading for four to five years, asking each of them open-ended questions on the major problems they had encountered and the mistakes they had made. His overall conclusion was that 'small, young organizations experience problems particularly in the areas of accounting and finance, marketing and the management of people' (Cromie, 1990: 58-9, in Stoke, 2000: 356). There is some consensus on why firms close, which indicates the centrality of what has been referred to as the 'three M's of marketing, money and management of people' (Stoke, 2000:

356). Marketing represents a key management discipline, which differentiates between the survival and failure of small firms.

There has been a tendency amongst both marketing theorists and small business owners to associate marketing with large, rather than small organizations. Marketing theory was developed from studies of large corporations and most textbooks still reflect these origins in the concepts and case studies which they present. Even owners/managers, as small firms, seem to give marketing a low priority compared to the other functions of their business, often regarding marketing as “something that larger firms do” (Stokes, in Sara and Jones-Evans, 2000: 354).

Sara and Jones-Evans (2000: 354) articulate that marketing is crucial to the survival and development of small firms. They support that marketing is particularly important of smaller organizations because it facilitates:

- A vital interface between a small firm and an uncertain, fast-changing external environment; and
- A key internal management skill which differentiates between surviving and failing.

### **3.3 MARKETING MANAGEMENT PRACTICE IN THE CONTEXT OF SMMEs**

Van Zyl (2007) identifies the relationships between entrepreneurial leadership, market orientation, and relationship marketing orientation as the main contributors to SMMEs' performance. Gelinas and Bigras (2004: 263) highlight that growing numbers of SMMEs are under pressure from large manufacturing enterprises (LMEs) to change their traditional management styles, both operationally and organizationally, replacing them with integrated systems that help increase the speed and fluidity of physical and information flows, help synchronize demand with supply, and help manage transactions more accurately. Hill (2001) stipulates that SMMEs have strong sales orientation rather than marketing orientation. He maintains that SMMEs' personal contact networks and formal marketing planning are practised even though there are some big challenges with regard to how they do their day-to-day marketing activities. Baker (2003: 761) believes that the basic principles and concepts of marketing are as relevant to SMMEs as to any other domain. However, some theories,



tools and techniques of marketing are not as relevant or useful to SMMEs. The nature of SMMEs' marketing is that of a concept which is dominated by the inherent characteristics of the entrepreneur/owner/manager and the SMME itself. Thus, the inherent limitations of SMMEs and the resultant characteristics that they create, coupled with the way entrepreneurs/owners/managers take decisions will determine the nature of SMME marketing. Hill (2001) stipulates that SMMEs have strong sales orientation rather than marketing orientation. However, Cannon (2006) suggests that issues of implementation and marketing management are raised in the SMMEs sector as a big challenge. Such difficulties are rooted in two key dimensions:

- The behaviour of the SMME entrepreneur or owner or manager must be considered in respect of the demands of marketing management. Such entrepreneurs are usually generalists with no specialist expertise in any one area.
- Marketing management demands something different although it is essentially about marketing decision-making. In particular, the conventional approach is concerned with analyzing opportunities, planning, implementation and evaluation and control of marketing activities in SMME sector.

### **3.4 ORGANIZATION OF MARKETING ACTIVITY FOR SMMEs**

Simpson, Padmore, Talyor and Frecknall-Hughes (2006: 361) highlight that marketing activities of SMMEs are influenced by their financial status. SMMEs will perform marketing differently according to their stage of life (Baker, 2003: 761). As start-up, SMME's marketing will likely be characterized, indeed dominated, by reactive marketing practices, in terms of reacting to customer enquiries and market changes. Marketers should understand that, as the business develops, much of the marketing will be characterized by experimenting or tinkering with a variety of marketing techniques. Baker (2003: 761) states that as the enterprise becomes established over a number of years it will have developed its own marketing style and practice which it has learned and shaped along the way. The enterprise will know what works for it and what does not. It is unlikely to accommodate wider or new marketing perspectives until it encounters a significant change of some kind, for example, a new market venture. In moving through the various life cycle phases, an SMME will progress from what is sometimes an uncontrollable marketing circumstance to one in

which it feels that every aspect of marketing it performs is controlled. Again, because of the inherent characteristics, this 'controlled' marketing is likely to be quite conservative and refined over the years. Thus, whilst marketing activity is established, comfortable, affordable and apparently working, it is also potentially inefficient. However, it feels safe, after the trauma experienced at various times in the tinkering period, when nothing too radical or different is tried and caution and conformity prevail.

SMMEs tend to concentrate their efforts on those aspects of the marketing mix that are associated with short-term or operational benefits. The question then is: how does this manifested itself in marketing activity? The one relative constant is the product. An entrepreneur will only change the product as a last resort. It may be refined or adapted from time to time but is generally viewed as the bedrock of the enterprise. In relation to other marketing variables such as pricing decision, promotional activity, distribution, and delivery, there is unlikely to be any clear and coordinated strategy. The level of marketing activity may be influenced by the age of the firm, the nature of the market in which it operates and the marketing resources and abilities it possesses. It is possible to categorize the level of marketing activity in three broad ways: where a firm does little or no marketing implicit or simple marketing; or explicit and sophisticated marketing.

Baker (2003) stresses that the most common characteristics of SMMEs' marketing are composed of the following:

- Little or no marketing. This occurs when SMMEs do just this. It is usually manifest when firms are largely reactive to customer enquiry. In these circumstances, SMMEs have little or no knowledge of who their customers are or where they come from. Any knowledge that such enterprises possess is usually patchy and fragmented. Similarly, any marketing activity in which they indulge is fragmented, haphazard and disjointed. Indeed, it could be contended that such marketing is carried out without any clear purpose in mind.
- Implicit and simple marketing. This type of marketing is prevalent in many SMMEs, usually occurring as an instinctive activity. These firms engage in marketing as a natural part of business activity but their marketing remains fragmented, owing to a lack of resources, lack

of knowledge of marketing activities in general and of the necessity for this type of knowledge.

- Explicit and sophisticated marketing. This occurs in those SMMEs that do any marketing activity as part of a co-ordinated and integrated programme with clear objectives and purpose. Quite often, this not be explicitly stated, but will reveal itself and often be obvious from the way a firm analyzes a particular marketing situation and in the breadth of marketing activities utilized.

Having described how marketing occurs in SMMEs and the degrees to which SMMEs actually engage in marketing, it is appropriate to consider the question of whether SMMEs actually organize for marketing activities. Traditionally, it has been argued that organizing for marketing is imperative if companies are to display a commitment to and belief in marketing to happen. Consequently, companies need to remove some of the most blatant organizational barriers to serving customers that seem to exist everywhere (Baker, 2003).

Small enterprises lack structure, systems and formal organization. These shortcomings relate to the total organization and all its functional areas, but experience indicates that, in practice, it seems that such enterprises are particularly weak when it comes to implementing marketing. Most SMMEs do not organize for marketing. When the overall nature of management in SMMEs is considered, it is clear that it is not a straightforward exercise to set up an organization system for marketing. In addition, there is the implicit assumption that organizations are very able entities. There is also the underlying assumption that structure follows strategy. In practice, this is not the case, as most small firms are operationally focused and, consequently, marketing activity is usually an unstructured stringing together of marketing tactics. If systems in this context were to be actually developed around the stringing together of marketing tactics instead of a coherent strategy as suggested, then surely a haphazard system would result. This would merely serve to accentuate the difficulties that SMMEs experience as they attempt to organize for marketing (Baker, 2003).

In small to medium-sized firms, the form that marketing activity will take depends largely on the stage of the development of the individual firms. One might expect that the more developed the firm, the more likely it is to organize marketing along traditional, formal lines. The reality is that the state of marketing in the SMME will depend on the background of the owner or manager. An entrepreneur with a background in sales and marketing is more likely to be customer and market-driven than, say, someone from a background in production. In addition, the predominance of the culture of the owner or manager throughout all areas of most SMMEs means that marketing decisions usually remain within their domain rather than being assigned to someone performing a different role.

Carter and Jones-Evans (2000: 296) state that small businesses engage in little marketing activity. Most small businesses have few resources to devote to marketing and many owners/managers, who have no experience of marketing, prefer to devote their time to activities that are more familiar, for example, production, with the result that little time is spent on either marketing or selling activities. Some of the marketing problems of small businesses relate to their lack of production. This makes it difficult for the owners/managers to position the product or service as a distinctive offering. A distinguishing characteristic of small businesses is their high dependency on a small number of customers. Research evidence suggests that as many as one-third of all small businesses are dependent on one customer for 25 or greater of their sales (Cambridge Small Business Research Centre, 1992). This is a high- risk strategy for the small business as the loss of one customer may result in business failure. Finally, owners/managers tend to have very little knowledge of export markets.

### **3.5 THE ATTITUDES OF SMMEs' OWNERS/MANAGERS TOWARDS MARKETING**

In Wales, the research conducted by Murdon, Blackey and Blythe (2001: 143) indicates that SMMEs show good customer orientation, but patchy understanding of competitive positioning and virtually no knowledge of strategic marketing thinking. They maintain that marketing is normally seen as a functional activity, often carried out by junior staff. The owners/managers of

small, medium and micro enterprises in Western Europe have been examined as to how they think their benefits and how these thought processes might influence their attitudes and behaviour (Shawn and Ronald, 2005). However, this is not the case in South Africa, particularly in rural areas of KwaZulu-Natal. Furthermore, Temtime, Chinyoka and Shunda (2003) point out that SMMEs perceive that strategic planning is costly and time-consuming, and, hence, appropriate only for large firms.

Underhill (nd) echoes that coping with the hurdles facing SMMEs are manageable and controllable with the appropriate tools and the right attitudes. However, in India, a study conducted by Sherief (2005) highlights that rural entrepreneurs believe that the environment in the rural areas should be understood by policy makers. The rural entrepreneurship development policy should include sound national economic policy with respect to agriculture, including:

- Recognition of the vital contribution of entrepreneurship to rural economic development;
- Policies and special programmes for the development and channelling of entrepreneurial talent;
- Entrepreneurial thinking about rural development, not only farmers but also by everyone and every rural development organization ; and
- Institutions supporting the development of rural entrepreneurship as well as strategic development alliances.

However, the study further indicates that, despite phenomenal growth, rural enterprises have common systemic constraints to their development. Governments and donors can help to address these constraints by facilitating efficient and unbiased financial markets; a suitable business environment; education, training and competitive capacity; and access to information, networks and the global market place.

Chatman, Altman and Johnson (2008) indicate that small business owners' perception of fair treatment within their community, the level of local patronage, and the availability of business networks and high-speed internet have significant positive effects on the perceptions of community entrepreneurial climate. However, Deller, Marcouiller and English (2001) point out

that the quality of life in non-metropolitan economic development plays a major role in terms of business creation where several factors such as local government support for small businesses, attitudes toward entrepreneurs, community population density, proximity to metropolitan areas, quality of physical infrastructure, quality of life, business networks, business services, small business training, and financial resources need to be considered as a part of rural vitality. Johnson and Rasker (1995) add that values that reflect the quality of the living environment are important to the business location decision by rural business owners.

### **3.6 MARKETING AS A STRATEGY**

Keh, Nguyen and Ping (2007: 592-611) maintain that the utilization of information regarding marketing mix decisions, specifically the promotion and place elements, positively affect small, medium and micro enterprises and partially mediate the relationship between entrepreneurial orientation and firm performance. However, according to Pelbam (2000), personal values of owners/managers influence the marketing strategies they adopt, and, ultimately, the performance of their businesses. “Being small doesn’t mean you can’t dream big” (Smith, 2008: 16). The emphasis is that small businesses need to be willing to grow; however, in order to grow, they need to have good marketing strategies (Woldelul, 2004). Harvard Business Review on Entrepreneurship (1999: 137) highlights that strategy is easy, but tactics required to manage the day-to-day and month-to-month decisions of the business are difficult. That’s why it is better to prepare a good business plan rather than the proposal itself. A marketing strategy is the means by which an organization sets out to achieve its marketing objectives (Brassington and Pettitt, 2007: 438; Baker, 2000: 161). On the other hand, Robert (2007) argues that combination strategies and tactics contributed to the competitive positioning sought by the organizations involved, including SMMEs. In reality, an organization will be presented with a range of strategic options, relating to its defined objectives. Some will be related to increasing volume, while others relate to improving profitability and holding on to what the organization already has (reducing costs, increasing prices, changing the product mix, and streamlining operations).

The strategic goal of marketing is to bring the right product to the right place at the right price with the right promotion (Mariotti, 2007: 87). Romano and Ratnatunga (1995: 12) mention that

marketing focuses on marketing tactics, including the 4Ps of product, price, promotion and place distribution, and the elements of the marketing mix. Tactical marketing is where the tools of management science and the optimization paradigm apply, as the businesses attempt to allocate their financial, human and productive resources to markets, customers and products in the most productive fashion. According to Hills and LaForge (1992, in Romano and Ratnatunga, 1995: 12), marketers have typically focused on the individual elements of the marketing mix. It is essential, in the context of a small, medium and micro enterprise that decisions associated with product, price, distribution and promotion are completely blended in all decisions to maximize resource use.

Running a small business, is first and foremost, about obtaining and keeping loyal customers at a profit (Cannon, 2006: 1). This means that a deep understanding of today's individual end users, business-to-business customers, and competitors continues to be the dominant strategic foundation for the small enterprise's pursuit of profit. Ranchhod (2004: 1) states that strategy in marketing involves harnessing an organisation's resources to meet customers' needs through market analysis, an understanding of competitor actions, government actions and globalization together with consideration of technological and other environmental changes. The management of these complex interrelationships needs a more lateral approach rather than the linear approach that is often applied in conventional strategic marketing thinking.

Marketing, as a strategy, focuses on market segmentation, targeting and positioning, and on defining how the firms are to compete in its chosen businesses. Stokes and Chen (2009: 273-288) identified market segmentation as the process of dividing the total market for a product or service into groups with similar needs that respond to a specific market strategy. According to Kroon (1998), marketing is an integral part of any business. Most entrepreneurs have skills in the technical field but lack marketing skills. He continues that marketing is neglected by SMMEs because they are involved in everyday problem situations. Not enough funds are set aside for advertising, promotions and modern marketing techniques. Marketing strategies used by SMMEs, especially black entrepreneurs, are very few. When SMMEs do marketing, they use very ineffective marketing strategies. However, SMMEs seem to be doing little active planning to obtain work. They do not advertise their services. They need to advertise to obtain work and attain self-sustaining growth.

### **3.6.1 Market targeting**

Market targeting is the process of selecting one or more market segments to serve a specific market; and positioning is the process of determining how a firm wants to be perceived by target segments and relative competitors. Marketing, as a strategy, is based on a careful analysis of customers and competitors, and of the firm's resources and skills for competing in a specific market (Stokes and Chen, 2009: 273-288). SMMEs often operate in medium to high-technology manufacturing and services, produce specialised capital and consumer goods servicing specific market niches (Racic, Aralica, and Redzepagic, 2008; Machado and Cassim, 2005).

### **3.6.2 Product**

According to Bala (2009), overseas transfer of basic technologies is made possible by digitalization, which reduced the dependence of precision manufacturing on skilled workers. This has made it difficult for the SMMEs to specialize in developing new products and new technologies; implement process innovation that incorporates inventions and intellectual know-how, which SMMEs of the other countries cannot provide and manufacture high-value products as well as develop new products, as demanded by the customers. There might be a similar situation in the rural and under-developed areas of KwaZulu-Natal. A study conducted in Australia by Huang, Soutar and Brown (2002: 27) suggest that marketing-related activities were undertaken less frequently and were less well executed than technical activities in developing new products in the SMME sector. However, these authors indicate that marketing-related activities are important in distinguishing between successful and unsuccessful new products. The Durban Chamber of Commerce- SMME Desk (2009) reports that 90% of businesses do not survive beyond the first five years, not due to the product being inferior, but because they fail to make it in the marketplace. Even although it is generally accepted that growth within South Africa will be driven by the growth of SMMEs, that growth will depend largely on the support and assistance given by both the public and private sectors. However, the report does not refer to any thing about marketing strategies of SMMEs, particularly those in rural KwaZulu-Natal. The reality is that this problem might exist because of a lack of marketing support.



Brassington and Pettitt (2007: 191) indicate that whether a product is a totally new innovation, an update of a familiar product or an imitation of a competitor's product, it needs careful planning and development to ensure that it meets customers' needs and wants, that it has a significant competitive advantage and that it is accepted within the marketplace. Van Auken, Madrid-Guijarro, Garcia-Perez-de-Lema (2008) believe that innovation facilitates how SMMEs respond to market changes and maintain their competitive advantage. Barrow (2004: 1) states that products and services of small business are often of poor quality. He continues that consumers often were cheated and defrauded. The result was that small businesses became objects of contempt.

### **3.6.3 Price**

Makgoe (2008: 7) highlights that the location of the small, medium and micro enterprises can have an impact on costs. This means that the quality of the local transportation system is vital, as the SMME must be able to deliver the product or services as required by the contract or agreement. The implications of transport costs would, therefore, increase the suppliers' final price which makes it extremely difficult for SMMEs' to get business deals or contracts, more especially in rural areas where roads are in a poor condition. However, Kadwa (2004: 40, in Laljit, 2006: 22) indicates that price has become increasingly important as the basis for competition within South African SMMEs. This means that businesses use pricing as a strategy for local SMMEs. Therefore, this might have a negative impact or take SMMEs out of business. Businesses that lack a market orientation are more likely to price their products by simply checking the competition or marking up their costs to achieve a desired profit margin (Best, 2000: 151). There are good odds that these businesses will hurt their customer value, market share and profit margins.

### **3.6.4 Place**

According to the South African Reserve Bank (2007, in Diale, 2008), South Africa's small enterprises operate in global, regional and local economic environments which may not always be supportive to their growth prospects. Diale (2008) continues that the historical past in South Africa made the situation worse, particularly on entrepreneurs in rural areas. Therefore, based on this information, this situation is likely to occur in rural SMMEs in KwaZulu-Natal. Rogerson (2008: 1-

19) stipulates that market access and potential competitiveness are key challenges facing South African small, medium and micro enterprises. Li and Qian (2003: 55-70) support the sentiment that small, medium and micro enterprises, interested in entering international markets, face a difficult decision with regard to the choice of governance modes. However, Dawson and Burt (in Findlay and Sparks, 2002: 117) argue that a major influence on the changing structure, performance and location of retailing is the operational environment in which retail firms must function. This environment encompasses social, economic, technological and political elements which generate a culture to which retailers respond with managerial decisions. However, in the South African context, this changing environment was not investigated to determine whether it has a major influence on the rural SMMEs, particularly in KwaZulu-Natal, which has the second largest concentration of rural communities in South Africa. Goldberg, Coben and Fiegenbaum (2003: 168) believe that the reputation of business building is very important. However, they indicate that despite its attractiveness, few small business follow a reputation-building strategy.

### **3.6.5 Promotion**

Van Scheers and Radipere (2008: 445-458) believe that advertising has been seen as a means to aid small, medium and micro enterprises (SMMEs) to differentiate them from the competition. The promotion of small, medium and micro enterprises (SMMEs) is a key of non-farm employment generation and provides a substantial share of new job creation in South Africa (Rogerson, 1999 and World Bank Task Team, 2000, in Darroh and Clover, 2005). Mahadea (2008: 3) indicates that the promotion of SMMEs is the focus of considerable policy interest in South Africa and many other countries. However, research conducted by Meyer-Stamer (2003: 9) indicates that South African rural areas seem to be full of problems and bottlenecks where any promotion approach must address several factors at the same time. Clow and Baack (2004: 474) highlight that most small businesses do not have the money to send a marketing message to millions of potential customers. Having developed a product, agreed on its price and selected the most appropriate distribution channel, an organization must promote it to potential buyers (O'Connor and Galvin, 1997: 209). It is usually necessary for the entrepreneur to inform potential consumers about the product's availability or to educate the consumer, using advertising media such as print, radio, or television (Hisrich and Peters, 1998: 275). The entrepreneur should carefully evaluate each alternative

medium, considering not just costs but the effectiveness of the medium in meeting the market objectives. According to Chaston (1999: 162), a common constraint facing many smaller firms is their inability to find promotional activity of a scale sufficient to achieve parity with other, often larger, competitors. One way of overcoming this obstacle is to form an alliance with other firms through the formation of a business network. At one end of the promotional continuum, one is increasingly encountering small firms coming together in a network to achieve greater promotional impact in a domestic market. Epstein (2006: 35) agrees that word-of-mouth describes social network effects not carried by an intermediate product, but actually implemented directly. If businesses create a marketing programme, each customer or prospect will be able directly tell other potential customers about company offering.

### **3.7 MARKETING AS THE INTERFACE BETWEEN A SMALL FIRM AND THE EXTERNAL ENVIRONMENT**

Lotz and Marais (2007) argue that local business support centres should have a much better understanding of local business trends and should provide information to help businesses open up markets beyond their immediate environment. A study conducted in Finland by Salo, Sinisalo and Karjaluoto (2008: 497) indicate that marketing has several phases that need to be completed successfully where resource and capabilities are different in each phase. Therefore, the co-ordination of phases is very important to the success of the network in every business including small, medium and micro enterprises. Smallbone, North and Leigh (1992, in Stokes, 2000) echo the sentiment that marketing is certainly important in the early, vulnerable years because it provides a vital interface between the organisation and its external environment. The most important adjustments for both survival and growth was active market development, continuous search for new market opportunities and a broadening of the customer base of the business. Therefore, marketing provides a key interface between a small business and its external environment.

### 3.7.1 Corporate entrepreneurship

A study conducted by Vozikis, Bruton, Prasad and Merikas (1999) indicate that an increased emphasis has been placed on encouraging entrepreneurial activities in co-operatives. According to Dess, Ireland, Floyd, Janney and Lane (2003: 351-378), co-operate entrepreneurship helps the entrepreneurial activities and enables individual entrepreneurs to deal with risks, innovation, creating more competitive advantages and wealth in today's knowledge economy. Lohrke, Kreiser and Weaver (2006: 19-27) agree that even though research has implicitly assumed that small, medium and micro enterprises (SMMEs) employ alliances to improve performance, there are a few studies that have directly investigated how and when current performance levels might prompt firms to cooperate. This is likely to be the situation in rural KwaZulu-Natal. However, the first draft on cooperatives' development strategy of South Africa (2004-2014: 5) indicates that new cooperatives are very poor and under-developed. According to the draft, the poor state of most co-operatives mirrors the problems of under-development that affect the majority of South Africans. This indicates that, like SMMEs, cooperatives face a number of major constraints, including a lack of capacity (including skills and training) to operate co-operative enterprises efficiently and create a surplus, limited availability of start-up and expansion capital, and limited access to markets and information on business opportunities.

Corporate entrepreneurship may be formal or informal activities aimed at creating new businesses in established companies through product and process innovations and market developments (Kuratko and Hodgetts, 2007: 54). These activities may take place at the corporate, division (business), functional or project levels, with the unifying objective of improving a company's competitive position and financial performance. Progress in understanding the process of corporate entrepreneurship may help the development of new managerial approaches and innovative administrative arrangements to facilitate the collaboration between entrepreneurial individuals and the organizations in which they are willing to exert their entrepreneurship (Kuratko and Welsch, 1994: 356). Literature indicates that the desire to pursue corporate entrepreneurship has arisen from a variety of pressing problems including:

- Required changes, innovations, and improvements in the marketplace to avoid stagnation and decline;
- Perceived weaknesses in the traditional methods of corporate management; and
- The turnover of innovative-minded employees who are disenchanted with bureaucratic organizations. This loss of talented employees is intensified by entrepreneurship's new appeal as a legitimate career and the increased ability of the venture capital industry to finance more new ventures (Kurartko and Welsch, 1994: 358). However, Morris, Kuratko and Covin (2008: 149) argue that corporate entrepreneurs are not necessarily the inventors of new products, services or processes but they turn ideas or prototypes into profitable realities.

### **3.7.2 The individual enterprises**

Chu and Orhan (2009) state that small, medium and micro enterprises' owners are driven more by income rewards than intrinsic rewards. Brijlal (2008: 25) maintains that the South African individual, as an entrepreneur, seemed to be overlooked. Therefore, this might create a negative perception towards entrepreneurship as a career choice. The cultural resistance to changing management styles and the family nature of many SMMEs' owners/managers create big problems for their success (Microenterprise White Paper (summary), San Salvador, 1997). This is the clear indication that there are management problems within this sector, at the level of both individual entrepreneurs and support programmes. Melaia, Abratt and Bick (2008: 233-235; Unger, Keith, Hilling, Gienik and Frese, 2009: 21) articulate that individual competencies, knowledge and marketing skills are the most required in South Africa. Robinson (2008) stresses that business owners/managers need to be skilful in modifying workplace practices and procedures to create shared perceptions that support innovation and entrepreneurship. The largest number of studies of gender differences has concentrated on the individual entrepreneur, reflecting variables such as demographic background, psychological characteristics, motivation, and educational and occupational experiences (Carter, Henry, Cinneide and Johnston, 2007: 92; Grant, 1996: 42-49). Running a small business presents unique and complex challenges for entrepreneurs (Humphrey, 2007: 2). This means that the owner/manger is required to master a broad range of the technical skills such as strategic planning, financial accounting, sales and marketing techniques, negotiation

skills and corporate law-skill sets which, in larger companies, would be spread amongst a number of specialist managers. Nigel (2001) claims that individual firms may lack the necessary technical expertise, capital availability and management perspective to affect constructive changes in their overall performance by themselves. Furthermore, Tate (2008) states that the personal characteristics of successful entrepreneurs are achievement, support, independence and leadership. However, Babb and Babb (1992) indicate that there are no major differences in both urban and rural entrepreneurs in their personality traits. In China, the factors of personality, background and networking experiences were tested in relation to the success of the business venture (Lee and Tsang, 2001: 583-602). According to their findings, personality factors were important in achieving entrepreneurial success. However, in South Africa, this is not the case.

### **3.8 NETWORKS**

As discussed in the above section, individual managers or business owners have to network with other companies to learn and get advice on how they do business. This is also apart of marketing strategies that can work for the SMMEs. Therefore, this study will also look at literature that may support the argument that network linkages can also help companies, operating in complex business networks, to make sense of their marketing by understanding how different skills and technologies are distributed throughout the network and their impact on the customers and suppliers and on the company itself (Ford, 2002: 65; Stam and Elfring, 2008: 97). According to Shaw and Conway, in Carter and Jones-Evans (2000: 369), recent network studies of the organization can be traced to Aldrich's (1979) proposition that as organizations are essentially open systems which exist within and interact with a wider social environment, their behaviour is best understood by studying the network of relationships in which they are involved. Accepting this view, organizational networks can be defined as constructs which conceive of the environment in which small firms exist as forming a network structure of overlapping relationships. More specifically, small-firm networks can be defined as the composite of the relationships in which small firms are embedded and serve or connect small firms to the environments in which they exist and conduct their business. However, Aldrich (1991: 306-13) defines networking as the process of sharing contacts and obtaining resources, and 'personal networks' are the persons with whom a decision maker has direct relationships or indirect relationships via direct relationships. Such network linkages are much more

than meeting or socializing casually with business associates. The primary value of the network linkage is that of information exchange (Sexton and Bowman-Upton, 1991). The information provided by the network is not widely available and, as such, has utility (Sexton and Bowman-Upton, 1991). Since the network composition will vary from decision maker to decision maker, the information available in the network can become a source of competitive advantage (Ostgaard and Birley, 1996: 37-50).

### **3.8.1 Types of network utilized by entrepreneurs**

#### **3.8.1.1 Informal networking**

The small businesses network is more likely to be informal and have social links to individuals as family, friends and acquaintances (Ghazali, 2005; Babakas, Yavas and Haahti, 2006: 4). Hill and Bessant, Moslein and Vonstamm (2009) suggest that personal conduct networking is increasingly viewed as an essential entrepreneurial competence, the mastery of which is a core determinant of the potential of any enterprise innovation. Interestingly, Wang (2009: 33-42) suggests that while men's motives for forming informal relationships with others are largely based on issues of personal gain, women's motives to network informally tend to be driven by a need to achieve and maintain strong social affiliations (Moore, 1998). Thus, gaining information and resources through people known to the entrepreneur, either directly or through friends and family, is consistent with his/her particular approach to doing business. Even though people tend to network informally, they appear to approach networking in a conscious, deliberate way in which they seek to actively connect themselves with other people in business and, through them, to find ways of expanding their existing network of contacts (Boston, 2009). This emphasis on maintaining strong social networks, made up largely of family and friends, combined with an interest in building relationships with other people, suggest an inherent weakness in entrepreneur networking practices. Such an approach, while addressing an individual's need for emotional support and providing motivation and stability, may be detrimental to the development of quality factors, such as density, diversity and reachability. However, it must be recognized that entrepreneurs have faced great difficulty in gaining access to many of the informal, well-established networking groups, managed for most part, if not exclusively, by males (Hendrics, 2005). Formal networking events and activities, initially involving

women only, have gone some way to respond to this challenge to build the networking competencies of female entrepreneurs and to widen their circle of contacts (Davis and Long, 1999).

#### 3.8.1.2 Formal networking

The current trend towards all entrepreneurs formalized networking activities has attempted to provide entrepreneurs with a forum for developing their competencies as networkers. Strauss (2000) suggests that females tend to become involved in all-female formalized networks in order to gain the advantages they perceive available from informal 'old boy' type networks.

### **3.9 PERSONAL NETWORKING AMONGST SMMEs**

Gaining experience or advice outside the business is important and increases the business's odds of success (Dunn, in Van Eeden, Venter and Venter, 2002: 4; Wincent and Westerberg, 2005: 217-284). This not only helps the business literature that emphasises the "outsider" (consultants, lawyers, accountants, bankers, board of directors) in improving the effectiveness of planning and strategic planning in small business. SMMEs can become dynamic and highly competitive, while striving for socially acceptable labour standards, adoption of new and more efficient technologies and effective work organization techniques (DTI, 1995). This can be achieved through increased participation, co-operation, co-ordination and networking amongst SMMEs in specific sectors so that services such as procurement, marketing, research and development, production and skills acquisition can be shared. Through such networking, SMMEs can achieve economies of scale benefits enjoyed by their larger counterparts.

Research has now established that 'networks and networking' are important entrepreneurial tools that contribute to the establishment, development and growth of small firms (Carter and Jones-Evans, 2000: 369). For example, networks have been found to assist small firms in their acquisition of information and advice (Shaw, 1997, in Carter and Jones-Evans, 2000). It has also been established that networks make important contributions to the smaller firms' innovation processes (Rothwell and Dodgson, 1991, in Carter and Jones-Evans, 2000). Consequently, it is now accepted that comprehensive explanations of entrepreneurship must include the social context of such



behaviour, especially the social relationships through which people obtain information, resources and social support (Aldrich and Zimmer, 1986, in Carter and Jones-Evans, 2000). A network is a set of ties linking several individuals and providing various types of exchanges (Davern, 1997). Baker (2003: 771) maintains that networking is very useful to SMME entrepreneurs/owners/managers, mainly because it is integral to doing business, it does not have to be constructed and contrived, it is not a task to be completed, it is simply part of everyday business activity and, therefore, happens anyway. All entrepreneurs do networking in some form or other; indeed, like in any aspect of life, some will be better at networking than others. Whatever the reason, because networking is such an intuitively natural dimension of entrepreneurial SMME activity, it represents a significant strength for marketing purposes. Since SMMEs are invariably 'close' to their customers, aspects of marketing such as relationship and communication are important. Networking is precisely the mechanism by which SMMEs can meaningfully achieve such aspects of marketing and in a way that is compatible with their resource constraints. Danson and Whittan (1999: 1) indicate that, in Europe, policy makers are promoting 'networking' as a way of achieving a competitive advantage. According to Forsyth (2003: 125), networking is essentially simple, but it needs to be approached systematically, contacts and communications need to be ongoing and the focus must be client-orientated and fit in with wider marketing and promotional activity.

### **3.10 CONCLUSION**

The focus of this chapter was to discuss marketing of SMMEs, marketing management practice in the context of SMMEs, organization of marketing activities for SMMEs, attitude of SMMEs' owners/managers towards marketing, marketing strategies, marketing as the interface between a small firm and the external environment, cooperative enterprises, the individual enterprises, personal networking amongst SMMEs, personal difficulties of SMMEs, awareness, use and perceptions of government support for SMMEs, SMMEs' support, and institutional constraints. The literature review in this chapter indicates that marketing of SMMEs is not fully utilized due to the attitude and perceptions from the SMMEs' owners/managers that marketing are for the big companies while others believe that they can do business with marketing because marketing is expensive and need special skills. There are also external and internal factors that affect SMMEs adversely due to the lack of awareness and business skills such as marketing among the SMMEs

owners/managers in the rural areas of KwaZulu-Natal. The following chapter will discuss entrepreneurship in KwaZulu-Natal rural areas and the environment.

## **CHAPTER 4**

### **ENTREPRENEURSHIP AND THE ENVIRONMENT**

#### **4.1 INTRODUCTION**

South Africa's small and medium business sectors have hit a five-year low and are frantically cutting costs to keep their ventures afloat (Jooste, 2008). He stresses that the country's small and medium enterprises were being hit hard by the economic crunch and many enterprises might be forced to close if current conditions prevailed. Furthermore, literature suggests that the environment affects organizations through the process of making available or withholding resources and organizations can be ranked in terms of their efficacy in obtaining resources. The environment can, therefore, affect motivation. It also impacts upon venture survival and growth, so that the environmental resources which a firm controls a key role in its success. According to Deakins and Freel (2003: 74-75), enterprises do not exist in a vacuum. This means that the entrepreneur has to engage with their environment to survive and prosper. Anderson and McAuley (1999: 176–188) indicate that it is important to explore the relationship between marketing theory and marketing activity within the context of rural entrepreneurship. This is because the rural environment is perceived as being disadvantaged, but it also offers the ideal circumstances in which to study business.

#### **4.2 BUSINESS CREATION IN A RURAL CONTEXT**

Economic growth and development cannot be achieved without putting in place well-focused programmes to reduce poverty through empowering the rural entrepreneurs with easy access to the resource such as financial loans (Okpukpara, 2009: 41). This means that the South African government needs to enhance adequate loan facilities to rural entrepreneurs. Business creation in rural areas is directed by a complex set of local realities such as livelihood, household income, village and district levels' infrastructure development (Scoones, 2009: 171-196). Therefore,

marketers need to understand that it is very important to develop a unique promotional strategy which will suit rural businesses as they do differ from urban business. Moreover, Nidheesh (2008: 1-3) believes that business creation is the most vital tool to improve the livelihood for rural communities and underdeveloped countries in the modern world. Fieldsend and Nagy (2006: 529) point out that, in Eastern Hungary, there are many constraints to rural entrepreneurship such as lack of education of young people on entrepreneurship. This might be the situation in the rural areas of KwaZulu-Natal. Skuras (2005: 7) maintains that it is very important to create conducive human capital accumulation such as entrepreneurial education and training for the growth of rural business owners/managers. However, Kristiansen (2007: 53) stipulates that government institutions need to play a major role to improve limited information and knowledge in the rural areas.

#### **4.3 RURAL DEVELOPMENT**

Dieden (2007: 2-33) stresses that there are considerable links between rural development and improved access to modern energy in South Africa. Kinda and Loening (2008: 3) indicate that good improvements in the rural investment climate matter for growth as business people like to invest where there is good infrastructure. Ishengoma and Kappel (2008: 1-29) add that SMMEs' growth potential is negatively affected by limited access to productive resources (finance and business services), by high taxes and lack of market access. In South Africa, research shows that rural development is more a matter of efficiency and sustainability than of equity (Booth and Protais, 2000: 5). This indicates that attention should be paid to the economic communities dimensions in rural areas and entrepreneurial factors, for example, informal sector, which are directly related to rural employment and the economy, and their social, economic and legal implications. Perret (2004: 1) stresses that a series of issues and challenges are still hindering efficient delivery and services towards rural areas and their development. Kirubi, Jacobson, Kammen and Mills (2008: 1208) believe that rural electrification can contribute to rural development by increasing productivity and growth in revenues within the context of better delivery of social and business support services.

#### **4.4 BENEFITS OF RURAL ENTREPRENEURSHIP**

Small, medium and micro enterprises (SMMEs) are playing an increasingly important role in the global business environment within rural communities (Kirchmer, 2009: 145). Chatman, Altman and Johnson (2008: 59-63) indicate that entrepreneurship has long been recognized as a major source of economic growth and development through its contribution to innovation, job creation and enhanced competition. Badi and Badi (2006: 61) explain that the benefit of rural entrepreneurship include employment, reduce the movement of people to urban areas, improves per capita income in rural areas, improves facilities like roads and street lights and educates youth to come back from the city to their villages and take-up development.

#### **4.5 RURAL ENTERPRISE AND SMMEs' DEVELOPMENT IN KWAZULU-NATAL RURAL AREAS**

Ngassam, Kandile, Nkaelang and Modiba (2009: 1) point out that the SMMEs' contribution to the economy accounts for up to 40% in countries such as Brazil, Russia, India, China and South Africa. This might not be the case in rural KwaZulu-Natal where people are still moving from their homes to the urban areas where there are better prospects for job opportunities. Previous researchers on the SMME sector (Rogerson, 2007, 2008; Lews, 2001; Lindile, 2002; Kesper, 2005; Radipere and Van Scheers, 2005 and Ndabeni, 2005, 2006) indicate that even though South Africa is enjoying relative peace and prosperity and good economic performance over the past decades in terms of growth and fiscal stability, South Africa still faces a number of challenges. These challenges maintain macro-economic stability while providing better education and health, governance issues and gender inequality, high unemployment rates, the need to attract new investment and adapt to a changing trade environment, more especially for the rural communities. Sherief (2005) affirms that there is a lack of knowledge and self-confidence of the people in rural communities due to the limited experience and lack of education. People, who have never been given a chance, often have difficulties responding when opportunities for starting SMMEs arise. The country's government also has to accept that the lack of knowledge and self-confidence is a very serious constraint to development and should come up with a national training plan and support (Ndebele, 2009).

A study conducted in rural areas of Texas by Abeson and Taku (2009: 88-95) suggest that more researches needed to examine components associated with marketing effectiveness that are acquired from seminars, family members, and colleagues by small, medium and micro business owners/managers. Therefore, this finding justifies the need for this study, particularly in the rural areas of KwaZulu-Natal.

#### **4.6 EXTERNAL FACTORS**

Literature indicates that development in Africa remains fundamentally grounded in “who gets what, when, how,” how much, under what conditions and at what costs (Batra and Dangwal, 2003: 7). Development is about restructuring the world so that economies will become more balanced, trade will become more fair, education will be more accessible, women will become more equal to men, and all people will be able to better their conditions economically, politically, socially and environmentally (Aubrey, 1997: 1; Coetzee, Graaff, Hendricks and Wood, 2004: 72; Batra and Dangwal, 2003: 7b). This is the most difficult problem facing underdeveloped areas such as rural areas. Slack and Lewis (2008: 248) highlight that it can be difficult to analyze the external environment despite the widespread availability of practical tools and techniques designed to help in this process. Stokes (2000: 44) maintains that survival rates amongst small businesses are low. Therefore, it is important to understand which factors in the environment influence the likelihood of success. Stokes discusses factors in the business environment which affect the births and deaths of small firms but which are, to some extent, beyond the control of owners/managers. A combination of these uncontrollable external factors, together with the more controllable, internal factors, arising from the personal attributes and skills of the owner/manager, affect the success of a business. Worthington and Britton (2000: 13) believe that the internal and external environments should be seen as interrelated and interdependent, not as separate entities. In Scotland, many rural SMMEs have limited internal resources and are crucially dependent on large and well functioning property, labour and intermediate input markets as well as localised flows of knowledge and expertise. Some of the factors affecting the performance of SMMEs in rural areas reflect the characteristics of the wider rural economy. Rural Scotland is characterised by low income, low wages and a lack of dynamic economic sectors (Carmichael and Johnson, 2004). The situation might be similar to South African SMMEs in rural areas, but no relevant research has been done yet.

A marketing-orientated firm looks outwards to the environment in which it operates, adapting to take advantage of emerging opportunities and to minimize potential threats (Jobber, 2004: 132). Mezher, El-Saouda, Nasrallah and Al-Ajam (2008: 34-52) echo the sentiment that entrepreneurs face different types of difficulties and operate in an unstable environment characterized by political chaos and financial, legal, infrastructural, educational and cultural difficulties. This means that companies and their suppliers, marketing intermediaries, customers, competitors, and publics all operate in a macro environment of forces and trends that shape opportunities and pose threats. Within the rapidly changing global picture, the firm must monitor six major forces: demographic, economic, social-cultural, natural, technological, and political-legal. Therefore, Mezher, El-Saouda, Nasrallah and Al-Ajam (2008: 34-52) maintain that marketers must pay attention to their interactions, because these will lead to new opportunities and threats. On the other hand, Baron (2006: 2) articulates that the environment of the business consists of market and non-market components. The market environment includes those interactions between firms, suppliers, and customers that are governed by markets and contracts. These interactions typically involve voluntary economic transactions and the exchange of property. To succeed, firms must operate effectively in their market environment. They must be efficient in production and responsive to consumer demand. They must anticipate and adapt to change, innovate through research and development, and develop new products and services effective management in the market environment is a necessary condition for success, but it is not sufficient.

According to Baron (2006: 2), the performance of a firm, and of its management, also depends on its activities in its non-market environment. The non-market environment is composed of the social, political, and legal arrangements that structure interactions outside of, but in conjunction with markets and contracts. The non-market environment encompasses those interactions between the firm and individuals, interest groups, government entities, and the public that are intermediated not by the market but by public and private institutions. Marketers need to note that the non-market environment has grown in importance and complexity over time and commands increased managerial attention. Non-market issues that are high on firms' agendas include environmental protection, health and safety, regulation and deregulation, intellectual property protection, human rights, international trade policy, regulation, and antitrust, activist pressures, media coverage of business, corporate social responsibility, and ethics. Although the saliency of particular issues ebbs

and flows, non-market issues arise sufficiently often to have important consequences for managerial and firm performance (Baron, 2006: 2). Furthermore, Giglierano and Vitale (2002: 132) add that, at any level, the environment includes the following:

- Markets, segments, customers;
- Competition;
- Channels of distribution;
- Internal company environment;
- Effects of the economy;
- Effects of the technology changes; and
- Public policy.

It has been also noted that, at the corporate level, the environment also includes other stakeholders such as the financial and investment communities, as well as supplier markets (Giglierano and Vitale, 2002: 132) .

#### **4.6.1 Politics and law**

Government policies and agencies clearly direct and implement the laws of the country, and retailers need to understand the direction of government policy in terms of various legal areas, for example, planning, employment law, health and safety, and consumer law. An understanding of policy direction can give an organization the edge in adapting its own objectives, for example, some of the grocery majors, swiftly understanding the impact on their future store portfolio of changing government policy towards out-of-town retail developments in the late 1990s, moved to develop successful, alternative, targeted downtown supermarkets (Fernie, Fernie and Moore, 2004: 106-7). Moreover, Saffu, Walker and Hinson (2008: 395-404) argue that marketing decisions are strongly affected by development in the political and legal environment. This environment is composed of laws, government agencies, and pressure groups that influence and limit various organizations and individuals. Sometimes, these laws also create new opportunities for business.

Boyd, Walker and Larreche (1995: 62) state that this component of the macroenvironment includes all those factors controlled by public authorities. Its major element is legislation, which defines the regulatory environment within which both local and foreign firms must operate. As with any other



external force, the political/legal environment presents a firm with strategic opportunities, as well as threats. New regulations or deregulations may open new markets, such as the pollution or energy-control markets, or the political environment can destabilize an industry. Darley and Blanson (2008: 374- 383) contend that the environmental component have potential implications on marketing activities.

Bannock (2005) indicates that regulations may be a necessary part of collecting revenue, or ensuring health and safety at work. The staff time and paperwork entailed in complying with regulations are becoming more and more burdensome, especially for small businesses in developing countries. Jansson and Sedaga (2000) state that start-up businesses often find the process of registration time-consuming and burdensome, and small businesses have limited administrative resources to deal with these procedures. Governments stand to benefit as such businesses are encouraged to register to pay taxes and comply with health and safety and social security requirements. Many countries have introduced reforms to make their registration procedures simpler. Marketers must have a good working knowledge of the major laws protecting competition, consumers, and society. However, The Small Business Tax Amnesty (2006) states that, in the South African context, the purpose and objective of the tax amnesty is to:

- Broaden the tax base;
- Facilitate the normalization of the tax affairs of small businesses;
- Increase and improve the tax compliance culture; and
- Facilitate participation in the taxi recapitalization programme.

#### 4.6.1.1 The role of government

Babson College Press Release (2006) states that if government is serious about creating jobs in South Africa, it must make some tough policy decisions and focus on those entrepreneurs identified as job creators. The provision of funding and other expertise is of particular importance if the government wishes to foster small business development and growth. To date, their efforts have not been very successful. Poor service delivery is mainly due to administrative inefficiencies, corruption, poor communication and lack of expertise (Harley, 2001: 11; Bisseker, 1999: 44;

Challenges in service delivery loom large, 2000: 14; Erwin admits SME sector failure, 2000: 11; Haffajee, 2001). In 1992, the British government established the Business Link (BL) scheme. BL's purpose is to bring together various sources of support available to entrepreneurs and small firms owners. Via a network of local business advice centres, the (publicly funded) BL scheme aims to provide local information; marketing, training and planning support; advice; and consultancy support for SMMEs (Parker, 2004: 256). In South Africa, the post-apartheid government identified the small sector as a priority in job creation and generating equity in society in order to empower the disenfranchised communities. The need for entrepreneurship training has been recognized since the 1990's (Ladzani and Van Vuuren, 2002: 155). Many organisations and agencies have been founded since the end of the apartheid regime by many different role players, with the common goal to enhance small, medium and micro-business. Supporting agencies include government agencies, non-governmental organisations (NGOs), community-based organisations (CBOs), individual entrepreneurs, foreign donor agencies and tertiary institutions like universities.

In 1995, government embarked on a national small business strategy to create an enabling environment, to address the issues that stifle small business development and growth. The strategy assumes that, with the enabling environment of their enterprises development. Initiatives of enhancing accessibility to state and big business procurement and international markets are suggested. Other initiatives include more SMME friendly regulatory environments, access to information and advice, access to marketing and procurement, access to finance, support for infrastructure and facilities such as supply of electricity, industrial relations and the labour environment, access to appropriate technology, encouragement of joint ventures, capacity building and institutional strengthening, differential taxation and other financial incentives and training in entrepreneurship and management (DTI, 1995 : 25-40).

Government programmes are not well-promoted and co-ordinated. The SMME fraternity is not familiar with the support programmes. The wholesale nature of Ntsika and Khula schemes is criticised for not being well-marketed. Only 54% of entrepreneurs, who applied for bank loans, knew about Khula's product (GEM, 2002: 41). Ntsika is a government agency whose mission is "to render an efficient and effective promotion and support service to SMMEs in order to contribute towards an equitable economic growth in South Africa. Ntsika provides wholesale non-financial

support services for SMME promotion and development (Ntsika, 2002). Khula is a limited liability company of which the Department of Trade and Industry is the major shareholder. Khula's mission is to ensure improved availability of loan and equity capital to small, medium and micro enterprises (DTI, 2004). The programmes are primarily supply-driven and do not cater for the needs of small-scale enterprises. Of the entrepreneurs who were offered finance, 85% indicated that banks did not understand the SMME environment (GEM, 2002: 43).

Small business development and support, including training, remain a challenge for South Africa. Some of the problems that are facing SMMEs are sector specific, and require differentiated policy formulation to address their problems. The government is committed to developing a support framework for disadvantaged enterprises. It has focused on a sectorised approach and identified and classified enterprises within the appropriate sectoral framework, thereby identifying within the sub-sectors, the type of problems and the enterprises in need of public-funded support (DIT, 1995: 16). The sectorised approach has been adopted and is evident in reviews such as the analysis contribution to Gross Domestic Product (GDP) (Ntsika, 2002: 35)

#### 4.6.1.2 Policy framework for rural SMMEs

There is a need for differentiated policies for rural small firms' initiatives which should be taken into account for the distinctive nature of businesses in rural areas (Jarvis and Dunham, 2003; Smallbone, Baldock, and North, 2003). Their problems stem from the characteristics of the rural environment such as the limited resource base, as well as the vulnerability of such businesses to external influences. Decisions concerning the nature of regeneration support, sectoral targeting and the policy framework have to be made in circumstances of considerable uncertainty. Conventional economic analysis is not flexible or creative to deal adequately with the diverse and complex influences involved. For example, Stathopolou, Psaltopoulos and Skuras (2004: 404-425) note the influences of location, natural resources, social capital and other factors on entrepreneurship in rural areas. However, McKenzie (1994, in May, 2000: 234) indicates that only 3% (4 million hectares) of South Africa's land surface is considered to be high potential agricultural land. As a result of the lack of high potential land and various other factors, farmers often farm on marginal lands, often of poor quality with limited water supplies. Estimates of land degradation in the rural poor areas of the

country, for example, although not very reliable, indicate that at least 20% is severely degraded and a further 40% moderately degraded. May (2000: 272) states that there is an urgent need to establish a co-ordinating function for rural development.

#### 4.6.1.3 Tax-related regulatory burden on SMMEs in South Africa

Chamberlain and Smith (2006) indicate that regulatory compliance costs impose a deadweight burden on firms and should be minimized. In achieving this goal, it is necessary to embrace a process of smart regulation, rather than focus on deregulation. Tax compliance cost is one type of regulatory cost that is often viewed to have a large negative impact on SMMEs. To gauge the impact of this cost on small business in South Africa, this study will investigate more on the impact of tax compliance costs on South African SMMEs in the rural areas.

#### 4.6.2 Socio-demographics

According to Grierson (1997: 9), enterprises of the self-employed are typically of low technological sophistication. The enterprises operate in environments of high socio-cultural complexity. The social and demographic environment influences patterns of expenditure on goods and services. Social trends, such as improved mobility and growth of international travel, influence what and where customers will buy. Demographic trends influence both the types of goods and services bought (and the ratio between goods and services bought), and the workforce available for retailers to employ. For example, the ageing population has brought about a focus on services rather than products, and has brought raising of the retirement age and about the raising of barriers to immigration (Fernie, Fernie and Moore, 2004: 106-7). Bridge, O'Neill and Cromie (2003: 348) believe that small businesses can provide a range of social benefits. They can provide jobs in areas where few big businesses cannot operate and distribute jobs more widely. Small businesses can supply a range of personal and community services, such as restaurants, window cleaning, household repairs, and local corner shops. Small businesses are essential to the way of life of many people.

Until recently, entrepreneurship was not understood, celebrated or supported as a career choice. There is a negative mindset as well as a social stigma attached to business failure. Individuals lack confidence, initiative and creativity. There is a lack of trust in personal and business relationships. According to Spence, Schmidpeter and Habisch (2003: 17) and Stringfellow and Shaw (2009: 137), SMMEs can be created more effectively when the social environment encourages and rewards small, medium and micro enterprises' success such as networks and business partners. In Malaysia and China, entrepreneur stories are told to the children and successful entrepreneurs are considered as heroes, whilst in some former socialist countries, people are uncomfortable in promoting entrepreneurs as role models or as positive contributors to society.

#### **4.6.3 Economics**

Frank and Enkawa (2009: 336) believe that the economic situation influences customer satisfaction. Ndabeni (2005) stipulates that rural SMMEs' economic units are characterized by ease of entry; small-scale activity; use of labour-intensive technologies; high levels of self-employment with a high proportion of family workers; lack of capital and equipment; limited technical skills; lack of access to large and profitable markets, formal credit, support services; and dependence on local supplies for their material inputs. Research conducted by White (1999) indicates that small and micro enterprises, when operating in the same environment as the medium-sized and large enterprises are usually at a disadvantage when tapping into the support services provided by both the government and the private sector. SMMEs have been identified for employment creation, enhancement of rural incomes, reduction of poverty and building skills base. The rural areas, where the service infrastructure and business environment have not yet been well developed, face problems such as the lack of financial institutions, government agencies, consultants, marketing channels and marketing promotions (Hallberg, 2003; Liedholm and Mead, 1999; Roberts, 2002; Kantor, 2000)

Transition is considered a process of socioeconomic innovation of the countries and peoples that used to live in pre-industrial societies (Potocan and Mulej, 2008). Therefore, the South African (SA) Government has identified SMMEs as key pillars of economic growth and development (Report on the black and women owned ICT sector SMMEs, 2002). KwaZulu-Natal-Top Business

Portfolio (2008/9: 68) indicates that KwaZulu-Natal is believed to have the potential to create sustainable SMMEs and co-operatives. However, there is no clear strategy of helping rural SMMEs. In a world characterized by static overall demand, productivity improvements and increasing competitiveness are not a panacea for solving South Africa's problems of unemployment, poverty and economic progress. What is needed is an expansion of total demand and markets, as only when the economy is growing rapidly can it be certain that the success achieved by one enterprise is not at the expense and detriment of another (Nieuwoudt and Groenewald, 2003: 130). Structural changes in declining sectors such as mining and manufacturing have contributed to economic upheaval and uncertainty and have been confounded by a brain drain as younger people take their ideas, labour and energy to other areas, leaving their native regions devoid of both the talented workers and business leaders who are needed to launch new ventures (Seymour, 2001; Appalachian Regional Commission, 2000). Biggs (1997: 15) indicates that agriculture, mining and construction have been worse hit, recording negative growth.

#### 4.6.3.1 Economic activities of SMMEs

Small, medium and micro enterprises exert a strong influence on the economies of all countries, particularly in the fast-changing and increasingly competitive global market (Anaroni, in Yeh-yun Lin, 1998: 1-2). SMMEs have been a major engine of economic growth and technological progress (Mulhern, 1995, in Yeh-yun Lin, 1998: 1-2). The SMMEs such as flexibility, innovativeness and problems-solving action orientation are now being considered as vital for success in the 1990s. The economic environment influences the wealth, spending power and willingness of consumers to buy goods and services. In an era of prosperity with low levels of unemployment, people may want to buy quality goods and services, whereas in recession, with high unemployment and uncertainty, people will focus on basics and value for money. In addition, international economic trends increasingly affect the success or failure of organizations, both because of interlinked financial and product markets and because large retail groups are vying for European and global dominance (Fernie, Fernie and Moore, 200: 106-7). However, Bridge, O'Neill and Cromie (2003: 349) argued that SMEs face particular challenges compared to larger businesses. They face discriminatory barriers that prevent a 'level playing field', and these are generally classified as 'market failures'. According to neo-classical economic theory, there is a tendency towards perfect markets.

Attempting to intervene in a perfect market would not result in any improvement in that market. The value of any apparent benefits in one area would be outweighed by the cost of displacement effects elsewhere, and there would be no net economic benefit. However, after a disruption in the market, there may be some factors that delay the return of the market to perfection. Interventions to address these inherently temporary factors could produce benefits. Such factors are market failures in that they represent a failure of the market to perform perfectly. The term 'market failure', therefore, can mean different things to different people. To the neo-classical economist, if it exists, it is only a temporary phenomenon that will eventually disappear. If it is not temporary, it is not a market failure, and trying to address it will not result in a net benefit. To others, however, a market failure is potentially a permanent feature, which will continue to disrupt unless addressed.

According to Hitchins, Elliot and Gibson (2005: 10), business services, which are increasingly important for competitive rural economies, can be developed through considered and focused actions by development agencies and governments. The distinctive features of the rural context mean that business services can be different, with more emphasis on embedded services in sub-sections, on collective delivery and consumption of services and on public-private collaboration. However, the role they play in the economy is essentially the same as in urban environments: providing knowledge and information to help businesses solve problems and realize opportunities (e.g., reduce costs, gain markets access and improve efficiency).

Cromie *et al.* (1998: 217) highlight the argument that the small business sector assumes perfectly competitive markets, and many maintain that markets are far from competitive. Nevertheless, it is still contended that there is no generalized market failure in the small business sector. Bennett, in Cromie *et al.* (1998: 217), points to the size and growth of the sector as evidence. He argues that, when asked about those factors that inhibit development of small businesses, owners comment on general economic and regulatory factors such as the condition of the economy and the inhibiting impact of statutory regulations. Where specific needs are highlighted, they arise in areas such as venture capital, marketing advice, training and cash flow problems: 'areas where well developed markets already exist'. Jobber (2004: 132) concludes that the economic environment can have a critical impact on the success of companies through its effect on supply and demand. Companies must choose those economic influences that are relevant to their business and monitor them.

Marketers must examine three major economic influences on the marketing environment of companies: economic growth and unemployment, the development and implications of the European market, and the economic changes that are accompanying the transition to market economies of eastern bloc countries.

#### 4.6.3.2 Economic development in rural areas

The importance of the SMME sector to the world economy is easily recognized (O'Laoire and Welford, in Welford, 1998: 199). Economic development in rural areas “poses special challenges because of geographic isolation and sparse population (Pew Partnership, 2002). In the United Kingdom, regional development agencies are taking a strategic approach to rural regeneration through the development of frameworks for rural action targeting new enterprise development (CSWP, 2003). However, local disadvantaged communities in rural locations lack access to entrepreneurship development (Jordaan, Alderson, Warren-Smith and Lehmann, 2003). A recent study suggests that the evolution of peripheral rural regions with many development countries has been weak and discouraging (Laukkanen and Niittykangas, 2003). The report concluded that the main reason is the weak natural supply of entrepreneurs and firms.

#### 4.6.4 Technology

Chiwere and Dick (2008: 154-157) and Pierson, Baelden, Lievens and Marsigny (2007) point out that there is a very low level of technology utilization among SMMEs. Villee and Curran (1999: 162) state that new trends and technologies continue to affect how business is conducted, which markets it serves, and how it provides those services. Metz, Davidson, Martens, Van Rooijen and McGrory (2000: 143) mention that because of the ongoing shift in many countries from the public to the private sector as a principal source of finance, maximizing the support for technology transfer may require a new degree of innovation and an increased emphasis on new or different forms of finance such as microcredit, leasing and venture capital. Yeh and Jung-Ting Chang (2007) maintain that the costs and effort put into the subsequent implementation of technology are the key factors that determine the success of small business. North, Smallbone and Baldock (1997: 291) indicate that small firms in rural areas tend to be less innovative and slower to adopt new technology. Although



the majority of small firms have internet access, some communication technologies, such as broadband, may not be available in rural areas which are slow to technology adoption. Sun and Wang (2005: 247-258) recognise that rural enterprises still face many other challenges such as lack of access to broadband internet and lack of capabilities/skills and services to use the new technologies. They maintain that the internet is often used for information search and communication instead of electronic transactions due to the lack of broadband connections and the issues related to trust.

The technological environment has allowed the development of just-in-time systems, and wider application of home shopping and has immensely shortened the time and cost of developing and bringing new products to the market. It has necessitated managers to formulate objectives, strategies and tactics much more quickly to think in 'internet time', whether the organization is intent on innovation or copy casting successful innovations (Ferne, Fernie and Moore, 200: 106-7). According to Boyd, Walker and Larreche (1995: 62), technology drives the development of many new products and markets, but it is also a major reason why others decline. It can substantially impact an industries performance. In addition to creating new products, technological developments affect all marketing activities, including communications (making available new media or new selling tools), distribution (opening new channels or modifying the operations and performance of existing ones), packaging (using new materials), and marketing research (monitoring sales of food stores via scanners).

Small businesses are characterized by informality and poor information systems. Specifically, small businesses are characterized by poor formal control systems (Huff and Reger, 1987, in Sara and Jones-Evans, 2000: 298). During the start-up period, informality dominates in many aspects of the new business, including its control system (Quinn and Camerron, 1983, Sara and Jones-Evans, 2000: 298). The lack of information results in poor decision-making.

Baker (2003: 773) argues that the unique context of SMME marketing is built upon recognition of huge influence of the characteristics of SMMEs, particularly the limitations of resources upon marketing and decision-making. It is difficult for the SMMEs to adapt to the technological change and development, especially since such developments are happening with increasing rapidity and

increasingly impacting upon SMMEs way of doing business and marketing. It is still not clear whether this technological change would pose threats or opportunities for the SMMEs, but it will impact upon marketing for SMMEs. Therefore, marketers need to understand that market information is in the hands of retailers. New technology, such as scanning article numbers (barcodes), gives a wealth of data beyond simple restocking issues and allows the retailer to accurately plan ranges, layouts, and promotional deals. Store cards have enabled the retailers to know more about their customers, and to use this information to offer a more appropriate range of goods.

Sara and Jones-Evans (2000: 298) add that the majority of small businesses can be classified as technologically contingent and have no influence on the technological trends and innovations that impact on the business. Many small businesses lack the capacity to investigate and assess new technical developments that might impact on their competitive position. In many cases, small businesses operate in sectors which have a stable technological trajectory, allowing the small business to pursue a reactive strategy, that is, to respond to external changes as they happen. However, with technological developments, the technical demands on many small businesses have increased significantly and technological competence has become a prerequisite to survival in many sectors.

According to Kromberg (2006: 24), in terms of technology, the survey results also suggest that SMEs view internet connectivity and the form this takes-dial-up or ADSL-as impacting greatly on perceptions of competitiveness. Some 53% of players using ADSL regard themselves as being highly competitive, while only 43% of those using dial-up held the same views. “ADSL is particularly useful for the SMME that has a large phone bill, as it can help to cut the bill extensively. This and the fact that Telecom has substantially reduced the cost of ADSL recently, make not using a no-brainer,” (Arthur Goldstuck, in Kromberg, 2006:24)

Kromburg (2006: 24) indicates that the survey results also show a direct correlation between the size of a company and the perception by decision-makers. In those companies as to levels of competitiveness, with the rating increasing steadily from a very low 33% for one-person businesses

and 39% for other micro-enterprises (up to five staff members), and going as high as 58% for companies with staff of between 40 and 50.

With the recent media hype about the internal e-commerce, computing, and telecommunications, companies have increased the awareness of electronic commerce. With further developments in electronic business technologies, it seems possible that many more sectors of the economy may engage in some form of electronic business. However, the findings of many surveys conducted worldwide suggest that e-commerce is not being adopted as readily by small-to-medium enterprises (SMMEs) as one might have expected. The size of the company and the perceived importance of e-commerce to business functions consistently have been noted as possible factors in determining whether businesses get involved in e-commerce. Hough, Neuland and Bothma (2003: 167) believe that advances in information technology and e-business have facilitated SMME activity by benefiting from global electronic procurement systems, and being able to market and sell their products and services on the internet.

Locke (2000) indicates that 41% of the New Zealand SMME owners surveyed about e-commerce were still unsure of what the concept meant. In a separate research, Ruth (2000) surveyed the e-commerce activity of small companies in New Jersey and showed that those companies were hesitant about adopting e-commerce in a significant manner. To understand more about whether and how SMMEs engage in e-commerce activities, this study investigates the level of e-commerce engaged by SMMEs located in the rural and under-developed areas in the KZN. Levitsky (1996), in Watson (2001), believes that the reservoir of knowledge and experience in technology, management and marketing skills that could be of help to SMMEs is to be found in various elements of the business community. Private consultants in the country are one major group that can provide such support. Most private consultants target larger enterprises or public bodies as their potential clients and provide less help to small business because of the high consultancy costs that SMMEs cannot afford.

Levitsky (1996) further states that the independent group of local private consultants in most developing countries is relatively underdeveloped. In many cases, these consultants are unreliable and their services are not always of the quality standard to inspire confidence in potential clients. In

some cases, the local consultant groups develop as branches or affiliates of an international consulting organisation and the local operations are strengthened by more qualified and experienced expatriates. Professional staff from government offices, banks, large enterprises, universities technical colleges, management and small enterprise development agencies usually try their hand as consultants (full-time or part-time) to enhance their income, status and independence.

According to the final results, of the latest Small, Medium and Micro Enterprises (SMME) survey (2005) conducted by Kromberg (2006: 24) shows that most South African SMMEs feel they have what it takes to hold their own. This is good news, since South African entrepreneurs had the lowest levels of confidence in their own abilities in comparison to most entrepreneurs in developing countries. Kromberg (2006: 24) highlights that running SMMEs in Johannesburg were (surprise, surprise!) the most optimistic and confident regarding their competitiveness, followed by Port Elizabeth (49%) and the Eastern Cape (48%), respectively.

Hough, Neuland and Bothma (2003: 167) indicate that, in 1997, SMMEs in the US with fewer than 500 employees accounted for 96.5% of all US exporters. Very small companies, with fewer than 20 employees, accounted for 65 per cent of all US exports.

#### **4.6.5 Competitive environment**

##### **4.6.5.1 Competitiveness and competitive advantage**

According to McDonough and Commins (2000: 8), rural SMMEs tend to lose competitiveness in the context of weak promotion and marketing. A complex set of factors influences competitiveness and competitive advantage (e.g. cost of product) but, for rural SMMEs, production differentiation and aiming for particular niches in the market are becoming important. Product differentiation is 'the ability to provide unique and superior value to the buyer in terms of product quality or other special feature' (Porter, 1990:37, in McDonagh and Commins, 2000: 8). This means that trying to ensure production that is perceived differently from competitive products can earn a high consumer price. Differentiation can take a number of forms:

- Aspects of the product itself (e.g. quality);
- The distribution channels used; and
- The subjective images of the product or of the producer which establish product ‘character’ and the services associated with supplying products.

Thus, differentiation can be based on supply-side factors, such as the ability of an enterprise to add ‘uniqueness’ to its product; or it can rely on demand-side factors by being dependent on an understanding of the needs, wants and perceptions of customers and consumers.

Giglierano and Vitale (2002: 167) believe that the obvious new source of competitive information is the Web. Most companies now have Web sites, even if these are only on-line “brochures,” Web sites with basic information and little else. Competitors’ own Web sites make it possible to quickly find information about all four dimensions of competitor analysis. Even capabilities can often be determined from a company’s Web site. If the company is public, it often shows all its Securities and Exchange Commission (SEC) filings and recent quarterly and annual reports. In addition to capabilities, companies often publish material describing their goals and strategies. This information helps prospective customers determine whether they are in the target segments and what the offerings for them are. Many companies also publish their mission statements for the same reason. Also, companies often publish their views of the industry and the market. This is done to give prospective customers and partners a sense of how they can work together into the future. It also gives insight into the company’s beliefs about the market and can provide a competitive lever if the marketer believes that the competitor is wrong about the working of the market.

#### 4.6.5.2 Competitive strategies of rural SMMEs

Dave, Cazier and Jensen (2008: 242-257) stress that, in today’s global competitive environment, organizations face a variety of challenges that need them to change their competitive strategies such as improving technology abilities as technology can have many positive and negative effects on consumers’ willingness to buy and use products. Research indicates that rural industrialization needs to enhance competitive performance of rural SMMEs (Jarvis-super and Dunham, 2003). It is a clear indication that local conditions through which rural enterprises operate need more attention from

policy makers. In Australia, a study conducted by Frost (2003) shows that SMMEs use a restricted range of strategic tools. Research indicates that there is a need for a wider understanding of the tools available and their application to strategy development. However, this does not indicate anything about rural strategic development specifically with regard to marketing strategies.

## **4.7 INTERNAL FACTORS**

Moreno and Casillas (2008: 507-28) indicate that the dynamism and hostility of the environment will moderate the relationship between strategy and firm growth. According to Jobber (2004: 132), the microenvironment consists of the actors in the firm's immediate environment that affect its capabilities to operate effectively in its chosen markets. The key actors are suppliers, distributors, customers and competitors. However, supply and procurement for rural SMMEs seems to be one of the challenges facing this sector, particularly in the South African context. On the other hand, Frese, Krauss, Keith, Escher, Grabarkiewicz and Tonje Luneng (2007: 3-4) highlight that training and coaching of the business owners need more attention as these could be one of the internal factors that might have a negative impact on human capital, more specially for SMMEs. Hirschsohn (2008: 181) believes that, in South Africa, SMMEs' appropriateness of the new skill development framework to existing market conditions and institutional foundations is questioned. Therefore, this might be also one of the important missing pieces in the rural entrepreneurs' equation.

### **4.7.1 Marketing activities within the firm**

Many very small businesses do not commit significant resources to marketing and sales support activities (Carson, 1990, in Withey and Panitz, 2003: 1). The usual reasons for the absence of marketing support activities include budget constraints and general business orientation. Withey and Panitz (2003: 1) indicate that budget limitations in small and very small organizations often relegate marketing activities to a non-existent or very low priority. Resources for promotion, public relations, sales training, sales assistance, and general marketing support are often not available. Personal selling may be the only commitment to anything related to marketing activities. In the smallest organizations, even personal selling is frequently sub-contracted to commission-based, part-time sales agents or representatives. In the extreme, many very small organizations rely solely on word-of-

mouth. According to Forsyth (2003: 56b), if results are to be achieved from the entire firm's marketing works, then consideration must be given to organization of, and responsibility for, the various activities. The nature of partnerships, as opposed to limited liability companies, raises very special difficulties in the responsibility for, and control of, marketing activities. This means that all the partners must agree on the critical importance of these actions. They must also agree on precise responsibility for the particular actions which are necessary.

#### **4.7.2 Local stakeholders**

Strategic partnerships are commonplace in today's global economy (Beekman and Robinson, 2004: 59-77). SMMEs need to engage in co-operative strategies to improve their competitive abilities (Gomes-Casseres, 1996, in Beekman and Robinson, 2004). In general, a business unit has to monitor key macroenvironment forces (demographic-economic, technological, political-legal, and social-cultural) and significant microenvironment actors (customers, competitors, distributors, suppliers) that affect its ability to earn profits. The business unit should set-up a marketing intelligence system to track trends and important developments. For each trend or development, management needs to identify the associated opportunities and threats (Kotler, 2003: 102).

Kotler (2003: 66) indicates that as it stops on the road to high performance, the business must define its stakeholders and their needs. Traditionally, most businesses focus on their stockholders. Today's businesses are increasingly recognizing that, unless they nurture other stakeholders, customers, employees, suppliers, distributors, the business may never earn sufficient profits for the stockholders. This means that a company can aim to deliver satisfaction levels above the minimum for different stakeholders, for example, it might aim to delight its customer, perform well for its employees, and deliver a threshold level of satisfaction to its suppliers. In setting these levels, a company must be careful not to violate various stakeholders groups' sense of fairness about the relative treatment they are getting.

#### **4.7.3 Consumers**

McDonagh and Commins (2000: 4) highlight that disadvantaged rural areas tend to be remote from

the major consumer markets and experience deficiencies in transport and related infrastructure. One option advocated for rural areas in these circumstances is to capitalize on their particularly distinctive features: indigenous products and services, attractive environments, cultural, heritages and separate territorial identities. This is based on the reasoning that, while modern regulatory legislation induces a certain degree of standardization in goods and services, complete uniformity is not considered desirable. Consumer preferences and lifestyles are changing and creating demands that are based on differences arising from such features as quality, scarcity, novelty and 'authenticity'. Sellers increasingly seek to make the tangible and intangible aspects of products distinctive from those offered by others. These trends have implications for rural development to the extent that product differentiation strategies can be based on place imagery and on place promotion.

In marketing, images comprise sets of ideas, beliefs and evaluative impressions about a product or place; these images may be based on both rational and emotional grounds. Place images are presentations or symbols of geographical areas while place promotion is the conscious use of publicity and marketing to communicate selective images of specific localities or areas to a target audience (Gold and Ward, 1994: 2, in McDonagh and Commins, 2000: 4). Diamond and Pintel (2005: 145) state that unlike the consumers of yesterday who had fewer avenues from which to make their purchase, today's shoppers are provided with a wealth of opportunities and formats in which their merchandise needs may be satisfied. It is no longer necessary to visit a bricks and mortar operation to make their selections; consumers can do so through catalogues, internet shopping, or in the comfort of their homes to pursue the numerous cable-shopping networks. Some even have their apparel needs satisfied through specialist visits to their workplaces.

Ehlers and Lazenby (2007: 80) argue that an organization cannot decide on a specific strategic direction to follow if it does not know what it can and cannot do, and what assets it has and does not have. In order to come up with the most effective and efficient strategy, it is important to know what the organization can do particularly well and what resources it has. A business environment, that is highly regulated with policies that do not foster competition or facilitate commercial transactions, is particularly damaging for small enterprises, which are more vulnerable by virtue of their size and less able than larger enterprises to overcome constraints (Beck and Demirgiic-Kunts, 2003). The creation of an effective business environment may help small enterprises to compete in the market over the



long-term. Small enterprises suffer from a number of weaknesses which cannot be solved by the market mechanism alone (Levitsky, 1996).

(Levitsky, 1996) indicates that small enterprises suffer from similar weaknesses in both developed and developing countries, the most common being:

- Lack of management skills;
- Use of obsolete equipment, through lack of capital and ignorance of new technologies, which leads to lower productivity and poorer product quality;
- Lack of financial records and collateral to secure finance; and
- Poor access to markets for their output (Levitsky, 1996).

Problems that are more specific in a developing country context include lack of demand and product diversification, inadequate infrastructure, and limited access to raw materials (Rogerson, 2001). As for the youth in small enterprises, they are constrained by many of the same problems, but are further disadvantaged by their age and limited life experience (Yen, 2001). Young people are less likely than adults to have developed business network and contacts (Yen, 2001). They may also face age discrimination in their pursuit of starting or operating an enterprise (Yen, 2001).

#### **4.7.4 EDUCATION AND TRAINING**

##### **4.7.4.1 Education**

Issaacs, Visser, Friedrich and Brijlal (2007: 613-629) state that experts in the field of entrepreneurship believe that the contribution of SMMEs to growth in South Africa can be much higher if entrepreneurship education is implemented at school level as most SMMEs' owners/managers are outcomes of grades R-12 and are poorly trained.

“Today, no matter where you turn, stories abound of the enormous social, economic and educational benefits of entrepreneurship” (Charney and Libecap, 2000). These authors indicate that the entrepreneur needs to have formal education. Gibb (1993: 11-34) articulates that enterprise education is concerned with encouraging certain enterprising behaviours, skills and attributes associated with

self-reliance. However, Rogerson (2008) stipulates that, in South Africa, the challenges of the SMME economy is the better access to finance, skills and leadership training and more flexible regulations are identified as key strategic elements in supporting the national pillars of promoting entrepreneurship; strengthening the enabling environment for SMMEs; and enhanced competitiveness and capacity at the enterprise. This might also affect the SMMEs' sector in the rural areas.

Caravan and O'Cinneide (1995) state that the goals of most business education programmes are to prepare people for career success and to increase their capacity for future learning. Equally important is the learner's personal fulfillment and contribution to society.

The likelihood that a person with a grade 12 education to start a new firm is very small, while someone with a tertiary qualification and living in an urban (metropolitan) area is four times as likely to open a new firm (Driver *et al.*, 2001). Someone with a tertiary education is more likely to see good opportunities for starting a business and the survival rate is twice as high. Due to the legacy of apartheid education, the majority of the population lack basic skills as well as technical skills. As a result, large sections of the population lack self-esteem, motivation and creativity. Furthermore, the majority of South Africans still receive poor quality education because most schools are not equipped to meet the challenge of providing a basic good education. The system is not equipping the people with entrepreneurial mindsets and skills. For one to be successful in a business venture, one needs to have a formal education. According to Hisrich *et al.* (1992), potential entrepreneurs should have role models such as their parents, brothers or sisters, other relatives or successful entrepreneurs in the community. Successful entrepreneurs can be inspiration and mentors to potential entrepreneurs.

#### 4.7.4.2 Training

Small firms are less much likely than large firms to provide their employees and their managers with formal training (Storey, 2004: 112-130). Entrepreneurs may need certain attributes to succeed; they may be able to acquire some skills and knowledge through education, at a business school or elsewhere (Bilimora, 2007: 11; Dacko, 2006: 285). Storey (2003: 19) stresses that seeking to increase formal small firm training activity by raising the awareness of owners/managers to the benefits of

training is misguided. Moreover, Bolton and Thompson (2000: 280) believe that training is the first step in developing the entrepreneur's technique and know-how. It involves learning the basics of business. Many SMMEs have little or no formal skills training at all (Khumalo, 1994). Furthermore, many entrepreneurs in the SMME sector in the building industry do not have training for other jobs, and this is one of the reasons why they entered this sector. The acquisition of skills in vocational, technical and business are regarded as critical factors for success of SMMEs. Literacy and entrepreneurial awareness are also important for advancement in business. In addition, small enterprises need sophisticated technology to be competitive and successful, and the entrepreneur must have training in the use of these technologies. Small businesses, operation in the labour-intensive, low-skill sectors also require appropriate technology. Nieman (2001: 445) maintains that the training emphasis of small, medium and micro-enterprise service providers in South Africa still seem to be more on conventional training than entrepreneurship training. This view might be the problem for this sector.

#### 4.7.4.3 Value of education and training for SMMEs

In order to effectively manage the functional areas of a business, it is important for small business owners to have the necessary skills, which include finance, operations, marketing, planning, human resource and awareness of knowledge management (Monk, 2002). According to the World Bank Report (2001), SMMEs' owners had very little formal skills training. Studies are needed to identify the key business skills required by entrepreneurs as well as the most effective way of offering the training (Kew and Macquet, 2002: 26).

In areas where training is required, there is no order of preference such as communication skills, marketing legal aspects, contracting and financial record keeping (GEM, 2002: 35). Previous research indicates that more than 50% of township entrepreneurs are in need of training, especially keeping financial records (GEM, 2002:35). It is believed that about two-thirds of SMMEs do not keep records (Haan, 2001: 44). According to GEM (20002: 37), a significant number of informal and formal business owners are prepared to be trained; more than 50% of formal business owners and more than 70% of informal business owners would attend training courses that are free; and 78% of informal business owners are prepared to pay a small fee. According to Kew and Macquet (2002:

93), only 32% of the township entrepreneurs interviewed was not prepared to pay for training primarily due to their inability to afford the cost of training. The entrepreneur's level of education increases the probability of established firms and more jobs per firm. The higher the entrepreneur's level of education, the greater the involvement with the firm and, therefore, the greater that ability to grow the firm, which results in more jobs. There exists a strong positive correlation between education and business success (GEM, 2002: 31). Previous researchers, such as Reid (1987), articulates that, although management education is repeatedly cited as an effective way of providing small businesses with the management expertise, they require public agencies supplying management education have little guidance regarding factors they should consider when preparing management training programmes for small business owner/managers.

Training of an ongoing nature is needed to assist the SMME owner to manage the constantly changing environment (Ladzani and Van Vuuren, 2002: 155), and being able to respond to it with initiative and innovation. Training can assist SMME owners in managing some of their problems, which will reduce the cost and difficulties of learning the hard way (Ladzani and Van Vuuren, 2002: 155). The SMME owners should view management training as an investment in their business. Storey (2003: 19) suggests that small firms need training, because their owners are invariably less educated and, therefore, less able to be formally trained, compared to the managers in large firms. In addition, failed firms were poorly managed, implying that management training will improve the situation, which does not prove that if the owners had management training they would have survived; it can only be justified if a comparison can be made between two comparable groups of firms over time, where one group undergoes a training intervention and the other group does not (Storey, 2003: 19).

#### **4.7.5 Managerial skills**

Ras and Pretorius (2007: 327) state that countries need to provide training programmes in order to meet demand of fostering SMMEs. "National competitiveness, which is highly linked to economic growth, depends on skills" (Binedell, 2008; Badroodien, 2005). SMMEs' owners/managers must have business skills in order to compete in the business sectors. Labuschagn and Van Niekerk (2006) articulate that 80% of South African SMMEs fail due to a lack of management skills. Management

incompetence is one of the most important factors that led to business failure (DTI, 1998). Management shortcomings of SMMEs may include the following: lack of managerial information, ineffective planning, insufficient control and unsatisfactory financial management. Many small black builders lack management skills (Khumalo, 1994). Many of them fail to keep simple records. Planning is an exception rather than the rule. They lack managerial information, effective planning, and sufficient control and satisfaction of financial management skills. Ryan, Ray and Hiduke (1999: 13) reckon that anyone without knowledge of business management and who fails to exercise cash-flow management is responsible for his/her own downfall. This means that if salaries and suppliers cannot be paid, then any attempt to save the sinking ship comes too late.

#### **4.7.6 Skills of personnel**

As the world is moving towards a global economy, cross-cultural communications and negotiations is becoming increasingly important. Kadans (1992: 202) indicates that many entrepreneurs lack organizational skills and disorganized education systems continue to produce individuals with no sense of time management, priority setting, strategic planning and decision making. A business's success depends on the knowledge, skills, creativity and motivation of its labour force (Yasamis, Arditi and Mohammadi, 2002; Bhatia, 2003: 68). Therefore, it is important that the business makes provision for trade and quality-related training for its employees. According to Kroon (1998), for any business to be successful, expert, trained and productive labour is essential. However, SMMEs in remote area find it extremely difficult to engage skilled workers because they are not able to offer the workers the same benefits as their bigger counterparts in urban areas. Furthermore, key partners and/or employees may leave the company, thus affecting the business adversely, and can lead to the liquidation of the business (Da Silva, 1990). Furthermore, Lubisi, in Mdletshe (2008: 17) state that poverty and under-development are the main causes of poor education in rural KwaZulu-Natal. This indicates that the educational opportunity is determined by the socioeconomic trends such as availability of water, electricity or television provisions that might have influence on the SMMEs' operations in the rural areas.

#### 4.7.7 SMMEs' access to finance

A study conducted in the Limpopo Province by Ladzani and Netswera (2009: 225) indicates that finance is perceived to be inaccessible for rural SMMEs. The lack of finance constitutes the main obstacle to the growth of SMMEs (Pissarides, 1999; Tesfaayohannes, 2006). SMMEs are automatically excluded from certain financial sources, such as the stock exchange, and face difficulties raising certain types of finance such as long-term loans because of the automatically higher risk associated with firms who have little equity in the form of share capital (Deakins, 1996: 73). According to McDonagh and Commins (2000: 8), realizing the potential value of rural resources is essential for rural development. He further stresses that marketing is often the weak link in rural diversification strategies. This frequently arises from the costs involved with the lack of expertise, small scale of individual production units, dependence of guaranteed prices for commodities, and the undifferentiated nature of products (Leat *et al.*, 2000: 3, in McDonagh and Commins, 2000: 8). Vinturella and Erickson (2004: 30) report that 80% of all new businesses fail due to under-capitalization. The inability to secure adequate long-term financing and the high cost of that financing are both serious problems. This means that small firms typically require more frequent refinancing and are more highly leveraged, thus exacerbating the problem. While acknowledging the elusiveness of access to financial services by SMMEs, Otero and Rhyne (1994, in Makombeshamu, 2001: 5) point out that the goal of providing financial services is attainable through the adoption of certain key principles of credit delivery which have demonstrated a promising strategy for providing wider access to financial services. The finances available for SMMEs from lending banks and financial institutions tend to be much more restricted than for big companies (Butler, 2006: 6). Makombeshamu (2001: 5) states that the emerging techniques' principles for offering finance to SMMEs are similar to those prevailing in any financial system and involve mainly a market perspective and an appreciation of the client group's preferences and designing of products for meeting their needs; and a recognition that financial services are important for not only the SMMEs but the providers (interest earnings) and the nation in terms of economic growth. While it is noted that SMMEs do not want charity but a chance (Wolfensohn, 2000: 5-7), poverty alleviation implies enhancing the welfare of SMMEs which are income dependent, access to infrastructure and other public services. However, Macleod and Terblanche (2007: 258) mention that, in South Africa, ABSA Bank, Khethani business finance, Khula credit guarantees, People's bank and Sizanani are formed to

assist small business with finance. However, the awareness of these financial institutions in the KZN rural areas is still questionable.

Ashely and Maxwell (2001: 395-425) indicate that rural development has been central to the development effort, but rural poverty persists and funding is falling: a new narrative is needed. The study highlights that rural areas are changing, particularly with respect to demography, diversification, and strengthening links to national and global economies. According to these authors, key issues include: agriculture as the engine of rural development; the future viability of small farms; the potential of the non-farm rural economy; the challenges of new thinking on poverty, participation and governance; and implementation problems. This means that research needs to be done in this area in terms of South Africa's context, particularly in the rural areas.

#### **4.7.8 Complexity of SMME management**

A small business is owner- driven, which is fundamentally different to big business. Small business is not team-managed, it has a high failure rate, a short-term focus on returns, no internal labour pool and a high personal financial commitment by the owner (Storey, 2002). Literature indicates that the owners tend to focus on the day-to-day operational requirements. They ensure effective functioning of inbound and outbound logistics, which does not leave much time for planning and strategic management. The problem amplifies when an attempt at strategic management is made, especially when the records are non-existent or missing. This problem has made strategic planning difficult in a number of cases.

The problems that face SMME owners/managers in South Africa include the lack of capital, lack of technical and management skills, legal barriers and bureaucratic licensing procedures, marketing and transport problems. Less frequently mentioned problems are equipment, location, competitors and customers (Frese, 2000: 82). The lack of awareness of these problems could be a reason why they are not identified as problem areas, which can be used as an indicator of the lack of awareness of the role of business in the total environment. The SMME owner invariably has a specific competence, such as marketing or operations. He/she lacks a broad, well-round exposure of the required business functions required by modern business (Baumback, 1985: 21-22). This causes the individuals to have

an internal focus, a lack of understanding of the pressures on business and ultimately they are not able to respond to these pressures, due to their lack of understanding of the context within which they operate.

#### **4.8 CONCLUSION**

The focus of this chapter was on business creation in a rural context, rural development, benefits of rural entrepreneurship, rural enterprise and SMMEs' development in KwaZulu-Natal rural areas, external factors such as politics and law, the role of government, policy framework for rural SMMEs, tax-related regulatory burden on SMMEs in South Africa, socio-demographics, economic activities of SMMEs, economic development in rural areas, technology, competitive environment, competitive strategies of rural SMMEs, internal factors such as the firm, local stakeholders, consumer, education and training, value of education and training for SMMEs, managerial skills, skills of personnel, SMMEs access to finance, and complexity of SMME management. The literature review in this chapter provided the evidence that SMMEs still face challenges in the rural areas with specific reference to KwaZulu-Natal. Therefore, the information gathered and interpreted in this chapter will be used to recommend tactics in which SMMEs' operations can improve the performance of their businesses and promotional strategies to increase business popularity and market growth. The next chapter will focus on the research methodology of this study.



## CHAPTER 5

### METHODOLOGY

#### 5.1 INTRODUCTION

This research was undertaken to achieve seven objectives. These objectives were to discover facts that may be used to describe situations, to evaluate actions and to confirm hypotheses. In order to attain these objectives, it was vital that the facts revealed by the research be accurate and measurable in statistical terms.

Therefore, the purpose of this chapter is to explain how the data were collected and analyzed. The first section deals with the research design and questionnaire design. The second section deals with different types of analyses that were conducted on the data. The third section covers the issue of validity and reliability of the data for the methods chosen, as well as the potential errors that might occur. The control measures of these errors are of critical concern in research, and every effort has been made by the researcher to correct them.

This methodology was used to address the following research objectives and sub-objectives:

**Sub-objective 1:** To identify to what extent marketing is used by SMMEs in rural KZN;

**Sub-objective 2:** To describe who ( individuals or firm) uses marketing in rural KZN;

**Sub-objective 3:** To identify the aspects or tools of marketing that are most used by SMMEs  
in rural KZN areas;

**Sub-objective 4:** To identify the awareness of and knowledge about, marketing  
strategies and marketing activities by SMMEs in rural KZN areas;

**Sub-objective 5:** To identify SMMEs' owners/entrepreneurs' attitudes and opinions  
about marketing in rural KZN;

**Sub-objective 6:** To identify factors that limit the use of marketing by rural KZN;

These factors are specifically split into:

6.1. Internal or personal factors; and

6.2. External/environmental factors; and

**Sub-objective 7:** To suggest the steps that should be taken to improve rural marketing strategies and thereby reduce SMME failure in rural KZN.

## **5.2 RESEARCH DESIGN**

According to Cooper and Schindler (2003: 146) and Welman and Kruger (2002: 107), definitions of research design differ in detail. However, the definitions have the following essentials of research design:

- The design is activity-and time-based;
- The design is always based on the research questions;
- The design guides the selection of sources and types of information;
- The design is a framework for specifying the relationships among the study's variables; and
- The design outlines procedures for every research activity.

Thus, the design provides answers for questions such as what techniques will be used to gather data? What kind of sampling will be used? How will time and cost constraints be dealt with?

Walliman (2005: 270) maintains that once the research problem has been formulated, the nature of the data and the analysis method will become evident. The reasons for choosing particular data collection and analysis methods are always determined by the nature of what the research wants to find out, the particular characteristics of the research problem, and the specific sources of information. In fact, it will often be appropriate to decide first on the type of analysis, quantitative or qualitative, which will be required to investigate the research problem, and then on the type of data which needs to be collected in order to make that analysis.

Leedy and Ormrod (2005: 179) explain that quantitative research involves either identifying the characteristics of an observed phenomenon, or describing or exploring possible correlations among two or more phenomena. Descriptive research examines a situation as it is. It does not involve changing or modifying the situation under investigation, nor is it intended to determine cause-and-effect relationships. For this study a description method was therefore used.

### **5.3 PRIMARY DATA COLLECTION**

The primary data were collected by using the quantitative and qualitative methods. The research was descriptive, that is, it was used to determine market characteristics. Malhotra (1999: 87) defines descriptive research as “a type of conclusive research which has as its major objective the description of something”. As data were collected from any given sample of the population elements only once, a single cross-sectional design was used (Babbie and Mouton, 2001: 24; De Vos, 2003).

In addition to the closed ended questions of the descriptive questionnaire, open ended questions were also used. The open ended questions sought to determine and assess whether there had been any planning activities that precede or had preceded the marketing strategies within the SMMEs sector in the KwaZulu-Natal rural area. The study also sought to establish whether such plans had included a formal marketing strategy. A total of 374 respondents were selected from the five rural areas (Empangeni, Ulundi, Nquthu, Escourt and Kwa-Nongoma) in KwaZulu-Natal on the bases of their owners/managers roles as part of the marketing team of the SMMEs (see Figure 5.1). The use of the open ended questions was to clarify the issues that might not be clear from the quantitative method (close ended questions).



Figure 5.1: An illustration of the map of KwaZulu-Natal

Source: FAR & WILD SAFARI, 2010

### **5.3.2 Quantitative study**

The main purpose of the particular quantitative survey was to assess the knowledge and practical application of marketing tools and tactics used by SMMEs in rural KwaZulu-Natal areas in terms of statistical terms and percentages.

## **5.4 SAMPLING**

The primary research was undertaken because the information available from secondary sources was inadequate or inappropriate to answer the problem at hand. The primary research was the process of obtaining information directly from the primary source of information. This process involved drawing a sample from a defined target population.

### **5.4.1 Target population**

A Department of Trade and Industry (2001: 48) list of 10 000 small business owners forms the population of SMMEs in South Africa. Furthermore, the Department of Youth Affairs from the KZN provincial office indicates that about 800 SMMEs do exist in the KZN province. However, they believe that the number might be higher or lower as they do not have current figures (KZN YouthBiz Database, nd).

### **5.4.2 Sampling method**

Whatever the research questions and objectives are, the researcher will need to collect enough data to answer them (Saunders, Lewis and Thornhill, 2003: 280-326). In a census one collects and analyses data from every possible case or group member. However, for many research questions and objectives, it will be impossible to either collect or analyse all the data available because of limited time and costs of the research. Sampling techniques provide a range of methods that will enable the researcher to reduce the amount of data one needs to collect by considering only data from a sub-group rather than all possible cases. Sampling provides a valid alternative to a census when:

- It would be impractical for one to survey the entire population;
- One's budget constraints prevent surveying the entire population;
- One's time constraints prevent surveying the entire population; and
- One has collected all the data but needs the results quickly (Saunders, Lewis and Thornhill, 2003: 489).

There are two types of sampling design: probability and non-probability sampling (Neuman, 1997, Saunders, Lewis and Thornhill, 2003: 150-170). In probability sampling, selection is based on a true random procedure, while in non-probability sampling the selection is not based on a random procedure. In this study, a non-probability method was used. The selection of the sample units was, therefore, left to the researcher. According to Welman and Kruger (1999: 62), "accidental or convenience sampling is the most convenient collection of the members of the population that are readily available for research purposes". The sample was drawn from SMMEs' owners/managers in KwaZulu-Natal rural areas. The reason for using this method was that there was not an adequate sampling frame available for the population and, therefore, probability sampling cannot be utilized.

To collect primary data, by means of the qualitative interview, the non-probability sampling method was applied in the form of quota sampling (see Table 5.1) to select respondents for this study. This method does not use chance selection procedures but rather relies on the personal judgment of the researcher. With quota sampling, the researcher takes explicit steps to obtain a sample that is similar to the population. The researcher starts with the knowledge of how the population is divided by strata (Proctor, 2000: 95). According to Blumberg, Cooper and Schindler (2005: 223), the logic behind quota sampling is that certain relevant characteristics describe the dimensions of the population. McGivern (2006: 274) believes that it is important to define the population of interest as precisely as possible. In this study, the characteristics of the SMMEs in the sample are summarized in Table 5.1. The DTI definition has been used for the number of employees (Alsbury, 2001, in Simpson and Padmore, 2005: 9). The age of the business, the business growth life cycle and the annual turnover figures were also arbitrary categories (Alsbury, 2001, in Simpson and Padmore, 2005: 9). Size in terms of the number of employees could be compared with DTI statistics in percentage terms if the DTI's figures are grossed up for SMMEs only (DTI, 1996, in Simpson and Padmore, 2005: 9). For this study, the population investigated was made up of the owners/managers of SMMEs in rural KwaZulu-Natal. Therefore, based on this information

regarding the South African SMME sector, a quota sample of 374 small business owners were randomly selected. A total of 374 members of the sample were interviewed face-to-face, using a personally administered questionnaire. Cavana, Delahaye and Sekaran (2001: 278) recommend a number of 374 for a population of 10 000. Therefore, a sample of 374 small business owners/managers was adequate for this study.

**Table 5.1: Quota Control Characteristics (n= 374)**

Age	Annual turnover	Number of employees
Very young (less than 1 year)	R0-500	0
Young (1-5 years)	R501-1000	1-9
Established (6-10 years)	R1001-2500	10-19
Mature (over 10 years)	Over R2500	20-49
		50-99
		100-199
		200-249

Rwigema and Venter (2004: 316) highlight that, in the schedule of ACT 102 of 1996, SMMEs were classified by sector or subsector in terms of full-time staff complement, annual turnover, as well as gross asset value (see Appendix C1: Classifications of SMMEs).

### **5.4.3 Sample size**

Cavana, Delahaye and Sekaran (2001: 278) recommend 374 respondents for a population of 10 000. Therefore, a sample of 374 respondents was selected (78 in Ulundi and 74 in the other four areas). Struwig and Stead (2001: 125) state that it is not possible to identify if an ideal sample size is good or bad. However, Diamantopoulos and Schlegelmilch (1997: 16) state that a sample size between 20 and 50 respondents can be regarded as a good sample. The sample size of 374 is, therefore, adequate for this study.

## **5.5 DATA COLLECTION**

### **5.5.1 Data collection instrument**

The literature was used as the source of information to formulate the questionnaire for this study.

The measuring instrument that was used for this study was a questionnaire that consisted of closed-ended questions and space was provided with each question for the inclusion of any other relevant information with regard to the question.

In this study, a combination of both closed-ended questionnaire (questionnaire that provides a number of alternative answers from which the respondent is instructed to choose) and open-ended questions was used to collect primary data. The interview guides were structured in such a way that “Yes/No” answers could be recorded while some questions were structured along the Likert rating scale. Table 5.2 is an example of a question based on the Likert rating scale.

**Table 5.2: Example of questionnaire**

Please indicate your response to the following statements with regard to marketing.

Statement	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
The support I get from marketing agencies in my area is good.					
The promotional activities applied by SMME owners/managers are very effective in increasing their businesses’ popularity/awareness.					
Marketing is very important to the success of my business.					
Marketing tools assist us in getting more referrals.					
Marketing tools assist us in getting more customer loyalty.					
Marketing tools assist us in getting more sales.					
Marketing is used as a source of information about business.					



Space was also provided to record comments and opinions as questions were asked. The questionnaire consisted of questions developed from a review of relevant literature on the area of research. The list of questions was designed to gain the most pertinent facts regarding aspects of marketing strategies used by SMMEs, particularly those in the rural KwaZulu-Natal areas. The questionnaire contained all the questions for which data were required for the topic of research. SMMEs' owners/managers were interviewed to gain data on the following aspects:

- Location of the business;
- Type of business;
- Type of ownership;
- Number of years of business existence;
- The annual turnover of the business;
- Fields of owner/managers;
- Business trends within a year;
- The most important factors affecting the business;
- Source of funding for the business;
- Knowledge and understanding of marketing;
- The person who performs marketing roles;
- The effectiveness of product delivery to the desired market;
- Factors affecting owners'/managers' marketing activities;
- Availability of marketing services;
- Methods of promotions used;
- Other factors that might affect businesses;
- Owners'/managers' attitudes of marketing;
- Products attraction to the customers;
- Marketing strategies used;
- Factors that limit marketing of the products;
- Access to financial services;
- Business competitors;
- Product preferences;
- Training achievements;

- Marketing skills; and
- Marketing knowledge.

### **5.5.2 Quantitative and open ended questionnaires**

Quantitative and open ended questionnaires were used where each question was determined to achieve a specific objective of this study. Therefore, the questionnaire comprised of the follows objectives:

#### **Objectives 1: To identify to what extent marketing is used by SMMEs in rural KZN**

Question 5: was used to determine the annual turnover of the business;

Question 10: was used to determine the knowledge and understanding of marketing;

Question 11: was used to determine who performs the marketing roles in the business;

Question 12: was used to determine the effectiveness of product delivery to the desired market;

Question 16: was used to determine the methods of promotion that owners/managers have used during the last 12 months; and

Question 18: was used to determine the owners'/managers' attitudes/opinions with regard to marketing.

#### **Objectives 2: To describe who (individuals or firm) uses marketing in rural KZN**

Question 1: was used to determine the location of the business;

Question 2: was used to determine the type of the business;

Question 3: was used to determine if the business is single-owned or jointly-owned;

Question 4: was used to determine number of years of business existence;

Question 5: was used to determine the annual turnover of the business;

Question 7: was used to determine the main trends of the business within twelve months of the operation;

Question 9: was used to determine the sources of funds for the business; and

Question 24: was used to determine what makes people prefer products from their competitors.

**Objectives 3: To identify the aspects or tools of marketing that are most used by SMMEs in rural KZN areas**

Question 12: was used to determine the effectiveness of product delivery to the desired market;

Question 15: was used to determine the services that are available in their areas with regard to marketing;

Question 16: was used to determine the methods of promotion that owners/managers have used during the last 12 months; and

Question 19: was used to determine the product's attraction to the customers.

**Objectives 4: To identify the awareness of and knowledge about, marketing strategies and marketing activities by SMMEs in rural KZN areas**

Question 5: was used to determine the annual turnover of the business;

Question 10: was used to determine the knowledge and understanding of marketing;

Question 19: was used to determine the product's attraction to the customers;

Question 23: was used to determine if there are main business competitors in the areas; and

Question 24: was used to determine what makes people prefer products from their competitors.

**Objectives 5: To identify SMMEs' owners/entrepreneurs' attitudes and opinions about marketing in rural KZN**

Question 17: was used to determine other factors that affect their businesses most in their areas with regard to the implementation of marketing activities; and

Question 18: was used to determine the owners'/managers' attitudes/opinions with regard to marketing.

## **Objectives 6: To identify factors that limit the use of marketing by rural KZN**

these factors are specifically split into:

- 6.1. Internal or personal factors; and
- 6.2. External/environmental factors.

Question 7: was used to determine the main trends of the business within twelve months of the operation;

Question 8: was used to determine the most external factors that affect the business;

Question 9: was used to determine the sources of funds for the business;

Question 13: was used to determine what affects the marketing abilities of the business;

Question 20: was used to determine marketing strategies used by the owners/managers in their areas;

Question 25: was used to determine if owners/managers get training on marketing skills;

25.1.1: was used to determine where they get their training;

25.1.2: was used to determine who pays for their training;

25.1.3: was used to determine the length of their the training; and

25.1.4: was used to determine the content of training; and

Question 26: was used to determine what type of marketing knowledge would enable them to achieve their marketing potential.

### **5.5.3 Administration of the instrument**

According to Kinnear and Taylor (1987: 422), “ the questionnaire is a critical component of the research project in that a poorly designed questionnaire can be a major source of error in the research results’’. The questionnaire made it easy for the researcher to access information from the respondents, taking into account the effect of the wording and sequence of questions might have had on the respondents’ answers.

The personally administered questionnaire has several advantages. The interviewer could explain any questions that the interviewee did not understand. It enabled the interviewer to make a visual check whether the interviewee fits the sample population. It allowed more time for the use of a

detailed questionnaire (Welman and Kruger, 2001: 126). It included questions to develop a demographic profile of the respondents and measure the use of marketing by SMMEs in rural KwaZulu-Natal areas. The questionnaire also established the economic level of SMMEs and their contribution in the rural KwaZulu-Natal areas.

There was an introduction explaining the reason for the research as well as the approximate length of the interview. This explanation was given to determine the use of marketing strategies and the knowledge of marketing by the rural SMMEs' operators in Kwazulu-Natal areas.

For this study, 374 questionnaires were distributed to the respondents. Data were collected in the form of questionnaires and personal interviews. Data were collected at the business sites by visiting them. The interviews were conducted in the Empangeni, Ulundi, Nquthu, Escourt, and Kwa-Nongoma areas. Seventy four (74) respondents from four rural areas (Nquthu, Escourt, and Kwa-Nongoma) and seventy eight (78) respondents from the fifth rural area (Ulundi). Rural study Report (1999) highlights that KwaZulu Natal has high numbers of rural dwellers. Furthermore, Statistics South Africa Report (2001) indicates that KwaZulu Natal province has 21% of population of which 4% live in the Durban metropolitan areas while 17 % live in the rural areas. The reasons for selecting these places were that these are rural areas that have relatively large populations in KwaZulu-Natal. Therefore, the interviewers were able to find more SMME owners in these areas.

In order to standardize the conditions under which the questionnaires were completed, teachers of primary schools in the selected areas were recruited. They were trained and briefed on the topic. The interviews were conducted at the selected areas (Empangeni, Ulundi, Nquthu, Escourt, and Kwa-Nongoma) to standardize the results of research outcomes. The interviews were conducted from 1 December 2008 up to 28 April 2009 during the week days and at the weekends. In order to increase the respondents' ability to answer the questionnaire, a number of instructions were provided throughout the questionnaire and the interviewer was at hand to explain any parts of the questionnaire that the respondent did not understand. The instructions were exactly the same on all the questionnaires. To prevent inconsistency in coding, all questionnaires were pre-coded.

## 5.6 DATA ANALYSIS

According to Tustin (2005: 479), once data have been captured and stored in the format of a data set, they can be used for analysis. A high quality data set will be of limited use if the captured data cannot be analysed effectively. There are various options when it comes to data analysis. Primary data analysis techniques can be used. Once data processing has been done (editing questionnaires and checking for missing information), the data were entered into the computer according to question codes and were analysed using the SPSS (Statistical Package for Social Sciences) version 16.0 statistical programme. The first type of analysis looked at frequencies, for example, the number of times a certain response was made. Then the variables were screened. This process screened all variables and identified those variables that were highly influential on the dependent variables of the study. Finally, a number of analytical procedures were used. In order to test relationships, bivariate analysis was used in the form of cross-tabulations. Appropriate inferential statistics were used to test relationships. Data were presented by means of bar graphs as well as tables to show the association between variables (Aaker, Kumar and Day, 2007: 663).

### 5.6.1 Frequencies

Frequencies were used to determine how often a respondent made a certain response to a particular question, and were also used to check the coding of data. If the responses did not equal the sample total then it meant that the data were not correctly captured (Babbie *et al.*, 2002: 298; Maree, 2007: 184; Zikmund, 2003: 403). The information gathered from the frequencies allowed for the analysis of the results and conclusions of the study.

### 5.6.2 Descriptive statistics

Descriptive statistics were used to help the researcher to describe and compare the main features of the collected [data](#) in quantitative terms (Saunders, Lewis and Thornhill, 2003: 351). Descriptive statistics are distinguished from [inferential statistics](#) in that descriptive statistics aim to quantitatively summarize a data set, rather than being used to support inferential statements about the [population](#) that the data are thought to represent. In this study, descriptive statistics were

generally presented along with more formal analyses, to give the readers an overall sense of the data being analyzed.

### **5.6.3 Chi-Square Test**

According to Struwing and Stead (2000: 481), the chi-square test is frequently used to test significance in social sciences. It is based on the null hypothesis: the assumption that there is no relationship between the two variables in the total population, given the observed distribution of values on the separate variables. The test of significance assesses the strength of the evidence against the null hypothesis in terms of probability. The null hypothesis states that there is no significant association between the dependent variable and the factor whose strength is being tested. The hypothesis is rejected at the alpha level of significance, which is 0.05, that is 5%, otherwise the null hypothesis is accepted (Diamantopoulos and Schlegemilch, 1997: 140). When alpha is 0.05, it means that there are 5 chances in 100 that the hypothesis would be rejected.

### **5.6.4 Correlations**

Saunders, Lewis and Thornhill (2003: 475) describe correlation as a statistical technique that can show whether, and how strongly, pairs of variables are related. This means that +1 and -1 represent the strength of the relationship between two ranked or quantifiable variables. For example, in this study, correlation was used to measure the relationship between the use of marketing tools and factors that limit the use of marketing.

## **5.7 RELIABILITY AND VALIDITY**

### **5.7.1 Reliability**

Reliability of the measurement refers to the extent to which the measurement process is free from random errors. Reliability refers to the extent to which obtained scores may be generalized to different measuring situations. The relationship between validity and reliability is as follows: a test can be reliable but not valid, but a test cannot be valid without first being reliable (Leedy and Ormrod, 2005: 29). Reliability decreases as error increases. In order to enhance the reliability of the findings, the sample was fairly large and consisted of 374 respondents. Santo (1999: 1) stresses that reliability comes to the forefront when variables developed from summated scales are used as predictor components in objective models. Since summated scales are an assembly of interrelated items designed to measure underlying constructs, it is very important to know whether the same set of items would elicit the same responses if the same questions are recast and re-administered to the same respondents. Variables derived from test instruments are declared to be reliable only when they provide stable and reliable responses over a repeated administration of the test. Cronbach's alpha is an important measure of the reliability of a psychometric instrument (Maree, 2007). Cronbach's alpha measures how well a set of items (or variables) measures a single uni-dimensional latent construct. A Cronbach's alpha level at 0.7 was used for this study.

According to Saunders, Lewis and Thornhill (2003: 308-309), the purpose of the pre-test is to refine the questionnaire so that respondents will have no problems in answering the questions and there will be no problems in recording the data. In addition, a pre-test enables the researcher to obtain some assessment of the questionnaire's validity and the likely reliability of the data that will be collected. Preliminary analysis, using the pre-test data, can be undertaken to ensure that the data collected will enable the investigative questions to be answered. This preliminary analysis ensures that the questionnaire was checked so that the respondents easily understand it. The pre-test thus enables the researcher to correct errors prior to the survey being conducted. The questionnaire was also considered in terms of its length; a long questionnaire could result in respondents being reluctant to take part in the study.



### 5.7.2 Validity

Validity refers to the extent to which the measurement process is free of both systematic and random error. It refers to how well the data measure what they are supposed to measure (Goddard and Melville, 2001: 41). Validity, according to Salkind (1997: 128), refers to the results of the test, and not the test itself. There are different degrees of validity. In other words, validity can be high or low. It is important to interpret validity within the context in which the test occurs. Therefore, to test the validity of this study, a pre-test was done for this study. In order to establish the validity, the following questions regarding the study were asked:

- Does the research actually analyse the marketing knowledge and its usage on SMMEs in rural and under-developed area in KwaZulu-Natal?
- Do the research measuring instruments agree with the research objectives?
- There are several types of validity that can be considered. However, for this study the following types of validity were considered.

**(a) Face validity:** The first step in compiling an index is selecting items for a composite index, which is chosen to measure some variable. The first criterion for selecting items to be included in the index is face validity (Babbie and Mouton, 2001: 139; McBurney, 2002: 128). A specialist statistician helped with this test before the questionnaire was distributed.

**(b) Content validity:** The second type of validity is known as content validity. This measures the extent to which a measure appears to measure the characteristic it is supposed to measure. In other words, it is a measure of how well the items represent the entire universe of items. The key to content validity lies in the procedures used to develop the instrument used. Content validity can never be guaranteed because it is partly a matter of judgment (Leedy and Ormrod, 2005: 92). However, Hair, Bush and Ortinau (2006: 650) mention content validity has the property of a test that indicates that the entire domain of the subject or construct of interest was properly sampled. That is, the identified factors are truly components of the construct of interest. Therefore, a content validity test was used to test the sampling method for this study. The evaluation of the questionnaire by the statistician was done and the pre-test was conducted.

**(c) Construct validity:** The third type of validity that was tested in this study was construct validity. A construct is any concept that cannot be directly isolated. Here not only must the instrument that was used be internally consistent, but it must also measure what it was intended to measure. The question here is “Does each item behave as expected?” The construct validity of a measure confirms or denies the hypotheses predicted from the theory (Leedy and Ormrod, 2005: 92).

The existence of a construct is inferred from an examination of the relationships between variables. An important feature of a construct is that it can always be represented by multiple variables. Construct validity is established by showing that the scores on the newly designed test will differ between groups of people with or without certain characteristics. It is also possible to analyse the task requirements of the items being measured, and determine if these requirements are consistent with the theory underlying the development of the test (Salkind, 1997; Hair., Bush and Ortinau, 2006: 650). Therefore, for this study, some of the questions needed to be answered with regard to the research objectives are: “Does the research actually measure marketing abilities of SMMEs’ owners/managers”, and “Do the research findings cover the research objectives”. Hair, Bush and Ortinau (2006: 650) agree that construct validity is the degree to which researchers measure what they intended to measure, and the degree which the proper identification of the independent and dependent variables were included in the investigation. The statistician specialists tested if the relationships between variables confirm or deny the hypotheses predicted from the theory for this study.

## **5.8 CONCLUSION**

This chapter explained how the data were collected and analysed. The research design and target population were defined. The sampling method and the reasons for choosing the particular method were explained. Validity and reliability, including the pilot study which was done for this study, were properly defined in this chapter. Attempts were made to ensure that errors were minimized and that the correct sample was obtained by the interviewers. The researcher was involved in conducting interviews and assisted in determining if there were any major problems. The main focus of this

chapter was on research methodology. The next chapter (chapter 6) focuses on the presentation and analysis of the primary research results.

## **CHAPTER 6**

### **ANALYSIS OF THE RESULTS**

#### **6.1 INTRODUCTION**

This chapter provides a detailed analysis of the findings and interpretation of the results. The purpose of the study was to determine the marketing strategies applied by SMMEs in the rural areas of KZN. The objectives of the study were also outlined in order to cover some important aspects that might contribute to the use of marketing by SMMEs in rural areas. Since marketing alone cannot lead to business success, other areas of the business in the rural areas are also explored, such as the business conditions, relating to the macro and micro environment, type of ownership, knowledge and understanding, attitude and opinion of owners/managers about marketing. The analysis was based on the quantitative and qualitative questionnaires to allow respondents to express their feelings and explain other contributing factors that might affect their marketing abilities and activities in their respective areas. A comprehensive literature review was done to demonstrate SMME marketing strategy and how it can be applied by SMMEs' owners/managers as opposed to large businesses. Also reviewed was the current state of the SMME sector in the South African rural areas, particularly in KwaZulu-Natal as well as the roles played by marketing strategy in the SMME industry and rural development as a whole.

The analysis entails the use of descriptive statistics analysis in the form of frequencies and bi-variate analysis in the form of Chi-Square tests. The descriptive statistics, that is frequencies and percentages, provide an initial general overview of the results and are illustrated by bar charts. Chi-Square tests were used to provide a more precise analysis of each objective. This section addresses each of the sub-objectives identified and is broken down into sub-topics. Each topic includes the analysis and results. Some information is presented in the form of graphs extracted from Microsoft Excel to clarify the findings.

## 6.2 SAMPLE OF RESPONDENTS

The survey was conducted among the SMMEs' owners/managers operating in rural KwaZulu-Natal areas. 374 respondents were interviewed and comprise of owners and managers and of various SMME businesses. All respondents were involved in the business activities and registered with the KwaZulu-Natal Department of Trade and Industry through their respective areas, for example, Unquthu, Nongoma and Escourt Departments of Trade and Industry. The interviewers visited selected areas in an effort to reach the respondents operating in the different SMME sectors such as mining, manufacturing, construction, wholesale and retail and accommodations and many others.

**Table 6.1: Quota control characteristics of sample for KZN rural areas**

Age			Turnover		
Category	No	%	category	No	%
Very young (less than 1 Year)	36	9.6	R0-5000	24	6.4
Young (1-5 years)	197	52.7	R5001-10000	67	17.9
Established (6-10 years)	71	19	R10001-15000	51	13.6
Mature (over 10 years)	70	18.7	Over R2500	209	55.9
			Don't know	23	6.0
<b>Total</b>	<b>374</b>	<b>100%</b>		<b>374</b>	<b>100%</b>

The survey method for data collection was implemented through a combination of a quantitative and open ended questionnaire that contained structured questions. Respondents did not have to answer questions in their own words or enter into lengthy discussion as is the case in a qualitative research. They simply had to select their responses from the structured response categories. Quantitative research allows responses to be qualified and presented in numbers and short sentences where comments are needed. The findings were to determine if there are any deficiencies in terms of marketing knowledge and experience.

In this study, questionnaires were personally delivered to all respondents (see Appendix A). Instructions were provided for each question. This was due to the fact that respondents were not willing to be personally interviewed in their own time. Others also stated that they were too busy to

be personally interviewed but were willing to complete the questionnaire on their own. With some respondents, appointments were made before the questionnaire was delivered for completion, whereas some preferred a personal visit to explain and deliver the questionnaire.

The purpose of the study was explained to respondents during the first visit when the questionnaire was delivered. Respondents were asked when they could be visited again to find out if the questionnaires were ready for collection.

The advantage of this method (personal delivery) of data collection was that it makes it easy to explain and ask for the respondents' co-operation. It made it possible for the questionnaire to be collected within a reasonable period. However, the costs were high since the questionnaire was personally delivered and also collected personally.

Questions had alternatives which allowed respondents to select the answer of their choice. This makes it easy for the researcher to see if all business owners/managers have the same problem in different rural areas in the KwaZulu-Natal province. The relationship of the variables of this study were represented by using cross-tabulation tables, chi-square tables, bar graphs and results were grouped according to the objectives.

### **6.3 RELIABILITY TEST- CRONBACH'S ALPHA**

Cronbach's alpha was also used to test reliability. The Cronbach's alpha varies between 0 and 1 inclusive, with higher numbers indicating greater reliability. For exploratory research, the Cronbach's alpha value of greater than 0.70 is preferred (Pietersen and Maree, in Maree, 2007: 216). All relevant questions with regard to opinions and attitudes were tested using Cronbach's alpha. The result was 0.773. For this study, the reliability analysis was conducted using question 18. The value of Cronbach's alpha was 0.773, which indicated a high degree of internal consistency and intercorrelation amongst the items in question 18 (see Table 6.2). It can be concluded that the items together measure a common construct. A value of 0.7 or higher is a very good value that can lead to the same results if this survey was conducted with a larger sample of respondents.

**Table 6.2: Cronbach's reliability test**

Reliability Statistics				
Cronbach's Alpha		N of Items		
.773		7		

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q18.1	12.3091	20.548	.108	.832
Q18.2	12.9866	17.949	.506	.743
Q18.3	13.4462	17.256	.647	.716
Q18.4	13.3011	16.885	.679	.709
Q18.5	13.4140	17.009	.637	.716
Q18.6	13.5134	17.162	.584	.726
Q18.7	13.4328	17.885	.455	.753

The key questions analyses for this study were those included in Q 18. Therefore, the testing of reliability of these questions was critical. The other questions were less critical and therefore did not warrant further inter – item correlation testing.

## **6.4 ANALYSIS PER RESEARCH OBJECTIVES**

Univariate analysis included frequency graphs and Chi-square tests for goodness-of-fit and bivariate analysis were included as indicated below. The discussion of this study was based on the survey questions with regard to specific objectives that included discussion of both univariate analysis and bivariate analysis. Some of the questions were discussed in more than one objective as they provided important information for the other objectives. However, the relevant figure was not repeated, but was only provided in the first objective where it was discussed.

### **6.4.1 Objective 1: To identify to what extent marketing is used by SMMEs in rural KZN**

This section discussed the findings with regard to the above objective based on the following questions: 10, 11 and 12. The purpose of these questions were the following:

Question 10: was used to determine the knowledge and understanding of marketing;

Question 11: was used to determine who performs the marketing roles in the business; and  
 Question 12: was used to determine the methods of promotion that owners/managers have used during the last 12 months.

#### 6.4.1.1: The understanding of the respondents about what marketing is

Murdon, Blackey and Blythe (2001: 143-155) state that SMMEs show good customer orientation, but patchy understanding of competitive positioning and virtually no knowledge of strategic marketing thinking. In this study, analysis was done to see if this is still a problem in rural SMMEs with specific reference to the KwaZulu-Natal rural areas. The analysis is shown in Figure 6.1.

**Figure 6.1: The understanding of the respondents about what marketing is**

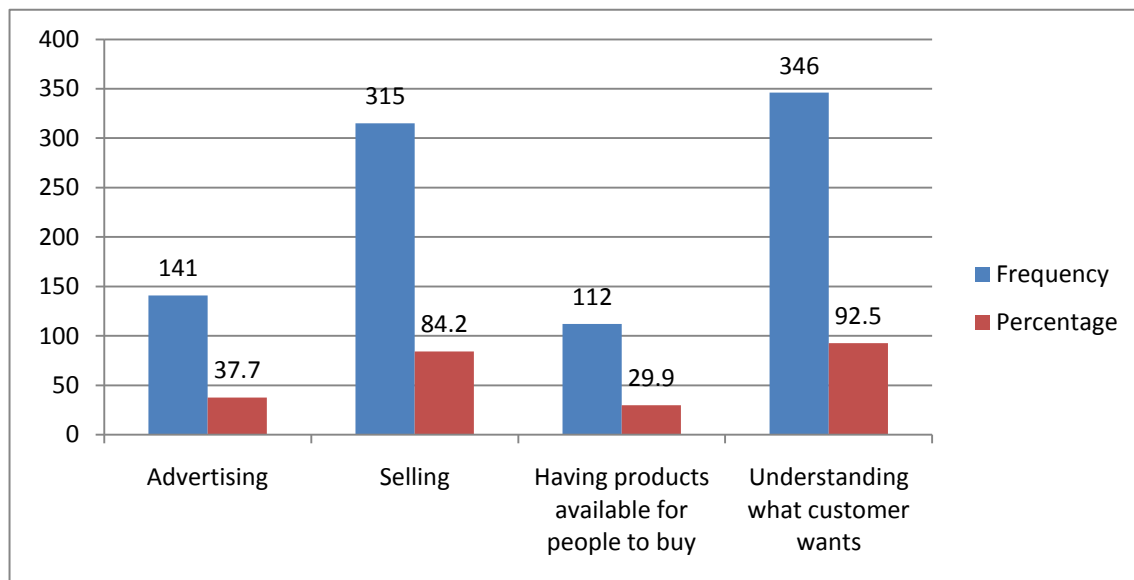


Figure 6.1 shows that a large number of respondents believe that they understand what customers want and sell the required products (92.5% and 84.2%). At the same time, there were a few respondents who indicated that marketing is advertising and having products available for people to buy (37.7% and 29.9%). 92.5% of the respondents understood that marketing is about understanding customers' wants. Consequently, respondents had an idea about marketing.



A Chi-square goodness of fit was conducted on the understanding of the marketing question, based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2=22.631$ ,  $df=1$ ,  $p=.000$ ) indicate that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.1.2: The respondents who play a marketing role in their businesses

Sima and Gheorghe (2008: 76) believe that because of the authority complex and the tendency of duplicity and dissociation between affirmations and actions, businesses meet major difficulties such as lack of marketing professionalism. Figure 6.2 shows the analysis of the results regarding the role of respondents in their businesses.

**Figure 6.2: The respondents who play a marketing role in their businesses**

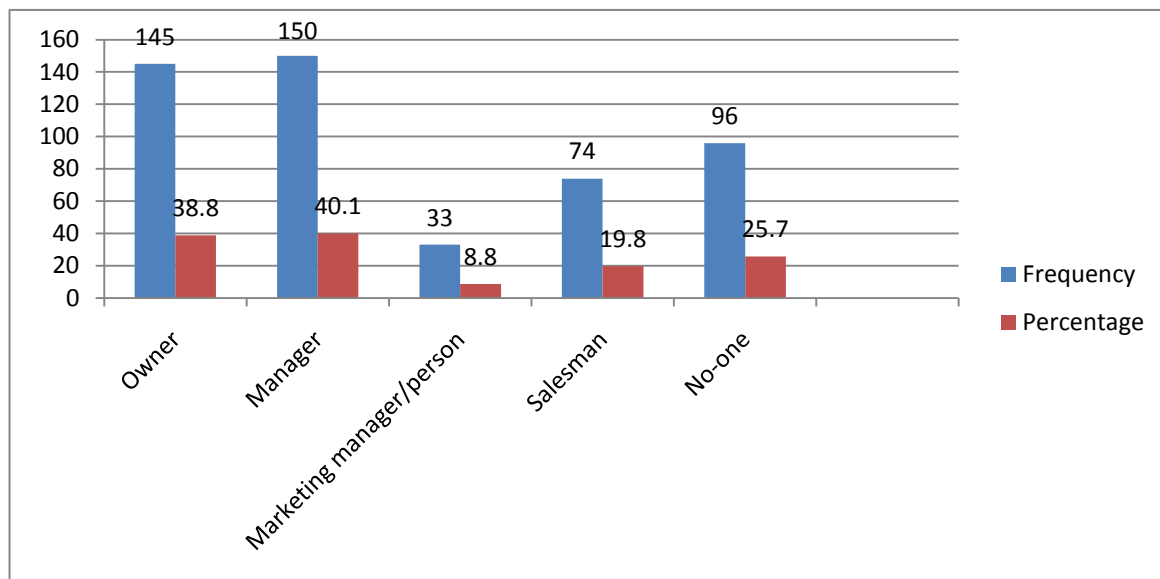


Figure 6.2 shows that a large number of the sample indicated that marketing is done by the manager of the business and owner of the business, and 79% (40.1% and 38.8%) of the respondents did not have marketing knowledge. Only 28.6% (8.8% and 19.8%) of businesses had marketing done by specialists (marketing manager/person and salesman) while 25.7% of the sample indicated that no one was performing the marketing function.

A Chi-square goodness of fit was conducted on who plays the marketing role in the business, based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2=18.866$ ,  $df=1$ ,  $p=.000$ ) indicated that the observed findings are significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.1.3: How do respondents ensure that their products effectively reach the desired market

Meyer-Stamer (2003: 9) indicates that rural areas in South Africa seem to be full of problems and bottlenecks where any promotion approach must address several factors at the same time. Therefore, it is important to analyse how rural SMMEs sell their products more effectively to their target market, particularly in KwaZulu-Natal rural areas. The analysis is shown in Figure 6.3.

**Figure 6.3: How respondents ensure that their products effectively reach the desired market**

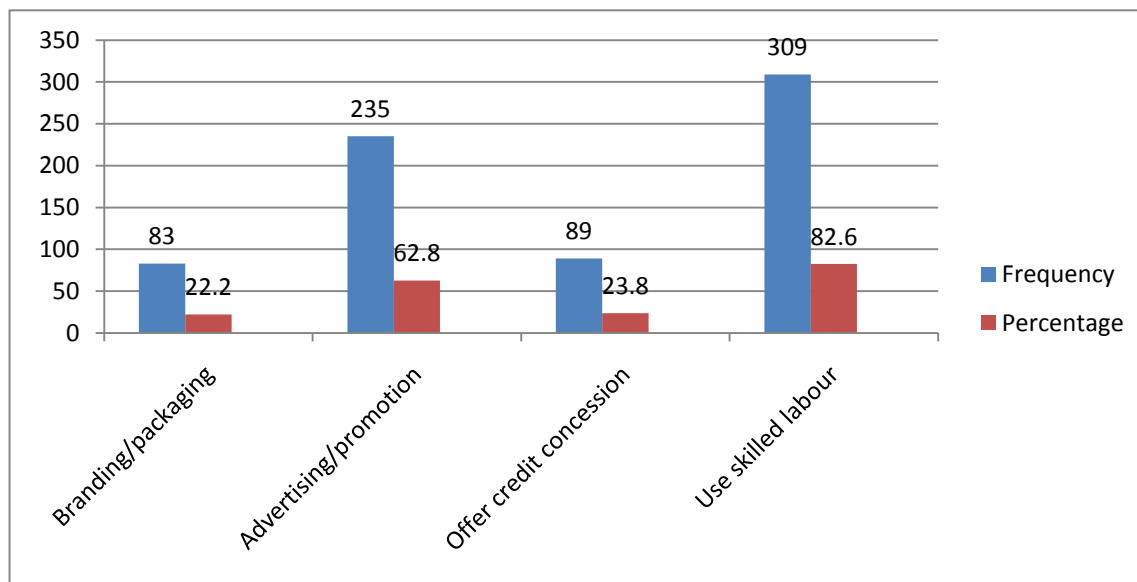


Figure 6.3 shows that a large number of the sample used advertising/promotion and used skilled labour/trained staff to offer more effective and sufficient products for their customers (62.8%

82.6%). Branding/packaging and offering credit concessions were less effective in this situation (22.2% and 23.8%).

A Chi-square goodness of fit was conducted on how SMMEs offer good and more effective products for their customers. This question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 498.695$ ,  $df=5$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.1.4: Methods of promotions used by respondents in their areas

Frost (2003: 49-62) points out that SMMEs use a restricted range of strategic tools. Therefore, there was a need to analyze which were the promotional methods frequently used by rural SMMEs in KwaZulu–Natal areas. The analysis is shown in Figure 6.4.

**Figure 6.4: Methods of promotion used by respondents in their areas**

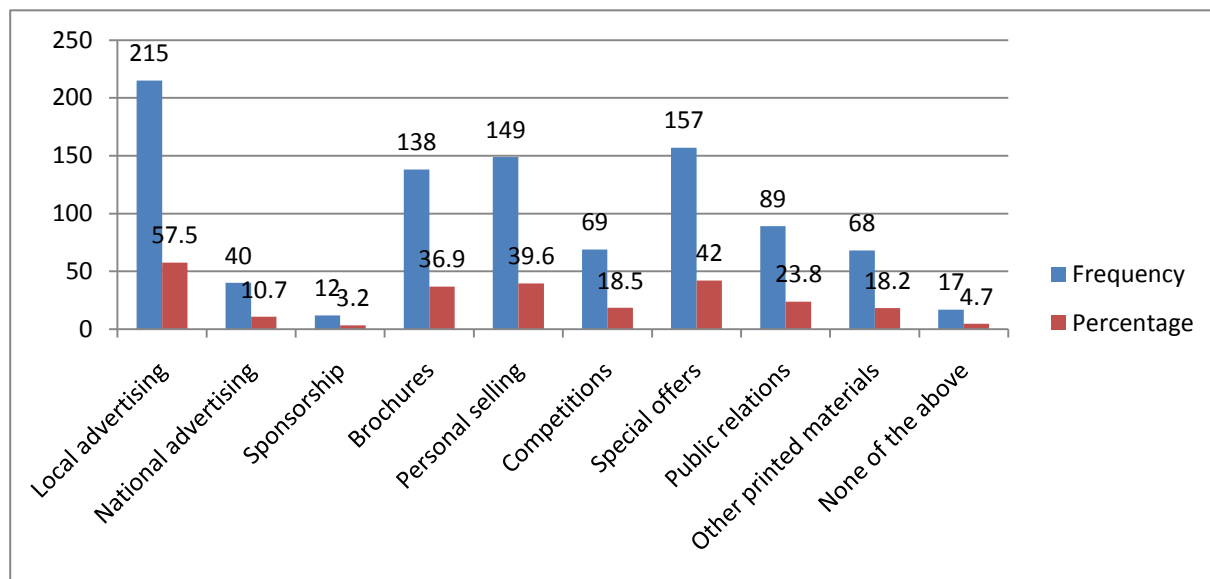


Figure 6.4 shows that the findings support the literature with local advertising, personal selling and brochures being the most commonly used promotion methods (57.5%, 39.6% and 36.9%). Few respondents used the full range of the methods.

A Chi-square goodness of fit was conducted on the methods of promotion used by SMMEs. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 7.797$ ,  $df=4$ ,  $p=.005$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.1.5 Conclusion to the extent of the marketing use

This objective has established that understanding of marketing does not appear to be a major problem even though respondents did not give precise definitions of marketing. The majority of the respondents indicated that marketing was done by managers of the business or owners of the business. Advertising/promotion and the use of skilled labour were identified by the respondents as most effective elements used to offer products to the customers. The respondents indicated that local advertising, special offers, personal selling and brochures were the most frequently used methods of promotion in their areas.

#### **6.4.2 Objective 2: To describe which individuals and corporatives use marketing in rural KZN**

This section will discuss the findings with regard to the above objectives based on the following questions: 1, 2, 3, 4, 5 and 7. The purpose of these questions were the following:

Question 1: was used to determine the location of the business;

Question 2: was used to determine the type of the business;

Question 3: was used to determine if the business is single-owned or jointly-owned;

Question 4: was used to determine the number of years of business existence;

Question 5: was used to determine the annual turnover of the business; and

Question 7: was used to determine the main trends of the business within twelve months of the operation. These questions were used to get the necessary information with regard to the above objective.

#### 6.4.2.1: Location of the respondents

Literature indicates that there are substantial and unique differences between urban and rural environments in relation to not only establishing enhanced business levels and attitudes, but also maintaining an interest and pace of life in business in rural areas (Brooksbank, Thompson and Williams, 2008: 421-436; Smith, 2008: 370-389). Therefore, in this study, it was necessary to analyse if rural SMMEs are widespread in South Africa, more especially in KwaZulu-Natal rural areas. The results are shown in Figure 6.5.

**Figure 6.5: Location of the respondents**

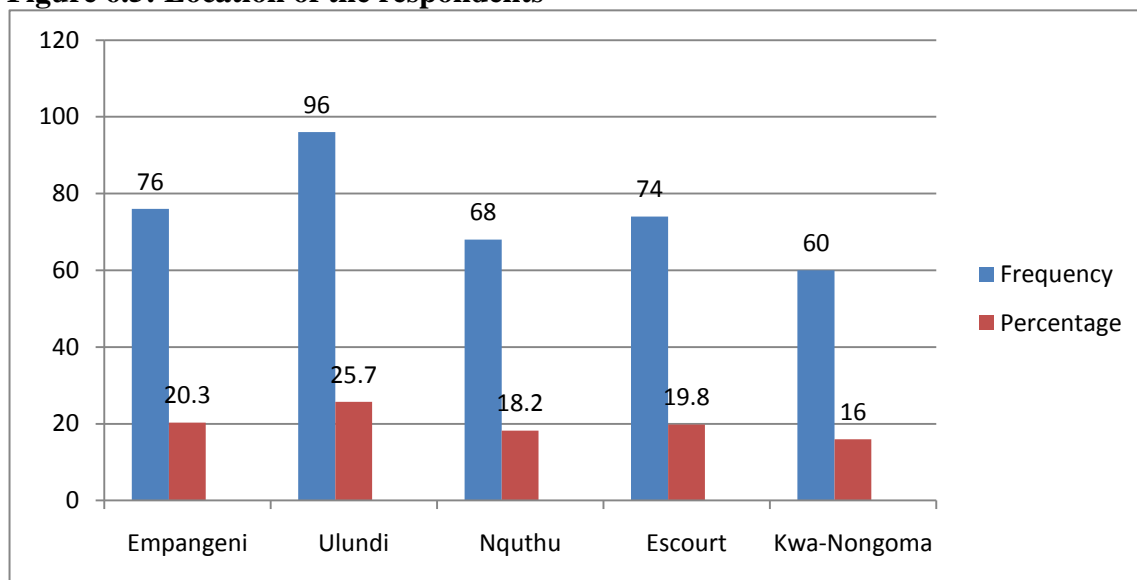


Figure 6.5 shows the sample size of this study as obtained from Empangeni, Ulundi, Nquthu, Escourt and Kwa-Nongoma in rural KZN areas where this study was conducted.

A Chi-square goodness of fit was conducted on the location of business. This question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 9.583$ ,  $df=4$ ,  $p=.048$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.2.2: Type of business in which respondents are involved

Ntsika (1999: 9-10) indicates that the SMME sector consists different of types of businesses such as mining and quarrying, manufacturing and construction and many others. The results of this study are shown in Figure 6.6 to determine the types of SMMEs that are found in the rural KwaZulu-Natal areas.

**Figure 6.6: Type of business in which respondents are involved**

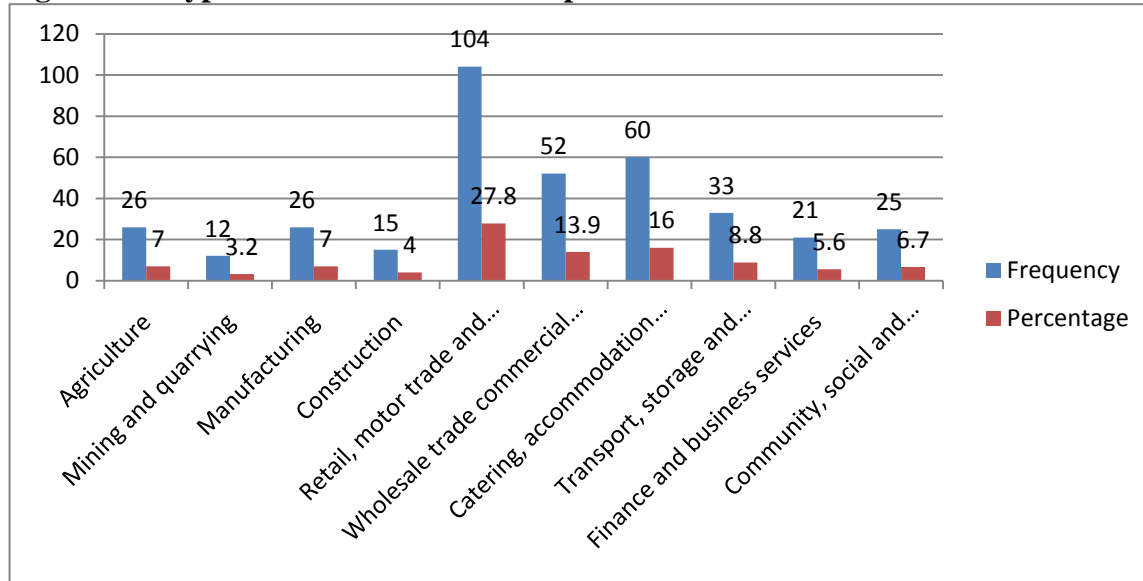


Figure 6.6 shows that respondents are widespread across industries. However, the bulk of respondents fall in the retail, motor trade and repair services, wholesale trade commercial agent, catering, accommodation and other trade (104, 52 and 60 respondents, respectively).

A Chi-square goodness of fit was conducted on the type of business. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 187.390$ ,  $df=9$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.2.3: How respondents owned their business

Carson, Cromie and Hill (1995: 81) state that most of SMMEs rely on generalist jack-of-all-trades individuals for their success, usually the owner/manager.

**Figure 6.7: How respondents owned their business**

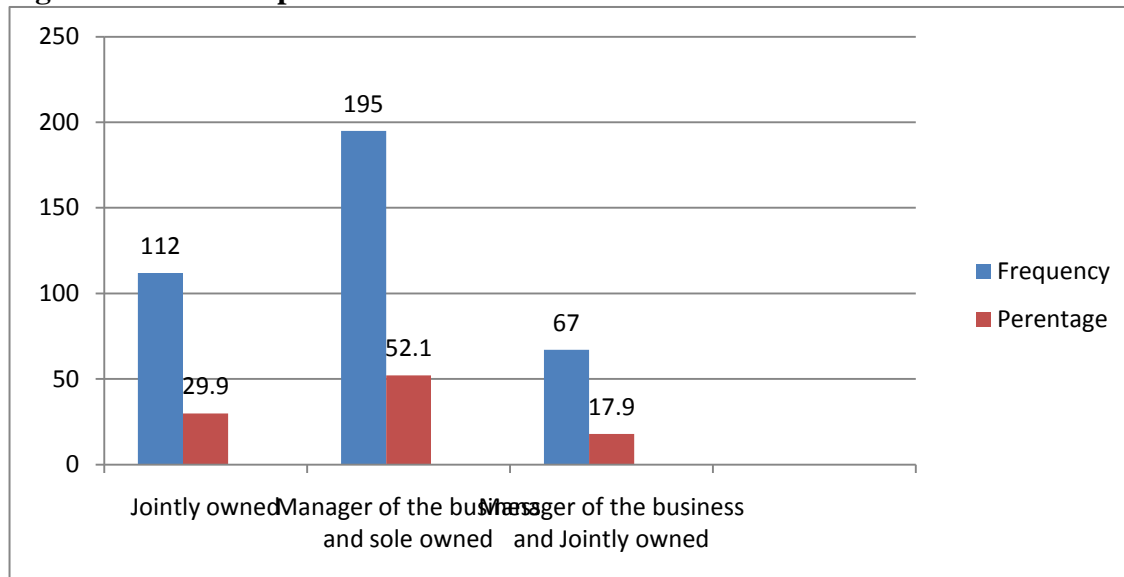


Figure 6.7 shows that the majority of SMMEs in the sample are sole owned (52.1%), followed by jointly owned SMMEs (29.9%) while a few SMMEs have managers and are jointly owned (17.9%).

A Chi-square goodness of fit was conducted on the ownership of business. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2=67.642$ ,  $df=2$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.2.4: Number of years of the business existence

Nieman (1999, in Nieman and Nieuwenhuizen, 2009: 35) indicates that the largest percentage of small businesses fail during the first two years of their existence due to cash flow problems that arise. The results of this study are shown in Figure 6.8 to see if this is the case in rural KwaZulu-Natal areas.

**Figure 6.8: Number of years of the business existence**

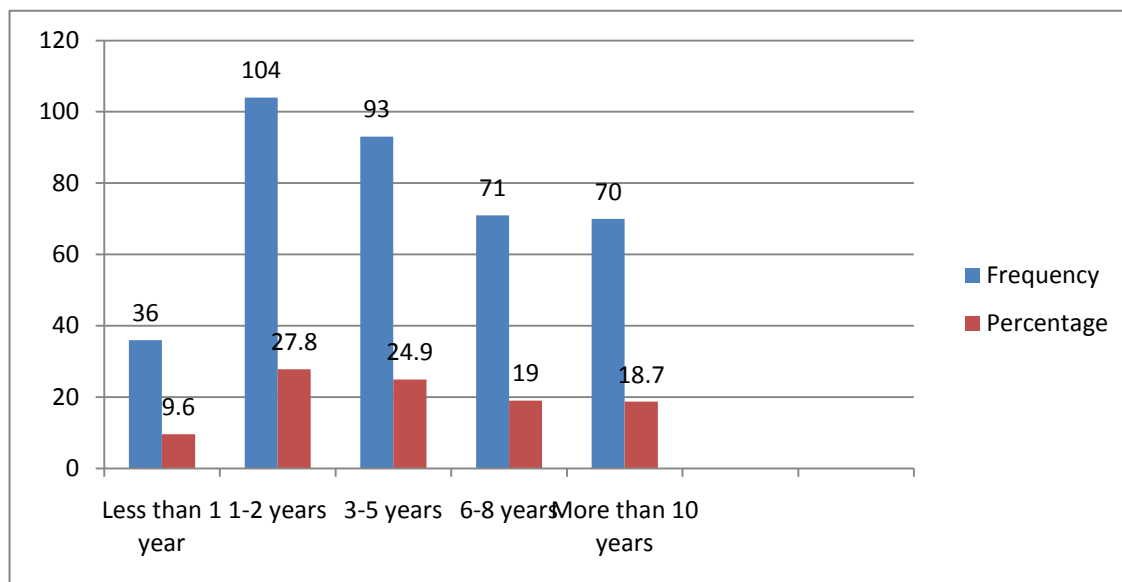


Figure 6.8 shows that the sample has a large number of well-established businesses (42.7%) and few (9.6%) very new businesses. There is a good spread (37.4% versus 62.6%) of newer and older SMMEs. These findings are similar to the findings by Nieman (1999, in Nieman and Nieuwenhuizen, 2009: 35).

A Chi-square goodness of fit was conducted on the type of business. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 36.455$ ,  $df=4$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).



#### 6.4.2.5 The respondents who play a marketing role in their businesses

Sima and Gheorghe (2008: 76) believe that because of the authority complex and the tendency of duplicity and dissociation between affirmations and actions, businesses meet major difficulties such as lack of marketing professionalism. The analysis is shown in Figure 6.2 (on page 114), which shows that a large proportion of the respondents (79%, i.e. 40.1% + 38.8%) indicates that marketing is done by managers and owners of the business. Only 28.6% (8.8% and 19.8%) of businesses had marketing done by specialists (marketing manager/person and salesman) while 25.7% of the sample indicated that no one performed the marketing function.

A Chi-square goodness of fit was conducted on who plays the marketing role in the business. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 18.866$ ,  $df=1$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.2.6: Annual turnover

Ishengoma and Kappel (2008: 1-29) point out that SMMEs' growth potential in rural areas is negatively affected by lack of financial support. The analysis of annual turnover of SMMEs in rural KZN is shown in Figure 6.9.

**Figure 6.9: Annual turnover**

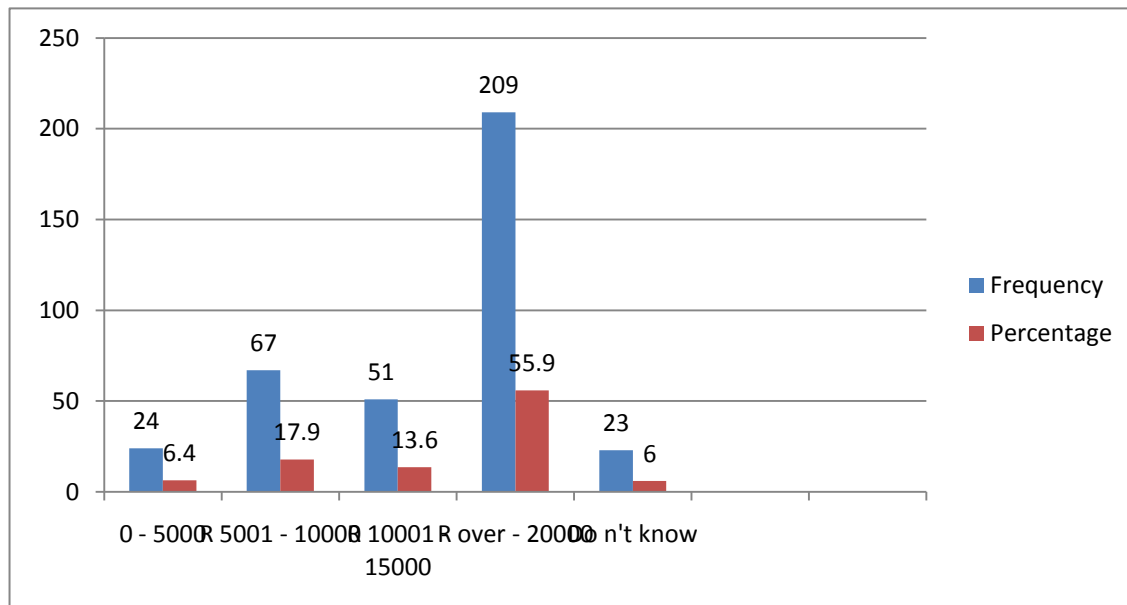


Figure 6.9 shows that a large proportion of the respondents indicated Over R20000 as their annual turnover. A total of 6% of SMMEs did not know their annual turnover.

A Chi-square goodness of fit was conducted on who plays the marketing role in the business. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2=238.390$ ,  $df=3$ ,  $p=0.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.2.7: Number of customers over the past 12 months

Beaver (2001) mentions that many small firms fail within the first year due to the lack of product demand and customer support. Therefore, it is important to find out if this is the same situation in rural KwaZulu-Natal areas. The analysis is shown in Figure 6.10, Figure 6.11, Figure 6.12 and Figure 6. 13.

(a) Trends in customers and business

Figure 6.10 analyzes the customers' trends over the past 12 months.

**Figure 6.10: Number of customers over the past 12 months**

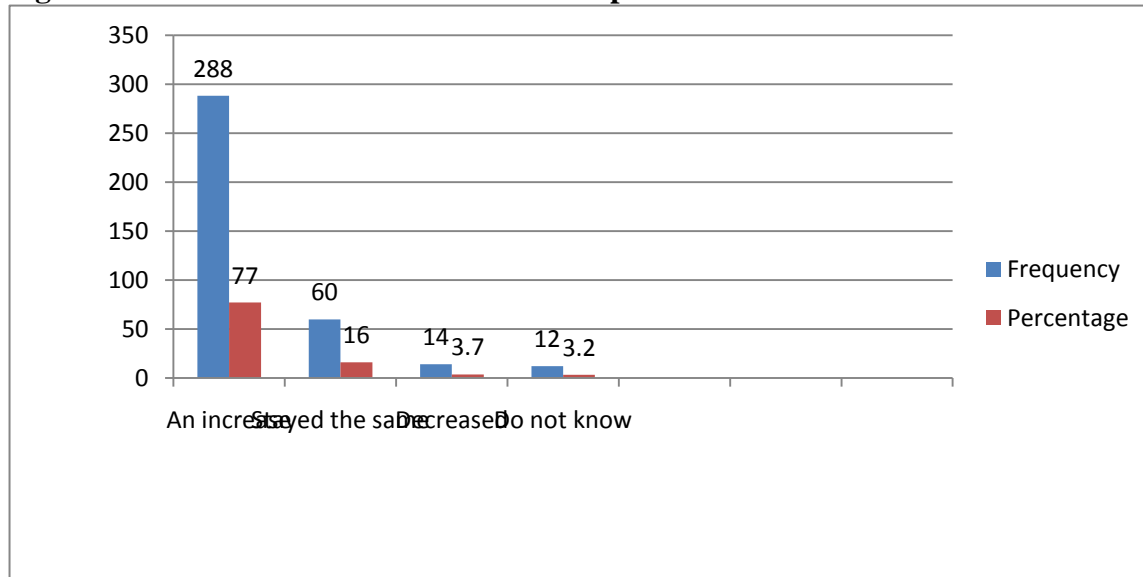


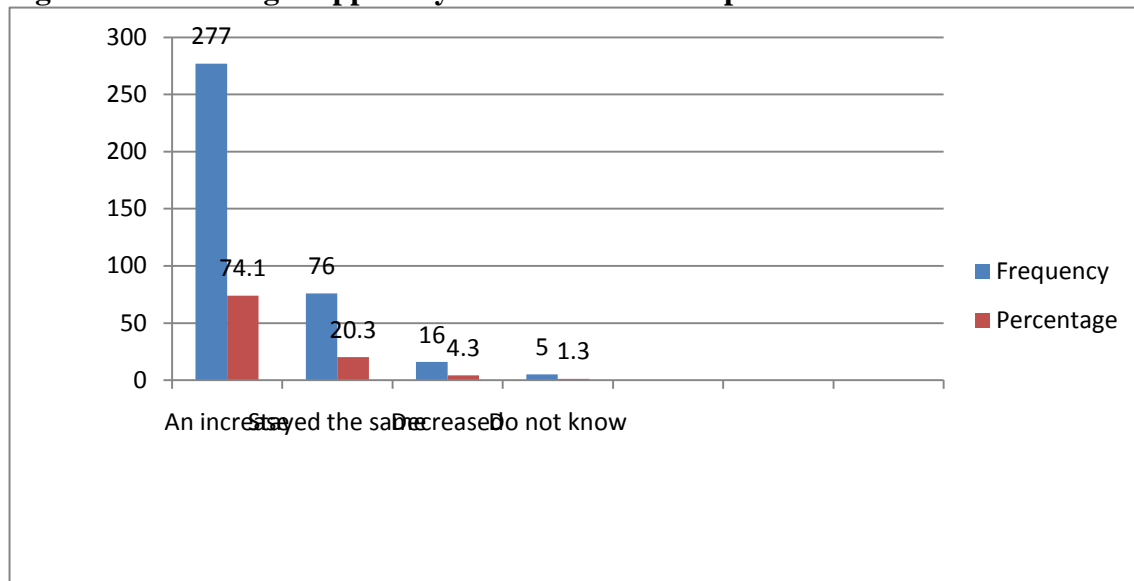
Figure 6.10 illustrates that 77% of SMMEs have shown an appreciable increase in their number of customers over the past 12 months.

A Chi-square goodness of fit was conducted on the number of customers over the past 12 months. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 555.241$ ,  $df=3$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

(b) Average support by customers

Figure 6.11 analyzes the trend of customers' support in terms of buying the products from SMMEs over the past 12 months.

**Figure 6.11: Average support by customers over the past 12 months**



According to Figure 6.11, 74.1% of SMMEs showed a substantial increase in the average support by customers over the past 12 months, whereas 4.3% of SMMEs showed a decrease of average support by customers.

A Chi-square goodness of fit was conducted on average support of business by customers over the past 12 months, based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2=514.689$ ,  $df=3$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

(c) Overall business turnover

Figure 6.12 illustrates the overall business turnover over the past 12 months in terms of making profits.

**Figure 6.12: Overall business turnover over the past 12 months**

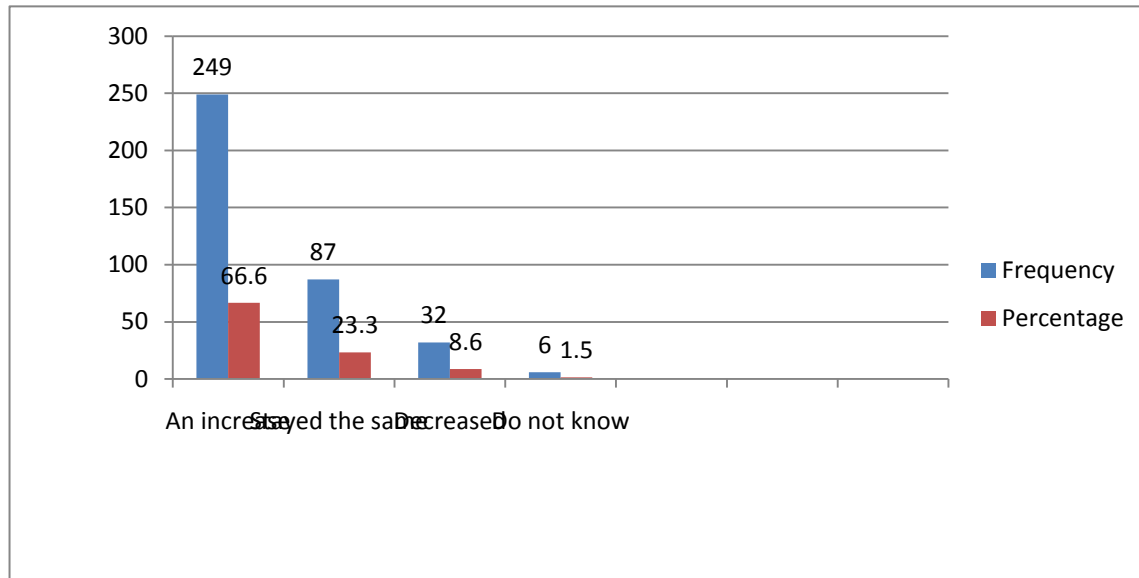


Figure 6.12 shows an increase on overall business turnover over the past 12 months in the different industries in the SMME sector with specific reference to KwaZulu-Natal rural areas (66.6%). However, overall business turnover over the past 12 months stayed the same for 23.3% of SMMEs, whereas there was a decrease in profits for 8.6% of SMMEs.

A Chi-square goodness of fit was conducted on the overall business turnover over the past 12 months, based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 570.11$ ,  $df=3$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result is statistically significant and was not due to chance (see Appendix C2).

(d) Financial support

Figure 6.13 shows the financial support from customers in terms of buying over the past 12 months in terms of making profits.

**Figure 6.13: Customer support in terms of buying from their business over the past 12 months**

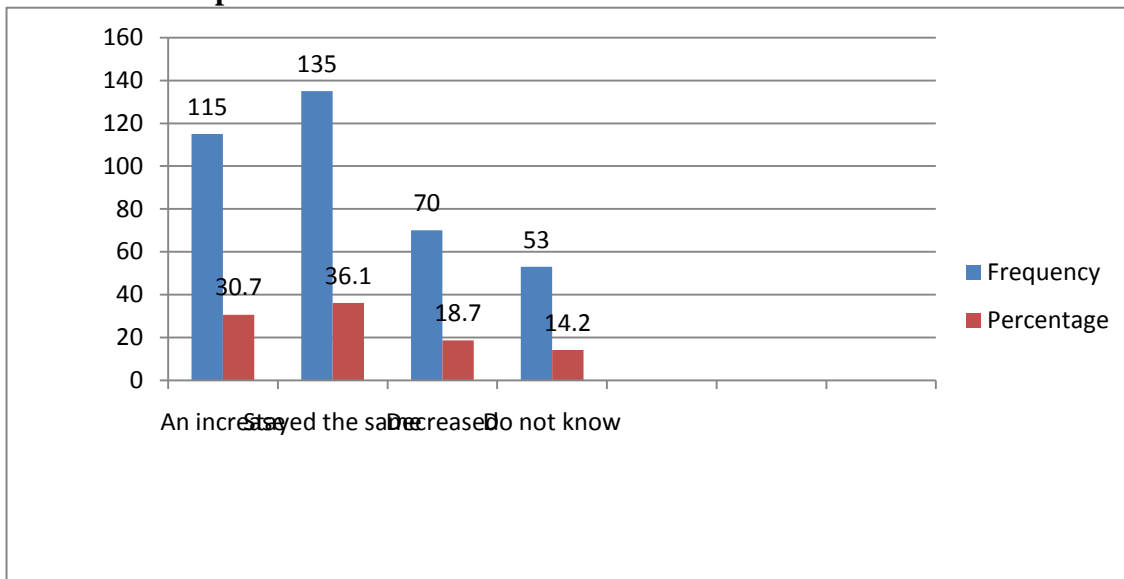


Figure 6. 13 illustrates that 30.7% of SMMEs experienced a substantial increase in purchasing power from customers while 18.7% showed a decrease in customer buying.

A Chi-square goodness of fit was conducted on the financial support of business over the past 12 months, based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 46.939$ ,  $df=3$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.2.8 Bivariate analysis for objective 2

This section focuses on bivariate analysis of objective 2. The cross-tabulation presents results as indicated in Table 6.3.

**Table 6.3: Cross-Tabulation - Location and Support**

		Q1 Location of business											
		Empangeni		Ulundi		Nquthu		Estcourt		Kwa-Nongoma		Total	
		n	%	N	%	n	%	n	%	n	%	n	%
Q18.1 Support from marketing agencies	Strongly agree	11	2.9%	0	.0%	23	6.1%	19	5.1%	15	4.0%	68	18.2%
	Agree	14	3.7%	7	1.9%	7	1.9%	15	4.0%	1	.3%	44	11.8%
	Neutral	19	5.1%	9	2.4%	16	4.3%	28	7.5%	8	2.1%	80	21.4%
	Disagree	23	6.1%	66	17.6%	17	4.5%	11	2.9%	34	9.1%	151	40.4%
	Strongly disagree	9	2.4%	14	3.7%	5	1.3%	1	.3%	2	.5%	31	8.3%
	Total	76	20.3%	96	25.7%	68	18.2%	74	19.8%	60	16.0%	374	100.0%

Table 6.3 indicates that cross-tabulations were conducted on the location of business and on the support that SMMEs' owners/managers get from marketing agencies. The question was based on a null hypothesis to determine interdependence between the variables. In response to this analysis, the majority of SMMEs' owners/managers disagreed that they get support from marketing agencies in their areas (see Appendix D). This finding means that most respondents feel that they lack support from marketing agencies and the Chi-square test shows that this is probably true of the population as well.

A Chi-square test was conducted on the relationship between Q18.1 and the location of business. The result was statistically significant at the 95% level ( $\chi^2 = 121.228$ ,  $df=84$ ,  $P=0.005$ ). This result means that marketing agencies are available in most of the areas.

**Table 6.4: Cross-Tabulation - Ownership and Support**

		Jointly owned		Manager of the business and solely owned		Manager of the business and jointly owned		Total	
		N	%	n	%	n	%	n	%
Q18.1 Support from marketing agencies	Strongly agree	20	5.3%	33	8.8%	15	4.0%	68	18.2%
	Agree	14	3.7%	25	6.7%	5	1.3%	44	11.8%
	Neutral	21	5.6%	41	11.0%	18	4.8%	80	21.4%
	Disagree	44	11.8%	83	22.2%	24	6.4%	151	40.4%
	Strongly disagree	13	3.5%	13	3.5%	5	1.3%	31	8.3%
	Total	112	29.9%	195	52.1%	67	17.9%	374	100.0%

Cross-tabulations were conducted on business ownership and the support they get from marketing agencies in the area, based on a null hypothesis to determine interdependence between the variables. These findings, shown in Table 6.4, illustrate that most SMMEs' owners were managers of the business are solely owned. The chi-square test also shows that this finding is a true reflection of the sample. See Appendix D for more information with regard to cross-tabulation.

A Chi-square test was conducted on the relationship between Q18.1 and business ownership. The result was statistically significant at the 95% level ( $\chi^2 = 140.799$ ,  $df=84$ ,  $P=0.000$ ). The result can be the true reflection of the sample population. This result means that even though marketing agencies were available in their areas, they feel this support was not good.

**Table 6.5: Cross-Tabulation – Number of years owned/operated business and support**

		Q4 Number of years owned/operated business											
		Less than 1 year		1-2 years		3-5 years		6-8 years		More than 10 years		Total	
		N	%	n	%	N	%	n	%	N	%	n	%
Q18.1	Strongly agree	8	2.1%	18	4.8%	19	5.1%	13	3.5%	10	2.7%	68	18.2%
	Agree	6	1.6%	12	3.2%	12	3.2%	8	2.1%	6	1.6%	44	11.8%
	Neutral	9	2.4%	33	8.8%	17	4.5%	11	2.9%	10	2.7%	80	21.4%
	Disagree	8	2.1%	33	8.8%	36	9.6%	34	9.1%	40	10.7%	151	40.4%
	Strongly disagree	5	1.3%	8	2.1%	9	2.4%	5	1.3%	4	1.1%	31	8.3%
	Total	36	9.6%	104	27.8%	93	24.9%	71	19.0%	70	18.7%	374	100.0%



Table 6.5 shows that cross-tabulations were conducted on the number of years of business existence/operated and support of the business. This question was based on a null hypothesis to determine interdependence between the variables. This finding shows that SMMEs' owners/managers of less than 5 years agree that marketing was important for their businesses. SMMEs' owners/managers who have owned/operated businesses for 6-8 years and more than 10 years were less agreeable that they get support from marketing agencies. This result was supported by a Chi-square test and is likely to be a true reflection of the sample. See Appendix D for more information with regard to cross-tabulation.

A Chi- square test was conducted on the relationship between Q18.1 and the number of years the business has been owned/operated. The result was statistically significant at the 95% level ( $X^2 = 65.069$ ,  $df=16$ ,  $P=0.000$ ). The result can be a true reflection of the sample population.

#### 6.4.2.9 Conclusion to objective 2

In terms of objective 2, it was found that different types of the businesses were widespread in rural KwaZulu-Natal areas. However, most of the SMMEs are managed by owners and are solely owned. There are few SMME owners who perform the marketing function since many owners do not have marketing knowledge.

#### **6.4.3 Objective 3: To identify the aspects or tools of marketing that are most used by SMMEs in rural KZN areas**

This section will discuss the findings with regard to the above objective based on the following questions: 12, 15 and 16. The purpose of these questions were the following:

Question 12: was used to determine the effectiveness of product delivery to the desired market;

Question 15: was used to determine the services that are available in their areas with regard to marketing; and

Question 16: was used to determine the methods of promotion that owners/managers have used during the last 12 months. These questions were used to get the necessary information with regard to the above objective.

#### 6.4.3.1 Methods of promotion used by respondents in their areas

Frost (2003: 49-62) points out that SMMEs use a restricted range of strategic tools. Therefore, there was a need to determine promotional methods mostly used by rural SMMEs in KwaZulu-Natal areas. The analysis is shown in Figure 6.4 (on page 117), which shows that the empirical findings support the literature, with local advertising, personal selling and brochures being the most commonly used promotion methods (57.5%, 39.6% and 36.9%). Few respondents use the full range of the promotional methods.

A Chi-square goodness of fit was conducted on the methods of promotion used by SMMEs. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 7.797$ ,  $df=4$ ,  $p=.005$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.3.2 How respondents ensure that their products effectively reached the desired market

Meyer-Stamer (2003: 9) indicates that the rural areas in South Africa seem to be full of problems and bottlenecks where any promotion approach must address several factors at the same time. Therefore, it is important to analyse how rural SMMEs sell their products more effectively to their target market, particularly in KwaZulu-Natal rural areas. The analysis is shown in Figure 6.3 (on page 116), which shows that a large proportion of SMMEs used advertising/promotion and skilled labour/trained staff to offer more effective and sufficient products for their customers (62.8% and 82.6%). Branding/packaging and offering credit concessions appeared to be less effective in this situation (22.2% and 23.8%) even though some respondents used them.

A Chi-square goodness of fit was conducted on how SMMEs offer good and more effective products for their customers. The question based on a null hypothesis of uniformity of expected responses. The results ( $X^2 = 498.695$ ,  $df=5$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.3.3: Services that are available in the areas of the respondents

Literature indicates that, in the rural areas, service infrastructure and business environment have not yet been well developed, and face problems such as the lack of financial institutions, government agencies, consultants, marketing channels and marketing promotions (Liedholm and Mead, 1999). The results of this study are shown in Figure 6.14.

**Figure 6.14: Services that are available in the areas of the respondents**

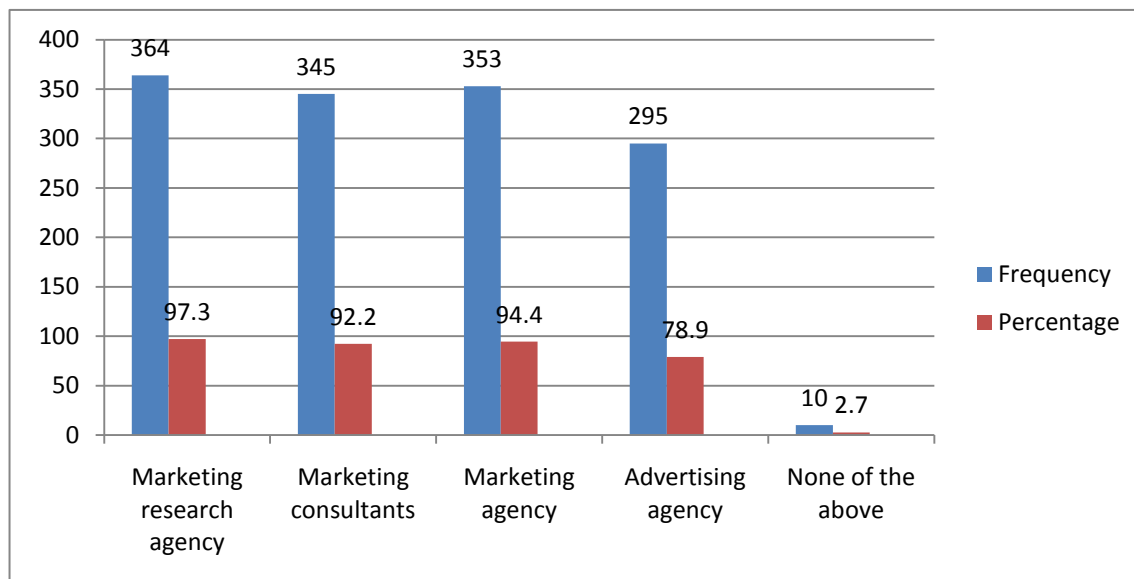


Figure 6.14 indicates that, contrary to the literature survey, there were marketing support services in the rural areas. Therefore, the lack of marketing support is unlikely to be a reason for rural SMMEs not doing marketing in the KwaZulu-Natal rural areas. However, only a few SMMEs (2.7%) indicated that there were no marketing services in their areas.

A Chi-square goodness of fit, which was conducted on the availability of marketing services in the rural areas of KZN, was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 335.070$ ,  $df=1$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.3.4 Conclusion to objective 3

This objective established that the most commonly used promotional tools were local advertising, brochures, and personal selling. However, most of the respondents used skilled labour to deliver their products to the desired market and there was not a problem of availability of marketing services to support SMMEs' owners/managers.

#### **6.4.4 Objective 4: To identify the awareness of and knowledge about marketing strategies and marketing activities by SMMEs in rural KZN areas**

This section will discuss the findings with regard to the above objective based on the following questions: 10 and 13. The purpose of these questions were the following:

Question 10: was used to determine the knowledge and understanding of marketing;

Question 13: was used to determine what affects the marketing abilities of the business; and some of the qualitative questions such as 19, 23 and 24 were also used for this objective.

##### 6.4.4.1 The understanding of the respondents about what marketing is

Murdon, Blackey and Blythe (2001: 143-155) state that SMMEs show good customer orientation, but poor understanding of competitive positioning and virtually no knowledge of strategic marketing thinking. In this study, analysis was done to determine SMMEs' understanding of marketing in rural SMMEs with specific reference to KwaZulu-Natal rural areas. The analysis is shown in Figure 6.1 (on page 113), which shows that a large proportion of respondents understood both what customers want and the selling aspect of marketing (92.5% and 84.2%). Few respondents indicated that marketing referred to advertising and having

products available for people to buy (37.7% and 29.9%). 92.5% of the respondents understood marketing to be about understanding customers' wants. Therefore, the majority of the respondents had some knowledge of marketing.

A Chi-square goodness of fit was conducted on the understanding of the marketing question, based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2=22.631$ ,  $df=1$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.4.2 What affects respondents' marketing abilities?

Mirchevska (2007: 40-44) indicates that the owners or managers of SMMEs are not aware or educated in the sphere of marketing and the possibilities for implementation of business activities. Therefore, it was very important to determine factors that affect respondents' marketing abilities in the rural South Africa, particularly in KwaZulu-Natal areas. The results are shown in Figure 6.15.

**Figure 6.15: What affects respondents' marketing abilities?**

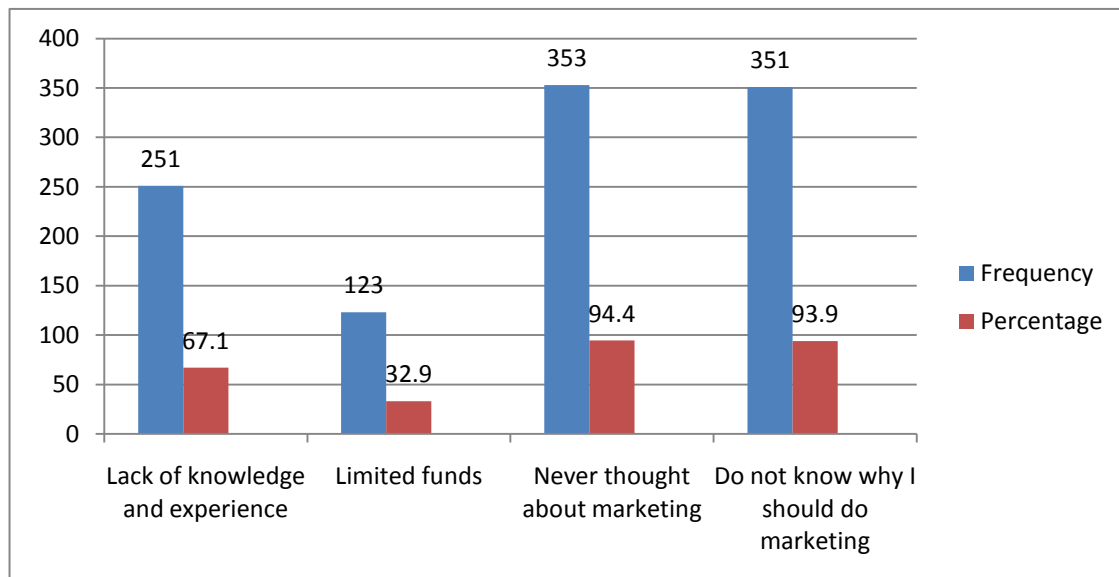


Figure 6.15 shows that the majority of the respondents never thought about marketing and do not know why they should do marketing (94.4% and 93.9%) while more than half of the sample indicated a lack of knowledge and experience and limited funds as the big problems for them to use marketing (67.1% and 32.9%) as they believed that marketing needed special skills and was very expensive.

A Chi-square test was conducted on the relationship between the ownership question and the factors that affect respondents' marketing abilities. This finding was statistically significant at the 95% level ( $X^2 = 68.232$ ,  $df=3$ ,  $P= 0.000$ ).

#### 6.4.4.3 Conclusion to objective 4

This objective established that respondents had an idea about marketing even though they could not give the proper definition of marketing. However, the majority of respondents indicated that they never thought about marketing and some said they did not know why they should do marketing. Therefore, this finding indicated that there is a lack of awareness and knowledge about marketing strategies and marketing activities.

#### **6.4.5 Objective 5: To identify SMMEs' owners/entrepreneurs' attitudes and opinions about marketing in rural KZN**

This section will discuss the findings with regard to the above objective based on question 18. The purpose of this question was to know the attitudes of the sample.

##### 6.4.5.1: Perceptions/attitudes about marketing

Temtime, Chinyoka and Shunda (2003) point out that SMMEs perceive that strategic planning such as marketing strategies and tactics is costly and time-consuming, and, hence, appropriate only for large firms.

(a) Marketing support

Figure 6.16 illustrates responses to determine if SMMEs get support from marketing agencies in their area.

**Figure 6.16: Support from marketing agencies in their area**

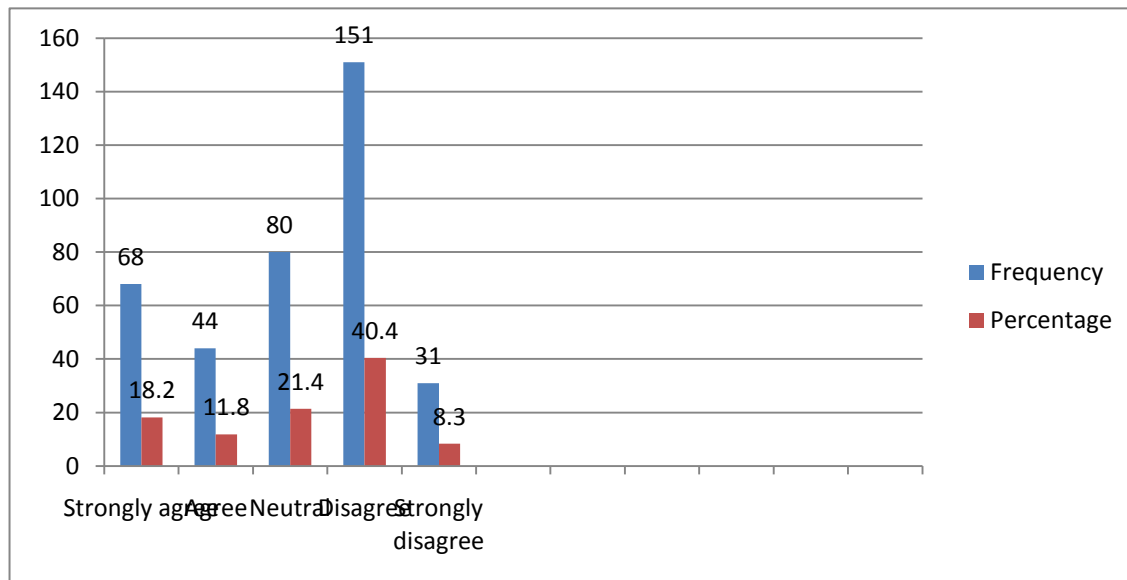


Figure 6.16 shows that less than half of the sample agreed that they did get support from marketing agencies in their areas 30% (18.2% and 11.8%). However, 48.7% (40.4% and 8.3%) of the respondents stated that they did not get support from marketing agencies although there are marketing support services available in most rural areas of KwaZulu-Natal.

A Chi-square goodness of fit on the perceptions/attitudes about marketing was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 116.936$ ,  $df=4$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

(b) Effectiveness of promotional activities

Figure 6.17 illustrates responses to determine if promotional activities increase business popularity.

**Figure 6.17: Perceived effectiveness of promotional activities in increasing business popularity**

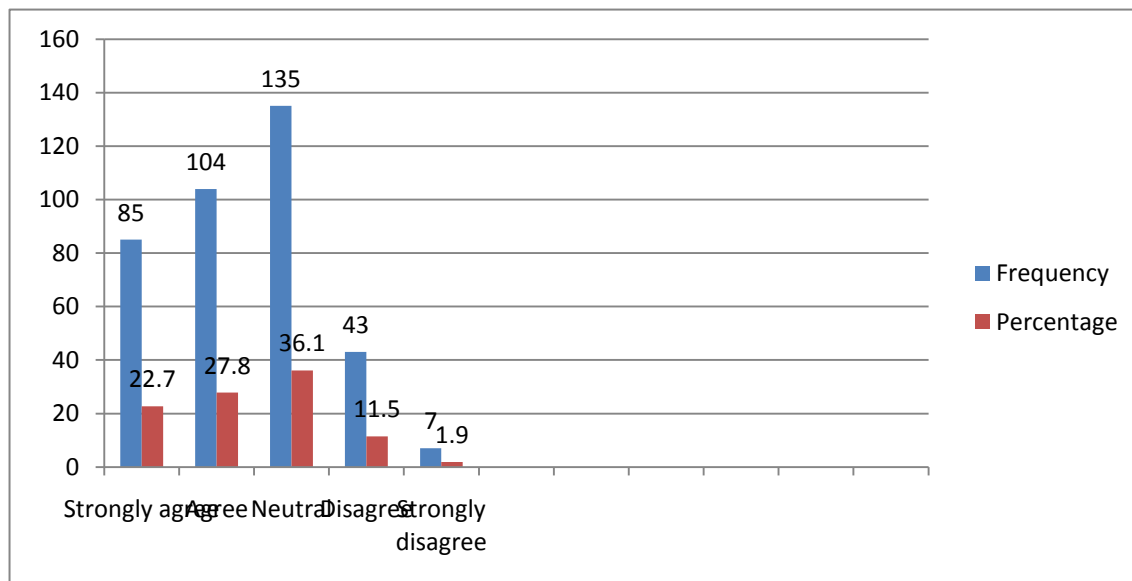


Figure 6.17 shows that most respondents agreed that the promotional activities applied by SMMEs' owners/managers were very effective in increasing their businesses' popularity/awareness 55.5% (22.7% and 27.8%). However, 36.1% of the respondents were neutral with regard to the promotional activities applied by SMME owners/managers. This finding means that many SMMEs owners might not be doing marketing in their businesses. A few managers 13.4% (11.4% and 1.9%) disagreed with the statement that the promotional activities applied by SMMEs' owners/managers are very effective in increasing their businesses' popularity/awareness.

A Chi-square goodness of fit on the promotional activities was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2=136.214$ ,  $df=4$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies,



In other words, this result was statistically significant and was not due to chance (see Appendix C2).

(c) Importance of marketing to the success of the business

Figure 6.18 illustrates responses to determine if marketing is very important to the success of their business.

**Figure 6.18: Respondents' statements if marketing is very important to the success of their business**

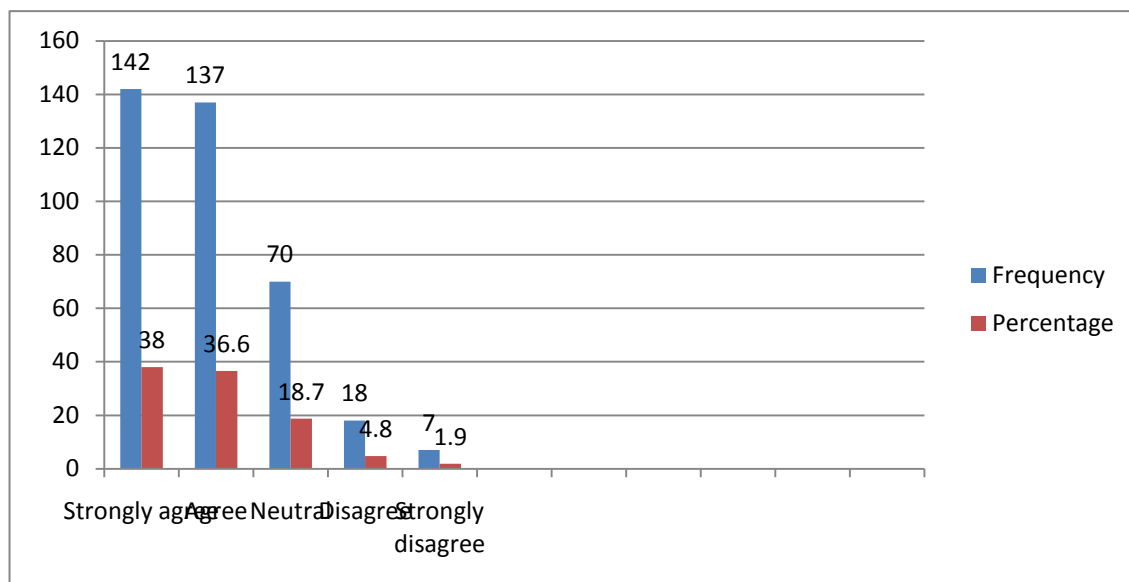


Figure 6.18 reveals that the majority of respondents 74.6% (38% and 36.6%) agreed that marketing was very important to the success of their businesses. However, 18.7% of the respondents were neutral and 6.7% (4.8% and 1.9%) disagreed that marketing was very important to the success of their businesses.

A Chi-square goodness of fit was conducted on the importance of marketing to the success of business. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 216.989$ ,  $df=4$ ,  $p=.000$ ) indicated that the observed findings were

significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

(d) Assistance in getting referrals

Figure 6.19 relates to responses in determining if marketing tools assist SMMEs in getting more referrals

**Figure 6.19: Respondents' statements if marketing tools assist them in getting more referrals in their business**

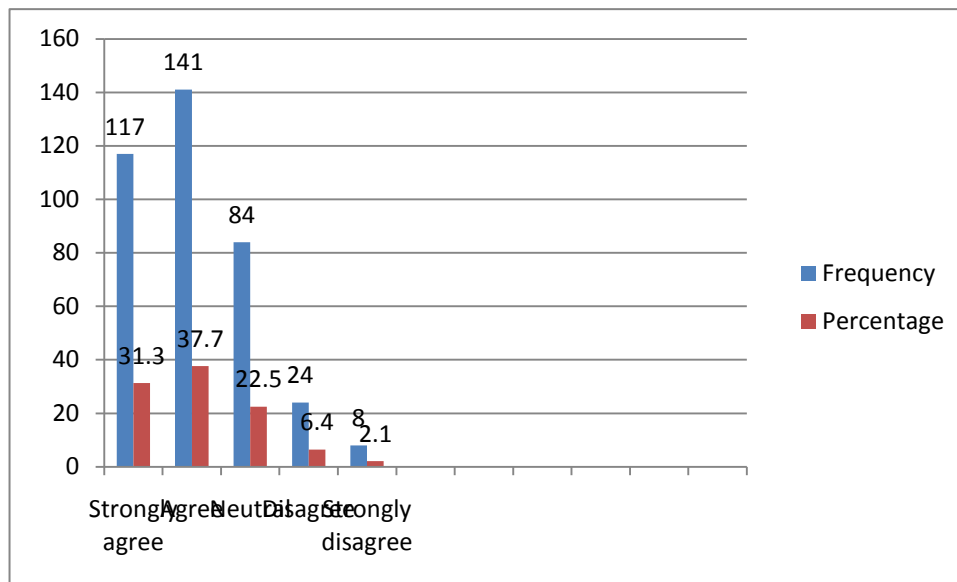


Figure 6.19 reveals that the majority of respondents (69%) agreed that marketing tools assist them in getting more referrals for their businesses. However, a small percentage (8.5%) disagreed that marketing tools assisted them in getting more referrals, while there are some respondents (22.5%) who were neutral. This means that these respondents were not using marketing tools to promote their businesses.

A Chi-square goodness of fit was conducted to determine if marketing tools assist SMMEs in getting more referrals in their business. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 177.684$ ,  $df=4$ ,  $p=.000$ )

indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

(e) Increasing loyalty

Figure 6.20 illustrates responses to determine if marketing tools assist SMMEs in getting more customer loyalty.

**Figure 6.20: Respondents' statements if marketing tools assist them in getting more customer loyalty**

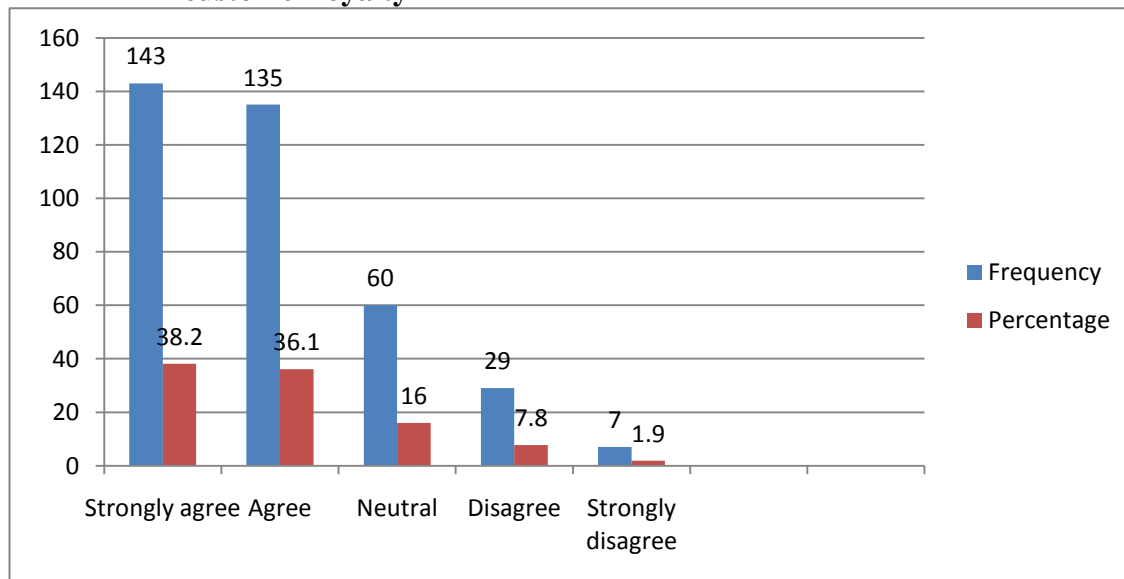


Figure 6.20 shows that the majority of respondents (74.3%) agreed that marketing tools assist them in getting more customer loyalty in their areas. A few respondents (9.7%) disagreed that marketing tools assisted them in getting more customer loyalty in their areas. This finding shows that people in the rural areas of KwaZulu-Natal knew what marketing tools can do for their businesses.

A Chi-square goodness of fit was conducted to determine if marketing tools assist SMMEs in getting more customer loyalty in their business. This question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 203.059$ ,  $df=4$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies.

In other words, this result was statistically significant and was not due to chance (see Appendix C2).

(f) Getting more sales

Figure 6.21 illustrates the responses to determine if marketing tools assist SMMEs in getting more sales.

**Figure 6.21: Respondents' statements if marketing tools assist them in getting more sales**

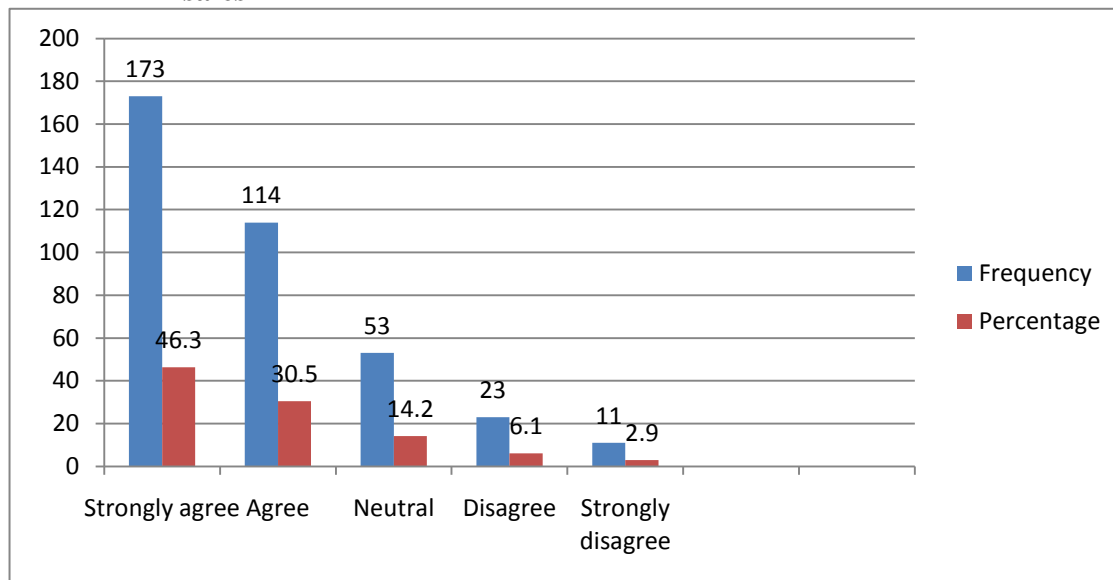


Figure 6.21 indicates that the majority of the respondents (76.8%) agreed that marketing tools assisted them in getting more sales. Very few (9%) respondents disagreed that marketing tools assisted them in getting more sales. Therefore, this finding shows that the majority of rural SMMEs' owners/managers in KwaZulu-Natal areas understood the importance of using marketing tools to assist them in increasing their sales.

A Chi-square goodness of fit was conducted to determine if marketing tools assisted SMMEs in increasing sales in their business. The question was based on a null hypothesis of uniformity of expected responses to the question. The results ( $X^2 = 246.107$ ,  $df=4$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

#### 6.4.5.2 Bivariate analysis of objective 5

This section will discuss the bivariate analysis of the above stated objective. The cross-tabulation is indicated in Table 6.6.

**Table 6.6: Cross-Tabulation – Owner and support from marketing agency**

		Q11.1 Owner					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1 Support from marketing agencies	Strongly agree	56	15.0%	86	23.0%	142	38.0%
	Agree	48	12.8%	89	23.8%	137	36.6%
	Neutral	30	8.0%	40	10.7%	70	18.7%
	Disagree	9	2.4%	9	2.4%	18	4.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	145	38.8%	229	61.2%	374	100.0%

Table 6.6 shows that a cross-tabulation was conducted on the ownership of business and the support that owners get from marketing agencies. This cross-tabulation was based on a null hypothesis to determine interdependence between the variables. This analysis indicated that owners (yes) and non-owners (no) have the same attitudes towards support they get from marketing agencies. This result is also supported by the Chi-square test indicated below.

A Chi-square test was conducted on the relationship between support from marketing agencies and business ownership. The finding was statistically significant at the 95% level ( $\chi^2 = 140.799$ ,  $df=84$ ,  $P=0.000$ ). This result reveals that there was no difference between owners' and non-owners' attitudes with regard to support they get from marketing agencies.

**Table 6.7: Cross-Tabulation – Owner and promotional activities applied by SMMEs**

		Q11.1 Owner					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.2 Promotional Activities applied by SMMEs	Strongly agree	40	10.7%	45	12.0%	85	22.7%
	Agree	33	8.8%	71	19.0%	104	27.8%
	Neutral	47	12.6%	88	23.5%	135	36.1%
	Disagree	23	6.1%	20	5.3%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	145	38.8%	229	61.2%	374	100.0%

Table 6.7 shows that a cross-tabulations was conducted on the ownership of business and the the promotional activities applied by owners/managers of the business. A null hypothesis was used to determine interdependence between the variables. This analysis indicated that a large number of the business owners/managers agreed that promotional activities are very effective in increasing their business' popularity/awareness. The result indicated that owners (yes) and non-owners (no) have the same attitudes towards promotional activities. This result was also supported by the Chi-square test.

A Chi- square test was conducted on the relationship between promotional activities and business ownership. The result was statistically significant at the 95% level (  $X^2= 121.683$ ,  $df=84$ ,  $P=0.005$ ). This result revealed that SMMEs' owners/managers agreed that promotional activities were very important for their businesses.

**Table 6.8: Cross-Tabulation – Owner and importance of marketing to the success of business**

		Q11.1 Owner					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.3 Owner perceived importance of marketing	Strongly agree	56	15.0%	86	23.0%	142	38.0%
	Agree	48	12.8%	89	23.8%	137	36.6%
	Neutral	30	8.0%	40	10.7%	70	18.7%
	Disagree	9	2.4%	9	2.4%	18	4.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	145	38.8%	229	61.2%	374	100.0%

Table 6.8 shows that a cross-tabulation was conducted on the ownership of business and the perceived importance of marketing to the success of the business. A null hypothesis was used to determine the interdependence between the variables. This result indicated that a large number of the business owners/managers agreed that marketing was very important to the success of the business. This result shows that owners (yes) and non-owners (no) had positive attitudes towards the importance of marketing.

A Chi- square test was conducted on the relationship between marketing success and business ownership. The result was statistically significant at the 95% level (  $X^2= 125.259$ ,  $df=84$ ,  $P=0.002$ ). This result revealed that SMMEs' owners/managers agreed that marketing was very important for business success.

**Table 6.9: Cross-Tabulation – Owner and getting more referrals**

		Q11.1 Owner					
		Yes		No		Total	
		N	%	N	%	n	%
Q18.4 Getting more referrals	Strongly agree	50	13.4%	67	17.9%	117	31.3%
	Agree	44	11.8%	97	25.9%	141	37.7%
	Neutral	35	9.4%	49	13.1%	84	22.5%
	Disagree	11	2.9%	13	3.5%	24	6.4%
	Strongly disagree	5	1.3%	3	.8%	8	2.1%
	Total	145	38.8%	229	61.2%	374	100.0%

Table 6.9 shows that a cross-tabulation was conducted on the ownership of business and the use of marketing tools in getting more referrals to the business. A null hypothesis was used to determine the interdependence between the variables. This result indicates that a large number of the business owners/managers agreed that marketing is very important for the success of the business. This shows that owners (yes) and non-owners (no) have a positive attitude that the use of marketing tools increased the number of referrals.

A Chi- square test was conducted on the relationship between marketing tools and business ownership. The result was not statistically significant at the 95% level (  $X^2= 102.387$ ,  $df=84$ ,

P=0.084). This result revealed that SMMEs' owners/managers agreed that marketing is very important for the business in getting more referrals.

**Table 6.10: Cross-Tabulation – Owner and getting more customer loyalty**

		Q11.1 Owner					
		Yes		No		Total	
		N	%	N	%	N	%
Q18.5 Gettin g more custo mer loyalty	Strongly agree	53	14.2%	90	24.1%	143	38.2%
	Agree	45	12.0%	90	24.1%	135	36.1%
	Neutral	30	8.0%	30	8.0%	60	16.0%
	Disagree	15	4.0%	14	3.7%	29	7.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	145	38.8%	229	61.2%	374	100.0%

Table 6.10 shows that a cross-tabulation was conducted on the ownership of business and the use of marketing tools in getting more customer loyalty for the business. A null hypothesis was used to determine the interdependence between the variables. The result indicated that the majority of business owners/managers agreed that marketing was very important in increasing customer loyalty.

A Chi- square test was conducted on the relationship between customer loyalty and business ownership. The result was not statistically significant at the 95% level (  $X^2 = 102.487$ ,  $df=84$ ,  $P=0.083$ ). This result revealed that SMMEs' owners/managers agreed that marketing was very important for the business in getting more customer loyalty.



**Table 6.11: Cross-Tabulation – Owner and getting more sales**

		Q11.1 Owner					
		Yes		No		Total	
		N	%	N	%	n	%
Q18.6 Gettin g more sales	Strongly agree	52	13.9%	121	32.4%	173	46.3%
	Agree	49	13.1%	65	17.4%	114	30.5%
	Neutral	30	8.0%	23	6.1%	53	14.2%
	Disagree	9	2.4%	14	3.7%	23	6.1%
	Strongly disagree	5	1.3%	6	1.6%	11	2.9%
	Total	145	38.8%	229	61.2%	374	100.0%

Table 6.11 shows that a cross-tabulation was conducted to test the relationship between ownership of business and the use of marketing tools in getting more sales for the business. A null hypothesis was used to determine the interdependence between the variables. This result indicated that a majority of the business owners/managers agreed that marketing is very important for increasing the sales of the business.

A Chi- square test was conducted on the relationship between sales and business ownership. The result was statistically significant at the 95% level (  $X^2= 110.528$ ,  $df=84$ ,  $P=0.028$ ). This result revealed that SMMEs' owners/managers agreed that marketing is very important for the business in increasing sales.

**Table 6.12: Cross-Tabulation – Owner and source of information**

		Q11.1 Owner					
		Yes		No		Total	
		N	%	N	%	n	%
Q18.7 Source of inform ation	Strongly agree	52	14.0%	106	28.5%	158	42.5%
	Agree	47	12.6%	80	21.5%	127	34.1%
	Neutral	25	6.7%	19	5.1%	44	11.8%
	Disagree	15	4.0%	12	3.2%	27	7.3%
	Strongly disagree	6	1.6%	10	2.7%	16	4.3%
	Total	145	39.0%	227	61.0%	372	100.0%

Table 6.12 shows that a cross-tabulation was conducted on the ownership of business and marketing as a source of information. A null hypothesis was used to determine the interdependence between the variables. The finding indicated that a large number of the business

owners/managers agreed that marketing is very important source of information for the success of the business.

A Chi-square test was conducted on the relationship between source of information and business ownership. The result was not statistically significant at the 95% level ( $\chi^2 = 103.141$ ,  $df=84$ ,  $P=0.077$ ). This result revealed that SMMEs' owners/managers agreed that marketing was a very important source of information for the business.

#### 6.4.5.3 Conclusion to objective 5

This objective established that there was a positive attitude among the respondents with regard to marketing. The respondents believed that marketing was important to assist the business to grow. The objective was partially achieved as some variables were not statistically significant.

#### **6.4.6 Objective 6: To identify factors that limit the use of marketing by rural KZN SMMEs are specifically split into:**

##### 6.4.6.1 Internal or personal factors

The internal or personal factors may be viewed as strengths or weaknesses depending upon their impact on the organization's objectives. What may represent strengths with respect to one objective may be weaknesses for another objective. The factors may include all of the [4P's](#), as well as personnel, finance, manufacturing capabilities and managerial skills. However, in this study, some of the internal factors such as training, funding and marketing knowledge will be discussed more in the following sections.

(a) Training of the respondents

Blignaut and Demana (2002: 6) state that a lack of managerial skills, including marketing management, are due to the lack of clearly defined roles and responsibilities within government departments. The analysis of the results is shown in Figure 6.22.

**Figure 6.22: Training of the respondents**

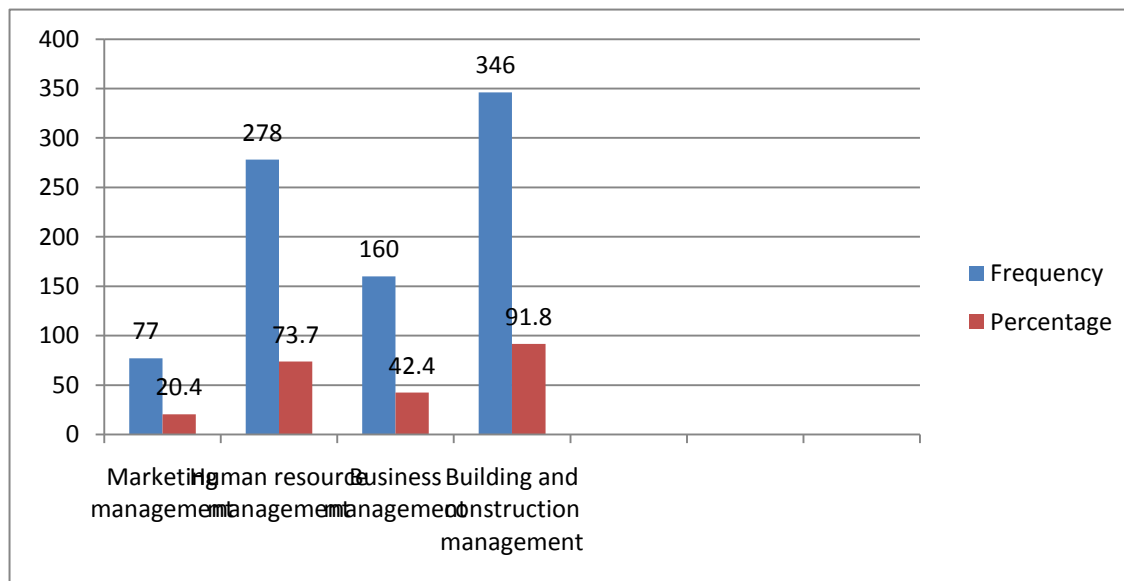


Figure 6.22 shows that the majority of respondents across industries have training in different management areas and a small number (20.4%) have training in marketing management. There are good levels of training in human resource management, business management and building and construction management (73.7%, 42.4% and 91.8%), respectively.

A Chi-square goodness of fit was conducted on training and the type of business. This question was based on a null hypothesis of uniformity of expected responses to the question. The result ( $X^2 = 129.412$ ,  $df=1$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).

(b) Source of funds for starting business

Many SMMEs are unable to get the necessary financing to support their businesses (Romanian Commercial Bank, 2008: 24). It was important to analyse how South African rural SMMEs finance their businesses, particularly in KwaZulu-Natal rural areas. The results are shown in Figure 6. 23.

**Figure 6.23: Source of funds for starting business**

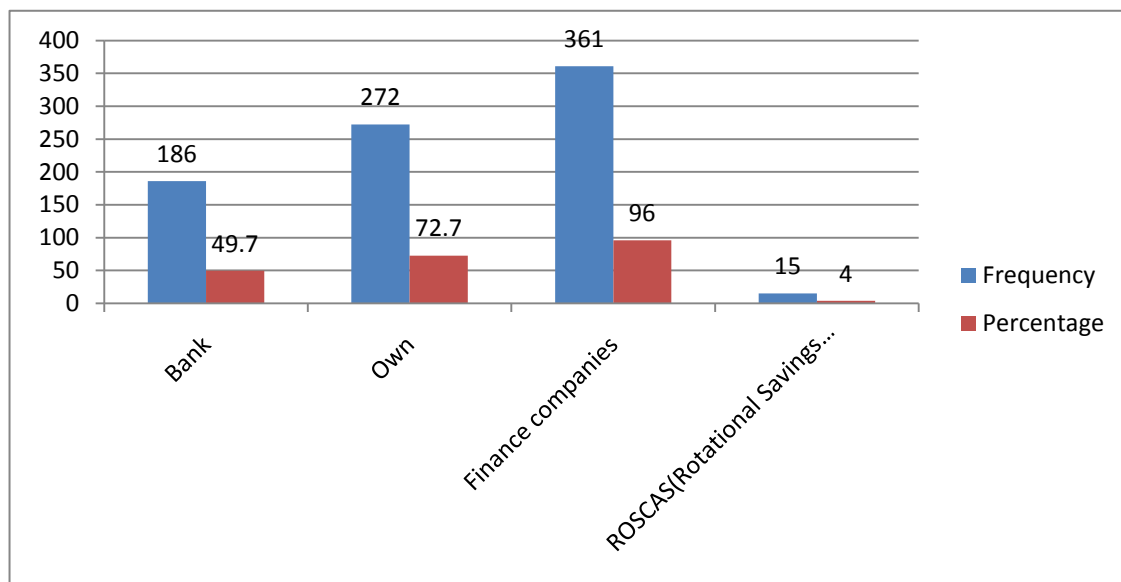


Figure 6.23 indicates that a large proportion of the sample used financial companies as a source of funds for starting businesses (96%). The large percentage of sample used their own money as a source of funds for starting business (72.7%). Approximately half of the samples do not get finance from banks (49.7%) while about 4% of the sample uses rotational savings as the source of funds for starting businesses.

A Chi-square test was conducted on the relationship between ownership and source funding for business. The result was statistically significant at the 95% level ( $\chi^2 = 874.262$ ,  $df=378$   $p=0.000$ ).

(c) What affects respondents' marketing abilities?

Mirchevska (2007: 40-44) indicates that the owners or managers of SMMEs are not aware or educated in the sphere of marketing and the possibilities for implementation of business activities. Therefore, it was very important to analyse this aspect in the rural areas of KwaZulu–Natal. The results are shown in Figure 6.24.

**Figure 6.24: What affects respondents' marketing abilities?**

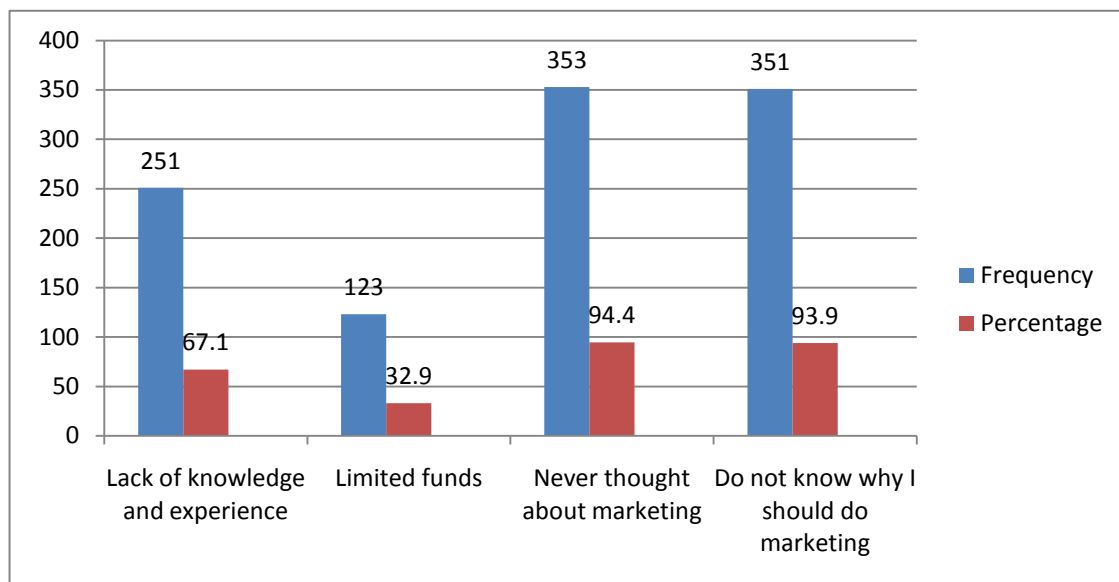


Figure 6.24 shows that the majority of the respondents never thought about marketing and do not know why they should do marketing (94.4% and 93.9%). More than half of the sample indicated a lack of knowledge and experience and limited funds as the big problems for them to use marketing (67.1% and 32.9%) as they believed that marketing needed special skills and was very expensive.

A Chi-square test was conducted on the relationship between ownership question factors affecting respondents' marketing abilities. The result was statistically significant at the 95% level ( $\chi^2 = 68.232$ ,  $df = 3$   $p = 0.000$ )

#### (d) Summary/conclusion about internal/personal factors

A small number of the respondents had training in marketing management. Most of the respondents used their own money to fund the business. A large number of the respondents said that they never thought about marketing and some said they did not understand why they should use marketing.

#### 6.4.6.2 External/environmental factors

The external factors may include macroeconomic matters, technological change, legislation, and socio-cultural changes, as well as changes in the marketplace or competitive position. However, in this study, external factors such as political and legal influences, economic, competitive environment and natural environment will be discussed in more detail in the following sections.

##### a) Factors that affect their business most

According to Adriana (2009: 79-86), if a company wants to develop and even to stay in business it needs to pay attention to the environment in which it operates. Therefore, it was important to analyse environmental factors that are affecting business operations. The results are shown in 6.25.

**Figure 6.25: Factors that affect respondents' business most**

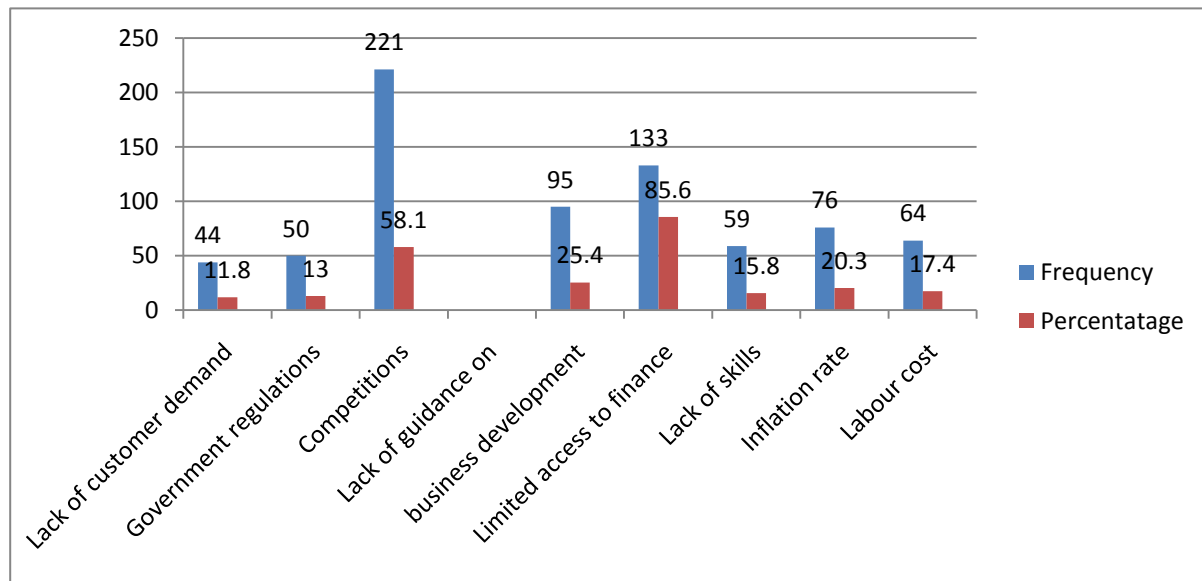


Figure 6.25 shows that there was a general feeling among the sample that major challenges facing SMMEs included competition and limited access to finance (58.1% and 85.6%) in KwaZulu-Natal rural areas. However, apart from the limited access to finance and competition, there were other factors such as lack of guidance on business development, inflation rate, interest rate, government regulations, labour cost, lack of skills and lack of customer demand which also have significant influence for the business operations.

A Chi-square test was conducted on the relationship between ownership and factors affecting respondents' marketing abilities. The result was statistically significant at the 95% level ( $\chi^2 = 261.609$ ,  $df=8$   $p=0.000$ ).

(b) Factors that affect respondents' marketing activities in their businesses

Bosma and Schutjens (2009: 191- 213) argue that economic development, regional, national forces, national institutions and the differences in cultures determine the link between entrepreneurial attitudes and entrepreneurial activity. There was a need to determine if this was the case in the rural KwaZulu-Natal areas. The result is shown in Figure 6.26.

**Figure 6 26: Factors that affect respondents' marketing activities in their businesses**

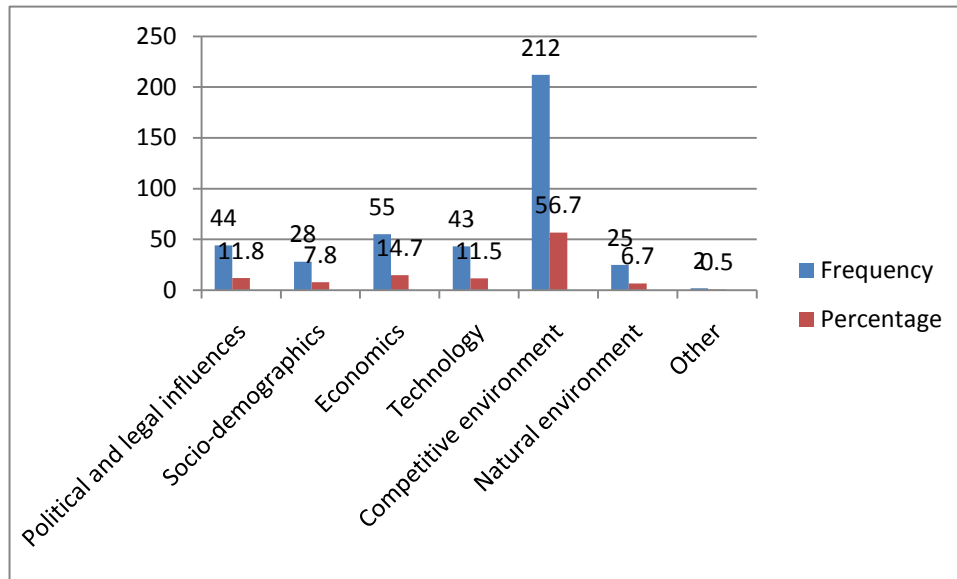


Figure 6.26 shows that there are a number of factors that affect marketing activities. These factors include political and legal influences, limited funds, economics, competitive environment and natural environment. A large number of respondents indicated that the competitive environment (56.7%) followed by economics, political and legal influences and technology (14.7%, 11.8% and 11.5%), respectively, affect marketing activities.

A Chi-square goodness of fit was conducted on the external factors that affect marketing activities. The question was based on a null hypothesis of uniformity of expected responses to the question. The result ( $X^2 = 218.706$ ,  $df=1$ ,  $p=.000$ ) indicated that the observed findings were significantly different from the expected frequencies. In other words, this result was statistically significant and was not due to chance (see Appendix C2).



(c) Other factors that affect respondents' businesses most in their areas

Mezher, El-Saouda, Nasrallah and Al-Ajam (2008: 34-52) indicate that entrepreneurs face different types of difficulties and operate in an unstable environment characterized by political chaos and financial, legal, infrastructural, educational and cultural difficulties. Therefore, it is important to find out which factors affect SMMEs in rural KwaZulu-Natal areas. The results are shown in Figure 6.27.

**Figure 6.27: Other factors that affect respondents' businesses most in their areas**

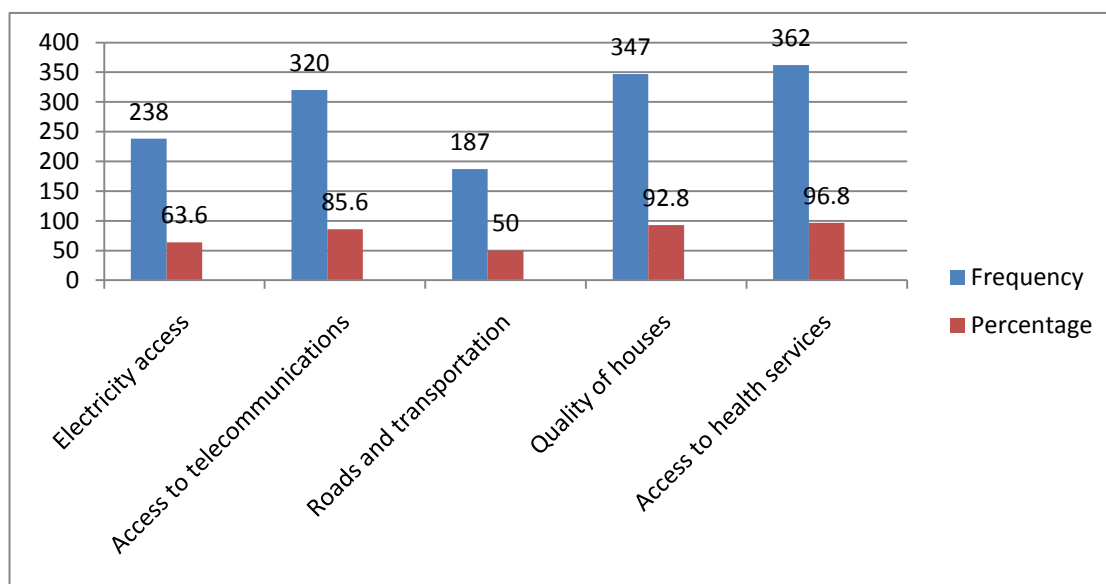


Figure 6.27 indicates that, apart from what the literature reveals, most people needed to have good quality houses and access to health services (92.8% and 96.8% ). However, there were other important factors such as access to electricity, telecommunications, roads and transportation that affect their businesses.

#### 6.4.6.3 Bivariate analysis for objective 6

This section will discuss bivariate analysis of the above stated objective. The cross-tabulation table was used to present results as indicated in Table 6.11.

**Table 6.13: Cross-Tabulation – Marketing and Economics**

		Q14.3 Economics					
		Yes		No		Total	
		N	%	N	%	n	%
Q18.3 Economic impact on importance of marketing	Strongly agree	27	7.2%	115	30.7%	142	38.0%
	Agree	11	2.9%	126	33.7%	137	36.6%
	Neutral	14	3.7%	56	15.0%	70	18.7%
	Disagree	2	.5%	16	4.3%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	55	14.7%	319	85.3%	374	100.0%

Table 6.13 shows that a cross-tabulation was conducted on the external factors such as economics which affects marketing activities of rural SMMEs. A null hypothesis was used to determine the interdependence between the variables. This finding indicated that rural SMMEs are affected by economic conditions.

A Chi- square test was conducted on the relationship between marketing activities and external factors such as economics which affect marketing activities of rural SMMEs. This result was statistically significant at the 95% level (  $X^2 = 689.678$ ,  $df=525$ ,  $P=0.000$ ). This result revealed that SMMEs' owners/managers agreed that poor economic conditions affected their businesses.

**Table 6.14: Cross-Tabulation – Source of information and technology**

		Q14.4 Technology					
		Yes		No		Total	
		N	%	N	%	N	%
Q18.7 Source of information	Strongly agree	23	6.2%	135	36.3%	158	42.5%
	Agree	18	4.8%	109	29.3%	127	34.1%
	Neutral	1	.3%	43	11.6%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	1	.3%	15	4.0%	16	4.3%
	Total	43	11.6%	329	88.4%	372	100.0%

Table 6.14 shows that a cross-tabulation was conducted on the external factors such as technology which affect marketing activities of rural SMMEs. The question relating to the use of marketing as a source of information about business was based on a null hypothesis to determine

the interdependence between the variables. This finding indicated that rural SMMEs were affected by the lack of technology standards/networks in the rural KZN areas.

**Table 6.15: Cross-Tabulation – Customer loyalty and competitive environment**

		Q14.5 Competitive environment					
		Yes		No		Total	
		n	%	n	%	N	%
Q18.5 Impact of compe titive enviro nment on Gettin g more custo mer loyalty	Strongly agree	72	19.3%	71	19.0%	143	38.2%
	Agree	88	23.5%	47	12.6%	135	36.1%
	Neutral	37	9.9%	23	6.1%	60	16.0%
	Disagree	13	3.5%	16	4.3%	29	7.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	212	56.7%	162	43.3%	374	100.0%

Table 6.15 shows that a cross-tabulation was conducted on the external factors such as competitive environment which affect marketing activities of rural SMMEs. The relationship between customer loyalty and competitive environment was based on a null hypothesis to determine the interdependence between the variables. This finding indicated that rural SMMEs are affected mostly by competitive environment in the rural KZN areas.

#### 6.4.6.4 The use of marketing

Questions 16 and 18 were selected to find the respondents who use marketing and who do not use marketing as indicated in Tables 6.16 and 6.17.

**Table 6.16: Frequency distribution for Q18.1-Q18.7**

	Strongly disagree		Disagree		Neutral		Agree		Strongly agree	
	N	%	n	%	n	%	N	%	n	%
Q18.1	68	18.2%	44	11.8%	80	21.4%	151	40.4%	31	8.3%
Q18.2	7	1.9%	43	11.5%	135	36.1%	104	27.8%	85	22.7%
Q18.3	7	1.9%	18	4.8%	70	18.7%	137	36.6%	142	38.0%
Q18.4	8	2.1%	24	6.4%	84	22.5%	141	37.7%	117	31.3%
Q18.5	7	1.9%	29	7.8%	60	16.0%	135	36.1%	143	38.2%
Q18.6	11	2.9%	23	6.1%	53	14.2%	114	30.5%	173	46.3%
Q18.7	16	4.3%	27	7.3%	44	11.8%	127	34.1%	158	42.5%

**Table 6.17: Descriptive statistics for Q18 (Overall perception towards marketing)**

	N	Minimum	Maximum	Mean	Std. Deviation
Q18	372	1	5	3.83	.653

The results in Table 6.17 reflect that a higher proportion of respondents selected Agree /Strongly agree.

The result in Table 6.17 shows a mean score of 3.83 for Q18. This indicates an overall positive perception towards marketing. The low standard deviation shows a small degree of deviation from the mean, indicating that a positive perception was common amongst most respondents.

The responses to Q18.1-Q18.7 were summarised by adding together the responses and dividing by 7. The process provided an overall score for Q18 which reflects the overall perception towards marketing. Note that the coding for Q18 was reversed so that that Strongly agree had a score of 5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1. This was done so that, on a 5-point scale, scores above 3 and close to 5 indicate a positive perception while scores below 3 indicate a negative perception.

#### 6.4.6.5 Mann-Whitney U Test

The Mann-Whitney U test is a non-parametric equivalent of the t-test. Non-parametric tests are used when a variable does not follow a normal bell-shaped distribution. The z value is the test statistic of the Mann-Whitney while the p value indicates whether differences are significant or not. A value for p less than 0.05 indicates a significant difference at the 95% level. The mentioned test was conducted for this study because of the nature of data available with regard to

the use of marketing or non-use of marketing where question 16 and question 18 were specifically selected to determine the use of marketing or non-use of marketing.

The scores for each item in Q18 were averaged to obtain an overall average of different marketing tools. The Mann-Whitney test was used to determine whether the mean overall score for Q18 was significantly different among those who used local advertising and those who did not. Similarly, the Mann-Whitney test was used for national advertising, sponsorship, brochures, personal selling, competitions, special offers, public relations and other printed materials as indicated in Table 6.18.

**Table 6.18: Comparison of marketing tools used by owners/managers (Q16 and Q18)**

		N	Mean Q18	Std. Deviation	Mean Rank	Mann- Whitney U	z	P
Local advertising	Yes	214	3.89	.621	198.78	14279.000	-2.572	.010
	No	158	3.74	.686	169.87			
National advertising	Yes	40	4.06	.568	231.38	4845.000	-2.804	.005
	No	332	3.80	.658	181.09			
Sponsorship	Yes	12	3.81	.685	188.25	2139.000	-.058	.954
	No	360	3.83	.653	186.44			
Brochures	Yes	157	3.93	.553	200.29	14712.500	-2.121	.034
	No	215	3.75	.710	176.43			
Personal selling	Yes	149	3.93	.592	204.00	14005.500	-2.575	.010
	No	223	3.76	.683	174.80			
Competitions	Yes	67	4.25	.332	260.60	5252.500	-6.252	.000
	No	305	3.73	.670	170.22			
Special offers	Yes	159	3.99	.499	211.37	12979.000	-3.868	.000
	No	213	3.71	.726	167.93			
Public relations	Yes	93	4.03	.522	216.94	10143.000	-3.163	.002
	No	279	3.76	.679	176.35			
Other printed materials	Yes	68	3.84	.653	189.17	10154.500	-.227	.820
	No	304	3.82	.654	185.90			

The results in Table 6.18 shows that the mean rank score for Q18 is significantly higher amongst those who use local advertising as opposed to those who don't at the 95% level ( $p < 0.05$ ). This reflects that although respondents are generally positive about marketing, those who use local advertising have a higher degree of positive perception than those who don't use local advertising.

The mean rank score for Q18 is significantly higher amongst those who use national advertising as opposed to those who don't at the 95% level ( $p < 0.05$ ). This reflects that although respondents are generally positive about marketing, those who use national advertising have a higher degree of positive perception than those who don't use national advertising.

The mean rank score for Q18 is not significantly different between those who use sponsorship as opposed to those who don't at the 95% level ( $p > 0.05$ ). This reflects that both groups (those who use sponsorships and those who don't) have the same degree of positive perception.

The mean rank score for Q18 is significantly higher amongst those who use brochures as opposed to those who don't at the 95% level ( $p < 0.05$ ).

The mean rank score for Q18 is significantly higher amongst those who use personal selling as opposed to those who don't at the 95% level ( $p < 0.05$ ).

The mean rank score for Q18 is significantly higher amongst those who use competition as opposed to those who don't at the 95% level ( $p < 0.05$ ).

The mean rank score for Q18 is significantly higher amongst those who use special offers as opposed to those who don't at the 95% level ( $p < 0.05$ ).

The mean rank score for Q18 is significantly higher amongst those who use public relations as opposed to those who don't at the 95% level ( $p < 0.05$ ).

The mean rank score for Q18 is not significantly different between those who use other printed materials as opposed to those who don't at the 95% level ( $p > 0.05$ ).

#### 6.4.6.6 Binomial Test

The Binomial test was used to determine whether proportions of responses between two groups are different. This test was used to determine whether the proportion /percentage of people who use local advertising is different from those who don't. Similarly, for national advertising,

sponsorship, brochures, personal selling, competitions, special offers, public relations and other printed materials, a test was conducted to determine the proportion of people who use this type of advertising and those who don't. Table 6.19 shows the popular methods of marketing used by the sample.

**Table 6.19: Binomial Test – Q16**

		Category	N	Observed Prop.	P
Local advertising	Group 1	No	160	42.8%	0.006
	Group 2	Yes	214	57.2%	
	Total		374		
National advertising	Group 1	No	334	89.3%	0.000
	Group 2	Yes	40	10.7%	
	Total		374		
Sponsorship	Group 1	No	362	96.8%	0.000
	Group 2	Yes	12	3.2%	
	Total		374		
Brochures	Group 1	No	217	58.0%	0.002
	Group 2	Yes	157	42.0%	
	Total		374		
Personal selling	Group 1	No	225	60.2%	0.000
	Group 2	Yes	149	39.8%	
	Total		374		
Competitions	Group 1	No	306	81.8%	0.000
	Group 2	Yes	68	18.2%	
	Total		374		
Special offers	Group 1	No	215	57.5%	0.004
	Group 2	Yes	159	42.5%	
	Total		374		
Public relations	Group 1	No	281	75.1%	0.000
	Group 2	Yes	93	24.9%	
	Total		374		
Other printed materials	Group 1	Yes	70	18.7%	0.000
	Group 2	No	304	81.3%	
	Total		374		
None of the above	Group 1	No	356	95.2%	0.000
	Group 2	Yes	18	4.8%	
	Total		374		

The data in Table 6.19 shows that there is a significant difference in the proportions of respondents who use local advertising, national advertising and other media. The proportions are stated as follows:

- The proportion of respondents who use local advertising (57.2%) is significantly higher at the 95% level ( $p < 0.05$ );

- The proportion of respondents who use national advertising is significantly lower at the 95% level ( $p>0.05$ );
- The proportion of respondents who use sponsorships is significantly lower at the 95% level ( $p>0.05$ );
- The proportion of respondents who use brochures is significantly lower at the 95% level ( $p>0.05$ );
- The proportion of respondents who use personal selling is significantly lower at the 95% level ( $p>0.05$ );
- The proportion of respondents who use competitions is significantly lower at the 95% level ( $p>0.05$ );
- The proportion of respondents who use special offers is significantly lower at the 95% level ( $p>0.05$ );
- The proportion of respondents who use public relations is significantly lower at the 95% level ( $p>0.05$ );
- The proportion of respondents who use other printed materials is significantly lower at the 95% level ( $p>0.05$ ); and
- The proportion of respondents who use none of the promotions is significantly lower at the 95% level ( $p>0.05$ ).



**Figure 6.28: Methods of promotion used**

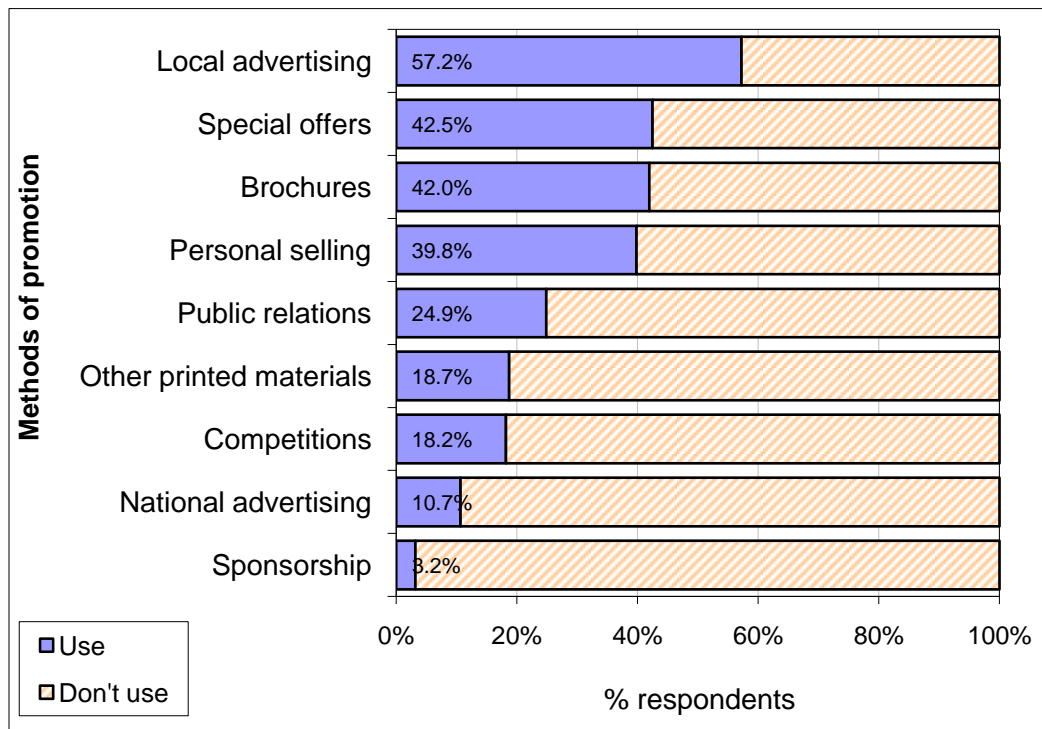


Figure 6.28 shows the percentages of the respondents who use marketing and who do not use marketing.

#### 6.4.6.7 Conclusion to objective 6

This objective established that internal factors such as training, funding and lack of marketing knowledge and experience have an impact on the SMMEs' marketing abilities. It has also established that external factors such as economic, competition, limited access to finance, natural environment, and political and legal influence also impact on the SMMEs.

## **6.5 OPEN ENDED QUESTIONS ANALYSIS**

The purpose of this section is to state the findings that emanated from the open ended questions as the part of the questionnaire for this study. The aim of the open ended was to give respondents a chance to express some of the issues that might not be covered on the quantitative questions. This section covers question numbers 19, 20, 21, 22, 23, 24, 25 and 26. The analysis of this section was done by looking at the most common statements by the respondents in a particular question.

### **Question 19**

40.4 % of the respondents indicated that they have to show respect to their customers.

### **Question 20**

94 % of the respondents indicated that they use word-of-mouth and networking as their marketing strategies.

### **Question 22**

33% of the respondents indicated that lack of access to financial services limited their marketing activities such as getting loans, credit and others said they were not aware of the financial network support.

### **Question 23**

58.1% of the respondents indicated that they compete with big businesses such as Pep stores in some areas.

### **Question 24**

23.8 of the respondents indicated that they do give credit to their customers as a part of promoting their businesses.

### **Question 25**

63% of the respondents indicated that they did attend training on business management and marketing for three hours or, at the most, for three day workshops.

## **6.6 KEY FINDINGS**

The purpose of this section was to highlight the key findings of this study. The key findings were as follows:

- SMMEs are widely spread in rural KZN areas and many are solely owned;
- Marketing agencies are available in most areas;
- Lack of marketing knowledge and experience and limited funds seem to be problems for the rural SMMEs in KZN;
- Few respondents had a little training in marketing management and promotional methods were not fully utilized;
- SMMEs, which are owned/operated for up to 6 years seem to be positive and use marketing;
- Most SMMEs' owners/managers used their own funds to support their businesses; and
- There are some internal and external factors that affect the SMMEs' marketing activities and abilities in these areas.

## **6.7 CONCLUSION**

In this chapter, the main focus was on the analysis of results presented graphically. The focus of this chapter was on the analysis of frequency graphs, Chi-square tests for goodness-of-fit, cross-tabulations Chi-square tests, key findings and Cronbach's alpha. The following chapter will focus on the discussion and interpretations of the results of this study.

## **CHAPTER 7**

### **DISCUSSION AND INTERPRETATION OF RESULTS**

#### **7.1 INTRODUCTION**

The previous chapter presented the findings resulting from the survey questionnaire administered to SMMEs' owners/managers in the rural KwaZulu-Natal areas. Therefore, the focus of this chapter is on the discussion of the main findings of the study in terms of the objectives of the study and in the context of the literature reviewed for the study.

The overall aim of the study was to investigate and describe the use of marketing strategies by SMMEs, in the KZN rural areas. To achieve this aim, the following research objectives were formulated:

**Objective 1:** To identify to what extent marketing is used by SMMEs in rural KZN;

**Objective 2:** To describe who ( individuals or firm) uses marketing in rural KZN;

**Objective 3:** To identify the aspects or tools of marketing that are mostly used by SMMEs  
in rural KZN areas;

**Objective 4:** To identify the awareness of and knowledge about marketing strategies and marketing  
activities by SMMEs in rural KZN areas;

**Objective 5:** To identify SMMEs' owners/entrepreneurs' attitudes and opinions about marketing  
in rural KZN;

**Objective 6:** To identify factors that limit the use of marketing by rural KZN;

These factors are specifically split into:

6.1. Internal or personal factors; and

6.2. External/environmental factors.

## **7.2 DISCUSSION OF FINDINGS IN TERMS OF RESEARCH OBJECTIVES OF THE STUDY**

The following section discusses the findings of the study in terms of the above research objectives based on the relevant questions.

### **7.2.1 The understanding of the respondents about what marketing is**

The results of this study support the view that marketing in SMMEs is somewhat haphazard, disorganized and unplanned (Gilmore *et al.*, 2001). The basic marketing activities such as advertising and the availability of products were given little attention. This study found that marketing is not clearly understood by the sample.

Hill (2001) stipulates that SMMEs have strong sales orientation rather than marketing orientation. The results of this study support this view. Customers had a pivotal role in the marketing of the SMMEs for this study. Creating and maintaining customer relationships were seen as important and success was measured by customer satisfaction. This finding is linked to the qualitative information provided by the respondents. It could be proposed (interpreted) that instead of following a single business philosophy, the SMMEs should have adopted features of several philosophies such as the marketing concept and sales concept that seem to best fit the goals of the enterprises.

### **7.2.2 Use of marketing**

Frese *et al.* (2007: 3-4) highlight that training and coaching of the business owners need more attention as these could be one of the internal factors that might have a negative impact on human capital, more especially for SMMEs. Hirschsohn (2008: 181) believes that, in South Africa, SMMEs' appropriateness of the new skill development framework to existing market conditions and institutional foundations is questioned. Therefore, this might also be one of the important missing pieces in the rural entrepreneurs' equation. The results of this study support the view that many SMMEs' owners/managers do not use marketing as compared to those who use marketing. This might be due to the fact that they cannot afford to hire qualified people for the marketing

activities.

### **7.2.3 Number of years business owned/operated**

The Durban Chamber of Commerce- SMME Desk (2009) reports that 90% of businesses do not survive beyond the first five years, not due to the product being inferior, but because they fail to make it in the marketplace. A significant number of small businesses fail. Some fail in infancy, others a few years later. The failure rate is probably due to under-preparedness and the lack of accurately estimating the cost of starting and running an enterprise (Ladzani and Van Vuuren, 2002: 155). The failure rate of SMMEs is very high compared to large-scale business. In South Africa, the failure rate of SMMEs is estimated to be between 70% and 80% with a related cost to 117 246 SMME failures to be in excess of R68 million over a 4 year period (Van Eeden, Viviers and Venter, 2003: 13). The results of this study indicate that SMMEs of six years and above do not believe that marketing is important.

### **7.2.4 Factors that affect marketing ability**

Many very small businesses do not commit significant resources to marketing and sales support activities (Carson, 1990, in Withey and Panitz, 2003: 1). The usual reasons for the absence of marketing support activities include budget constraints and general business orientation. Withey and Panitz (2003: 1) indicate that budget limitations in small and very small organizations often relegate marketing activities to a non-existent or very low priority. Furthermore, Sherief (2005) affirms that there is a lack of knowledge and self-confidence of the people in rural communities due to the limited experience and lack of education. The results of this study indicate that the majority of SMMEs prefer personal selling rather than utilizing all promotional methods. This might be due to the lack of marketing knowledge, limited experience and lack of education. Financial constraints appear to be another contributing factor. This means that the limited budget of SMMEs prevent them from employing well qualified people.

### **7.2.5 Promotional activities**

Van Scheers and Radipere (2008: 445-458) believe that advertising has been seen as a means to aid small, medium and micro enterprises (SMMEs) to differentiate them from the competition. This study supports the view that the commonly used promotional tools are local advertising, brochures, and personal selling. Clow and Baack (2004: 474) highlight that most small businesses do not have the money to send a marketing message to millions of potential customers. This view is also supported by the results of this study that a lack of funds contributes to the limited use of promotional tools. Mirchevska (2007: 40-44) indicates that the owners/managers are not aware or educated in the sphere of marketing which concurs with the results of this study and which contributed to their limited use of promotional activities by the SMMEs.

### **7.2.6 Perceptions/attitudes of SMMEs about marketing**

A marketing strategy is the means by which an organization sets out to achieve its marketing objectives (Brassington and Pettitt, 2007: 438b; Baker, 2000: 161). On the other hand, Robert (2007) argues that combination strategies and tactics contributed to the competitive positioning sought by the organizations involved, including SMMEs. The results of this study support this view. When the rural SMMEs' owners/managers were asked their opinion/attitudes about the marketing, they rarely referred to the success of the business. They believed in conducting marketing tasks such as promotions to increasing customer loyalty and referrals. Their ultimate aim of marketing seemed to be making more sales for the business.

### **7.2.7 External/internal environments**

This section focuses on the external and internal factors that face SMMEs in the rural areas of KZN.

#### **7.2.7.1 Infrastructure**

Mezher, El-Saouda, Nasrallah and Al-Ajam (2008: 34-52) echo the sentiment that entrepreneurs face different types of difficulties and operate in an unstable environment characterized by political chaos and financial, legal, infrastructural, economic, educational and cultural difficulties. The results of this study also indicated that there were some external factors influencing the operation of

rural SMMEs in KZN. Poor conditions of the rural roads and unfavourable economic conditions appear to be major factor of concern in the rural business communities (Rogerson, 2006).

#### 7.2.7.2 Training

In the literature, it has been argued that the basis of the marketing concept (practice) has not been adopted and used to a significant extend among the rural SMMEs, more especially those run by owners. One of the reasons for this is that many owners/mangers have not had formal training in marketing (Brady and Palmer, 2004: 125-136; Lawson, 2004: 311). The results of this study support this view. These results indicated that most of the rural SMMEs' owners/mangers like to follow some form of self-directed and informal customer-centric philosophies such as the use of word-of-mouth. This premise is also supported by McPherson (2007) that small firms normally follow self-directed and informal customer-centric philosophies.

#### 7.2.7.3 Access to finance

Ladzani and Netswera (2009: 225) indicate that finance is perceived to be inaccessible for rural SMMEs. The lack of finance constitutes the main obstacle to the growth of SMMEs (Pissarides, 1999; Tesfaayohannes, 2006). The results this study support this view. The majority of the respondents indicated that access to finance is the major problem for them. This suggests that the lack of access to finance by SMMEs is the big constraint in rural KZN. Consequently SMMEs do not implement marketing activities more effectively.

#### 7.2.7.4 Managerial skills

Labuschagn and Van Niekerk (2006) articulate that 80% of South African SMMEs fail due to a lack of management skills. Management incompetence is one of the most important factors that lead to business failure (DTI, 1998). Management shortcomings of SMMEs may include the following: lack of managerial information, ineffective planning, insufficient control and unsatisfactory financial management. Many small black builders lack management skills (Khumalo, 1994). Many of them fail to keep simple records. Planning is an exception rather than the rule. They lack managerial information, effective planning, and sufficient control and financial management skills. The results of this study support this view. The results indicate that many respondents received



training in building and construction. This means that most of them do not have financial management that can help them to keep proper financial records for their businesses.

#### 7.2.7.5 Skills personnel

Kadans (1992: 202) indicates that many entrepreneurs lack organizational skills and disorganized education systems continue to produce individuals with no sense of time management, priority setting, strategic planning and decision-making. A business's success depends on the knowledge, skills, creativity and motivation of its labour force (Yasamis, Arditi and Mohammadi, 2002; Bhatia, 2003: 68). This study supports this view. The findings of this study indicate that most SMMEs are run by owners/managers who do not have formal education and management skills. Therefore, it is important that the business makes provision for trade and quality-related training for its employees rather than being entirely dependent on their owners/managers.

#### 7.2.7.6 Economics

Ndabeni (2005) stipulates that rural SMMEs' economic units are characterized by ease of entry; small-scale activity; use of labour-intensive technologies; high levels of self-employment with a high proportion of family workers; lack of capital and equipment; limited technical skills; lack of access to large and profitable markets, formal credit, support services; and dependence on local supplies for their material inputs. Research conducted by White (1999) indicates that small and micro enterprises, when operating in the same environment as the medium-sized and large enterprises, are usually at a disadvantage when tapping into the support services provided by both the government and the private sector. This study supports this view. Most respondents for this study indicated that it is difficult for them to get formal credit and support capital for their businesses. This means that rural SMMEs need to get the same financial support as their counterparts in the urban areas and large businesses.

#### 7.2.7.7 Competition

Dave, Cazier and Jensen (2008: 242-257) stress that in today's global competitive environment, organizations face a variety of challenges that need them to change their competitive strategies such as improving technological abilities since technology can have many positive and negative effects on the consumers' willingness to buy and use products. Research indicates that rural industrialization needs to enhance the competitive performance of rural SMMEs (Jarvis-Super and Dunham, 2003). It is a clear indication that local conditions through which rural enterprises operate need more attention from policy makers. In Australia, a study conducted by Frost (2003) shows that SMMEs use a restricted range of strategic tools. This study supports this view. The findings of this study indicate that poor technological facilities in some areas have impacted on rural SMMEs. Moreover, competition is a hindrance to their businesses.

### 7.3 CONCLUSION

This chapter focused on the discussion of findings and interpretation of the results of this study. It included a discussion on variables such the understanding of the respondents about what marketing is, use of marketing/non-use of marketing, number of year's business owned/operated, factors that affects marketing ability, promotional activities, perceptions/attitudes of SMMEs about marketing, external/internal environments (infrastructure, training, access to finance, managerial skills, skills, economics and completion). The following chapter will focus on the conclusions and the recommendations of this study.

## **CHAPTER 8**

### **CONCLUSIONS AND RECOMMENDATIONS OF THE STUDY**

#### **8.1 INTRODUCTION**

Literature shows that small, medium and micro enterprises are the most important pillars of a country's economy. SMMEs are the most important in the Taiwanese economy and in many other parts of the world such as China, United Kingdom, South Korea, United States of America, Japan, Singapore, India and South Africa. However, in South Africa, the sector is faced with many problems particularly in the rural areas (Etd.unisa-chapter 1: 2005). People in rural South Africa are moving in large numbers from rural areas to urban areas almost every day to look for jobs and business opportunities. This problem could be due to the lack of business promotion by SMMEs in rural areas. Therefore, this research concentrated on the marketing strategies used by the SMMEs in rural areas with specific reference to the KwaZulu-Natal areas.

This chapter will focus on the summary of the findings, conclusions about objectives, implications, summary of the practical, theoretical contributions of the thesis, implications of marketing theory and marketing practice, limitations, recommendations based on the results of the study, recommendations for further research, summary of the study and conclusions of the chapter.

#### **8.2 SUMMARY OF FINDINGS**

The aim of this study was to investigate and describe the use of marketing strategies by SMMEs in the rural areas of KZN. Based on the results of this study, the following conclusions are drawn:

- Most of the SMMEs in rural KZN are sole owned and the owners act as the owner and the manager of the business.

- Understanding of marketing did not appear to be a major problem even though SMMEs' owners were not asked to give the precise definition of marketing. However, the use of marketing strategies is limited as the findings indicated that very few marketing strategies /tactics have been used.
- Even though marketing is not fully used by SMMEs' owners/managers, they believed that marketing was important for the success of their businesses. They were of the view that marketing can increase customer loyalty, make referrals and provide information for their businesses. However, this attitude was mainly applicable to the businesses that are less than 1 year to 6 years.
- This study concludes that a large number of respondents did not have training in marketing. Some of the respondents stated that they received training in marketing in the form of short courses or workshops.
- Most of the respondents indicated that the lack of funding/ financial support was their major problem of running day-to-day business activities.
- Poor infrastructure such as roads and the lack of electricity and water in rural KwaZulu-Natal hampered economic activities and development in the rural areas.
- Most of the respondents did not have formal marketing education except those who attended workshops and short courses on business management. The study concluded that most of the respondents appear to be starting businesses with an intention of making a living and not for the purpose of future growth. This is justified by the fact that many businesses do not exist for more than 10 years. On the qualitative questionnaire results, some respondents indicated that they were doing business because they did not have any other work. It is anticipated that when they get jobs, they will leave the business with their families or people who are not capable to run the business or they will close the businesses.
- The study also concluded that word-of-mouth is the most important promotional tool used by the rural SMMEs in KwaZulu-Natal rural areas. This is the most preferred method, which can be attributed to the fact that it is a cheaper and more reliable method.
- There was generally an increase in the number of customers over the 12 month period. The study concluded that respondents indicated an increase in average spending by customers and overall business turnover.

- According to this study, it seems like there is good support for their businesses from the customers.
- There was a very clear indication on some factors that contribute negatively to the businesses growth and their marketing campaigns. These factors included government regulations, competition from other businesses, lack of guidance on business development, limited access to finance, lack of skills, inflation, labour costs high and interest rate.
- According to research findings, funding of the business was the major problem for the rural SMMEs in the rural KwaZulu-Natal province. The results of this study indicated that 72.7% of the respondents used their own funds to support the business.
- The results of this study indicated that 67.1% of the respondents lacked marketing knowledge and experience and most of the respondents indicated that they have never thought about marketing, while the others also highlighted that they did not know why they should do marketing. The majority of respondents believed that marketing included advertising, selling the products, understanding what customers want and having products available for people to buy, regardless of whether they demanded it or not.
- The study concluded that rural SMMEs' owners/managers did not see a need for a separate marketing person other than the manager or owner of the business since they felt they could still do the job effectively. The problem is that marketing is more likely to be overlooked since the manager will have more business activities to attend to other than just marketing. Furthermore, respondents believed that it would also be expensive for them to have a full-time marketing person to conduct the marketing activities. They also saw no need to make use of external services such as the use of a marketing consultant and marketing research organization even though some of them are available in their areas.
- According to the research findings of this study, in the qualitative section, the respondents' comments and opinions indicated that even though there was no formal marketing research conducted by these businesses, they have knowledge about their customers since they kept records of their customers.
- The study found that promotion is used by businesses in rural areas, even though the focus was more on local advertising and credit offerings than other forms of promotion.

## **8.3 CONCLUSIONS ABOUT OBJECTIVES**

This section will present the conclusions that have been reached for each of the sub-objectives, as presented in section 7.1.

### **Sub-objective 1**

Relating to the extent to which marketing is used by SMMEs, it is concluded that even though understanding of marketing is not a major problem among the SMMEs, it is not fully utilized by the business owners/managers. The marketing of the businesses in rural KZN are solely owned and most sole owners seem not to have good marketing knowledge and experiences. Only a few SMMEs use marketing strategies such as national advertising, brochures and personel selling. Therefore, the lack of marketing may be linked to the lack of marketing specialisation, expertise and training.

### **Sub- objective 2**

With regard to who, from an individual and a corporate view, uses marketing in rural KZN, it is concluded that in most SMMEs marketing is done by individual owners in rural KNZ areas. However, it was also found that there are few corporate SMMEs in rural KZN who also use marketing in their business. Therefore, the lack of marketing use by rural SMMEs in KZN might be linked to a lack of cooperation among SMMEs as this could contribute to the lack of resources that may be used for marketing activities. If most of the SMMEs in rural KZN areas are corporate entities, the lack of marketing specialisation and expertise and training might not be a big problem as some of the members might have relevant skills.

### **Sub-objective 3**

Relating to the aspects or tools of marketing that are mostly used by SMMEs in rural KZN areas, it is concluded that local advertising, brochures, special offers and personal selling are most commonly used marketing tools by SMMEs in rural KZN. Most of the businesses in rural KZN area are solely owned and most sole owners seem not to have good marketing knowledge and experiences. This shortcoming could be linked to the use of marketing tools by rural KZN areas and also contribute to the knowledge applications of other marketing tactics/ strategies and understanding of how important these tools are in the business.

### **Sub-objective 4**

Relating to the awareness of knowledge about marketing strategies and marketing activities by SMMEs in rural KZN areas, it is concluded that the limited use of marketing tools by SMMEs could be linked to the lack of awareness and knowledge about marketing strategies and marketing activities. Furthermore, this could also link to the lack of formal training regarding marketing and lack of funding.

### **Sub-objective 5**

With regard to the perception/attitudes of SMMEs about the importance of marketing in their business, it is concluded that there is a positive attitude among the respondents. However, support they get from marketing agencies seems to be lacking. This could be linked to the lack of funding and lack of training. New SMMEs' owners of 1-2 years seem to believe that promotional activities are effective in creating their business awareness, and that marketing creates customer loyalty, more referrals and more sales. They also believe that marketing is the source of information for their business.

## Sub-objective 6

Relating to the internal or personal factors and external/environment that limit the use of marketing by rural KZN, it is concluded that a lack of access to finance, lack of training and formal education with regard to marketing skills, a lack of managerial skills, a lack of skill personnel, poor infrastructure, poor economic activities and competition are the most important factors limiting the use of marketing in rural KZN areas. Therefore, these factors may be linked to the lack of marketing activities and marketing abilities in rural KZN.

## 8.4 CONCLUSIONS ABOUT RESEARCH HYPOTHESES

*H1: It was hypothesised that marketing were not widely used by SMMEs in rural KZN*

H1 has shown that marketing were not widely used by SMMEs in rural KZN As presented in the Figure 6.1 and 6.2. Most of SMMEs marketing is done by owners whose might not have marketing skills. Therefore, hypotheses was accepted

*H1: It was hypothesised that marketing were used most by sole owned SMMEs in rural KZN*

H1 has shown that marketing were used by sole owned SMMEs in rural KZN, therefore, hypotheses was accepted.

*H1: It was hypothesised that not all tools of marketing used by SMMEs in rural KZN areas*

H1 has shown that not all tools of marketing used by SMMEs in rural KZN areas; therefore, hypothesises was accepted as few tools are properly used.

*H1: It was hypothesised that marketing is not clearly understood by SMMEs in rural KZN areas*

H1 has shown that marketing is not clearly understood by SMMEs in rural KZN areas, therefore, The hypothesises was accepted



*H1: It was hypothesed that there were not positive attitudes and opinions about marketing in rural KZN*

H1 has shown that there were negative attitudes about marketing, therefore, the hypotheses was accepted

*H1: It was hypothesed that there were internal and external factors that limit the use of marketing by SMMEs in rural KZN*

H1 has hypotheses that there were internal and external factors that limit the use of marketing by SMMEs in rural KZN, therefore, the hypotheses were accepted.

## **8.5 IMPLICATIONS**

The implications of this study will include implications for marketing theory and implications for marketing practice.

### **8.5.1 Implications for marketing theory**

The implications of this study for marketing theory is to contribute to the exisisting body of knowledge with regard to marketing theory in the SMMEs' sector with specific reference to South African SMMEs in rural KZN areas. It can be claimed that for better rural development intervention strategy, people need to get a clear understanding of the relevant theories that can help to solve complex problems that are faced by rural communities and business stakeholders in the rural areas.

The contribution of this research is to add new concept and theories in marketing management and strategies for rural SMMEs should be proposed and implemented. Such theories have not been published in the literature previously. The new concept and theories in marketing should be emphasizing the important components for business practices in the rural areas. This means that rural SMMEs' owners/managers need to implement marketing. The theoretical framework of different theories and strategies should include the classical school (1900-50), managerial marketing (1950-75), behavioural marketing school (1965-present), adaptive/strategic marketing school (1980–present), and Micheal Porter five force matrix. The combination and application of business

practices, integration and implementation into networking and word-of-mouth as marketing strategies/tactics of the rural SMMEs constitute the theoretical contribution of this study.

This is essentially an applied marketing study, related more to the vocation of marketing. Therefore, the contribution to marketing theory is limited. The main contribution of the study is to marketing practice, which is discussed in the next section and in section 8.5.

### **8.5.2 Implications for marketing practice**

On the practical side, the results of this study clearly indicate that due to the lack of marketing knowledge and expertise and lack of funds, SMMEs' owners/managers do not utilise marketing strategies effectively in their businesses. Therefore, they cannot modify their products. Moreover, due to the lack of marketing skills, they cannot provide a sufficient range of product designs. Therefore, the practical implications of this study will benefit SMMEs' marketers by emphasizing a new way to consider future marketing activities of their businesses, especially those in rural KZN areas. Marketing strategies/tactics, suggested by this study such as networking and word-of-mouth, will provide effective and sufficient marketing tools that will fit the rural geographical profile. Most SMMEs' owners/managers use few marketing tools in marketing, with little emphasis on other marketing tactics and the marketing mix. Therefore, this study is an important contribution to the understanding of marketing mix choices of suitable marketing practices in the rural areas.

The success of marketing in the rural area environment requires a different approach to that recommended by traditional marketing theory, which is inadequate in changing rural markets, for example, "billboard/newspapers advertising method". Most people in rural areas do not know how to read. Therefore, it is difficult for them to get advertising messages from the newspapers. In addition, more money needs to be spent on advertising. Therefore, it is very important for rural SMMEs to use personal selling as their most reliable marketing tool. For marketing practice to be more effective, this study recommends various strategies that can be used to overcome these difficulties. The formation of small business and rural development centres (SBRDCs) will help rural SMMEs with both financial and skills support. For example, business networking can

be more effective for them as some may have necessary skills and enough resources to help others. Training and development in rural areas could be essential and can play a major role to provide SMMEs with information on accessing small business loans. The findings of this study reveal that some SMMEs are not even aware that there are some financial institutions such as Khula, Ntsika enterprises that may help them with finance.

## **8.6 RECOMMENDATIONS BASED ON THE RESULTS OF THE STUDY**

This section contains recommendations based on the findings of the study to enable SMMEs to improve their marketing activities.

The role of small, medium and micro enterprises has been recognized worldwide as key to social and economic development. However, according to the respondents of this study, very little has been done to promote the culture of enterprise in rural KwaZulu-Natal areas. Apart from difficulties in accessing finance, small, medium and micro entrepreneurs in rural KwaZulu-Natal, the findings of this study indicate that rural SMMEs in KwaZulu-Natal areas face barriers like poor or insufficient entrepreneurial knowledge as well as marketing skills and competencies in enterprise management. Lack of appropriate strategies for tackling the turbulent environment affect rural business. Other factors include the lack of technology, poor roads and infrastructure, social and economic issues.

However, the literature of this study highlights that, in order to accelerate the entrepreneurship development process, support is needed in various areas such as finance, infrastructure, enterprise development competent and government support agencies involved in planning and promoting the growth of small, medium and micro enterprises. In this regard, the government needs to formulate policies on financing technology and promotion of knowledge and skills.

### 8.6.1 Small business and rural development centres (SBRDCs)

This study recommends that the South African government should form small business and rural development centres (SBRDCs) in the rural areas. This body/ centre will co-ordinate the more efficient use of existing funding as well as funding the new businesses. This study suggests that, in order to maintain an adequate standard of services, SBRDCs will be expected to employ highly skilled professionals. Their staff must be trained periodically to keep up with market trends, financial, economic and technological developments, government regulations, taxes, and elements that are necessary in rendering effective and updated counselling services. The main services to be offered by SBRDCs will include the following:

- **General information and guidance:** such as preliminary appraisal of the business concepts; information on permits and licences required for establishing a business; help in finding business partners and investors, assistance in making the necessary contacts, and referral to additional information sources.
- **Professional counselling:** The nature and duration of counselling should be personally adapted to each entrepreneur or business owner. The counselling process may, therefore, consist of any of the following as well as other stages: first basic counselling meeting, a referral to extensive professional consultation, assistance in the process of locating financing or long-term tutoring. Counselling is provided on diverse subjects, such as preparing business plans, financial management, pricing, and marketing, streamlining production, export and many more.
- **Referrals to sources of funding:** such as Khula enterprises, Ntseka enterprises, Umsobomvu youth fund, and many other South African financial institutions for SMMEs. The centres can assist with the application process required by banks, special funds set up for small businesses, or other financing programmes. These financial institutions may also support in preparing the necessary documentation, including a business plan.
- **Training:** the SBRDCs will offer courses and workshops specifically suited to small, medium and micro enterprises, owners/managers and new entrepreneur start ups in the rural areas. The centres also will provide written training material. According to this study, being

close to the relevant/local small business community will position SMMEs best in identifying their specific training needs. This will help them since only a few rural SMMEs' owners/managers in Kwa-Zulu Natal province attended training or workshops in Ethekwini city.

- **Information centres:** The centres may guide the SMMEs and the entrepreneurs seeking to start a new business in finding the relevant business information, as well as in using the SMME Information Centre. This means that all the information regarding the rural development and all the academic and professional researches that have been done with specific reference to rural development will be submitted to this centre or the centre will buy them from the researchers.
- **Overcoming Red Tape:** This study recommends that information centres in the rural areas need to be connected with the local and regional authorities in the KwaZulu-Natal province. The centres are likely to give entrepreneurs and SMMEs a hand in overcoming bureaucratic obstacles. This will benefit SMMEs as some of the respondents in this study indicated that some SMMEs' owners/managers suffer due to their political differences.

#### **8.6.2 Government support for rural business development, education and training strategies**

This study recommends that government needs to strengthen the human resource base in the rural areas in KwaZulu-Natal. The South African government needs to ensure strategic coordination in policy development programmed delivery in the rural areas, particularly in rural KwaZulu-Natal areas. This study recommends that government must re-visit the current variety of government programmes and services designed to improve knowledge and skills in the rural areas. South African rural geographical profiles are more complex and different to urban profiles. Therefore, the effectiveness of current rural development, support and training programmes in the rural community is limited due to a lack of coordination and appropriate targeting in policy development and programme delivery. This study recommends that, in order to ensure the effectiveness and efficiency of development programmes in rural communities, the different levels and components of government need to break down programme of actions, increase cooperation and coordination to eliminate needless policy duplication and inconsistencies. For example, some SMMEs'

owners/managers in Escourt must be treated in the same way as SMMEs owners/ managers in Nquthu.

This study recommends that the South African government should establish a steering agency responsible for championing and coordinating a skills agenda for rural training and skills building capacity. The duties and guidelines for this body must include the following:

- The formation of a partnership between the key stakeholders in the rural areas such as education, training providers and government, business owners/managers and employees where the agency will have the champions from each of these stakeholders;
- This body will help the government and interested parties for rural development to ensure that its priorities are driven by the partners and not subject to manipulation for the political gain of individual groups; and
- To be responsible and accountable for the achievement of goals and priorities.

### **8.6.3 Financial support for South African rural SMMEs**

Government needs to form a rural development fund in rural areas that will be supervised by all stakeholders including community leaders. According to the findings of this study, there is a dire need to formulate policies to provide financial assistance to small, medium and micro entrepreneurs in rural KwaZulu-Natal areas as it is difficult to obtain financing from commercial banks. Therefore, a recommendation is to create financial schemes where entrepreneurs can have at least equal, if not concessional, access to finance. The provision of specific infrastructural requirements of rural SMMEs should be a major policy area that the South African government will have to focus on. Rather than imposing huge taxes on imported manufacturing machinery, government needs to offer tax concessions on such imports. This will improve the use of appropriate technology or machinery in order to improve the quality of goods that small entrepreneurs can produce in their areas. The absence of appropriate and comprehensive training packages, especially in technical and vocational training institutions, has to be taken care of, especially in the rural areas.

## 8.7 LIMITATIONS

A number of limitations were identified while conducting the empirical research and were found to apply to this study.

- The population sample for this study was 374 respondents. This sample was too small and limited for the five selected rural areas in the province. Other areas within the province might also have SMMEs operators. Most of the big areas such as Nkandla, Ijosini and Vryheid were not covered in this study. Some of the SMMEs in the rural areas, where the research was conducted, were not registered even though they seem to have all the characteristics that qualify them to be regarded as SMMEs. However, this study was limited to SMMEs that were formally registered.
- This study used a structured questionnaire which limited the respondents to say more about their feelings with regard to the constraints that affect development in their areas. However, the findings are limited by the study's exploratory, quantitative and qualitative nature and the small sample that did not include other rural areas in the KwaZulu-Natal province. Therefore, generalizing should be done with care and, therefore, further research should be conducted with larger samples that will include other areas.
- This study focused on the marketing area without looking at the spirit of entrepreneurship in the rural areas. Therefore, findings are limited to aspects that influence marketing only without looking at other aspects that might contribute in the business environment, specifically in rural areas. Generalizing should be done with care and, therefore, further research is recommended.
- Since this study was conducted during the South African general elections, some of the owners/managers were reluctant to comment on problem areas for fear of jeopardising the continued existence of their SMMEs. However, respondents were well briefed and given enough time to read and research assistants that are well known in the community were used in order to achieve the objectives of the study.

## **8.8 RECOMMENDATIONS FOR FURTHER RESEARCH**

This study set out to establish a basis for knowledge and professionalism within the South African small, medium and micro enterprises in the rural Kwazulu-Natal areas. Further studies on the benefits from proper marketing strategies in the rural areas should be encouraged as this has the potential of greatly increasing profits and ensuring the long-term sustainability of small, medium and micro enterprises. This research project is hoped to provide information for SMMEs' owners/managers that are operating in rural areas with specific reference to KwaZulu-Natal areas. Therefore, based on the findings of this study, for further research, this study recommends the following:

- A qualitative study needs to be conducted on the challenges of managing the growth in the SMMEs' sector in rural areas of South Africa. The focus of the study should be on the SMMEs operating in the rural areas. The sample of the study should be large enough to cover wide areas in the rural areas. The study should allow full participation among the parties such as business owners and researchers/researcher assistants.
- The mixed approach of quantitative and qualitative studies needs to be conducted on implications of marketing intelligence in the SMMEs' sector with specific reference to rural KZN. SMMEs' owners/managers marketing intelligence abilities should be investigated and be understood by policy makers. SMMEs' owners/managers must be used as the sampling framework of the study. Non-probability sampling should be used to select the sample for this study.
- A quantitative study needs to be coconducted on how SMMEs in the rural areas of South Africa can be nurtured and the strategies can be used to nurture rural SMMEs. The study sample frame can be government business support agencies and SMMEs' financial support agencies such as Ntsika and Khula.
- A qualitative study needs to be conducted on the marketing strategies used on coaching and mentoring of SMMEs' growth in rural KZN. The study can use a case study to collect data.



- A quantitative and qualitative mixed study needs to be conducted on the marketing concept and marketing orientation of rural SMMEs in KZN. The study can be conducted among the existing SMMEs in rural areas. The study can use probability sampling by implementing the stratified method.
- A quantitative study needs to be conducted on the managers'/owners' perceptions of marketing in the SMMEs' sector in rural KZN.
- A qualitative study needs to be conducted on marketing strategies used by managers/owners in the turbulent environment for SMMEs with specific reference to KZN rural areas. The study can examine how SMMEs cope, manage and market during the turbulent times in their areas. A case study can be used to obtain data.

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## **APPENDIX A**

### **Letter of information and consent**

Durban University of Technology  
C/o Alpine Residence  
Durban

Dear Respondent

I am a student registered at the Durban University of Technology in the Department of Marketing. I am currently pursuing the Doctoral Degree in Technology: Marketing and the primary component of the degree deals with a research-based investigation that necessitates, inter alia, fieldwork and data collection.

My topic is titled: "The use of marketing strategies by SMMEs in rural KZN areas". In order to complete my degree, the latter part of the research involves the administration of a questionnaire. You have been identified as someone who could contribute significantly to this study.

I shall be grateful if you could please complete the attached questionnaire. The questionnaire should take approximately 15 minutes to complete and requires only a cross next to the relevant response and some written comments. You can be assured that your response will receive utmost confidentiality and will not be divulged to any other person. In addition, a summary of the responses to the questionnaires, once collected, will be forwarded to you.

Your co-operation in assisting me with this vital component of my study is highly appreciated and I take this opportunity of thanking you in advance for enabling me to complete this research project.

Yours sincerely

Lawrence M. Lekhanya  
Student no: 20356120  
Cell: 072 3353411

### **DECLARATION BY RESPONDENT**

I hereby agree to participate in the completion of this questionnaire.

Signature of respondent -----

## APPENDIX B: QUESTIONNAIRE

### SMME'S MARKETING STRATEGIES IN RURAL AREAS IN KZN

Instructions: For each question, please tick only one answer

1. *Where is your business situated?*

Empangeni	1
Ulundi	2
Nquthu	3
Escourt	4
Kwa-Nongoma	5

2. *Indicate the type of business in which you are involved.*

Agriculture	1
Mining and quarrying	2
Manufacturing	3
Construction	4
Retail and motor trade and repair services	5
Wholesale trade commercial agents and allied services	6
Catering, accommodation and other trade	7
Transport, storage and communications	8
Finance and business services	9
Community, social and personal services	10

3. *How is your business owned?*

Jointly owned	1
Manager of the business and sole owned	2
Manager of the business and jointly owned	3
Other (Specify)----- -----	

4. *For how many years have you owned/operated this business?*

Less than 1 year	1
1-2 years	2
3-5 years	3
6-8 years	4
more than 10 years	5

5. Please indicate the annual turnover of your business

R 0-5000	1
R 5001-10000	2
R 10001-15000	3
R Over 20000	4

(Please note that from the following questions you are free to tick more than one answer)

6. In which of the following field(s) have you received training?

Marketing management	1
Human resource management	2
Business management	3
Building and construction management	4
Other (Specify)----- -----	

7. What have been the main trends for your business over the past 12 months?

	an increase	stayed the same	decreased	Do not know
Number of Customers	1	2	3	4
Average support by customers	1	2	3	4
Overall business turnover	1	2	3	4
Financial support	1	2	3	4

Please comment-----  
-----

8. Which of the following factors affect your business most?

Lack of customer demand	1
Government regulations	2
Competition from other businesses	3
Lack of guidance on business development	4
Limited access to finance	5
Lack of skills	6
Inflation	7
Labour costs high	8
Interest rate high	9
Other (Specify)----- -----	

Please comment-----

-----

9. From which of the following sources do you obtain funding for your business?

Bank	1
Own funds	2
Finance companies	3
ROSCAs (Rotational Savings and Credit Associations)	4
Other (Specify)----- -----	

10. What is your understanding of marketing?

Advertising	1
Selling	2
Having products available for people to buy	3
Understanding what customer wants	4
None of the above	5
All of the above	6
Other (Specify)----- -----	

Please comment-----  
-----

11. Who performs the marketing roles in your business?

Owner	1
Manager	2
Marketing manager/person	3
Salesman	4
No- one	5
Other (Specify)----- -----	

12. How do you ensure your products are effectively reaching the desired market?

Branding /packaging products	1
Advertising /Promotion	2
Offer credit concession	3
Use skilled labour	4
Other (Specify)-----	

-----
-------

Please comment-----

*13. What affects your marketing ability?*

Lack of knowledge and experience	1
Limited funds	2
Never thought about marketing	3
Do not know why I should do marketing	4
Other(specify)-----	
-----	

Please comment-----

*14. Which one of the following factors affects your marketing activities?*

Political and legal influences	1
Socio-demographics	2
Economics	3
Technology	4
Competitive environment	5
Natural environment	6
Other(Specify)-----	
-----	

Please comment-----

*15. Which of the following services are available in your area?*

Marketing research agency	1
Marketing consultants	2
Marketing agency	3
Advertising agency	4
None of the above	5
Other (Specify)-----	
-----	

Please comment-----

-----

16. Which of these methods of promotion have you used during the last 12 months?

Local advertising	1
National advertising	2
Sponsorship	3
Brochures	4
Personal selling	5
Competitions	6
Special offers	7
Public relations	8
Other printed materials	9
None of the above	10
Other (Specify)----- -----	

17. Which one of the following affects your business the most in your area?

Electricity access	1
Access to telecommunications	2
Roads and transportation	3
Quality of houses	4
Access to health services	5
Other (Specify)----- -----	

Please comment-----

18. Please indicate your response to the following statements with regard to marketing.

Statement	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
The support I get from marketing agencies in my area is good					
The promotional activities applied by SMME owners/managers are very effective in increasing their businesses' popularity/awareness					
Marketing is very important to the success of my business					
Marketing tools assist us in getting more referrals					



Marketing tools assist us in getting more customer loyalty					
Marketing tools assist us in getting more sales					
Marketing is used as a source of information about business					

19. How do you ensure that the products from your business attract customers?

-----

-----

20. What are your marketing strategies in your area? -----

-----

21. Are there factors that have limited the marketing of your products in this area?

-----

-----

22. Has access to financial services limited the role of your business in Marketing?

Yes/No

Please explain? -----

-----

23. Who are your main business competitors in your area? -----

-----

24. What makes people prefer products from your competitors? -----

-----

25. Do you get training on marketing skills?

Yes/No.

25.1 If the answer is yes,

25.1.1. Where do you get the training? -----

25.1.2. Who pays for the training? -----

25.1.3. How long is the training? -----

25.1.4. What is the content of training? -----

-----

26. In your own assessment, what type of marketing knowledge would enable you to achieve marketing potentials?

-----

-----

Thank you

## APPENDIX A

### Letter of information and consent

Durban University of Technology  
C/o Alpine Residence  
Durban

Kuwena Ophendulayo

Ngingumfundi obhalisele ukufunda eDurban University of Technology eMnyangweni we-Marketing. Ngenza iZiqu zobuDokotela kwezobuChwepheshe kwiMarketing (Doctoral Degree in Technology: Marketing) kanti ingxenye yokuqala yale ziqu imayelana nophenyo oluwucwaningo oludinga izinto ezingambandakanya ukwenza ucwaningo kuleyo ndawo ekhethiwe kanye nokuqoqa ulwazi.

Isihloko sami sithi: "The use of marketing strategies by Small, Medium and Micro Enterprises in rural KZN areas.", esichaza ukuthi "Ukusetshenziswa kwamasu okukhangisa amaBhizinisi Amancane, Asafufusa kanye Namakhulu ezindaweni ezisemakhaya KwaZulu-Natali". Ukuze ngiphothule iziqu zami, ingxenye yokugcina yocwaningo lwami imbandakanya ukwenganyelwa kwephephamibuzo. Uqokwe njengomunye ongadlala indima enkulu kulolu cwaningo.

Ngingathokoza kakhulu uma ungagcwalisa leli phephamibuzo elifakwe lapha. Leli phephamibuzo lingahle lithathe imizuzu eyi-15 kanti lidinga ukuba ufake uphawu oluyisiphambano nje eduze kwempendulo efanele. Uyaqinisekiswa ukuthi impendulo yakho iyokuba yimfihlo futhi ingeze yadalulwa komunye umuntu. Ngaphezu kwalokho, isisongo sezimpendulo zamaphephamibuzo, uma seziqoqiwe, sizodluliselwa kuwena.

Ukubambisana kwakho nami kule ngxenye yocwaningo lwami kusemqoka kakhulu kimina futhi ngifisa ukuthatha leli thuba lokuthi ngikubonge ungakenzi lutho ekubeni ungisize ekwenzeni le phrojekthi yocwaningo.

Ozithobayo

Lawrence M. Lekhanya  
Student no: 20356120  
Cell: 072 3353411

ISIBOPHO SALOWO OPHEMDULAYO

Ngiyavuma ukubamba iqhaza ekugcwaliseni leli phephamibuzo.

Ukusayinda kwalowo ophendulayo -----  
*ISITHASISELO B: IPHEPHAMIBUZO ELIYISIHLONGOZO*

## UKUHLOLA KOKUKHANGISA AMA-SMME EZINDAWENI EZISEMZKHAYA E-KZN

Imiyalo: embuzweni ngamunye, uyacelwa ukuba ufake uphawu

### 1. Likuphi ibhizinisi lakho?

Empangeni	1
Olundi	2
ENquthu	3
E-Escourt	4
Kwa-Nongoma	5

### 2. Yisho uhlobo lwebhizinisi olwenzayo

Ezolimo	1
Ezasezimayini nokumba	2
Ukukhiqiza	3
Ukwakha	4
Ukudayisa nokuhweba ngezimoto kanye nomsebenzi wokukhanda	5
Ungowenza ezokudayisa nokuhweba kanye nemisebenzi ephathelene nalokho	5
Uthengisa ngokudla, ezendawo yokuhlala nokunye ukuhweba	6
Ezokuthutha, ukulondoloza nezokuxhumana	7
Imisebenzi yezezimali namabhizinisi	8
Imisebenzi yomphakathi, ezenhlalakahle kanye nokubhekene nabantu qobo lwabo	9

### 3. Kume kanjani ubunikazi bebhizinisi lakho?

Ubunikazi obuhlanganyelwe	1
Ungumphathi webhizinisi nomnikazi walo uwedwa	2
Ungumphathi webhizinisi elihlanganyelwe	3
Okunye (Cacisa)----- -----	

### 4. Usube ngumnikazi/usebenze isikhathi esingakanani kuleli bhizinisi?

Ngaphansi konyaka o-1	1
Iminyaka o-1 ukuya kwe-2	2
Iminyaka emi-3 ukuya kwe-5	3
Iminyaka eyi-6 ukuya kwe-8	4
Ngaphezu kweminyaka eli-10	5

5. Sicela usho imali engenayo ngonyaka yebhizinisi lakho ukhethe kulokhu okulandelayo

R 0-5000	1
R 5001-10000	2
R 10001-15000	3
Okungaphuzi kwe-20000	4
Okunye (Cacisa)----- -----	

(Khumbula uvumelekile ukukhethe impendulo engaphezu kwe yodwa kulemibuzo elandelayo)

6. Yisho ukuthi uqeqesha kwimiphi imikhakha yalokhu okulandelayo

Ukwengamela ukukhangisa	1
Ukwengamela eze-Human resource	2
Ukwengamela ezamabhizinisi	3
Ukwengamela ezokwakha	4
Okunye (Cacisa)----- -----	

7. Yikuphi obekuvame kakhulu ebhizinisini lakho ezinyangeni ezevile kweziyi-12?

	ukukhula	Ukuhlala linjalo	ukuncipha	Angazi
Inani lamakhasimende	1	2	3	4
Ukuxhaswa ngamakhasimende okukahle nje	1	2	3	4
Imali engenayo isiyonke yebhizinisi	1	2	3	4
Ukuxhaswa ngezezimali	1	2	3	4

Sicela uphawule-----

8. Yikuphi kulokhu okulandelayo okuthinta ibhizinisi lakho kakhulu?

Ukwentuleka kwezidingo zamakhasimende	1
Imitheshwana kaHulumeni	2
Ukuqhudelana namanye amabhizinisi	3
Ukwentuleka kwezeluleko zokuthuthukisa ibhizinisi	4
Ukungafinyeleli kahle kwezezimali	5
Ukwentuleka kwamakhono	6
Ukukhuphuka kwamandla emali	7
Izindleko zabasebenzi eziphakeme	8
Ukukhuphuka kwenzalo yemali	9
Okunye (Cacisa)----- -----	

Sicela uphawule-----  
-----

9. Uyitholaphi imali yokuxhasa ibhizinisi lakho kulokhu okulandelayo?

Ebhange	1
Izimali zakho	2
Ezinkampanini zezezimali	3
Ku-ROSCAs (Rotational Savings and Credit Associations)	4
Okunye (Cacisa)----- -----	

10. Ngokwakho ucabanga ukuthi kuyini ukukhangisa?

Ukudayisa	1
Ukuthengisa	2
Ukuba nemikhiqizo ukuze abantu bayithenge	3
Ukwazi ukuthi ikhasimende lifunani	4
Akukho kulokhu kungenhla	5
Yikho konke lokhu okungenhla	6

Okunye (Cacisa)-----	
-----	

Sicela uphawule-----

-----

*11. Ngubani odlala indima yokukhangisa ebhizinisini lakho?*

Ngumnikazi	1
Yimenenja	2
Akekho	3
Yiminenja yokukhangisa/umundo	4
Umdayisi	5
Okunye (Cacisa)-----	
-----	

*12. Uqinisekisa kanjani ukuthi imikhiqizo ifinyelela kahle hle ezimakethe ozihlosile?*

Ukufaka uphawu/indlela yokupakisha imikhiqizo	1
Ukudayisa /Ukufukula	2
Ukuvumela izikweletu	3
Ukusebenzisa abasebenzi abanamakhono	4
Okunye (Cacisa)-----	
-----	

Sicela uphawule-----

-----

*13. Yikuphi okungumthelela ekhonweni lakho lokukhangisa?*

Ukungabi nalwazi nesipiliyoni	1
Izimali ezinganele	2
Ukungakaze ngicabange ngokukhangisa	3
Ukungazi isidingo sokukhangisa	4
Okunye (Cacisa)----- -----	

Sicela uphawule-----  
-----

14. Yisho okukodwa kulokhu okulandelayo okuyizinto ezingaphandle zokukhangisa okunomthelela ekukhangiseni kwakho

Umthelela wezombusazwe nezomthetho	1
Isimo sezinhlalo zabantu	2
Ezomnotho	3
Ezobuchwepheshe	4
Indawo yokuqhudelana	5
Ubunjalo bendawo	6
Okunye (Cacisa)----- -----	

Sicela uphawule-----  
-----

15. Yikuphi okutholakala endaweni okuyo sicela ufake uphawu empendulweni eyodwa

Yilabo okungabocwaningo lokukhangisa	1
Abanika izeluleko ngokukhangisa	2
Yilabo okungabokukhangisa	3
Yilabo okungabokudayisa	4
Akukho kulokhu okungenhla	5
Okunye (Cacisa)----- -----	

Sicela uphawule-----



-----

16. Yiziphi izindlela ozisebenzisile ezinyangeni eziyi-12 ezedlule kulezi ezilandelayo?

Ukudayisa endaweni yasekhaya	1
Ukudayisa ezweni lonke	2
Ukuxhasa	3
Izincwajana ezichazayo	4
Ukuzithengisela	5
Imiqhudelwano	6
Imititilizo	7
Ukuxhumana nomphakathi	8
Okunye okuphrintiwe	9
Akukho kulokhu okungenhla	10
Okunye (Cacisa)----- -----	

17. Yikuphi kulokhu okulandelayo okunomthelela omkhulu ebhizinisini lakho endaweni okuyo?

Ukuba nogesi	1
Ukufinyelela kwezokuxhumana	2
Imigwaqo nezokuthutha	3
Izindlu ezisezingeni elifanele	4
Ukufinyelela kwezempilo	5
Okunye (Cacisa)----- -----	

Sicela uphawule-----  
-----

18. Uyacelwa ukuba usho uvo lwakho mayelana nokushiwoyo ngendlela yokuphakamisa

*ezohwebo.*

umhlondlela	Ngivumelana kakhulu nokushiwoyo 1	Ngiyavumelana nokushiwoyo 2	Ngiyavuma Nje, nginokunqikaza 3	Angivumelani nokushiwoyo 4	Angivumelani neze nokushiwoyo 5
Usizo engilithola kwabeminyango yokuphakamisa ezohwebo endaweni yakithi lukhulu					
Izindlela zokuphakamisa amabhizinisi amancane (SMME) ezisetshenziswa abanikazi balamabhizinisi nalabo abawakhoselayo zisebenza kakhulu ekuphakamiseni idumela lawo.					
Indlela yokuphakamisa ezohwebo ibaluleke kakhulu empumelelweni yebhizinisi Indlela yokuphakamisa ezohwebo ibaluleke kakhulu empumelelweni yebhizinisi lami lami					

Izindlela zohwebo ezikhuthaza ukuxhumana kanye nolwazi					
Izindlela zohwebo ezisiza ukuthola amakhasimende					
Izindlela zohwebo ezisiza ukuphakamisa izinga lobuqotho kubathengi					
Indlela yokuphakamisa ezohwebo isethenziswa njengayona indlela yokuthola ulwazi ngebhizini Iwakho					

19. Uqinisekisa kanjani ukuthi imikhiqizo yebhizinisi lakho ihehe amakhasimende?

-----

-----

20. Yimaphi amasu akho okukhangisa kule ndawo?-----

-----

21. Yikuphi okubona kunciphisa amathuba okukhangisa imikhiqizo yakho kule ndawo?

-----  
-----  
22. Ingabe ukufinyelela kwezezimali kunciphisa indima yebhizinisi lakho ekukhangiseni?

Sicela uchaze?-----  
-----

23. Ngobani oqhudelana nabo abaqavile kule ndawo?-----  
-----

24. Yikuphi okwenza abantu baqoke imikhiqizo yalabo oqhudelana nabo ? -----  
-----

25. Uyakuthola ukuqeqeshwa ngamakhono okukhangisa? Yebo/Cha.

25.1.1. Uma impendulo kungu yebo,

25.1.2. Ukuthola kuphi ukuqeqeshwa? -----  
-----

25.1.3. Ngubani okhokhela lokho kuqeqeshwa? -----  
-----

25.1.4. Kuthatha isikhathi esingakanani lokho kuqeqeshwa? -----  
-----

25.1.5. Lokho kuqeqeshwa kumbandakanyani? -----

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26. Ngokubona kwakho yiluphi ulwazi lokukhangisa ongafisa ukuluthola ongenalo njengamanje?

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Ngiyabonga

## APPENDIX C1: Classification of SMMEs

Sector or sub-sectors in accordance with the standard industrial classification (SIC)	Size or class	Total full-time equivalent of paid employees Less than:	Total annual turnover Less than:	Total gross asset value (fixed property excluded) Less than
Agriculture	Medium	100	R4 m	4 m
	Small	50	R2 m	R2 m
	Very small	10	R0,4 m	R0,4 m
	Micro	5	R0,15 m	R0,1 m
Mining and quarrying	Medium	200	R30 m	R18 m
	Small	50	R7,5 m	R4,5 m
	Very small	20	R3 m	R1,8 m
	Micro	5	R0,15 m	R0,1 m
Manufacturing	Medium	200	R40 m	R15 m
	Small	50	R10 m	R3,75 m
	Very small	20	R4 m	R1,5 m
	Micro	5	R0,15 m	R0,1 m
Electricity, gas, and water	Medium	200	R40 m	R15 m
	Small	50	R10 m	R3,75 m
	Very small	20	R4 m	R1,5 m
	Micro	5	R0,15 m	R0,1 m
Construction	Medium	200	R20 m	R4 m
	Small	50	R5 m	R1 m
	Very small	20	R2 m	R0,4 m
	Micro	5	R0,15	R0,1 m
Retail and motor trade and repair service	Medium	100	R30 m	R5 m
	Small	50	R15 m	R2,5 m
	Very small	10	R3 m	R0,5 m
	Micro	5	R0,15 m	R0,1 m
Wholesale trade, commercial agents, and allied services	Medium	100	R50 m	R8 m
	Small	50	R25 m	R4 m
	Very small	10	R5 m	R0,5 m
	Micro	5	R0,15 m	R0,1 m
Catering, accommodation, and other trade	Medium	100	R10 m	R2 m
	Small	50	R 5 m	R1, m
	Very small	10	R1 m	R0,2 m
	Micro	5	R0,15 m	R0,1 m

Transport, storage, and communication	Medium	100	R20 m	R5 m
	Small	50	R10 m	R2,5 m
	Very small	10	R2 m	R0,5 m
	Micro	5	R0,15 m	R0,1 m
Finance and business services	Medium	100	R20 m	R4 m
	Small	50	R10 m	R1 m
	Very small	10	R2 m	R0,4 m
	Micro	5	R0,15 m	R0,4 m
Community, social, and personal services	Medium	100	R 10 m	R5 m
	Small	50	R5 m	R2, 5 m
	Very small	10	R1 m	R0,5 m
	Micro	5	R0,15 m	R0,1 m

Source: Rwigema and Venter (2004: 317)

## APPENDIX C2: Goodness of fit chi-square test

Significant differences in proportions of responses at the 95% level are where the p value is less than .050

**Goodness of Fit Chisquare Test Statistics**

	Chi-Square	df	p
Q1 Location of business	9.583	4	.048
Q2	187.390	9	.000
Q3 Ownership of business	67.642	2	.000
Q4 Number of years owned/operated business	36.455	4	.000
Q6.1 Marketing management	129.412	1	.000
Q6.2 Human resource management	53.914	1	.000
Q6.3 Business management	4.278	1	.039
Q6.4 Building and construction management	260.278	1	.000
Q6.5 Other training	358.171	1	.000
Q6.6 None	200.738	1	.000
Q7.1	555.241	3	.000
Q7.2	514.689	3	.000
Q7.3	570.118	4	.000
Q7.4	46.936	3	.000
Q10.1 Advertising	22.631	1	.000
Q10.2 Selling	247.102	1	.000
Q10.3 Having products available for people to buy	58.567	1	.000
Q10.4 Understanding what customer wants	22.631	1	.000
Q10.5 None of the above	270.385	1	.000
Q10.6 All of the above	96.524	1	.000
Q10Comm	.000	2	1.000
Q11.1 Owner	18.866	1	.000
Q11.2 Manager	14.642	1	.000
Q11.3 Marketing manager/person	253.647	1	.000
Q11.4 Salesman	136.567	1	.000
Q11.5 No- one	84.717	1	.000
Q12.1 Branding /packaging products	498.695	5	.000
Q12.2 Advertising /Promotion	30.043	1	.000
Q12.3 Offer credit concession	183.540	1	.000
Q12.4 Use skilled labour	291.176	1	.000
Q14.1 Political and legal influences	218.706	1	.000
Q14.2 Socio-demographics	270.385	1	.000
Q14.3 Economics	186.353	1	.000
Q14.4 Technology	221.775	1	.000
Q14.5 Competitive environment	6.684	1	.010
Q14.6 Natural environment	280.684	1	.000
Q14.7 Other	366.043	1	.000
Q15.1 Marketing research agency	335.070	1	.000
Q15.2 Marketing consultants	270.385	1	.000



	Chi-Square	df	p
Q15.3 Marketing agency	291.176	1	.000
Q15.4 Advertising agency	127.070	1	.000
Q15.5 None of the above	37.230	1	.000
Q15.6	354.267	1	.000
Q15.7	366.043	1	.000
Q16.1 Local advertising	7.797	1	.005
Q16.2 National advertising	231.112	1	.000
Q16.3 Sponsorship	327.540	1	.000
Q16.4 Brochures	9.626	1	.002
Q16.5 Personal selling	15.444	1	.000
Q16.6 Competitions	151.455	1	.000
Q16.7 Special offers	8.385	1	.004
Q16.8 Public relations	94.503	1	.000
Q16.9 Other printed materials	146.406	1	.000
Q16.10 None of the above	305.465	1	.000
Q18.1	116.936	4	.000
Q18.2	136.214	4	.000
Q18.3	216.989	4	.000
Q18.4	177.684	4	.000
Q18.5	203.059	4	.000
Q18.6	246.107	4	.000
Q18.7	219.586	4	.000

## APPENDIX D: Cross Tabulations

		Q1 Location of business											
		Empangeni		Ulundi		Nquthu		Estcourt		Kwa-Nongoma		Total	
		n	%	n	%	n	%	n	%	n	%	n	%
Q18.1	Strongly agree	11	2.9%	0	.0%	23	6.1%	19	5.1%	15	4.0%	68	18.2%
	Agree	14	3.7%	7	1.9%	7	1.9%	15	4.0%	1	.3%	44	11.8%
	Neutral	19	5.1%	9	2.4%	16	4.3%	28	7.5%	8	2.1%	80	21.4%
	Disagree	23	6.1%	66	17.6%	17	4.5%	11	2.9%	34	9.1%	151	40.4%
	Strongly disagree	9	2.4%	14	3.7%	5	1.3%	1	.3%	2	.5%	31	8.3%
	Total	76	20.3%	96	25.7%	68	18.2%	74	19.8%	60	16.0%	374	100.0%
Q18.2	Strongly agree	14	3.7%	8	2.1%	19	5.1%	13	3.5%	31	8.3%	85	22.7%
	Agree	28	7.5%	37	9.9%	16	4.3%	21	5.6%	2	.5%	104	27.8%
	Neutral	26	7.0%	46	12.3%	21	5.6%	26	7.0%	16	4.3%	135	36.1%
	Disagree	7	1.9%	5	1.3%	8	2.1%	12	3.2%	11	2.9%	43	11.5%
	Strongly disagree	1	.3%	0	.0%	4	1.1%	2	.5%	0	.0%	7	1.9%
	Total	76	20.3%	96	25.7%	68	18.2%	74	19.8%	60	16.0%	374	100.0%
Q18.3	Strongly agree	37	9.9%	33	8.8%	17	4.5%	14	3.7%	41	11.0%	142	38.0%
	Agree	26	7.0%	59	15.8%	16	4.3%	33	8.8%	3	.8%	137	36.6%
	Neutral	12	3.2%	3	.8%	24	6.4%	20	5.3%	11	2.9%	70	18.7%
	Disagree	0	.0%	0	.0%	8	2.1%	6	1.6%	4	1.1%	18	4.8%
	Strongly disagree	1	.3%	1	.3%	3	.8%	1	.3%	1	.3%	7	1.9%
	Total	76	20.3%	96	25.7%	68	18.2%	74	19.8%	60	16.0%	374	100.0%
Q18.4	Strongly agree	31	8.3%	24	6.4%	15	4.0%	11	2.9%	36	9.6%	117	31.3%
	Agree	32	8.6%	59	15.8%	21	5.6%	24	6.4%	5	1.3%	141	37.7%
	Neutral	10	2.7%	12	3.2%	22	5.9%	27	7.2%	13	3.5%	84	22.5%
	Disagree	2	.5%	1	.3%	9	2.4%	9	2.4%	3	.8%	24	6.4%
	Strongly disagree	1	.3%	0	.0%	1	.3%	3	.8%	3	.8%	8	2.1%
	Total	76	20.3%	96	25.7%	68	18.2%	74	19.8%	60	16.0%	374	100.0%
Q18.5	Strongly agree	30	8.0%	46	12.3%	16	4.3%	16	4.3%	35	9.4%	143	38.2%
	Agree	36	9.6%	42	11.2%	19	5.1%	31	8.3%	7	1.9%	135	36.1%
	Neutral	6	1.6%	7	1.9%	16	4.3%	19	5.1%	12	3.2%	60	16.0%
	Disagree	3	.8%	1	.3%	13	3.5%	7	1.9%	5	1.3%	29	7.8%
	Strongly disagree	1	.3%	0	.0%	4	1.1%	1	.3%	1	.3%	7	1.9%
	Total	76	20.3%	96	25.7%	68	18.2%	74	19.8%	60	16.0%	374	100.0%
Q18.6	Strongly agree	33	8.8%	67	17.9%	23	6.1%	13	3.5%	37	9.9%	173	46.3%
	Agree	34	9.1%	26	7.0%	13	3.5%	34	9.1%	7	1.9%	114	30.5%
	Neutral	5	1.3%	1	.3%	16	4.3%	22	5.9%	9	2.4%	53	14.2%
	Disagree	3	.8%	1	.3%	11	2.9%	2	.5%	6	1.6%	23	6.1%
	Strongly disagree	1	.3%	1	.3%	5	1.3%	3	.8%	1	.3%	11	2.9%
	Total	76	20.3%	96	25.7%	68	18.2%	74	19.8%	60	16.0%	374	100.0%
Q18.7	Strongly agree	29	7.8%	56	15.1%	25	6.7%	15	4.0%	33	8.9%	158	42.5%
	Agree	33	8.9%	38	10.2%	19	5.1%	31	8.3%	6	1.6%	127	34.1%
	Neutral	9	2.4%	1	.3%	9	2.4%	18	4.8%	7	1.9%	44	11.8%
	Disagree	4	1.1%	0	.0%	6	1.6%	6	1.6%	11	3.0%	27	7.3%
	Strongly disagree	1	.3%	1	.3%	9	2.4%	2	.5%	3	.8%	16	4.3%
	Total	76	20.4%	96	25.8%	68	18.3%	72	19.4%	60	16.1%	372	100.0%

		Jointly owned		Manager of the business and solely owned		Manager of the business and jointly owned		Total	
		n	%	n	%	n	%	n	%
Q18.1	Strongly agree	20	5.3%	33	8.8%	15	4.0%	68	18.2%
	Agree	14	3.7%	25	6.7%	5	1.3%	44	11.8%
	Neutral	21	5.6%	41	11.0%	18	4.8%	80	21.4%
	Disagree	44	11.8%	83	22.2%	24	6.4%	151	40.4%
	Strongly disagree	13	3.5%	13	3.5%	5	1.3%	31	8.3%
	Total	112	29.9%	195	52.1%	67	17.9%	374	100.0%
Q18.2	Strongly agree	31	8.3%	39	10.4%	15	4.0%	85	22.7%
	Agree	31	8.3%	57	15.2%	16	4.3%	104	27.8%
	Neutral	34	9.1%	69	18.4%	32	8.6%	135	36.1%
	Disagree	13	3.5%	27	7.2%	3	.8%	43	11.5%
	Strongly disagree	3	.8%	3	.8%	1	.3%	7	1.9%
	Total	112	29.9%	195	52.1%	67	17.9%	374	100.0%
Q18.3	Strongly agree	52	13.9%	63	16.8%	27	7.2%	142	38.0%
	Agree	36	9.6%	75	20.1%	26	7.0%	137	36.6%
	Neutral	18	4.8%	42	11.2%	10	2.7%	70	18.7%
	Disagree	5	1.3%	9	2.4%	4	1.1%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	0	.0%	7	1.9%
	Total	112	29.9%	195	52.1%	67	17.9%	374	100.0%
Q18.4	Strongly agree	42	11.2%	56	15.0%	19	5.1%	117	31.3%
	Agree	33	8.8%	74	19.8%	34	9.1%	141	37.7%
	Neutral	26	7.0%	44	11.8%	14	3.7%	84	22.5%
	Disagree	9	2.4%	15	4.0%	0	.0%	24	6.4%
	Strongly disagree	2	.5%	6	1.6%	0	.0%	8	2.1%
	Total	112	29.9%	195	52.1%	67	17.9%	374	100.0%
Q18.5	Strongly agree	49	13.1%	71	19.0%	23	6.1%	143	38.2%
	Agree	37	9.9%	69	18.4%	29	7.8%	135	36.1%
	Neutral	15	4.0%	33	8.8%	12	3.2%	60	16.0%
	Disagree	10	2.7%	17	4.5%	2	.5%	29	7.8%
	Strongly disagree	1	.3%	5	1.3%	1	.3%	7	1.9%
	Total	112	29.9%	195	52.1%	67	17.9%	374	100.0%
Q18.6	Strongly agree	58	15.5%	86	23.0%	29	7.8%	173	46.3%
	Agree	29	7.8%	58	15.5%	27	7.2%	114	30.5%
	Neutral	16	4.3%	31	8.3%	6	1.6%	53	14.2%
	Disagree	6	1.6%	13	3.5%	4	1.1%	23	6.1%
	Strongly disagree	3	.8%	7	1.9%	1	.3%	11	2.9%
	Total	112	29.9%	195	52.1%	67	17.9%	374	100.0%
Q18.7	Strongly agree	49	13.2%	78	21.0%	31	8.3%	158	42.5%
	Agree	35	9.4%	65	17.5%	27	7.3%	127	34.1%
	Neutral	13	3.5%	26	7.0%	5	1.3%	44	11.8%
	Disagree	12	3.2%	13	3.5%	2	.5%	27	7.3%
	Strongly disagree	2	.5%	12	3.2%	2	.5%	16	4.3%
	Total	111	29.8%	194	52.2%	67	18.0%	372	100.0%

**Pearson Chi-Square Tests**

		Q3 Ownership of business
Q18.1	Chi-square	6.205
	df	8
	Sig.	.624 <sup>a</sup>
Q18.2	Chi-square	10.304
	df	8
	Sig.	.244 <sup>a</sup>
Q18.3	Chi-square	10.068
	df	8
	Sig.	.260 <sup>a</sup>
Q18.4	Chi-square	14.674
	df	8
	Sig.	.066 <sup>a</sup>
Q18.5	Chi-square	6.857
	df	8
	Sig.	.552 <sup>a</sup>
Q18.6	Chi-square	6.674
	df	8
	Sig.	.572 <sup>a</sup>
Q18.7	Chi-square	10.193
	df	8
	Sig.	.252 <sup>a</sup>

Results are based on nonempty rows and columns in each innermost subtable.

- a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q4 Number of years owned/operated business											
		Less than 1 year		1-2 years		3-5 years		6-8 years		More than 10 years		Total	
		n	%	n	%	n	%	n	%	n	%	n	%
Q18.1	Strongly agree	8	2.1%	18	4.8%	19	5.1%	13	3.5%	10	2.7%	68	18.2%
	Agree	6	1.6%	12	3.2%	12	3.2%	8	2.1%	6	1.6%	44	11.8%
	Neutral	9	2.4%	33	8.8%	17	4.5%	11	2.9%	10	2.7%	80	21.4%
	Disagree	8	2.1%	33	8.8%	36	9.6%	34	9.1%	40	10.7%	151	40.4%
	Strongly disagree	5	1.3%	8	2.1%	9	2.4%	5	1.3%	4	1.1%	31	8.3%
	Total	36	9.6%	104	27.8%	93	24.9%	71	19.0%	70	18.7%	374	100.0%
Q18.2	Strongly agree	10	2.7%	18	4.8%	13	3.5%	18	4.8%	26	7.0%	85	22.7%
	Agree	8	2.1%	33	8.8%	27	7.2%	19	5.1%	17	4.5%	104	27.8%
	Neutral	11	2.9%	43	11.5%	39	10.4%	20	5.3%	22	5.9%	135	36.1%
	Disagree	7	1.9%	9	2.4%	13	3.5%	9	2.4%	5	1.3%	43	11.5%
	Strongly disagree	0	.0%	1	.3%	1	.3%	5	1.3%	0	.0%	7	1.9%
	Total	36	9.6%	104	27.8%	93	24.9%	71	19.0%	70	18.7%	374	100.0%
Q18.3	Strongly agree	18	4.8%	36	9.6%	20	5.3%	32	8.6%	36	9.6%	142	38.0%
	Agree	8	2.1%	38	10.2%	41	11.0%	24	6.4%	26	7.0%	137	36.6%
	Neutral	9	2.4%	25	6.7%	19	5.1%	10	2.7%	7	1.9%	70	18.7%
	Disagree	0	.0%	5	1.3%	9	2.4%	4	1.1%	0	.0%	18	4.8%
	Strongly disagree	1	.3%	0	.0%	4	1.1%	1	.3%	1	.3%	7	1.9%
	Total	36	9.6%	104	27.8%	93	24.9%	71	19.0%	70	18.7%	374	100.0%
Q18.4	Strongly agree	12	3.2%	26	7.0%	25	6.7%	27	7.2%	27	7.2%	117	31.3%
	Agree	12	3.2%	36	9.6%	35	9.4%	27	7.2%	31	8.3%	141	37.7%
	Neutral	9	2.4%	31	8.3%	23	6.1%	12	3.2%	9	2.4%	84	22.5%
	Disagree	2	.5%	11	2.9%	7	1.9%	2	.5%	2	.5%	24	6.4%
	Strongly disagree	1	.3%	0	.0%	3	.8%	3	.8%	1	.3%	8	2.1%
	Total	36	9.6%	104	27.8%	93	24.9%	71	19.0%	70	18.7%	374	100.0%
Q18.5	Strongly agree	14	3.7%	32	8.6%	35	9.4%	28	7.5%	34	9.1%	143	38.2%
	Agree	13	3.5%	42	11.2%	27	7.2%	27	7.2%	26	7.0%	135	36.1%
	Neutral	6	1.6%	17	4.5%	21	5.6%	9	2.4%	7	1.9%	60	16.0%
	Disagree	2	.5%	11	2.9%	9	2.4%	5	1.3%	2	.5%	29	7.8%
	Strongly disagree	1	.3%	2	.5%	1	.3%	2	.5%	1	.3%	7	1.9%
	Total	36	9.6%	104	27.8%	93	24.9%	71	19.0%	70	18.7%	374	100.0%
Q18.6	Strongly agree	20	5.3%	37	9.9%	34	9.1%	41	11.0%	41	11.0%	173	46.3%
	Agree	6	1.6%	40	10.7%	32	8.6%	16	4.3%	20	5.3%	114	30.5%
	Neutral	6	1.6%	18	4.8%	18	4.8%	7	1.9%	4	1.1%	53	14.2%
	Disagree	3	.8%	5	1.3%	6	1.6%	5	1.3%	4	1.1%	23	6.1%
	Strongly disagree	1	.3%	4	1.1%	3	.8%	2	.5%	1	.3%	11	2.9%
	Total	36	9.6%	104	27.8%	93	24.9%	71	19.0%	70	18.7%	374	100.0%
Q18.7	Strongly agree	19	5.1%	32	8.6%	30	8.1%	33	8.9%	44	11.8%	158	42.5%
	Agree	6	1.6%	49	13.2%	38	10.2%	17	4.6%	17	4.6%	127	34.1%
	Neutral	8	2.2%	13	3.5%	11	3.0%	9	2.4%	3	.8%	44	11.8%
	Disagree	2	.5%	7	1.9%	6	1.6%	7	1.9%	5	1.3%	27	7.3%
	Strongly disagree	1	.3%	2	.5%	7	1.9%	5	1.3%	1	.3%	16	4.3%
	Total	36	9.7%	103	27.7%	92	24.7%	71	19.1%	70	18.8%	372	100.0%

### Pearson Chi-Square Tests

		Q4 Number of years owned/operat ed business
Q18.1	Chi-square	24.429
	df	16
	Sig.	.081
Q18.2	Chi-square	33.851
	df	16
	Sig.	.006 <sup>*,a,b</sup>
Q18.3	Chi-square	37.315
	df	16
	Sig.	.002 <sup>*,a,b</sup>
Q18.4	Chi-square	22.335
	df	16
	Sig.	.133 <sup>a,b</sup>
Q18.5	Chi-square	14.844
	df	16
	Sig.	.536 <sup>a,b</sup>
Q18.6	Chi-square	24.587
	df	16
	Sig.	.077 <sup>a</sup>
Q18.7	Chi-square	41.589
	df	16
	Sig.	.000 <sup>*,a</sup>

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- \*. The Chi-square statistic is significant at the 0.05 level.
- a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.
- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q6.1 Marketing management					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	11	2.9%	57	15.2%	68	18.2%
	Agree	11	2.9%	33	8.8%	44	11.8%
	Neutral	16	4.3%	64	17.1%	80	21.4%
	Disagree	31	8.3%	120	32.1%	151	40.4%
	Strongly disagree	8	2.1%	23	6.1%	31	8.3%
	Total	77	20.6%	297	79.4%	374	100.0%
Q18.2	Strongly agree	16	4.3%	69	18.4%	85	22.7%
	Agree	34	9.1%	70	18.7%	104	27.8%
	Neutral	18	4.8%	117	31.3%	135	36.1%
	Disagree	8	2.1%	35	9.4%	43	11.5%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	77	20.6%	297	79.4%	374	100.0%
Q18.3	Strongly agree	37	9.9%	105	28.1%	142	38.0%
	Agree	28	7.5%	109	29.1%	137	36.6%
	Neutral	10	2.7%	60	16.0%	70	18.7%
	Disagree	1	.3%	17	4.5%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	77	20.6%	297	79.4%	374	100.0%
Q18.4	Strongly agree	22	5.9%	95	25.4%	117	31.3%
	Agree	42	11.2%	99	26.5%	141	37.7%
	Neutral	7	1.9%	77	20.6%	84	22.5%
	Disagree	5	1.3%	19	5.1%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	77	20.6%	297	79.4%	374	100.0%
Q18.5	Strongly agree	25	6.7%	118	31.6%	143	38.2%
	Agree	44	11.8%	91	24.3%	135	36.1%
	Neutral	4	1.1%	56	15.0%	60	16.0%
	Disagree	3	.8%	26	7.0%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	77	20.6%	297	79.4%	374	100.0%
Q18.6	Strongly agree	42	11.2%	131	35.0%	173	46.3%
	Agree	26	7.0%	88	23.5%	114	30.5%
	Neutral	3	.8%	50	13.4%	53	14.2%
	Disagree	3	.8%	20	5.3%	23	6.1%
	Strongly disagree	3	.8%	8	2.1%	11	2.9%
	Total	77	20.6%	297	79.4%	374	100.0%
Q18.7	Strongly agree	33	8.9%	125	33.6%	158	42.5%
	Agree	34	9.1%	93	25.0%	127	34.1%
	Neutral	3	.8%	41	11.0%	44	11.8%
	Disagree	3	.8%	24	6.5%	27	7.3%
	Strongly disagree	4	1.1%	12	3.2%	16	4.3%
	Total	77	20.7%	295	79.3%	372	100.0%

### Pearson Chi-Square Tests

		Q6.1 Marketing management
Q18.1	Chi-square	1.867
	df	4
	Sig.	.760
Q18.2	Chi-square	14.101
	df	4
	Sig.	.007*
Q18.3	Chi-square	6.958
	df	4
	Sig.	.138 <sup>a</sup>
Q18.4	Chi-square	15.563
	df	4
	Sig.	.004 <sup>*,a</sup>
Q18.5	Chi-square	21.886
	df	4
	Sig.	.000*
Q18.6	Chi-square	10.109
	df	4
	Sig.	.039 <sup>*,a</sup>
Q18.7	Chi-square	9.714
	df	4
	Sig.	.046*

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.



		Q6.2 Human resource management					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	15	4.0%	53	14.2%	68	18.2%
	Agree	20	5.3%	24	6.4%	44	11.8%
	Neutral	26	7.0%	54	14.4%	80	21.4%
	Disagree	46	12.3%	105	28.1%	151	40.4%
	Strongly disagree	9	2.4%	22	5.9%	31	8.3%
	Total	116	31.0%	258	69.0%	374	100.0%
Q18.2	Strongly agree	25	6.7%	60	16.0%	85	22.7%
	Agree	43	11.5%	61	16.3%	104	27.8%
	Neutral	36	9.6%	99	26.5%	135	36.1%
	Disagree	10	2.7%	33	8.8%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	116	31.0%	258	69.0%	374	100.0%
Q18.3	Strongly agree	50	13.4%	92	24.6%	142	38.0%
	Agree	45	12.0%	92	24.6%	137	36.6%
	Neutral	18	4.8%	52	13.9%	70	18.7%
	Disagree	3	.8%	15	4.0%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	116	31.0%	258	69.0%	374	100.0%
Q18.4	Strongly agree	37	9.9%	80	21.4%	117	31.3%
	Agree	53	14.2%	88	23.5%	141	37.7%
	Neutral	21	5.6%	63	16.8%	84	22.5%
	Disagree	4	1.1%	20	5.3%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	116	31.0%	258	69.0%	374	100.0%
Q18.5	Strongly agree	45	12.0%	98	26.2%	143	38.2%
	Agree	50	13.4%	85	22.7%	135	36.1%
	Neutral	17	4.5%	43	11.5%	60	16.0%
	Disagree	3	.8%	26	7.0%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	116	31.0%	258	69.0%	374	100.0%
Q18.6	Strongly agree	63	16.8%	110	29.4%	173	46.3%
	Agree	38	10.2%	76	20.3%	114	30.5%
	Neutral	12	3.2%	41	11.0%	53	14.2%
	Disagree	3	.8%	20	5.3%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	116	31.0%	258	69.0%	374	100.0%
Q18.7	Strongly agree	55	14.8%	103	27.7%	158	42.5%
	Agree	43	11.6%	84	22.6%	127	34.1%
	Neutral	11	3.0%	33	8.9%	44	11.8%
	Disagree	5	1.3%	22	5.9%	27	7.3%
	Strongly disagree	2	.5%	14	3.8%	16	4.3%
	Total	116	31.2%	256	68.8%	372	100.0%

### Pearson Chi-Square Tests

		Q6.2 Human resource management
Q18.1	Chi-square	6.998
	df	4
	Sig.	.136
Q18.2	Chi-square	7.713
	df	4
	Sig.	.103 <sup>a</sup>
Q18.3	Chi-square	7.182
	df	4
	Sig.	.127 <sup>a</sup>
Q18.4	Chi-square	7.879
	df	4
	Sig.	.096
Q18.5	Chi-square	9.210
	df	4
	Sig.	.056 <sup>a</sup>
Q18.6	Chi-square	12.799
	df	4
	Sig.	.012 <sup>*</sup>
Q18.7	Chi-square	6.797
	df	4
	Sig.	.147

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a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q6.3 Business management					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	29	7.8%	39	10.4%	68	18.2%
	Agree	20	5.3%	24	6.4%	44	11.8%
	Neutral	36	9.6%	44	11.8%	80	21.4%
	Disagree	103	27.5%	48	12.8%	151	40.4%
	Strongly disagree	19	5.1%	12	3.2%	31	8.3%
	Total	207	55.3%	167	44.7%	374	100.0%
Q18.2	Strongly agree	51	13.6%	34	9.1%	85	22.7%
	Agree	55	14.7%	49	13.1%	104	27.8%
	Neutral	75	20.1%	60	16.0%	135	36.1%
	Disagree	23	6.1%	20	5.3%	43	11.5%
	Strongly disagree	3	.8%	4	1.1%	7	1.9%
	Total	207	55.3%	167	44.7%	374	100.0%
Q18.3	Strongly agree	87	23.3%	55	14.7%	142	38.0%
	Agree	89	23.8%	48	12.8%	137	36.6%
	Neutral	23	6.1%	47	12.6%	70	18.7%
	Disagree	7	1.9%	11	2.9%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	207	55.3%	167	44.7%	374	100.0%
Q18.4	Strongly agree	83	22.2%	34	9.1%	117	31.3%
	Agree	80	21.4%	61	16.3%	141	37.7%
	Neutral	35	9.4%	49	13.1%	84	22.5%
	Disagree	6	1.6%	18	4.8%	24	6.4%
	Strongly disagree	3	.8%	5	1.3%	8	2.1%
	Total	207	55.3%	167	44.7%	374	100.0%
Q18.5	Strongly agree	101	27.0%	42	11.2%	143	38.2%
	Agree	67	17.9%	68	18.2%	135	36.1%
	Neutral	24	6.4%	36	9.6%	60	16.0%
	Disagree	12	3.2%	17	4.5%	29	7.8%
	Strongly disagree	3	.8%	4	1.1%	7	1.9%
	Total	207	55.3%	167	44.7%	374	100.0%
Q18.6	Strongly agree	112	29.9%	61	16.3%	173	46.3%
	Agree	64	17.1%	50	13.4%	114	30.5%
	Neutral	19	5.1%	34	9.1%	53	14.2%
	Disagree	10	2.7%	13	3.5%	23	6.1%
	Strongly disagree	2	.5%	9	2.4%	11	2.9%
	Total	207	55.3%	167	44.7%	374	100.0%
Q18.7	Strongly agree	100	26.9%	58	15.6%	158	42.5%
	Agree	72	19.4%	55	14.8%	127	34.1%
	Neutral	15	4.0%	29	7.8%	44	11.8%
	Disagree	12	3.2%	15	4.0%	27	7.3%
	Strongly disagree	7	1.9%	9	2.4%	16	4.3%
	Total	206	55.4%	166	44.6%	372	100.0%

### Pearson Chi-Square Tests

		Q6.3 Business management
Q18.1	Chi-square	20.201
	df	4
	Sig.	.000*
Q18.2	Chi-square	1.504
	df	4
	Sig.	.826 <sup>a</sup>
Q18.3	Chi-square	28.215
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.4	Chi-square	27.957
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.5	Chi-square	23.749
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.6	Chi-square	21.817
	df	4
	Sig.	.000*
Q18.7	Chi-square	14.343
	df	4
	Sig.	.006*

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q6.4 Building and construction management					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	9	2.4%	59	15.8%	68	18.2%
	Agree	5	1.3%	39	10.4%	44	11.8%
	Neutral	8	2.1%	72	19.3%	80	21.4%
	Disagree	9	2.4%	142	38.0%	151	40.4%
	Strongly disagree	0	.0%	31	8.3%	31	8.3%
	Total	31	8.3%	343	91.7%	374	100.0%
Q18.2	Strongly agree	9	2.4%	76	20.3%	85	22.7%
	Agree	7	1.9%	97	25.9%	104	27.8%
	Neutral	10	2.7%	125	33.4%	135	36.1%
	Disagree	4	1.1%	39	10.4%	43	11.5%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	31	8.3%	343	91.7%	374	100.0%
Q18.3	Strongly agree	12	3.2%	130	34.8%	142	38.0%
	Agree	9	2.4%	128	34.2%	137	36.6%
	Neutral	6	1.6%	64	17.1%	70	18.7%
	Disagree	2	.5%	16	4.3%	18	4.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	31	8.3%	343	91.7%	374	100.0%
Q18.4	Strongly agree	9	2.4%	108	28.9%	117	31.3%
	Agree	11	2.9%	130	34.8%	141	37.7%
	Neutral	5	1.3%	79	21.1%	84	22.5%
	Disagree	3	.8%	21	5.6%	24	6.4%
	Strongly disagree	3	.8%	5	1.3%	8	2.1%
	Total	31	8.3%	343	91.7%	374	100.0%
Q18.5	Strongly agree	11	2.9%	132	35.3%	143	38.2%
	Agree	12	3.2%	123	32.9%	135	36.1%
	Neutral	5	1.3%	55	14.7%	60	16.0%
	Disagree	3	.8%	26	7.0%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	31	8.3%	343	91.7%	374	100.0%
Q18.6	Strongly agree	10	2.7%	163	43.6%	173	46.3%
	Agree	11	2.9%	103	27.5%	114	30.5%
	Neutral	3	.8%	50	13.4%	53	14.2%
	Disagree	4	1.1%	19	5.1%	23	6.1%
	Strongly disagree	3	.8%	8	2.1%	11	2.9%
	Total	31	8.3%	343	91.7%	374	100.0%
Q18.7	Strongly agree	8	2.2%	150	40.3%	158	42.5%
	Agree	10	2.7%	117	31.5%	127	34.1%
	Neutral	7	1.9%	37	9.9%	44	11.8%
	Disagree	3	.8%	24	6.5%	27	7.3%
	Strongly disagree	2	.5%	14	3.8%	16	4.3%
	Total	30	8.1%	342	91.9%	372	100.0%

### Pearson Chi-Square Tests

		Q6.4 Building and construction management
Q18.1	Chi-square	6.923
	df	4
	Sig.	.140 <sup>a</sup>
Q18.2	Chi-square	1.451
	df	4
	Sig.	.835 <sup>a,b</sup>
Q18.3	Chi-square	4.522
	df	4
	Sig.	.340 <sup>a,b</sup>
Q18.4	Chi-square	10.242
	df	4
	Sig.	.037 <sup>*,a,b</sup>
Q18.5	Chi-square	.925
	df	4
	Sig.	.921 <sup>a,b</sup>
Q18.6	Chi-square	9.913
	df	4
	Sig.	.042 <sup>*,a,b</sup>
Q18.7	Chi-square	6.340
	df	4
	Sig.	.175 <sup>a</sup>

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- \*. The Chi-square statistic is significant at the 0.05 level.
- a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.
- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q6.5 Other training					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	1	.3%	67	17.9%	68	18.2%
	Agree	1	.3%	43	11.5%	44	11.8%
	Neutral	0	.0%	80	21.4%	80	21.4%
	Disagree	1	.3%	150	40.1%	151	40.4%
	Strongly disagree	1	.3%	30	8.0%	31	8.3%
	Total	4	1.1%	370	98.9%	374	100.0%
Q18.2	Strongly agree	1	.3%	84	22.5%	85	22.7%
	Agree	0	.0%	104	27.8%	104	27.8%
	Neutral	1	.3%	134	35.8%	135	36.1%
	Disagree	2	.5%	41	11.0%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	4	1.1%	370	98.9%	374	100.0%
Q18.3	Strongly agree	1	.3%	141	37.7%	142	38.0%
	Agree	0	.0%	137	36.6%	137	36.6%
	Neutral	2	.5%	68	18.2%	70	18.7%
	Disagree	1	.3%	17	4.5%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	4	1.1%	370	98.9%	374	100.0%
Q18.4	Strongly agree	1	.3%	116	31.0%	117	31.3%
	Agree	1	.3%	140	37.4%	141	37.7%
	Neutral	1	.3%	83	22.2%	84	22.5%
	Disagree	1	.3%	23	6.1%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	4	1.1%	370	98.9%	374	100.0%
Q18.5	Strongly agree	2	.5%	141	37.7%	143	38.2%
	Agree	0	.0%	135	36.1%	135	36.1%
	Neutral	2	.5%	58	15.5%	60	16.0%
	Disagree	0	.0%	29	7.8%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	4	1.1%	370	98.9%	374	100.0%
Q18.6	Strongly agree	2	.5%	171	45.7%	173	46.3%
	Agree	0	.0%	114	30.5%	114	30.5%
	Neutral	2	.5%	51	13.6%	53	14.2%
	Disagree	0	.0%	23	6.1%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	4	1.1%	370	98.9%	374	100.0%
Q18.7	Strongly agree	1	.3%	157	42.2%	158	42.5%
	Agree	2	.5%	125	33.6%	127	34.1%
	Neutral	1	.3%	43	11.6%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	0	.0%	16	4.3%	16	4.3%
	Total	4	1.1%	368	98.9%	372	100.0%

### Pearson Chi-Square Tests

		Q6.5 Other training
Q18.1	Chi-square	3.169
	df	4
	Sig.	.530 <sup>a,b</sup>
Q18.2	Chi-square	6.560
	df	4
	Sig.	.161 <sup>a,b</sup>
Q18.3	Chi-square	7.274
	df	4
	Sig.	.122 <sup>a,b</sup>
Q18.4	Chi-square	2.498
	df	4
	Sig.	.645 <sup>a,b</sup>
Q18.5	Chi-square	4.901
	df	4
	Sig.	.298 <sup>a,b</sup>
Q18.6	Chi-square	5.275
	df	4
	Sig.	.260 <sup>a,b</sup>
Q18.7	Chi-square	1.649
	df	4
	Sig.	.800 <sup>a,b</sup>

Results are based on nonempty rows and columns in each innermost subtable.

- a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.
- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.



		Q10.1 Advertising					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	13	3.5%	55	14.7%	68	18.2%
	Agree	14	3.7%	30	8.0%	44	11.8%
	Neutral	30	8.0%	50	13.4%	80	21.4%
	Disagree	67	17.9%	84	22.5%	151	40.4%
	Strongly disagree	17	4.5%	14	3.7%	31	8.3%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.2	Strongly agree	22	5.9%	63	16.8%	85	22.7%
	Agree	42	11.2%	62	16.6%	104	27.8%
	Neutral	63	16.8%	72	19.3%	135	36.1%
	Disagree	12	3.2%	31	8.3%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.3	Strongly agree	51	13.6%	91	24.3%	142	38.0%
	Agree	69	18.4%	68	18.2%	137	36.6%
	Neutral	16	4.3%	54	14.4%	70	18.7%
	Disagree	5	1.3%	13	3.5%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.4	Strongly agree	43	11.5%	74	19.8%	117	31.3%
	Agree	64	17.1%	77	20.6%	141	37.7%
	Neutral	27	7.2%	57	15.2%	84	22.5%
	Disagree	6	1.6%	18	4.8%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.5	Strongly agree	60	16.0%	83	22.2%	143	38.2%
	Agree	59	15.8%	76	20.3%	135	36.1%
	Neutral	16	4.3%	44	11.8%	60	16.0%
	Disagree	5	1.3%	24	6.4%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.6	Strongly agree	76	20.3%	97	25.9%	173	46.3%
	Agree	49	13.1%	65	17.4%	114	30.5%
	Neutral	11	2.9%	42	11.2%	53	14.2%
	Disagree	4	1.1%	19	5.1%	23	6.1%
	Strongly disagree	1	.3%	10	2.7%	11	2.9%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.7	Strongly agree	65	17.5%	93	25.0%	158	42.5%
	Agree	56	15.1%	71	19.1%	127	34.1%
	Neutral	10	2.7%	34	9.1%	44	11.8%
	Disagree	5	1.3%	22	5.9%	27	7.3%
	Strongly disagree	4	1.1%	12	3.2%	16	4.3%
	Total	140	37.6%	232	62.4%	372	100.0%

**Pearson Chi-Square Tests**

		Q10.1 Adv ertising
Q18.1	Chi-square	17.385
	df	4
	Sig.	.002*
Q18.2	Chi-square	11.999
	df	4
	Sig.	.017*,a
Q18.3	Chi-square	21.105
	df	4
	Sig.	.000*,a
Q18.4	Chi-square	8.511
	df	4
	Sig.	.075 <sup>a</sup>
Q18.5	Chi-square	13.087
	df	4
	Sig.	.011*,a
Q18.6	Chi-square	18.565
	df	4
	Sig.	.001*
Q18.7	Chi-square	12.543
	df	4
	Sig.	.014*

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q10.2 Selling					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	4	1.1%	64	17.1%	68	18.2%
	Agree	6	1.6%	38	10.2%	44	11.8%
	Neutral	10	2.7%	70	18.7%	80	21.4%
	Disagree	12	3.2%	139	37.2%	151	40.4%
	Strongly disagree	3	.8%	28	7.5%	31	8.3%
	Total	35	9.4%	339	90.6%	374	100.0%
Q18.2	Strongly agree	8	2.1%	77	20.6%	85	22.7%
	Agree	17	4.5%	87	23.3%	104	27.8%
	Neutral	7	1.9%	128	34.2%	135	36.1%
	Disagree	3	.8%	40	10.7%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	35	9.4%	339	90.6%	374	100.0%
Q18.3	Strongly agree	16	4.3%	126	33.7%	142	38.0%
	Agree	15	4.0%	122	32.6%	137	36.6%
	Neutral	3	.8%	67	17.9%	70	18.7%
	Disagree	1	.3%	17	4.5%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	35	9.4%	339	90.6%	374	100.0%
Q18.4	Strongly agree	12	3.2%	105	28.1%	117	31.3%
	Agree	19	5.1%	122	32.6%	141	37.7%
	Neutral	3	.8%	81	21.7%	84	22.5%
	Disagree	0	.0%	24	6.4%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	35	9.4%	339	90.6%	374	100.0%
Q18.5	Strongly agree	17	4.5%	126	33.7%	143	38.2%
	Agree	16	4.3%	119	31.8%	135	36.1%
	Neutral	2	.5%	58	15.5%	60	16.0%
	Disagree	0	.0%	29	7.8%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	35	9.4%	339	90.6%	374	100.0%
Q18.6	Strongly agree	17	4.5%	156	41.7%	173	46.3%
	Agree	15	4.0%	99	26.5%	114	30.5%
	Neutral	2	.5%	51	13.6%	53	14.2%
	Disagree	1	.3%	22	5.9%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	35	9.4%	339	90.6%	374	100.0%
Q18.7	Strongly agree	20	5.4%	138	37.1%	158	42.5%
	Agree	11	3.0%	116	31.2%	127	34.1%
	Neutral	2	.5%	42	11.3%	44	11.8%
	Disagree	2	.5%	25	6.7%	27	7.3%
	Strongly disagree	0	.0%	16	4.3%	16	4.3%
	Total	35	9.4%	337	90.6%	372	100.0%

### Pearson Chi-Square Tests

		Q10.2 Selling
Q18.1	Chi-square	3.207
	df	4
	Sig.	.524 <sup>a</sup>
Q18.2	Chi-square	9.769
	df	4
	Sig.	.045 <sup>*,a,b</sup>
Q18.3	Chi-square	4.172
	df	4
	Sig.	.383 <sup>a,b</sup>
Q18.4	Chi-square	8.816
	df	4
	Sig.	.066 <sup>a,b</sup>
Q18.5	Chi-square	8.353
	df	4
	Sig.	.079 <sup>a,b</sup>
Q18.6	Chi-square	5.750
	df	4
	Sig.	.219 <sup>a</sup>
Q18.7	Chi-square	5.050
	df	4
	Sig.	.282 <sup>a</sup>

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q10.3 Having products available for people to buy					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	14	3.7%	54	14.4%	68	18.2%
	Agree	11	2.9%	33	8.8%	44	11.8%
	Neutral	26	7.0%	54	14.4%	80	21.4%
	Disagree	50	13.4%	101	27.0%	151	40.4%
	Strongly disagree	12	3.2%	19	5.1%	31	8.3%
	Total	113	30.2%	261	69.8%	374	100.0%
Q18.2	Strongly agree	21	5.6%	64	17.1%	85	22.7%
	Agree	38	10.2%	66	17.6%	104	27.8%
	Neutral	49	13.1%	86	23.0%	135	36.1%
	Disagree	4	1.1%	39	10.4%	43	11.5%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	113	30.2%	261	69.8%	374	100.0%
Q18.3	Strongly agree	41	11.0%	101	27.0%	142	38.0%
	Agree	54	14.4%	83	22.2%	137	36.6%
	Neutral	14	3.7%	56	15.0%	70	18.7%
	Disagree	3	.8%	15	4.0%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	113	30.2%	261	69.8%	374	100.0%
Q18.4	Strongly agree	35	9.4%	82	21.9%	117	31.3%
	Agree	56	15.0%	85	22.7%	141	37.7%
	Neutral	20	5.3%	64	17.1%	84	22.5%
	Disagree	0	.0%	24	6.4%	24	6.4%
	Strongly disagree	2	.5%	6	1.6%	8	2.1%
	Total	113	30.2%	261	69.8%	374	100.0%
Q18.5	Strongly agree	50	13.4%	93	24.9%	143	38.2%
	Agree	48	12.8%	87	23.3%	135	36.1%
	Neutral	12	3.2%	48	12.8%	60	16.0%
	Disagree	2	.5%	27	7.2%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	113	30.2%	261	69.8%	374	100.0%
Q18.6	Strongly agree	51	13.6%	122	32.6%	173	46.3%
	Agree	45	12.0%	69	18.4%	114	30.5%
	Neutral	9	2.4%	44	11.8%	53	14.2%
	Disagree	7	1.9%	16	4.3%	23	6.1%
	Strongly disagree	1	.3%	10	2.7%	11	2.9%
	Total	113	30.2%	261	69.8%	374	100.0%
Q18.7	Strongly agree	50	13.4%	108	29.0%	158	42.5%
	Agree	52	14.0%	75	20.2%	127	34.1%
	Neutral	4	1.1%	40	10.8%	44	11.8%
	Disagree	4	1.1%	23	6.2%	27	7.3%
	Strongly disagree	2	.5%	14	3.8%	16	4.3%
	Total	112	30.1%	260	69.9%	372	100.0%

**Pearson Chi-Square Tests**

		Q10.3 Having products available for people to buy
Q18.1	Chi-square	5.417
	df	4
	Sig.	.247
Q18.2	Chi-square	15.325
	df	4
	Sig.	.004 <sup>*,a</sup>
Q18.3	Chi-square	11.496
	df	4
	Sig.	.022 <sup>*,a</sup>
Q18.4	Chi-square	18.171
	df	4
	Sig.	.001 <sup>*</sup>
Q18.5	Chi-square	14.647
	df	4
	Sig.	.005 <sup>*,a</sup>
Q18.6	Chi-square	11.410
	df	4
	Sig.	.022 <sup>*</sup>
Q18.7	Chi-square	21.860
	df	4
	Sig.	.000 <sup>*</sup>

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q10.4 Understanding what customer wants					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	21	5.6%	47	12.6%	68	18.2%
	Agree	13	3.5%	31	8.3%	44	11.8%
	Neutral	35	9.4%	45	12.0%	80	21.4%
	Disagree	60	16.0%	91	24.3%	151	40.4%
	Strongly disagree	12	3.2%	19	5.1%	31	8.3%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.2	Strongly agree	26	7.0%	59	15.8%	85	22.7%
	Agree	37	9.9%	67	17.9%	104	27.8%
	Neutral	55	14.7%	80	21.4%	135	36.1%
	Disagree	21	5.6%	22	5.9%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.3	Strongly agree	46	12.3%	96	25.7%	142	38.0%
	Agree	55	14.7%	82	21.9%	137	36.6%
	Neutral	29	7.8%	41	11.0%	70	18.7%
	Disagree	7	1.9%	11	2.9%	18	4.8%
	Strongly disagree	4	1.1%	3	.8%	7	1.9%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.4	Strongly agree	38	10.2%	79	21.1%	117	31.3%
	Agree	56	15.0%	85	22.7%	141	37.7%
	Neutral	34	9.1%	50	13.4%	84	22.5%
	Disagree	9	2.4%	15	4.0%	24	6.4%
	Strongly disagree	4	1.1%	4	1.1%	8	2.1%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.5	Strongly agree	44	11.8%	99	26.5%	143	38.2%
	Agree	57	15.2%	78	20.9%	135	36.1%
	Neutral	22	5.9%	38	10.2%	60	16.0%
	Disagree	13	3.5%	16	4.3%	29	7.8%
	Strongly disagree	5	1.3%	2	.5%	7	1.9%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.6	Strongly agree	61	16.3%	112	29.9%	173	46.3%
	Agree	47	12.6%	67	17.9%	114	30.5%
	Neutral	20	5.3%	33	8.8%	53	14.2%
	Disagree	7	1.9%	16	4.3%	23	6.1%
	Strongly disagree	6	1.6%	5	1.3%	11	2.9%
	Total	141	37.7%	233	62.3%	374	100.0%
Q18.7	Strongly agree	52	14.0%	106	28.5%	158	42.5%
	Agree	58	15.6%	69	18.5%	127	34.1%
	Neutral	11	3.0%	33	8.9%	44	11.8%
	Disagree	12	3.2%	15	4.0%	27	7.3%
	Strongly disagree	8	2.2%	8	2.2%	16	4.3%
	Total	141	37.9%	231	62.1%	372	100.0%

### Pearson Chi-Square Tests

		Q10.4 Understan ding what customer wants
Q18.1	Chi-square	4.118
	df	4
	Sig.	.390
Q18.2	Chi-square	5.081
	df	4
	Sig.	.279 <sup>a</sup>
Q18.3	Chi-square	3.603
	df	4
	Sig.	.462 <sup>a</sup>
Q18.4	Chi-square	2.393
	df	4
	Sig.	.664 <sup>a</sup>
Q18.5	Chi-square	8.145
	df	4
	Sig.	.086 <sup>a</sup>
Q18.6	Chi-square	2.889
	df	4
	Sig.	.577
Q18.7	Chi-square	9.525
	df	4
	Sig.	.049*

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.



		Q10.5 None of the above					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	5	1.3%	63	16.8%	68	18.2%
	Agree	3	.8%	41	11.0%	44	11.8%
	Neutral	8	2.1%	72	19.3%	80	21.4%
	Disagree	11	2.9%	140	37.4%	151	40.4%
	Strongly disagree	1	.3%	30	8.0%	31	8.3%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.2	Strongly agree	9	2.4%	76	20.3%	85	22.7%
	Agree	8	2.1%	96	25.7%	104	27.8%
	Neutral	5	1.3%	130	34.8%	135	36.1%
	Disagree	5	1.3%	38	10.2%	43	11.5%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.3	Strongly agree	13	3.5%	129	34.5%	142	38.0%
	Agree	2	.5%	135	36.1%	137	36.6%
	Neutral	8	2.1%	62	16.6%	70	18.7%
	Disagree	3	.8%	15	4.0%	18	4.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.4	Strongly agree	9	2.4%	108	28.9%	117	31.3%
	Agree	5	1.3%	136	36.4%	141	37.7%
	Neutral	7	1.9%	77	20.6%	84	22.5%
	Disagree	5	1.3%	19	5.1%	24	6.4%
	Strongly disagree	2	.5%	6	1.6%	8	2.1%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.5	Strongly agree	12	3.2%	131	35.0%	143	38.2%
	Agree	4	1.1%	131	35.0%	135	36.1%
	Neutral	7	1.9%	53	14.2%	60	16.0%
	Disagree	3	.8%	26	7.0%	29	7.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.6	Strongly agree	13	3.5%	160	42.8%	173	46.3%
	Agree	6	1.6%	108	28.9%	114	30.5%
	Neutral	2	.5%	51	13.6%	53	14.2%
	Disagree	5	1.3%	18	4.8%	23	6.1%
	Strongly disagree	2	.5%	9	2.4%	11	2.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.7	Strongly agree	9	2.4%	149	40.1%	158	42.5%
	Agree	6	1.6%	121	32.5%	127	34.1%
	Neutral	6	1.6%	38	10.2%	44	11.8%
	Disagree	4	1.1%	23	6.2%	27	7.3%
	Strongly disagree	3	.8%	13	3.5%	16	4.3%
	Total	28	7.5%	344	92.5%	372	100.0%

### Pearson Chi-Square Tests

		Q10.5 None of the above
Q18.1	Chi-square	1.581
	df	4
	Sig.	.812 <sup>a</sup>
Q18.2	Chi-square	5.508
	df	4
	Sig.	.239 <sup>a,b</sup>
Q18.3	Chi-square	16.009
	df	4
	Sig.	.003 <sup>*,a,b</sup>
Q18.4	Chi-square	12.971
	df	4
	Sig.	.011 <sup>*,a,b</sup>
Q18.5	Chi-square	10.507
	df	4
	Sig.	.033 <sup>*,a,b</sup>
Q18.6	Chi-square	10.431
	df	4
	Sig.	.034 <sup>*,a,b</sup>
Q18.7	Chi-square	9.509
	df	4
	Sig.	.050 <sup>*,a</sup>

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q10.6 All of the above					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	14	3.7%	54	14.4%	68	18.2%
	Agree	15	4.0%	29	7.8%	44	11.8%
	Neutral	12	3.2%	68	18.2%	80	21.4%
	Disagree	43	11.5%	108	28.9%	151	40.4%
	Strongly disagree	8	2.1%	23	6.1%	31	8.3%
	Total	92	24.6%	282	75.4%	374	100.0%
Q18.2	Strongly agree	19	5.1%	66	17.6%	85	22.7%
	Agree	31	8.3%	73	19.5%	104	27.8%
	Neutral	34	9.1%	101	27.0%	135	36.1%
	Disagree	8	2.1%	35	9.4%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	92	24.6%	282	75.4%	374	100.0%
Q18.3	Strongly agree	42	11.2%	100	26.7%	142	38.0%
	Agree	39	10.4%	98	26.2%	137	36.6%
	Neutral	10	2.7%	60	16.0%	70	18.7%
	Disagree	1	.3%	17	4.5%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	92	24.6%	282	75.4%	374	100.0%
Q18.4	Strongly agree	38	10.2%	79	21.1%	117	31.3%
	Agree	38	10.2%	103	27.5%	141	37.7%
	Neutral	13	3.5%	71	19.0%	84	22.5%
	Disagree	3	.8%	21	5.6%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	92	24.6%	282	75.4%	374	100.0%
Q18.5	Strongly agree	43	11.5%	100	26.7%	143	38.2%
	Agree	35	9.4%	100	26.7%	135	36.1%
	Neutral	11	2.9%	49	13.1%	60	16.0%
	Disagree	3	.8%	26	7.0%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	92	24.6%	282	75.4%	374	100.0%
Q18.6	Strongly agree	52	13.9%	121	32.4%	173	46.3%
	Agree	25	6.7%	89	23.8%	114	30.5%
	Neutral	13	3.5%	40	10.7%	53	14.2%
	Disagree	2	.5%	21	5.6%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	92	24.6%	282	75.4%	374	100.0%
Q18.7	Strongly agree	47	12.6%	111	29.8%	158	42.5%
	Agree	26	7.0%	101	27.2%	127	34.1%
	Neutral	14	3.8%	30	8.1%	44	11.8%
	Disagree	4	1.1%	23	6.2%	27	7.3%
	Strongly disagree	1	.3%	15	4.0%	16	4.3%
	Total	92	24.7%	280	75.3%	372	100.0%

### Pearson Chi-Square Tests

		Q10.6 All of the above
Q18.1	Chi-square	7.950
	df	4
	Sig.	.093
Q18.2	Chi-square	4.894
	df	4
	Sig.	.298
Q18.3	Chi-square	12.820
	df	4
	Sig.	.012 <sup>*,a</sup>
Q18.4	Chi-square	12.610
	df	4
	Sig.	.013 <sup>*</sup>
Q18.5	Chi-square	9.166
	df	4
	Sig.	.057
Q18.6	Chi-square	9.942
	df	4
	Sig.	.041 <sup>*</sup>
Q18.7	Chi-square	8.922
	df	4
	Sig.	.063

Results are based on nonempty rows and columns in each innermost subtable.

\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q11.1 Owner					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	28	7.5%	40	10.7%	68	18.2%
	Agree	18	4.8%	26	7.0%	44	11.8%
	Neutral	36	9.6%	44	11.8%	80	21.4%
	Disagree	52	13.9%	99	26.5%	151	40.4%
	Strongly disagree	11	2.9%	20	5.3%	31	8.3%
	Total	145	38.8%	229	61.2%	374	100.0%
Q18.2	Strongly agree	40	10.7%	45	12.0%	85	22.7%
	Agree	33	8.8%	71	19.0%	104	27.8%
	Neutral	47	12.6%	88	23.5%	135	36.1%
	Disagree	23	6.1%	20	5.3%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	145	38.8%	229	61.2%	374	100.0%
Q18.3	Strongly agree	56	15.0%	86	23.0%	142	38.0%
	Agree	48	12.8%	89	23.8%	137	36.6%
	Neutral	30	8.0%	40	10.7%	70	18.7%
	Disagree	9	2.4%	9	2.4%	18	4.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	145	38.8%	229	61.2%	374	100.0%
Q18.4	Strongly agree	50	13.4%	67	17.9%	117	31.3%
	Agree	44	11.8%	97	25.9%	141	37.7%
	Neutral	35	9.4%	49	13.1%	84	22.5%
	Disagree	11	2.9%	13	3.5%	24	6.4%
	Strongly disagree	5	1.3%	3	.8%	8	2.1%
	Total	145	38.8%	229	61.2%	374	100.0%
Q18.5	Strongly agree	53	14.2%	90	24.1%	143	38.2%
	Agree	45	12.0%	90	24.1%	135	36.1%
	Neutral	30	8.0%	30	8.0%	60	16.0%
	Disagree	15	4.0%	14	3.7%	29	7.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	145	38.8%	229	61.2%	374	100.0%
Q18.6	Strongly agree	52	13.9%	121	32.4%	173	46.3%
	Agree	49	13.1%	65	17.4%	114	30.5%
	Neutral	30	8.0%	23	6.1%	53	14.2%
	Disagree	9	2.4%	14	3.7%	23	6.1%
	Strongly disagree	5	1.3%	6	1.6%	11	2.9%
	Total	145	38.8%	229	61.2%	374	100.0%
Q18.7	Strongly agree	52	14.0%	106	28.5%	158	42.5%
	Agree	47	12.6%	80	21.5%	127	34.1%
	Neutral	25	6.7%	19	5.1%	44	11.8%
	Disagree	15	4.0%	12	3.2%	27	7.3%
	Strongly disagree	6	1.6%	10	2.7%	16	4.3%
	Total	145	39.0%	227	61.0%	372	100.0%

### Pearson Chi-Square Tests

		Q11.1 Owner
Q18.1	Chi-square	2.894
	df	4
	Sig.	.576
Q18.2	Chi-square	9.751
	df	4
	Sig.	.045 <sup>*,a</sup>
Q18.3	Chi-square	2.587
	df	4
	Sig.	.629 <sup>a</sup>
Q18.4	Chi-square	6.872
	df	4
	Sig.	.143 <sup>a</sup>
Q18.5	Chi-square	7.401
	df	4
	Sig.	.116 <sup>a</sup>
Q18.6	Chi-square	13.693
	df	4
	Sig.	.008 <sup>*</sup>
Q18.7	Chi-square	11.674
	df	4
	Sig.	.020 <sup>*</sup>

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q11.2 Manager					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	23	6.1%	45	12.0%	68	18.2%
	Agree	15	4.0%	29	7.8%	44	11.8%
	Neutral	33	8.8%	47	12.6%	80	21.4%
	Disagree	64	17.1%	87	23.3%	151	40.4%
	Strongly disagree	15	4.0%	16	4.3%	31	8.3%
	Total	150	40.1%	224	59.9%	374	100.0%
Q18.2	Strongly agree	23	6.1%	62	16.6%	85	22.7%
	Agree	47	12.6%	57	15.2%	104	27.8%
	Neutral	67	17.9%	68	18.2%	135	36.1%
	Disagree	11	2.9%	32	8.6%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	150	40.1%	224	59.9%	374	100.0%
Q18.3	Strongly agree	44	11.8%	98	26.2%	142	38.0%
	Agree	78	20.9%	59	15.8%	137	36.6%
	Neutral	23	6.1%	47	12.6%	70	18.7%
	Disagree	5	1.3%	13	3.5%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	150	40.1%	224	59.9%	374	100.0%
Q18.4	Strongly agree	38	10.2%	79	21.1%	117	31.3%
	Agree	71	19.0%	70	18.7%	141	37.7%
	Neutral	33	8.8%	51	13.6%	84	22.5%
	Disagree	7	1.9%	17	4.5%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	150	40.1%	224	59.9%	374	100.0%
Q18.5	Strongly agree	56	15.0%	87	23.3%	143	38.2%
	Agree	66	17.6%	69	18.4%	135	36.1%
	Neutral	20	5.3%	40	10.7%	60	16.0%
	Disagree	5	1.3%	24	6.4%	29	7.8%
	Strongly disagree	3	.8%	4	1.1%	7	1.9%
	Total	150	40.1%	224	59.9%	374	100.0%
Q18.6	Strongly agree	75	20.1%	98	26.2%	173	46.3%
	Agree	53	14.2%	61	16.3%	114	30.5%
	Neutral	15	4.0%	38	10.2%	53	14.2%
	Disagree	5	1.3%	18	4.8%	23	6.1%
	Strongly disagree	2	.5%	9	2.4%	11	2.9%
	Total	150	40.1%	224	59.9%	374	100.0%
Q18.7	Strongly agree	66	17.7%	92	24.7%	158	42.5%
	Agree	57	15.3%	70	18.8%	127	34.1%
	Neutral	11	3.0%	33	8.9%	44	11.8%
	Disagree	8	2.2%	19	5.1%	27	7.3%
	Strongly disagree	6	1.6%	10	2.7%	16	4.3%
	Total	148	39.8%	224	60.2%	372	100.0%

### Pearson Chi-Square Tests

		Q11.2 Manager
Q18.1	Chi-square	3.035
	df	4
	Sig.	.552
Q18.2	Chi-square	16.405
	df	4
	Sig.	.003 <sup>*,a</sup>
Q18.3	Chi-square	28.425
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.4	Chi-square	12.756
	df	4
	Sig.	.013 <sup>*,a</sup>
Q18.5	Chi-square	11.868
	df	4
	Sig.	.018 <sup>*,a</sup>
Q18.6	Chi-square	11.199
	df	4
	Sig.	.024 <sup>*</sup>
Q18.7	Chi-square	6.850
	df	4
	Sig.	.144

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.



		Q11.3 Marketing manager/person					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	9	2.4%	59	15.8%	68	18.2%
	Agree	3	.8%	41	11.0%	44	11.8%
	Neutral	6	1.6%	74	19.8%	80	21.4%
	Disagree	14	3.7%	137	36.6%	151	40.4%
	Strongly disagree	1	.3%	30	8.0%	31	8.3%
	Total	33	8.8%	341	91.2%	374	100.0%
Q18.2	Strongly agree	11	2.9%	74	19.8%	85	22.7%
	Agree	10	2.7%	94	25.1%	104	27.8%
	Neutral	10	2.7%	125	33.4%	135	36.1%
	Disagree	2	.5%	41	11.0%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	33	8.8%	341	91.2%	374	100.0%
Q18.3	Strongly agree	18	4.8%	124	33.2%	142	38.0%
	Agree	9	2.4%	128	34.2%	137	36.6%
	Neutral	5	1.3%	65	17.4%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	33	8.8%	341	91.2%	374	100.0%
Q18.4	Strongly agree	9	2.4%	108	28.9%	117	31.3%
	Agree	17	4.5%	124	33.2%	141	37.7%
	Neutral	6	1.6%	78	20.9%	84	22.5%
	Disagree	0	.0%	24	6.4%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	33	8.8%	341	91.2%	374	100.0%
Q18.5	Strongly agree	10	2.7%	133	35.6%	143	38.2%
	Agree	18	4.8%	117	31.3%	135	36.1%
	Neutral	4	1.1%	56	15.0%	60	16.0%
	Disagree	0	.0%	29	7.8%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	33	8.8%	341	91.2%	374	100.0%
Q18.6	Strongly agree	16	4.3%	157	42.0%	173	46.3%
	Agree	11	2.9%	103	27.5%	114	30.5%
	Neutral	4	1.1%	49	13.1%	53	14.2%
	Disagree	1	.3%	22	5.9%	23	6.1%
	Strongly disagree	1	.3%	10	2.7%	11	2.9%
	Total	33	8.8%	341	91.2%	374	100.0%
Q18.7	Strongly agree	17	4.6%	141	37.9%	158	42.5%
	Agree	12	3.2%	115	30.9%	127	34.1%
	Neutral	2	.5%	42	11.3%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	2	.5%	14	3.8%	16	4.3%
	Total	33	8.9%	339	91.1%	372	100.0%

### Pearson Chi-Square Tests

		Q11.3 Marketing manager/ person
Q18.1	Chi-square	3.284
	df	4
	Sig.	.511 <sup>a</sup>
Q18.2	Chi-square	3.817
	df	4
	Sig.	.431 <sup>a,b</sup>
Q18.3	Chi-square	5.732
	df	4
	Sig.	.220 <sup>a,b</sup>
Q18.4	Chi-square	4.770
	df	4
	Sig.	.312 <sup>a,b</sup>
Q18.5	Chi-square	7.422
	df	4
	Sig.	.115 <sup>a,b</sup>
Q18.6	Chi-square	.816
	df	4
	Sig.	.936 <sup>a,b</sup>
Q18.7	Chi-square	4.657
	df	4
	Sig.	.324 <sup>a</sup>

Results are based on nonempty rows and columns in each innermost subtable.

- a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.
- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q11.4 Salesman					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	4	1.1%	64	17.1%	68	18.2%
	Agree	7	1.9%	37	9.9%	44	11.8%
	Neutral	7	1.9%	73	19.5%	80	21.4%
	Disagree	45	12.0%	106	28.3%	151	40.4%
	Strongly disagree	11	2.9%	20	5.3%	31	8.3%
	Total	74	19.8%	300	80.2%	374	100.0%
Q18.2	Strongly agree	7	1.9%	78	20.9%	85	22.7%
	Agree	26	7.0%	78	20.9%	104	27.8%
	Neutral	38	10.2%	97	25.9%	135	36.1%
	Disagree	3	.8%	40	10.7%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	74	19.8%	300	80.2%	374	100.0%
Q18.3	Strongly agree	24	6.4%	118	31.6%	142	38.0%
	Agree	46	12.3%	91	24.3%	137	36.6%
	Neutral	4	1.1%	66	17.6%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	74	19.8%	300	80.2%	374	100.0%
Q18.4	Strongly agree	15	4.0%	102	27.3%	117	31.3%
	Agree	48	12.8%	93	24.9%	141	37.7%
	Neutral	11	2.9%	73	19.5%	84	22.5%
	Disagree	0	.0%	24	6.4%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	74	19.8%	300	80.2%	374	100.0%
Q18.5	Strongly agree	34	9.1%	109	29.1%	143	38.2%
	Agree	34	9.1%	101	27.0%	135	36.1%
	Neutral	6	1.6%	54	14.4%	60	16.0%
	Disagree	0	.0%	29	7.8%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	74	19.8%	300	80.2%	374	100.0%
Q18.6	Strongly agree	47	12.6%	126	33.7%	173	46.3%
	Agree	25	6.7%	89	23.8%	114	30.5%
	Neutral	2	.5%	51	13.6%	53	14.2%
	Disagree	0	.0%	23	6.1%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	74	19.8%	300	80.2%	374	100.0%
Q18.7	Strongly agree	47	12.6%	111	29.8%	158	42.5%
	Agree	27	7.3%	100	26.9%	127	34.1%
	Neutral	0	.0%	44	11.8%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	0	.0%	16	4.3%	16	4.3%
	Total	74	19.9%	298	80.1%	372	100.0%

### Pearson Chi-Square Tests

		Q11.4 Salesman
Q18.1	Chi-square	29.195
	df	4
	Sig.	.000*
Q18.2	Chi-square	21.047
	df	4
	Sig.	.000*
Q18.3	Chi-square	32.061
	df	4
	Sig.	.000*,a
Q18.4	Chi-square	31.896
	df	4
	Sig.	.000*,a
Q18.5	Chi-square	16.414
	df	4
	Sig.	.003*
Q18.6	Chi-square	23.218
	df	4
	Sig.	.000*,a
Q18.7	Chi-square	31.381
	df	4
	Sig.	.000*

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q11.5 No- one					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	7	1.9%	61	16.3%	68	18.2%
	Agree	11	2.9%	33	8.8%	44	11.8%
	Neutral	22	5.9%	58	15.5%	80	21.4%
	Disagree	49	13.1%	102	27.3%	151	40.4%
	Strongly disagree	9	2.4%	22	5.9%	31	8.3%
	Total	98	26.2%	276	73.8%	374	100.0%
Q18.2	Strongly agree	20	5.3%	65	17.4%	85	22.7%
	Agree	35	9.4%	69	18.4%	104	27.8%
	Neutral	32	8.6%	103	27.5%	135	36.1%
	Disagree	7	1.9%	36	9.6%	43	11.5%
	Strongly disagree	4	1.1%	3	.8%	7	1.9%
	Total	98	26.2%	276	73.8%	374	100.0%
Q18.3	Strongly agree	40	10.7%	102	27.3%	142	38.0%
	Agree	34	9.1%	103	27.5%	137	36.6%
	Neutral	15	4.0%	55	14.7%	70	18.7%
	Disagree	5	1.3%	13	3.5%	18	4.8%
	Strongly disagree	4	1.1%	3	.8%	7	1.9%
	Total	98	26.2%	276	73.8%	374	100.0%
Q18.4	Strongly agree	36	9.6%	81	21.7%	117	31.3%
	Agree	40	10.7%	101	27.0%	141	37.7%
	Neutral	14	3.7%	70	18.7%	84	22.5%
	Disagree	7	1.9%	17	4.5%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	98	26.2%	276	73.8%	374	100.0%
Q18.5	Strongly agree	39	10.4%	104	27.8%	143	38.2%
	Agree	35	9.4%	100	26.7%	135	36.1%
	Neutral	13	3.5%	47	12.6%	60	16.0%
	Disagree	10	2.7%	19	5.1%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	98	26.2%	276	73.8%	374	100.0%
Q18.6	Strongly agree	48	12.8%	125	33.4%	173	46.3%
	Agree	29	7.8%	85	22.7%	114	30.5%
	Neutral	6	1.6%	47	12.6%	53	14.2%
	Disagree	11	2.9%	12	3.2%	23	6.1%
	Strongly disagree	4	1.1%	7	1.9%	11	2.9%
	Total	98	26.2%	276	73.8%	374	100.0%
Q18.7	Strongly agree	31	8.3%	127	34.1%	158	42.5%
	Agree	43	11.6%	84	22.6%	127	34.1%
	Neutral	10	2.7%	34	9.1%	44	11.8%
	Disagree	10	2.7%	17	4.6%	27	7.3%
	Strongly disagree	4	1.1%	12	3.2%	16	4.3%
	Total	98	26.3%	274	73.7%	372	100.0%

### Pearson Chi-Square Tests

		Q11.5 No- one
Q18.1	Chi-square	12.179
	df	4
	Sig.	.016*
Q18.2	Chi-square	9.391
	df	4
	Sig.	.052
Q18.3	Chi-square	4.733
	df	4
	Sig.	.316 <sup>a</sup>
Q18.4	Chi-square	6.440
	df	4
	Sig.	.169
Q18.5	Chi-square	2.271
	df	4
	Sig.	.686
Q18.6	Chi-square	12.466
	df	4
	Sig.	.014*
Q18.7	Chi-square	9.279
	df	4
	Sig.	.054

Results are based on nonempty rows and columns in each innermost subtable.

\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q12.1 Branding /packaging products													
		Yes		No		3		4		5		6		Total	
		n	%	n	%	n	%	n	%	n	%	n	%	n	%
Q18.1	Strongly agree	17	4.5%	37	9.9%	4	1.1%	10	2.7%	0	.0%	0	.0%	68	18.2%
	Agree	7	1.9%	30	8.0%	4	1.1%	1	.3%	0	.0%	2	.5%	44	11.8%
	Neutral	14	3.7%	44	11.8%	12	3.2%	7	1.9%	2	.5%	1	.3%	80	21.4%
	Disagree	41	11.0%	82	21.9%	11	2.9%	16	4.3%	1	.3%	0	.0%	151	40.4%
	Strongly disagree	4	1.1%	19	5.1%	2	.5%	4	1.1%	1	.3%	1	.3%	31	8.3%
	Total	83	22.2%	212	56.7%	33	8.8%	38	10.2%	4	1.1%	4	1.1%	374	100.0%
Q18.2	Strongly agree	29	7.8%	39	10.4%	4	1.1%	13	3.5%	0	.0%	0	.0%	85	22.7%
	Agree	20	5.3%	67	17.9%	8	2.1%	6	1.6%	0	.0%	3	.8%	104	27.8%
	Neutral	23	6.1%	84	22.5%	14	3.7%	11	2.9%	2	.5%	1	.3%	135	36.1%
	Disagree	11	2.9%	18	4.8%	6	1.6%	6	1.6%	2	.5%	0	.0%	43	11.5%
	Strongly disagree	0	.0%	4	1.1%	1	.3%	2	.5%	0	.0%	0	.0%	7	1.9%
	Total	83	22.2%	212	56.7%	33	8.8%	38	10.2%	4	1.1%	4	1.1%	374	100.0%
Q18.3	Strongly agree	41	11.0%	70	18.7%	8	2.1%	20	5.3%	1	.3%	2	.5%	142	38.0%
	Agree	29	7.8%	88	23.5%	12	3.2%	6	1.6%	1	.3%	1	.3%	137	36.6%
	Neutral	9	2.4%	41	11.0%	8	2.1%	9	2.4%	2	.5%	1	.3%	70	18.7%
	Disagree	3	.8%	10	2.7%	3	.8%	2	.5%	0	.0%	0	.0%	18	4.8%
	Strongly disagree	1	.3%	3	.8%	2	.5%	1	.3%	0	.0%	0	.0%	7	1.9%
	Total	83	22.2%	212	56.7%	33	8.8%	38	10.2%	4	1.1%	4	1.1%	374	100.0%
Q18.4	Strongly agree	35	9.4%	62	16.6%	5	1.3%	13	3.5%	1	.3%	1	.3%	117	31.3%
	Agree	33	8.8%	87	23.3%	9	2.4%	11	2.9%	0	.0%	1	.3%	141	37.7%
	Neutral	13	3.5%	44	11.8%	15	4.0%	9	2.4%	2	.5%	1	.3%	84	22.5%
	Disagree	2	.5%	15	4.0%	3	.8%	2	.5%	1	.3%	1	.3%	24	6.4%
	Strongly disagree	0	.0%	4	1.1%	1	.3%	3	.8%	0	.0%	0	.0%	8	2.1%
	Total	83	22.2%	212	56.7%	33	8.8%	38	10.2%	4	1.1%	4	1.1%	374	100.0%
Q18.5	Strongly agree	37	9.9%	84	22.5%	6	1.6%	13	3.5%	1	.3%	2	.5%	143	38.2%
	Agree	32	8.6%	75	20.1%	14	3.7%	13	3.5%	0	.0%	1	.3%	135	36.1%
	Neutral	8	2.1%	35	9.4%	9	2.4%	7	1.9%	1	.3%	0	.0%	60	16.0%
	Disagree	5	1.3%	15	4.0%	2	.5%	4	1.1%	2	.5%	1	.3%	29	7.8%
	Strongly disagree	1	.3%	3	.8%	2	.5%	1	.3%	0	.0%	0	.0%	7	1.9%
	Total	83	22.2%	212	56.7%	33	8.8%	38	10.2%	4	1.1%	4	1.1%	374	100.0%
Q18.6	Strongly agree	49	13.1%	97	25.9%	8	2.1%	17	4.5%	1	.3%	1	.3%	173	46.3%
	Agree	23	6.1%	64	17.1%	16	4.3%	7	1.9%	1	.3%	3	.8%	114	30.5%
	Neutral	6	1.6%	34	9.1%	6	1.6%	6	1.6%	1	.3%	0	.0%	53	14.2%
	Disagree	4	1.1%	11	2.9%	3	.8%	5	1.3%	0	.0%	0	.0%	23	6.1%
	Strongly disagree	1	.3%	6	1.6%	0	.0%	3	.8%	1	.3%	0	.0%	11	2.9%
	Total	83	22.2%	212	56.7%	33	8.8%	38	10.2%	4	1.1%	4	1.1%	374	100.0%
Q18.7	Strongly agree	44	11.8%	89	23.9%	6	1.6%	13	3.5%	2	.5%	4	1.1%	158	42.5%
	Agree	26	7.0%	74	19.9%	18	4.8%	9	2.4%	0	.0%	0	.0%	127	34.1%
	Neutral	6	1.6%	25	6.7%	6	1.6%	6	1.6%	1	.3%	0	.0%	44	11.8%
	Disagree	6	1.6%	11	3.0%	2	.5%	8	2.2%	0	.0%	0	.0%	27	7.3%
	Strongly disagree	1	.3%	11	3.0%	1	.3%	2	.5%	1	.3%	0	.0%	16	4.3%
	Total	83	22.3%	210	56.5%	33	8.9%	38	10.2%	4	1.1%	4	1.1%	372	100.0%

**Pearson Chi-Square Tests**

		Q12.1 Branding /packaging products
Q18.1	Chi-square	28.311
	df	20
	Sig.	.102 <sup>a,b</sup>
Q18.2	Chi-square	38.079
	df	20
	Sig.	.009 <sup>*,a,b</sup>
Q18.3	Chi-square	26.297
	df	20
	Sig.	.156 <sup>a,b</sup>
Q18.4	Chi-square	36.626
	df	20
	Sig.	.013 <sup>*,a,b</sup>
Q18.5	Chi-square	28.294
	df	20
	Sig.	.103 <sup>a,b</sup>
Q18.6	Chi-square	36.348
	df	20
	Sig.	.014 <sup>*,a,b</sup>
Q18.7	Chi-square	41.382
	df	20
	Sig.	.003 <sup>*,a,b</sup>

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- \*. The Chi-square statistic is significant at the 0.05 level.
- a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.
- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.



		Q12.2 Advertising /Promotion					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	38	10.2%	30	8.0%	68	18.2%
	Agree	29	7.8%	15	4.0%	44	11.8%
	Neutral	43	11.5%	37	9.9%	80	21.4%
	Disagree	108	28.9%	43	11.5%	151	40.4%
	Strongly disagree	22	5.9%	9	2.4%	31	8.3%
	Total	240	64.2%	134	35.8%	374	100.0%
Q18.2	Strongly agree	50	13.4%	35	9.4%	85	22.7%
	Agree	80	21.4%	24	6.4%	104	27.8%
	Neutral	90	24.1%	45	12.0%	135	36.1%
	Disagree	16	4.3%	27	7.2%	43	11.5%
	Strongly disagree	4	1.1%	3	.8%	7	1.9%
	Total	240	64.2%	134	35.8%	374	100.0%
Q18.3	Strongly agree	92	24.6%	50	13.4%	142	38.0%
	Agree	103	27.5%	34	9.1%	137	36.6%
	Neutral	33	8.8%	37	9.9%	70	18.7%
	Disagree	9	2.4%	9	2.4%	18	4.8%
	Strongly disagree	3	.8%	4	1.1%	7	1.9%
	Total	240	64.2%	134	35.8%	374	100.0%
Q18.4	Strongly agree	79	21.1%	38	10.2%	117	31.3%
	Agree	107	28.6%	34	9.1%	141	37.7%
	Neutral	42	11.2%	42	11.2%	84	22.5%
	Disagree	9	2.4%	15	4.0%	24	6.4%
	Strongly disagree	3	.8%	5	1.3%	8	2.1%
	Total	240	64.2%	134	35.8%	374	100.0%
Q18.5	Strongly agree	103	27.5%	40	10.7%	143	38.2%
	Agree	94	25.1%	41	11.0%	135	36.1%
	Neutral	31	8.3%	29	7.8%	60	16.0%
	Disagree	10	2.7%	19	5.1%	29	7.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	240	64.2%	134	35.8%	374	100.0%
Q18.6	Strongly agree	121	32.4%	52	13.9%	173	46.3%
	Agree	79	21.1%	35	9.4%	114	30.5%
	Neutral	24	6.4%	29	7.8%	53	14.2%
	Disagree	12	3.2%	11	2.9%	23	6.1%
	Strongly disagree	4	1.1%	7	1.9%	11	2.9%
	Total	240	64.2%	134	35.8%	374	100.0%
Q18.7	Strongly agree	113	30.4%	45	12.1%	158	42.5%
	Agree	86	23.1%	41	11.0%	127	34.1%
	Neutral	19	5.1%	25	6.7%	44	11.8%
	Disagree	12	3.2%	15	4.0%	27	7.3%
	Strongly disagree	8	2.2%	8	2.2%	16	4.3%
	Total	238	64.0%	134	36.0%	372	100.0%

**Pearson Chi-Square Tests**

		Q12.2 Advertising /Promotion
Q18.1	Chi-square	10.041
	df	4
	Sig.	.040*
Q18.2	Chi-square	22.524
	df	4
	Sig.	.000*,a
Q18.3	Chi-square	19.032
	df	4
	Sig.	.001*,a
Q18.4	Chi-square	26.226
	df	4
	Sig.	.000*
Q18.5	Chi-square	24.645
	df	4
	Sig.	.000*,a
Q18.6	Chi-square	17.173
	df	4
	Sig.	.002*
Q18.7	Chi-square	18.753
	df	4
	Sig.	.001*

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q12.3 Offer credit concession					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	5	1.3%	63	16.8%	68	18.2%
	Agree	3	.8%	41	11.0%	44	11.8%
	Neutral	11	2.9%	69	18.4%	80	21.4%
	Disagree	31	8.3%	120	32.1%	151	40.4%
	Strongly disagree	6	1.6%	25	6.7%	31	8.3%
	Total	56	15.0%	318	85.0%	374	100.0%
Q18.2	Strongly agree	8	2.1%	77	20.6%	85	22.7%
	Agree	10	2.7%	94	25.1%	104	27.8%
	Neutral	30	8.0%	105	28.1%	135	36.1%
	Disagree	8	2.1%	35	9.4%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	56	15.0%	318	85.0%	374	100.0%
Q18.3	Strongly agree	12	3.2%	130	34.8%	142	38.0%
	Agree	28	7.5%	109	29.1%	137	36.6%
	Neutral	13	3.5%	57	15.2%	70	18.7%
	Disagree	3	.8%	15	4.0%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	56	15.0%	318	85.0%	374	100.0%
Q18.4	Strongly agree	9	2.4%	108	28.9%	117	31.3%
	Agree	27	7.2%	114	30.5%	141	37.7%
	Neutral	12	3.2%	72	19.3%	84	22.5%
	Disagree	7	1.9%	17	4.5%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	56	15.0%	318	85.0%	374	100.0%
Q18.5	Strongly agree	18	4.8%	125	33.4%	143	38.2%
	Agree	22	5.9%	113	30.2%	135	36.1%
	Neutral	10	2.7%	50	13.4%	60	16.0%
	Disagree	5	1.3%	24	6.4%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	56	15.0%	318	85.0%	374	100.0%
Q18.6	Strongly agree	26	7.0%	147	39.3%	173	46.3%
	Agree	14	3.7%	100	26.7%	114	30.5%
	Neutral	12	3.2%	41	11.0%	53	14.2%
	Disagree	3	.8%	20	5.3%	23	6.1%
	Strongly disagree	1	.3%	10	2.7%	11	2.9%
	Total	56	15.0%	318	85.0%	374	100.0%
Q18.7	Strongly agree	28	7.5%	130	34.9%	158	42.5%
	Agree	16	4.3%	111	29.8%	127	34.1%
	Neutral	7	1.9%	37	9.9%	44	11.8%
	Disagree	3	.8%	24	6.5%	27	7.3%
	Strongly disagree	2	.5%	14	3.8%	16	4.3%
	Total	56	15.1%	316	84.9%	372	100.0%

**Pearson Chi-Square Tests**

		Q12.3 Offer credit concession
Q18.1	Chi-square	9.624
	df	4
	Sig.	.047*
Q18.2	Chi-square	11.660
	df	4
	Sig.	.020*
Q18.3	Chi-square	9.944
	df	4
	Sig.	.041*,a
Q18.4	Chi-square	10.670
	df	4
	Sig.	.031*,a
Q18.5	Chi-square	1.080
	df	4
	Sig.	.897 <sup>a</sup>
Q18.6	Chi-square	3.464
	df	4
	Sig.	.483 <sup>a</sup>
Q18.7	Chi-square	1.913
	df	4
	Sig.	.752 <sup>a</sup>

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q12.4 Use skilled labour					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	2	.5%	66	17.6%	68	18.2%
	Agree	0	.0%	44	11.8%	44	11.8%
	Neutral	5	1.3%	75	20.1%	80	21.4%
	Disagree	11	2.9%	140	37.4%	151	40.4%
	Strongly disagree	4	1.1%	27	7.2%	31	8.3%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.2	Strongly agree	9	2.4%	76	20.3%	85	22.7%
	Agree	6	1.6%	98	26.2%	104	27.8%
	Neutral	6	1.6%	129	34.5%	135	36.1%
	Disagree	1	.3%	42	11.2%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.3	Strongly agree	15	4.0%	127	34.0%	142	38.0%
	Agree	5	1.3%	132	35.3%	137	36.6%
	Neutral	2	.5%	68	18.2%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.4	Strongly agree	12	3.2%	105	28.1%	117	31.3%
	Agree	9	2.4%	132	35.3%	141	37.7%
	Neutral	1	.3%	83	22.2%	84	22.5%
	Disagree	0	.0%	24	6.4%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.5	Strongly agree	11	2.9%	132	35.3%	143	38.2%
	Agree	10	2.7%	125	33.4%	135	36.1%
	Neutral	1	.3%	59	15.8%	60	16.0%
	Disagree	0	.0%	29	7.8%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.6	Strongly agree	14	3.7%	159	42.5%	173	46.3%
	Agree	6	1.6%	108	28.9%	114	30.5%
	Neutral	1	.3%	52	13.9%	53	14.2%
	Disagree	1	.3%	22	5.9%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.7	Strongly agree	11	3.0%	147	39.5%	158	42.5%
	Agree	6	1.6%	121	32.5%	127	34.1%
	Neutral	1	.3%	43	11.6%	44	11.8%
	Disagree	3	.8%	24	6.5%	27	7.3%
	Strongly disagree	1	.3%	15	4.0%	16	4.3%
	Total	22	5.9%	350	94.1%	372	100.0%

### Pearson Chi-Square Tests

		Q12.4 Use skilled labour
Q18.1	Chi-square	7.129
	df	4
	Sig.	.129 <sup>a</sup>
Q18.2	Chi-square	5.327
	df	4
	Sig.	.255 <sup>a,b</sup>
Q18.3	Chi-square	9.573
	df	4
	Sig.	.048 <sup>*,a,b</sup>
Q18.4	Chi-square	9.447
	df	4
	Sig.	.051 <sup>a,b</sup>
Q18.5	Chi-square	5.589
	df	4
	Sig.	.232 <sup>a,b</sup>
Q18.6	Chi-square	3.919
	df	4
	Sig.	.417 <sup>a,b</sup>
Q18.7	Chi-square	2.997
	df	4
	Sig.	.558 <sup>a,b</sup>

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q14.1 Political and legal influences					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	10	2.7%	58	15.5%	68	18.2%
	Agree	5	1.3%	39	10.4%	44	11.8%
	Neutral	7	1.9%	73	19.5%	80	21.4%
	Disagree	18	4.8%	133	35.6%	151	40.4%
	Strongly disagree	4	1.1%	27	7.2%	31	8.3%
	Total	44	11.8%	330	88.2%	374	100.0%
Q18.2	Strongly agree	12	3.2%	73	19.5%	85	22.7%
	Agree	10	2.7%	94	25.1%	104	27.8%
	Neutral	19	5.1%	116	31.0%	135	36.1%
	Disagree	3	.8%	40	10.7%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	44	11.8%	330	88.2%	374	100.0%
Q18.3	Strongly agree	19	5.1%	123	32.9%	142	38.0%
	Agree	16	4.3%	121	32.4%	137	36.6%
	Neutral	5	1.3%	65	17.4%	70	18.7%
	Disagree	1	.3%	17	4.5%	18	4.8%
	Strongly disagree	3	.8%	4	1.1%	7	1.9%
	Total	44	11.8%	330	88.2%	374	100.0%
Q18.4	Strongly agree	15	4.0%	102	27.3%	117	31.3%
	Agree	16	4.3%	125	33.4%	141	37.7%
	Neutral	9	2.4%	75	20.1%	84	22.5%
	Disagree	3	.8%	21	5.6%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	44	11.8%	330	88.2%	374	100.0%
Q18.5	Strongly agree	20	5.3%	123	32.9%	143	38.2%
	Agree	10	2.7%	125	33.4%	135	36.1%
	Neutral	8	2.1%	52	13.9%	60	16.0%
	Disagree	5	1.3%	24	6.4%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	44	11.8%	330	88.2%	374	100.0%
Q18.6	Strongly agree	23	6.1%	150	40.1%	173	46.3%
	Agree	9	2.4%	105	28.1%	114	30.5%
	Neutral	6	1.6%	47	12.6%	53	14.2%
	Disagree	3	.8%	20	5.3%	23	6.1%
	Strongly disagree	3	.8%	8	2.1%	11	2.9%
	Total	44	11.8%	330	88.2%	374	100.0%
Q18.7	Strongly agree	25	6.7%	133	35.8%	158	42.5%
	Agree	9	2.4%	118	31.7%	127	34.1%
	Neutral	4	1.1%	40	10.8%	44	11.8%
	Disagree	3	.8%	24	6.5%	27	7.3%
	Strongly disagree	3	.8%	13	3.5%	16	4.3%
	Total	44	11.8%	328	88.2%	372	100.0%

**Pearson Chi-Square Tests**

		Q14.1 Political and legal influences
Q18.1	Chi-square	1.316
	df	4
	Sig.	.859
Q18.2	Chi-square	3.493
	df	4
	Sig.	.479 <sup>a</sup>
Q18.3	Chi-square	8.986
	df	4
	Sig.	.061 <sup>b,a</sup>
Q18.4	Chi-square	.255
	df	4
	Sig.	.993 <sup>b,a</sup>
Q18.5	Chi-square	4.172
	df	4
	Sig.	.383 <sup>b,a</sup>
Q18.6	Chi-square	4.630
	df	4
	Sig.	.327 <sup>b</sup>
Q18.7	Chi-square	6.220
	df	4
	Sig.	.183 <sup>b</sup>

Results are based on nonempty rows and columns in each innermost subtable.

- a. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.
- b. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.



		Q14.2 Socio-demographics					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	3	.8%	65	17.4%	68	18.2%
	Agree	2	.5%	42	11.2%	44	11.8%
	Neutral	6	1.6%	74	19.8%	80	21.4%
	Disagree	14	3.7%	137	36.6%	151	40.4%
	Strongly disagree	3	.8%	28	7.5%	31	8.3%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.2	Strongly agree	12	3.2%	73	19.5%	85	22.7%
	Agree	5	1.3%	99	26.5%	104	27.8%
	Neutral	6	1.6%	129	34.5%	135	36.1%
	Disagree	3	.8%	40	10.7%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.3	Strongly agree	17	4.5%	125	33.4%	142	38.0%
	Agree	3	.8%	134	35.8%	137	36.6%
	Neutral	5	1.3%	65	17.4%	70	18.7%
	Disagree	2	.5%	16	4.3%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.4	Strongly agree	14	3.7%	103	27.5%	117	31.3%
	Agree	8	2.1%	133	35.6%	141	37.7%
	Neutral	3	.8%	81	21.7%	84	22.5%
	Disagree	1	.3%	23	6.1%	24	6.4%
	Strongly disagree	2	.5%	6	1.6%	8	2.1%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.5	Strongly agree	15	4.0%	128	34.2%	143	38.2%
	Agree	6	1.6%	129	34.5%	135	36.1%
	Neutral	3	.8%	57	15.2%	60	16.0%
	Disagree	3	.8%	26	7.0%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.6	Strongly agree	16	4.3%	157	42.0%	173	46.3%
	Agree	5	1.3%	109	29.1%	114	30.5%
	Neutral	2	.5%	51	13.6%	53	14.2%
	Disagree	4	1.1%	19	5.1%	23	6.1%
	Strongly disagree	1	.3%	10	2.7%	11	2.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.7	Strongly agree	12	3.2%	146	39.2%	158	42.5%
	Agree	8	2.2%	119	32.0%	127	34.1%
	Neutral	3	.8%	41	11.0%	44	11.8%
	Disagree	4	1.1%	23	6.2%	27	7.3%
	Strongly disagree	1	.3%	15	4.0%	16	4.3%
	Total	28	7.5%	344	92.5%	372	100.0%

### Pearson Chi-Square Tests

		Q14.2 Socio-dem ographics
Q18.1	Chi-square	2.387
	df	4
	Sig.	.665 <sup>a</sup>
Q18.2	Chi-square	12.787
	df	4
	Sig.	.012 <sup>*,a,b</sup>
Q18.3	Chi-square	10.495
	df	4
	Sig.	.033 <sup>*,a,b</sup>
Q18.4	Chi-square	9.842
	df	4
	Sig.	.043 <sup>*,a,b</sup>
Q18.5	Chi-square	5.011
	df	4
	Sig.	.286 <sup>a,b</sup>
Q18.6	Chi-square	6.711
	df	4
	Sig.	.152 <sup>a,b</sup>
Q18.7	Chi-square	2.406
	df	4
	Sig.	.662 <sup>a</sup>

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q14.3 Economics					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	11	2.9%	57	15.2%	68	18.2%
	Agree	10	2.7%	34	9.1%	44	11.8%
	Neutral	16	4.3%	64	17.1%	80	21.4%
	Disagree	16	4.3%	135	36.1%	151	40.4%
	Strongly disagree	2	.5%	29	7.8%	31	8.3%
	Total	55	14.7%	319	85.3%	374	100.0%
Q18.2	Strongly agree	14	3.7%	71	19.0%	85	22.7%
	Agree	13	3.5%	91	24.3%	104	27.8%
	Neutral	16	4.3%	119	31.8%	135	36.1%
	Disagree	12	3.2%	31	8.3%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	55	14.7%	319	85.3%	374	100.0%
Q18.3	Strongly agree	27	7.2%	115	30.7%	142	38.0%
	Agree	11	2.9%	126	33.7%	137	36.6%
	Neutral	14	3.7%	56	15.0%	70	18.7%
	Disagree	2	.5%	16	4.3%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	55	14.7%	319	85.3%	374	100.0%
Q18.4	Strongly agree	21	5.6%	96	25.7%	117	31.3%
	Agree	15	4.0%	126	33.7%	141	37.7%
	Neutral	12	3.2%	72	19.3%	84	22.5%
	Disagree	5	1.3%	19	5.1%	24	6.4%
	Strongly disagree	2	.5%	6	1.6%	8	2.1%
	Total	55	14.7%	319	85.3%	374	100.0%
Q18.5	Strongly agree	25	6.7%	118	31.6%	143	38.2%
	Agree	19	5.1%	116	31.0%	135	36.1%
	Neutral	7	1.9%	53	14.2%	60	16.0%
	Disagree	2	.5%	27	7.2%	29	7.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	55	14.7%	319	85.3%	374	100.0%
Q18.6	Strongly agree	23	6.1%	150	40.1%	173	46.3%
	Agree	19	5.1%	95	25.4%	114	30.5%
	Neutral	10	2.7%	43	11.5%	53	14.2%
	Disagree	0	.0%	23	6.1%	23	6.1%
	Strongly disagree	3	.8%	8	2.1%	11	2.9%
	Total	55	14.7%	319	85.3%	374	100.0%
Q18.7	Strongly agree	21	5.6%	137	36.8%	158	42.5%
	Agree	19	5.1%	108	29.0%	127	34.1%
	Neutral	11	3.0%	33	8.9%	44	11.8%
	Disagree	1	.3%	26	7.0%	27	7.3%
	Strongly disagree	3	.8%	13	3.5%	16	4.3%
	Total	55	14.8%	317	85.2%	372	100.0%

**Pearson Chi-Square Tests**

		Q14.3 Economics
Q18.1	Chi-square	7.879
	df	4
	Sig.	.096
Q18.2	Chi-square	8.672
	df	4
	Sig.	.070
Q18.3	Chi-square	8.721
	df	4
	Sig.	.068 <sup>a</sup>
Q18.4	Chi-square	4.247
	df	4
	Sig.	.374 <sup>a</sup>
Q18.5	Chi-square	3.847
	df	4
	Sig.	.427 <sup>a</sup>
Q18.6	Chi-square	6.706
	df	4
	Sig.	.152 <sup>a</sup>
Q18.7	Chi-square	6.758
	df	4
	Sig.	.149 <sup>a</sup>

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- a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q14.4 Technology					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	6	1.6%	62	16.6%	68	18.2%
	Agree	4	1.1%	40	10.7%	44	11.8%
	Neutral	10	2.7%	70	18.7%	80	21.4%
	Disagree	17	4.5%	134	35.8%	151	40.4%
	Strongly disagree	6	1.6%	25	6.7%	31	8.3%
	Total	43	11.5%	331	88.5%	374	100.0%
Q18.2	Strongly agree	9	2.4%	76	20.3%	85	22.7%
	Agree	18	4.8%	86	23.0%	104	27.8%
	Neutral	14	3.7%	121	32.4%	135	36.1%
	Disagree	2	.5%	41	11.0%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	43	11.5%	331	88.5%	374	100.0%
Q18.3	Strongly agree	18	4.8%	124	33.2%	142	38.0%
	Agree	19	5.1%	118	31.6%	137	36.6%
	Neutral	6	1.6%	64	17.1%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	43	11.5%	331	88.5%	374	100.0%
Q18.4	Strongly agree	11	2.9%	106	28.3%	117	31.3%
	Agree	26	7.0%	115	30.7%	141	37.7%
	Neutral	6	1.6%	78	20.9%	84	22.5%
	Disagree	0	.0%	24	6.4%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	43	11.5%	331	88.5%	374	100.0%
Q18.5	Strongly agree	18	4.8%	125	33.4%	143	38.2%
	Agree	20	5.3%	115	30.7%	135	36.1%
	Neutral	2	.5%	58	15.5%	60	16.0%
	Disagree	2	.5%	27	7.2%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	43	11.5%	331	88.5%	374	100.0%
Q18.6	Strongly agree	23	6.1%	150	40.1%	173	46.3%
	Agree	15	4.0%	99	26.5%	114	30.5%
	Neutral	1	.3%	52	13.9%	53	14.2%
	Disagree	4	1.1%	19	5.1%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	43	11.5%	331	88.5%	374	100.0%
Q18.7	Strongly agree	23	6.2%	135	36.3%	158	42.5%
	Agree	18	4.8%	109	29.3%	127	34.1%
	Neutral	1	.3%	43	11.6%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	1	.3%	15	4.0%	16	4.3%
	Total	43	11.6%	329	88.4%	372	100.0%

**Pearson Chi-Square Tests**

		Q14.4 Technology
Q18.1	Chi-square	2.697
	df	4
	Sig.	.610
Q18.2	Chi-square	6.578
	df	4
	Sig.	.160 <sup>a,b</sup>
Q18.3	Chi-square	4.788
	df	4
	Sig.	.310 <sup>a,b</sup>
Q18.4	Chi-square	12.906
	df	4
	Sig.	.012 <sup>*,a,b</sup>
Q18.5	Chi-square	6.214
	df	4
	Sig.	.184 <sup>a,b</sup>
Q18.6	Chi-square	7.883
	df	4
	Sig.	.096 <sup>a</sup>
Q18.7	Chi-square	9.920
	df	4
	Sig.	.042 <sup>*,a</sup>

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- \*. The Chi-square statistic is significant at the 0.05 level.
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- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q14.5 Competitive environment					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	40	10.7%	28	7.5%	68	18.2%
	Agree	24	6.4%	20	5.3%	44	11.8%
	Neutral	45	12.0%	35	9.4%	80	21.4%
	Disagree	86	23.0%	65	17.4%	151	40.4%
	Strongly disagree	17	4.5%	14	3.7%	31	8.3%
	Total	212	56.7%	162	43.3%	374	100.0%
Q18.2	Strongly agree	40	10.7%	45	12.0%	85	22.7%
	Agree	67	17.9%	37	9.9%	104	27.8%
	Neutral	80	21.4%	55	14.7%	135	36.1%
	Disagree	20	5.3%	23	6.1%	43	11.5%
	Strongly disagree	5	1.3%	2	.5%	7	1.9%
	Total	212	56.7%	162	43.3%	374	100.0%
Q18.3	Strongly agree	70	18.7%	72	19.3%	142	38.0%
	Agree	91	24.3%	46	12.3%	137	36.6%
	Neutral	39	10.4%	31	8.3%	70	18.7%
	Disagree	10	2.7%	8	2.1%	18	4.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	212	56.7%	162	43.3%	374	100.0%
Q18.4	Strongly agree	63	16.8%	54	14.4%	117	31.3%
	Agree	83	22.2%	58	15.5%	141	37.7%
	Neutral	51	13.6%	33	8.8%	84	22.5%
	Disagree	12	3.2%	12	3.2%	24	6.4%
	Strongly disagree	3	.8%	5	1.3%	8	2.1%
	Total	212	56.7%	162	43.3%	374	100.0%
Q18.5	Strongly agree	72	19.3%	71	19.0%	143	38.2%
	Agree	88	23.5%	47	12.6%	135	36.1%
	Neutral	37	9.9%	23	6.1%	60	16.0%
	Disagree	13	3.5%	16	4.3%	29	7.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	212	56.7%	162	43.3%	374	100.0%
Q18.6	Strongly agree	96	25.7%	77	20.6%	173	46.3%
	Agree	70	18.7%	44	11.8%	114	30.5%
	Neutral	33	8.8%	20	5.3%	53	14.2%
	Disagree	9	2.4%	14	3.7%	23	6.1%
	Strongly disagree	4	1.1%	7	1.9%	11	2.9%
	Total	212	56.7%	162	43.3%	374	100.0%
Q18.7	Strongly agree	85	22.8%	73	19.6%	158	42.5%
	Agree	79	21.2%	48	12.9%	127	34.1%
	Neutral	27	7.3%	17	4.6%	44	11.8%
	Disagree	13	3.5%	14	3.8%	27	7.3%
	Strongly disagree	7	1.9%	9	2.4%	16	4.3%
	Total	211	56.7%	161	43.3%	372	100.0%

**Pearson Chi-Square Tests**

		Q14.5 Competitive environment
Q18.1	Chi-square	.262
	df	4
	Sig.	.992
Q18.2	Chi-square	8.541
	df	4
	Sig.	.074 <sup>a</sup>
Q18.3	Chi-square	10.739
	df	4
	Sig.	.030 <sup>*a</sup>
Q18.4	Chi-square	2.848
	df	4
	Sig.	.583 <sup>a</sup>
Q18.5	Chi-square	10.831
	df	4
	Sig.	.029 <sup>*a</sup>
Q18.6	Chi-square	6.543
	df	4
	Sig.	.162
Q18.7	Chi-square	4.397
	df	4
	Sig.	.355

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.



		Q14.6 Natural environment					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	2	.5%	66	17.6%	68	18.2%
	Agree	2	.5%	42	11.2%	44	11.8%
	Neutral	6	1.6%	74	19.8%	80	21.4%
	Disagree	13	3.5%	138	36.9%	151	40.4%
	Strongly disagree	2	.5%	29	7.8%	31	8.3%
	Total	25	6.7%	349	93.3%	374	100.0%
Q18.2	Strongly agree	7	1.9%	78	20.9%	85	22.7%
	Agree	7	1.9%	97	25.9%	104	27.8%
	Neutral	9	2.4%	126	33.7%	135	36.1%
	Disagree	2	.5%	41	11.0%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	25	6.7%	349	93.3%	374	100.0%
Q18.3	Strongly agree	13	3.5%	129	34.5%	142	38.0%
	Agree	7	1.9%	130	34.8%	137	36.6%
	Neutral	4	1.1%	66	17.6%	70	18.7%
	Disagree	1	.3%	17	4.5%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	25	6.7%	349	93.3%	374	100.0%
Q18.4	Strongly agree	12	3.2%	105	28.1%	117	31.3%
	Agree	7	1.9%	134	35.8%	141	37.7%
	Neutral	5	1.3%	79	21.1%	84	22.5%
	Disagree	1	.3%	23	6.1%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	25	6.7%	349	93.3%	374	100.0%
Q18.5	Strongly agree	14	3.7%	129	34.5%	143	38.2%
	Agree	4	1.1%	131	35.0%	135	36.1%
	Neutral	4	1.1%	56	15.0%	60	16.0%
	Disagree	3	.8%	26	7.0%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	25	6.7%	349	93.3%	374	100.0%
Q18.6	Strongly agree	11	2.9%	162	43.3%	173	46.3%
	Agree	7	1.9%	107	28.6%	114	30.5%
	Neutral	3	.8%	50	13.4%	53	14.2%
	Disagree	4	1.1%	19	5.1%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	25	6.7%	349	93.3%	374	100.0%
Q18.7	Strongly agree	13	3.5%	145	39.0%	158	42.5%
	Agree	3	.8%	124	33.3%	127	34.1%
	Neutral	1	.3%	43	11.6%	44	11.8%
	Disagree	6	1.6%	21	5.6%	27	7.3%
	Strongly disagree	1	.3%	15	4.0%	16	4.3%
	Total	24	6.5%	348	93.5%	372	100.0%

### Pearson Chi-Square Tests

		Q14.6 Natural environment
Q18.1	Chi-square	2.835
	df	4
	Sig.	.586 <sup>a</sup>
Q18.2	Chi-square	1.115
	df	4
	Sig.	.892 <sup>a,b</sup>
Q18.3	Chi-square	2.578
	df	4
	Sig.	.631 <sup>a,b</sup>
Q18.4	Chi-square	3.951
	df	4
	Sig.	.413 <sup>a,b</sup>
Q18.5	Chi-square	6.333
	df	4
	Sig.	.176 <sup>a,b</sup>
Q18.6	Chi-square	5.188
	df	4
	Sig.	.269 <sup>a,b</sup>
Q18.7	Chi-square	16.746
	df	4
	Sig.	.002 <sup>*,a</sup>

Results are based on nonempty rows and columns in each innermost subtable.

\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q14.7 Other					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	0	.0%	68	18.2%	68	18.2%
	Agree	0	.0%	44	11.8%	44	11.8%
	Neutral	0	.0%	80	21.4%	80	21.4%
	Disagree	0	.0%	151	40.4%	151	40.4%
	Strongly disagree	2	.5%	29	7.8%	31	8.3%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.2	Strongly agree	0	.0%	85	22.7%	85	22.7%
	Agree	0	.0%	104	27.8%	104	27.8%
	Neutral	1	.3%	134	35.8%	135	36.1%
	Disagree	1	.3%	42	11.2%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.3	Strongly agree	0	.0%	142	38.0%	142	38.0%
	Agree	1	.3%	136	36.4%	137	36.6%
	Neutral	1	.3%	69	18.4%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.4	Strongly agree	0	.0%	117	31.3%	117	31.3%
	Agree	1	.3%	140	37.4%	141	37.7%
	Neutral	0	.0%	84	22.5%	84	22.5%
	Disagree	1	.3%	23	6.1%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.5	Strongly agree	0	.0%	143	38.2%	143	38.2%
	Agree	1	.3%	134	35.8%	135	36.1%
	Neutral	0	.0%	60	16.0%	60	16.0%
	Disagree	1	.3%	28	7.5%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.6	Strongly agree	0	.0%	173	46.3%	173	46.3%
	Agree	2	.5%	112	29.9%	114	30.5%
	Neutral	0	.0%	53	14.2%	53	14.2%
	Disagree	0	.0%	23	6.1%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.7	Strongly agree	1	.3%	157	42.2%	158	42.5%
	Agree	1	.3%	126	33.9%	127	34.1%
	Neutral	0	.0%	44	11.8%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	0	.0%	16	4.3%	16	4.3%
	Total	2	.5%	370	99.5%	372	100.0%

### Pearson Chi-Square Tests

		Q14.7	Other
Q18.1	Chi-square	22.248	
	df	4	
	Sig.	.000 <sup>*,a,b</sup>	
Q18.2	Chi-square	3.754	
	df	4	
	Sig.	.440 <sup>a,b</sup>	
Q18.3	Chi-square	2.047	
	df	4	
	Sig.	.727 <sup>a,b</sup>	
Q18.4	Chi-square	7.156	
	df	4	
	Sig.	.128 <sup>a,b</sup>	
Q18.5	Chi-square	5.865	
	df	4	
	Sig.	.209 <sup>a,b</sup>	
Q18.6	Chi-square	4.586	
	df	4	
	Sig.	.332 <sup>a,b</sup>	
Q18.7	Chi-square	.645	
	df	4	
	Sig.	.958 <sup>a,b</sup>	

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q15.1 Marketing research agency					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	2	.5%	66	17.6%	68	18.2%
	Agree	2	.5%	42	11.2%	44	11.8%
	Neutral	0	.0%	80	21.4%	80	21.4%
	Disagree	2	.5%	149	39.8%	151	40.4%
	Strongly disagree	4	1.1%	27	7.2%	31	8.3%
	Total	10	2.7%	364	97.3%	374	100.0%
Q18.2	Strongly agree	3	.8%	82	21.9%	85	22.7%
	Agree	2	.5%	102	27.3%	104	27.8%
	Neutral	4	1.1%	131	35.0%	135	36.1%
	Disagree	1	.3%	42	11.2%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	10	2.7%	364	97.3%	374	100.0%
Q18.3	Strongly agree	5	1.3%	137	36.6%	142	38.0%
	Agree	3	.8%	134	35.8%	137	36.6%
	Neutral	2	.5%	68	18.2%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	10	2.7%	364	97.3%	374	100.0%
Q18.4	Strongly agree	3	.8%	114	30.5%	117	31.3%
	Agree	4	1.1%	137	36.6%	141	37.7%
	Neutral	2	.5%	82	21.9%	84	22.5%
	Disagree	1	.3%	23	6.1%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	10	2.7%	364	97.3%	374	100.0%
Q18.5	Strongly agree	4	1.1%	139	37.2%	143	38.2%
	Agree	4	1.1%	131	35.0%	135	36.1%
	Neutral	1	.3%	59	15.8%	60	16.0%
	Disagree	1	.3%	28	7.5%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	10	2.7%	364	97.3%	374	100.0%
Q18.6	Strongly agree	5	1.3%	168	44.9%	173	46.3%
	Agree	4	1.1%	110	29.4%	114	30.5%
	Neutral	1	.3%	52	13.9%	53	14.2%
	Disagree	0	.0%	23	6.1%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	10	2.7%	364	97.3%	374	100.0%
Q18.7	Strongly agree	7	1.9%	151	40.6%	158	42.5%
	Agree	2	.5%	125	33.6%	127	34.1%
	Neutral	0	.0%	44	11.8%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	1	.3%	15	4.0%	16	4.3%
	Total	10	2.7%	362	97.3%	372	100.0%

### Pearson Chi-Square Tests

		Q15.1 Marketing research agency
Q18.1	Chi-square	16.331
	df	4
	Sig.	.003 <sup>a,b</sup>
Q18.2	Chi-square	.720
	df	4
	Sig.	.949 <sup>a,b</sup>
Q18.3	Chi-square	1.211
	df	4
	Sig.	.876 <sup>a,b</sup>
Q18.4	Chi-square	.473
	df	4
	Sig.	.976 <sup>a,b</sup>
Q18.5	Chi-square	.545
	df	4
	Sig.	.969 <sup>a,b</sup>
Q18.6	Chi-square	1.397
	df	4
	Sig.	.845 <sup>a,b</sup>
Q18.7	Chi-square	5.172
	df	4
	Sig.	.270 <sup>a,b</sup>

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- \*. The Chi-square statistic is significant at the 0.05 level.
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- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q15.2 Marketing consultants					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	5	1.3%	63	16.8%	68	18.2%
	Agree	5	1.3%	39	10.4%	44	11.8%
	Neutral	4	1.1%	76	20.3%	80	21.4%
	Disagree	12	3.2%	139	37.2%	151	40.4%
	Strongly disagree	2	.5%	29	7.8%	31	8.3%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.2	Strongly agree	5	1.3%	80	21.4%	85	22.7%
	Agree	7	1.9%	97	25.9%	104	27.8%
	Neutral	12	3.2%	123	32.9%	135	36.1%
	Disagree	4	1.1%	39	10.4%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.3	Strongly agree	11	2.9%	131	35.0%	142	38.0%
	Agree	10	2.7%	127	34.0%	137	36.6%
	Neutral	6	1.6%	64	17.1%	70	18.7%
	Disagree	1	.3%	17	4.5%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.4	Strongly agree	10	2.7%	107	28.6%	117	31.3%
	Agree	10	2.7%	131	35.0%	141	37.7%
	Neutral	7	1.9%	77	20.6%	84	22.5%
	Disagree	1	.3%	23	6.1%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.5	Strongly agree	11	2.9%	132	35.3%	143	38.2%
	Agree	12	3.2%	123	32.9%	135	36.1%
	Neutral	4	1.1%	56	15.0%	60	16.0%
	Disagree	1	.3%	28	7.5%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.6	Strongly agree	15	4.0%	158	42.2%	173	46.3%
	Agree	8	2.1%	106	28.3%	114	30.5%
	Neutral	3	.8%	50	13.4%	53	14.2%
	Disagree	2	.5%	21	5.6%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	28	7.5%	346	92.5%	374	100.0%
Q18.7	Strongly agree	17	4.6%	141	37.9%	158	42.5%
	Agree	8	2.2%	119	32.0%	127	34.1%
	Neutral	2	.5%	42	11.3%	44	11.8%
	Disagree	1	.3%	26	7.0%	27	7.3%
	Strongly disagree	0	.0%	16	4.3%	16	4.3%
	Total	28	7.5%	344	92.5%	372	100.0%

**Pearson Chi-Square Tests**

		Q15.2 Marketing consultants
Q18.1	Chi-square	1.765
	df	4
	Sig.	.779 <sup>a</sup>
Q18.2	Chi-square	1.556
	df	4
	Sig.	.817 <sup>a,b</sup>
Q18.3	Chi-square	.803
	df	4
	Sig.	.938 <sup>a,b</sup>
Q18.4	Chi-square	1.338
	df	4
	Sig.	.855 <sup>a,b</sup>
Q18.5	Chi-square	1.700
	df	4
	Sig.	.791 <sup>a,b</sup>
Q18.6	Chi-square	1.580
	df	4
	Sig.	.812 <sup>a,b</sup>
Q18.7	Chi-square	5.078
	df	4
	Sig.	.279 <sup>a</sup>

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		Q15.3 Marketing agency					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	7	1.9%	61	16.3%	68	18.2%
	Agree	7	1.9%	37	9.9%	44	11.8%
	Neutral	6	1.6%	74	19.8%	80	21.4%
	Disagree	1	.3%	150	40.1%	151	40.4%
	Strongly disagree	1	.3%	30	8.0%	31	8.3%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.2	Strongly agree	9	2.4%	76	20.3%	85	22.7%
	Agree	6	1.6%	98	26.2%	104	27.8%
	Neutral	5	1.3%	130	34.8%	135	36.1%
	Disagree	2	.5%	41	11.0%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.3	Strongly agree	12	3.2%	130	34.8%	142	38.0%
	Agree	4	1.1%	133	35.6%	137	36.6%
	Neutral	6	1.6%	64	17.1%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.4	Strongly agree	7	1.9%	110	29.4%	117	31.3%
	Agree	10	2.7%	131	35.0%	141	37.7%
	Neutral	4	1.1%	80	21.4%	84	22.5%
	Disagree	1	.3%	23	6.1%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.5	Strongly agree	10	2.7%	133	35.6%	143	38.2%
	Agree	8	2.1%	127	34.0%	135	36.1%
	Neutral	4	1.1%	56	15.0%	60	16.0%
	Disagree	0	.0%	29	7.8%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.6	Strongly agree	10	2.7%	163	43.6%	173	46.3%
	Agree	6	1.6%	108	28.9%	114	30.5%
	Neutral	5	1.3%	48	12.8%	53	14.2%
	Disagree	1	.3%	22	5.9%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	22	5.9%	352	94.1%	374	100.0%
Q18.7	Strongly agree	8	2.2%	150	40.3%	158	42.5%
	Agree	11	3.0%	116	31.2%	127	34.1%
	Neutral	2	.5%	42	11.3%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	0	.0%	16	4.3%	16	4.3%
	Total	21	5.6%	351	94.4%	372	100.0%

### Pearson Chi-Square Tests

		Q15.3 Marketing agency
Q18.1	Chi-square	18.586
	df	4
	Sig.	.001 <sup>*,a</sup>
Q18.2	Chi-square	5.115
	df	4
	Sig.	.276 <sup>a,b</sup>
Q18.3	Chi-square	6.341
	df	4
	Sig.	.175 <sup>a,b</sup>
Q18.4	Chi-square	1.193
	df	4
	Sig.	.879 <sup>a,b</sup>
Q18.5	Chi-square	2.636
	df	4
	Sig.	.621 <sup>a,b</sup>
Q18.6	Chi-square	2.075
	df	4
	Sig.	.722 <sup>a,b</sup>
Q18.7	Chi-square	4.942
	df	4
	Sig.	.293 <sup>a,b</sup>

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\*. The Chi-square statistic is significant at the 0.05 level.

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b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q15.4 Advertising agency					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	19	5.1%	49	13.1%	68	18.2%
	Agree	20	5.3%	24	6.4%	44	11.8%
	Neutral	20	5.3%	60	16.0%	80	21.4%
	Disagree	14	3.7%	137	36.6%	151	40.4%
	Strongly disagree	5	1.3%	26	7.0%	31	8.3%
	Total	78	20.9%	296	79.1%	374	100.0%
Q18.2	Strongly agree	18	4.8%	67	17.9%	85	22.7%
	Agree	33	8.8%	71	19.0%	104	27.8%
	Neutral	15	4.0%	120	32.1%	135	36.1%
	Disagree	10	2.7%	33	8.8%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	78	20.9%	296	79.1%	374	100.0%
Q18.3	Strongly agree	35	9.4%	107	28.6%	142	38.0%
	Agree	31	8.3%	106	28.3%	137	36.6%
	Neutral	12	3.2%	58	15.5%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	78	20.9%	296	79.1%	374	100.0%
Q18.4	Strongly agree	29	7.8%	88	23.5%	117	31.3%
	Agree	32	8.6%	109	29.1%	141	37.7%
	Neutral	14	3.7%	70	18.7%	84	22.5%
	Disagree	2	.5%	22	5.9%	24	6.4%
	Strongly disagree	1	.3%	7	1.9%	8	2.1%
	Total	78	20.9%	296	79.1%	374	100.0%
Q18.5	Strongly agree	29	7.8%	114	30.5%	143	38.2%
	Agree	32	8.6%	103	27.5%	135	36.1%
	Neutral	11	2.9%	49	13.1%	60	16.0%
	Disagree	5	1.3%	24	6.4%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	78	20.9%	296	79.1%	374	100.0%
Q18.6	Strongly agree	38	10.2%	135	36.1%	173	46.3%
	Agree	25	6.7%	89	23.8%	114	30.5%
	Neutral	9	2.4%	44	11.8%	53	14.2%
	Disagree	5	1.3%	18	4.8%	23	6.1%
	Strongly disagree	1	.3%	10	2.7%	11	2.9%
	Total	78	20.9%	296	79.1%	374	100.0%
Q18.7	Strongly agree	32	8.6%	126	33.9%	158	42.5%
	Agree	32	8.6%	95	25.5%	127	34.1%
	Neutral	8	2.2%	36	9.7%	44	11.8%
	Disagree	3	.8%	24	6.5%	27	7.3%
	Strongly disagree	3	.8%	13	3.5%	16	4.3%
	Total	78	21.0%	294	79.0%	372	100.0%

**Pearson Chi-Square Tests**

		Q15.4 Advertising agency
Q18.1	Chi-square	31.727
	df	4
	Sig.	.000*
Q18.2	Chi-square	15.626
	df	4
	Sig.	.004*
Q18.3	Chi-square	8.670
	df	4
	Sig.	.070 <sup>a</sup>
Q18.4	Chi-square	4.896
	df	4
	Sig.	.298
Q18.5	Chi-square	1.336
	df	4
	Sig.	.855
Q18.6	Chi-square	1.624
	df	4
	Sig.	.804 <sup>a</sup>
Q18.7	Chi-square	3.256
	df	4
	Sig.	.516

Results are based on nonempty rows and columns in each innermost subtable.

\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q15.5 None of the above					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	39	10.4%	29	7.8%	68	18.2%
	Agree	18	4.8%	26	7.0%	44	11.8%
	Neutral	47	12.6%	33	8.8%	80	21.4%
	Disagree	119	31.8%	32	8.6%	151	40.4%
	Strongly disagree	23	6.1%	8	2.1%	31	8.3%
	Total	246	65.8%	128	34.2%	374	100.0%
Q18.2	Strongly agree	58	15.5%	27	7.2%	85	22.7%
	Agree	59	15.8%	45	12.0%	104	27.8%
	Neutral	100	26.7%	35	9.4%	135	36.1%
	Disagree	24	6.4%	19	5.1%	43	11.5%
	Strongly disagree	5	1.3%	2	.5%	7	1.9%
	Total	246	65.8%	128	34.2%	374	100.0%
Q18.3	Strongly agree	91	24.3%	51	13.6%	142	38.0%
	Agree	91	24.3%	46	12.3%	137	36.6%
	Neutral	42	11.2%	28	7.5%	70	18.7%
	Disagree	15	4.0%	3	.8%	18	4.8%
	Strongly disagree	7	1.9%	0	.0%	7	1.9%
	Total	246	65.8%	128	34.2%	374	100.0%
Q18.4	Strongly agree	76	20.3%	41	11.0%	117	31.3%
	Agree	86	23.0%	55	14.7%	141	37.7%
	Neutral	59	15.8%	25	6.7%	84	22.5%
	Disagree	18	4.8%	6	1.6%	24	6.4%
	Strongly disagree	7	1.9%	1	.3%	8	2.1%
	Total	246	65.8%	128	34.2%	374	100.0%
Q18.5	Strongly agree	98	26.2%	45	12.0%	143	38.2%
	Agree	84	22.5%	51	13.6%	135	36.1%
	Neutral	37	9.9%	23	6.1%	60	16.0%
	Disagree	21	5.6%	8	2.1%	29	7.8%
	Strongly disagree	6	1.6%	1	.3%	7	1.9%
	Total	246	65.8%	128	34.2%	374	100.0%
Q18.6	Strongly agree	121	32.4%	52	13.9%	173	46.3%
	Agree	69	18.4%	45	12.0%	114	30.5%
	Neutral	32	8.6%	21	5.6%	53	14.2%
	Disagree	14	3.7%	9	2.4%	23	6.1%
	Strongly disagree	10	2.7%	1	.3%	11	2.9%
	Total	246	65.8%	128	34.2%	374	100.0%
Q18.7	Strongly agree	109	29.3%	49	13.2%	158	42.5%
	Agree	72	19.4%	55	14.8%	127	34.1%
	Neutral	31	8.3%	13	3.5%	44	11.8%
	Disagree	21	5.6%	6	1.6%	27	7.3%
	Strongly disagree	12	3.2%	4	1.1%	16	4.3%
	Total	245	65.9%	127	34.1%	372	100.0%

### Pearson Chi-Square Tests

		Q15.5 None of the above
Q18.1	Chi-square	28.351
	df	4
	Sig.	.000*
Q18.2	Chi-square	10.133
	df	4
	Sig.	.038*, <sup>a</sup>
Q18.3	Chi-square	7.350
	df	4
	Sig.	.118 <sup>a</sup>
Q18.4	Chi-square	4.795
	df	4
	Sig.	.309
Q18.5	Chi-square	3.494
	df	4
	Sig.	.479 <sup>a</sup>
Q18.6	Chi-square	6.748
	df	4
	Sig.	.150
Q18.7	Chi-square	8.147
	df	4
	Sig.	.086

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q15.6					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	0	.0%	68	18.2%	68	18.2%
	Agree	1	.3%	43	11.5%	44	11.8%
	Neutral	1	.3%	79	21.1%	80	21.4%
	Disagree	1	.3%	150	40.1%	151	40.4%
	Strongly disagree	2	.5%	29	7.8%	31	8.3%
	Total	5	1.3%	369	98.7%	374	100.0%
Q18.2	Strongly agree	0	.0%	85	22.7%	85	22.7%
	Agree	1	.3%	103	27.5%	104	27.8%
	Neutral	4	1.1%	131	35.0%	135	36.1%
	Disagree	0	.0%	43	11.5%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	5	1.3%	369	98.7%	374	100.0%
Q18.3	Strongly agree	2	.5%	140	37.4%	142	38.0%
	Agree	3	.8%	134	35.8%	137	36.6%
	Neutral	0	.0%	70	18.7%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	5	1.3%	369	98.7%	374	100.0%
Q18.4	Strongly agree	1	.3%	116	31.0%	117	31.3%
	Agree	3	.8%	138	36.9%	141	37.7%
	Neutral	1	.3%	83	22.2%	84	22.5%
	Disagree	0	.0%	24	6.4%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	5	1.3%	369	98.7%	374	100.0%
Q18.5	Strongly agree	1	.3%	142	38.0%	143	38.2%
	Agree	4	1.1%	131	35.0%	135	36.1%
	Neutral	0	.0%	60	16.0%	60	16.0%
	Disagree	0	.0%	29	7.8%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	5	1.3%	369	98.7%	374	100.0%
Q18.6	Strongly agree	4	1.1%	169	45.2%	173	46.3%
	Agree	1	.3%	113	30.2%	114	30.5%
	Neutral	0	.0%	53	14.2%	53	14.2%
	Disagree	0	.0%	23	6.1%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	5	1.3%	369	98.7%	374	100.0%
Q18.7	Strongly agree	4	1.1%	154	41.4%	158	42.5%
	Agree	1	.3%	126	33.9%	127	34.1%
	Neutral	0	.0%	44	11.8%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	0	.0%	16	4.3%	16	4.3%
	Total	5	1.3%	367	98.7%	372	100.0%

**Pearson Chi-Square Tests**

		Q15.6
Q18.1	Chi-square	7.887
	df	4
	Sig.	.096 <sup>a,b</sup>
Q18.2	Chi-square	4.647
	df	4
	Sig.	.326 <sup>a,b</sup>
Q18.3	Chi-square	2.048
	df	4
	Sig.	.727 <sup>a,b</sup>
Q18.4	Chi-square	1.322
	df	4
	Sig.	.858 <sup>a,b</sup>
Q18.5	Chi-square	4.448
	df	4
	Sig.	.349 <sup>a,b</sup>
Q18.6	Chi-square	2.609
	df	4
	Sig.	.625 <sup>a,b</sup>
Q18.7	Chi-square	3.163
	df	4
	Sig.	.531 <sup>a,b</sup>

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- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.



		Q15.7					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	0	.0%	68	18.2%	68	18.2%
	Agree	1	.3%	43	11.5%	44	11.8%
	Neutral	0	.0%	80	21.4%	80	21.4%
	Disagree	1	.3%	150	40.1%	151	40.4%
	Strongly disagree	0	.0%	31	8.3%	31	8.3%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.2	Strongly agree	0	.0%	85	22.7%	85	22.7%
	Agree	1	.3%	103	27.5%	104	27.8%
	Neutral	1	.3%	134	35.8%	135	36.1%
	Disagree	0	.0%	43	11.5%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.3	Strongly agree	1	.3%	141	37.7%	142	38.0%
	Agree	0	.0%	137	36.6%	137	36.6%
	Neutral	1	.3%	69	18.4%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.4	Strongly agree	0	.0%	117	31.3%	117	31.3%
	Agree	2	.5%	139	37.2%	141	37.7%
	Neutral	0	.0%	84	22.5%	84	22.5%
	Disagree	0	.0%	24	6.4%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.5	Strongly agree	0	.0%	143	38.2%	143	38.2%
	Agree	1	.3%	134	35.8%	135	36.1%
	Neutral	1	.3%	59	15.8%	60	16.0%
	Disagree	0	.0%	29	7.8%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.6	Strongly agree	1	.3%	172	46.0%	173	46.3%
	Agree	0	.0%	114	30.5%	114	30.5%
	Neutral	1	.3%	52	13.9%	53	14.2%
	Disagree	0	.0%	23	6.1%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	2	.5%	372	99.5%	374	100.0%
Q18.7	Strongly agree	1	.3%	157	42.2%	158	42.5%
	Agree	1	.3%	126	33.9%	127	34.1%
	Neutral	0	.0%	44	11.8%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	0	.0%	16	4.3%	16	4.3%
	Total	2	.5%	370	99.5%	372	100.0%

### Pearson Chi-Square Tests

		Q15.7
Q18.1	Chi-square	3.507
	df	4
	Sig.	.477 <sup>a,b</sup>
Q18.2	Chi-square	1.190
	df	4
	Sig.	.880 <sup>a,b</sup>
Q18.3	Chi-square	1.999
	df	4
	Sig.	.736 <sup>a,b</sup>
Q18.4	Chi-square	3.323
	df	4
	Sig.	.505 <sup>a,b</sup>
Q18.5	Chi-square	2.515
	df	4
	Sig.	.642 <sup>a,b</sup>
Q18.6	Chi-square	2.623
	df	4
	Sig.	.623 <sup>a,b</sup>
Q18.7	Chi-square	.645
	df	4
	Sig.	.958 <sup>a,b</sup>

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- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q16.1 Local advertising					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	37	9.9%	31	8.3%	68	18.2%
	Agree	20	5.3%	24	6.4%	44	11.8%
	Neutral	40	10.7%	40	10.7%	80	21.4%
	Disagree	91	24.3%	60	16.0%	151	40.4%
	Strongly disagree	26	7.0%	5	1.3%	31	8.3%
	Total	214	57.2%	160	42.8%	374	100.0%
Q18.2	Strongly agree	38	10.2%	47	12.6%	85	22.7%
	Agree	71	19.0%	33	8.8%	104	27.8%
	Neutral	84	22.5%	51	13.6%	135	36.1%
	Disagree	16	4.3%	27	7.2%	43	11.5%
	Strongly disagree	5	1.3%	2	.5%	7	1.9%
	Total	214	57.2%	160	42.8%	374	100.0%
Q18.3	Strongly agree	76	20.3%	66	17.6%	142	38.0%
	Agree	97	25.9%	40	10.7%	137	36.6%
	Neutral	28	7.5%	42	11.2%	70	18.7%
	Disagree	9	2.4%	9	2.4%	18	4.8%
	Strongly disagree	4	1.1%	3	.8%	7	1.9%
	Total	214	57.2%	160	42.8%	374	100.0%
Q18.4	Strongly agree	64	17.1%	53	14.2%	117	31.3%
	Agree	101	27.0%	40	10.7%	141	37.7%
	Neutral	37	9.9%	47	12.6%	84	22.5%
	Disagree	9	2.4%	15	4.0%	24	6.4%
	Strongly disagree	3	.8%	5	1.3%	8	2.1%
	Total	214	57.2%	160	42.8%	374	100.0%
Q18.5	Strongly agree	85	22.7%	58	15.5%	143	38.2%
	Agree	86	23.0%	49	13.1%	135	36.1%
	Neutral	23	6.1%	37	9.9%	60	16.0%
	Disagree	15	4.0%	14	3.7%	29	7.8%
	Strongly disagree	5	1.3%	2	.5%	7	1.9%
	Total	214	57.2%	160	42.8%	374	100.0%
Q18.6	Strongly agree	107	28.6%	66	17.6%	173	46.3%
	Agree	70	18.7%	44	11.8%	114	30.5%
	Neutral	17	4.5%	36	9.6%	53	14.2%
	Disagree	11	2.9%	12	3.2%	23	6.1%
	Strongly disagree	9	2.4%	2	.5%	11	2.9%
	Total	214	57.2%	160	42.8%	374	100.0%
Q18.7	Strongly agree	95	25.5%	63	16.9%	158	42.5%
	Agree	80	21.5%	47	12.6%	127	34.1%
	Neutral	15	4.0%	29	7.8%	44	11.8%
	Disagree	11	3.0%	16	4.3%	27	7.3%
	Strongly disagree	13	3.5%	3	.8%	16	4.3%
	Total	214	57.5%	158	42.5%	372	100.0%

### Pearson Chi-Square Tests

		Q16.1 Local advertising
Q18.1	Chi-square	13.978
	df	4
	Sig.	.007*
Q18.2	Chi-square	19.616
	df	4
	Sig.	.001 <sup>*,a</sup>
Q18.3	Chi-square	19.982
	df	4
	Sig.	.001 <sup>*,a</sup>
Q18.4	Chi-square	23.304
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.5	Chi-square	12.285
	df	4
	Sig.	.015 <sup>*,a</sup>
Q18.6	Chi-square	19.567
	df	4
	Sig.	.001*
Q18.7	Chi-square	18.679
	df	4
	Sig.	.001*

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q16.2 National advertising					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	12	3.2%	56	15.0%	68	18.2%
	Agree	7	1.9%	37	9.9%	44	11.8%
	Neutral	5	1.3%	75	20.1%	80	21.4%
	Disagree	13	3.5%	138	36.9%	151	40.4%
	Strongly disagree	3	.8%	28	7.5%	31	8.3%
	Total	40	10.7%	334	89.3%	374	100.0%
Q18.2	Strongly agree	11	2.9%	74	19.8%	85	22.7%
	Agree	15	4.0%	89	23.8%	104	27.8%
	Neutral	8	2.1%	127	34.0%	135	36.1%
	Disagree	6	1.6%	37	9.9%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	40	10.7%	334	89.3%	374	100.0%
Q18.3	Strongly agree	27	7.2%	115	30.7%	142	38.0%
	Agree	8	2.1%	129	34.5%	137	36.6%
	Neutral	4	1.1%	66	17.6%	70	18.7%
	Disagree	0	.0%	18	4.8%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	40	10.7%	334	89.3%	374	100.0%
Q18.4	Strongly agree	16	4.3%	101	27.0%	117	31.3%
	Agree	17	4.5%	124	33.2%	141	37.7%
	Neutral	6	1.6%	78	20.9%	84	22.5%
	Disagree	1	.3%	23	6.1%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	40	10.7%	334	89.3%	374	100.0%
Q18.5	Strongly agree	20	5.3%	123	32.9%	143	38.2%
	Agree	16	4.3%	119	31.8%	135	36.1%
	Neutral	1	.3%	59	15.8%	60	16.0%
	Disagree	2	.5%	27	7.2%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	40	10.7%	334	89.3%	374	100.0%
Q18.6	Strongly agree	27	7.2%	146	39.0%	173	46.3%
	Agree	9	2.4%	105	28.1%	114	30.5%
	Neutral	2	.5%	51	13.6%	53	14.2%
	Disagree	1	.3%	22	5.9%	23	6.1%
	Strongly disagree	1	.3%	10	2.7%	11	2.9%
	Total	40	10.7%	334	89.3%	374	100.0%
Q18.7	Strongly agree	23	6.2%	135	36.3%	158	42.5%
	Agree	14	3.8%	113	30.4%	127	34.1%
	Neutral	2	.5%	42	11.3%	44	11.8%
	Disagree	0	.0%	27	7.3%	27	7.3%
	Strongly disagree	1	.3%	15	4.0%	16	4.3%
	Total	40	10.8%	332	89.2%	372	100.0%

### Pearson Chi-Square Tests

		Q16.2 National advertising
Q18.1	Chi-square	7.070
	df	4
	Sig.	.132 <sup>a</sup>
Q18.2	Chi-square	6.493
	df	4
	Sig.	.165 <sup>a,b</sup>
Q18.3	Chi-square	17.739
	df	4
	Sig.	.001 <sup>*,a,b</sup>
Q18.4	Chi-square	4.500
	df	4
	Sig.	.343 <sup>a,b</sup>
Q18.5	Chi-square	7.464
	df	4
	Sig.	.113 <sup>a,b</sup>
Q18.6	Chi-square	8.964
	df	4
	Sig.	.062 <sup>a</sup>
Q18.7	Chi-square	7.750
	df	4
	Sig.	.101 <sup>a</sup>

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\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

		Q16.3 Sponsorship					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	2	.5%	66	17.6%	68	18.2%
	Agree	1	.3%	43	11.5%	44	11.8%
	Neutral	2	.5%	78	20.9%	80	21.4%
	Disagree	5	1.3%	146	39.0%	151	40.4%
	Strongly disagree	2	.5%	29	7.8%	31	8.3%
	Total	12	3.2%	362	96.8%	374	100.0%
Q18.2	Strongly agree	3	.8%	82	21.9%	85	22.7%
	Agree	3	.8%	101	27.0%	104	27.8%
	Neutral	4	1.1%	131	35.0%	135	36.1%
	Disagree	2	.5%	41	11.0%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	12	3.2%	362	96.8%	374	100.0%
Q18.3	Strongly agree	5	1.3%	137	36.6%	142	38.0%
	Agree	2	.5%	135	36.1%	137	36.6%
	Neutral	3	.8%	67	17.9%	70	18.7%
	Disagree	2	.5%	16	4.3%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	12	3.2%	362	96.8%	374	100.0%
Q18.4	Strongly agree	3	.8%	114	30.5%	117	31.3%
	Agree	6	1.6%	135	36.1%	141	37.7%
	Neutral	1	.3%	83	22.2%	84	22.5%
	Disagree	2	.5%	22	5.9%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	12	3.2%	362	96.8%	374	100.0%
Q18.5	Strongly agree	3	.8%	140	37.4%	143	38.2%
	Agree	7	1.9%	128	34.2%	135	36.1%
	Neutral	1	.3%	59	15.8%	60	16.0%
	Disagree	1	.3%	28	7.5%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	12	3.2%	362	96.8%	374	100.0%
Q18.6	Strongly agree	6	1.6%	167	44.7%	173	46.3%
	Agree	3	.8%	111	29.7%	114	30.5%
	Neutral	2	.5%	51	13.6%	53	14.2%
	Disagree	1	.3%	22	5.9%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	12	3.2%	362	96.8%	374	100.0%
Q18.7	Strongly agree	3	.8%	155	41.7%	158	42.5%
	Agree	6	1.6%	121	32.5%	127	34.1%
	Neutral	2	.5%	42	11.3%	44	11.8%
	Disagree	1	.3%	26	7.0%	27	7.3%
	Strongly disagree	0	.0%	16	4.3%	16	4.3%
	Total	12	3.2%	360	96.8%	372	100.0%

### Pearson Chi-Square Tests

		Q16.3 Sponsorship
Q18.1	Chi-square	1.324
	df	4
	Sig.	.857 <sup>a,b</sup>
Q18.2	Chi-square	.610
	df	4
	Sig.	.962 <sup>a,b</sup>
Q18.3	Chi-square	5.507
	df	4
	Sig.	.239 <sup>a,b</sup>
Q18.4	Chi-square	4.050
	df	4
	Sig.	.399 <sup>a,b</sup>
Q18.5	Chi-square	2.963
	df	4
	Sig.	.564 <sup>a,b</sup>
Q18.6	Chi-square	.675
	df	4
	Sig.	.954 <sup>a,b</sup>
Q18.7	Chi-square	2.604
	df	4
	Sig.	.626 <sup>a,b</sup>

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- b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.



		Q16.4 Brochures					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	22	5.9%	46	12.3%	68	18.2%
	Agree	19	5.1%	25	6.7%	44	11.8%
	Neutral	40	10.7%	40	10.7%	80	21.4%
	Disagree	60	16.0%	91	24.3%	151	40.4%
	Strongly disagree	16	4.3%	15	4.0%	31	8.3%
	Total	157	42.0%	217	58.0%	374	100.0%
Q18.2	Strongly agree	29	7.8%	56	15.0%	85	22.7%
	Agree	49	13.1%	55	14.7%	104	27.8%
	Neutral	64	17.1%	71	19.0%	135	36.1%
	Disagree	13	3.5%	30	8.0%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	157	42.0%	217	58.0%	374	100.0%
Q18.3	Strongly agree	56	15.0%	86	23.0%	142	38.0%
	Agree	67	17.9%	70	18.7%	137	36.6%
	Neutral	28	7.5%	42	11.2%	70	18.7%
	Disagree	5	1.3%	13	3.5%	18	4.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	157	42.0%	217	58.0%	374	100.0%
Q18.4	Strongly agree	44	11.8%	73	19.5%	117	31.3%
	Agree	75	20.1%	66	17.6%	141	37.7%
	Neutral	26	7.0%	58	15.5%	84	22.5%
	Disagree	10	2.7%	14	3.7%	24	6.4%
	Strongly disagree	2	.5%	6	1.6%	8	2.1%
	Total	157	42.0%	217	58.0%	374	100.0%
Q18.5	Strongly agree	64	17.1%	79	21.1%	143	38.2%
	Agree	63	16.8%	72	19.3%	135	36.1%
	Neutral	20	5.3%	40	10.7%	60	16.0%
	Disagree	9	2.4%	20	5.3%	29	7.8%
	Strongly disagree	1	.3%	6	1.6%	7	1.9%
	Total	157	42.0%	217	58.0%	374	100.0%
Q18.6	Strongly agree	77	20.6%	96	25.7%	173	46.3%
	Agree	55	14.7%	59	15.8%	114	30.5%
	Neutral	20	5.3%	33	8.8%	53	14.2%
	Disagree	4	1.1%	19	5.1%	23	6.1%
	Strongly disagree	1	.3%	10	2.7%	11	2.9%
	Total	157	42.0%	217	58.0%	374	100.0%
Q18.7	Strongly agree	73	19.6%	85	22.8%	158	42.5%
	Agree	60	16.1%	67	18.0%	127	34.1%
	Neutral	15	4.0%	29	7.8%	44	11.8%
	Disagree	7	1.9%	20	5.4%	27	7.3%
	Strongly disagree	2	.5%	14	3.8%	16	4.3%
	Total	157	42.2%	215	57.8%	372	100.0%

**Pearson Chi-Square Tests**

		Q16.4 Brochures
Q18.1	Chi-square	6.220
	df	4
	Sig.	.183
Q18.2	Chi-square	7.869
	df	4
	Sig.	.096 <sup>a</sup>
Q18.3	Chi-square	6.882
	df	4
	Sig.	.142 <sup>a</sup>
Q18.4	Chi-square	13.337
	df	4
	Sig.	.010 <sup>*,a</sup>
Q18.5	Chi-square	7.142
	df	4
	Sig.	.129 <sup>a</sup>
Q18.6	Chi-square	13.278
	df	4
	Sig.	.010 <sup>*</sup>
Q18.7	Chi-square	12.266
	df	4
	Sig.	.015 <sup>*</sup>

Results are based on nonempty rows and columns in each innermost subtable.

\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q16.5 Personal selling					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	20	5.3%	48	12.8%	68	18.2%
	Agree	13	3.5%	31	8.3%	44	11.8%
	Neutral	28	7.5%	52	13.9%	80	21.4%
	Disagree	76	20.3%	75	20.1%	151	40.4%
	Strongly disagree	12	3.2%	19	5.1%	31	8.3%
	Total	149	39.8%	225	60.2%	374	100.0%
Q18.2	Strongly agree	29	7.8%	56	15.0%	85	22.7%
	Agree	45	12.0%	59	15.8%	104	27.8%
	Neutral	59	15.8%	76	20.3%	135	36.1%
	Disagree	13	3.5%	30	8.0%	43	11.5%
	Strongly disagree	3	.8%	4	1.1%	7	1.9%
	Total	149	39.8%	225	60.2%	374	100.0%
Q18.3	Strongly agree	63	16.8%	79	21.1%	142	38.0%
	Agree	56	15.0%	81	21.7%	137	36.6%
	Neutral	24	6.4%	46	12.3%	70	18.7%
	Disagree	4	1.1%	14	3.7%	18	4.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	149	39.8%	225	60.2%	374	100.0%
Q18.4	Strongly agree	46	12.3%	71	19.0%	117	31.3%
	Agree	66	17.6%	75	20.1%	141	37.7%
	Neutral	30	8.0%	54	14.4%	84	22.5%
	Disagree	3	.8%	21	5.6%	24	6.4%
	Strongly disagree	4	1.1%	4	1.1%	8	2.1%
	Total	149	39.8%	225	60.2%	374	100.0%
Q18.5	Strongly agree	62	16.6%	81	21.7%	143	38.2%
	Agree	57	15.2%	78	20.9%	135	36.1%
	Neutral	19	5.1%	41	11.0%	60	16.0%
	Disagree	8	2.1%	21	5.6%	29	7.8%
	Strongly disagree	3	.8%	4	1.1%	7	1.9%
	Total	149	39.8%	225	60.2%	374	100.0%
Q18.6	Strongly agree	77	20.6%	96	25.7%	173	46.3%
	Agree	46	12.3%	68	18.2%	114	30.5%
	Neutral	13	3.5%	40	10.7%	53	14.2%
	Disagree	9	2.4%	14	3.7%	23	6.1%
	Strongly disagree	4	1.1%	7	1.9%	11	2.9%
	Total	149	39.8%	225	60.2%	374	100.0%
Q18.7	Strongly agree	69	18.5%	89	23.9%	158	42.5%
	Agree	50	13.4%	77	20.7%	127	34.1%
	Neutral	15	4.0%	29	7.8%	44	11.8%
	Disagree	10	2.7%	17	4.6%	27	7.3%
	Strongly disagree	5	1.3%	11	3.0%	16	4.3%
	Total	149	40.1%	223	59.9%	372	100.0%

**Pearson Chi-Square Tests**

		Q16.5 Personal selling
Q18.1	Chi-square	12.764
	df	4
	Sig.	.012*
Q18.2	Chi-square	4.195
	df	4
	Sig.	.380 <sup>a</sup>
Q18.3	Chi-square	4.878
	df	4
	Sig.	.300 <sup>a</sup>
Q18.4	Chi-square	11.296
	df	4
	Sig.	.023 <sup>*,a</sup>
Q18.5	Chi-square	4.573
	df	4
	Sig.	.334 <sup>a</sup>
Q18.6	Chi-square	6.830
	df	4
	Sig.	.145
Q18.7	Chi-square	2.156
	df	4
	Sig.	.707

Results are based on nonempty rows and columns in each innermost subtable.

\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q16.6 Competitions					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	4	1.1%	64	17.1%	68	18.2%
	Agree	3	.8%	41	11.0%	44	11.8%
	Neutral	13	3.5%	67	17.9%	80	21.4%
	Disagree	39	10.4%	112	29.9%	151	40.4%
	Strongly disagree	9	2.4%	22	5.9%	31	8.3%
	Total	68	18.2%	306	81.8%	374	100.0%
Q18.2	Strongly agree	12	3.2%	73	19.5%	85	22.7%
	Agree	26	7.0%	78	20.9%	104	27.8%
	Neutral	27	7.2%	108	28.9%	135	36.1%
	Disagree	3	.8%	40	10.7%	43	11.5%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	68	18.2%	306	81.8%	374	100.0%
Q18.3	Strongly agree	36	9.6%	106	28.3%	142	38.0%
	Agree	29	7.8%	108	28.9%	137	36.6%
	Neutral	2	.5%	68	18.2%	70	18.7%
	Disagree	1	.3%	17	4.5%	18	4.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	68	18.2%	306	81.8%	374	100.0%
Q18.4	Strongly agree	24	6.4%	93	24.9%	117	31.3%
	Agree	38	10.2%	103	27.5%	141	37.7%
	Neutral	5	1.3%	79	21.1%	84	22.5%
	Disagree	1	.3%	23	6.1%	24	6.4%
	Strongly disagree	0	.0%	8	2.1%	8	2.1%
	Total	68	18.2%	306	81.8%	374	100.0%
Q18.5	Strongly agree	40	10.7%	103	27.5%	143	38.2%
	Agree	26	7.0%	109	29.1%	135	36.1%
	Neutral	2	.5%	58	15.5%	60	16.0%
	Disagree	0	.0%	29	7.8%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	68	18.2%	306	81.8%	374	100.0%
Q18.6	Strongly agree	44	11.8%	129	34.5%	173	46.3%
	Agree	21	5.6%	93	24.9%	114	30.5%
	Neutral	2	.5%	51	13.6%	53	14.2%
	Disagree	1	.3%	22	5.9%	23	6.1%
	Strongly disagree	0	.0%	11	2.9%	11	2.9%
	Total	68	18.2%	306	81.8%	374	100.0%
Q18.7	Strongly agree	36	9.7%	122	32.8%	158	42.5%
	Agree	28	7.5%	99	26.6%	127	34.1%
	Neutral	1	.3%	43	11.6%	44	11.8%
	Disagree	1	.3%	26	7.0%	27	7.3%
	Strongly disagree	1	.3%	15	4.0%	16	4.3%
	Total	67	18.0%	305	82.0%	372	100.0%

### Pearson Chi-Square Tests

		Q16.6 Competitions
Q18.1	Chi-square	19.323
	df	4
	Sig.	.001*
Q18.2	Chi-square	9.679
	df	4
	Sig.	.046*
Q18.3	Chi-square	20.264
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.4	Chi-square	21.107
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.5	Chi-square	26.212
	df	4
	Sig.	.000*
Q18.6	Chi-square	18.920
	df	4
	Sig.	.001 <sup>*,a</sup>
Q18.7	Chi-square	16.461
	df	4
	Sig.	.002 <sup>*,a</sup>

Results are based on nonempty rows and columns in each innermost subtable.

\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

		Q16.7 Special offers					
		Yes		No		Total	
		n	%	n	%	n	%
Q18.1	Strongly agree	21	5.6%	47	12.6%	68	18.2%
	Agree	17	4.5%	27	7.2%	44	11.8%
	Neutral	26	7.0%	54	14.4%	80	21.4%
	Disagree	78	20.9%	73	19.5%	151	40.4%
	Strongly disagree	17	4.5%	14	3.7%	31	8.3%
	Total	159	42.5%	215	57.5%	374	100.0%
Q18.2	Strongly agree	26	7.0%	59	15.8%	85	22.7%
	Agree	59	15.8%	45	12.0%	104	27.8%
	Neutral	62	16.6%	73	19.5%	135	36.1%
	Disagree	10	2.7%	33	8.8%	43	11.5%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	159	42.5%	215	57.5%	374	100.0%
Q18.3	Strongly agree	56	15.0%	86	23.0%	142	38.0%
	Agree	80	21.4%	57	15.2%	137	36.6%
	Neutral	16	4.3%	54	14.4%	70	18.7%
	Disagree	5	1.3%	13	3.5%	18	4.8%
	Strongly disagree	2	.5%	5	1.3%	7	1.9%
	Total	159	42.5%	215	57.5%	374	100.0%
Q18.4	Strongly agree	41	11.0%	76	20.3%	117	31.3%
	Agree	84	22.5%	57	15.2%	141	37.7%
	Neutral	29	7.8%	55	14.7%	84	22.5%
	Disagree	2	.5%	22	5.9%	24	6.4%
	Strongly disagree	3	.8%	5	1.3%	8	2.1%
	Total	159	42.5%	215	57.5%	374	100.0%
Q18.5	Strongly agree	64	17.1%	79	21.1%	143	38.2%
	Agree	70	18.7%	65	17.4%	135	36.1%
	Neutral	16	4.3%	44	11.8%	60	16.0%
	Disagree	9	2.4%	20	5.3%	29	7.8%
	Strongly disagree	0	.0%	7	1.9%	7	1.9%
	Total	159	42.5%	215	57.5%	374	100.0%
Q18.6	Strongly agree	88	23.5%	85	22.7%	173	46.3%
	Agree	51	13.6%	63	16.8%	114	30.5%
	Neutral	11	2.9%	42	11.2%	53	14.2%
	Disagree	6	1.6%	17	4.5%	23	6.1%
	Strongly disagree	3	.8%	8	2.1%	11	2.9%
	Total	159	42.5%	215	57.5%	374	100.0%
Q18.7	Strongly agree	73	19.6%	85	22.8%	158	42.5%
	Agree	70	18.8%	57	15.3%	127	34.1%
	Neutral	8	2.2%	36	9.7%	44	11.8%
	Disagree	4	1.1%	23	6.2%	27	7.3%
	Strongly disagree	4	1.1%	12	3.2%	16	4.3%
	Total	159	42.7%	213	57.3%	372	100.0%

### Pearson Chi-Square Tests

		Q16.7 Special offers
Q18.1	Chi-square	14.408
	df	4
	Sig.	.006*
Q18.2	Chi-square	21.273
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.3	Chi-square	27.910
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.4	Chi-square	33.214
	df	4
	Sig.	.000 <sup>*,a</sup>
Q18.5	Chi-square	18.017
	df	4
	Sig.	.001 <sup>*,a</sup>
Q18.6	Chi-square	19.022
	df	4
	Sig.	.001*
Q18.7	Chi-square	30.229
	df	4
	Sig.	.000*

Results are based on nonempty rows and columns in each innermost subtable.

\*. The Chi-square statistic is significant at the 0.05 level.

a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.



## APPENDIX E: Frequency table

### CHI-SQUARE TESTS

**Situated vs Services  
Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	121.228 <sup>a</sup>	84	.005
Likelihood Ratio	119.117	84	.007
N of Valid Cases	374		

a. 100 cells (90.9%) have expected count less than 5. The minimum expected count is .16.

**Situated vs How many years  
Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	65.069 <sup>a</sup>	16	.000
Likelihood Ratio	73.179	16	.000
Linear-by-Linear Association	2.392	1	.122
N of Valid Cases	374		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.78.

**Owned vs How many years  
Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.735 <sup>a</sup>	8	.000
Likelihood Ratio	34.158	8	.000
Linear-by-Linear Association	.630	1	.428
N of Valid Cases	374		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.45.

**Owned vs training  
Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	71.382 <sup>a</sup>	48	.016
Likelihood Ratio	72.053	48	.014
N of Valid Cases	374		

a. 55 cells (73.3%) have expected count less than 5. The minimum expected count is .18.

**Owned vs Factors**  
**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	254.363 <sup>a</sup>	236	.196
Likelihood Ratio	276.447	236	.036
N of Valid Cases	374		

a. 346 cells (96.9%) have expected count less than 5. The minimum expected count is .18.

**Sources vs Marketing roles**  
**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	874.262 <sup>a</sup>	378	.000
Likelihood Ratio	246.666	378	1.000
N of Valid Cases	374		

a. 400 cells (95.7%) have expected count less than 5. The minimum expected count is .00.

**Understanding vs marketing roles**  
**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	767.955 <sup>a</sup>	462	.000
Likelihood Ratio	392.665	462	.991
N of Valid Cases	374		

a. 489 cells (96.6%) have expected count less than 5. The minimum expected count is .00.

**Marketing roles vs Products are effectively**  
**Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	648.813 <sup>a</sup>	378	.000
Likelihood Ratio	325.504	378	.976
N of Valid Cases	374		

a. 399 cells (95.5%) have expected count less than 5. The minimum expected count is .00.

**Marketing roles vs marketing ability**  
**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	403.735 <sup>a</sup>	399	.424
Likelihood Ratio	198.383	399	1.000
N of Valid Cases	374		

a. 423 cells (96.1%) have expected count less than 5. The minimum expected count is .00.

**Marketing roles vs marketing activities**  
**Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	689.678 <sup>a</sup>	525	.000
Likelihood Ratio	275.713	525	1.000
N of Valid Cases	374		

a. 555 cells (97.0%) have expected count less than 5. The minimum expected count is .00.

**Marketing roles vs Services**  
**Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1328.379 <sup>a</sup>	441	.000
Likelihood Ratio	251.079	441	1.000
N of Valid Cases	374		

a. 469 cells (96.9%) have expected count less than 5. The minimum expected count is .00.

**Marketing roles vs Methods**  
**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3357.366 <sup>a</sup>	2499	.000
Likelihood Ratio	1023.967	2499	1.000
N of Valid Cases	374		

a. 2637 cells (99.9%) have expected count less than 5. The minimum expected count is .00.

**Marketing roles vs Affects**  
**Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	491.626 <sup>a</sup>	525	.849
Likelihood Ratio	310.780	525	1.000
N of Valid Cases	374		

a. 556 cells (97.2%) have expected count less than 5. The minimum expected count is .00.

**Marketing roles vs Support I get**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	140.799 <sup>a</sup>	84	.000
Likelihood Ratio	144.890	84	.000
N of Valid Cases	374		

a. 90 cells (81.8%) have expected count less than 5. The minimum expected count is .08.

**Marketing roles vs SMME owners**

**Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	121.683 <sup>a</sup>	84	.005
Likelihood Ratio	125.791	84	.002
N of Valid Cases	374		

a. 88 cells (80.0%) have expected count less than 5. The minimum expected count is .02.

**Marketing roles vs Marketing is important Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	125.259 <sup>a</sup>	84	.002
Likelihood Ratio	137.466	84	.000
N of Valid Cases	374		

a. 92 cells (83.6%) have expected count less than 5. The minimum expected count is .02.

**Marketing roles vs Getting more referrals****Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	102.387 <sup>a</sup>	84	.084
Likelihood Ratio	119.856	84	.006
N of Valid Cases	374		

a. 90 cells (81.8%) have expected count less than 5. The minimum expected count is .02.

**Marketing roles vs Getting more customer royalty****Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	102.487 <sup>a</sup>	84	.083
Likelihood Ratio	118.399	84	.008
N of Valid Cases	374		

a. 92 cells (83.6%) have expected count less than 5. The minimum expected count is .02.

**Marketing roles vs Getting more sales****Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	110.528 <sup>a</sup>	84	.028
Likelihood Ratio	121.501	84	.005
N of Valid Cases	374		

a. 90 cells (81.8%) have expected count less than 5. The minimum expected count is .03.

**Marketing roles vs Source of Info****Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	103.141 <sup>a</sup>	84	.077
Likelihood Ratio	119.115	84	.007
N of Valid Cases	372		

a. 90 cells (81.8%) have expected count less than 5. The minimum expected count is .04.