



**A COMPARATIVE STUDY OF MARKETING COMMUNICATIONS OF LOCAL AND
FOREIGN NATIONAL SMALL GROCERY TUCK-SHOP OWNERS IN SELECTED
MUNICIPALITIES IN THE FREE STATE PROVINCE.**

By

BOITUMELO MORAKANE CATHERINE PHALATSI

Submitted in fulfilment of the requirement for the degree of

Master of Management Sciences: Marketing Management

In the Faculty of

MANAGEMENT SCIENCES

of the

CENTRAL UNIVERSITY OF TECHNOLOGY,

FREE STATE

SUPERVISOR: PROFESSOR C. CHIPUNZA

CO-SUPERVISOR: DR E. AMOAKOH

MAY 2018

DECLARATION

I, Boitumelo Morakane Catherine Phalatsi, student number _____ do hereby declare that this dissertation submitted to the Central University of Technology, Free State for the Degree of Master of Management Sciences in Marketing Management, is my own independent work and has not been submitted to any institution in attainment of any qualification. I further cede the copyright of the dissertation in favour of the Central University of Technology, Free State.

.....

Signature of student

.....

Date

ACKNOWLEDGEMENTS

This work would not have been a success without the help and support of many individuals in my life. I would like to thank and appreciate everyone who has been a pillar of strength throughout the journey.

Firstly, I would like to gracefully acknowledge my Heavenly Father for bestowing blessings on me and for His protection throughout my journey.

My greatest appreciation goes to my supervisor, Prof Crispin Chipunza, for his patience, support and guidance from day one. ***You are my hero.***

Dr Edmund Amoakoh, for always checking my work to make sure my study is perfect.

I want to express my deeply appreciation to my mother, Bertha Mashomeng, for first of all, giving birth to such a wonder; “Mama I made it”. Your love and support saw me through this journey. My father, Jackson Mashomeng, for your undying love and support and always believing in me from day one; without you I would not have made it this far. My little sister, Bonolo Phalatsi, for always, and I mean ‘always’ being my cheerleader and my Red Bull in times of need, “Jojo look at me”. To my brother-in-law, Katlego Mogorosi, for always mentoring and pushing me to do better.

I want to thank the rest of my family - Koko Nontuli, Daniel Nkabinde and Victoria Fona Phalatsi - for always cheering for me and their prayers,

To my loved one Thabo Hamisi, thanks for your love and support and always being patient with me. To my best friend Lucia Mkhize, I appreciate your support and always believing that I will make it, no matter what.

To my friends - Lerato Moalosi, Nomsa Nkgedi, Kgalalelo Maputle, Disebo Modise, Thapelo Moeti, Lebohang Monyaki (study partner), Nosiphiwe Mpithi and Sylvester Kodisang, thank you for your help, support and advice.

To Prof Patience Rambe, thank you for your guidance.

Andrew Mandeya, thank you for providing your statistical data-analysing skills and your constructive criticism.

Lastly, I would like to thank all the respondents who participated in this study.

DEDICATIONS

I dedicate this thesis to my nephew (Atlegang Mogorosi), grandmother (Elizabeth Moseneke) and my late father (Silas Phalatsi).

ABSTRACT

Despite evidence of use and research in marketing communications by large retail businesses in South Africa, the continued proliferation of small grocery tuck-shops in South African townships has presented the small retail business environment with stiff competition from local and foreign national-owned businesses. Observations show that foreign national tuck-shop owners employ best customer services and effective packaging of their goods as part of their marketing communications, yet no empirical evidence is available to suggest that local tuck-shop owners do the same. The objective of this study was to investigate the differences in marketing communications between foreign national tuck-shop owners and local tuck-shop owners in the Free State Province, South Africa. Using descriptive, cross-sectional comparative research design, a population of 464 tuck-shop owners, foreign nationals and South Africans provided data for the research. Stratified proportional random sampling technique was used to select a sample size of 236, 136 foreign nationals and 100 South Africans. Data was collected using a self-administered structured questionnaire, with items measured on a Likert scale of (1) *Strongly Disagree* to (5) *Strongly Agree*, as well some from (1) *Not at all* to (5) *To a greater extent*. Data was analysed using descriptive statistics, Exploratory Factor analysis, Student T-test for independent samples, Chi-square and 4-way ANOVA. The findings of the study revealed that the choice of marketing communications is not the same across nationalities, except for the broadcast media and market research. The results further revealed that foreign national tuck-shop owners are using marketing communications more than their South African counterparts. Implications for the improvement of marketing communications among local tuck-shop owners are discussed.

Key words: marketing communications, small grocery tuck-shops, foreign national tuck-shop owners, local tuck-shop owners

Table of Contents

Declaration.....	i
Acknowledgement.....	ii
Dedication.....	iii
Abstract.....	iv
List of figures.....	ix
List of tables.....	x
CHAPTER 1: INTRODUCTION TO THE STUDY	1
1.1 INTRODUCTION AND BACKGROUND	1
1.2 PROBLEM BACKGROUND AND THE PROBLEM.....	2
1.3 RESEARCH QUESTION(S)	3
1.3.1 Main research question.....	3
1.3.2 Specific research questions.....	3
1.4 RESEARCH OBJECTIVE(S)	4
1.4.1 Main research objective	4
1.4.2 Specific research objectives	4
1.5 HYPOTHESIS	4
1.6 THEORETICAL FRAMEWORK.....	5
1.7 AIM OF THE STUDY	6
1.8 DELIMITATION OF THE STUDY	6
1.8.1 Size of organisation(s).....	6
1.8.2 Type of organisation(s).....	6
1.8.3 Geographical demarcation.....	6
1.8.4 Units of analysis	6
1.9 DEFINITION OF KEY CONCEPTS	7
1.9.1 Small grocery tuck-shop business.....	7
1.9.2 Marketing communications	7
1.9.3 Local tuck-shop owners.....	7
1.9.4 Foreign national tuck-shop owners.....	7
1.10 LIMITATIONS OF THE STUDY.....	7
1.11 OUTLINE OF THE STUDY	8
1.12 CONCLUSION.....	8
CHAPTER 2: LITERATURE REVIEW	9
2.1 INTRODUCTION	9
2.2 SMALL BUSINESSES (SMMES).....	9

2.2.1 Small Businesses in Perspective	10
2.2.2 Small Businesses in South Africa	11
2.2.3 Small Retail Businesses in South Africa.....	12
2.3 THE NATURE AND IMPORTANCE OF SMALL GROCERY TUCK-SHOP BUSINESSES IN SOUTH AFRICA	13
2.3.1 Informal Economy in South Africa	13
2.3.2 Small grocery tuck-shop businesses in South Africa.....	14
2.3.2.1 Characteristics of small grocery tuck-shop businesses	17
2.3.2.2 Demographic characteristics of small grocery tuck-shop owners/manager.....	18
2.3.2.2.1 Gender.....	18
2.3.2.2.2 Age.....	19
2.3.2.2.3 Education	20
2.3.2.2.4 Previous experience.....	21
2.3.2.3 The importance of small grocery tuck-shop businesses.....	21
2.3.2.3 Small grocery tuck-shop business environment.....	22
2.4 MARKETING COMMUNICATIONS	24
2.4.1 Marketing communications definitions	24
2.4.2 The significance of marketing communications.....	26
2.4.3 Marketing communications mix tools	27
2.4.3.1 Advertising	28
2.4.3.2 Sales Promotion.....	29
2.4.3.3 Personal Selling	31
2.4.3.4 Public Relations/Publicity.....	32
2.4.3.5 Direct Marketing.....	34
2.4.3.6 Events/Sponsorships.....	35
2.4.3.7 Product Placement.....	36
2.4.3.8 Packaging.....	37
2.4.3.9 Word-of-Mouth.....	37
2.4.3.10 Customer service.....	38
2.4.3.11 New Media	38
2.4.4 Marketing communications model	39
2.4.4.1 AIDA Model.....	42
2.4.4.2 DAGMAR Model.....	43
2.4.4.3 Lavidge & Steiner's Hierarchy-of-effects Model.....	44
2.5 MARKETING COMMUNICATIONS IN SMES IN PERSPECTIVE.....	46
2.5.1 Marketing communications used in SMEs	48

2.6 MARKETING COMMUNICATIONS IN THE SMALL GROCERY TUCK-SHOP BUSINESSES IN SOUTH AFRICA	51
2.7 THEORETICAL FRAMEWORK.....	55
2.8 PROPOSED FRAMEWORK	58
2.9 CONCLUSION.....	60
CHAPTER 3: RESEARCH METHODOLOGY.....	61
3.1 INTRODUCTION	61
3.2 MAIN AND RESEARCH QUESTIONS.....	61
3.3 RESEARCH OBJECTIVES	62
3.4 HYPOTHESES.....	62
3.5 RESEARCH PHILOSOPHY/PARADIGM	63
3.6 RESEARCH DESIGN	64
3.7 RESEARCH APPROACH	64
3.8 TARGET POPULATION	65
3.9 SAMPLING PROCEDURE	66
3.9.1 Sample.....	66
3.9.2 Sampling.....	66
3.9.3 Sample Size.....	67
3.10 DATA COLLECTION	67
3.10.1 Questionnaire Design.....	68
3.10.2 Pilot Study	68
3.10.3 Administering Questionnaires	69
3.10.4 Reliability and Validity of the Questionnaires.....	70
3.11 ETHICAL APPROACH TO FIELDWORK	71
3.12 DATA ANALYSIS	72
3.13 CONCLUSION.....	73
CHAPTER 4: ANALYSIS, RESULTS AND DISCUSSION.....	74
4.1 INTRODUCTION	74
4.2 DESCRIPTIVE STATISTICS	74
4.2.1 Response Rate	74
4.2.1 Demographics.....	75
4.3 EXPLORATORY FACTOR ANALYSIS	77
4.3.1 Reliability Analysis.....	82
4.4 NORMALITY TEST AND HYPOTHESIS TESTING.....	83
4.4.1 Normality Test.....	83
4.5 HYPOTHESIS TESTING.....	85

4.5.1 Student -test.....	86
4.5.2 Chi-square test	87
4.5.3 Student-test.....	93
4.5.4 Chi-square test	94
4.5.5 Analysis of Variance test.....	96
4.5.4 Parameter Estimates	97
4.5.4.1 Interpretation of the parameter estimates tables	98
4.5.4.2 Parameter estimates for choice of marketing communication methods.....	99
4.5.4.3 Parameter estimates for marketing communication reasons.....	112
4.6 CONCLUSION	120
CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS	121
5.1 INTRODUCTION	121
5.2 CONCLUSIONS BASED ON LITERATURE REVIEWED	121
5.3 CONCLUSIONS BASED ON RESEARCH HYPOTHESES	122
5.4 RECOMMENDATIONS	129
5.4.1 Recommendations for practice	129
5.4.2 Recommendations for future research.....	130
5.5 CONCLUSION	130
REFERENCE LIST	131
ANNEXURE A	146
ANNEXURE B	147
ANNEXURE C	148

LIST OF FIGURES

Figure 2.1: A shipping container used as a small grocery tuck-shop.....	15
Figure 2.2: A spaza shop made out of bricks built in the residential property.....	16
Figure 2.3: Marketing communications mix elements.....	28
Figure 2.4: Communication process model.....	39
Figure 2.5: Marketing communications process.....	41
Figure 2.6: AIDA Model.....	42
Figure 2.7: The DAGMAR model.....	43
Figure 2.8: Lavidge and Steiner's Hierarchy-of-effects model.....	44
Figure 2.9: Signboard used as a marketing communication tool.....	53
Figure 2.10: Components of Competitive Dynamics Theory and associated relationships.....	56
Figure 2.11: Conceptual framework on comparison of marketing communications...	59

LIST OF TABLES

Table 3.1: Sample size for each municipality.....	67
Table 4.1: Response rate for each municipality.....	75
Table 4.2: Demographic characteristics of respondents.....	76
Table 4.3: Factor analysis results for advertising.....	78
Table 4.4: Factor analysis results for sales promotion.....	79
Table 4.5: Factor analysis results for packaging.....	80
Table 4.6: Factor analysis results for word of mouth.....	80
Table 4.7: Factor analysis results for customer service.....	81
Table 4.8: Factor analysis results for personal selling.....	81
Table 4.9: Factor analysis results for public relations/publicity.....	82
Table 4.10: Reliability coefficients of factors representing methods and reasons for the choice of the methods.....	83
Table 4.11: Normality test using Kolmogorov-Smirnov (KS) test.....	84
Table 4.12: Student T-test results on market communication methods choice.....	86
Table 4.13: Product sample and group origin.....	88
Table 4.14: Origin by Product sampling.....	88
Table 4.15: Refund customers and group origin.....	90
Table 4.16: Origin by refunding customers.....	90
Table 4.17: Return products by group origin.....	91
Table 4.18: Origin by returning non-selling products.....	92
Table 4.19: Student T-test results on reasons for market communication method...	93
Table 4.20: Repackaging for increased price and group origin.....	94
Table 4.21: Origin by repacking to increase price.....	95

Table 4.22: Interaction model(s) results and Coefficient of determination for marketing communication methods.....96

Table 4.23: Interaction model results and Coefficient of determination for reasons of choices for marketing communication methods.....97

Table 4.24: Parameter estimates for two-way interaction ANOVA model of use of print media.....100

Table 4.25: Parameter estimates for two-way interaction ANOVA model of use of broadcast media.....101

Table 4.26: Parameter estimates for two-way interaction ANOVA model of business and product visibility.....102

Table 4.27: Parameter estimates for two-way interaction ANOVA model of use of discounting.....103

Table 4.28: Parameter estimates for two-way interaction ANOVA model of competitor driven repackaging.....105

Table 4.29: Parameter estimates for two-way interaction ANOVA model of use of customer service and pricing.....107

Table 4.30: Parameter estimates for two-way interaction ANOVA model of customer assistance.....108

Table 4.31: Parameter estimates for two-way interaction ANOVA model of market research.....109

Table 4.32: Parameter estimates for two-way interaction ANOVA model of charitable work.....110

Table 4.33: Parameter estimates for two-way interaction ANOVA model of brand building.....112

Table 4.34: Parameter estimates for two-way interaction ANOVA model of increased business performance.....113

Table 4.35: Parameter estimates for two-way interaction ANOVA model of use of customer driven repackaging.....114

Table 4.36: Parameter estimates for two-way interaction ANOVA model of use of business benefits.....	115
Table 4.37: Parameter estimates for two-way interaction ANOVA model of brand loyalty building.....	117
Table 4.38: Parameter estimates for two-way interaction ANOVA model of customer attraction.....	118
Table 4.39: Parameter estimates for two-way interaction ANOVA model of business image.....	119

CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 INTRODUCTION AND BACKGROUND

Marketing communications is one of the important activities any business owner should consider to remain competitive (Bangura, 2011:14). Marketing communications is defined as “a collective term for all various types of planned messages used to build a brand. These include advertising, public relations, sales promotion, direct marketing, personal selling, packaging, events and sponsorships, customer service and product placement” (Ouwersloot & Duncan, 2008:8). Using marketing communications to achieve competitive advantage is an acknowledgement by businesses of the increasingly significant roles this concept plays. Firstly, marketing communications enables an organisation to engage with its various audiences (Fill, 2005:1). Secondly, it is a source of interest to any business, because it provides opportunity for consumers to understand the value of an organisation’s products and the services they can be exposed to (Bangura, 2011:14). Thirdly, marketing communications not only offer organisations the opportunity to inform customers about their products, but also provides details, such as how and why the products are used, by whom, where and when they can be used (Schnalke, 2012:46). Lastly, marketing communications reminds and creates awareness in consumers, of the merit of the product (Fill, 2005:2). Given these points, it is evident that marketing communications are a vital part of any business (Mahyari, 2010:10).

In South Africa, marketing communications are regularly used, primarily, in established retail sectors, such as banking, automobile, legal services and grocery stores (Gabrielli & Balboni, 2010:278). There is growing evidence that despite these obvious advantages, consumers are moving away from big retail businesses, such as Pick ‘n Pay to more affordable and convenient small grocery retail businesses (Chebelyon-Dalizu, Garbowitz, Hause & Thomas, 2010:2). This shift by consumers is more prevalent in the South African townships, where there is a surge of small retail tuck-shops owned by both local and foreign nationals. The shift by consumers is caused by the economic and social changes which are taking place in the South African business environment over the past 10 years, however, every day, news of foreign nationals’ small businesses being attacked by South African communities is not

uncommon. According to Charman and Piper (2012:81) these attacks are not necessarily driven by anti-foreigner sentiments, rather by economic competition between foreign nationals and South African tuck-shop owners. The authors further state that despite this unconducive environment, foreign nationals continue to dominate the small grocery tuck-shop market although South African business owners resent this development. Previous studies like those conducted by Basardien, Parker, Bayat, Friedrich & Appoles, (2014:46) have shown that not only are foreign national tuck-shop owners dominating the market but also, they have adopted superior business strategies around packaging and customer service. There are no known studies recommending the use of any formal or informal marketing communications by South African tuck-shop operators. It is possible, however, to assume that the better performance of foreign-owned tuck-shops indicates that certain marketing communications are not only successful for large retail business, but also for small retail ones. In addition, the fact that no study exists to indicate that local tuck-shop owners are using any formal marketing communications does not mean that they are not using any. A comparative study of the two types of businesses (local and foreign national-owned), in terms of the marketing communication usage would help local tuck-shop owners learn best practices from foreign national tuck-shop owners who seem to be doing better.

1.2 PROBLEM BACKGROUND AND THE PROBLEM

In South Africa, there is evidence of the use of marketing communications to enlarge customer base, by large retail businesses and small tuck-shops, in the townships (Joseph, 2009:1). The continued proliferation of small grocery tuck-shops in South African townships, however has presented the small retail business environment with stiff competition between the local and foreign national owners, for example, in the Free State Province (Ntema & Marais, 2014:133). The authors further state that although there is fierce competition, foreign nationals seem to be dominating the market. This, according to the authors, can mainly be attributed to the lack of trade regulations of spaza shops by the government. Ntema and Marais (2014:133) also maintain that the cause of competition between the two types of tuck-shop owners, particularly, the Mangaung Municipality is the perceptions of consumers. Consumers in the area feel that foreign national-owned tuck-shops are more convenient in terms

of their proximity, sufficiency and variety of stocks and the longer opening hours. These factors have not only caused strong competition between foreign nationals and locals but also violent attacks on foreign nationals (Free State Times, 2012:3). The attacks are seen as means of chasing foreign tuck-shop owners out of the Province.

Research has shown that foreign nationals employ superior business strategies to outperform their competition in the market (Basardien *et al.*, 2014:46). These superior strategies of foreign-owned tuck-shops include, employing best customer service and effective packaging of goods sold, as part of their marketing communications (Mgayi, 2015:16). There is no known empirical evidence available to suggest that local-owned tuck-shops do the same; it would be inaccurate, however, with no evidence to assume that local tuck-shop owners are not using any marketing communications. The objective of the study, therefore, is to compare marketing communications used by local and foreign national tuck-shop owners in selected small towns in the Free State Province, South Africa.

1.3 RESEARCH QUESTION(S)

1.3.1 Main research question

What are the marketing communications used by local and foreign national tuck-shop owners in the selected municipalities in the Free State Province?

1.3.2 Specific research questions

1. What are the specific marketing communications used by foreign national tuck-shop owners?
2. What are the reasons for the choice of the specific marketing communications by foreign national tuck-shop owners?
3. What are the marketing communications used by local tuck-shop owners, if any?
4. What are the reasons for the choice of the identified marketing communications by local tuck-shop owners?
5. What are the differences in marketing communications and reasons thereof, between foreign nationals and local tuck-shop owners?

6. What is the influence/impact of demographic variables (gender, age, education level and business experience) on the choice of marketing communications by local and foreign national small grocery tuck-shop owners?
7. What is the influence/impact of demographic variables (gender, age, education level and business experience) on the reasons for the choice of marketing communications by local and foreign national small grocery tuck-shop owners?

1.4 RESEARCH OBJECTIVE(S)

1.4.1 Main research objective

To determine the marketing communications used by local and foreign national tuck-shop owners in the selected municipalities in the Free State Province.

1.4.2 Specific research objectives

1. To explore specific marketing communications used by foreign national tuck-shop owners.
2. To determine reasons for choices of the specific marketing communications by foreign national tuck-shop owners.
3. To determine marketing communications used by local tuck-shop owners.
4. To determine reasons for the choice of marketing communications used by local tuck-shop owners
5. To ascertain any differences in marketing communications and reasons thereof, between foreign national and local tuck-shop owners.
6. To determine whether demographic variables (gender, age, education level and business experience) influence the choice of marketing communications by local and foreign national small grocery tuck-shop owners
7. To establish the influence/impact of demographic variables (gender, age, education level and business experience) on the reasons for the choice of marketing communications by local and foreign national small grocery tuck-shop owners

1.5 HYPOTHESES

H₁: There is a statistical significant difference between specific marketing communications used by foreign national and local tuck-shop owners.

H₂: There is a statistical significant difference between the reasons for the choice of specific marketing communications used by foreign national and local tuck-shop owners.

H₃: The choice of marketing communications is significantly influenced by the foreign nationals' owner-manager's gender, age, education level, business experience and marketing experience.

H₄: The reasons for the choice of marketing communications is significantly influenced by the local owner-manager's gender, age, education level, business experience, and marketing experience.

1.6 THEORETICAL FRAMEWORK

This study is guided by the Competitive Dynamics Theory by Smith, Ferrier and Ndofofor (2001). The theory explains the interaction and impact of a business owners' actions and the competitors' reactions. The action refers to decisions made by a business with a purpose of defending its current competitive position and the actions include making price changes, initiating special marketing activities and introducing new products. The reaction refers to corresponding responses by rival businesses. The theory further states that the business's action to create a competitive environment is characterised by the magnitude of the action (resources required), scope of the action (how many businesses is the action directed to) and type of action (temporary or strategic action).

Furthermore, the theory states that rival business's reaction is attributed to the likelihood to respond (influenced by how the responder substantiates the action of the initiating business). The theory continues that other attributes, like industry growth also impact on the competition dynamics. In the context of this study, the theory helped in understanding decisions made by a business with the purpose of defending its current competitive position and how business owners (in this case, foreign nationals and local tuck-shop owners) initiate competition using different activities (marketing communications) to outperform other owners (rival businesses) (*refer to Chapter 2 for a detailed discussion of the theory*).

1.7 AIM OF THE STUDY

The aim of the study is to explore the difference in marketing communications between foreign national tuck-shop owners and local tuck-shop owners, if any, and to help local tuck-shop owners learn best practises in marketing communications, in their businesses, to remain competitive.

1.8 DELIMITATION OF THE STUDY

The purpose of demarcating any study is to make it more focused and manageable from a research point of view, however, the exclusion of some areas related to the one under investigation, does not mean they are less important or unresearchable. Rather, it means, without demarcation, the scope of the study would be difficult to manage, in a single study.

1.8.1 Size of organisation(s)

The study is limited to owner-managed small grocery tuck-shop businesses, employing more than 5 but less than 20 employees, in the selected areas.

1.8.2 Type of organisation(s)

The study is limited to small grocery tuck-shop businesses owned by foreign nationals (other Africans) and South Africans, whether registered or not.

1.8.3 Geographical demarcation

The study was limited to small grocery tuck-shop businesses in selected local municipalities of the Free State Province. The selected municipalities were Mangaung (Bloemfontein, Botshabelo and Thaba-Nchu), Matjhabeng (Welkom, Odendaalsrus, Virginia, Hennenman and Ventersburg), Moqhaka (Kroonstad), Kopanong (Gariep), Dihlabeng (Bethlehem) and Masilonyana (Brandfort).

1.8.4 Units of analysis

The unit of analysis are small grocery tuck-shop businesses in Free State Province. Data/information was solicited from owner/managers, both foreign nationals and locals, of small grocery tuck-shop businesses. This was to ensure that information gathered was valid and that it comes from a respondent who is knowledgeable about marketing practices adopted in the business.

1.9 DEFINITION OF KEY CONCEPTS

1.9.1 Small grocery tuck-shop business

In this study, a 'small grocery tuck-shop business' is defined as a very small business owner-managed and has more than five but less than 20 employees. It is usually unregistered and does not adhere to municipal rules (Small Business Act Amendment, 2003:9; Liedeman, Charman, Piper & Petersen, 2013:2).

1.9.2 Marketing communications

Ouwersloot and Duncan (2008:9) define 'marketing communications' as "a collective term for all various types of planned messages used to build a brand". This definition is the one adopted for this study.

1.9.3 Local tuck-shop owners

In this study, 'local tuck-shop owners' refer to South African citizens who own a small grocery tuck-shop in a particular area

1.9.4 Foreign national tuck-shop owners

For the purpose of this study, these are immigrants who came in South Africa as political and/or economic refugees, like Pakistanis, Chinese, Zimbabweans and Somalis and own a small grocery tuck-shop (Basardien *et al.*, 2014:46).

1.10 LIMITATIONS OF THE STUDY

While the following limitations are worth noting, they would not reduce the value of the study. Firstly, the population of this study consisted of both foreign nationals and local tuck-shop owners in Free State Province only. This creates a geographical bias because the sample of the study does not represent tuck-shop owners in other provinces of South Africa, therefore, findings of the study cannot be generalised across the whole of South Africa. The geographical scope of the study could not be extended beyond a single province because of financial and time constraints. Secondly, tuck-shop owners are very busy and hard to access, as a result it was difficult for the researcher to get a 100% response rate from the distributed questionnaires, therefore, the findings and conclusions of the study were only from fully completed questionnaires.

1.11 OUTLINE OF THE STUDY

This study is presented in five chapters.

Chapter 1: Introduction to the study

This chapter presents an overview of the study, focusing on areas, such as, the theory guiding the study, problem statement, research questions and objectives, hypothesis and limitations of the study.

Chapter 2: Literature review

The chapter reviews literature on small grocery tuck-shop businesses and marketing communications. Firstly, the theory is outlined, followed by a discussion of the conceptual framework of the study. A detailed review of relevant literature follows, focusing on small businesses narrowed down to small grocery tuck-shop businesses in South Africa. The next section is on marketing communications narrowed to those utilised by small grocery tuck-shop businesses in South Africa.

Chapter 3: Research Methodology

This chapter presents the methodology applied to this study. It provides insight into how data was collected, as well as, the techniques used to analyse the data.

Chapter 4: Analysis, Results and Discussion

This chapter presents and discusses the findings gathered from the completed questionnaires.

Chapter 5: Conclusions and Recommendations

The chapter presents conclusions and recommendations based on literature and findings of the study.

1.12 CONCLUSION

This chapter provided the background for the study together with research questions, objectives and formulated hypotheses. The next chapter presents a literature review on small grocery tuck-shop businesses and marketing communications.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The previous chapter focused on this study's background, problem statement, research aims and objectives, the significance of this study and an outline of the entire study.

This chapter starts from an awareness of the existence of some studies that focus on the use and influence of marketing communications in small retail businesses. Furthermore, no known studies, comparing the impact of marketing communications among small grocery businesses (tuck-shops) operated by foreign nationals and locals in South African townships, have been carried out, hence this study. This chapter, reviews literature pertaining to small grocery enterprises, popularly known as 'tuck-shops' in South Africa. The chapter first reviews literature that examines small businesses in general and in the second instance, literature on small retail businesses in South Africa in particular.

A number of sections form part of this chapter. These include one focusing on small grocery tuck-shop businesses in South Africa, their importance, characteristics and the environment in which both local and foreign nationals' small grocery tuck-shops operate. Another section discusses the concept of marketing communications, paying particular attention to why businesses adopt marketing communications to out-perform competitors. The final section discusses the marketing communications used in small grocery tuck-shop businesses in general and then narrows those used in the tuck-shop businesses in South Africa. A discussion of the theory guiding the study is also made, with the chapter closing with a proposed conceptual framework that would be tested by the study.

2.2 SMALL BUSINESSES (SMMEs)

This section defines small, medium and micro enterprises (SMMEs), which are alternatively referred to as 'small businesses'; the terms will be used interchangeably in this study. It also explains the nature of small businesses in the context of South Africa, where small retail businesses, like tuck-shops form part of small businesses.

2.2.1 Small Businesses in Perspective

Observations from past research show that there is no universal definition for the term 'SMMEs' (Aren & Sibindi, 2014:88). The authors state that the definition of small businesses varies from one country to the other and from industry to industry, therefore, no one definition reflects the differences between business entities in various sectors or countries at different levels of development (Chipunza, 2014:28). Authors have tried to define the term using factors such as number of employees, sales volume, value of assets and control (Cox, 2012:8; Amoakoh, 2012:40). Leopoulos (2006:226) postulates that small businesses are influenced by geographical placement and the country's specific legislation, while Moore, Petty, Palich and Longenecker (2010:6) define small business as "a business that is small compared to a large company in an industry, it is geographically localised, and it is financed by a few individuals and has a small management team".

There also exists regional and country-based definitions of a small business. Internationally, the European Union, as pointed out by Aren and Sibindi (2014:88), defines small businesses as "the category of micro, small and medium-sized enterprises made up of enterprises which employ fewer than 250 persons' and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro". The United States of America defines small businesses as entities that have fewer than 500 employees (Cox, 2012:8). The African-based definitions include the Association of Ghana Industries' explanation that small businesses are micro enterprises that employ up to 5 employees, with small enterprises employing between 6 and 29 and medium enterprises employing between 30 and 99 employees (Amoakoh, 2012:40). The Zimbabwean definition of small businesses is based on how they are classified, as a result, in the country, small businesses are enterprises that are either registered or not registered and providing employment equal to or less than 100 employees including the proprietor (Chipunza, 2014:29). It is evident from a variety of definitions of small businesses that a common factor is the number of employees, therefore, small grocery tuck-shops can also be classified in accordance with the number of employees.

The pivotal contribution of small businesses is recognised globally and their presence is high in most of the world's economies; they contribute to the gross domestic product

(GDP) of economies as well as the creation of employment opportunities for the workforce (Aren & Sibindi, 2014:89). In First World countries, small businesses play a significant role in the economy, accounting for one third of the industrial employment (Smit & Watkins, 2012:6325). In the Third World countries they dominate economically active enterprises and their prosperity is more significant than in First World countries (Rwigema & Karungu, 1999:119). The importance of small businesses is pivotal in African countries, as they promote significant economic growth, mitigate poverty and create jobs (Smit & Watkins, 2012:6325).

2.2.2 Small Businesses in South Africa

As stated previously, the definition of SMMEs differs from one country to the other and from industry to industry. The definition in South Africa also differs from that of other countries. The National Small Business Act (Act No. 102 of 1996) defines small businesses as:

any entity, whether or not incorporated or registered under any law, which consists mainly of persons carrying on small business concerns in any economic sector, or which has been established for the purpose of promoting the interest of or representing small business concerns, and include any federation consisting wholly or partly of such association, and also any branch of such organisation.

The National Small Business Amendment Bill Act 26 of 2003 defines small business as:

a separate and distinct business entity, including co-operative enterprises and non-governmental organisations, managed by one or more owners, including its branches or subsidiaries if any, predominantly carried on in any sector or sub-sector of the economy and which can be classified as a micro, a very small, a small or medium enterprise.

Smit and Watkins (2012:6325) opine that the classification of small businesses as stated in definitions is differentiated by the number of employees and turnover levels. Phayane (2013:12) states further that a complex set of thresholds, such as accommodation, personal services, retailing and agriculture may also differentiate the classifications of small businesses. The author argues that the South African threshold standard is low as compared to the American or European thresholds.

According to Bruwer (2012:5384) and Hadebe (2010:14), there are approximately 3.8 million small businesses in the South African formal and informal sectors, which play a significant role in job creation, poverty alleviation and in the overall enhancement of the country's economy. Smit and Watkins (2012:6325) state that this sector is perceived as both an employment creator and absorber of people such as those who would have been retrenched by the private or public sector. The Department of Trade and Industry (DTI) (2005), states that small businesses roughly add 28% to the South African GDP. This statement is supported by an observation by Fatoki (2014:186) that the contribution of small businesses to the South African economy has increased over the years to 34% of the GDP and in creating 72% job opportunities. It is also opined that almost 80% of total business activities in South Africa are undertaken by the small businesses' sector (Agbenyegah, 2013:2). Mungal (2014:10) adds that this sector only forms the informal economy of South Africa and that the existing huge number of the country's small businesses is indicative of the sector's important role in the national development. There is, hence, a great need to provide necessary support to develop the sector in order to transform it from the informal into the larger formal economy.

It is, however, ironic that this sector remains poorly researched and disadvantaged, despite its importance and contribution to the country's economy. The sector is faced with challenges, for example, lack of access to funding, support and modern technologies (Agbenyegah, 2013:1).

2.2.3 Small Retail Businesses in South Africa

The small retail sector forms part of the SMMEs sector. The National Small Business Amendment Bill Act (Act No. 26 of 2003) defines small retail businesses as:

enterprises which employ fewer than 200 people, and which have an annual total turnover not exceeding 39 million rand, and/or an annual total gross asset value not exceeding 6 million rand.

This sector forms a critical element of communities' economy, social welfare and provides people with choices of products and services (Ligthelm, 2008:43). Studies conducted in South Africa reveal that about 70% of small businesses are retail businesses and these include, motor vehicle repairing, hair salons, butcheries, clothing and grocery shops (Aren & Sibindi, 2014:88; Chiliya, Herbst & Roberts-Lombard, 2009:071).

2.3 THE NATURE AND IMPORTANCE OF SMALL GROCERY TUCK-SHOP BUSINESSES IN SOUTH AFRICA

As discussed earlier, small businesses form part of both the formal and informal economy in South Africa, with the small grocery tuck-shops being part of the informal economy (Moloi, 2014:11). This section discusses the characteristics, role and importance of the informal economy and the small grocery tuck-shop business in South Africa, particularly, in the Free State Province.

2.3.1 Informal Economy in South Africa

The informal economy also referred to as 'informal trading', 'hidden economy', 'irregular economy', 'black economy' or 'shadow economy' consists of the unregistered economic activities that contribute to the calculated GDP (Basardien *et al.*, 2014:46; Moloi, 2014:12). Statistics South Africa (2010:3) notes that the informal economy refers to unregistered economic activities, workers and unincorporated enterprises. Chebelyon-Dalizu *et al.*, (2010:3) in their discussions on the informal economy state that:

the informal sector (consists) of those businesses that are not registered in any way. They are generally small in nature and are seldom run from business premises. Instead, they are run from homes, street pavements or other informal arrangements.

Various authors, however, agree that there is no universal definition for the term as it varies from country to country. As a result, it is difficult to compare the concept in different countries (Chebelyon-Dalizu *et al.*, 2010:3). In spite of this absence of a universal definition and understanding, Gërkhani (2004:271) describes the informal economy from a political and economic perspectives as a sector that is not regulated by the government and existing outside the law; it is also the sum of all income-earning activities with the exclusion of those that involve contractual and legally regulated employment. Becker (2004:97) draws on social factors to define the informal economy as an occurrence related to the participants' needs to survive.

The concept of informal economies gained fame in the early 1970s (Moloi, 2014:12), at almost the same time that the number of informal settlements was rising in South Africa (Basardien *et al.*, 2014:47). According to Rolfe, Woodward, Ligthelm and Guimraes (2010:88), the sector grew 8 times more than the formal sector in South

Africa around the year 2000. The sector was valued at R348, 3 billion contributing almost 29% of the GDP of the country in the year 2000 (Basardien *et al.*, 2014:46). The authors postulate that the increasing growth of the informal economy has been heightened by the inflow of immigrants/foreign nationals who came into the country as political and economic refugees. The authors add that foreign nationals, such as Pakistanis, Chinese, Zimbabweans and Somalis who have migrated to South Africa are now evidently participating in the informal sector of the South African economy.

Various factors account for the emergence of the informal economies or businesses in South Africa, just as their location and nature are diverse. Some of the reasons include, unemployment, people's survivalist strategies to meet their families' needs, migrants to South Africa who cannot participate in the formal economy of the country and the activities of black Africans denied opportunities to participate in the white-owned formal sectors, during the apartheid era (Hadebe, 2010:20; Moloj, 2014:17). The informal sector comprises of a variety of activities - trading and hawking, production, construction, services as well as illicit initiatives (Hadebe, 2010:22). These informal economic activities are more prevalent in informal settlements, black townships, rural areas and suburban communities (Basardien *et al.*, 2014:46; Chebelyon-Dalizu *et al.*, 2010:4; Hadebe, 2010:21). The prevalence is, as already noted, a result of high levels of unemployment and pressures of living below the poverty line.

From the above considerations, it is logical to classify small grocery tuck-shop businesses under the informal economy sector. As Chebelyon-Dalizu *et al.*, (2010:3), state, the sector is generally small in nature and usually is run from homes or other informal arrangements. We now will explore small grocery tuck-shops in greater detail, in the next sections.

2.3.2 Small grocery tuck-shop businesses in South Africa

Small grocery tuck-shops or convenience stores are also referred to as 'spaza shops' in South Africa (Moloj, 2014:20; Liedeman *et al.*, 2013:2). The term 'spaza shops' is associated with the restrictions placed by the apartheid government that limited black people's involvement in businesses and yet there was enormous unemployment affecting the non-white population (Chebelyon-Dalizu *et al.*, 2010:9; Mathenjwa, 2007:114). These shops were established within people's homes during the apartheid

era to elude authorities. They were also operated surreptitiously as part of the survival strategies against the oppressive apartheid regime and also as means of boycotting white-owned shops (Moloi, 2014:22). As a result, spaza shop owners avoided using any promotional tools in an attempt to avoid attention during the apartheid era. The changes in the political climate in 1994, however, led to the government's adoption of policies that enabled free-market systems and the lifting of restrictions on informal enterprises.

Various literature outlines the characteristics of spaza shops and their significance within the communities that they operate and on the larger national economy. Moloi (2014:20) and Ligthelm (2005:200) state that small grocery tuck-shops or spaza shops (the terms will be used interchangeably in the discussions) can be described in various ways. The Small Business Act Amendment's (2003:5) describes micro-businesses as being informal in nature, having less than 5 employees and few assets. The 2003 Act also defines small grocery tuck shops as very small businesses, owner-managed, having more than 5 but less than 20 employees, with less than R2 million in assets. In addition, small grocery tuck-shops are unregistered and most do not adhere to municipal rules about how to conduct business in residential areas (Liedeman *et al.*, 2013:2).

Small grocery tuck-shops retail basic groceries and other domestic essentials (Moloi, 2014:20). Liedeman *et al.*, (2013:2) add that they trade in items that can easily be acquired and are regularly in demand within the local communities. The main items sold include, bread, milk, grain staples, cool-drinks, soap, cigarettes and alcohol. Despite the small size of the shops, most of the goods on offer are kept inside, except for hazardous products, such as paraffin (Basardien *et al.*, 2014:49). Most spaza shops, across the country are usually made of corrugated iron sheet or the business is operated out of a metal shipping container (Chebelyon-Dalizu *et al.*, 2010:9). In some cases, the shops are housed in brick structures annexed to the main residential property (Basardien *et al.*, 2014:49). Figure 2.1 and 2.2 are typical examples of spaza shops.



Source: The Sustainable Livelihood Foundation (2012)

Figure 2.1: A shipping container used as a small grocery tuck-shop



Source: The Sustainable Livelihood Foundation (2012)

Figure 2.2: A spaza shop made out of bricks built onto a residential property

Usually the spaza shop customers are served through a small window-like opening, which allows the customer to see products inside the shop. This style structure was developed to keep the shop owners' safe from any attacks, however, new owners, like the Somalian business owners have revolutionised this by introducing walk-in spaza shops that offer self-service, hence, these are now referred to as 'modern' spaza shops (Basardien *et al.*, 2014:49).

The popularity of small grocery tuck-shops in South Africa has risen over the years. Factors, such as people's search for ways to survive and the existence of relatively low barriers to enter this type of market account for this rise in popularity (Basardien *et al*, 2014:49). The Department of Trade and Industry states that about 1.69 million South Africans between the ages of 15 and 65 are involved or own spaza shops, although the statistics do not differentiate between those that are local or foreign national-owned. The Sustainable Livelihood Foundation (2012:7) opines that spaza shops increased to 1130 amongst combined populations of about 98 000 households between 2010 and 2012. In 2012, The Foundation also revealed that the continuous increase in the number of spaza shops has also witnessed a 50% growth in shops owned or operated by foreign nationals. This confirms that foreign nationals have established a strong foothold in the small grocery tuck-shop sector of South Africa. Further statistics show that small grocery tuck-shops account for 2.7% of the retail trade, which equates to almost R8 billion in value (Spaza News, 2011). It is also observed that this sector accounts for 6.6% of self-employment with almost 9.2% of home-based and self-employed people operating these businesses (Wills, 2009:29 & 51; Liedeman *et al*, 2013:2).

2.3.2.1 Characteristics of small grocery tuck-shop businesses

Small grocery tuck-shops may be seen as survivalist enterprises, operating at bare survival level, although evidence from recent studies show that they are becoming more sophisticated and closely linked to the rest of the country's economy (Mathenjwa, 2007:15). Ligthelm (2002:37) outlines a number of characteristics of spaza shops showing the ways in which this sector is linked to the country's formal economy. Firstly, almost half of spaza shops in South Africa record an increase in capital needs once the business is in operation. Secondly, half of spaza shops finance their additional capital needs from the business' profits. Thirdly, 95% of spaza shops buy their stock from huge and established wholesalers with those spaza shops operating in formal areas identifying manufacturers/producers as their second most important suppliers. Fourthly, most of the spaza shops' products are delivered by suppliers. Fifthly, more than four fifths of spaza shops in South Africa have signboards indicating their location. Lastly, the majority of spaza shops possess electricity and water for their day-to-day business operation.

The above characteristics confirm that small grocery tuck-shop businesses contribute significantly to the country's informal economy, play a major role in the country's economy and are a force to reckon with. The small grocery tuck-shop businesses participate in activities, such as purchasing their goods from formal and legitimate suppliers and using the country's resources including electricity to run their businesses, thus, contributing to the country's economic growth. The sector also creates employment opportunities. One can also infer that small grocery tuck-shop businesses are marketing-oriented, although the marketing activities are informal and sometimes, unstructured.

2.3.2.2 Demographic characteristics of small grocery tuck-shop owners/manager
Previous studies have identified demographic characteristics - gender, age, education level/background, experience, religion, family background and income that contribute to the success of entrepreneurship (Isaga, 2015:169; Welmilla, Weerakkody & Ediriweera, 2011:47; Vallabh & Mhlanga, 2015:4) and also help shape entrepreneurs' behaviours (Sajilan, UI Hadi & Tenseen, 2015:38). Instead of focusing on all demographic characteristics, this study will explore the effects of gender, age, education level/background and experience on these businesses. These characteristics were isolated because they were proven to influence the success of SMEs, including small grocery tuck-shop businesses (Chiliya & Robert-Lombard, 2012:466; Isaga, 2015:169). Below is a detailed discussion of the above chosen demographic characteristics.

2.3.2.2.1 Gender

Gender is one of the demographic factors that is found to have an impact on entrepreneurial success (Vallabh & Mhlanga, 2015:3). Authors like Türetgen, Unsal and Erdem (2008:71) argue that gender inequalities in different societies make gender effects on entrepreneurial success different. This simply means the influences of gender differ per culture in terms of entrepreneurial behaviour. Sajilan *et al.*, (2015:39) believe that gender is an important predictor of entrepreneurial behaviour and intention.

In trying to establish the relationship between gender and entrepreneurship, various studies suggest that males have more intention and engagement towards entrepreneurship than females (Grilo & Thurik, 2005:13; Wilson, Kickul & Marlino,

2007:392). To confirm this, The Global Entrepreneurship Monitor (GEM) (2012:4) reports a greater involvement in entrepreneurship among males than females in South Africa. This is attributed to the fact that the country is developing, and studies suggest that females in developing countries struggle with entrepreneurship because of women's need to improve their families' life standards which cannot be coupled with low level jobs (Sajilan *et al.*, 2015:39). Studies by Vallabh and Mhlanga (2015:3) conducted in the Eastern Cape Province of South Africa, however, contradict these findings when they found that the majority of entrepreneurs are females rather than males. This is in line with studies conducted in the Sub-Saharan Africa, which revealed that most females are entrepreneurial and they are leading the SMEs market (GEM, 2012:4). Although these studies are not indicating gender in terms of foreign nationals and South Africans, in South Africa, casual observation shows that most entrepreneurs are male foreign nationals. One might therefore assume that within the the context of this study, male foreign spaza shop owners will adopt and be more successful in terms of entrepreneurial behaviour (that is adopting marketing communications) than locals.

2.3.2.2.2 Age

One other demographic characteristic that influences the success rate of entrepreneurship is the age of an entrepreneur. Sajilan *et al.*, (2015:38) posit that age is a key characteristic in understanding entrepreneur's behaviour and intentions. Over the years, literature has highlighted different views regarding age and entrepreneurial success. Some researchers argue that the younger an entrepreneur is, the more likely he/she will succeed in his or her business (Woldie, Leighton and Adesua, 2008:9). Consistent with the view, Tanveer, Akbar, Gill and Ahmed (2013:452) state that there is less chance of becoming an entrepreneur as one's age increases. Similarly, Radipere (2012:54) notes that entrepreneurial intentions are relatively low in the 18-24 years category, then it peaks from 25-34 years and finally drops as the age increases, with the sharpest drop after the age of 54. From mere general observation, the youths are encouraged to be more entrepreneurial than any other age group. Radipere (2012:131) continues that, in most cases, foreign national entrepreneurs are more likely to be influenced by age than South Africans, as they (foreign nationals) are younger and are more likely to undergo repeat migration or relocate if the current place is not suitable enough for any entrepreneurial activities. In contradiction with the

above, Isaga (2015:170) argues that, the older an entrepreneur gets, regardless of the nationality, the more likely they will succeed. This is supported by Littunen and Virtanen (2006:101), who contend that the older one gets, the more experienced, business-wise, one becomes. Based on these observations, and, in the current study's context, it is possible to argue that, age might influence, more, foreign nationals' entrepreneurial success, in terms of the adoption and practice of marketing communications in their businesses, than South African entrepreneurs.

2.3.2.2.3 Education

Empirical evidence has linked successful entrepreneurship with education (Nieman & Nieuwenhuizen, 2009:12; Radipere, 2012:56). Authors such as Isaga (2015:169) state that education, amongst other factors, act as the source of knowledge, skills, discipline, motivation and self-confidence. Similarly, GEM (2012:6) reports that good quality education impacts on entrepreneurial development as it enhances individual's level of self-efficacy and self-confidence. Entrepreneur's education can chart a path for a business's success, as well as the process of building absorptive capacity such as knowledge and skills (Vallabh & Mhlanga, 2015:3). For this reason, Isaga (2015:169) suggests that individuals with higher levels of education can easily manage their businesses, while those with lower levels are less likely to succeed. Radipere and Dhliwayo (2014:107) assert that the education level of a business owner can help a business survive, whether big or small.

Radipere (2012:122) points out that despite the pivotal role of education in small businesses, this is more significant for foreign national entrepreneurs. The author states that education has impact on foreign national owners as it may ensure the survival of their businesses, in host countries like South Africa. Most foreign nationals acquire their education in their home countries, however, Radipere's 2012 study does not specify whether the education acquired by foreign nationals was formal or informal. One can assume, therefore, that most foreign nationals might be educated in terms of running businesses, not formal education. Based on the above, the adoption and practice of marketing communications might depend on the level of education owners/managers have acquired over the years.

2.3.2.2.4 Previous experience

Prior experience is considered as a major influence on entrepreneurial success (Isaga, 2015:169; Radipere, 2012:55). Unger, Rauch, Frese and Rosenbusch (2009:353) explain that the most observed types of experience are, entrepreneurial, management and industrial experience; these are important determinants of growth and success in small businesses, including small grocery tuck-shop. According to literature, people with prior relevant experience often have a better understanding of how to meet demands in businesses (Isaga, 2015:170). Vinogradov and Elam (2010:55) argue that, although previous experience, whether entrepreneurial or management is important for the success of any business, it seems experience is more significant for business survival for foreign national entrepreneurs. The authors continue that, foreign nationals have mastered a strategy whereby, if previous business ventures were successful, the same business practices will be replicated in the future. Radipere (2012:131) concurs that prior experience is one of the demographic factors which helps foreign nationals to gauge if an area has or has no business opportunities. Given these points, one might infer that foreign national entrepreneurs, with prior experience might adopt marketing communications and become successful in their businesses as against local entrepreneurs without business experience.

2.3.2.3 The importance of small grocery tuck-shop businesses

The small grocery tuck-shop business sector has been playing an important role in South Africa since the apartheid era. The sector has been serving as retailers of household grocery items in township communities for decades (Liedeman *et al.*, 2013:2). Moloi (2014:22) contends that spaza shops play an essential role in that they, in the post-1994 South Africa, accommodate the jobless and those who need to supplement their earnings. Liedeman *et al.*, (2013:2) further opine that small grocery tuck-shops also serve as incubators of entrepreneurship by providing a business foundation whilst bringing income to South African households.

The sector also makes other significant contributions to the economy other than reducing unemployment. Richard Wells, the Chief Executive Officer of the Cape Town-based marketing agency, Visual Fusion, identified three key characteristics that underline the small grocery tuck-shop businesses' importance (Finweek, 2013:8). Firstly, spaza shops are flexible and cater for consumers' immediate needs. The spaza shops are flexible in terms of prices, payment options, portion sizes offered and

operating hours. The Sustainable Livelihood Foundation concurs with this assertion, adding that spaza shops usually open from 6am to 10pm - longer hours than large retail businesses. Customers are offered an opportunity to negotiate prices or even buy on credit without paying interest, a facility that large retailers do not offer (Spaza News, 2010). Secondly, spaza shops are in close proximity to their customers and serve low-income communities living in rural areas or townships. These are customers who faces challenges regarding transport and rely on informal means of transportation, like taxis, hence the advantage of spaza shops' close proximity with the rural area or township clientele. Lastly, spaza shops/owners always create an environment that is friendly for consumers. Consumers are comfortable and familiar with the business operators/owners thus creating loyalty among customers.

2.3.2.3 Small grocery tuck-shop business environment

The South African government has, since the advent of multiracial democracy, encouraged more South Africans to start and own spaza shops; a move that has resulted in other nationalities also entering into this sector to own and operate their own spaza shops, in different parts of the country (Basardien *et al.*, 2014:49). This entry by other nationalities has resulted in fierce competition between South African and foreign national spaza shop owners. Liedeman *et al.* (2013:1) confirm that there has been competition between South African and foreign national business owners since 2005. Various studies have been conducted to determine the nature of this phenomenon. Crush, Ramachandran and Pendleton (2013:24) posits that the competition between the two groups has given rise to violence directed at foreign nationals, as noted in the sporadic xenophobic attacks on foreigners and their businesses by South African communities and business owners. This confirms the general contention that attacks on foreign nationals are not driven by anti-foreign sentiments, but rather by economic competition (Charman & Piper, 2012:81).

Foreign nationals, seemingly are currently dominating the spaza shop sector in South Africa, in spite of the incidences of attacks on them (The Sustainable Livelihood Foundation, 2012:2). The rise and increase in dominance of foreign national-owned spaza shops was witnessed, in early 2007, in the Western Cape and then it spread across the country. This dominance can be attributed to the superior business strategies that foreign nationals use in their businesses (Basardien *et al.*, 2014:49).

Liedeman *et al.*, (2013:2) assume that the foreign nationals' domination over the market arises from a major shift of ownership of spaza shops. Some South African shops have closed or have continued to trade but had to diversify to alternative activities, such as selling alcohol or takeaway food, as a result of the foreign nationals taking control of the spaza shop market. Mgayi (2015:15) agrees with this observation and suggests that foreign nationals are taking over the sector in South Africa because they cannot enter the formal economy of the country; secondly that their entrepreneurial skills are better than South African spaza shop operators. Similar observation was also made by the Minister of Small Business Development, Lindiwe Zulu, in 2015; in her speech she urged foreign nationals to share their trade secrets with South African business owners (Mgayi, 2015:15). It is therefore, evident that foreign nationals are mastering the trade while South African businesses face challenges on issues, such as purchasing power, business knowledge and distribution systems (Chebelyon-Dalizu *et al.*, 2010:13).

A variety of studies have outlined different factors which differentiate foreign national from the South African spaza shop operators. The Sustainable Livelihood Foundation (2012:2) indicates that most South African-owned spaza shops are home-based and thus less competitive, whereas foreign national-owned are usually from rented premises or semi-detached rooms strategically distributed in townships. Secondly, South Africans operate their businesses themselves or draw on family labour, while foreign nationals operate their businesses themselves or employ partners until such a time they can afford to hire labour (The Sustainable Livelihood Foundation, 2012:2; Mgayi, 2015:15). This means, foreign spaza shop owners minimise labour costs and have sufficient staff to operate the businesses for much longer hours than South African business owners. In addition, most foreign national owners operate or have operated spaza shops before; this empowers them with more trading experience and business knowledge (Mgayi, 2015:15). Finally, the other contrasting factor between foreign nationals and South African business owners is that, local South African business owners usually use their profits for household expenses, while foreign nationals do not (Liedeman, 2013:25).

Some literature focusing on spaza shop activities, suggest various ways in which local business owners can learn from their foreign counterparts. Liedeman *et al.*, (2013:4)

recommends that local businesses learn about the significance of using social networks from foreign national owners. Prof Marius Ungerer, a professor of Management Consulting and Strategic Management at USB claims that clan-based social networks play a productive role for foreign national business owners, as it enables a more competitive business environment. Furthermore, the networks provide various services - group purchasing, security discounts and operational economies of scale, micro-financing, access to cheap labour, the enforcement of contractual agreements and clan elders overseeing business deals and assisting in the making of strategic investment, in different geographical areas to establish strongholds. Networks also enable foreign national business owners to obtain products such as contraband cigarettes that cannot be obtained through wholesale stores but are available on the black market. This scenario is the reason, Mgayi (2015:16) in support of Liedeman *et al.* (2013), opines that South African spaza shop owners operate within weaker social networks, limited to members of the immediate family who provide labour and nothing else; this highlights the need for local owners to learn from the foreign shop-operators.

From the above, it is, therefore, assumed that foreign nationals are outperforming South African tuck-shop owners due to their entrepreneurial skills, a condition that has resulted in them taking over the market. It can also be suggested that the failure by South African tuck-shops owners to learn the trade skills that the foreign nationals possess might result in the xenophobic attacks on foreign businesses, most likely, persisting.

2.4 MARKETING COMMUNICATIONS

2.4.1 Marketing communications definitions

The term 'marketing communications' has no universal definition. This section considers different definitions of the term with the view to arrive at one that suits the present study. Fill and Jamieson (2006:9) explains that marketing communications originated from a focus on products and one-way communications, but has, with the evolution and expansion of a range of tools and media, gone beyond the one-way to recognise and include the two-way, interactive and dialogic communication. The author further states that, marketing communications seek to meet the needs of

various audiences; and thus, in this case it refers to audience-centred activities. Marketing communications is also defined by Ouwersloot and Duncan (2008:9) as “a collective term for all various types of planned messages used to build a brand”. Mehling (2007:5) defines it as:

a combination of elements, activities and techniques an organisation employs to connect with and persuade the target market to engage in a particular action or response, such as buying a product, using a service or accepting an idea.

Marketing communication, hence, can be viewed as an interaction between a business and its customers, with the ultimate goal of enabling consumers to make purchasing decisions. Åkerlund (2004:25) defines marketing communications as:

all the promotional elements of the marketing mix which involve the communications between an organisation and its target audience on all matters that affect marketing performance.

The author describes the target audience as an individual or groups that are identified as having a direct or indirect effect on the business’s performance. Koekemoer (2004:2) views marketing communications as:

various communication techniques such as advertising, personal selling, sales promotion and public relations/product publicity available to a marketer which are combined to achieve specific goals.

While, Lekhanya (2015:140) views marketing communications as:

a process of creating communication opportunities and sending messages to and receiving messages from consumers, in order to create the desired reactions in the target audience.

The general perspective from the above definitions is that marketing communications are promotion-orientated and are efforts seeking to persuade audiences to make purchasing decisions. This perspective is relevant to this study.

2.4.2 The significance of marketing communications

Marketing communications are considered an important element of the marketing mix. They enable organisations to meet their marketing objectives and have been observed and emphasised over time. Various authors outline the ways that make marketing communications an essential aspect of any organisation (Laitinen, 2009:14; Mahyari, 2010:10; Lekhanya, 2015:140). For example, Esposito (2013:81) maintains that marketing communications create loyalty and confidence which results in the establishment of a sustainable competitive advantage. This is especially true in small retail businesses, where the creation of a competitive advantage is pivotal for the success and survival of the business. Schnalke (2012:45), in addition, underlines the role of marketing communications in ensuring that businesses inform, persuade and remind customers, whether directly or indirectly, about offerings, brands and the business itself. Organisations, to which add small grocery tuck-shops, use marketing communications to inform customers about why and how the product/service can be used, by whom, where and when it can be used (Schnalke, 2012:45). It can be inferred from the views above, that the adoption of marketing communications in the small grocery businesses sector assists businesses - to compete strategically for customers, to gain the customers' loyalty through persuasion strategies, to promote the tuck shop businesses' attempts at reminding customers about services and goods on offer, and to contribute to the businesses' exposure and popularity among communities.

There are other scholars' views on the necessity of marketing communication that should be also be considered. For example, Mahyari (2010:10-11) reiterates that marketing communications create a platform, contributing towards brand construction by connecting an enterprise with its customers, and influences the customers' information-processing which might lead to future sales. Frey and Rudloff (2010:3) in concurrence assert that, marketing communications assists businesses maintain contact with target audiences thereby building a channel between an organisation and customers. The key purpose running through these explanations is that marketing communication is to keep contact with customers, a crucial action in small grocery businesses; it creates loyalty among customers, has the potential of increasing future sales and enables the business to discover needs and desires of customers.

Laitinen (2009:14) also points out that marketing communications develop brand values using advertising to set up feelings, create visions and improve beliefs. As a result, customers will end up behaving in a particular way, thus, seeking to make purchases or use services offered and in that way benefit businesses. Lekhanya (2015:140) in support of this view emphasises that marketing communications develop brands, make customers behave in a particular way, support sales in organisations, as well as develop corporate image.

The conclusion is that marketing communications can assist small businesses to create a positive image that will bring more revenue, improve their image, make them popular and ultimately give them an edge over other businesses. Understanding the influence of marketing communications and the role it plays in small grocery businesses, therefore, it is a crucial aspect of sales strategy for spaza shops.

2.4.3 Marketing communications mix tools

The marketing communications mix consists of tools that can be used to communicate with target audiences. There are 5 traditional marketing communication tools or elements (the terms 'tools' and 'elements' will be used interchangeably) that can be used - advertising, sales promotions, personal selling, public relation/publicity and direct marketing (Fill & Jamieson, 2006:13). The changes in the environment and introduction of new technologies over the years have introduced other marketing communications tools - packaging, events, sponsorships, customer services, product placement, new media and word-of-mouth (Ouwersloot & Duncan, 2008:9; Frey & Rudloff, 2010:27; Schnalke, 2012:47). Figure 2.3 illustrates the elements of the marketing communications mix, followed by a discussion of them.



Source: Author's illustration on the basis of Fill and Jamieson (2006:13), Ouwersloot and Duncan (2008:9), Frey and Rudloff (2010:27) and Schnalke (2012:47).

Figure 2.3: Marketing communications mix elements

2.4.3.1 Advertising

Advertising is defined as “a paid mediated form of communication from an identifiable source, designed to persuade the receiver to take some action now or in the future” (Richards & Curran, 2002:74). Engel, Warshaw and Kinnear (1991:13), establish the notion of advertising as:

a paid, non-personal communication through various media by a business firm, non-profit organisation and individuals who are in some way identified in the advertising message and who hope to inform and/or persuade members of a particular audience.

The general perspective on advertising, arising from various authors, is that it is non-personal message given by a business with the hope of informing and influencing perceptions of people / potential customer to make a buying decision (Dahlén, Lange and Smith, 2010:280; Bangura, 2011:26; Mahyari, 2010:12).

Kotler and Keller (2012:167) specify advertising as:

any paid form of non-personal presentation and promotion of ideas, goods or services from the sponsor evident by the print media (newspapers and magazines), telecommunications (radio and television), network communications (telephone, cable,

satellite, wireless), electronic media (audiotape, videotape, videodisk, CD-ROM, web page), and display media (billboards, signs, posters).

Ouwersloot and Duncan (2008:10) further elaborate that advertising helps in differentiating a brand from its competitors, while building its own an image. Advertising, hence, serves as a central tool of marketing communication, as it is the most cost-effective tool for communicating with customers and because it reaches current and potential customers (Laitinen, 2009:15). It also increases the number of customers through the creation and reinforcement of brand image and brand loyalty (Mahyari, 2010:12; Thong-In, 2010:12).

An advertising tool is the most visual and designed method of communication. The main forms of media that organisations can use for advertising include, broadcast (television and radio), print (magazines and newspapers), outdoors (billboards and transit) and in-store publicity (packaging and point-of-purchase) (Tanner & Raymond, 2012:383). Advertising is a very popular way of pursuing marketing. For instance, countries such as, Finland spends more than 1 230 million EUR in advertising alone; an amount which increases throughout the years by an estimated 3.7% in pursuit of effective marketing by businesses (Laitinen, 2009:16). As a result, the author postulates that failure to use advertising creatively may result in challenges regarding the business' or entity's attempts at the establishment of a lasting impression on customers.

Advertising is therefore a very popular form of communication in businesses, however, resources are required in order for it to be effective; resources, however, are not available to all types of businesses. For example, small businesses / small grocery tuck-shops, the focus of this study, may find broadcast and print advertising costly, but can benefit the most from outdoor and in-store advertising. Nevertheless, the adoption of broadcast and print advertising can yield future benefits for the small grocery tuck-shop businesses as both advertising platforms reach big audiences, a constituency that small grocery tuck-shop businesses need if they are to grow and compete with large businesses.

2.4.3.2 Sales Promotion

Sales promotion definitions vary with regards to authorisation (Todorova, 2015:371).

Joseph (2009:104) notes it as:

a direct inducement that offers an extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objective of creating an immediate sale

Todorova (2015:371) defines sales promotion as “a complex of actions with a single or short-term to encourage consumers and commercial firms by offering them additional incentives to increase sales”. Jones (2002:65) provides another explanation which considers sales promotion as:

a blend of marketing activities and materials designed to intensify the efforts of marketers’ sales force, induce intermediaries to stock and sell the marketers product offerings and or persuade consumers to buy the product offerings within a specified limited time period.

These definitions show that sales promotion is about inducing sales with incentives that persuade consumers. This tool is effective in every business, whether big or small, hence, can persuade the small grocery tuck-shop customers to make immediate purchases and in that way increase sales.

Sales promotion is a non-personal communication form that is paid for but has lower costs as compared to other marketing communication tools (Bangura, 2011:26). It also has a greater capability to target smaller audiences with a lower credibility, as the sponsor is easily identifiable; the aim is to accelerate sales and gather marketing information (Fill & Jamieson, 2006:14). Sales promotions are also used to both accelerate sales and move people through the buying process toward a particular brand (Ouwersloot & Duncan, 2008:11). The authors, however, add that, although sales promotions can help brands and the business itself, an overuse of the tool can also do the opposite. There are various reasons for such an observation; sales promotions can attract consumers who are only interested in what is on sale and not in building any relationships with the business. An overuse of sales promotions, like price-offs or premiums can reposition a brand negatively by categorising it as a ‘price brand’, which is bad for the profitability of the brand (Ouwersloot & Duncan, 2008:11). Sales promotions should be used strategically with other marketing communication tools.

Sales promotion is two-folded - it is consumer-oriented promotions and trade-oriented promotion (Joseph, 2009:105). Some consumer-oriented promotions - samples,

coupons, premiums, contests, refunds, bonus packs, price-offs, frequency programs and event marketing - are developed to get consumers and potential consumers to take quick action, make purchases or repeat purchases (Tanner & Raymond, 2012:383). Examples of trade-oriented promotions - contests and dealer incentives, trade allowances, point-of-purchase display, training programs, trade shows and cooperative advertising - encourage channels of distribution to sell more of the product (Joseph, 2009:105). Pickton and Broderick (2005:642) suggest a third promotion section, which is the employee-sales promotions. Employee-sales promotions are information leaflets, incentives and competitions used to motivate and encourage an organisation's employees to sell more products by putting extra effort into sales (Todorova, 2015:371).

It can be inferred that sales promotions are generally used to change perceptions and persuade hence can be used in businesses to persuade customers and increase sales. Appropriate sales promotions that can be used in spaza shops are most likely to be price-based incentives such as price discounts/offers and non-price based incentives like samples, which facilitate an easy penetration into the market.

2.4.3.3 Personal Selling

Personal selling is different from advertising because the communication is person-to-person (Jones, 2002:57). It can be defined as "*an interpersonal communication form where a salesperson uncovers and satisfies the need of a customer to the mutual benefit of both*" (Ouwersloot & Duncan, 2008:12). This definition concurs with Koekemoers' (1998:196) which states that personal selling is "*a person-to-person process by which the seller learns about the prospective buyer's wants and seeks to satisfy them by offering suitable goods or services and making a sale*" (Koekemoers' (1998:196). In addition, Zeithmal and Bitner (2000:404) define personal selling as "*a personal presentation by a representative from the firm to make sales and build customer relationships*". It is clear from these definitions that personal selling concerns person-to person communications seeking to persuade and immediately bridge the gaps or needs of consumers.

Personal selling is the oldest form of immediate two-way communication (Mehling, 2007:13). It allows, as the author states, the fostering of relationships through customer orientation. Frey and Rudloff (2010:4) argue further that, although personal

selling allows for personal interaction, it is the most expensive marketing communication tool and the most intimidating form. Joseph (2009:98) agrees with the assertion that personal selling is expensive because it is resource-intensive, time-ineffective, incurs high contact and customer-maintenance costs. This marketing communications tool, may be to some extent, not appropriate for use in small grocery tuck-shops because of the above given reasons. The tool can still, however, be used in small grocery tuck-shops without any specialised personnel, customer maintenance costs, going to customers individually, as business owners can attempt personal selling even when customers are shopping.

Personal selling is of great necessity; it assists the sellers to learn about the needs and wants of the buyers and about how to satisfy them (Schnalke, 2012:46). According to Joseph (2009:97), this communication process is known as “Dynamic Communication” and serves one priority - attitude. The concept means “customers come first” and thus businesses have to adapt their products or services according to customers’ demands and not in accordance to what the business thinks are the market demands (Frey & Rudloff, 2010:4).

It can be inferred that personal selling is an effective marketing communications tool, because it offers immediate feedback to businesses. The tool can assist small businesses, especially small grocery tuck-shops, to bridge gaps with the customers’ need or desire and introduce new ideas to them. Finally, personal selling can help foster relationships with prospective customers. Regardless of these benefits, the tool remains the most expensive tool, especially, for small grocery tuck-shop owners.

2.4.3.4 Public Relations/Publicity

The term ‘public relations’ and ‘publicity’ are normally used interchangeably. Bangura (2011:27) defines ‘public relations’ as:

the art and social science of analysing trends, predicting their consequences, counselling organisation leadership and implementing planned programmed action which will serve both the organisation and the public interest.

This description is supported by other authors, such as Koekemoer (1998), Jones (2002). Fill and Jamieson (2006:15) also points out that public relations is “*the management, through communication of perceptions and strategies relationships between an organisation and its internal and external stakeholders*”. Joseph

(2009:110) puts it succinctly as *“the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and its publics”*. These definitions show that public relations is more of building relationships between business and its publics. An adoption, by small grocery tuck-shop businesses, of this marketing communication tool can promote their positive exposure, in communities and retain customer loyalty. This is supported by Konečnik-Ruzzier, Ruzzier and Hisrich (2013:225), who state that the usage of public relations is increasing in small businesses and has the ability to create a strong awareness among target consumers.

Public relations activities link well with the marketing of a business. From a marketing point of view, it is an interaction of the organisation with its actual or prospective customers with the aim of maintaining favourable relations (Goneos-Malka, 2011:84). Tanner and Raymond (2012:385) state that publicity is more neutral and objective than other marketing communication tools because much of the information is tailored to sound as though it has been created independently by an organisation; yet it (public relations) is an unbiased effort from external sources. Public relations is a two-way communication form with an objective of creating a positive image of the organisation to the public (Frey & Rudloff, 2010:5); it is highly credible, believable and relatively inexpensive (Joseph, 2009:110). One can assert, thus, that the purpose of public relations is to look after external relationships between organisations and their stakeholders.

Public relations has a number of organisational advantages. Firstly, its messages are not advertisements but unbiased reports from independent sources such as journalists (Konečnik-Ruzzier *et al.*, 2013:225). Secondly, public relations promotions are not necessarily paid for by the company itself (Shimp, 2008:536). Thirdly, it can be communicated in various ways such as sponsorships, interviews, charitable events, factory tours or lobbying (Frey & Rudloff, 2010:5).

Given these advantages of public relations, it is understandable for any business to adopt the tool as it can help grow its exposure and popularity, hence, increase sales. The use of the tool requires resources, but small businesses can still benefit from its adoption since the advertising can be done by independent sources other than the business itself.

2.4.3.5 Direct Marketing

The United Kingdom's Direct Marketing Association (2011:3) defines marketing as *“the distribution of information, products or services through any advertising medium that invites the individual to respond directly to the advertiser”*. The definition is supported by many authors, such as Ouwensloot and Duncan (2008:11) and Jones (2002:63) who summarise direct marketing as an interactive and database-driven marketing communications tool that uses a range of media to motivate a response from customers. Joseph (2009:121) defines direct marketing as

the total of activities by which the seller, in effecting the exchange of goods and services with the buyer, directs efforts to a target audience using one or more media such as direct selling, direct mail, telemarketing, direct action, advertising, catalogue selling for the purpose of soliciting a response by phone, mail or personal visits from a prospect or a customer.

Direct marketing, from the above definitions, is a tool focusing on eliciting a customer's direct response to the promoter.

Laitinen (2009:21) determines direct marketing as a non-public tool that is directed to a specific person, at a time. The author continues that direct marketing enables a quick preparation of a message for a specified customer. As a result, it is interactive and thus allows a dialogue between the seller and the customer (Kotler & Armstrong, 2006:443).

The growth of direct marketing as a marketing communication tool has been increasing throughout the years. This growth is associated with the advancement in information technology, increase in customer awareness and a rise in competition in the business sector (Todorova, 2015:372). Direct marketing is seen as one of the effective marketing communication tool as it reaches out to target consumers without any intermediary channels, creates valuable relationships with customers and keeps them informed about changes or any additional products/services in the organisation (Frey & Rudloff, 2010:5). This tool is usually treated as a complementary to others, as it cannot be used alone but with other marketing communications tools, such as advertising, personal selling and sales promotions (Belch & Belch, 2004:20; Copley 2004:204; Laitinen 2009:21).

Direct marketing serves several objectives and yields several positive results for the business. For instance, it increases the number of sales, leads to a rise in sales income, generates trial leads to increase the number of customers willing to try products, disseminates information that assists customers regarding their enquiries and supports customers with purchase decision by making them aware of new products or just reminding them about a demand which is not yet articulated (Joseph, 2009:122-123; Frey & Rudolff, 2010:5).

Direct marketing may be seen as an effective marketing tool, although it is, arguably, time consuming. As a result, its adoption as a marketing communications tool by small businesses, such as small grocery tuck-shops is unnecessary. In spite of this observation, this tool can still be used by business owners in the small grocery tuck-shops' sector to source new customers, at their own convenient time. In addition, direct marketing media if used in small grocery tuck-shops, need not be complicated, for telemarketing might be the most appropriate media to use in this context. The adoption of this tool, therefore can help small grocery tuck-shops build relationships with customers.

2.4.3.6 Events/Sponsorships

Events are described as *“highly targeted brand-associated activities designed to actively engage customers and prospects and generate publicity”* (Ouwersloot & Duncan, 2008:12). This marketing communications tool requires resources, thus not all types of businesses, especially small businesses, can have events as part of promotions, although any small businesses' adoption of this tool can increase the business' exposure and, probably, reduce hostility among tuck-shop businesses and communities.

Sponsorships are, explained by Schnalke (2012:48) as *“techniques used to create or support an independent socio-cultural event via media sponsorships in order to achieve marketing objectives”*; while Tanner and Raymond (2012:385) note them as *“financial support for events, venues or experiences and provide the opportunity to target specific groups”*. Generally, sponsorships, can occur in different forms, such as sponsorship for athletics teams, or having a stadium named after the marketer or the organisation sponsoring (Mehling, 2007:15). With these activities, business owners have less control, however, sponsorships can still lend themselves to some elements

of control that are enforced through associations between the sponsors and sponsored, in spite of the reality that there is a possibility that the sponsored event can go wrong and result in negative associations.

The above points indicate that events and sponsorships help businesses to create a positive image, in society through their demonstration of social responsibility, however, it would be rather difficult for small grocery tuck-shops to adopt this tool, due to the lack of both specialists' advice and adequate resources. There are, nevertheless, some low-key events or sponsorships, such as sponsoring schools with basic necessities including, sanitary pads or even basic groceries for the needy, which do not require any expertise and thus can be afforded by small grocery tuck-shop owners. Any form of sponsorship, specialised or not, ultimately creates a positive image for the business.

2.4.3.7 Product Placement

Product placement also referred to as 'brand placement' is *"a paid product message aimed at influencing movie audiences via planned and unobstructive entry of a branded product into a movie"* (Mahyari, 2010:13). Cowly and Barron (2008:89) define it as *"a combination of advertising and publicity designed to influence the audience by unobstructively inserting branded products in entertainment programs so that the viewer is unlikely to be aware of the persuasive intent"*. It is mainly used to gain brand awareness and enhance the audiences' familiarity with the brand so that they remember it (Mahyari, 2010:13). In most cases, the use of product placement yields a positive shift in people's attitudes (Cowly & Barron, 2008:89).

This tool, which is effective in shifting brand perceptions, is nevertheless not suitable for use by every business, especially small grocery tuck-shop businesses; it requires resources that might not be available in such constricted businesses. In addition, the adoption of such a tool might be unnecessary in small grocery businesses because the products or services offered do not usually require high-involvement before purchasing. Small grocery tuck-shops may still adopt the tool in a less complicated way; for instance, the tool can be used during community events, such as sports occasions, through placing signboards of the business itself or products offered. These can be disguised as advertising where the focus is on the event and not the advertisement.

2.4.3.8 Packaging

Packaging is one of the most effective and crucial marketing communication tools that is used to add value to a product (Chiliya *et al.*, 2009:073). Ouwersloot and Duncan (2008:12) label it as 'a container and conveyor of information'. Both contend that packaging enables an organisation to spread information, such as ingredients of recipes, suggestions and multiple uses of given products. Chiliya *et al.*, (2009:073) describe packaging as the least expensive form of marketing communication that any business can use and that it is a strong image identifier; its primary role is to promote the appeal of a product to first time users.

Packaging is effective when promoting or communicating details about products (Mgayi, 2015:16). It enables a business to present its products in competition with other businesses. One can infer that products that are uniquely packaged reveal the way the concept can act as a marketing communication tool that affords businesses, whether big or small, an advantage over other businesses; the use of this tool in small grocery tuck-shops is most likely to yield the same positive results. The use of packaging in tuck-shops can help cater for different customers' needs; for instance, small packages or miniature ones usually appeal to consumers in small grocery tuck-shops. This view is supported by Mgayi (2015:16) as noted in his statement that small grocery tuck-shops package their goods in a way that seeks to increase their appeal to consumers.

2.4.3.9 Word-of-Mouth

Word-of-mouth, an oral, written or electronic recommendation made by a customer who is satisfied with acquired products to his/her peers, is an extremely effective marketing communication tool, nowadays (Dmitrijevs & Dolbnev, 2013:19; Konečnik-Ruzzier *et al.*, 2013:229). People believe in information that is provided by others they are familiar with, who appear as independent parties not likely to benefit directly from any organisation's advancement (Power Home Biz, 2013:6). Generally, word-of-mouth involves the spreading of information about a business or products by a satisfied consumer; as a result, any business, whether big or small can benefit from this tool, especially from the way it receives free advertising from customers.

The Word of Mouth Marketing Association (WOMMA) (2011:12) notes that word-of-mouth is entirely based on customer satisfaction, transparency and two-way conversations. The Association asserts that word-of-mouth is about

educating people about your products and services, identifying people most likely to share their opinions, providing tools that make it easier to share information, studying how, where, and when opinions are being shared, and listening and responding to supporters, detractors, and neutrals.

Based on the above, one can deduce that the chief functions of word-of-mouth communication are to engage customers, equip the customers with reasons to talk about the business and to generally empower customers with ways to share information about businesses. Word-of-mouth's effectiveness in the small grocery tuck-shops businesses is noted in the way it draws more customers resulting in increased sales. In addition, it offers positive associations between the businesses and communities.

2.4.3.10 Customer service

Customer service is defined as “a company's attitude and behaviour during interactions with customers” (Ouwersloot & Duncan, 2008:13). The authors suggest that the interactions can yield positive or negative experiences that can strengthen or weaken relationships with customers or even result in no relationship at all. This assertion is true and can be observed in any business whether big or small. It can be assumed that good interactions can positively change a person's perspective, thus leading to sales or loyalty to the business. Customer service is considered a marketing communication tool because interactions with customers can send powerful information about products and the business itself.

The use of customer services in small grocery tuck-shops is significant. The use of good customer services has the potential of increasing a tuck-shops' customer base and customer loyalty. Good customer service is very likely to yield repeat purchases which will ultimately guarantee the survival of the business.

2.4.3.11 New Media

The new media is a contemporary marketing communication tool that offers innovative ways for organisations to communicate, collaborate and share information with their target audience via social network sites (Schmalke, 2012:48). According to

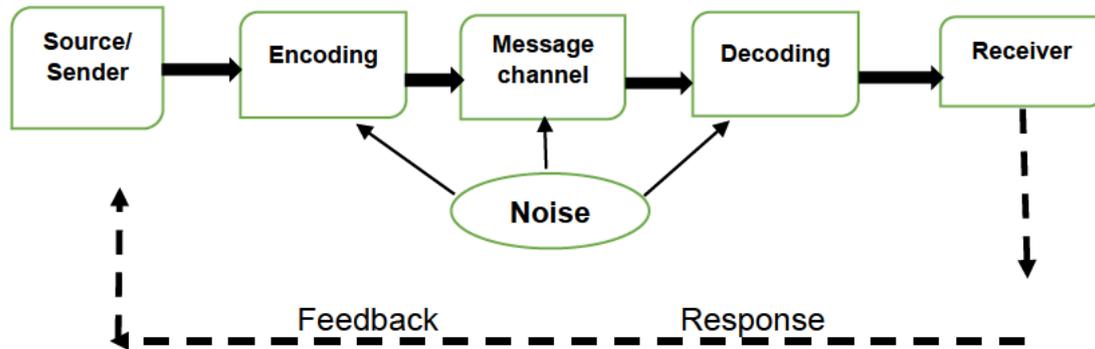
Michaelidou, Siamagka and Christodoulides (2011:1) its use facilitates customer acquisition, an increase in customer loyalty and creates customer awareness of businesses and their products. Reyneke, Pitt and Berthon (2011:29) are also of the view that the new media can assist businesses to determine customer perceptions about them and their offerings since it acts as a platform to connect and engage with customers.

The new media provides innovative ways to communicate with customers in an effective and less time-consuming way (Kaplan & Haenlein, 2010:61). Examples of new media include, social network sites such as Facebook, Myspace, WhatsApp and LinkedIn; micro-blogs like Twitter, Plurk, Friend Feed, Blogs and Skype; reviews and ratings like Amazon, Yelp and Trip Advisor; and videos like Youtube and Vimeo. The most popular social media that used in small businesses are Facebook, Twitter, WhatsApp and Youtube. A study conducted in Indiana in the United States of America revealed that the use of social networks such as Facebook and Twitter grows a business and helps it build and maintain relationships with customers (Cox, 2012:16). It was also noted that social networks enabled businesses to implement a variety of strategies seeking to grow its audience and keep them interested. The evolution of new technologies has made it easy to use new media as a marketing communications tool and to reach many consumers, making them familiar with the business and its products.

The adoption of the new media is necessary in the context of small grocery tuck-shop businesses. These businesses are not immune to the changing environment and technological changes, hence owners possible utilisation of the new media to assist them to create their popularity and keep loyal customers.

2.4.4 Marketing communications model

Various authors, such as Kotler (2000), Fill (2005), and Whitehead (2004), consider it imperative to understand the communication process first, in order for one to make sense of any marketing communications processes. As a result, a model that illustrated the communication process is presented below:



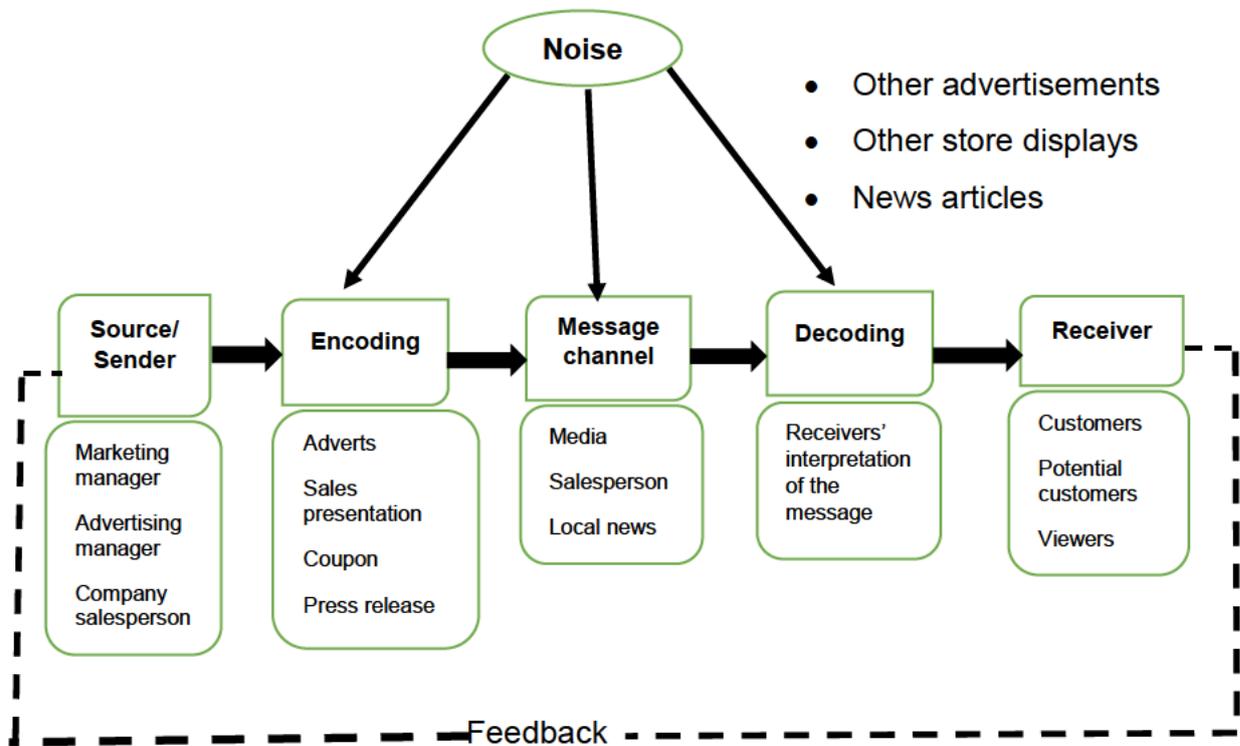
Source: Chartered Institute of Marketing Manual (2007/2008:4)

Figure 2.4: Communication process model

Kotler (2000:567) argues that all elements of the communication process should be present in the marketing communications process. These elements of the communication process are explained by Joseph (2009:80) as: **Sender/ source** which is the originator of the message, such as an organisation or a sales representative, in the communication process; **Encoding** is the conversion of the message by the sender from ideas and thoughts to words or signs; **Message channel** is the means used to transmit the message and these can be a television or newspaper; **Decoding** encompasses the understanding of the message sent to the intended receiver; **Receiver** is the target person or audience for which the message is intended, while **Noise** is anything that interferes, distorts or slows down the transmission of the message. Noise can occur at any end of the process such as the senders' or the receivers' end. **Feedback**, which can be verbal or non-verbal, relates to the action that is taken by the receiver, with a **Response** being viewed as a direct feedback to the sender.

It is clear, from the above that, all elements of the communication process are essential and should be considered in any form of communication attempts, by any business. A careful understanding of the elements of the communication process and their influence on effective communication, therefore, is of prime significance.

There is need to have a better understanding of the marketing communications process. Lamb and Hair (2000:45) establish the role of the marketing elements in understanding the process better.



Source: Lamb and Hair (2000)

Figure 2.5: Marketing communications process

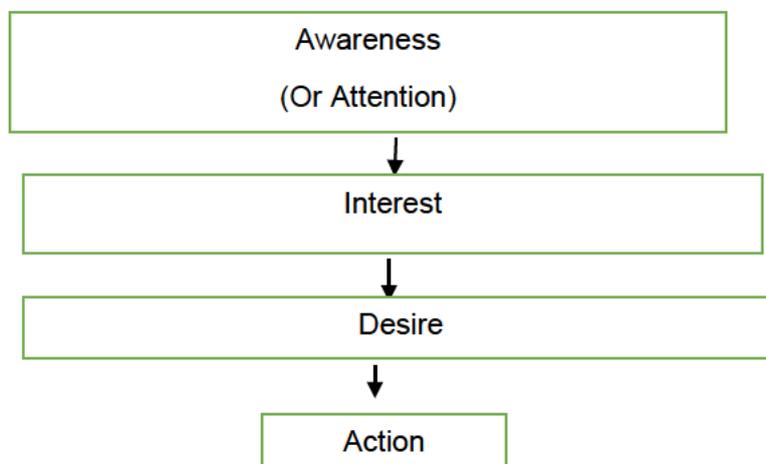
An assumption can be made that the context and area of focus of a business make the marketing communications process different. The context here involves small grocery tuck-shop owners as the source or sender rather than marketing managers who would be using or adopting relevant marketing communications in the encoding process, thus, not all medium can be used for the small grocery tuck-shops business. In this case, the most relevant media would be personal communication and Noise here can be in the form of rival businesses' communications, attacks on businesses and bad publicity which result in distorted messages.

Various models can be used to understand and explain the marketing communications process - the Awareness Interest Desire Action (AIDA) model, Defining Advertising Goals for Measured Advertising Results (DAGMAR) model and the Lavidge and

Steiners Hierarchy-of-effects model (Joseph, 2009:81; Karlsson, 2007:12). These three most common models are discussed in detail below.

2.4.4.1 AIDA Model

The AIDA model was originally proposed by Strong in 1925, to explain the process of communications in advertising (Hughes & Fill, 2008:11). The model is behavioural and seeks to raise awareness, stimulate interest, create desire in consumers and lead to action, which in this case, is purchasing (Hackley, 2005:30). Figure 2.6 presents the model.



Source: Hughes and Fill (2008)

Figure 2.6: AIDA Model

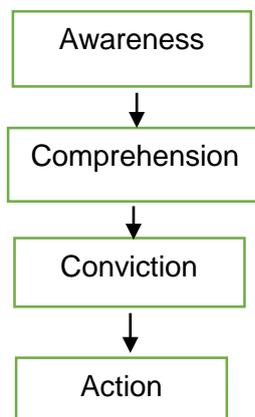
Any marketing communications tool's effectiveness or success arises from a design that enables the target audience to pass through all four phases of the model (Karlsson, 2007:13). The first phase of the model seeks to gain the attention of the viewer or reader, meaning that the marketing communications tool should command attention from target consumers (Hughes & Fill, 2008:11). The second phase entails stimulating interest in what is communicated (Karlsson, 2007:13). The third phase creates desire for what is communicated. This is often executed in a form of 'problem-solution' style where the product or service will be positioned as an answer to a problem (Hughes & Fill, 2008:11). The last phase of the model is the action phase which seeks to induce purchases of what is communicated (Mackay, 2005:24)

The AIDA model may be seen as the most relevant model of advertising, although it has faced criticism from authors, such as Hackley (2005) and Brierley (2002). The

major criticism is that there is no evidence suggesting that all customers behave in the linear way proposed by the model. Another criticism is that the model represents high-involvement purchases such as, motor vehicles, which according to Hackley (2005:30) is frequented by spontaneous buyers. This is also true of the small grocery tuck-shop businesses, where consumers are mostly spontaneous buyers. All four phases of the AIDA model, therefore, are not equally important for the success of marketing communications in small grocery tuck-shop businesses.

2.4.4.2 DAGMAR Model

Unlike the AIDA model, the DAGMAR model focuses on levels of a customer understanding of a business and the measurement of results of the communications efforts (Karlsson, 2007:13). The model was created by Russell Colley in 1961, with the assumption that all communications or promotions that weigh in on the ultimate sale must carry a prospective customer through four levels of understanding (Mackay, 2005:25). Figure 2.7 is an illustration of four levels of the DAGMAR model that a customer goes through during marketing communications.



Source: Karlsson (2007)

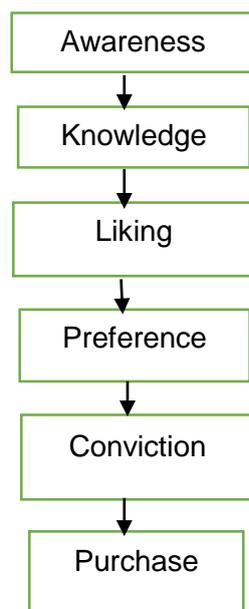
Figure 2.7: The DAGMAR model

Karlsson (2007:14), suggests that, firstly, the prospective customers must be aware of the existence of the product or service. Secondly, they must comprehend what the product or service is and what it can do for them. Thirdly, the customer must arrive at a conviction to buy the product or service. Lastly, the customer has to stir himself to take action.

Just like the AIDA model, the DAGMAR model has faced criticism. One major criticism is that not all customers pass through the stages in a linear way. Another criticism is that the model focuses mostly on strategies, which according to Karlsson (2007:14), are quantitative measurements on communications/promotions. An application of the model to the marketing communications processes on small grocery tuck-shops may yield negative results. The failure arises from the fact that small grocery tuck-shops need a model that can result in creative marketing communications more than the measurement of marketing communications, given the competitive environment of the market.

2.4.4.3 Lavidge & Steiner's Hierarchy-of-effects Model

This model was developed by Lavidge and Steiner in 1961 during the same period that the DAGMAR model was published. Figure 2.8 is an illustration of the Lavidge and Steiner's Hierarchy-of-effects model.



Source: Glowa (2002) and Karlsson (2007)

Figure 2.8: Lavidge and Steiner's Hierarchy-of-effects model

This model postulates that customers do not just move from being completely uninterested in a product to becoming convicted to buy the product in just one step (Karlsson, 2007:14). Rather a customer or prospective customer goes through a sequence of stages from initial awareness of the product to eventually taking action of buying it (Glowa, 2002:8). The model assumes that taking action or making a purchase will only be made when all seven steps of the hierarchy-of-effects are completed.

Karlsson (2007:14) adds that the steps must be completed in a linear way, although customers sometimes may move up several steps simultaneously. The Lavidge and Steiner's Hierarchy-of-effects model entails the following steps according to Karlsson (2007:15).

1. *Close to purchasing*, which includes those who are merely aware of the product's existence.
2. *Up a step*, which caters for those who know what the product has to offer.
3. *Still closer to purchasing* is linked to those who have favourable attitudes toward the product, those who like the product.
4. *Those whose favourable attitudes have developed* to the point of preference over all other possibilities are up still another step.
5. *The even closer to purchasing*, who are customers who couple preference with a desire to buy and the conviction that the purchase would be wise.
6. Finally, *the last step* caters for the translation of this attitude into actual purchase.

According to the founders of the model, the model assumes that communications or promotions occur over a period of time. As a result, the model envisages the occurrence of a series of effects, which is the main purpose of the model. This indicates that every step of the model has to be fulfilled for purchase to occur (Karlsson, 2007:15).

This model, just as the previous models, also faces criticism. Smith and Taylor (2002:97), complain that this model does not take into consideration the fact that not all buyers go through all steps of the model and not necessarily in a hierarchical sequence, also that impulsive purchases may contravene the process. This criticism assumes that even customers in small grocery tuck-shops might not follow the sequence of the proposed model, nevertheless, a few steps might be followed. For example, a customer may move from being unaware to being aware of products or services offered through the effort of marketing communications. Favourable attitudes towards the product/service may occur afterwards and customers may move from this initial step straight to buying the product/service.

From the above comments it is obvious that the three models - AIDA, DAGMAR and Lavidge and Steiner's Hierarchy-of-effects - used to demystify the marketing

communications process cannot clarify the process fully. The major challenge faced by all the models is that they do not take into consideration that not all customers pass through all the stages proposed in the models, in a linear way. This point does not, however nullify the fact that customers do pass through some stages of the models before making a purchase or that the models, to some extent elucidate the marketing communications process.

2.5 MARKETING COMMUNICATIONS IN SMES IN PERSPECTIVE

Despite the on-going debates on marketing communications as highlighted above, scholars such as Mapheto, Oni and Matiza (2014:111) and Gabrielli and Balboni (2010:278), suggest that there is a gap in the studies in relation to the relevance, significance and meaning of marketing communications from the context of SMEs (especially small grocery tuck-shop businesses). Gabrielli and Balboni (2010:278) opine that SMEs' marketing communications have received limited research attention, probably, due to the slow development or non-existence of marketing theories on SMEs. Esposito (2013:81) confirms that there exist limited empirical studies that focus on marketing communications for small businesses. In addition, Tsikirayi, Muchenje and Katsidzira (2012:2) attribute the limited research on marketing communications for SMEs to the fact that the management of small businesses does not usually emphasise the promotion of goods or services because there is no proper planning. Gabrielli and Balboni (2010:278) are of the view that SMEs rely on the application of classical marketing models, including those used in larger businesses, owing to a lack of marketing theory development in SMEs. In spite of this lack, Kotler, Wong, Saunders and Armstrong (2005:464) opine that small retail business owners can adopt and adapt marketing communication techniques used in large businesses to better suit the business. Nwankwo and Gbadamosi (2011:86) seem to agree with the assertion and add that marketing theories used in large businesses are just as valuable for SMEs.

In contrast to the above sentiments, Gilmore, Carson and Grant (2001:7), state that SMEs have specific features which differentiate them from larger businesses. The sector encounters specific internal factors which restrain investment in marketing communications. These factors include, lack of qualified and competent personnel, limited funding and technological competitiveness, and external dynamics such as

limited access to capital, lack of demand for products, bureaucratic tendencies and distorted markets due to infrastructure and communication deficits (Tsikirayi *et al.*, 2012:5). These features mean the practice of marketing communications that will be used is likely to be more informal, unstructured, reactive and seeking to conform to the industry's environment as well as focusing on short-term objectives seeking to develop or maintain level of sales (Gilmore *et al.*, 2001:9; Spickett-Jones & Eng, 2006:236). Longenecker, Moore and Petty (2003:58), in concurrence developed a separate marketing communications theory for small businesses which, although similar to the one for large businesses, had a few differentiators due to small businesses' characteristics, such as lack of specialist expertise, limited resources and limited impact on the marketplace, derived from marketing restrictions of small businesses. Thrassou and Vrontis (2006:194) in their development of a separate theory also acknowledged more features of small businesses such as, lack of time and scarce marketing communication skills as marketing restrictions. These restrictions suggest that marketing communications used in small businesses should be specialised or focused for the business type.

The University of Hull (2006) opines that increased changes in the market owing to globalisation, technological sophistication, media fragmentation and the recognition of marketing communication techniques by consumers, points to the fact that no business, especially SMEs, which are located everywhere, is immune to these trends even. As a result, Esposito (2013:84) suggests that small businesses should be taking advantage of marketing communications as they have management flexibility and a close relationship with customers. Furthermore, SMEs stand in positive light regarding marketing communications because they are more entrepreneurial and innovative than large businesses, are more responsive to consumers' needs, and can obtain immediate valuable feedback (Cox, 2012:15). SMEs, hence now have more opportunities to adopt or use marketing communications and be more competitive in this ever-changing environment (Konečnik-Ruzzier *et al.*, 2013:218). The authors augment their observations with the point that marketing communications used in small businesses are more likely to be targeted, competitive and adapted to the characteristics of the business.

2.5.1 Marketing communications used in SMEs

Recent studies indicate that, although small businesses face challenges with regard to the use or adoption of various marketing communication strategies, they have been forced, by the changing environment to use them (Konečnik-Ruzzier *et al.*, 2013:217). The use of these marketing communications depends on several factors - objectives of the communication, target consumers, marketing budget and the type of product/service being communicated about (Konečnik-Ruzzier *et al.*, 2013:219). The main goal for the use of marketing communications in small businesses should be to find the most cost-effective and suitable marketing communications that will result in the spread of information about the product/service or business, in an innovative and attractive way to consumers. Esposito (2013:90) points out that small businesses use marketing communications for various reasons and these include the need to reach brand awareness, improve brand reputation, reposition the business image and to boost sales. Marketing communications likely to be used are, advertising, sales promotions, public relations, new media, direct marketing, personal selling and word-of-mouth (Konečnik-Ruzzier *et al.*, 2013:219; Cox, 2012:9 & 16; Esposito, 2013:90). Below is a discussion of the marketing communications used or adopted in small businesses.

a) Advertising

Konečnik-Ruzzier *et al.* (2013:222) suggest SMEs can adopt or use advertising for their businesses. They can choose a variety of media which are affordable and therefore most cost-effective for their businesses. Esposito (2013:90) states that television is considered the most expensive medium of advertising for small businesses, therefore, radio, newspapers and outdoor advertising are the most appropriate advertising media for small businesses. The nature of small businesses underscores the need to take care in planning and adopting advertising for target customers consequently, certain pertinent factors should be considered when planning advertising for small businesses. These factors include, appropriately adapting advertisements to target groups/audiences, transmitting messages based only on promises that the product or business will fulfil, and using cost-effective advertising (Konečnik-Ruzzier, 2011:106)

b) Sales Promotions

One marketing communications tool that small businesses can adopt is sales promotions. The goal of using sales promotion is to increase sales volumes and should be focused on consumers and intermediaries (wholesalers, distributors and retailers) (Konečnik-Ruzzier *et al.*, 2013:223). A business owner must target intermediaries as this will, in turn increase the business' exposure and ultimately lead to more purchases by consumers. Laroche, Kalamas and Huang (2005:680) state that the sales promotion tools likely to be used in small businesses can be based on price and non-price incentives. Price-based incentives include coupons, price reductions, rebates and price discounts, while non-price incentives are samples, loyalty programs, gifts, product launches, warranties and contests. This assertion is supported by Esposito (2013:90), who states that small businesses, in Iceland use sales promotion tools, such as trade shows, point-of-sales activities to increase sales' volumes. Sales promotions, thus influence consumers' perceptions and aid the small businesses.

c) Public Relations

Another marketing communications tool which small businesses can easily adopt is public relations. Konečnik-Ruzzier *et al.*, (2013:225) note that public relations is increasing in usage in small businesses because it is cost-effective and has a strong impact on creating awareness among target consumers. Small businesses can use public relations to attract the media, local communities, employees, financial aid and consumers. Public relations' strongest advantage is that it is not paid for; a reality that can help small businesses gain exposure at no costs.

d) New media

One of the fast increasing marketing communications tools is new media, also referred to as 'social media'. It enables businesses to engage with customers in a timely and direct manner, at low costs (Cox, 2012:17). New media is appropriate for both large and small businesses in their attempts to deal with the changing market environment (Kaplan & Haenlein, 2010:64). New media, such as Facebook, Twitter, Amazon and YouTube, can be used in small businesses to create awareness and communicate with current customers and potential customers in order to build effective relationships (Cox, 2012:24).

e) Direct Marketing

Small businesses can also use or adopt direct marketing in their businesses. The types of direct marketing tools that can be used are telemarketing, e-mails and catalogue marketing. Konečnik-Ruzzier *et al.*, (2013:228) point out that small businesses can use direct marketing to create or build relationships with customers which will be beneficial to both parties. Direct marketing benefits customers through its convenient, private and easy way of shopping from the comfort of their homes. It also allows for an immediate relationship and offers customers access to a number of brands and information. In contrast, Esposito (2013:90) argues that direct marketing is not the best marketing communication tool for use in small businesses because it is time consuming.

f) Personal Selling

Personal selling is seen as a very relevant marketing communications tool for small businesses, as they can gain more competitive advantage from using it than large businesses (Konečnik-Ruzzier *et al.*, 2013:226). Personal selling offers the opportunity to interact with customers and get immediate feedback, particularly, for products that require a number of additional explanations to better understand the products' use. Gabrielli and Balboni (2010:278) observe that personal communications in small businesses is usually done by the owner himself/herself; this can also add a competitive advantage for small businesses in their competition with large businesses. Konečnik-Ruzzier *et al.*, (2013:227) continue that personal selling can help build relationships with customers, as business owners can easily discover the needs and desires of consumers and immediately bridge any gap by presenting benefits and attributes of various products/services.

g) Word-of-Mouth

Lastly, another relevant marketing communication tool for small businesses is word-of-mouth. Cox (2012:10) opines that word-of-mouth provides small businesses opportunities to offer customers a reason to talk about the products or the business itself. Small businesses have an advantage when it comes to using or relying on word-of-mouth, as the size of the businesses makes it easier for them to get closer to consumers and obtain immediate feedback (Cox, 2012:11). Small businesses can achieve effective word-of-mouth communication through the provision of constant

surprises to recipients, offering brands that are hard to refuse, creating an environment where ideas can be replicated fast, as well as promoting interaction (Konečnik-Ruzzier *et al.*, 2013:231).

One can assume from the above that there is a wide variety of marketing communications which is at the disposal of small businesses (depending on the capacity of the business). For small businesses marketing communications can help grow the business by focusing on communication efforts towards target market. Marketing communications can also help small businesses gain necessary exposure and facilitate increases in profitability, however, not all marketing communications can be used by small businesses, because of features like, their capacity, size and resources. This assertion is supported by Esposito (2013:84) as noted in argument made that small retail business owners rarely rely on all known marketing communications because of the resource constraints they are faced with.

2.6 MARKETING COMMUNICATIONS IN THE SMALL GROCERY TUCK-SHOP BUSINESSES IN SOUTH AFRICA

The focus of this study is to compare the marketing communications used in small grocery tuck-shops operated by locals and foreign nationals in the Free State Province. There is a lack of empirical research on this topic, hence, this section considers the generalised findings from studies conducted in South Africa.

Marketing communications, as already highlighted above, has been noted as playing a significant role in the growth of small businesses in Europe (Gabrielli & Balboni, 2010; Konečnik-Ruzzier *et al.*, 2013; Esposito, 2013). Findings from the African context seem to differ from those observed in the European context. Tsikirayi *et al.* (2012:5) observe that the need for marketing communications in small businesses in Zimbabwe is not emphasised. This is also true in Nigeria, where small businesses pay little attention to promoting their products; as a result their growth and ability to compete with large businesses is inhibited (Tsikirayi *et al.*, 2012:5). Contrary to this, studies conducted in South Africa reveal that small grocery tuck-shop businesses utilise marketing communication tools in their businesses. For instance, a study conducted in Mdanstane in the city of East London in South Africa noted that small grocery tuck-shop owners rely on marketing communication tools such as sales promotions, word-of-mouth and packaging for the growth of their businesses (Chiliya

et al., 2009:074-075). Perks (2010:450) also suggests that small grocery tuck-shops in South Africa use marketing communications. The author opines that marketing communication tools such as advertising (outdoor), word-of-mouth and sales promotion are most suitable for small grocery tuck-shop businesses. Chebelyon-Dalizu *et al.* (2010:10) agree with the assertions and state further that most small grocery tuck-shops have trouble deciding on whether to use advertising for their businesses since they cannot quantify returns from investing in promotional activities, although they rely on word-of-mouth and outdoor advertising. Recent studies by Mapheto *et al.*, (2014) and Lekhanya (2015) continue to reveal that small grocery businesses around the country use marketing communications tools in their everyday practice. A study carried out at Mankweng in the Limpopo Province of South Africa reveals that small grocery tuck-shops do indeed use marketing communication tools. The most popular marketing communication tools that are used are sales promotions, personal selling, advertising and the new media (Mapheto *et al.*, 2014:115). Lekhanya (2015:141) supports the assertion that small grocery businesses use marketing communications, although it is clear that not all marketing communications tools can be used. The author suggests that the most used and adopted marketing communication tools are local advertising, sales promotions and personal selling. Mgayi (2015:16) adds that one of the important marketing communication tools used in small grocery tuck-shops is customer services.

Advertising is one of the marketing communication tools adopted by small grocery tuck-shop owners. They often use outdoor advertising like signboards, posters and pamphlets provided by major companies that supply products to small grocery tuck-shops, like Coca Cola, as shown in Figure 2.9 (Chebelyon-Dalizu *et al.*, 2010:10; Perks, 2010: 450).



Source: Chebelyon-Dalizu, Garbowitz, Hause and Thomas (2010)

Figure 2.9: Signboard used as a marketing communication tool

Sales promotions is another marketing communication tool which is preferred by small grocery tuck-shop businesses; they usually use price discounts as part of sales promotion. Chiliya *et al.*, (2009:074), contend that a majority of small grocery tuck-shop business owners use this tool regularly.

Another marketing communication tool usually used in small grocery tuck-shops is packaging. This is a powerful tool, as it promotes an appeal for the products to first time users since packaging serves as a strong image identifier (Chiliya *et al.*, 2009:073). An appropriate packaging can help cater for customers' needs, such as a suitable packaging for transportation, especially when tuck-shops are usually in townships where most consumers struggle with transport shortages when trying to get around (Mgayi, 2015:16).

One popular marketing communication tool used in small grocery tuck-shops is word-of-mouth (Perks, 2010:450). Word-of-mouth seeks to educate consumers about a business' products and services and it identifies people who are most likely to share their opinions about a given product and services. It can be inferred that word-of-mouth is pivotal for the success, recognition and growth of small grocery tuck-shops.

Most small grocery tuck-shop owners use the word-of-mouth as marketing communications tool for various reasons - firstly, to create awareness of the businesses, gain popularity and create competitive advantage by retaining customer

loyalty ensuring customers are committed to repurchase or re-patronise a product (Mgayi, 2015:16; Lekhanya, 2015:142); secondly, to help in increasing sales volumes and profits (Mapheto *et al.*, 2014:116); thirdly, it is cost-effective and does not require extensive resources (Chebelyon-Dalizu *et al.*, 2010:11); fourthly, to stimulate consumers' demand of offerings (Chiliya *et al.*, 2009:075); lastly, to create uniqueness of products offered as compared to their competitors.

The discussions so far have established that not all marketing communication tools can be used in small grocery tuck-shops. This is due to some of small businesses' unique features; for instance, small grocery tuck-shops face challenges in adopting to some marketing communications as they usually operate on limited resources and lack marketing expertise. A consideration of the available literature, however, demonstrate that foreign national tuck-shop owners outperform local ones, indicating that most of the marketing communications mentioned above are used by foreign nationals. Below is a further review of literature on identified marketing communications used specifically by foreign nationals to outperform local small grocery tuck-shop business owners in South Africa.

Various authors opine that foreign nationals use marketing communications and other strategies to outperform local business owners (Liedeman *et al.*, 2013:3; Mgayi, 2015:16). Liedeman *et al.* (2013:3), observe that most foreign nationals use price discounting as a marketing communication tool to capture the market from existing stores owned by South Africans. A study conducted by The Sustainable Livelihood Foundation (2012:2) observed that foreign nationals procure goods in a cost-effective manner and then use sales promotions that include, price cuts as part of their marketing communications activities. Mgayi (2015:16) confirms that price discounts are extensively used to penetrate the market. The author observed that most South African small grocery tuck-shop business owners do not engage in these activities, as a result foreign nationals take advantage of this in carrying out their business. Foreign nationals also use the marketing communication tool of customer service. Mgayi (2015:16) points out that foreign nationals are at their best in offering customers services in a friendly and helpful way. They even go to an extent of offering informal micro-credit to their loyal customers and also use packaging as a marketing communication tool. Foreign nationals use packaging to create uniqueness and cater

to different customers' needs (Chiliya *et al.*, 2009:075). One form of this is the offering of goods in smaller packs as noted in their selling of half loaves of bread and miniature products, such as toothpastes to cash-strapped customers; it is clear that foreign nationals employ various marketing communication strategies to outperform locals.

The literature compels the researcher to assume that foreign nationals use marketing communications as part of their strategies to outperform local business owners. Unfortunately, South African small grocery tuck-shop business owners seem not to implement any effective marketing communication strategies to compete with foreign nationals in the spaza shop sector.

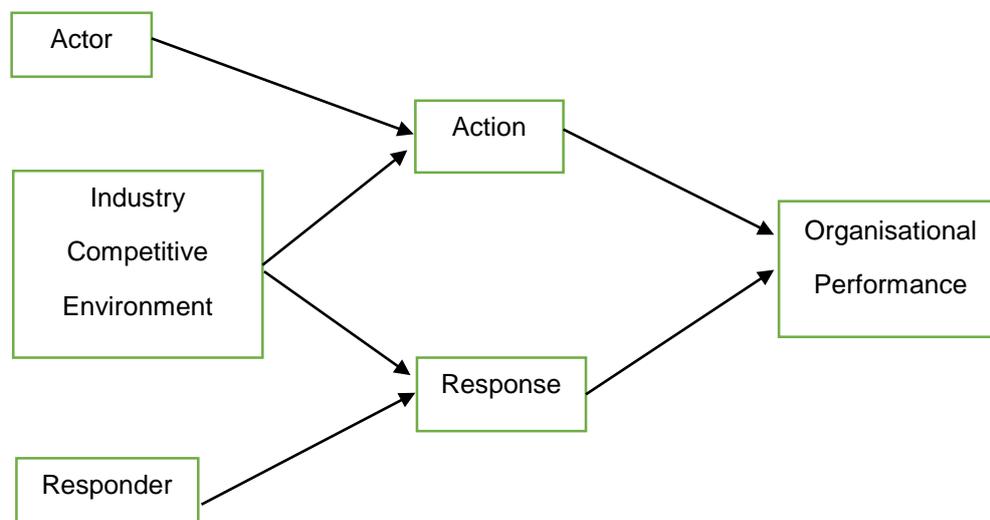
2.7 THEORETICAL FRAMEWORK

Several theories such as The Strategic Conflict theory by Shapiro (1989) and The Five Forces Model (Porter, 1980) have been developed to address competition between businesses. On the one hand, the Strategic Conflict focuses on the ability of a firm to manipulate its market environment in order to improve its competitive outlook and the Five Forces Model, on the other hand, analyses the level of competition within an industry and business strategy, by drawing upon industrial organisation's economics in order to determine the intensity of competition and attractiveness of the industry. Both theories focus on competition between businesses but are context specific. For example, if a business dominates the market extensively, it would not pay attention to any action its rival is taking; as a result, there is no competition, according to the theories. This simply means that the need for the theories is driven by the existence of competition.

The Competitive Dynamics Theory, which is framed and motivated from the Creative Destruction Theory by Schumpeter (1943), is more relevant to understanding competition between businesses, decisions made with a purpose of defending a business' current competitive position and how businesses initiate competition using different strategies (Baum & Korn, 1996; Smith, Grimm, & Gannon, 1992). Empirical research on the theory began in the 1980s with the MacMillan, McCaffrey and Van Wijk (1985) study of competitor response to new products in the banking industry. This was followed by a study from Bettis and Weeks (1987) on competitive interactions between the companies, Polaroid and Kodak. Thereafter, Smith, Grimm, Chen and

Gannon (1989) identified characteristics of competitive actions which evoked speedy response in a high technology firm (Smith, Ferrier & Ndofor, 2001:4; Chen & Miller, 2012:5). It was in the 1990s that competitive dynamics began to be explained as the theory of inter-firm rivalry based on specific competitive actions and reactions, strategic and organisational contexts and drivers and consequences (Baum & Korn, 1996:56; Smith, Grimm & Gannon, 1992:28).

The Competitive Dynamics theory is characterised by a few essential features. These features are, firstly, that competition is considered to be dynamic, interactive and consisting of action and response. Secondly, it focuses on actual actions, such as new product introduction, entry into new markets, advertising campaigns, price changes, relocating of facilities or exchange by firms. Thirdly, the comparison of firms or rivals is central to competitor analysis, which is an integral part of the competitive dynamics theory (Chen & Miller, 2012:6). Figure 2.10 from Smith, Ferrier and Ndofor (2001:6) illustrates the components of the theory and its associated relationships.



Source: Smith, Ferrier and Ndofor (2001:6)

Figure 2.10: Components of Competitive Dynamics Theory and associated relationships

Smith, Ferrier and Ndofor (2001) state that the theory focuses on the interaction and impact of a business’ actions and competitor’s reactions. The theory components are:

- **The actor:** is the firm carrying out a competitive action. The actor is essential in the competitive dynamics as the originator of action and beneficiary from the action outcomes.
- **Competitive action:** are decisions made by firms to create and defend competitive advantage by positioning themselves relative to competitors. It is defined as “*externally directed, specific, and observable competitive move initiated by a firm to enhance its relative competitive position*” (Smith, Ferrier & Ndofo, 2001:12). Competitive action includes, making price changes, initiating special marketing activities and introducing new products.
- **The reactor:** are firms that respond to the competitive actions of rivals.
- **Competitive response:** refers to a clear-cut, discernible counteraction carried out by a firm to defend or improve its position with regards to competitor-initiated action.
- **Industry competitive environment:** is an environment where competitive interactions occur. The environment influences firms’ awareness, motivation and ability to carry out an action.
- **Consequences of action:** are the competitive outcomes realised by firms engaging with each other. These outcomes include changes in market share, cumulative returns to shareholders and the profitability of the firm.

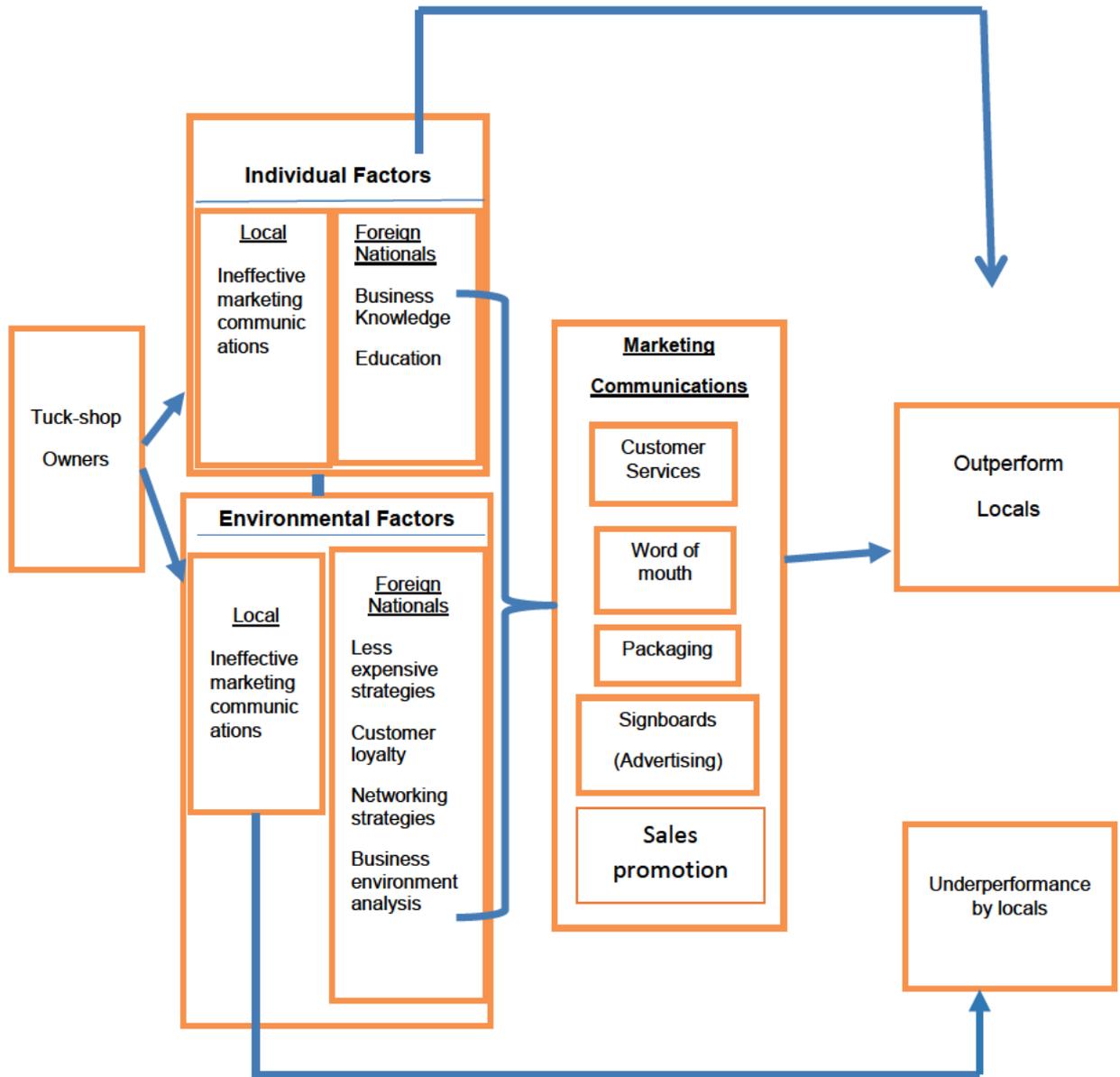
An application of the theory to small grocery tuck-shops initiates a number of events. Firstly, foreign nationals (actors) can initiate competition using different marketing activities (marketing communications) to outperform their competitors. Secondly, local tuck-shop owners (reactors) in turn, might underperform as a result of competition action against them initiated by foreign nationals. Thus, a competitive response can be in the form of a firm defending or improving its current position, or a reactor deciding to close down a business permanently.

It is important to bear in mind that, the essence of this theory is to create competition between businesses. If the above-mentioned scenario takes place, then the competitive dynamics will be eliminated in the entire sector. As a final result, the reactor will become less competitive, the business will underperform or profits will be eroded.

It is, therefore, clear that the theory has some limitations. For instance, competitive interdependence, as noted by Smith, Ferrier and Ndofo (2001:44), prevents a full realisation of the theory.

2.8 PROPOSED FRAMEWORK

A conceptual framework for this study that is based on the literature and theory above is given below. A conceptual framework in research forms the platform from which a researcher draws research questions and objectives. Figure 2.11 outlines the conceptual framework of this study.



Source: Self-compilation

Figure 2.11: Conceptual framework on comparison of marketing communications.

It is hypothesised, as indicated in the framework, that local and foreign national tuck-shop owners do not use the same marketing communications. Foreign nationals use their business knowledge and education to their advantage. They also do some business environment analysis and create networks. All these initiatives help them to choose appropriate marketing communications strategies for their business and enable them to outperform local tuck-shop owners who seem not to employ any formal activities, hence the locals' businesses underperform.

2.9 CONCLUSION

This chapter considered the importance and role of marketing communications. It reviewed various definitions of marketing communications, the literature on marketing communication tools and how the marketing communication process works. The chapter also outlined the nature of small business in general and that of small businesses in South Africa in particular. This focused on a detailed discussion of small grocery tuck-shop businesses in South Africa and the environment between locals and foreign nationals in the sector presented.

The chapter also considered the characteristics and role of the sector and its role in the South African economy. An overview of the small grocery tuck-shop sector in the Free State Province was also presented.

The chapter also reviewed literature and studies on marketing communications and how they relate to small grocery businesses. The literature review showed that not all marketing communications can be used in small grocery tuck-shop businesses. It was also observed from the review that foreign nationals seem to adopt or use more marketing communications than local spaza shop operators. Finally, the theory which guides the study was presented as well as the conceptual framework for the analyses and discussions of the study.

The next chapter outlines the study's research methodology.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The previous chapter outlined the theoretical framework for the study and reviewed relevant literature. This chapter focuses on the research methodology and design for the study. The chapter will discuss the research philosophy/paradigm, research design and approach, population, sampling method, sample size, data collection methods, validity and reliability of the data collection instrument and the data analysis employed in the study.

The chapter, however, begins with three sections that recap the main research questions, objectives and hypotheses guiding the study.

3.2 MAIN AND RESEARCH QUESTIONS

As stated in Chapter 1, the main research question for this study focused on whether there were differences in the marketing communications used by foreign national and local tuck-shop owners in the Free State Province. Specific research questions that were formulated from the main research question were:

1. What are the specific marketing communications used by foreign national tuck-shop owners?
2. What are the reasons for the choice of the specific marketing communications by foreign national tuck-shop owners?
3. What are the marketing communications used by local tuck-shop owners, if any?
4. What are the reasons behind the choice of the identified marketing communications used by local tuck-shop owners?
5. What are the differences in marketing communications and reasons thereof, between foreign nationals and local tuck-shop owners?
6. What is the influence/impact of demographic variables (gender, age, education level and business experience) on the choice of marketing communications by local and foreign national small grocery tuck-shop owners?

7. What is the influence/impact of demographic variables (gender, age, education level and business experience) on the reasons for the choice of marketing communications by local and foreign national small grocery tuck-shop owners?

3.3 RESEARCH OBJECTIVES

The main objective of this study was to determine the marketing communications used by local and foreign national tuck-shop owners. The following specific objectives were formulated in order to achieve this study objective:

1. To explore specific marketing communications used by foreign national tuck-shop owners.
2. To determine the reasons behind the choices of the specific marketing communications by foreign national tuck-shop owners.
3. To determine marketing communications used by local tuck-shop owners.
4. To determine reasons behind the choice of marketing communications used by local tuck-shop owners.
5. To ascertain any differences in marketing communications and reasons thereof, between foreign national and local tuck-shop owners.
6. To determine whether demographic variables (gender, age, education level and business experience) have an influence on the choice of marketing communications by local and foreign national small grocery tuck-shop owners.
7. To establish the influence/impact of demographic variables (gender, age, education level and business experience) on the reasons behind the choice of marketing communications by local and foreign national small grocery tuck-shop owners.

3.4 HYPOTHESES

The hypotheses that guide this study are outlined below:

H₁: There is a statistical significant difference between the specific marketing communications used by foreign national and local tuck-shop owners.

H₂: There is a statistical significant difference between the reasons behind the choice of specific marketing communications used by foreign national and local tuck-shop owners.

H₃: The choice of marketing communications is more significantly influenced by the owner-manager's gender, age, nationality, education level, business experience, and marketing experience of foreign national than for the locals.

H₄: The reasons for the choice of marketing communications are more significantly influenced by the owner-manager's gender, age, nationality, education level, business experience, and marketing experience of foreign national than that of the locals.

3.5 RESEARCH PHILOSOPHY/PARADIGM

A paradigm in research is defined in various ways. A more relevant definition for this study is by Kuhn (1977:294) who defines a paradigm as *“an integrated cluster of substantive concepts, variables and problems attached with corresponding methodological approaches and tools”*. There are three types of paradigms - positivism, post-positivism (also known as interpretivism) and pragmatism (McGregor & Murnane, 2010:422). Both scholars postulate that the positivist paradigm assumes that, the only way people can be positive that knowledge is true, is if it is created through scientific methods; the post-positivist paradigm assumes that there are many ways to acquire knowledge apart from using scientific methods. They further state that post-positivism is about interpretations meant at acquiring knowledge, while the pragmatic paradigm is the belief that no one paradigm is more superior to the other. As such, the use of different research methods and modes of analysis as well as the continuous cycle of deductive reasoning, are guided by a researcher's desire to produce socially useful knowledge, is necessary (Feilzer, 2010:6).

This study was informed by the positivist paradigm. The identification of a theory, development of hypotheses, selection of marketing communications (constructs) and testing them against the reality of empirical facts make the study fit for the positivist paradigm. A researcher's chosen paradigm determines the research design, hence, the research design adopted in this study is explained below (Cooper & Schindler, 2008:156).

3.6 RESEARCH DESIGN

Mbambo (2009:39) describes a research design as a blueprint or outline for conducting a study in a way that offers maximum control over factors that could interfere with the validity of the research results. It is an overall plan for getting answers to the research questions of the study. Bless, Higson-Smith and Kagee (2006:71) also state that a research design specifies methods and procedures for the collection, measurement and analysis of data and addresses key issues, such as, who will be studied, how subjects will be selected and the nature of information that will be gathered from the study subjects. Basically, a research design is an outline of all procedures involved in achieving aims and objectives of a given research (Ijabadeniyi, 2014:60). Research designs can be classified based on certain descriptors, such as, time dimension (cross-sectional or longitudinal), methods of data collection (observational or communication study), the purpose of the study (descriptive or causal study), and the degree to which the research question would have been crystallised (exploratory or formal study).

This study adopted a descriptive, cross-sectional comparative research design since relationships were described and comparisons made as opposed to causally being sought, as data were collected over a short space of time, two months. A comparative research design enables quantitative comparisons of the constructs under investigation, in this case, marketing communications. Mills, van de Bunt and de Bruijn (2006:621) explains that the primary goal of a comparative study is to search for similarities and variances. A comparative research design was used in this study to reveal the unique aspects of a particular entity that was seemingly impossible to detect (marketing communications used by foreign national and local tuck-shop owners).

3.7 RESEARCH APPROACH

There are two main approaches in research, namely, quantitative and qualitative (Ijabadeniyi, 2014:62). A quantitative approach employs structured surveys to carry out a systematic scientific investigation that measures people's feelings, while a qualitative approach employs unstructured forms of surveys in order to gather individual perspectives on research problems or particular issues (Zikmund, Babin, Carr & Griffin, 2013:134). Modise (2016:61) opines that differences between

quantitative and qualitative approaches include, the fact that data collected in qualitative research is obtained through interviews and the approach can be used to describe an individual, groups or social movements, while a quantitative approach gives the researcher an opportunity to answer questions on relationships between researched variables for the purpose of explaining, predicting and controlling the phenomena.

Based on the above assertions, and, in line with the paradigm adopted, this study employed the quantitative research approach. This is because the use of hypotheses landed the study to quantifying data and using statistical analysis in the comparison of marketing communications used by the two groups that participated in the study.

3.8 TARGET POPULATION

A target population is defined as “a collection of units a research effort aims to investigate” (Zikmund & Babin, 2013:312). These units can be business entities, individuals or families (Ijabadenyi, 2014:62). According to Schnalke (2012:59), a population should have certain characteristics, such as, time restrictions, seeks to be counted, observable, finite in size, and accessible. In the present study, the primary unit of analysis was each tuck-shop owner.

Due to time and financial constraints, only tuck-shops in the following local municipalities of the Free State Province were considered: Mangaung (Bloemfontein, Botshabelo and Thaba-Nchu), Matjhabeng (Welkom, Odendaalsrus, Virginia, Hennenman and Ventersburg), Moqhaka (Kroonstad), Kopanong (Gariiep), Dihlabeng (Bethlehem) and Masilonyana (Brandfort). The South African Spaza and Tuck-shop Association (SASTA: 2014-2015) noted that there were 464 tuck-shop owners in the afore-mentioned local municipalities, regardless of nationality. Thus, the total population for the study was 464 tuck-shop owners (N=464) both foreign and local. The population size, for each municipal area is indicated in Section 3.9.3, Table 3.1.

3.9 SAMPLING PROCEDURE

3.9.1 Sample

Modise (2016:62), indicates that a sample is a subset of the population that forms part of an investigation. Yount (2006:5) adds that a sample is necessary as it facilitates conclusions about the population, especially in a quantitative study. Similarly, Welman, Kruger and Mitchell (2005:55) points out that it is crucial for a sample to represent the entire population in order for it to be regarded as trustworthy.

3.9.2 Sampling

Yount (2006:5) states that sampling is a process of selecting a group of subjects for a study in a way that the sub-group represents the larger group from where it was selected. Matsumunyane (2015:65) concurs with the assertion and further states that sampling is a process of selecting a few from a larger group in order to make an estimate or predictor of the prevalence of unknown pieces of information, situation or outcome regarding the larger group.

There are two types of sampling procedures in research and these are, probability sampling and non-probability sampling. Schnalke (2012:61) postulates that in probability sampling, every item of the population has a known chance of being included in the sample, while in non-probability sampling, items are not selected by chance. Amoakoh (2012:66) states that probability sampling is such that every element in the population has a known chance of selection, while in non-probability sampling items of the sample are selected based on personal judgement and/or convenience.

This study used probability sampling. Participants were selected using the stratified proportional random sampling technique. This is a form of probability sampling in which proportional random sampling is employed in each segment or area of the population in line with the population size (Struwig & Stead, 2004:114). Dzansi (2014:140) posits that, proportional random sampling is a form of simple random sampling technique that is usually used when the selection of sample elements is not equal across the different segments of a population; each element in every population segment has an equal chance of being selected. The technique was used in the present study to ensure that every tuck-shop owner in the selected districts had an equal chance of being included in the sample.

3.9.3 Sample Size

One of the challenges in research relates to sample size determination. Researchers such as Wagner, Kawulich and Garner Garner (2012:87) state that the sample size needed to achieve statistical accuracy decreases as the population size increases, thus, indicating that sample size depends on the population size. Other researchers, such as Ary, Jacob, Sorensen and Walker (2014:171), argue that sample representivity is also important, and not necessarily size. A sample size calculator, therefore, was used in the present study to determine the required sample size or the quantitative sample for the study from each local municipality. The determination process required setting the confidence intervals and confidence level. The confidence interval was set at 5% while the confidence level was set at 95%. Table 3.1 below presents the sample size for each municipality.

Table 3.1: Sample size for each municipality

Municipality	Population	Sample Size Determined
Mangaung	135	100
Matjhabeng	209	136
Masilonyane	15	14
Moqhaka	40	36
Kopanong	20	19
Dihlabeng	45	40
Totals	464	345

The response rate is reported upon in Chapter 4.

3.10 DATA COLLECTION

Data collection is a process of systematically collecting information about objects of the study and the setting in which they occur (Chaleunvong, 2009:3). The types of data collection instruments usually used in research are various forms of questionnaires and interviews. Questionnaires are social research techniques that contain questions aimed at obtaining specific information on various topics (Maime, 2014:55). Schnalke (2012:63) concurs that a questionnaire is a pre-formulated written set of questions to which respondents record their answers and should provide just the right amount of information. Interviews are techniques of gathering data by interacting with the individuals who are being studied (Turner, 2010:759).

For this study, data were collected using a self-administered Likert scale questionnaire, which was developed by the researcher. Respondents who were sufficiently literate and understood the English language completed the questionnaire on their own. The researcher assisted those not familiar with the English language, especially those of foreign origin, while local South Africans completed questionnaires translated into their own mother languages.

3.10.1 Questionnaire Design

The questionnaire consisted of two sections. **Section A:** covered basic demographic information about the tuck-shop owners such as gender, age, nationality, education level, geographical area, years of business experience and marketing experience. **Section B:** had items on methods/type and reasons behind the choice of marketing communications. These items were measured on a 5-point Likert Scale items ranging from (1) Strongly Disagree to (5) Strongly Agree, as well some from (1) Not at all to (5) To a greater extent.

3.10.2 Pilot Study

Before the main study was carried out, the data collection instrument was tested through a pilot study. A pilot study is a small-scale trial carried out before the actual investigation, which is intended to appraise both the acceptability of the research design and that of the instrument to be used for collecting data (Maime, 2014:59). According to Matsumunyane (2015:69), a pilot study allows one to determine the adequacy of instructions to respondents, identify questions that make respondents uncomfortable and avoid misleading and inappropriate questions. As confirmed by Amoakoh (2012:69), a pilot study is necessary in every study as it enables a researcher to discover and correct errors in the design and train researchers if they are needed.

There was need to carry out a pilot study due to the fact that the data collection instrument (questionnaire) for this study was developed by the researcher. The pilot study was carried out mainly to check for any irregularities that might have been missed by the researcher. Fifteen questionnaires were distributed and all were completed by a group of shop owners (10 foreigners and 5 local) who did not participate in the final study. It emerged, from the pilot study that, language was a barrier to understanding the questionnaire for foreign nationals whose home language

is not English. It was also noted that the time taken to complete the study was within the prescribed limit, and that participants were familiar with the issues in the items. The pilot study results assisted both the researcher and supervisor, as it was realised that in the actual study, foreign nationals who were not literate in the English language would be assisted by the researcher, while locals would be handed the questionnaire translated into their mother languages. A decision was then taken to translate the questionnaire into local languages, such as Sesotho, Afrikaans, IsiXhosa and Setswana.

3.10.3 Administering Questionnaires

A letter from the University requesting permission to conduct the study was used by the researcher and shown to each participant during data collection. The letter introduced the researcher to the respondents, stated the purpose of the study, and assured the participants of the confidentiality of all responses. Data collection process was done over a period of two months. A total determined sample size of 345 compelled the researcher to distribute four hundred and five (405) questionnaires across the selected six local municipalities of the Free State Province (Mangaung, Matjhabeng, Moqhaka, Kopanong, Dihlabeng and Masilonyane) in order to increase the response rate. The distribution of questionnaires to tuck-shop owners was as follows: 120 questionnaires for the Mangaung Municipality (40 questionnaires for each town), 150 questionnaires for Matjhabeng Municipality (30 questionnaires for each town), 20 questionnaires for Masilonyane Municipality (Brandfort only), 40 questionnaires for Moqhaka Municipality (Kroonstad only), 25 questionnaires for Kopanong Municipality (Gariiep only) and 50 questionnaires for the Dihlabeng Municipality (Bethlehem only). A total of 243 questionnaires were returned, representing a 60% return rate (see more information on the response rate for each municipality in chapter 4). From the 243 questionnaires returned, 142 were from foreign national tuck-shop owners while 101 were from local (South African) tuck-shop owners. Out of the 243 returned questionnaires, only 236 were fully completed (136 from foreign national tuck-shop owners and 100 were local South African tuck-shop owners) and these were utilised in the final analysis for the study. After collecting the questionnaires, the researcher kept all the data and the details of the contact persons who had participated in the study. Telephone calls were made to thank each of the participants.

3.10.4 Reliability and Validity of the Questionnaires

Research credibility is important in determining the stability and quality of the data obtained. Credibility is the degree to which the findings, and, by implication, the methods used to generate the findings, are trusted (De Vos, Strydom, Fouche & Delport, 2007:353). Both validity and reliability methods are used to determine the credibility of a research or the data. According to Ivankova (2002:55), ensuring the validity and reliability of instruments in quantitative research are important in decreasing errors in measuring variables of interest. Validity, which, refers to the degree to which a study accurately assesses the specific concept or construct that the researcher is attempting to measure, can be measured in two separate, but related dimensions, namely, internally or externally (Dzansi, 2014:146). Internal validity, on the one hand, determines the accuracy of the data hence the conclusions thereof represent what really happened; on the other hand, external validity, considers the accuracy of the data and the conclusions drawn from the empirical data represents what goes on in the larger population (Ivankova, 2002:55). Three broad internal validity types - content, criterion, and construct - are noted in the literature (Cooper & Schindler, 2011:280). For the purpose of this study, internal validity of the instrument was measured.

Ensuring Validity

When an instrument's items cover the spectrum of facets with which they are meant to be concerned with, then there is content validity (Bhattacharjee 2012:58). A thorough review of literature was conducted for the current study and it led to the identification of the dimensions and constructs as - sales promotion, packaging, word-of-mouth, customer service, personal selling, new media, public relations, and advertising - which were subjected to investigation. Each specific dimension or construct thereafter, was used to compile items in the questionnaire that correspond to it. This resulted in the items sufficiently covering the whole spectrum of the construct and complying with the criteria for content validity.

The study was not predictive in nature, hence, a predictive validity of the questionnaire was not required and therefore not pursued. The study, however, considered construct

validity of the instrument; this measures the theoretical construct (Chipunza, 2009:216). A thorough literature review of the needed constructs for the study was carried out in the present study. This review resulted in the identification of operational definitions and elements of the constructs, and concepts under investigation in compliance with Goodwin's (2010:132) suggestions for ensuring construct validity.

Ensuring Reliability

Reliability is the extent to which an instrument yields consistent results when characteristics or variables being measured have not changed (Leedy & Ormrod, 2010:93). This means that a credible data collection instrument that seeks information from different people at different times should yield more or less the same results. The researcher ensured the reliability of the questionnaire by shortening it to avoid boredom and fatigue among participants. The researcher also avoided ambiguous questions that the respondents would find difficult to interpret or answer.

There are three methods available in literature that are used to determine reliability. These are: test re-test reliability – administering a re-test at two different points in time; split-half reliability – dividing the instrument into two equal halves and comparing the scores by means of a correlation coefficient; and the internal consistency reliability – measuring the degree of similarity among items in an instrument intended to measure a certain construct (Chipunza, 2009:219). Internal consistency reliability is measured by a statistical test called Cronbach's alpha coefficient (α). Rubin and Babbie (2010:83) posit that an alpha value of 0.80 and above indicates that the instrument is reliable.

The present study used the Cronbach Alpha Coefficient to determine the internal consistency of the scale items (see results in Chapter 4).

3.11 ETHICAL APPROACH TO FIELDWORK

Research ethics refer to the responsible conduct of a research (Marion, 2004:1). Matsumunyane (2015:71) adds that research ethics are a set of strategies that offer direction towards solving any ethical setbacks and how the research should be piloted.

There are a number of ethical issues, such as secrecy, informed consent, privacy, anonymity and confidentiality, which should be considered when conducting a research (Blaxter, Hughes & Tight, 2006:158). Each research study has its own peculiar ethical issues but the main principle is that no human or animal should suffer adverse consequences from the activities related to the research (Naicker, 2008:48).

Hence, to ensure that ethical issues were adhered to, the researcher considered the following concerns relevant for this study:

1. *Benefit of the study*: the benefit of this study was thoroughly explained to respondents during the data collection period to avoid misunderstandings regarding the reasons behind the carrying out of the study.
2. *Ensuring voluntary participation* – the researcher informed participants of the purpose of the study, and that participation in the study was completely voluntary.
3. *Ensuring anonymity and confidentiality*: the researcher attached a covering letter to the questionnaire to assure the research participants that anonymity and confidentiality would be adhered to.
4. *Obtaining institutional ethical clearance*: the researcher obtained ethical clearance from the relevant committee in the faculty.

3.12 DATA ANALYSIS

Amoakoh (2012:75) states that data analysis involves a process of examining data in order to study and test relations or predictions between variables. For Schnalke (2012:66), the first stage in data analysis involves data editing and cleaning to detect and remove errors and inconsistencies if any, and to improve its quality (Schnalke, 2012:66). In this study, data was cleaned and captured using the Statistical Package for Social Science (SPSS) Version 25. The editing and cleaning involved checking for missing values, labels, and correct labelling of scales for each variable, thereafter, descriptive and inferential statistics were adopted for further analysis of the data. Descriptive statistics were used to outline the population and provide summarised sample responses to items in the questionnaire using cross-tabulations, frequency distribution, averages and percentages. Inferential statistics were also used to test

associations between variables. Finally, the Cronbach Alpha, t-test, Chi-square, and four-way ANOVA, were used in this study (see next chapter for details).

3.13 CONCLUSION

This chapter presented an overview of the research methodology employed in this study. A positivist paradigm was followed in this, mainly, quantitative study. Stratified sampling was employed for a population of 464 local and foreign tuck-shop owners from selected municipalities in the Free State Province of South Africa. A pilot study was carried out to ensure the reliability of the data collection instrument (questionnaire). The data collected were analysed using both descriptive and inferential statistics.

The next chapter presents and analyses the study's findings.

CHAPTER 4: ANALYSIS, RESULTS AND DISCUSSION

4.1 INTRODUCTION

The previous chapter presented the research methodology used for this study. It highlighted the paradigm guiding the study, the research design, the approach, the population, sampling procedure, data collection and how data were analysed.

This chapter presents and discusses the research findings obtained from an analyses of the data collected using the questionnaires administered to foreign and local tuck-shop owner-managers, in the Free State Province. The main objective of this study was to compare the marketing commutations and the reasons thereof, between foreign and local tuck-shop owners in Free State Province. The results of the analysis are presented below.

4.2 DESCRIPTIVE STATISTICS

This section provides a descriptive statistics of the response rate and the demographic data for the study. The results are presented in a tabular form. Ijabadeniyi (2014:67) posits that frequency tables, are used to illustrate and classify respondents into different categories based on their responses.

4.2.1 Response Rate

Out of 405 questionnaires administered by the researcher, 243 were returned, representing 60% response rate. The response rates for each local municipality are shown in Table 4.2.

Table 4.1: Response rate for each municipality

Municipality	Population=464	Determined Sample Size	Number of questionnaires administered	Response rate (%)
Mangaung	135	100	120	91 (76%)
Matjhabeng	209	136	150	115 (77%)
Masilonyane	15	14	20	3 (15%)
Moqhaka	40	36	40	13 (33%)
Kopanong	20	19	25	6 (24%)
Dihlabeng	45	40	50	15 (30%)
Total Average	464	345	405	243 (60%)

Table 4.1 shows the response rate for each municipal area. The average response rate was 60%. This response rate was regarded as high, considering that most studies in small businesses have reported low response rates (Chipunza, 2014:123). Modise (2016:72) cautions that any response rate below 50% is unacceptable, therefore, the response rate for this study (60%) was found adequate for the data analyses. Out of the 243 questionnaires returned, 236 were correctly completed and therefore utilised in the final analysis for the study.

4.2.1 Demographics

This section provides a summary of demographic data of the sample. The focus was on gender, age, nationality, education level, geographic area, number of years the business has been in operation and the marketing experience of the owner-manager. These characteristics were selected based on literature, which argues that they are some of the factors, among many, influencing tuck-shop owners' success in their businesses (Agbenyegah, 2013:55-58; Radipere, 2012:29; Mgayi, 2015:15) amongst others. Table 4.2 presents the frequency distribution of tuck-shop owners' demographic characteristics.

Table 4.2: Demographic characteristics of respondents

Characteristics	Category	Frequency	Valid Percentage
Gender	Female	52	22.0
	Male	184	78.0
	Total	236	100.0
Age group	21-30 years	33	14.0
	31-40 years	106	44.9
	41-50 years	79	33.5
	51 and above	18	7.6
	Total	236	100.0
Nationality	South African	100	42.4
	Somalis	39	16.5
	Pakistanis	50	21.2
	Bangladeshis	40	16.9
	Other	7	3.0
	Total	236	100.0
Education level	No formal education	37	15.7
	Primary level	76	32.2
	Matric level	96	40.7
	College/University	27	11.4
	Total	236	100.0
Geographical area	Bloemfontein	59	25.0
	Botshabelo	12	5.1
	Thaba-Nchu	18	7.6
	Brandfort	3	1.3
	Bethlehem	14	5.9
	Gariiep	6	2.5
	Ventersburg	4	1.7
	Virginia	11	4.7
	Welkom	46	19.5
	Hennenman	23	9.7
	Odendaalsrus	30	12.7
	Kroonstad	10	4.2
	Total	236	100.0
Number of years business has been operating	Below 1 year	16	6.8
	2-5 years	123	52.3
	6-10 years	81	34.5
	11-15 years	14	6.0
	Above 15 years	1	0.4
	Total	235	100.0
Marketing experience	Yes	14	5.9
	No	222	94.1
	Total	236	100.0

Table 4.2 shows that the majority of respondents were males (78%), while (22%) were females revealing that most tuck-shops in the selected areas of the study are operated and owned by males. In terms of age, the majority of respondents were between ages 31-40 (44.9%) and (33.5%) tuck-shop owners were between the ages 41-50. These results revealed that the middle-aged and adults dominated the sample. The Department of Trade and Industry, (2008:13) reports that entrepreneurs are usually middle-aged people, who establish start-up businesses or older people who venture into business because they have gained enough working experience, therefore, can risk venturing into business.

From the sample of the study, the largest group of respondents were foreign nationals (57.6%) and (42.4%) were South Africans. The results confirm the suggestion by Basardien *et al.*, (2014:49) and Liedeman *et al.*, (2013:2) that foreign nationals are taking over the small grocery tuck-shop industry in South Africa. The majority of the respondents had matric as their education background (40.7%), followed by those with primary education (32.2%). Only 11.4% of the respondents had university or college education.

The geographical distribution of the study revealed that a majority of the sampled tuck-shop owners were from Bloemfontein (25%), followed by Welkom (19.5%) then Odendaalsrus (12.7%). The other tuck-shop owners were fairly distributed - Hennenman 9.7%, Thaba-Nchu 7.6%, Bethlehem 5.9%, Botshabelo 5.1%, Virginia 4.7%, Kroonstad 4.2%, Gariep 2.5%, Ventersburg 1.7% and Brandfort 1.3%. These results indicate that tuck-shops or spaza shops are found in almost every town or city in Free State Province, South Africa, be it big or small.

As indicated in Table 4.2, the majority of businesses have been operating for 2-5 years (52.3%) and followed by those operating for 6-10 years (34.5%). Businesses that have been operating for less than a year represent 6.8% of the sample, and those that have been operating for 11-15 years represent 6% of the sample. Only 1 business was recorded as having been operating for more than 15 years. With regards to marketing experience, 94.1% of the respondents had no marketing experience, while only 5.9% had marketing experience. This could be attributed to the argument that most tuck-shop owners do not feel the need to have any marketing expertise because of the nature of the business, that is, lack of qualified and competent personnel, limited funding and technological competitiveness, limited external dynamics such as access to capital, lack of demand for products, bureaucratic tendencies and distorted markets due to infrastructure and communication deficits (Tsikirayi *et al.*, 2012:5).

4.3 EXPLORATORY FACTOR ANALYSIS

Exploratory factor analysis was carried out to determine the different dimensions measured by the questionnaire. Exploratory factor analysis is a statistical technique used to uncover underlying structures of a relatively large set of variables (Norris & Lecavalier, 2009:13). The purpose of doing this analysis was to identify underlying

constructs, such as, advertising, promotion, packaging, word of mouth, personal selling, and public relations in the data set and the items used to measure them, as well as to reduce data. The data reduction process was carried out for each section of the data collection instrument separately. The results are presented in Table 4.3.

Table 4.3: Factor analysis results for advertising

ADVERTISING	Factor Composition			
	Brand building (Reason)	Broadcast (Method)	Print (Method)	Visibility (Method)
use of signboards by respondent (M)				.74
giving out of pamphlets by respondent (M)			.62	
advertise with posters on transport (M)			.65	
advertise business in local newspaper (M)			.81	
advertise products in local newspaper (M)			.82	
advertise business on TV (M)		.87		
advertise products on TV (M)		.87		
advertise business on radio stations (M)		.90		
advertise products on radio stations (M)		.86		
use of advertising to let consumers know business (R)				.85
use of advertising to let consumers know products sold (R)				.84
use of advertising to make products look different from competitor's (R)	.88			
use of advertising to make business look different from competitor's (R)	.88			
use of advertising to build good opinion about business (R)	.92			
use of advertising to build good opinion about products sold (R)	.92			
use of outdoor advertising because its cheap (R)	.61			
use of advertising to increase number of customers (R)	.89			

Table 4.3 shows that four factors were extracted from the items measuring advertising method of marketing communication used and the reasons for choice of the method(s). These factors are brand building, broadcast, print and visibility. Each item that belongs to a given factor is loaded (as seen in Table 4.3).

Table 4.4: Factor analysis results for sales promotion

SALES PROMOTION	Factor Composition				
	Promotion (Reasons)	Discounting (Method)	Fair dealing (Method)	Marketing events (Method)	Product sampling (Method)
product samples (M)					.54
discount vouchers (M)			.51		
monthly sales (M)		.73			
give free products after spending (M)		.77			
award prizes to customers who win internal competitions (M)			.50		
refund customers (M)			.73		
extra quantity of a product (M)		.71			
offer customers points which can be redeemed in next purchases (M)					.74
event to advertise products (M)				.53	
stand-alone product stands to show new products (M)	.41				
show off products (M)				.83	
return products to wholesalers that do not sell (M)			.76		
buy products at a discount at wholesalers (M)		.55			
use of sales promotion to increase sales (R)	.91				
use of sales promotion to increase exposure of business (R)	.91				
use of sales promotion to influence how consumers see business (R)	.94				
use of sales promotion to influence customers to buy and make repeat purchases (R)	.94				
use of sales promotion to buy products sold at a discount at wholesalers (R)	.84				
use of sales promotion to be popular in the market (R)	.89				
use of sales promotion to lead the market (R)	.89				
use of sales promotion to help customers understand products sold (R)	.92				

Table 4.4 shows that five factors were also extracted from the items measuring sales promotion as a method of marketing communication used and the reasons for the choice of the method. These factors are promotion, discounting, fair dealing, marketing events and product sampling. Each item that belongs to a given factor is loaded (as seen in the Table 4.4).

Table 4.5: Factor analysis results for packaging

PACKAGING	Factor Composition	
	Customer driven repackaging	Competitor responsive repackaging
package products differently from competitors (M)		.83
re-package products into smaller packs (M)	.57	
package products using re-usable bag (M)		.73
use packaging to increase final costs of products (R)	-0.59	-0.17
use packaging to promote how products look compared to competitors (R)		.87
use packaging to serve different customer's needs (R)	.85	
use packaging to protect products from damages (R)	.86	

Table 4.5 indicates that only two factors were extracted from all items underlying the construct packaging. The factors are customer-driven packaging and competitor-responsive packaging. Each item that belongs to a given factor is loaded (as seen in Table 4.5).

Table 4.6: Factor analysis results for word of mouth

WORD OF MOUTH	Factor Composition	
	Business benefits (Reason)	Service and price (Method)
give best customer services (M)		.90
sell cheap products (M)		.88
offer hard to get products (M)	.42	
what consumers say about business helps market the business (R)	.98	
word of mouth of customers help increase number of customers (R)	.99	
word of mouth of customers help increase profits (R)	.99	
word of mouth of customers help gain business recognition (R)	.99	

Table 4.6 shows that two factors were extracted from the items measuring word-of-mouth as a method of marketing communication used and the reasons for the choice of the method. These factors are business benefits, and service and price. Each item that belongs to a given factor is loaded (as seen in Table 4.6).

Table 4.7: Factor analysis results for customer service

CUSTOMER SERVICE	Factor Composition	
	Brand loyalty building (Reason)	Customer assistance (Method)
attitude towards customers always positive (M)		.98
assist customers when they are shopping (M)		.88
friendly towards customers (M)		.98
allow customers to buy on credit (M)	.20	.27
give good customer services to have strong relationships with customers (R)	.96	
give good customer services to differentiate business from other businesses (R)	.85	
give good customer services for customer loyalty (R)	.98	
give good customer services to attract new customers (R)	.97	

As shown in Table 4.6, for the customer service construct, two factors were extracted. These are brand loyalty and customer assistance as methods of marketing communication used and the reasons for the choice of the methods. Each item that belongs to a given factor is loaded (as seen in Table 4.7).

Table 4.8: Factor analysis results for personal selling

PERSONAL SELLING	Factor Composition	
	Customer attraction	Market research
go around advertising new or unknown products (M)		.93
talk face-to-face with customers about products and services (M)	.89	
go around talking with customers about expectations of the business (M)		.90
do personal selling to have good relationships with customers (R)	.98	
use personal selling to explain new or unknown products (R)	.98	
use personal selling to find new customers (R)	.97	

Table 4.8 indicates the factor structure of the personal selling construct - customer attraction and market research. The corresponding items that belong to each factor is loaded (as seen in Table 4.8).

Table 4.9: Factor analysis results for public relations/publicity

PUBLIC RELATIONS / PUBLICITY	Factor Composition		
	Business image (Reason)	Charitable work (Method)	External appreciation
help non-profit organisations with products sold (M)		.85	
do charity events (M)		.71	
do interviews about the business (M)		.79	
public relations help create positive image of the business (R)	.96		
use of public relations to expose business (R)	.97		
use of public relations because it is cheap (R)	.97		
use of public relations to attract financial aid (R)			.80
use of public relations to attract employees (R)			.72
use of public relations to attract customers (R)	.72		

Table 4.9 shows that three factors were extracted from the items measuring public relations as a method of marketing communication used and the reasons for the choice of the method. These factors are business image, charitable work, and external appreciation. Each item that belongs to a given factor is loaded (as seen in Table 4.9).

No factors could be extracted on the use of social media. This is simply because, only 34(14.3%) respondents indicated that they use social media which represents a small percentage of the entire sample. As a result, no further analysis was done on this marketing communication method.

4.3.1 Reliability Analysis

As stated previously in Chapter 3, Cronbach Alpha coefficient is usually used to test if variables loaded on a construct (factor composite) really measure the construct. In the present study, factors constructed from the exploratory factor analysis were tested for reliability using Cronbach Alpha. A Cronbach Alpha coefficient of 0.70 is usually considered to be appropriate for acceptable reliability or acceptable internal consistency (Chipunza, 2014:133). The reliability coefficients for each factor extracted (as indicated in the tables above) are presented in Table 4.10.

Table 4.10: Reliability coefficients of factors representing methods and reasons for the choice of the methods

Factors/Construct	Cronbach's Alpha	N (number of variables loaded in the construct)
Marketing communications method		
Broadcast	.89	4
Print	.89	4
Visibility	.85	3
Discounting	.77	4
Fair dealing	.64	4
Marketing events	.16*	2
Product sampling	.02*	2
Competition responsive repackaging	.81	4
Service and price	.73	2
Customer assistance	.95	4
Market research	.80	2
Charity work	.70	3
Reasons for choices of marketing communications		
Brand building	.95	6
Promotion	.96	9
Customer driven repackaging	.84	5
Business benefits	.92	5
Brand loyalty building	.95	5
Customer attraction	.97	4
Business image	.95	4
External appreciation	.35*	2

Table 4.10 results show that most of the variables (factors) were reliable and could be used for further statistical analysis, except for fair dealing (0.64), marketing events (0.16), promotion sampling (0.02) and external appreciation (0.35). Variables loaded in these factors with low Cronbach's Alpha Coefficients were treated as stand-alone ones. (See Section 4.5.2).

4.4 NORMALITY TEST AND HYPOTHESIS TESTING

4.4.1 Normality Test

Normality tests are usually done to determine whether or not variables are normally distributed. The normality tests were carried out in order to determine if the variables satisfy the normality assumption on which most parametric statistical methods depend. In this study, a normality test was done using the Kolmogorov-Smirnov test to

determine if variables were normally distributed. Authors like Modise (2016:84) suggests that if variables are normally distributed, parametric tests such as T-test, ANOVA and Pearson’s correlation coefficient are used to analyse data. On the contrary, if variables are not normally distributed, non-parametric tests, such as the Mann-Whitney U test, Kruskal-Wallis test and Spearman’s rho correlation coefficient are used to analyse the data. Results of the normality test are presented below.

Table 4.11: Normality test using Kolmogorov-Smirnov (KS) test

Variables	KS	P-Value
Marketing communications methods		
Broadcast	0.527	<0.001
Print	0.342	<0.001
Visibility	0.301	<0.001
Discounting	0.179	<0.001
Competition responsive repackaging	0.143	<0.001
Service and price	0.517	<0.001
Customer assistance	0.521	<0.001
Market research	0.468	<0.001
Charity work	0.461	<0.001
Reasons for choices		
Brand building	0.184	<0.001
Promotion	0.305	<0.001
Customer driven repackaging	0.253	<0.001
Business benefits	0.170	<0.001
Brand loyalty building	0.317	<0.001
Customer attraction	0.340	<0.001
Business image	0.227	<0.001

In order to conclude on this Kolmogorov-Smirnov test, the p-values were compared with a significance level of 0.1. Thus, if a p-value is less than 0.1, it can be concluded that the variable is not normally distributed and if the p-value is greater than 0.1 the variable is normally distributed. From the results above, all variables had p-values less than 0.1 indicating that these variables were not normally distributed. If variables are not normally distributed usually non-parametric tests should be used. Despite this condition, a parametric test (Student T-test) was used to test the first and the second hypotheses only. Pagano (2004:339) supports the use of T-tests in data that is not normal by arguing that if a sample size is equal or greater than 30, T-test can be used despite violations of normality tests. The next section presents the hypotheses testing results.

4.5 HYPOTHESIS TESTING

The present study tested three hypotheses, which relate to whether there are differences in marketing communication methods and reasons for the choice of methods between foreign nationals and local tuck-shop owners, as well as whether differences in methods and reasons for the methods between foreign nationals and local tuck-shop owners are influenced by certain demographic variables. Specifically, the following were the hypotheses tested: (1) There is a statistically significant difference between the specific marketing communications used by foreign national and local tuck-shop owners (2) there is a statistically significant difference between the reasons for the choice of specific marketing communications used by foreign nationals and local tuck-shop owners and (3) the choice of marketing communications and reasons thereof, is more significantly influenced by the owner-manager's gender, age, education level, business experience, and marketing experience for foreign nationals than for the locals.

To test hypothesis one, T-test for independent samples was used to compare the marketing communication methods used by foreign nationals and local tuck-shop owners.

When reporting T-test results, the most important element which was looked at was the significance level (p -value). It should be noted that, to have significant T-test, t -value should meet or exceed 1.96 and the degree of freedom (df) should be in excess of 100. Degree of freedom is calculated as $N-2$ [which for this study $N=236$, therefore, $N-2$ ($236-2=234$)]. The test was performed at a 5% (0.05) level of significance. This means that any comparison whose p -value was less than 0.05, showed a statistically significant difference between the groups. With this explanation in mind, the results of hypotheses one and two are presented below.

Hypothesis 1: There is a statistically significant difference between the specific marketing communications methods used by foreign nationals and local tuck-shop owners.

4.5.1 Student -test

As previously indicated, Student-test was used to compare whether marketing communications methods used by foreign national tuck-shop owners were different from local tuck-shop owners. The results of hypothesis one is presented in Table 4.12.

Table 4.12: Student T-test results on market communication methods choice

Construct	Mean		Student T-test		
	Foreign nationals	South Africans	t-value	df	p-value
Use of print media	1.9	1.1	8.0	234	0.000
Use of broadcast media	1.1	1.1	1.6	234	0.116
Business and product visibility	4.4	3.8	5.1	234	0.000
Discounting as promotion	4.3	2.8	12.5	234	0.000
Competitor Repackaging	3.5	2.2	8.1	234	0.000
Customer service and pricing	4.9	4.8	2.8	234	0.006
Customer assistance	4.9	4.8	3.1	234	0.002
Market research	1.6	1.4	1.1	234	0.257
Charitable work	1.4	1.2	2.9	234	0.004

The results in Table 4.12 show that most of the p-values reveal statistically significant difference between the two groups because the p-values are all below 0.05; this means there is a significant difference in the use of marketing communication methods between foreign nationals and local tuck-shop owners, except for the use of broadcast media (0.116) and market research (0,257) whose p-values are above 0.05. The results pertaining to market research and broadcast media show that there is no statistical difference in the use of broadcast media and market research between foreign nationals and local tuck-shop owners. This means none of the groups are using the two mentioned marketing communications more than the other group. This can be attributed to the fact that both marketing communication methods are resource-intensive and time consuming (Frey & Rudloff, 2010:4); as a result, both nationalities are not using the methods to compete with each other. In support of this argument, most studies conducted in the South African context suggest that the most popular way of advertising for small grocery business is through cheaper localised advertising, which entails the use of signboards usually provided by major companies supplying products to these businesses (Lekhanya, 2015:141; Chebelyon-Dalizu *et al.*, 2010:10).

Overall, in terms of a significant difference between marketing communications used by foreign nationals and local tuck-shop owners, hypothesis 1 is supported. To illustrate, this, it can be observed from the results that foreign national tuck-shop owners have significantly higher scores on all marketing communication methods used as compared to local tuck-shop owners. This finding is in line with previous literature. For example, authors such as a Liedeman *et al.*, (2013:3) and Mgyai (2015:16) found that foreign national tuck-shop owners in the Western Cape Province were using marketing communications more than local tuck-shop owners; in fact, local tuck-shop owners were actually avoiding using them at all. Mgyai (2015:16) goes on and claim that foreign nationals have mastered the use of marketing communication methods amongst other strategies, to out-perform their South African counterparts and dominate the small grocery tuck-shop market. The omission with these previous findings, however, is that they did not provide reasons for foreign nationals mastering the use of these marketing strategies.

4.5.2 Chi-square test

The stand-alone factors which had low reliability coefficients (see Table 4.10) were not dropped for further analysis. Instead, a Chi-square test was used to test for associations between the specific marketing communication methods and the origin of tuck-shop owner. Chi-square is a statistical test used to compare observed data with data expected to be obtained according to specific hypothesis, in this case, hypothesis 1. The test is usually applied when there are two categorical variables from a single population. Thus, in relation to hypothesis 1 the test was used to determine if there were significant associations between tuck-shop-owner origin and method of marketing communication used. The results of the following methods - product sample, customer refunding and returning of non-selling products - which showed significant differences, are reported in Table 4.13.

Table 4.13: Product sample and group origin

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	61	25.7	25.8	25.8
	To a little extent	25	10.5	10.6	36.4
	Neutral	1	.4	.4	36.9
	Moderate extent	95	40.1	40.3	77.1
	Greater extent	54	22.8	22.9	100.0
	Total	236	99.6	100.0	

From Table 4.13, it is observed that the neutral category had a low frequency, therefore, it was collapsed to the *little extent* category. The new distribution was then 61 (25.8%) *not using product samples at all*, 26 (11.0%) *using product samples to a little extent*, 95 (40.3%) *to a moderate extent* and 54 (22.9%) *to a large extent*. In line with the above, Table 4.14 shows the frequency between both nationalities after the collapsing had been done. In the table, **frequency** is the number of tuck-shop owners belonging to a specific group, **percent** represents the percentage of those tuck-shop owners out of the total population of tuck-shop owners, **row %** represents the percentage of those tuck-shop owners out of the total population of that specific row, while **column %** represents the percentage of those tuck-shop owners out of the total of tuck-shop owners in that column. (*Note: this interpretation applies to all other tables of this nature in this section*).

Table 4.14: Origin by Product sampling

Frequency Percent Row % Column %	Origin	Product sampling				
		Not at all	Little extent	Moderate extent	Greater extent	Total
	Non-SA		23	12	50	51
		9.75	5.08	21.19	21.61	57.63
		16.91	8.82	36.76	37.5	
		37.7	46.15	52.63	94.44	
SA		38	14	45	3	100
		16.1	5.93	19.07	1.27	42.37
		38	14	45	3	
		62.3	53.85	47.37	5.56	
Total		61	26	95	54	236
		25.85	11.02	40.25	22.88	100

In summary, Table 4.14 shows that there were 51 non-South Africans who use product sampling *to a greater extent*. These 51 tuck-shop owners were 21.61% of the total 236 and they were 37.5% of 136 non-South Africans and 94.4% of the 54 who use product sampling *to a greater extent*. On the other hand, there were 3 South Africans who use product sampling *to a greater extent*. These 3 represent 1.27% of the total 236 and they were 3% of 100 South Africans and 5.56% of the 54 who use product sampling *to a greater extent*.

Using the above information, the onward analysis involved testing for association between product sample method and origin of tuck-shop owners. The Chi-square test revealed that there is a statistical significant association ($\chi^2 = 42.3$; $p < 0.0001$). Further, the odds ratios (OR) were used as measures of strength and direction of the association. The odds ratios calculated showed that, the odds of foreign nationals not using any product samples at all, compared to using them to a greater extent are significantly lower than those of local tuck-shop owners (OR=0.1 and 95% Confidence Interval (CI) (0.06; 0.24). The same pattern of associations was detected for *little extent* versus *greater extent* (OR=0.2 and 95%CI (0.09; 0.39) and for *moderate extent* versus *greater extent* (OR=0.2 and 95%CI (0.12; 0.50). These results show that foreign national tuck-shop owners are more likely to use product samples for marketing compared to local tuck-shop owners. Consequently, hypothesis 1 is not rejected.

The above finding is at tandem with studies by Perks (2010:450) and Lekhanya (2015:141) who found that this form of product sampling, as a sales promotion marketing communication method, is the most used in small grocery tuck-shops. Although these previous studies did not differentiate between foreign nationals and local tuck-shop owners, the present results are unique in terms of making such a differentiation in a different context. This confirms the researcher's assumption that foreign nationals use more marketing communications as a part of their business strategy to outperform locals. The assertion is supported by Mgyai (2015:16), who posits that foreign national tuck-shop owners seem to be mastering the use of various marketing communication methods including, product sampling to penetrate the market and outperform their counterparts. While the results do show that foreign

national tuck-shop owners are more likely to use product sampling than South African tuck-shop owners, it may be wise to investigate why South African tuck-shop owners are not adopting or engaging in the use of product sampling as part of their marketing communication strategies.

Table 4.15: Refund customers and group origin

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	137	57.8	58.1
	To a little extent	14	5.9	64.0
	Neutral	12	5.1	69.1
	Moderate extent	51	21.5	90.7
	Greater extent	22	9.3	100.0
	Total	236	99.6	100.0

From the above table, *neutral* was collapsed into a *little extent* so that the distribution changes to 137 (58.1%) *not refunding at all*, 26 (11.0%) *to a little extent*, 51 (21.6%) *to a moderate extent* and 22 (9.3%) *to a greater extent*. For purposes of testing for associations, it was sensible to collapse this variable to a binary scale where *Not at all* would be NO REFUND and the rest would be YES REFUND. Then, the distribution of the item became 137 (58.1%) not refunding and 99 (41.9%) refunding regardless of the extent. Table 4.16 indicates the frequencies of the nationalities after the collapsing has been done.

Table 4.16: Origin by refunding customers

Frequency Percent Row % Column %	Origin	Refunding customers		
		No	Yes	Total
	Non-SA		61	75
		25.85	31.78	57.63
		44.85	55.15	
SA		44.53	75.76	
		76	24	100
		32.2	10.17	42.37
Total		76	24	
		55.47	24.24	
		137	99	236
		58.05	41.95	100

As indicated in Table 4.16, 75 non-South Africans agreed that they refund customers. These 75 were 31.78% of the total 236 and they were 55.15% of 136 non-South Africans and 75.76% of the 99 who agreed that they use the refunding method. On the other hand, 24 South Africans agreed that they use the refunding method. These 24 were 10.17% of the total 236 and they were 24% of the 100 South Africans and 24.24% of the 99 who agreed that they use refunding method.

From the analysis above, the onward analysis involved testing for significance of associations between refunding customers and origin of the tuck-shop owner. The results showed that there is a significant association between the two variables ($\chi^2 = 22.9$; $p < 0.0001$). The odds ratio (OR) for the association was found to be 3.2 with a 95% confidence interval (CI) of (1.86; 5.37). This means that foreign nationals are 3.2 times more likely to refund customers as compared to local tuck-shop owners. Foreign national tuck-shop owners, therefore, are more likely to refund customers as compared to their South African counterparts. The hypothesis is thus not rejected. The finding is consistent with observations made by Joseph (2009:105) in a study conducted in Nigeria which revealed that refunding customers as part of sales promotion is highly used in small businesses with the aim of influencing customers to make future/repeat purchases and create loyalty amongst customers.

With the above assertion in mind, and the fact that there are limited studies to support this finding in the South African context, mere observation shows that tuck-shop owners in South Africa refund customers daily to promote repeat purchases in the future. The strategy is used to outperform counterparts, therefore, the assumption that foreign nationals are using the strategy more than local tuck-shop owners is supported by the findings of this study.

Table 4.17: Return products by group origin

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	174	73.4	73.7
	To a little extent	5	2.1	75.8
	Neutral	2	.8	76.7
	Moderate extent	41	17.3	94.1
	Greater extent	14	5.9	100.0
	Total	236	99.6	100.0

The above table reveals that the majority of respondents do not return the products that do not sell fast (174 (73.7%)). For onward analysis, this item was redefined to be binary with 'Not at all' becoming NO RETURNING and the rest (to a little extent, neutral, moderate extent and greater extent) being YES RETURNING. The distribution of the redefined item became 174 (73.7%) NO and 62 (24.3%) YES. The frequency distribution of nationalities after this was as indicated in Table 4.18.

Table 4.18: Origin by returning non-selling products

Frequency Percent Row % Column %	Origin	Returning non selling products		
		No	Yes	Total
	Non-SA		80	56
		33.9	23.73	57.63
		58.82	41.18	
		45.98	90.32	
SA		94	6	100
		39.83	2.54	42.37
		94	6	
		54.02	9.68	
Total		174	62	236
		73.73	26.27	100

Table 4.18 indicates that of there were 56 non-South Africans who returned non-selling products. These represented 23.73% of the total 236, and 41.18% of the 136 non-South Africans. They were 90.32% of the total 62 who indicated they returned non-selling products as a marketing communication method. The table also indicated that there were 6 South Africans who returned non-selling products. These represented 2.54% of the total 236, and 6% of the 100 South Africans. They were 9.68% of the total 62 who used this method.

Further analysis using the chi-squared test for independence was done to test for the existence of a significant association between returning non-selling products to wholesaler and tuck-shop owner's origin. The results confirm the existence of a significant association ($\chi^2 = 36.9$; $p < 0.0001$) and the association shows that foreign nationals are 3 times more likely to return non-selling products to wholesalers compared to their South African counterparts (OR=3.0; 95% CI (1.79; 5.17)). Consequent to this finding, hypothesis 1 is not rejected. The same as refunding

customers, this form of sales promotions is mostly used in small businesses (Laroche *et al.*, 2005:680). Additionally, authors such as Tanner and Raymonds (2012:383) state that this form of sales promotion method helps any size of business in terms of saving money, especially on these non-selling products. Although different authors support the present study as indicated above, they did not differentiate the extent of use of the marketing communication method, that is, return of non-selling products, between foreign nationals and local tuck-shop owners. The present study supports the assumption that foreign national tuck-shop owners are more likely to return non-selling products to wholesalers than South African tuck-shop owners.

Hypothesis 2: *There is a statistically significant difference between the reasons for the choice of specific marketing communications used by foreign nationals and local tuck-shop owners.*

4.5.3 Student-test

To test this hypothesis, Student T-test was also used to compare reasons for the choices of marketing communication methods used by foreign nationals and local tuck-shop owners. The results are presented in Table 4.19.

Table 4.19: Student T-test results on reasons for market communication method

Construct	Mean		Student T-test		
	Foreign nationals	South Africans	t-value	df	p-value
Marketing to build brand	3.5	2.0	9.1	234	<0.001
Promotion increases performance	4.3	3.1	9.0	234	<0.001
Customer driven repackaging	4.5	4.0	7.8	234	<0.001
Word of mouth benefits business	3.4	2.2	7.1	234	<0.001
Brand loyalty building	4.5	4.3	3.0	234	0.003
Customer attraction	3.9	2.9	5.9	234	<0.001
Public relations for image	3.3	2.5	4.4	234	<0.001

The results in Table 4.14 show that there is a statistical significant difference between reasons for the choice of marketing communication methods used by foreign national and local tuck-shop owners. Hypothesis 2, therefore, is not rejected. The results

further reveal that foreign national tuck-shop owners are more likely to choose the given reasons for their choices of marketing communication methods than local tuck-shop owners. This finding confirms earlier researches by Chiliya *et al.* (2009:073); Liedeman (2013:3) and Mgayi (2015:16) who found that foreign national tuck-shop owners use marketing communication methods for various reasons such as to capture the market, to promote the appeal of products they sell and to cater for customers' needs. In another study, it was observed that, while most South African tuck-shop owners avoid engaging in marketing communication activities, foreign national tuck-shop owners are taking advantage and mastering the use of marketing communications to carry out their businesses (Mgayi, 2015:16). The Sustainable Livelihood Foundation (2012:2) observed that foreign owned tuck-shops are generally doing well and one of the reasons was how they use sales promotions to procure goods they are selling at a cost-effective manner. This fact is very accurate, because foreign national tuck-shop owners follow effective retail practices, as they form trade associations with the benefit of buying goods in bulk (Mgayi, 2015:16). The present results are also supported by the Competitive Dynamic Theory (Smith *et al.*, 2001:6) which advocates for creative competition between businesses, using different strategies with the ultimate goal of outperforming each other. In this instance, foreign tuck-shop owners are outdoing their local competitors because they are aware of the reasons for adopting particular communication strategies.

4.5.4 Chi-square test

In relation to hypothesis 2 on differences in reasons for the choices of marketing communication methods by each group, the Chi-square test showed significant associations between tuck-shop owner origin and repackaging to increase final costs as a reason. The results are shown in Table 4.20

Table 4.20: Repackaging for increased price and group origin

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	122	51.5	51.7	51.7
	Agree	105	44.3	44.5	96.2
	Strongly Agree	9	3.8	3.8	100.0
	Total	236	99.6	100.0	

Table 4.20 shows that a majority of tuck-shop owners 122 (51.7%) do not repackage their products to increase final prices. *Strongly Agree* and *Agree* were combined to define a new variable with two categories AGREE (*Agree* and *Strongly Agree*) and DISAGREE (*Strongly Disagree* and *Disagree*). The distribution changed to 114 (48.3%) AGREE and 122 (51.7%) DISAGREE. This variable was used to represent the use of packages to increase final costs of product. The frequency distribution for the nationalities after this combination is indicated in Table 4.21.

Table 4.21: Origin by repacking to increase price

Frequency Percent Row % Column %	Origin	COST		
		No	Yes	Total
	non-SA		114	22
		48.31	9.32	57.63
		83.82	16.18	
SA		93.44	19.3	
		8	92	100
		3.39	38.98	42.37
Total		8	92	100
		6.56	80.7	
		122	114	236
	51.69	48.31	100	

A closer look Table 4.21 shows that there were 114 non-South Africans who do not use repackaging to increase price. These 114 were 48.31% of the total 236 sample size. They also represented 83.82% of the 136 non-South Africans in the sample, and 93.44% of the 122 who do not use repackaging to increase price as a reason. On the contrary, there were 92 South Africans who used repackaging to increase price or cost. These 92 were 38.98% of the total sample size of 236. They also represented 92% of the 100 South Africans in the sample, and 80.7% of the 114 who used repackaging to increase process as reason

To test the significance of the above results, the chi-squared test for independence was used. The results of the analysis confirm the existence of a significant association ($\chi^2 = 132.6 ; p < 0.0001$). Hypothesis 2, therefore, is not rejected. Non-South Africans were found to be less likely to repackage to increase prices compared to their South African counterparts (OR=0.02; 95% CI (0.01; 0.05)). This finding corroborates the

finding of Chiliya *et al.* (2009:075) and Mgyai (2015:16) that foreign national tuck-shop owners usually use repackaging of goods to create uniqueness and also to cater for different customers' needs rather than using it to increase or make more profit. From a casual observation, it is clear that foreign nationals offer smaller packs of goods which they sell to cash-strapped customers to reduce prices of products they sell. This is a clear indicator that they use repackaging as one of their strategies to outperform their competitors. The opposite of this practice can be observed in South African owned tuck-shops.

4.5.5 Analysis of Variance test

Hypothesis 3 and 4: *The choice of marketing communications and reasons for the choice of marketing communications is more significantly influenced by the owner-manager's gender, age, education level, business experience, and marketing experience for foreign national than for the South African.*

To test hypothesis 3 and 4, the four-way Analysis of Variance (ANOVA) model was used. The Analysis of Variance is a statistical technique conducted when comparing more than two populations (Malhotra & Birks, 2007:546). In this study, two-way interaction model (to obtain the F values and the associated p-values) and a coefficient of determination model (to obtain the coefficient of determination values, R^2) for all marketing communication methods and reasons were, firstly, done using ANOVA. The results are presented in the Tables below.

Table 4.22: Interaction model(s) results and Coefficient of determination for marketing communication methods

Marketing communications methods	F statistic	p-value	R-square	Mean
Print media	7.74	<.0001	0.24	1.6
Broadcast media	1.01	0.432	0.04	1.1
Business & product visibility	4.48	<.0001	0.15	4.2
Discounting	22.1	<.0001	0.47	3.7
Competitor repackaging	9.77	<.0001	0.28	3.0
Customer service and price	3.39	0.0006	0.12	4.9
Customer assistance	3.48	0.0005	0.12	4.9
Market research	2.22	0.0215	0.08	1.5
Charity work	6.02	<.0001	0.19	1.3

Table 4.22 shows that the models for methods of print media (F=7.74; p-value<0.0001); business & product variability (F=7.48; p-value<0.0001); discounting

($F=22.1$; $p\text{-value}<0.0001$), competitor packaging ($F=9.77$; $p\text{-value}<0.0001$); and charity work ($F=6.02$; $p\text{-value}<0.0001$) use score on the demographic variables and their interactions with origin of owner were found to be statistically significant. Also, the table shows, that broadcast media ($R^2 = 4\%$) and market research ($R^2 = 8\%$) had the lowest coefficient of determination values. The implications of these results and discussions thereof are further elaborated in the parameter estimates tables in Section 4.5.4.

Table 4.23: Interaction model results and Coefficient of determination for reasons of choices for marketing communication methods

Marketing communications reasons	F statistic	p-value	R-square	Mean
Brand building	11.42	<.0001	0.31	2.9
Promotion to increase performance	11.12	<.0001	0.31	3.8
Customer driven repackaging	10.59	<.0001	0.30	4.3
Business benefit	6.79	<.0001	0.21	2.9
Brand loyalty building	2.39	0.0133	0.09	4.4
Customer attraction	5.10	<.0001	0.17	3.5
PR image	3.61	0.0003	0.13	2.9

In terms of reasons for the choice of marketing methods, Table 4.23 shows that models for reasons of brand building ($F=11.42$; $p\text{-value}<0.0001$); promotion to increase performance ($F=11.12$; $p\text{-value}<0.0001$); customer-driven packaging ($F=10.59$; $p\text{-value}<0.0001$), business benefits ($F=6.79$; $p\text{-value}<0.0001$); and customer attraction ($F=5.1$; $p\text{-value}<0.0001$) choice score on the demographic variables and their interactions with origin of owner were found to be statistically significant. As indicated in Table 4.23, the brand loyalty building ($R^2 = 8\%$) had the lowest coefficient of determination values. The implications of these results and discussions thereof are undertaken in the parameter estimates tables in Section 4.5.4.

4.5.4 Parameter Estimates

As alluded to above, ANOVA was used to test for the interaction of the origin of the tuck-shop owner and demographic characteristics in marketing communication method choice and reasons for the choice. The analysis was also used to test for the main effects of demographic variables on marketing communication methods and reasons for their choice. The demographic characteristics considered in this analysis were age, duration of operation of the business, education level and origin of the tuck-shop owner. The demographics were re-defined for the parameter estimates analysis as indicated below

The re-definitions were as follows:

1. **Age:** Redefined into '*less than or equal to 40 years*' and '*over 40 years*' (2 levels)
2. **Education:** The category '*no formal education*' was incorporated into '*primary, secondary*' and '*post-secondary*' (3 levels)
3. Years in business (**Survival**): Redefined into '*less or equal to 5 years*' and '*more than 5 years*' (2 levels)
4. Origin of owner (**Group**): Redefined to '*non-South African*' (*foreign nationals*) and '*South African*' (2 levels)

The above-mentioned demographic variables were treated as independent variables in the analysis. To obtain parameter estimates for the demographic independent variables, they were parameterised in such a way that the estimate for one of the levels of each of the independent variables is set to zero. In this analysis, the estimates for non-South African, under 40 years of age, secondary education and under 5 years business survival were set to zero. The resultant parameter estimates are shown in the tables below and those set to zero and the interaction terms involving them are not shown in the table of results. This is because any interaction with a level whose parameter is already set to zero would yield a parameter estimate of zero.

4.5.4.1 Interpretation of the parameter estimates tables

1. **The intercept:** also known as the 'model constant', represents the mean response value in the absence of the independent variables, that is, when the variables have value zero. In this analysis, independent variables equal to zero means a 40 year old or younger non-South African with a secondary school education whose business is 5 years old or younger. Note that these are the categories of the independent categorical variables whose parameter estimates have been set to zero in the parameter estimation computations.
2. **GROUP SA (South African owner):** represents the estimated difference in the response variable between South African and non-South African owners.
3. **SURVIVAL Over5:** represents the estimated difference in the response between young and old businesses.

4. **EDUCATION Post-Sec**: represents the difference in the response between owners with post-secondary school education and those with secondary school education.
5. **EDUCATION Primary**: represents the difference between those with primary education and the ones with secondary education.
6. **AGE Over40**: is a comparison of old and young shop owners.
7. **GROUP*SURVIVAL SA Over5**: represents the difference in the response between old (Over5) and young (Under5) tuck-shop businesses owned by South Africans and those owned by non-South Africans. That is, it measures how much the interaction between origin of owner and age of the business affects the response variable.
8. **GROUP*EDUCATION SA Post-Sec**: represents the difference in the response between owners with post-secondary school education and those with secondary school education in relation to South Africans and non-South Africans. That is, it measures how much the interaction between origin of owner and education level affects the response variable.
9. **GROUP*EDUCATION SA Primary**: represents the difference in the response between those with primary education and the ones with secondary education among South Africans and non-South Africans. That is, it measures how much the interaction between origin of owner and education level affects the response variable.
10. **GROUP*AGE SA Over40**: represents the difference in the response between old and young tuck-shop owners who are South Africans and non-South Africans. That is, it measures how much the interaction between the origin of owner and age affects the response variable.

Based on the above, the results of each marketing communication method and reasons for the choices in a form of tables of model parameter estimates are presented.

4.5.4.2 Parameter estimates for choice of marketing communication methods

Table 4.24 shows parameter names, parameter estimates (B), standard error of parameter estimates [se (B)], t statistic values and corresponding p-values for the marketing communication methods

Table 4.24: Parameter estimates for two-way interaction ANOVA model of use of print media

Parameter	B	se(B)	t	p-value
Intercept	2.12	0.114	18.6	<.0001
GROUP SA	-0.90	0.207	-4.3	<.0001
SURVIVAL Over5	-0.29	0.189	-1.6	0.1230
EDUCATION Post-Sec	0.01	0.216	0.0	0.9707
EDUCATION Primary	-0.28	0.147	-1.9	0.0603
AGE Over40	-0.06	0.184	-0.4	0.7258
GROUP*SURVIVAL SA Over5	0.24	0.328	0.7	0.4661
GROUP*EDUCATION SA Post-Sec	-0.16	0.363	-0.5	0.6533
GROUP*EDUCATION SA Primary	0.26	0.222	1.2	0.2521
GROUP*AGE SA Over40	-0.01	0.323	0.0	0.9806

The model for print media use score on the demographic variables and their interactions with origin of owner was found to be statistically significant ($F=7.74$; p -value <0.0001) (see Table 4.22). The coefficient of determination for the model was ($R^2=0.24$) (see Table 4.22). This result shows that the model explains 24% of the variability in the use of print media. What this means is that, there might be other factors influencing the extent of use of print media among tuck-shop owners besides the demographic factors used in this study. Given that the main focus of this study was not on other factors, except the ones tested, it might be prudent to do future research and explore other demographic or social factors which might influence the use of print media between different nationalities, in small businesses.

The model parameter estimates show that the group, which represents origin of owner, has the only statistically significant effect on use of print media. The p -value for the parameter is very low, lower than 0.0001. This is evidence that the effect is statistically significant. The intercept estimate is 2.12, which shows the mean print media use score for the reference case. The value of the parameter estimate for GROUP SA is -0.90, which shows that South African tuck-shop owners have a lower print media use score than non-South Africans. The negative sign of the parameter estimate for GROUP SA can be interpreted to mean that being a South African owner reduces the print-media use score by 0.90. It can be concluded that South African tuck-shop owners have a lower print-media use score than non-South African tuck-shop owners. The hypothesis, therefore, is not rejected. This finding confirms the researcher's assumption that foreign nationals seem to be adopting and practicing the use of

marketing communications and using these strategies to outperform South African tuck-shop owners in the Free State Province. Although there is no literature highlighting the dominance of tuck-shops in terms of nationality and its influence on adopting marketing communication methods specifically the use of print media, this study has revealed that nationality plays a significant role in influencing the choice of marketing communications (print media). This is consistent with what Mgyai (2015:16) posit, that foreign nationals use marketing communications more than local tuck-shop owners.

From the above results, one can therefore conclude that the use of print media does not significantly depend on owner’s age, education, business age and all possible interactions between origin of owner and the other demographics. This means, any differences in print media use can only be explained by the origin of the tuck-shop owner.

Table 4.25: Parameter estimates for two-way interaction ANOVA model of use of broadcast media

Parameter	B	se(B)	t	p-value
Intercept	1.09	0.048	22.5	<.0001
GROUP SA	0.07	0.088	0.8	0.4293
SURVIVAL Over5	0.01	0.080	0.1	0.8858
EDUCATION Post-Sec	0.15	0.092	1.6	0.1125
EDUCATION Primary	0.02	0.062	0.4	0.7114
AGE Over40	0.08	0.078	1.0	0.3125
GROUP*SURVIVAL SA Over5	-0.17	0.139	-1.2	0.2275
GROUP*EDUCATION SA Post-Sec	-0.27	0.154	-1.8	0.0804
GROUP*EDUCATION SA Primary	-0.05	0.094	-0.5	0.6168
GROUP*AGE SA Over40	-0.01	0.137	-0.1	0.9363

The interaction model for broadcast media use score on the demographic variables and their interactions with origin of owner was not statistically significant ($F=1.01$; $p\text{-value}=0.4320$) (see Table 4.22). This means there was no interaction between demographic characteristics and the origin of the tuck-shop owner in the use of broadcast media. The coefficient of determination for the model was ($R^2=0.04$) (see Table 4.22), which means this model explains only 4% of the variability in broadcast media use. The reference broadcast media use’s mean score was found to be only 1.09, just 0.09 units away from the minimum score. This shows that broadcast media is not a popular marketing channel for tuck-shop owners. All the p-values associated

with the model predictor variables were more than 0.05, showing that there is insufficient evidence to suggest that any of the independent variables or their interactions have a significant effect on broadcast media use. From mere general observation, one can easily concur with the finding because the use of broadcast media in small grocery tuck-shop businesses is questionable, especially because one has to invest a lot of resources for this kind of marketing communication method. Authors like Chebelyon-Dalizu *et al.* (2010:10) posit that small grocery tuck-shop businesses cannot quantify returns from investing in such promotional activities. This goes to support literature that broadcast media is resource-intensive and time-consuming (Frey & Rudloff, 2010:4). The present results reveal, that the use of broadcast media is not important for both nationalities and thus the hypothesis is rejected.

Table 4.26: Parameter estimates for two-way interaction ANOVA model of business and product visibility

Parameter	B	se(B)	t	p-value
Intercept	4.43	0.113	39.1	<.0001
GROUP SA	-0.61	0.206	-2.9	0.0036
SURVIVAL Over5	0.42	0.188	2.3	0.0254
EDUCATION Post-Sec	0.05	0.214	0.2	0.8115
EDUCATION Primary	-0.25	0.146	-1.7	0.0925
AGE Over40	-0.08	0.183	-0.4	0.6753
GROUP*SURVIVAL SA Over5	-0.34	0.325	-1.1	0.2955
GROUP*EDUCATION SA Post-Sec	0.23	0.360	0.6	0.5320
GROUP*EDUCATION SA Primary	0.18	0.221	0.8	0.4128
GROUP*AGE SA Over40	0.04	0.321	0.1	0.9091

The analysis of variance model showed statistical significance ($F=4.48$; $p<0.0001$) (see Table 4.22) but the coefficient of determination is only ($R^2=0.15$) (see Table 4.22) which shows that this model explains very little (15%) of the variability in the business and product visibility score. The intercept estimate is 4.43; this reflects one of the reasons why tuck-shop owners market their businesses and products. The model parameter estimates show that group ($p=0.0036$) and business age ($p=0.0254$), have the only statistically significant effect on business and product visibility as a reason for marketing. If the owner is South African, the mean score will significantly go down by 0.61 while if the business is at least 5 years old the mean score would increase by 0.42. This finding reveals that South African tuck-shop

owners do less of business and product visibility activities than foreign national tuck-shop owners. The finding is consistent with the researcher’s assumption that South African tuck-shop owners do not engage as much in the use of marketing communications as foreign nationals; foreign nationals are taking advantage of this and taking over the small grocery tuck-shop market (Liedeman *et al.*, 2013:3). The results reveal how, if the tuck-shop owner is South African with a business age (5 years or over) has an effect on business and product visibility – allowing us to reject the hypothesis that the South African group does not influence the choice of the marketing communications. This finding goes to support the views of Isaga (2015:170) and Vinogradov and Elam (2010:55) who indicate that, when a person has experience, which, in this case can be the number of years in the business, he/she often has a better understanding of how to meet demands in businesses and become successful. It can be concluded that the business age effect is more significant in considering business and product visibility as a reason for marketing when the tuck-shop owner is South African than when non-South African. The results, however, contradict authors such as Radipere (2012:131) who found that business age is very influential and that it is a key factor for business survival for foreign national entrepreneurs. Beside group and business age, no other independent variables or possible interactions between origin of owner and the other demographics, significantly influence business and product visibility as indicated in Table 4.26.

Table 4.27: Parameter estimates for two-way interaction ANOVA model of use of discounting

Parameter	B	se(B)	t	p-value
Intercept	4.70	0.126	37.3	<.0001
GROUP SA	-1.60	0.229	-7.0	<.0001
SURVIVAL Over5	-0.04	0.209	-0.2	0.8650
EDUCATION Post-Sec	0.03	0.239	0.1	0.9163
EDUCATION Primary	-0.56	0.162	-3.4	0.0007
AGE Over40	-0.42	0.203	-2.0	0.0423
GROUP*SURVIVAL SA Over5	-0.08	0.362	-0.2	0.8255
GROUP*EDUCATION SA Post-Sec	-0.35	0.400	-0.9	0.3877
GROUP*EDUCATION SA Primary	0.64	0.245	2.6	0.0098
GROUP*AGE SA Over40	0.16	0.357	0.5	0.6462

The interaction model for use of discounting score on the demographic variables and their interactions with origin of owner was statistically significant ($F=22.1$; $p<0.0001$) (see Table 4.22). The coefficient of determination of model was ($R^2=46.9\%$) (see Table 4.22). The model explains 46.9% of the variability of the discounting score. The mean response score (intercept) is 4.7. This finding shows that discounting is a popular marketing communication method amongst tuck-shop owners and it supports literature stating that discounting is used on a daily basis in small grocery tuck-shops (Chiliya *et al.*, 2009:074). The finding further reveals how group, education and age have an effect on the use of discounting. Where, South African ownership (-1.60) significantly reduce the score, as well as primary education (-0.56) and over 40 years (-0.42). Firstly, the finding is consistent with what literature, for example, Liedeman *et al.*, 2013:3 and The Sustainable Livelihood Foundation, (2012:2) suggest, that South African tuck-shop owners use little, if any marketing communications in their businesses and it supports the researcher's assumption that foreign national tuck-shop owners are outperforming South African tuck-shop owners with their skill of adopting relevant marketing communications in their businesses. Secondly, the finding reveals that education (primary education) has an effect on the use of discounting, although it reduces the score of the marketing communication method. This means South African tuck-shop owners with only primary education are less likely to use the method as compared to non-South Africans. This supports findings by Isaga (2015:169), that individuals with higher levels of education easily manage their businesses and adopt strategies to help the business succeed, while those with lower levels of education are less likely to succeed. Although, from casual observation this is not always the case, most entrepreneurs are not formally educated but still run successful businesses. Thirdly, the finding shows that South African tuck-shop owners over 40 years reduce the score of discounting compared to the foreign national owners. This means South African tuck-shop owners who are over the age of 40 are not likely to use discounting in their businesses. The finding is supported by authors such as Woldie *et al.*, (2008:9), Radipere (2012:54) and Tanveer *et al.*, (2013:452), who posit that the younger an entrepreneur is, the more likely he/she will succeed in his or her business, as opposed to older entrepreneurs. Although the finding contradicts other authors views (Isaga, 2015:170; Littunen and Virtanen, 2006:101), who claim that

the older an entrepreneur gets, regardless of the nationality, the more likely they will succeed and be more experienced and business-wise.

Besides the above mentioned demographic variables (group, education and age effects), an interaction effect between group and education was found to be statistically significant. The individual effects of group and education described above may be misleading since there is evidence of their interaction. This means the interpretation of the group effect is not complete if it is not given in terms of educational level and vice versa. The interaction effect found is such that the difference in discounting score between primary education and secondary education among South African owners is higher than the same difference among non-South African owners. This means South African tuck-shop owners with primary education and secondary education use discounting more than foreign national tuck-shop owners with the same primary and secondary education. Given this, the finding reveals that in small grocery tuck-shops, the use of discounting is more influenced by nationality and educational level of South African tuck-shop owner than foreign national tuck-shop owners. Although the finding contradicts most literature which states that foreign national tuck-shop owners use marketing communications more than South African tuck-shop owners (Liedeman *et al.*, 2013:3), this reveals that South Africa tuck-shop owners, regardless of education level, to a large extent understand business marketing communication practices. The stated hypothesis is, therefore, rejected.

Table 4.28: Parameter estimates for two-way interaction ANOVA model of competitor driven repackaging

Parameter	B	se(B)	t	p-value
Intercept	3.11	0.171	18.2	<.0001
GROUP SA	-0.62	0.310	-2.0	0.0480
SURVIVAL Over5	0.69	0.283	2.4	0.0163
EDUCATION Post-Sec	0.50	0.324	1.5	0.1265
EDUCATION Primary	0.25	0.220	1.1	0.2661
AGE Over40	0.41	0.276	1.5	0.1364
GROUP*SURVIVAL SA Over5	-0.48	0.491	-1.0	0.3340
GROUP*EDUCATION SA Post-Sec	-0.66	0.543	-1.2	0.2224
GROUP*EDUCATION SA Primary	-0.75	0.333	-2.3	0.0251
GROUP*AGE SA Over40	-0.63	0.484	-1.3	0.1913

The model for competitor-driven repackaging score on the demographic variables and their interactions with origin of owner was found to be statistically significant ($F=9.8$; $p<0.0001$) (see Table 4.22). This means there is an interaction between demographic characteristics and the origin of the tuck-shop owner for competitor-driven repackaging. The coefficient of determination of the model was ($R^2=28.1\%$) (see Table 4.22). This means the model only explains 28.1% of the variability in competitor-driven repackaging. The intercept estimate is 3.11. The value of the parameter estimate for GROUP SA is -0.62, which shows that if the owner is South African the mean score will significantly go down by 0.62. At the surface level, this finding supports the researcher's assumption that the choice and reason for a particular marketing communication method is influenced more by foreign national tuck-shop owners than local tuck shop owners. Thus, South African tuck-shop owners have a lower use score of competitor-driven packaging than non-South African tuck-shop owners. Secondly, the results reveal that if the business is at least 5 years old, the mean score would increase by 0.69. The finding is consistent with findings of Isaga (2015:170) amongst other authors, who suggests that people with prior business experience or have been operating businesses for long duration, often have a better understanding of how to meet demands in business, to be successful. One can therefore infer that, the adoption of competitor-driven repackaging as a marketing communication method is amongst other strategies South African tuck-shop owners can adopt based on experience or business duration when compared to foreign nationals.

Besides group and business age, there is a significant group by education interaction effect on competitor-responsive repackaging score. The interaction is such that the difference between primary and secondary education among South African owners is significantly lower than the same difference among the non-South African owners. This means South African tuck-shop owners with primary and secondary education use competitor-responsive repackaging less than foreign national tuck-shop owners with the same primary and secondary education. This finding is supported by Radipere (2012: 122), who states that despite the positive consequence of education on any entrepreneur's success, the importance is more prevalent for foreign national entrepreneurs who often use their knowledge to adopt

business strategies to outperform their counterparts. In this case, the hypothesis is not rejected.

Table 4.29: Parameter estimates for two-way interaction ANOVA model of use of customer service and pricing

Parameter	B	se(B)	t	p-value
Intercept	4.99	0.045	111.8	<.0001
GROUP SA	-0.31	0.081	-3.8	0.0002
SURVIVAL Over5	0.10	0.074	1.3	0.1904
EDUCATION Post-Sec	-0.08	0.085	-1.0	0.3281
EDUCATION Primary	-0.05	0.057	-0.8	0.4277
AGE Over40	-0.16	0.072	-2.2	0.0304
GROUP*SURVIVAL SA Over5	0.10	0.128	0.8	0.4179
GROUP*EDUCATION SA Post-Sec	-0.03	0.142	-0.2	0.8331
GROUP*EDUCATION SA Primary	0.18	0.087	2.0	0.0423
GROUP*AGE SA Over40	0.08	0.126	0.6	0.5238

The analysis of variance model showed statistical significance ($F=3.4$; $p=0.0006$) (see Table 4.22). The model explained only 11.9% of the variability in the use of customer services and pricing. This means there might be other factors influencing the extent of use of customer services and pricing among tuck-shop owners besides the demographic factors used in this study; the intercept estimate is 4.99, which shows the mean customer services and pricing use score for the reference case. South African ownership (-0.31) significantly reduces the score and the owner being over 40 years (-0.16). These findings reveal that if a tuck-shop owner is a South African, the use of customer services and pricing is lower than if the business owner is a foreign national. This is consistent with what most authors, Chilya *et al.*, (2009:075) and Charman, Petersen and Piper, (2012:48) posit that foreign national tuck-shop owners adopt and use marketing communications more than South Africans. The findings reveal that business owners (South African) who are over the age of 40 use less of the marketing communication tool (customer services and pricing). This finding is supported by Tanveer *et al.* (2013:452) who assert that there is less chance of becoming an entrepreneur and be successful as the age increases, however, other authors are not of the similar view and argue that the older one gets, the more experienced they are and likely to succeed regardless of nationality (Isaga, 2015:170; Littunen and Virtanen, 2006:101).

Besides these individual demographic variables (group and age effects), an interaction effect between group and education was found to be statistically significant. The interaction effect is such that the difference between primary and secondary education among South African owners is significantly higher than the same difference among non-South African owners. This means South African tuck-shop owners with primary and secondary education use customer services and pricing more than foreign national tuck-shop owners with the same primary and secondary education. The finding is in variance with various studies which suggest that South African tuck-shop owners do not use marketing communications in any way or are influenced by any factor to adopt them (The Sustainable Livelihood Foundation, 2012:2). The hypothesis under consideration is, therefore, rejected.

Table 4.30: Parameter estimates for two-way interaction ANOVA model of customer assistance

Parameter	B	se(B)	t	p-value
Intercept	5.02	0.045	111.1	<.0001
GROUP SA	-0.27	0.082	-3.2	0.0014
SURVIVAL Over5	0.01	0.075	0.1	0.9108
EDUCATION Post-Sec	-0.17	0.086	-2.0	0.0506
EDUCATION Primary	-0.06	0.058	-1.0	0.3248
AGE Over40	-0.13	0.073	-1.8	0.0669
GROUP*SURVIVAL SA Over5	0.19	0.130	1.5	0.1409
GROUP*EDUCATION SA Post-Sec	-0.03	0.144	-0.2	0.8273
GROUP*EDUCATION SA Primary	0.15	0.088	1.7	0.0947
GROUP*AGE SA Over40	-0.03	0.128	-0.2	0.8426

The interaction model for customer-assistance use score on the demographic variables and their interactions with origin of owner was statistically significant ($F=3.5$; $p=0.0005$). The coefficient of determination for the model was ($R^2=12.2\%$) (see Table 4.22). This result shows that the model only explains 12.2% of the variability in the use of customer assistance. The model parameter estimates show that group, has the only statistically significant effect on use of customer assistance. The p-value for the parameter is 0.0014. The intercept estimate is 5.02, which shows the mean customer-assistance use score for the reference case.

The value of the parameter estimate for GROUP SA is -0.27, which shows that South African tuck-shop owners have a lower customer-assistance use score than non-South Africans. It can be concluded that South African tuck-shop owners have a lower customer-assistance use score than non-South African tuck-shop owners. The finding is supported by Mgyai (2015:16), who states that foreign national tuck-shop owners are mastering the use of marketing communication strategies for their competitive advantage.

From the above results, it is evident that the use of customer assistance as a marketing communication tool does not significantly depend on owner’s age, education, business age and all possible interactions between origin of owner and the other demographics. That means, any differences in customer assistance use can only be explained by the origin of the tuck-shop owner. The hypothesis in this case is not rejected.

Table 4.31: Parameter estimates for two-way interaction ANOVA model of market research

Parameter	B	se(B)	t	p-value
Intercept	1.20	0.154	7.8	<.0001
GROUP SA	0.18	0.279	0.6	0.5252
SURVIVAL Over5	0.30	0.255	1.2	0.2341
EDUCATION Post-Sec	0.42	0.291	1.4	0.1542
EDUCATION Primary	0.35	0.198	1.8	0.0781
AGE Over40	0.59	0.248	2.4	0.0174
GROUP*SURVIVAL SA Over5	-0.23	0.441	-0.5	0.6106
GROUP*EDUCATION SA Post-Sec	-0.30	0.488	-0.6	0.5334
GROUP*EDUCATION SA Primary	-0.73	0.299	-2.4	0.0156
GROUP*AGE SA Over40	-0.34	0.435	-0.8	0.4386

The analysis of variance model showed statistical significance ($F=2.2$; $p=0.0215$) (see Table 4.22). This means there is an interaction between demographic characteristics and the origin of the tuck-shop owner for the use of market research. The coefficient of determination of the model was ($R^2=8.16\%$) (see Table 4.22), meaning the model explained 8% of the variability in the use of market research. The intercept estimate is 1.20. AGE OVER 40 (0.59) has the only statistically significant effect on use of market research; it significantly increases the score, with a p-value of 0.0174. This means tuck-shop owners over the age of 40 are more likely

to use/do market research than those below 40 years. Authors such as Woldie *et al.*, (2008:9) are not of the same view; they posit that the younger an entrepreneur is, the more likely he/she will succeed in his or her business. Isaga (2015:170) supports this study's finding and states that the older an entrepreneur is the more experienced and successful they become.

Besides this demographic variable effect, an interaction effect between group and education was found to be statistically significant. The interaction effect is such that the difference between primary and secondary education among South African owners is significantly lower than the same difference among non-South African owners. This means South African tuck-shop owners with primary and secondary education use market research less than foreign national tuck-shop owners with the same primary and secondary education. The finding is consistent with previous researches, suggesting that most foreign national business owners, with higher education perform better than local business owners, thus, adopting more marketing communications than South African tuck-shop owners (Tengeh, 2011:4). In this case the hypothesis under consideration is, therefore, not rejected.

Table 4.32: Parameter estimates for two-way interaction ANOVA model of charitable work

Parameter	B	se(B)	t	p-value
Intercept	1.41	0.087	16.3	<.0001
GROUP SA	-0.15	0.157	-1.0	0.3446
SURVIVAL Over5	0.60	0.144	4.2	<.0001
EDUCATION Post-Sec	0.29	0.164	1.8	0.0787
EDUCATION Primary	-0.29	0.111	-2.6	0.0109
AGE Over40	-0.14	0.140	-1.0	0.3012
GROUP*SURVIVAL SA Over5	-0.72	0.249	-2.9	0.0040
GROUP*EDUCATION SA Post-Sec	-0.32	0.275	-1.2	0.2495
GROUP*EDUCATION SA Primary	0.14	0.169	0.8	0.4049
GROUP*AGE SA Over40	0.23	0.245	0.9	0.3545

The interaction model for charitable work score on the demographic variables and their interactions with origin of owner was statistically significant ($F=6.0$; $p<0.0001$) (see table 4.22). The coefficient of determination of model was ($R^2=19.4\%$) (see Table 4.22). The model explains 19.4% of the variability of charitable work score.

The mean response score (intercept) is 1.41, with SURVIVAL Over5 significantly increasing the score by 0.60. This means businesses over 5 years in operation are more likely to do charitable work or adopt that marketing communication tool in their businesses. The finding is supported by literature, stating that businesses that have more operation exposure often have a better understanding of how to meet demands of customers, make more profit and have extra to give to charity (Unger *et al.*, 2009:353). Primary education also has an effect on the adoption of charitable work; it reduces the score by 0.29. This means tuck-shop owners with primary education only are more likely not to do charitable work. One of the reasons for such an assertion might be that education can impact the path of a business's success as well as the process of building absorptive capacity such as knowledge and skills (Vallabh and Mhlanga, 2015:3) and eventually, causing one to embark on charity work. The finding, implicitly, corroborates Isaga (2015:169) who suggests that individuals with higher levels of education can easily manage their businesses and contribute to society, while those with lower levels are less likely to succeed and embark on charity work.

Besides these demographic variables (survival and education effects), an interaction effect between group and business age was found to be statistically significant. The interaction effect is such that the difference in charitable work scores between Over 5 and Under 5 year's old businesses among SA owners is significantly lower than the same difference among non-South African owners. This means South African tuck-shop owners who have been in the business for under 5 years and those who have been operating over 5 years are less likely to adopt charitable work in their businesses than foreign national who have been in the business less than 5 years and those who have been operating over 5 years. The finding however, contradicts Luvuyo Rani (2015), founder and managing director of Silulo Ulutho Technologies, in Khayelitsha, who states that most foreign national tuck-shop owners are not involved in any community development programmes where they contribute to the community and where they support community causes like charity events and fund education and entrepreneurship programmes. Conversely, the finding is consistent with other authors, who suggest that foreign national tuck-shop owners are overshadowing locals, especially in their use of marketing communications whether they

have been operating for a long period of time or not (Charman *et al.*, 2012:48). The hypothesis, therefore, is not rejected.

4.5.4.3 Parameter estimates for marketing communication reasons

The tables below show parameter names, parameter estimates (B), standard error of parameter estimates [se (B)], t statistic values and corresponding p-values for the reasons for marketing communication methods

Table 4.33: Parameter estimates for two-way interaction ANOVA model of brand building

Parameter	B	se(B)	t	p-value
Intercept	3.53	0.176	20.1	<.0001
GROUP SA	-1.56	0.319	-4.9	<.0001
SURVIVAL Over5	0.58	0.291	2.0	0.0474
EDUCATION Post-Sec	-0.09	0.333	-0.3	0.7948
EDUCATION Primary	-0.42	0.226	-1.9	0.0639
AGE Over40	0.31	0.284	1.1	0.2757
GROUP*SURVIVAL SA Over5	-0.48	0.505	-0.9	0.3460
GROUP*EDUCATION SA Post-Sec	0.00	0.558	0.0	0.9962
GROUP*EDUCATION SA Primary	-0.08	0.342	-0.2	0.8191
GROUP*AGE SA Over40	0.01	0.498	0.0	0.9824

The model for brand building score on the predictors and their interactions with origin of owner was found to be statistically significant ($F=11.4$; $p < 0.0001$) (See Table 4.23) with a coefficient of determination of ($R^2=0.31$) (See Table 4.23), meaning the model explains 31% of the variability in the brand building score.

The parameter estimates show that the mean brand building score for the reference case was 3.53 (intercept). The model parameter estimates show that group and age of business (Survival), have statistical significant effects on marketing to build a brand. The estimate for South African owners is -1.56 which shows that South African tuck-shop owners have a significantly lower brand building score compared to non-South African owners; meaning brand building is not a reason for South Africans to adopt marketing communication strategies. The finding supports the researcher's assumption that although brand building as a reason for using marketing communications is important in small grocery tuck-shop industry, it is more prevalent in foreign national owned tuck-shops. With respect to age of business, those South African tuck-shop owners who have been in the business for more than five years

have significantly higher brand-building score than non-South Africans with less than five years of operations. This is reflected in the positive parameter estimate of 0.58 for SURVIVAL Over5. Although the above finding suggests that South African tuck-shop owners do less of brand building as reason for marketing communications, but when they have been operating their businesses for more than five years, they do more brand building than non-South African tuck-shop owners. This could be attributed to what authors such as Kunene (2008:45) posit, that, specific industry knowledge on branding from accumulated work habits and business experience can bring an understanding of how branding is done in a specific context like the adoption of marketing communications and the reasons thereof. The p-value for this parameter is 0.0474 which is 0.05 if expressed correct to 2 decimal places. This suggests that although this effect is statistically significant, it is a borderline case and as such, the results can be regarded as inconclusive. Besides these individual demographic effects, no interactions were found.

Table 4.34: Parameter estimates for two-way interaction ANOVA model of increased business performance

Parameter	B	se(B)	t	p-value
Intercept	4.50	0.141	31.9	<.0001
GROUP SA	-1.57	0.257	-6.1	<.0001
SURVIVAL Over5	0.18	0.235	0.8	0.4384
EDUCATION Post-Sec	0.10	0.268	0.4	0.6961
EDUCATION Primary	-0.45	0.182	-2.5	0.0141
AGE Over40	-0.20	0.228	-0.9	0.3792
GROUP*SURVIVAL SA Over5	0.36	0.407	0.9	0.3731
GROUP*EDUCATION SA Post-Sec	-0.36	0.450	-0.8	0.4202
GROUP*EDUCATION SA Primary	0.26	0.276	0.9	0.3493
GROUP*AGE SA Over40	0.10	0.401	0.2	0.8073

The analysis of variance model showed statistical significance ($F=11.1$; $p<0.0001$). (see Table 4.23). The coefficient of determination for the model was ($R^2=30.9\%$) (see Table 4.23). This means the model explains 30.9% of the variability in the increased business performance score. Average score (intercept) is 4.5. The parameter estimate shows that South African tuck-shop owners significantly reduce the mean score by 1.57, so does having a primary education which reduces the score by 0.45. The results show that South African tuck-shop owners have lower scores of increasing business performance than non-South Africans. This means foreign national tuck-shop owners

are more likely to consider increasing business performance as a reason for adopting these marketing communications strategies than local tuck-shop owners. The finding supports the researcher’s assumption and literature, that South African tuck-shop owners are less likely to adopt any marketing communication method or the reasons for using marketing communications than foreign nationals. As a result, foreign national owned tuck-shops are more likely to be successful in their business ventures (The Sustainable Livelihood Foundation, 2012:2). With respect to education level, those South African tuck-shop owners with primary education have significantly low scores of using increasing business performance as a reason than those with secondary and post-secondary education level. This finding is in line with what Radipere and Dhliwayo (2014:107) and Isaga (2015:169) claim, that individuals with higher levels of education can easily manage their businesses, while those with lower levels are less likely to succeed, and that education level of a business owner can help the business survive. One can then infer that, higher education levels help tuck-shop owners to know relevant marketing communication methods and the reasons for the choices of the specific methods. Consequently, the hypothesis tested is accepted.

Besides group and education level, no other independent variables significantly influence increased business performance.

Table 4.35: Parameter estimates for two-way interaction ANOVA model of use of customer driven repackaging

Parameter	B	se(B)	t	p-value
Intercept	4.49	0.062	72.2	<.0001
GROUP SA	-0.50	0.113	-4.4	<.0001
SURVIVAL Over5	0.31	0.103	3.1	0.0026
EDUCATION Post-Sec	0.05	0.118	0.5	0.6543
EDUCATION Primary	-0.16	0.080	-2.0	0.0526
AGE Over40	-0.09	0.100	-0.9	0.3954
GROUP*SURVIVAL SA Over5	0.08	0.179	0.5	0.6551
GROUP*EDUCATION SA Post-Sec	-0.14	0.198	-0.7	0.4679
GROUP*EDUCATION SA Primary	0.19	0.121	1.6	0.1110
GROUP*AGE SA Over40	-0.30	0.176	-1.7	0.0884

The model for customer-driven repackaging score on the demographic variables and their interactions with the origin of the owner was found to be statistically significant (F=10.6; p<0.0001) (see Table 4.23). This means there is an interaction between demographic characteristics and the origin of the tuck-shop owner for customer-driven

repackaging. The coefficient of determination of the model was ($R^2=29.7\%$) (See Table 4.23). This means the model only explains 29.7% of the variability in customer-driven repackaging. The intercept estimate is 4.49, this shows why tuck-shop owners repack their products for their customers convenience. The value of the parameter estimate for GROUP SA is -0.50, which shows that if the owner is South African the mean score will significantly go down by 0.50, this means South African tuck-shop owners are not likely to do customer-driven repackaging as a reason of marketing like foreign national tuck-shop owners. The finding is supported by literature (Chiliya *et al.*, 2009:075; Charman *et al.*, 2012:48) which state that foreign national tuck-shop owners are mastering and dominating the market with their repacking skill adopting and using marketing communications and the reasons of adopting them. From casual observation, foreign national tuck-shop owners package their goods for the convenience of their customers more than local tuck-shop owners, one way of doing that is by offering of goods specially packaged in smaller packs as noted in their selling of half loaves of bread to cash-strapped customers and that of miniature products, such as toothpaste. The results also reveal that if the business is at least 5 years old the mean score would increase by 0.31. This means businesses over 5 in operation are more likely to package their goods for customers' convenience. The finding corroborates findings of previous studies which suggest that foreign national entrepreneurs are more likely to adopt marketing communications for reasons of marketing and exposure as their businesses grow in terms of years of operation (The Sustainable Livelihood Foundation, 2012:2). Besides group and business age, no other independent variables significantly influence customer-driven repackaging. As such, the hypothesis is rejected.

Table 4.36: Parameter estimates for two way interaction ANOVA model of use of business benefits

Parameter	B	se(B)	t	p-value
Intercept	3.44	0.191	18.0	<.0001
GROUP SA	-1.05	0.347	-3.0	0.0029
SURVIVAL Over5	0.39	0.317	1.2	0.2160
EDUCATION Post-Sec	0.17	0.362	0.5	0.6434
EDUCATION Primary	-0.37	0.246	-1.5	0.1354
AGE Over40	0.16	0.309	0.5	0.6126
GROUP*SURVIVAL SA Over5	0.11	0.550	0.2	0.8383
GROUP*EDUCATION SA Post-Sec	-0.41	0.608	-0.7	0.5049
GROUP*EDUCATION SA Primary	-0.07	0.373	-0.2	0.8431

GROUP*AGE SA Over40

-0.64

0.542

-1.2

0.2364

The interaction model for word-of-mouth use score on the demographic variables and their interactions with origin of owner was statistically significant ($F=6.8$; $p<0.0001$) (see Table 4.23). The coefficient of determination for the model was ($R^2=21.4\%$) (See Table 4.23). This result shows that the model explains 21.4% of the variability in the use of word-of-mouth. The model parameter estimates show that group, which represents origin of owner, has the only statistically significant effect on use of word-of-mouth. The p-value for the parameter is 0.0029. This is evidence that the effect is statistically significant. The intercept estimate is 3.44, which shows the mean word-of-mouth use score for the reference case.

The value of the parameter estimate for GROUP SA is -1.05, which shows that South African tuck-shop owners have a lower business benefit use as a reason for using marketing communications score more than non-South Africans. This finding confirms the researcher's assumption that foreign nationals seem to be adopting and practicing the use of marketing communications and the reasons thereof, and using these strategies more to outperform South African tuck-shop owners. This also confirms what Mgayi (2015:16) stresses, that South African entrepreneurs are not exploiting marketing communications enough in their businesses, as a result foreign nationals are employing various marketing communication strategies to outperform them. It can be concluded that South African tuck-shop owners have a lower business benefit use score than non-South African tuck-shop owners. The hypothesis, thus, is accepted.

From the above results, one can conclude that business benefit does not significantly depend on owner's age, education, business age and all possible interactions between origin of owner and the other demographics. This means, any differences in word-of-mouth use can only be explained by the origin of the tuck-shop owner.

Table 4.37: Parameter estimates for two-way interaction ANOVA model of brand loyalty building

Parameter	B	se(B)	t	p-value
Intercept	4.52	0.077	58.8	<.0001
GROUP SA	-0.14	0.140	-1.0	0.3216
SURVIVAL Over5	0.16	0.128	1.3	0.2034
EDUCATION Post-Sec	0.08	0.146	0.5	0.6012
EDUCATION Primary	-0.01	0.099	-0.1	0.9409
AGE Over40	-0.15	0.124	-1.2	0.2243
GROUP*SURVIVAL SA Over5	0.08	0.221	0.4	0.7293
GROUP*EDUCATION SA Post-Sec	-0.34	0.245	-1.4	0.1636
GROUP*EDUCATION SA Primary	-0.27	0.150	-1.8	0.0689
GROUP*AGE SA Over40	0.04	0.218	0.2	0.8399

The analysis of variance model showed statistical significance ($F=2.4$; $p<0.0133$) (See Table 4.23). The coefficient of determination for the model was ($R^2=0.087$) (See table 4.23), which means this model explains only 8.7% of the variability in brand loyalty building. The reference, brand loyalty building mean score was found to be 4.52. All the p-values associated with the model predictor variables were more than 0.05; showing that there is insufficient evidence to suggest that any of the independent variables or their interactions has a significant effect on brand loyalty building as a reason. This finding contradicts literature, as Mgayi (2015:16) asserts that brand loyalty building is pivotal to most tuck-shop owners', especially, foreign nationals, who build brand loyalty in various ways, such as offering informal micro-credit to their loyal customers to remain competitive and retain customers. Similarly, Ouwersloot and Duncan (2008:13), believe that customer services is powerful in businesses, whether big or small, foreign or locally owned, because they have the potential of increasing a business's customer base and customer loyalty. The hypothesis, therefore, is rejected.

Table 4.38: Parameter estimates for two-way interaction ANOVA model of customer attraction

Parameter	B	se(B)	t	p-value
Intercept	3.83	0.192	20.0	<.0001
GROUP SA	-0.81	0.349	-2.3	0.0207
SURVIVAL Over5	0.62	0.318	1.9	0.0543
EDUCATION Post-Sec	0.25	0.364	0.7	0.4975
EDUCATION Primary	-0.22	0.247	-0.9	0.3757
AGE Over40	0.26	0.310	0.9	0.3978
GROUP*SURVIVAL SA Over5	-0.68	0.552	-1.2	0.2207
GROUP*EDUCATION SA Post-Sec	-0.26	0.610	-0.4	0.6696
GROUP*EDUCATION SA Primary	-0.07	0.374	-0.2	0.8467
GROUP*AGE SA Over40	-0.17	0.544	-0.3	0.7528

The interaction model for customer attraction use score on the demographic variables and their interactions with origin of owner was statistically significant ($F=5.1$; $p<0.0001$) (see Table 4.23). The coefficient of determination for the model was ($R^2=16.9\%$) (See Table 4.23). This result shows that the model explains 16.9% of the variability in customer attraction. The model parameter estimates show that group has the only statistically significant effect on customer attraction. The p-value for the parameter is 0.0207. The intercept estimate is 3.83, which shows the mean customer attraction score for the reference case. The value of the parameter estimate for GROUP SA is -0.81, which shows that South African tuck-shop owners have a lower customer attraction use score than non-South Africans. This means South African tuck-shop owners do not use customer attraction as a reason for marketing communication strategies they opt to choose as compared to foreign national tuck-shop owners. The result is supported by authors, such as Gabrielli and Balboni (2010:278), who found that customer attraction is critical in small grocery businesses and is one of the reasons for using marketing communications. Although authors such as Liedeman *et al.*, (2013:3), are of the view that regardless of its importance, customer attraction is more important in foreign-owned tuck-shops.

Besides the above mentioned individual demographic effects, the use of customer attraction does not significantly depend on owner's age, education, business age and all possible interactions between origin of owner and the other demographics. That means, any differences in customer attraction use can only be explained by the origin of the tuck-shop owner as alluded to above. The hypothesis is, therefore, not rejected.

Table 4.39: Parameter estimates for two-way interaction ANOVA model of business image

Parameter	B	se(B)	t	p-value
Intercept	3.28	0.208	15.8	<.0001
GROUP SA	-0.77	0.378	-2.0	0.0435
SURVIVAL Over5	0.46	0.345	1.3	0.1881
EDUCATION Post-Sec	-0.02	0.394	-0.1	0.9605
EDUCATION Primary	-0.28	0.268	-1.0	0.3051
AGE Over40	0.23	0.336	0.7	0.4970
GROUP*SURVIVAL SA Over5	-0.33	0.598	-0.6	0.5826
GROUP*EDUCATION SA Post-Sec	-0.35	0.661	-0.5	0.5950
GROUP*EDUCATION SA Primary	-0.54	0.405	-1.3	0.1829
GROUP*AGE SA Over40	0.17	0.589	0.3	0.7703

The interaction model for public relations for business image score on the demographic variables and their interactions with origin of owner was statistically significant ($F=3.6$; $p=0.0003$) (See Table 4.23). The coefficient of determination for the model was ($R^2=12.6\%$) (See Table 4.23). This result shows that the model explains 12.6% of the variability in business image. The model parameter estimates show that group, which represents origin of owner, has the only statistically significant effect on business image. The p-value for the parameter is 0.0435. The intercept estimate is 3.28, which shows the mean business image score for the reference case. The value of the parameter estimate for GROUP SA is -0.77, which shows that South African tuck-shop owners have a lower score for business image use than non-South Africans. This means South African tuck-shop owners are less likely to use public relations as a reason for choosing marketing communication as compared to foreign national tuck-shop owners. The result supports Konečnik-Ruzzier *et al.*, (2013:225) that business image or public relations is increasing in usage in small businesses (small grocery tuck-shops included); although from casual observation it is more used by non-South African tuck-shop owners than local tuck-shop owners to create a competitive advantage and outperform locals.

The results indicate that the choice of business image, as a reason does not significantly depend on owner's age, education, business age and all possible interactions between origin of owner and the other demographics. That means, any differences in the adoption of business image as a reason for choosing particular

marketing communication methods can only be explained by the origin of the tuck-shop owner, as indicated above.

4.6 CONCLUSION

As stated at the beginning of the chapter, the aim of this chapter was to present and discuss results obtained from the data analysis. The results were presented in a form of cross-tabulations and graphs. Exploratory factor analysis was conducted to identify underlying constructs in the data set and also to reduce data. A follow up reliability analysis based on the Cronbach's alpha coefficient was performed to determine the internal consistency of the resultant factors. T-test, Chi-square and four-way ANOVA tests were used to test the research hypotheses. The results revealed that all three hypotheses were supported.

The next chapter presents the conclusion and recommendations for future research.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The previous chapter presented, interpreted and discussed findings of the study. In this concluding chapter, conclusions are made based on literature reviewed, followed by conclusions based on findings of this study presented in Chapter 4, thereafter, recommendations are made for practices and for future research.

5.2 CONCLUSIONS BASED ON LITERATURE REVIEWED

A detailed review of literature was conducted, revealing that marketing communications are predominantly used in large businesses. Small businesses, however, are now adopting marketing communication strategies to create competitive environment and outperform each other. What did not come out from previous researches was evidence of the use of marketing communications and reasons for choosing specific marketing communications among South African and non-South African owned tuck-shop businesses; how socio-demographic characteristics of business owners could influence their choices of marketing communications and the reasons for their choices of marketing communications. As a result, this study sought to fill that gap.

The theoretical premises of this study were formed from the literature reviewed, where marketing communications was defined as *“a collective term for all various types of planned messages used to build a brand”* (Ouwensloot & Duncan, 2008:9). The types include - advertising, sales promotion, personal selling, public relations/publicity, direct marketing, packaging, events and sponsorships, customer services, product placement, new media and word-of-mouth (Fill & Jamieson, 2006:13; Ouwensloot & Duncan, 2008:9; Frey & Rudloff, 2010:27; Schnalke, 2012:47). From the literature reviewed, it was also observed that marketing communications serve an important role in any business. For instance, marketing communications help create loyalty and confidence, which normally results in the establishment of a sustainable competitive advantage. As such, a Competitive Dynamics Theory was adopted to guide the study.

5.3 CONCLUSIONS BASED ON RESEARCH HYPOTHESES

Independent T-test (Student T-test), Chi-square and Analysis of Variance (ANOVA) model were used to analyse the data collected. The results were used to accept or reject the hypotheses formulated. Each hypothesis is presented below with a summary of findings and conclusions.

Hypothesis one: *There is a statistical significant difference between the specific marketing communications used by foreign national and local tuck-shop owners.*

Table 4.12 in Chapter 4 showed that there was a statistical significant difference in the use of marketing communication methods between foreign national and local tuck-shop owners. Exceptions were, in terms of the use of the broadcast media and market research, which showed that foreign national and local tuck-shop owners were not significantly different. This means that the choices of marketing communications (broadcast media and market research) were the same across the nationalities.

For marketing communications methods treated as stand-alone variables, a Chi-square test was used to test for associations between them and the origin of the tuck-shop owner. The Chi-square was done on product sampling, customer refunding and returning of non-selling products. For **product sampling**, the test revealed that there was a statistical significant association between product sampling and origin of the tuck-shop owner; meaning foreign national tuck-shop owners were more likely to use product sampling as part of marketing as compared to local tuck-shop owners. In terms of **Customer refunding**, the test showed that there was a statistical significant association between the method and the origin of the tuck-shop owner. The result was the same for product sampling. This means that foreign national tuck-shop owners are more likely to refund customers than local tuck-shop owners. Regarding **Returning of non-selling products to wholesalers**, the Chi-square test revealed that there was a statistical significant association between the method and the origin of the tuck-shop owner. The association was such that foreign nationals were more likely to return non-selling products to wholesalers as compared to their South African counterparts.

Based on the above findings, it was concluded that foreign national tuck-shop owners use more marketing communication methods than local tuck-shop owners, resulting in foreign national tuck-shop owners outperforming their South African counterparts. In other words, the success of foreign-owned small

grocery tuck-shops can be attributed to their more extensive use of marketing communications than that of locally-owned tuck-shops.

Hypothesis two: *There is a statistical significant difference between the reasons for the choice of specific marketing communications used by foreign national and local tuck-shop owners.*

The results in Table 4.19 showed that there was a statistical significant difference between reasons for the choice of marketing communication methods used by foreign national and local tuck-shop owners. This means that **hypothesis two** is not rejected. From the results, it was evident that foreign national tuck-shop owners were more likely to choose given reasons in using of marketing communication methods than local tuck-shop owners. **Therefore, it is concluded that the reasons for the use of marketing communication methods is totally different across the nationalities. The reasons used by foreign nationals seem to result in them outperforming local tuck-shop owners, while reasons for adopting marketing communications by South Africans is not known, simply because of their lack of interest in engaging in or adopting effective marketing communications.**

Hypotheses three and four: *The choice of marketing communications and reasons for the choice is significantly influenced by the owner-manager's gender, age, education level, business experience, and marketing experience for foreign national than for the locals.*

Table 4.22 and Table 4.23 revealed that the interaction between demographic variables and the origin of tuck-shop owners was statistically significant for all marketing communication methods and the reasons for the choices of the methods except for broadcast media (marketing communication method), where demographic variable's interactions with origin of owner was not statistically significant ($F=1.01$; $p\text{-value}=0.4320$). Further implications of these results were revealed in Tables 4.24-4.39, where demographic variable effects and interaction effects on the use and reasons for the use of marketing communications were revealed.

For readers' convenience, the following are marketing communication methods and reasons for their choices.

Marketing communication methods	Reasons for the choice of the methods
Use of print media	Marketing to build brand
Use of broadcast media	Promotion increases performance
Business and product visibility	Customer driven repackaging
Discounting as promotion	Word of mouth benefits business
Competitor Repackaging	Brand loyalty building
Customer service and pricing	Customer attraction
Customer assistance	Public relations for image
Market research	
Charitable work	

The following is the summary of results on each method and reasons thereof:

Print media: The model parameter estimates revealed that group, which represents origin of owner, had the only statistically significant effect on the use of print media, where GROUP SA was -0.90, which shows that South African tuck-shop owners had a lower print media use score than non-South Africans. **it is concluded, therefore, that South African tuck-shop owners had a lower print media use score than non-South African tuck-shop owners.**

Broadcast media: All the p-values associated with the model predictor variables were more than 0.05, showing that there was insufficient evidence that any of the independent variables or their interactions had a significant effect on broadcast media use. This is evidence that broadcast media was not a popular marketing channel for tuck-shop owners, **therefore, the use of broadcast media was less important for both nationalities. In other words, both foreign nationals and locals are not influenced by any demographic variables to use broadcast media in their businesses.**

Business and product visibility: The model parameter estimates showed that group and business age, had the only statistically significant effect on business and product visibility as a reason for marketing, where GROUP SA was -0.61 and SURVIVAL Over5 was 0.42. This means that, if the tuck-shop owner was South African, the mean

score significantly went down by 0.61 while if the business was at least five years old, the mean score increased by 0.42. The finding revealed that if the tuck-shop owner was South African, business age (five years or over) had an effect on business and product visibility. **In other words, the age of the business influences South African tuck-shop owners more in terms of using business and product visibility methods, than foreign nationals.**

Discounting: Group, education and age had an effect on the use of discounting, where, South African ownership significantly reduced the score as well as primary education and over owner's age being 40 years and above. Besides the mentioned demographic variables, an interaction effect between group and education was found to be statistically significant. The interaction effect found was such that the difference in discounting score between primary and secondary education among South African owners was higher than the same difference among non-South African owners. This means that, South African tuck-shop owners with primary and secondary education use discounting more than foreign national tuck-shop owners with the same primary and secondary education. **In other words, the use of discounting is more influenced by educational level for South African tuck-shop owners than for foreign national tuck-shop owners.**

Competitor-driven repackaging: Group and business age had an effect on the use of competitor-driven repackaging, where, if the owner was South African, the mean score significantly went down, and, if the business was at least 5 years old, the mean score increased. Besides group and business age, there was a significant group by education interaction effect on competitor-responsive repackaging score. The interaction was such that the difference between primary and secondary education among South African owners was significantly lower than the same difference among the non-South African owners. This means that, South African tuck-shop owners with primary and secondary education used competitor-responsive repackaging less than foreign national tuck-shop owners with the same primary and secondary education. **In other words, education influences foreign nationals more in terms of using competitors-repackaging method than local tuck-shop owners.**

Customer service and pricing: The findings revealed that if a tuck-shop owner was South African the use of customer services and pricing was lower than if the business

owner was a foreign national. In addition, if the business owner (South African) was over the age of 40, they used less of customer services and pricing as marketing communication tool. Besides these individual demographic variables - group and age effects -, an interaction effect between group and education was found to be statistically significant. The interaction effect was such that the difference between primary and secondary education among South African owners was significantly higher than the same difference among non-South African owners. This means that, South African tuck-shop owners with primary and secondary education used customer services and pricing more than foreign national tuck-shop owners with the same primary and secondary education. **In other words, education influences South African tuck-shop owners more than foreign nationals in terms of using customer services and pricing.**

Customer assistance: The parameter estimate for GROUP SA was -0.27, which showed that South African tuck-shop owners had a lower customer assistance use score than non-South Africans. **It can, therefore, be concluded that, South African tuck-shop owners had a lower customer assistance use score than non-South African tuck-shop owners. In other words, foreign nationals use the customer assistance method more in their businesses than South African tuck-shop owners as a result foreign-owned businesses are more successful.**

Market research: Business owner's age, over 40, had the only statistically significant effect on use of market research; it significantly increased the score. This means that, tuck-shop owners over the age of 40 were more likely to use/do market research than those below 40 years. Besides this demographic variable effect, an interaction effect between group and education was found to be statistically significant. The interaction effect was such that the difference between primary and secondary education among South African owners was significantly lower than the same difference among non-South African owners. This means that, South African tuck-shop owners with primary and secondary education used market research less than foreign national tuck-shop owners with the same primary and secondary education. **In other words, education influences foreign nationals more than South African tuck-shop owners to do market research in their businesses.**

Charitable work: Businesses with over five years of operation significantly increased the mean score while primary education reduced the score. Besides these demographic variables, an interaction effect between group and business age was found to be statistically significant. The interaction effect was such that the difference in charitable work scores between businesses over five and under five years old, among SA owners was significantly lower than the same difference among non-South African owners. This means that, South African tuck-shop owners who had been in the business for under five years and those who had been operating over five years were less likely to adopt charitable work in their businesses than foreign national who had been in the business less than five years and those who had been operating over five years. **In other words, the age of the business influences foreign nationals more to do charitable work than South African tuck-shop owners.**

Brand building: Model parameter estimates show that group and age of business had statistical significant effects on marketing to build a brand. The estimate showed that South African tuck-shop owners had significantly lower brand-building score compared to non-South African owners; meaning that brand building was not a reason for South Africans to adopt marketing communication strategies. With regards to age of business, South African tuck-shop owners who had been in the business for more than five years had significantly higher brand-building score than non-South Africans with less than five years of operations. **In other words, the age of the business influences South African tuck-shop owners, more than foreign nationals in terms of brand building.**

Increased business performance: The parameter estimate showed that South African tuck-shop owners significantly reduced the mean score, so does having a primary education. The results show that, South African tuck-shop owners had lower scores of increasing business performance than non-South Africans. This means that, foreign national tuck-shop owners were more likely to consider increasing business performance as a reason for adopting marketing communications strategies than local tuck-shop owners. **In other words, South African tuck-shop owners do not use increase in business performance as a reason for adopting marketing communication as much as foreign nationals do.**

Customer-driven repackaging: Group and business age had an effect on customer-driven repackaging. South African tuck-shop owners were not likely to do customer-driven repackaging as a reason for marketing, like foreign national tuck-shop owners. The results also revealed that if the business is at least five years old, the mean score increased, which means businesses over five years in operation were more likely to package their goods for customers' convenience. **In other words, South African tuck-shop owners would use customer-driven repackaging more than foreign nationals, only, when their businesses have been operating for more than 5 years.**

Business benefit: The parameter estimates for GROUP SA showed that South African tuck-shop owners had a lower business benefit use as a reason for using marketing communications score than non-South Africans. **It can be concluded, therefore, that South African tuck-shop owners had a lower business benefit use score than non-South African tuck-shop owners. In other words, South African tuck-shop owners do not consider any activities that benefit their businesses as a reason for using marketing communications compared to foreign nationals.**

Brand loyalty building: All the p-values associated with the model predictor variables were more than 0.05, showing that there was insufficient evidence to suggest that any of the independent variables or their interactions had a significant effect on brand loyalty building as a reason. **In other words, both nationalities are not influenced by any demographic variables to consider brand loyalty building as a reason for adopting marketing communications in their businesses.**

Customer attraction: The parameter estimates for GROUP SA showed that South African tuck-shop owners had a lower customer attraction use score than non-South Africans. This means that, South African tuck-shop owners do not use customer attraction as a reason for the marketing communication strategies they opt for, compared to foreign national tuck-shop owners. **In other words, locally-owned businesses do not consider any customer attraction activities, for example, explaining new products, as a reason of marketing communication as compared to foreign nationals.**

Business image: The parameter estimates for GROUP SA showed that South African tuck-shop owners had a lower score for business image use than non-South Africans. This means that, South African tuck-shop owners were less likely to use public relations as a reason for choosing marketing communication as compared to foreign national tuck-shop owners. **In other words, South African tuck-shop owners do not consider publicity in their businesses as a reason for marketing their businesses as compared to foreign nationals.**

5.4 RECOMMENDATIONS

Recommendations can be made from the literature reviewed and findings discussed in Chapter 4 as well conclusions made in this chapter. The recommendations are classified under two sections, namely, recommendations for practice and for future research. It should be noted that the recommendations are not presented in any order of importance.

5.4.1 Recommendations for practice

From the findings of this study, one can conclude that South African tuck-shop owners should learn to adopt marketing communications practices used by foreign nationals.

It is recommended that broadcast media and market research (personal selling) are given attention, since from the findings of the study they are not common in the tuck-shop industry; this could help increase the success and exposure of small businesses.

The South African environment is changing rapidly, therefore it is recommended that tuck-shop owners adjust and start involving experts (marketers) in their day-to-day business operations.

The South African government should help small grocery tuck-shop businesses financially as this can improve their practices of marketing communications. It is also necessary to introduce marketing and entrepreneurial education for small businesses because of the increasing importance of the market.

There should be a platform where foreign national tuck-shop owners are able to share their trade secrets with local tuck-shop owners so that xenophobic attacks are eradicated in South Africa.

Foreign national tuck-shop owners should be offered equal opportunities by the government (like financial aid), because research reveals that they are also contributing to the country's economy.

5.4.2 Recommendations for future research

Based on the findings of this study, the following recommendations for future research are proposed:

1. Further research replicating this study can be done in other provinces to ensure the incorporation of a large sample size, which would facilitate a more generalizable outcome
2. The study used a quantitative approach. A qualitative study could be conducted to obtain more meaningful and insightful responses from the tuck-shop owners.
3. Future studies could investigate reasons why South African tuck-shop owners are not adopting or engaging in the use of certain marketing communications as part of their business operations.
4. Based on the huge amounts of money spent by the South African government on entrepreneurial training for SMMEs, future research could investigate reasons why such initiatives are not yielding expected returns.

5.5 CONCLUSION

This chapter has briefly presented conclusions drawn from the findings of the study. Recommendations were also provided for guiding practice and future research.

REFERENCE LIST

Agbenyegah, A.T. 2013. Challenges facing rural entrepreneurship in selected areas in South Africa. Doctor in Business Administration. Potchefstroom: North-West University.

Åkerlund, P. 2004. Marketing Communication How is the Process? A case study of the Swedish National Road Administration (SNRA). Master of Science Programme. Sweden: Luleå University of Technology.

Amoakoh, E.O. 2012. The Status and Influence of Marketing Research on the Economic Performance of Hair Saloons in the Bophirima Region. M.Tech Business Administration. Free State: Central University of Technology.

Aren, A.O. and Sibindi, A.B. 2014. Cash flow management practices: An empirical study of small businesses operating in the South African retail sector. *Risk governance & control: Financial Markets & Institutions*, 4(2):87-100.

Ary, Jacob, Sorensen and Walker. 2014. *Introduction to research in education*. Belmont, CA: Cengage Learning.

Bangura, A.S. 2011. Changing Attitudes and Behaviour of Consumers with Marketing Communications. Thesis (Degree Programme). Finland: Savonia University of Applied Sciences.

Basardien, F., Parker, H., Bayat, M.S., Friedrich, C. and Appoles, S. 2014. Entrepreneurial Orientation of Spaza Shop Entrepreneurs Evidence from a study of South African and Somali Owned Spaza Shop Entrepreneurs in Khayelitsha. *Singaporean Journal of Business Economics, And Management Studies*, 2(10):45-61.

Baum, J. A. and Korn, H. J. 1996. Competitive dynamics of interfirm rivalry. *Academy of Management Journal*, 39: 255-255.

Becker, KF. 2004. *Fact finding study: the informal economy*. Report for SIDA. Stockholm.

Belch, G. & Belch, M. 2004. *Introduction to Advertising and Promotion: An Integrated Marketing Communications Perspective*. Chicago: Richard D. Irwin.

Bettis, R. A. and Weeks, D. 1987. Financial returns and strategic interaction: The case of instant photography. *Strategic Management Journal*, 8: 549-563.

Bhattacharjee, A. 2012. *Social science research: principles, methods, and practices*. Florida: University of South Florida.

Blaxter, L., Hughes, C. and Tight, M. 2006. *How to Research*. England: McGraw-Hill Education.

Bless, C., Higson-Smith, C. and Kagee, A. 2006. *Fundamentals of Social research methods. An African perspective*. Cape Town: Juta & Co.

Brierley, S. 2002. *The Advertising Handbook*. London: Routledge.

Bruwer, J. 2012. "The entrepreneurial mindset profile of South African small medium and micro enterprises (SMMEs) in the Cape Metropole". *African Journal of Business Management*, 6(15):5383-5388.

Chaleunvong, K. 2009. Data Collection Techniques. Training course in Reproduction Health Research, Vientiane, [www.gfmer.ch/.../Data collection techinques chaleunvong Laos 2009.pdf](http://www.gfmer.ch/.../Data_collection_techinques_chaleunvong_Laos_2009.pdf). Accessed 20th March 2016.

Charman, A. and Piper, L. 2012. Xenophobia, criminality and violent entrepreneurship: Violence against Somali shopkeepers in Delft south, Cape Town, South Africa. *South African Review of Sociology*, 43(3):81-105.

Charman, A.J.E., Petersen, L.M. and Piper, L.E. 2012. From local survivalism to foreign entrepreneurship: the transformation of the spaza sector in Delft, Cape Town. *Transformation* 78.

Chartered Institute of Marketing, Lecture Manual on Marketing Communications. London: (2007-2008).

Chebelyon-Dalizu, L., Garbowitz, Z., Hauze, A. and Thomas, D. 2010. Strengthening Spaza Shops in Monwabisi Park, Cape Town. Degree of Bachelor of Science. Cape Town: Worcester Polytechnic Institute.

Chen, M.J. and Miller, D. 2012. Competitive Dynamics: Themes, Trends, and a Prospective Research Platform. *Academic of Management Annals*, 6: 1-89.

- Chiliya, N. and Roberts-Lombard, M. 2012. Impact of levels of education and experience on profitability of small grocery shops in South Africa. *International Business Management*, 3(1):462-470.
- Chiliya, N., Herbst, G. and Roberts-Lombard, M. 2009. The impact of marketing strategies on profitability of small grocery shops in South African townships. *African Journal of Business Management*, 3(3):070-079.
- Chipunza, C. 2009. Factors influencing survivor qualities after downsizing. Doctoral thesis. Port Elizabeth: Nelson Mandela Metropolitan University.
- Chipunza, L.T. 2014. Driving Innovation in small accommodation businesses: A comparative study of Zimbabwe and South Africa. D-Tech Business Administration. Free State: Central University of Technology.
- Cooper, D. R. and Schindler, P. S. 2011. *Business research methods*. New York: McGraw-Hill/Irwin.
- Cooper, D.R. and Schindler, P.S. 2008. *Business research methods*. Singapore: McGraw-Hill.
- Copley, P. 2004. *Marketing Communications Management: Concepts and Theories*. Elsevier Butterworth: Heinemann.
- Cowley, E. and Barron, C. 2008. When product placement goes wrong: the effects of program liking and placement prominence. *Journal of Advertising*, 37(1):89-98.
- Cox, S.L. 2012. Social Media Marketing in a Small Business: A Case Study. Master of Science. Indiana: Purdue University.
- Crush J., Ramachandran S. and Pendleton W. 2013. Soft targets: xenophobia, public violence and changing attitudes to migrants in South African after May 2008. *Southern African Migration Programme*.
- Dahlén, M., Lange, F. & Smith, T. 2010. *Marketing Communications: A Brand Narrative Approach*. Chichester: Wiley.
- De Vos, A.S., Strydom, H., Fouche, C.B. and Delpont, C.S.L. 2007. *Research at grass roots*. Pretoria: Van Schaik.

Department of Trade and Industry (DTI). 2005. Annual review of small business in South Africa - 2004. Pretoria: DTI - Enterprise development unit. <http://www.dti.gov.za/seda>. Accessed 5th September 2016.

Department of Trade and Industry. 2008. Annual review of small business in South Africa 2005-2007. The Department of Trade and Industry, Republic of South Africa.

Dmitrijevs, E. and Dolbnev, K. 2013. Coordinated marketing communications mix: Makton Media Channels case. Thesis. Finland: Haaga-Helia University of Applied Sciences.

Dzansi, W.L. 2014. An Organisational Justice Perspective on The Impact of Human Resource Management Practices on The Quality of Service Delivery in Municipalities in The Free State Province of South Africa. D-Tech Human Resource Management. Free State: Central University of Technology.

Engel, J.F., Warshaw, M.R. and Kinnear, I.I. 1991. *Promotional Strategy*. Homewood: Irwin.

Esposito, A. 2013. Insights about integrated marketing communications in small-and-medium-sized Italian enterprises. *Business Systems Review*, 2(1):80-98.

Fatoki, O. 2014. Immigrant Entrepreneurship in South Africa: Current Literature and Research Opportunities. *Journal of Social Science*, 40(1):1-7.

Feilzer, M.Y. 2010. Doing Mixed Methods Research Pragmatically: Implications for the Rediscovery of Pragmatism as a research paradigm. *Journal of Mixed Methods Research*, 4(1):6-16.

Fill, C. 2005. *Marketing Communications engagement, strategies and practice*. Edinburgh: Pearson Education.

Fill, C. and Jamieson, B. 2006. *Marketing Communications*. Edinburgh: Pearson Education.

Finweek. 2013. The importance of spaza shops. Media 24.

Free State Times. 2012. Bangladeshi shops destroyed in rampage.

- Frey, B. and Rudloff, S. 2010. Social Media and the impact on Marketing Communications. Bachelor Thesis in Marketing. Luleå Sweden: Luleå University of Technology.
- Gabrielli, V. and Balboni, B. 2010. SME practice towards integrated marketing communications. *Marketing Intelligence & Planning*, 28(3):275-290.
- The Global Entrepreneurship Monitor (GEM). 2012. *Global Entrepreneurship Monitor*, Executive Report Babson College, Kauffman Foundation and London.
- Gilmore, A., Carson, D. and Grant, K. 2001. SME marketing in practice. *Marketing Intelligence & Planning*, 19 (1):6-11.
- Glowa, T. 2002. White Paper: "Advertising process models". www.ncResearch.com. Accessed 15th March, 2016.
- Goneos-Malka, A. 2011. Marketing to young adults in the context of a post modern society. PhD Thesis. Pretoria: University of Pretoria.
- Goodwin, C. J. 2010. *Research in psychology: methods and design*. Hoboken: Wiley.
- Grilo, I. and Thurik, A.R. 2005. *Entrepreneurial engagement levels in the European Union* (No.2905). Papers on entrepreneurship, growth and public policy.
- Gërzhani, K. 2004. The informal sector in developed and less developed countries: A literature survey. *Public Choice*, 120: 267-300.
- Hackley, C. 2005. *Advertising and Promotion: communicating brands*. London: Sage
- Hadebe, T. 2010. Township Home-Based Enterprises: The case of Pimville. Master of Science in Development Planning. Johannesburg: University of the Witwatersrand.
- Hughes, G. and Fill, C. 2008. *Marketing Communications*. Oxford: Elsevier Butterworth-Hienemann.
- Hull. 2006. The emergence, importance and practice of integrating marketing communications within SMEs: a one nation perspective. PhD Studentship. England: University of Hull.

- Ijabadeniyi, A. 2014. The Influence Of Cultural Diversity On Marketing Communication: A Comparison Of Africans And Indians In Durban. M-Tech in Marketing. Durban: Durban University of Technology.
- Isaga, N. 2015. Owner-Managers' Demographic Characteristics and the Growth of Tanzanian Small and Medium Enterprises. *International Journal of Business and Management*, 10(5):168-181.
- Ivankova, N.V. 2002. Students' Persistence in the University of Nebraska-Lincoln Distributed Doctoral Program in Educational Administration: A mixed methods study. Degree of Doctor of Philosophy. Lincoln: University of Nebraska
- Jones, M. 2002. The effectiveness of marketing communication strategies employed by universities and technikons in the cape peninsula with specific reference to career exhibitions and open days in attracting first-year students. Master's Degree in Marketing. Cape Town: Peninsula Technikon.
- Joseph, K.O. 2009. Integrated marketing communications and consumer Patronage of Nigeria Beverage Products. PhD in Marketing. Nigeria: College of Business and Social Sciences Covenant University, OTA.
- Kaplan, A. M. and Haenlein, M. 2010. Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, 53(1):59-68.
- Karlsson, L. 2007. Advertising Theories and Models- how well can these be transferred from text into reality? Dissertation. Sweden: University of Halmstad.
- Koekemoer, L. 1998. *Promotional Strategy: Marketing Communications in Practice*. Cape Town: Juta.
- Koekemoer, L. 2004. *Marketing Communications*. Cape Town: Juta.
- Konečnik-Ruzzier, M. 2011. Temelji trženja: pristop k trženjskemu načinu razmišljanja v21. Stoletju. Ljubljana: MeritUM.
- Konečnik-Ruzzier, M., Ruzzier, M. and Hisrich, R.D. 2013. *Marketing for Entrepreneurs and SMEs*. Cheltenham: Edward Elgar Publishing Limited.
- Kotler, P. 2000. *Marketing management*. New Jersey: Prentice-Hall.
- Kotler, P. and Armstrong, G. 2006. *Principles of Marketing*. New Jersey: Pearson.

Kotler, P. and Keller, K.L. 2012. *Marketing management*. Upper Saddle River: Pearson Education.

Kotler, P., Wong, V., Saunders, J. & Armstrong, G. 2005. *Principles of Marketing* Upper Saddle River: Pearson Education.

Kuhn, T.S. 1977. *Second Thoughts on Paradigms*. United States: University of Chicago Press.

Kunene, T.R. 2008. A critical analysis of entrepreneurial and business skills in SMEs in the textile and clothing industry in Johannesburg, South Africa. PhD thesis Business Management. Pretoria: University of Pretoria.

Laitinen, J.M. 2009. Marketing Communication Plan. Case DNA Finland Ltd: How to Gain More Russian Prepaid Subscription Customers? Thesis for International Business. Finland: Lahti University of Applied Sciences.

Lamb, C.W. and Hair, J.F. 2000. *Essentials of Marketing*. Nashua: South-Western College-Pub.

Laroche, M., Kalamas, M. and Huang, Q. 2005. Effects of coupons on brand categorisation and choice of fast foods in China. *Journal of Business Research*, 58(5):674-686.

Leedy, D. and Ormrod, E. 2010. *Practical Research*. United States: Pearson International.

Lekhanya, L.M. 2015. The Role of Integrated Marketing Communications in Enhancement of SMEs Growth in South Africa. *Journal of Economics and Behavioural Studies*, 7(2):139-144.

Leopoulos, V. 2006. Editorial. *Prod. Plan Cont.*, 17(3):225-228.

Liedeman, R. 2013. Understanding the Internal Dynamics and Organisation of Spaza Shop Operators: A case study of how social networks enables entrepreneurialism amongst Somali but not South African traders in Delft South, Cape Town. Masters in Political Studies. Cape Town: University of the Western Cape.

Liedeman, R., Charman, A., Piper, L. and Petersen, L. 2013. Why are foreign-run spaza shops more successful? The rapidly changing spaza sector in South Africa. www.econ3x3.org. Accessed 23rd February 2016.

Ligthelm, A. 2008. "The impact of shopping mall development on small township retailers". *South African Journal of Economic and Management Sciences*, 11(1):37-53.

Ligthelm, A. A. 2002. Characteristics of Spaza Retailers: Evidence from National Survey, Pretoria, Bureau of Market Research. Research Report No 305.

Ligthelm, A.A. 2005. Informal retailing through home-based micro-enterprises: the role of spaza shops. *Development Southern Africa*, 22(2):199-214.

Littunen, H., and Virtanen, M. 2006. Differentiating growing ventures from non-growth. *The International Entrepreneurship and Management Journal*, 2(1):93-109.

Longenecker, J.G., Moore, C.W. and Petty, J.W. 2003. *Small Business Management—An Entrepreneurial Emphasis*. Thomson South-Western, Mason, OH.

Mackay, A. 2005. *The practice of Advertising*. Sydney: Elsevier Butterworth-Hienemann.

MacMillan, I., McCaffrey, M. and Van Wijk, G. 1985. Competitor's responses to easily imitated new products: Exploring commercial banking product introductions. *Strategic Management Journal*, 6: 75-86.

Mahyari, P. 2010. The Effectiveness of Marketing Communications within the Immersive environment. Master of Business Research. Brisbane: Queensland University of Technology.

Maime, R.B. 2014. Challenges and Opportunities of Adopting Management Information Systems (MIS) for Passport Processing: Comparative Study between Lesotho and South Africa. M.Tech Business Administration. Free State: Central University of Technology.

Mapheto, L.M., Oni, O.A. and Matiza, T. 2014. The Utilisation of Integrated Marketing Communications Strategies by Small Retailers in Mankweng, South Africa. *Mediterranean Journal of Social Sciences*, 5(15):111-118.

Marion, R. 2004. The whole art of deduction. Research skills for new scientist. <http://www.sahs.utmb.edu/pellinore>. Accessed 25th April 2016.

- Mathenjwa, A. 2007. The Impact of Jabulani Shopping Mall on Small Township Businesses and Their Response. Master of Business Administration. Pretoria: University of Pretoria.
- Matsumunyane, L.L. 2015. The Relationship between Motivation Sources and Leadership Styles among Middle Managers at a South African University. M-Tech in Human Resources Management. Free State: Central University of Technology.
- Mbambo, D.E. 2009. Factors Contributing to Adolescent Mothers' Non-Utilization of Contraceptives in Piet Retief Area. Master of Arts in Health Studies. Pretoria: University of South Africa.
- McGregor, S.L.T. and Murnane, J.A. 2010. Paradigm, methodology and methods: Intellectual integrity in consumer scholarship. *International Journal of Consumer Studies*, 34(4):419-427.
- Mehling, M. 2007. Integrated marketing communications strategy: An examination of Harrah's Entertainment Inc. Theses Dissertation. Las Vegas: University of Nevada.
- Mgayi, B. 2015. What can Somalis teach South Africans about business? www.usb.ac.za. Accessed 7th April 2016.
- Michaelidou, N., Siamagka, N.T. and Christodoulides, G. 2011. Usage, barriers and measurement of social media marketing: An exploratory investigation of small and medium B2B brands. *Industrial Marketing Management*. 1-7.
- Mills, M., van de Bunt, G.G. and de Bruijn, J. 2006. Comparative Research Persistent Problems and Promising Solutions. *International Sociology*, 21(5):619-631.
- Modise, D.L. 2016. The Relationship among Self-Leadership, Locus of Control and Job Performance of Engineers in a Power Distribution Utility, Eskom. M-Tech in Business Administration. Free State: Central University of Technology.
- Moloi, R. 2014. Exploring the barriers to the sustainability of spaza shops in Atteridgeville, Tshwane. Master of Arts. Pretoria: University of South Africa.
- Moore, C.W., Petty, J.W., Palich, L.E. and Longenecker, J.G. 2010. *Managing Small Business, an Entrepreneurial Emphasis*. Toronto, South-Western, Cengage Learning.

- Mungal, A. 2014. The impact of cash management on profitability and sustainability of small retail businesses in the Tongaat area, KwaZulu-Natal. M-Tech in Cost and Management Accounting. Durban: Durban University of Technology.
- Naicker, N. 2008. Organisational culture and employee commitment: a case study. Master's thesis. Durban: Durban University of Technology.
- Nieman, G and Nieuwenhuizen, C. 2009. *Entrepreneurship: A South African perspective*. Pretoria:Van Schaik.
- Norris, M. and Lecavalier, L. 2009. Evaluating the Use of Exploratory Factor Analysis in Developmental Disability Psychological Research. *Journal of Autism and Development Disorder*, 40(1): 8-20.
- Ntema, J. and Marais, L. 2014. Regulating Informal Home-Based Trade in South Africa: Xenophobia or a Requirement? *Africa Institute of South Africa*, 44(2):125-141.
- Nwankwo, S. and Gbadamosi, A. 2011. *Entrepreneurship Marketing Principles and Practice of Sme Marketing*. Oxfordshire: Routledge.
- Ouwersloot, H. and Duncan, T. 2008. *Integrated marketing communications*. London: McGraw-Hill.
- Pagano, R.R. 2004. *Understanding Statistics in Behavioural Science*. Belmont CA: Thomson/Wadsworth.
- Perks, S. 2010. Exploring the management abilities of spaza shop owners in the Nelson Mandela Metropolitan Municipality. *SAJEMS*, 13(4):447-463.
- Phayane, N.B. 2013. Impact of small businesses owned by immigrant entrepreneurs of the local community of Brits. Master's in Business Administration. Tshwane: Tshwane University of Technology.
- Pickton, D. and Broderick, A. 2005. *Integrated Marketing Communications*. Harlow, UK: Pearson Educates Limited.
- Porter, M. E. 1980. *Competitive strategy: Techniques for analyzing industries and competitors*. New York: Free Press.
- Power Home Biz 2013. How to create a buzz for your business. <http://www.powerhomebiz.com/marketing-tips/other-marketing/word-of-mouth-marketing.htm>. Accessed: 4th September 2016.

- Radipere, N.S. 2012. An Analysis Of Local And Immigrant Entrepreneurship In The South African Small Enterprise Sector (Gauteng Province). Doctor of Commerce in Business Management. Pretoria: University of South Africa.
- Radipere, S. and Dhliwayo, S. 2014. The role of gender and education on small business performance in the South African small enterprise sector. *Mediterranean Journal of Social Sciences*, 5(9):104-110.
- Reyneke, M., Pitt, L. and Berthon, P. R. 2011. Luxury wine brand visibility in social media: An exploratory study. *International Journal of Wine Business Research*, 23(1):21–35.
- Richards, J. I. and Curran, C.M. 2002. Oracles of “advertising”. Searching for a definition. *Journal of Advertising*, 31(2):63-77.
- Rolfe, R., Woodward, D., Ligthelm, A., and Guimaraes, P. 2010. The viability of informal microenterprise in South Africa. Proceedings from the “Entrepreneurship in Africa Conference, April 1, 2010”. Syracuse University, Syracuse, New York.
- Rubin, A. and Babbie, E. 2010. *Essential research methods for social work*. Belmont: Cengage Learning.
- Rwigema, H. Karungu, P. 1999. SMME development in Johannesburg’s Southern Metropolitan Local Council: an assessment. *Dev. South Africa*. 16(1):101-124.
- Sajilan, S. Ul Hadi, N, and Tehseen, S. 2015. Impact of Entrepreneur’s Demographic Characteristics and Personal Characteristics on Firm’s Performance Under the Mediating Role of Entrepreneur Orientation. *Review of Integrative Business and Economics Research*, 4(2):36-52.
- Schnalke, M. 2012. The influence of culture on marketing communications between South African and German businesses. M.Tech Marketing. Durban: Durban University of Technology.
- Schumpeter, J. 1943. *Capitalism, socialism, and democracy*. New York: Harper.
- Shapiro, C. 1989. *Handbook of Industrial Organizations*. New York: North-Holland.
- Shimp, T.A. 2008. *Advertising, promotion, and other aspects of integrated marketing communications*. Mason: Cengage Learning.
- Smith, K., Grimm, C., Chen, M., and Gannon, M. 1989. Predictors of response time

to competitive strategic actions: Preliminary theory and evidence. *Journal of Business Research*, 18(3):245-259.

Smith, K. G., Grimm, C. and Gannon, M. 1992. *Dynamics of competitive strategy*. London: Sage Publications.

Smith, K.G., Ferrier, W.J. and Ndofor, H. 2001. *Competitive Dynamics Research: Critique and Future Direction*. London: Blackwell Publishers.

Smith, P.R. and Taylor, J. 2002. *Marketing Communications: an integrated approach*. London: Kogan.

Smit, Y. and Watkins, J.A. 2012. A literature review of small and medium enterprises (SME) risk management practice in South Africa. *African Journal of Business Management*, 6(21):6324-6330.

SOUTH AFRICA. 1996. *National Small Business Act 102 of 1996*. Pretoria, South Africa: Government Printer.

SOUTH AFRICA. 2003. *National Small Business Amendment Act 26 Of 2003*. Pretoria, South Africa: Government Printer.

South African Spaza & Tuck-shop Association. 2014-2015. South Africa's Enterprise and Supplier Development Landscape. <http://www.sastaa.org.za/>. Accessed 26th August 2016.

Spaza News. 2010. Spaza News Real Issues for Spaza Shop Owners. Spaza Media.

Spaza Media. 2011 Spaza News. Website: www.spazanews.co.za. Accessed 20 June 2013.

Spickett-Jones, J. G. and Eng, T. Y. 2006. The Strategic Context for Communication. *Journal of Marketing Communications*, 12(3):225–243.

Statistics South Africa. 2010. Quarterly Labour Force Survey – Quarter 1. Pretoria, South Africa.

Struwig, F.W. & Stead, G.B. 2004. *Planning, designing and reporting research*. Cape Town: Pearson Education.

Tanner, J., and Raymond, M.A. 2012. *Principles of Marketing*. Irvington, N.Y: Flat World Knowledge.

Tanveer, M. A., Akbar, A., Gill, H., and Ahmed, I. 2013. Role of Personal Level Determinants in Entrepreneurial Firm's Success. *Journal of Basic and Applied Scientific Research*, 3(1):449-458.

Tengeh, R.K. 2011. A Business Framework for the Effective Start-Up and Operation of African Immigrant-Owned Businesses in the Cape Town Metropolitan Area, South Africa. D-Tech Public Management. Cape Town: Cape Peninsula University of Technology.

The Direct Marketing Association (UK). 2011. *Direct Marketing Code of Practices*. London.

The Sustainable Livelihoods Foundation. 2012. The Informal Economy of Township Spaza Shop. www.livelihoods.org.za. Accessed 7th April 2016.

Thong-In, H. 2010. Factors Influencing the Use of Integrated Marketing Communications Tools in The Banking Service Of Thai Commercial Banks. Master in Business English. Bangkok: Srinakharinwirot University.

Thrassou, A. and Vrontis, D. 2006. A small services firm marketing communications model SME-dominated environments. *Journal of Marketing Communications*, 12(4):183-202.

Todorova, G. 2015. Marketing Communications Mix. *Trakia Journal of sciences*, 13(1):368-374.

Tsikirayi, C.M.R., Muchenje, B. and Katsidzira, Z. 2012. Impact of integrated marketing communications mix (IMCM) in small to medium enterprises (SMEs) in Zimbabwe as a marketing tool. *Research in Business & Economic Journal*, pp1-12.

Türetgen, I. Ö., Unsal, P., and Erdem, I. 2008. The Effects of Sex, Gender Role, and Personality Traits on Leader Emergence: Does Culture Make a Difference?. *Small Group Research*, 32(1):44-89.

Turner, D.W. 2010. Qualitative Interview Design: A Practical Guide for Novice Investigators. *The Qualitative Report*, 15(3):754-760.

- Unger, J. M., Rauch, A., Frese, M., and Rosenbusch, N. 2009. Human capital and entrepreneurial success: A meta-analytical review. *Journal of Business Venturing*, 26(3):341-358.
- Vallabh, D. and Mhlanga, O. 2015. Influence of demographic factors on business performance in small to medium tourism enterprises (SMTEs). *African Journal of Hospitality, Tourism and Leisure*, 4(2):1-9.
- Vinogradov, E& Elam, E. 2010. A process model of venture creation by immigrant entrepreneurs, in *the life cycle of new ventures: Emergence, newness and growth*, Northampton, Mass: Edward Elgar:109–126.
- Wagner, C., Kawulich, B. and Garner Garner, M. 2012. *Teaching research methods in the social sciences*. Farnham: Ashgate
- Welman, C. Kruger, F. & Mitchell, B. 2005. *Research Methodology*. South Africa: Oxford University Press.
- Welmilla, I., Weerakkody, W. A. S., and Ediriweera, A. N. 2011. The Impact of Demographic Factors of Entrepreneurs on Development of SMEs in Tourism Industry in Sri Lanka. Faculty of Commerce and Management Studies. Sri Lanka: University of Kelaniya.
- Whitehead, J. 2004. Crisis Uses Real-Life Stories. An Inspiration for Ad Campaign. <http://www.brandrepublic.com/>. Accessed 23rd August 2016.
- Wills, G. 2009. *South Africa's Informal Economy: A Statistical Profile*. Urban Policies Research Report 7, April.
- Wilson, F., Kickul, J., and Marlino, D. 2007. Gender, entrepreneurial Self-Efficacy, And entrepreneurial career intentions: Implications for entrepreneurship Education1. *Entrepreneurship theory and practice*, 31(3):387-406
- Woldie, A., Leighton, P., and Adesua, A. 2008. Factors influencing Small and Medium Enterprises (SMEs): An exploratory study of owner-manager and firm characteristics. *Banks and Bank Systems*, 3(3):5-13.
- WOMMA. 2011. *What is WOM marketing?* <http://womma.org/wom101/>. Accessed 23rd September 2016.
- Yount, R. 2006. *Population and Sampling Research Design and Statistical Analysis for Christian Ministry*. Texas: Dr Rick Yount.

Zeithaml, V.A. and Bitner, M.J. 2000. *Services Marketing: Integrating customer Focus across the firm*. Boston: Mc Graw-Hill.

Zikmund, W. G. and Babin, B. J. 2013. *Essentials of marketing research*. South-Western: Cengage Learning

Zikmund, W. G., Babin, B. J., Carr, J. C. and Griffin, M. 2013. *Business research methods*. South-Western: Cengage Learning.

ANNEXURE A



FACULTY RESEARCH AND INNOVATION COMMITTEE FACULTY OF MANAGEMENT SCIENCES RESEARCH ETHICS APPROVAL LETTER

Date: 20 April 2016

This is to confirm that:

Applicant's Name	BM Phalatsi
Supervisor Name for Student Project (where applicable)	Professor C Chipunza
Level of Qualification for Student Project (where applicable)	Masters of Management Sciences in Marketing
Title of research project	"A comparative study of marketing communications between local and foreign national small grocery tuck-shop owners in selected municipalities in the Free State Province".

Ethical clearance has been provided by the Faculty Research and Innovation Committee in view of the CUT Research Ethics and Integrity Framework, 2016 with reference number **03/2016**

The following special conditions were set:

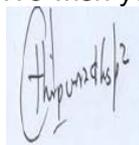
None

Specific conditions

The following specific conditions apply:

1. _____ NA _____
2. _____ NA _____
3. _____ NA _____

We wish you success with your research project.



Professor C. Chipunza
(FRIC Chairperson)

ANNEXURE B

COVER LETTER



**Dear
Respondent**

RE: REQUEST TO COMPLETE A QUESTIONNAIRE – A COMPARATIVE STUDY OF MARKETING COMMUNICATIONS OF LOCAL AND FOREIGN NATIONAL SMALL GROCERY TUCK-SHOP OWNERS IN SELECTED MUNICIPALITIES IN THE FREE STATE PROVINCE.

My name is Boitumelo Catherine Phalatsi. I am a Masters student in Marketing at the Central University of Technology (CUT) in Bloemfontein, Free State. I am conducting a survey on the comparison of marketing communications of local and foreign national small grocery tuck-shop owners in municipalities in the Free State Province. At this stage, I am collecting data on marketing communications used by local and foreign national tuck-shop owners and the reasons for using the identified marketing communications. This study is supervised by Prof Crispin Chipunza and Dr Edmund Amoakoh who can be contacted on the following contact details:

Prof Crispin Chipunza (Main supervisor): 051 507 3218/061 138 7325 or cchipunza@cut.ac.za

Dr Edmund Amoakoh (Co-supervisor): 051 507 3953/072 865 9190 or eamoakoh@cut.ac.za

I would be grateful if you take your time to complete this questionnaire. Your responses to this survey are voluntary and will be treated with strict confidentiality. The questionnaire will be filled anonymously and the responses will be reported in an aggregate form. The survey will help promote co-existence between local and foreign national tuck-shop owners in South Africa. This survey will take approximately 30-40 minutes to complete. I notably appreciate your assistance.

I will be very thankful if you would answer all sections of this questionnaire as honest as possible.

Yours faithfully,

Boitumelo Catherine Phalatsi.

ANNEXURE C

QUESTIONNAIRE

Section A: Demographic Data (Tuck-shop Owner Information)

Instructions to respondent:

I. Indicate your responses by ticking the relevant option in the boxes provided

1. Gender

1	2
Female	Male

2. Age Group

1	2	3	4	5
Below 21 years	21-30 years	31-40 years	41-50 years	51 and above

3. Nationality

1	2	3	4	5	6
South African	Zimbabwean	Somalis	Pakistanis	Bangladeshis	Other (Specify)

4. Education Level

1	2	3	4
No formal education	Primary level	Matric level	College/University

5. Geographical Area

1	2	3
Bloemfontein	Botshabelo	Thaba-Nchu

6. Number of years business has been in operation

1	2	3	4	5
Below 1 year	2-5 years	6-10 years	11-15 years	Above 15 years

7. Do you have any marketing experience?

1	2
Yes	No

Section B: Marketing Communications

Instructions to respondent:

Please do not leave any item unanswered

Indicate your level of **agreement** with the following statements by ticking the appropriate box.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B1	ADVERTISING					
B11	Outdoor advertising					
8	I use signboards provided by my suppliers (eg Coca Cola boards) to advertise my business	1	2	3	4	5
9	I give out pamphlets to advertise what I sell	1	2	3	4	5
10	I advertise my business with posters on public transport or/and my transport	1	2	3	4	5
B12	Print advertising					
11	I advertise my business in local newspapers	1	2	3	4	5
12	I advertise what I sell in local newspapers	1	2	3	4	5
B13	Broadcast advertising					
13	I advertise my business on television stations	1	2	3	4	5
14	I advertise what I sell on television stations	1	2	3	4	5
15	I advertise my business on radio stations	1	2	3	4	5
16	I advertise what I sell on radio stations	1	2	3	4	5

Indicate your level of agreement with the following **reasons** for the use of types advertising you selected above.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B2	ADVERTISING					
17	I use advertising to let consumers know about my business	1	2	3	4	5

18	I use advertising to let consumers know about products I 'am selling	1	2	3	4	5
19	I use advertising to make my products look different from businesses competing with my business	1	2	3	4	5
20	I use advertising to make my business look different from businesses competing with my business	1	2	3	4	5
21	I use advertising to build a good opinion about my business	1	2	3	4	5
22	I use advertising to build a good opinion about what I sell	1	2	3	4	5
23	I do advertising outside my business(outdoor advertising) because it is saves costs	1	2	3	4	5
24	I use advertising to increase the number of customers for my business	1	2	3	4	5

Other (specify).....

Indicate to what extent you **use** the following sales promotions by ticking the appropriate box.

		Not at all	To a little extent	Neutral	Moderate extent	Greater extent
		1	2	3	4	5
B3	SALES PROMOTION					
B31	Sales promotion for a customer					
25	Small parts of what the whole product is like	1	2	3	4	5
26	Vouchers allowing customers to buy products at a discount (usually found in newspapers)	1	2	3	4	5
27	Price offs (usually offered in-store)	1	2	3	4	5
28	Give away items which are found with the purchase of other products (eg: small pack of sugar when purchasing a big tin of coffee)	1	2	3	4	5
29	Special promotions awarding customer who have own competitions ran in the shop prices	1	2	3	4	5
30	Refunds	1	2	3	4	5
31	Extra quantity of a product at the usual price (eg: 440 ml can of Coke at the same price as 330ml can)	1	2	3	4	5

32	Offering customers points when buying your products which they can later use on other purchases	1	2	3	4	5
33	Events marketing	1	2	3	4	5
B32	Sales promotion for the business					
34	Point-of-purchase/stand-alone products meant to show that the product is new or on sale	1	2	3	4	5
35	Showing off products I sell	1	2	3	4	5
36	Buy back guarantees at wholesalers for when the product does not sell in a certain time	1	2	3	4	5
37	Buying products at a discount at wholesalers	1	2	3	4	5
38	Special promotions awarding customer winners prices	1	2	3	4	5

Indicate your level of agreement with the following **reasons** on the use of the types of sales promotions you have indicated above.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B4	SALES PROMOTION					
39	I use sales promotion to increase number of sales	1	2	3	4	5
40	I use sales promotion to increase the exposure of my business	1	2	3	4	5
41	I usually use sales promotion to influence how consumers see my business	1	2	3	4	5
42	I use sales promotion to influence my customers to buy and make repeat purchases in the future	1	2	3	4	5
43	I make use of sales promotion to buy what I sell at a discount	1	2	3	4	5
44	I use sales promotion to be more popular in the market	1	2	3	4	5
45	I use sales promotion to lead the tuck-shop market	1	2	3	4	5
46	I use sales promotion to help my customers understand the kind of products I sell	1	2	3	4	5

Other (specify).....

Indicate to what extent you use the following sales promotions by ticking the appropriate box.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B5	PACKAGING					
47	I package my products differently as compared to my competitors	1	2	3	4	5
48	I re-package products into smaller packs	1	2	3	4	5
49	I package my products in re-usable plastic	1	2	3	4	5

Indicate your level of agreement with the following reasons for the use of packaging you have indicated above.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B6	PACKAGING					
50	I use packaging to increase final costs of the product I sell	1	2	3	4	5
51	I use packaging to promote how my products look as compared to competitors	1	2	3	4	5
52	I use packaging to serve different customers' needs	1	2	3	4	5

Other (specify).....

Indicate to what extent you use the following by ticking the appropriate box.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B7	WORD OF MOUTH					
53	I give best services create a good impression about my business that causes people to talk positively about my business	1	2	3	4	5
54	I sell affordable products create a good impression about my business that causes people to talk positively about my business	1	2	3	4	5

55	I provide for the poor create a good impression about my business that causes people to talk positively about my business	1	2	3	4	5
56	What consumers say about my business helps me to market my business	1	2	3	4	5

Indicate your level of agreement with the following **reasons** for the use of word of mouth strategies you indicated above.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B8	WORD OF MOUTH					
57	Word of mouth of customers helps grow my business	1	2	3	4	5
58	Word of mouth of customers helps my business to gain more recognition	1	2	3	4	5

Other (specify).....

Indicate your level of **agreement** with the following statements by ticking the appropriate box.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B9	CUSTOMER SERVICE					
59	My attitude towards customers is always positive	1	2	3	4	5
60	I always assist my customers when they need help while they are shopping in my shop	1	2	3	4	5
61	I am always friendly towards my customers	1	2	3	4	5
62	I allow my customers to buy on credit in my shop	1	2	3	4	5

Indicate your level of agreement with the following **reasons** for giving good customer service to your customers as you indicated above.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B10	CUSTOMER SERVICE					
63	I give good customer services to have strong relationships with my customers	1	2	3	4	5
64	I use good customer services to be give better service than my competitors	1	2	3	4	5
65	I give good customer services to differentiate my business from other businesses	1	2	3	4	5
66	I use good customer services so that my customers stay loyal to my shop	1	2	3	4	5
67	I give good customer services to attract new customers	1	2	3	4	5

Other (specify).....

Indicate your level of **agreement** with the following statements by ticking the appropriate box.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B11	PERSONAL SELLING					
68	I go around my area advertising new or unknown products that I sell	1	2	3	4	5
69	I talk with consumers face-to-face around my area so that I know what kind of products or services they need from me	1	2	3	4	5
70	I go around my area talking to consumers about what they expect of my business	1	2	3	4	5

Indicate your level of agreement with the following **reasons** for the use of personal selling strategies you have indicated above.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B12	PERSONAL SELLING					
71	I do personal selling in my business to have good relationships with my customers	1	2	3	4	5
72	I use personal selling to explain how to use the products I sell	1	2	3	4	5

Other (specify).....

73 Do you use social media as part of marketing or communicating your business?

1	2
Yes	No

If **No**, do not fill in the following section **B13** and **B14**

Indicate to what extent you **use** the following social network sites to communicate with customers by ticking the appropriate box.

		Not at All 1	To a little Extent 2	Neutral 3	Moderate extent 4	Greater Extent 5
B13	NEW MEDIA					
74	Facebook	1	2	3	4	5
75	Twitter	1	2	3	4	5
76	Youtube	1	2	3	4	5
77	Skype	1	2	3	4	5
78	Amazon	1	2	3	4	5
79	WhatsApp	1	2	3	4	5

Other (specify).....

Indicate your level of agreement with the following **reasons** for the use of social network sites you have indicated above.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B14	NEW MEDIA					
80	I use social network sites to tell my customers of specials I might have	1	2	3	4	5
81	I use social network sites so that I can increase loyalty from my customers	1	2	3	4	5
82	I use social network sites to find out what is being said about my business	1	2	3	4	5
83	I use social network sites to find out what is being said about what I sell	1	2	3	4	5
84	I use social network sites because it saves costs of advertising my business	1	2	3	4	5

Other (specify).....

Indicate your level of **agreement** with the following statements by ticking the appropriate box.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B15	PUBLIC RELATIONS/PUBLICITY					
85	I help non-profit organisations with products or services I offer	1	2	3	4	5
86	I do charitable events	1	2	3	4	5
87	I do interviews about my business with local authorities (like local newspapers or radio stations)	1	2	3	4	5

Indicate your level of agreement with the following **reasons** for the use of public relations/publicity strategies you have indicated above.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
B16	PUBLIC RELATIONS/PUBLICITY					

88	I take advantage of public relations/publicity to create a positive image of my business	1	2	3	4	5
89	I use public relations/publicity to expose my business to more people	1	2	3	4	5
90	I use public relations/publicity because it is less expensive	1	2	3	4	5
91	I use public relations/publicity to attract help from financial institutions (like banks or investors)	1	2	3	4	5
92	I use public relations/publicity to attract people to work for me	1	2	3	4	5
93	I use public relations/publicity to attract customers	1	2	3	4	5

Other (specify).....

THANK YOU FOR YOUR TIME