

RELATIONSHIP BETWEEN EDUCATIONAL BACKGROUND OF OWNERS OF SMALLER BUSINESSES AND THE PRACTICE OF MARKETING RESEARCH: CASE OF HAIR SALONS IN DR R.S. MOMPATI DISTRICT IN NORTH-WEST PROVINCE, SOUTH AFRICA

E.O. AMOAKOH

Abstract

This exploratory study employed mainly quantitative and some elements of qualitative methods to analyse interview data emerged from both informal interviews and questionnaire on 280 salon operators. This study focused on the educational background of the owners of smaller businesses as a factor related to the engagement in the marketing research within hair salon business in Dr. R.S Mompati district in the North-West Province of South Africa. The findings revealed that even though majority of the operators did not engage in marketing research, those who collected information on certain marketing research activities may have been influenced by their educational background. Thus it is postulated that the higher the educational background, the more likely it is that hair salons conduct marketing research. The author discusses the implication of the findings for smaller businesses to engage in marketing research, the value of the study, recommendation for further research and limitations of the study.

Keywords: Marketing research, marketing research activities, hair salons, Dr. R.S Mompati district.

1. INTRODUCTION

There is no precise quantitative estimate of the socio-economic role hair salons play in the economy of Dr. Ruth Segomotsi Mompati district because it is precluded by non-availability of comprehensive statistical data about these informal activities at the national level. Nonetheless, one can judge their contribution to economic growth in general and creation of self-employment in particular to alleviate the level of unemployment and poverty from the emergence of number of hair salons in the province, especially by the unemployed school leavers. This proliferation of hair salons has created challenges of fierce competition in the salon business environment, survival, growth, sustainability and profitability among them. This situation has called for one of the success factors for large organizations such as marketing research activities for the salon operators to engage in to be competitive. However, one of the core antecedents of marketing research is the level of education which is related to acquisition of knowledge and skills that allow entrepreneurs to be able to know the type of data to collect and how to gather marketing information. Lack of education becomes an obstacle to knowing how to conduct a meaningful marketing research.

It is evident that the influence of the owners on the success of smaller businesses has been acknowledged as pervasive throughout all businesses and impacts on all spheres of smaller businesses management including the area of marketing (Elliott & Boshoff, 2007:15), thus hair salons and marketing research activities are no exception. However, little is known about the practice of marketing research activities within small businesses let alone that of informal sectors such as hair salons. Literature review suggests that compared to larger organizations, marketing research is hardly an activity that small businesses engage in. Among the reason for lack of the practice of marketing research within small businesses is the fact that most of the owners possess low-level of education as an inhibition to know more about marketing research, talk less in engaging in marketing research and to even accepting its importance. Because of their low educational background, it will be difficult to convince small businesses like hair salons that do not have much money to play with, let alone knowing the value of marketing research without empirical evidence, to enable them to embrace the concept of marketing research and engage in it.

2. THE PROBLEM STATEMENT

Considering hair salons' socio-economic role and the potentiality of the operators becoming emerging entrepreneurs in the district, these informal economic activities must be sustained and grow. This requires owners engaging in marketing research as a marketing tool to know more about their customers, competitors and market trends, to be competitive. This is however embedded in an individual's educational background of which majority of the owners' lack, hence not engaging in marketing research. Against this backdrop, it is important to know how educational level of the owners relates to the engagement in the marketing research activities in small businesses such as hair salons.

3. THE OBJECTIVE OF THE STUDY

Specifically, the focus of this study was to investigate and empirically test the relationship between owners' educational background and the engagement in the marketing research activities in their salon business.

4. LITERATURE REVIEW ON MARKETING RESEARCH AND THE IMPACT OF EDUCATION ON THE PRACTICE OF MARKETING RESEARCH

The definition of marketing research: There are numerous definitions of marketing research to the extent that it is not possible to review all of them, such as by (Tustin et al., 2010:7; McDaniel & Gates, 2010:7 Wiid & Diggines, 2011:5). As a result, The American Marketing Association (AMA), perhaps the most influential and authoritative body on marketing and related activities in the world has been adapted to guide this research as it appears the most comprehensive, and includes elements of all other definitions.

It defines marketing research as “The function that links the consumer and public to the marketer through information...information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process”. Therefore, for the purpose of this study, marketing research in hair salons is operationally defined as the systematic gathering, recording, and analysing of data relating to the services provided by hair salons.

Importance of marketing research

For survival

According to Crane (2010:39), marketing research is a useful tool to promote entrepreneurial success by providing a means to understand customers, competitors and the industry.

For entrepreneurial opportunity

Burns and Bush (2006:10) add that marketing research can be used to identify market opportunities; generate, and evaluate potential marketing actions; monitor marketing performance; improve the marketing process; and to monitor customer satisfaction.

For market intelligence for competitive advantage

Young and Javalgi (2007:114) mention the following benefits of marketing research which although not specifically for small businesses can be useful to hair salons. The list includes: (i) serving as a vital link between the business and its customers; (ii) helping the business to interpret consumer behavior and translate the perspective of key customers into actionable marketing strategies; (iii) assisting the business to keep in touch with vital consumer behavior trends and other influences that affect the customer of a business; and (iv) providing a clue to uncovering specific segment needs and perceptions to help avoiding the risk of failure.

Educational background and business success

Several research papers have exemplified educational background of owners as one of the determinants of business success such as: Research papers of Aqeel, Awan and Riaz (2011:101) mention that 161 small enterprises in Bangladesh succeeded through management education and training among others; Islam, Khan and Obaidullah (2011:291) cite the role of the individual characteristics of an entrepreneur which includes the educational background as core success factors of business in small and medium enterprises; and a study conducted by Riyanti (2004:2) on entrepreneurs disclosed that about seventy per cent of successful entrepreneurs were University graduates.

There can be little doubt from these few empirical evidence that education provides knowledge and modern managerial skills, it makes owners more conscious of the reality of business world and thus they are in a position to use their learning capability to manage business. This does not mean that owners of salons should necessarily be University graduates, but at least they must attain a certain level of education that can enable them to understand what marketing research is all about, its importance and how to collect such information.

5. METHOD

5.1 Research design

This was an exploratory and descriptive study to investigate the role educational background of the owner/manager plays in hair salon marketing research activity. Mainly positivist (quantitative) research paradigm was used as the methodology because it lends itself to the systematic collection, organization, and interpretation of data gained from the questionnaire, it deals with large sample and most of the data collected are numerical (Welman, Kruger and Mitchell, and Pradeep,2011:4)

5.2 Population

The target population for this study was all hair salons in the district, both registered and non-registered. Since many of the hair salons were unregistered, a sample frame was not readily available. In a preliminary investigation, 989 hair salons both registered and unregistered were identified in the region which constituted the sample frame for this study. With a population size of 989, a required sample size of 280 was deemed to be adequate for the study

5.3 Data Collection

A structured custom made Likert type of structured questionnaire was used to gather responses from owners. The questionnaire was hand-delivered and personally collected so as to increase response rate. Respondents were asked to indicate from four-point itemized rating scale questionnaire which was simple and suitable for making quantitative inferences. In certain cases open-ended and semi-structured questions were posed to enable owner/managers to explain some of their responses. Besides, initial informal interviews were conducted on a few selected salon operators on the use of marketing research activities.

5.4 Data analysis

The quantitative data obtained by the Likert type of questionnaire was statistically analyzed. Frequency and percentage tables were used to summarize and display the data collected.

Chi-square test statistics and cross-tabulation analysis were done to determine if relationships existed between owners' educational background and marketing research activity. Appropriate tests of significance were done for any observed differences. Where such differences were significant, further analysis such as cross-tabulation was done to explore these differences further. The resultant statistics are shown in Tables 1-7

5.5 Measuring credibility of the study

For this study to be credible and acceptable, validity and reliability which appear to be much mentioned in terms of credibility (Blumberg, et al, 2005:403; Cooper and Schindler, 2011:236) recommendations were considered and discussed in this section.

5.6 Validity

To test for validity, the instrument used in this research is the researcher's own design as has been stated earlier on, by using questionnaire and pre-interviews since there were no previous research finding on hair salons to include. This demonstrates the validity instrument applied.

5.7 Reliability

Reliability of the findings was ensured according to the recommendations of Cooper and Schindler (2011:283) who define reliability as the one concerned with estimates of the degree to which a measurement is free from random or unstable error, and that it is reliable to a degree that it supplies consistent results. Some of these random or unstable errors and biases as mentioned by Dzansi (2006:87), supported by the previous researchers as the major causes of instrument unreliability are:

- Subject error
- Subject response bias
- Observer error
- Observer bias
- Information collection bias

These were guided against. For example, subject errors were guided against by reducing misrepresentation; subject response bias was attended to by scrutinizing questions to avoid misgivings and suspicions of invasion of privacy of respondents; observer error was treated by the researcher doing the pre-testing, and information collection bias was prevented by avoiding too many open-ended questions and some questions were re-phrased to avoid confusion.

6. MEASUREMENT, ANALYSIS, AND DISCUSSION

Person chi-square test for relationship between education and marketing research was used. The study researched on marketing research on customers, competitors and market trends to ascertain the relationships.

Table 1: Results of demographic characteristics

Demographic characteristics		Frequency Percentage
1. Nationality	South Africa	23.7
	Ghanaians	23.7
	Zimbabwe	28.8
	Zambia	22
	Other African	1.6
2. Gender	Male	48.3
	Female	51.6
3. Age	16-19	0.8
	20-25	33.8
	26-29	47.4
	30-35	12.7
	36-39	3.3
	40-45	1.6
4. Educational status	No formal education	0.8
	Primary Level	23.7
	Matric Level	75.4

Table 2: Pearson chi-square test for relationship between respondent's educational status and marketing research activities

Frequency of collecting marketing information on customers	Chi-square	Df	Sig.	Results
Information on salon's prices	11.490	6	.074	No relations
Information on type of hair styles	10.305	6	.112	No relations
Information on hair chemicals used	43.541	6	.000*	Relations
Information on the work of hair stylists	12.554	6	.051	No relations
Information on customers complaints	21.588	8	.006*	Relations
Information on customers' impression of salon environments	20.640	8	.008*	Relations
Information on competitors				
Information on competitors' hair chemicals	9.347	6	.155	No relations
Information on competitors' hair styles	17.299	6	.008*	Relations
Information on competitors' promotion activities	10.344	6	.111	No relations
Information on competitors' prices	8.006	8	.433	No relations
Information on effectiveness of competitors' promotion activities	11.721	8	.164	No relations
Information on market trends				
Information on modern equipment	13.192	8	.105	No relations
Information on current hair chemicals	11.320	8	.184	No relations
Information on current hair styles	35.145	10	.000*	Relations

From Table 2, responses to questions regarding the items on engaging in marketing research activities namely: information on chemicals, customer complaints, salon's environment, competitors' hair styles and current hair styles vary significantly at 0.05 significant levels according to respondents' educational status. Cross tabulation was used to investigate further the differences and the results are found in table 3-7.

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Table 3: Cross-tab of education versus collection of data on chemicals

Variables	Level of Education	Q20. Respondent's frequency of marketing research information collection on hair chemicals				
		Never	Once a month	Once every two weeks	Once a week	Total
Status Q4.Educational	Count	25	1	2	1	29
	Below Matric.	86.2%	3.4%	6.9%	3.4%	100.0%
	Count	61	2	12	14	89
	Matric.	68.5%	2.2%	13.5%	15.7%	100.0%

Table 4: Cross-tab of education versus collecting data on customer complaints

Variables	Level of Education	Q22. Respondent's frequency of marketing research information collection on customers' complaints about salon's services					Total
		Never	Once every three months	Once a month	Once every two weeks	Once a week	
Q4. Educational Status	Count	18	1	3	2	5	29
	Below Matric.	62.0%	3.4%	10.3%	6.9%	17.2%	100.0%
	Count	41	0	5	18	25	89
	Matric.	46.1%	.0%	5.6%	20.2%	28.1%	100.0%

Table 5: Cross-tab of education versus collecting data on salon's environment

Variables	Level of Education	Q23. Educational status and frequency of marketing research information collection on salon's environment					
Q4. Educational Status		Never	Once every three months	Once a month	Once every two weeks	Once a week	Total
	Count	25	1	1	0	2	29
	Below Matric.	86.2%	3.4%	3.4%	.0%	6.9%	100.0%
	Count	64	0	8	3	14	89
	Matric.	71.9%	.0%	9.0%	3.4%	15.7%	100.0%

Looking at the data in Tables 3, 4, and 5, it is clear that higher percentages of respondents who are below Matric level of education reported never, for the three customer related marketing research activities when compared to the percentages of Matric holders who said their businesses conducted marketing research on customers. On the other hand when one looks at those who did some research, the situation is reversed which indicates that the higher the educational level, the more likely it is for a salon operator to engage in marketing research on the customer.

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Table 6: Cross-tab of education and collecting data on competitor hair styles

Variable	Level of Education	Q25. Respondent's frequency of marketing research information collection on competitors' hair styles				
Q4. Educational Status		Never	Once a month	Once every two weeks	Once a week	Total
	Count	24	3	2	0	29
	Below Matric.	82.8%	10.3%	6.8%	.0%	100.0%
	Count	61	19	6	3	89
	Matric.	68.5%	21.3%	6.7%	3.4%	100.0%

Table 6 shows clearly that a higher percentage (31.4%) of respondents who are Matric holders reported their businesses conducted marketing research on competitor hair styles, as compared to the percentage of respondents (17.1%) below Matric who also reported similarly. This simply means that the higher the level of education, the more likely it is for a salon operator to practice marketing research, even though (68.5%) of the Matric holders reported not conducting research on competitor hair styles as compared to the percentage of the respondents below Matric level (82.8%) who form the majority.

EDUCATION AND RESEARCH ON MARKET TRENDS

Table 7: Cross-tab of education and collecting data on current hair styles in the market.

Variables	Level of Education	Q31. Respondent's frequency of marketing research information collection on current hair styles						Total
		Never	Twice a year	Once every three months	Once a month	Once every two weeks	Once a week	
Q4. Educational Status	Count	23	1	0	3	2	0	29
	Below Matric.	79.3%	3.4%	.0%	10.3%	6.9%	.0%	100.0%
	Count	56	2	13	15	2	1	89
	Matric.	62.9%	2.2%	14.6%	16.9%	2.2%	1.1%	100.0%

The scenario described in the previous applies when one looks at the data in Table 7. It is also quite clear that a higher percentage (73%) of respondents who are below Matric level of education reported never for the market trend related marketing research activity on hair style when compared to the relatively lower percentage (62.9%) of Matric holders who said their businesses did not conduct marketing research on market trend in hair style. On the other hand when one looks at those who did some research, the situation is reversed, which indicates that the higher the educational level, the more it is for a salon operator to engage in marketing research on the current hair styles in the market.

This information shows that even though majority of the hair salons did not engage in marketing research, those that collected information on the three marketing related activities may have been influenced by their educational background.

From this premise, it can safely be postulated that the higher the educational level of owner/manager, the more likely it is that a hair salon conducts research on customers, competitors, and market trends.

6.1 Implications

A number of implications are drawn from the findings of this research for salon operators in the district, policy makers and researchers.

First, the practice of marketing research (MR) seems very little within salon business according to the findings of the study. Few well established ones practiced marketing research. Second, non-practice of MR and the application of marketing research information (MRI are dictated by low level of education. Third, non-application of MRI is the result of the fact that some owner/managers do not understand the process and the type o information which could be made available through MR because of the low level of education of some of them.

6.2 Recommendations

First, since the results suggest that owner/managers' educational background is linked to marketing research of hair salons, it is imperative that regular training should be directed at improving the cognitive competences of owner/managers of hair salons. Second, it is recommended that the local Municipalities and private sector can corroborate to set up development and training programmes for the owner/managers of these salons to enhance their productivity, growth, survival and to increase job creation.

7. VALUE OF THE STUDY

The introductory paragraph of this study of this study alluded to the fact that empirical research on hair salons in South Africa is a virgin area, limited if not non-existent. On the other hand if there is such research then the influence on hair salons has not been explored and ascertained. Given their numbers and importance in black communities they need closer attention from researchers. Therefore, this study is an attempt to accord it that attention based on assumption that there is little knowledge on which to build on.

Another significance aspect is that this study is designed to show the importance of education in relation to the understanding of the essence of marketing research, to enable owner/mangers to know what type of information needed and how to look for such data. This study is also intended to encourage an interest, particularly, in those informal hair salons by highlighting the necessity and the prominence of education of owner/managers playing tremendous role in acquiring marketing information for the economic performance of such salons.

Furthermore, this study could promote the understanding and acceptance of the use of marketing research information through the level of educational background of the owner/managers, not only by hair salons but all other small businesses if it can be shown that marketing research and the use of the information gathered from the research indeed has economic influence on business performance.

Finally, the results of this study would provide a better understanding of small business marketing research activity and how they use the information for competitive advantage with the level of education of the management.

8. LIMITATIONS

This research was delimited to the following: The population of all 'small salons', both formal and informal, in Dr. Ruth Sogomotsi Mompoti district. There is a risk of geographical bias because the sample in terms of size and ownership may not be representative of hair salons in other districts of South Africa. Generalizability of the results to hair salons across the whole South Africa might therefore be compromised.

9. CONCLUSIONS

Based on the findings from the empirical and literature review, conclusions are made on the influence of educational background of owner/managers on marketing research activities for economic performance of hair salons in Dr. Ruth Sogomotsi Mompoti district. The findings were that though majority of the hair salons did not engage in marketing research, those that collected information on the three marketing related activities may have been influenced by their educational background. From this premise, it is postulated that the higher the educational level of owner/manager, the more likely it is that a hair salon conducts research on customers, competitors, and market trends.

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