FACTORS INFLUENCING MARKETING STRATEGY FORMULATION FOR SMALL AND MEDIUM ENTERPRISES IN POLOKWANE

by

Legodi Cedric Phokwane

Student number: 4828-797-0

submitted in accordance with the requirements
for the degree of

Master of Commerce

in the subject

Business Management

at the

University of South Africa

Supervisor: Prof K.M MAKHITHA

January 2020

DECLARATION

I declare that "FACTORS INFLUENCING MARKETING STRATEGY FORMULATION FOR SMALL AND MEDIUM ENTERPRISES IN POLOKWANE" is my own work, which has not been submitted for any other examination in any other university, and that all the sources consulted or used have been acknowledged by means of a complete list reference.

Legodi Cedric Phokwane   **Student number: 4828-797-0**

31 January 2020

DEDICATION

This study is especially devoted to my mother, late father (Bro Steve), and late exceptional younger sister (Rakgadi), the vows to change the title continue.

ACKNOWLEDGEMENTS

ABSTRACT

The aim of the study was to investigate the factors influencing marketing strategy formulation for small and medium enterprises (SMEs) in Polokwane. SMEs, worldwide, are regarded as the cornerstone for economic development. However, SMEs are faced with business marketing constraints that lead to their downfall.

The study objectives were set and led to the formation of the hypotheses. The study adopted a quantitative approach and collected data from a sample of 412 SMEs from Polokwane using non-probability sampling methods, which are convenience and snowball sampling. A survey questionnaire sought responses from the respondents. The pilot test was done, and responses were used to eliminate unnecessary and confusing statements. The respondents were required to indicate their agreement or disagreement with questions on a five-point Likert scale. Descriptive statistical analysis, factor analysis, ANOVA and regression analysis were done to determine if the objectives of the study were achieved and to test hypotheses.

SMEs were found to be using sales promotions, digital marketing, business branding, personal selling and email communication as part of marketing communication strategies. Product strategies used are product quality and packaging, branding and collaborative product development. The findings of the study depict that SMEs marketing communications and product strategies have a positive influence on their performance. The main challenges experienced by SMEs are lack of understanding for marketing research, lack of finance, lack of business planning, inexperienced employees and, the least experienced challenge, lack of customer demands. It was further found that demographic factors (business operation/ maturity, business training and annual turnover) have a significant influence on the marketing communication strategies adopted and the challenges facing SMEs. SMEs that have been in existence for over 10 years perceive marketing challenges differently from SMEs with less than 10 years of operation.

It is necessary for the government to put in place progressive policies that can assist SMEs to improve their marketing strategy. It was recommended that SMEs attend training related to marketing to be equipped with marketing and business operations

knowledge to minimise the experienced marketing challenges. Training will enable SMEs to do better in marketing communication or/and product strategies.

LIST OF ABBREVIATIONS

ANOVA	:	Analysis of variances
CRM	:	Customer relationship management
EU	:	European Union
GDP	:	Gross domestic product
LED	:	Local economic development
NCR	:	National Credit Regulator
NPD	:	New product development
SEDA	:	Small Enterprise Development Agency
SMEs	:	Small and medium enterprises
SMMEs	:	Small, medium and micro enterprises
SPSS	:	Statistical Package for Social Sciences
TIPS	:	Trade and Industry Policy Strategies
UN	:	United Nations
VAT	:	Value Added Tax

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND

Small and medium enterprises (SMEs) play an important part in the development of the country's economy as they contribute towards poverty alleviation through the creation of employment and wealth, revenue generation and technological advancement (Razak 2012; Ciubotariu 2013). Kongolo (2010) and SBP (2011) state that the South African SMEs account for almost 91 percent of businesses. SMEs in South Africa make 60 percent contribution to the country's employment and between 51 percent and 57 percent to the gross domestic product (GDP). This shows how important they are to the country's economic development and growth (Benneh-Mensah & Nyadu-Ado 2012). The SME sector fuels the developing economies and makes positive contributions towards the GDP and employment towards any country (Zikode 2012).

The SMEs daily running and their long-term success and continuity are affected by a variety of exogenous and endogenous factors and this results in the struggle for SMEs to operate in the multifaceted and economical business environment (Cant, Wiid & Hung 2013). This leads to the high failure rate of SMEs. Bisseker (2014) concur with Kongolo (2010) and SBP (2011) that SMEs within South Africa (SA) constitute about 60% of total employment as compared with 77 percent of the global average. But, notwithstanding the substantial grant funding and different support programmes offered by the government, some researchers (Fatoki 2014; Kalane 2015; Douglas, Douglas, Muturi & Ochieng 2017) show that up to 76 percent of all SMEs fail within two years of operation. The current failure rate does not differ from the previous overall South African failure rate that was estimated at 70 percent to 80 percent; whereby, marketing strategies and deficiencies in marketing contributed to the failure (Brink & Cant 2009; Adeniran & Johnston 2011).

Kotler, Gary, Lloyd and Nigel (2013) define marketing strategy as the marketing judgment; whereby, businesses strive to achieve marketing goals. Berndt and Tait (2012) state that the aim of marketing strategy is to gratify present customers fully and comprehensively and, as a result, they do word-of-mouth advertising about how

1

satisfied they are with the product/service. Marketing strategy aims to demonstrate to the customer that it cares enough about the current well-served customers as much as SMEs do with the new customers and show that customer satisfaction is the SMEs' core business.

It is the responsibility of any business enterprise to differentiate itself from its competitors, through making use of its relative business strengths to gratify customer needs appropriately within a certain environmental setting. This requires that SMEs owners or managers be familiar and gain knowledge of marketing and running their businesses successfully to make positive contributions (Lekhanya 2010; Ciubotariu 2013). Schmid and Kotulla (2011) found that SMEs managers make decisions depending on the sensitivity of the firm's position. For SMEs managers to understand how detailed marketing strategies are, situational factors influencing strategic decisions must be considered. Lack of time and funds to invest in the establishment of target markets and customer trends is part of the owner managers' perception related to SME marketing (Van Scheers 2012).

GEM (2011) states that poor market research and the absence of a viable business idea and lack of access to vibrant markets are some of the most factors that hinder the progression of SMEs in South Africa including Limpopo. The failure for SMEs to access proper markets is a major factor that threatens their longevity. One of the criteria that SME funders look at is the access to market − without access to the market it becomes difficult for SMEs to be funded and mentored (SEDA 2016). The City of Polokwane still needs to identify innovative ways on how it can provide support to SMEs, SMMEs and cooperatives to promote the establishment of new businesses and sustainable livelihoods. Maboa (2011) state that according to some studies, SMEs in the municipalities face a challenge of not being able to look out for markets for their own products and services. It is reported that South Africa's SMEs are less vibrant than those in other countries with the majority lingering in the emerging and enterprise stages (Malefane 2013).

Lekhanya (2015) asserts that the research findings revealed that there are no sufficient marketing expertise and knowledge and there is a dominance of limited practice of marketing strategies within the SMEs by the owners/managers. Webb, Ireland, Hitt, Kistruck and Tihanyi (2011) state that "if marketing conceptions can be

carefully thought and combined with the business processes, they can help in expanding an enterprise performance". According to Neneh and Van Zyl (2012), magnifying an enterprise performance using differentiation strategy is directly allied to the marketing practices of the business. Ruhdelius (2011) proclaim that marketing is a device to empower the firm to advance its objective, it is a strategy that organizations implement to support both the organizations' and management's objectives in the fulfilment profitability and success. Dzisi and Ofosu (2014) define marketing as a matrix of commercial activities structured to promote, plan, price, produce; distribute goods, service and ideas for the fulfilment of appropriate customers and clients strategically. Maboa (2011) found that most SMEs do not possess any marketing expertise and are incapable in finding the available markets for their products and services and, as a result, they collapse.

Owomoyela, Oyeniyi and Ola (2013) perceives marketing strategy as process of delivering a distinct product that fulfils all the needs of customers, proposing reasonable prices and engaging in broader distribution and support it with a real promotional strategy. Ghouri, Khan and Razzaq (2011) asserts that executing appropriate marketing strategy advances the overall activities of the business excellently and further strengthens the market share and the firm's competitive advantage. Kotler and Keller (2014) state that the relationship between marketing and marketing strategy is the "formation and maintenance of commonly satisfying interchange relationships".

Gbolagade, Adesola, and Oyewale (2013) found that marketing strategies significantly influence business performance. Owomoyela *et al.* (2013) concur with Gbolagade *et al.* (2013) that "previous researches have established a profitable relationship between the marketing strategies and the business performance". Arsalan, Naveed and Muhammad (2011) state that it is essential to formulate the marketing strategies in every entity as it enables the business to broaden its territory. Marketing strategy is one of the key efficient strategies that SMEs adopt to enhance performance (Dzisi & Ofosu 2014).

Van Scheers (2011) recommends that small business managers understand and create small business marketing strategies for products and services, as their success is based on the capacity to shape an increasing body of satisfied clients. Therefore,

marketing strategies serve as the main pillar and add value in enhancing the organisational performance (Hassan, Qureshi, Sharif & Mukhtar 2013). This research aims to determine the marketing strategies (marketing communication and product strategies) and the impact on the SMEs' performance. The research further aims to contribute to the current knowledge of marketing influence on the SMEs performance.

1.1.1 The Small and Medium businesses in South Africa

The South African National Small Business Act of 1996, as amended in 2003 and 2004 (Department of Trade and Industry 2004) offers a South African definition of an SME, which is referred to as SMME; however, diverse organisations and research institutes do not make use of this definition, making it hard to benchmark diverse studies and information on SMMEs (Republic of South Africa National Credit Regulator 2011).

The commonly used definition of an SMMEs is based on the number of people employed within a business or upon a yearly turnover (Mabuza 2016). The National Small Business Act of 1996, as amended in 2004, define an SMMEs as a single and different business unit, counting co-operative enterprises and non-governmental organisations, including its branches, if available, is mainly accepted in any economic sector or sub-sector (Department of Trade and Industry 2004).

The National Small Business Act 102 of 1996 as amended in 2004 sets the most extensively used context for the South African SMMEs, which describe and define the five categories of businesses in the country. As described by Davis Tax Committee (DTC) (2014) and Trade and Industry Policy Strategies (TIPS) (2017) the definition is centred on the number of people employed in an enterprise in relation with their yearly turnover classifications. Turnover and the number of employees for each category is summarised in Table 2.2. The categories are as follows:

- Survivalist enterprises.

Focuses much on the survival of an individual as it generally generates income that is below the minimum poverty line with no employees. The value of its assets is minimal. The main economic activity is to keep the owner alive. The turnover generated is less than R100 000

- Micro enterprises.

4

Lies between the survivalist and small enterprises generating an annual gross income that is below the Value Added Tax (VAT) registration boundary being R250 000 per annum. Normally does not adhere to many regulations like registering for formal tax, following accounting procedures, adhering to labour regulations and normally it employs less than five people.

- Very small enterprises

Normally employs 20 people or less and is unique to South Africa. It operates in a formal economy and is VAT registered, with some limited technological business operations. There are 20 or fewer than 20 employees and the turnover is between R500 000 to R6m.

- Small enterprise

Having the maximum number of 50 employees. These enterprises are mostly reputable and organised, unlike the very small enterprise and show more complex professional practices. The annual turnover is between R2m to R5m

- Medium enterprise

The number of employees is between 100 and 200. These enterprises are frequently characterised by delegation of power to a supplementary management level. The annual turnover is between R5m to R64m

The table 2.2 below summarises the number of employees and the revenue generated by the South African SMMEs.

Table 1.1: Types of SMMEs in South Africa

Business size	Number of Employees	Annual revenue
Survivalist enterprises	Owner only	Less than R100 000
Micro enterprises	Less than 5	Less than R250 000
Very small enterprises	Fewer than 20	Between R500 000 to R6m
Small enterprise	Between 5 and 50	Between R3m to R32m
Medium enterprise	Between 100 and 200	between R5m to R64m

Source: National Credit Regulator (2011), DTC (2014) and TIPS (2017)

In summary, SMEs range from medium-sized enterprises, like established family business with more than 100 employees, to informal micro-enterprises (BER 2016). However, in this study the focus is upon SMEs, since the micro enterprises are not utilising the strategies as they only operate with few resources and generate very little income (ILDP 2014). This was the South African SMMEs description, however the researcher prefers to use SMEs as an internationally accepted term.

1.2 PROBLEM STATEMENT

There is little research that had been done on marketing strategies amongst SMEs in Polokwane. There is no enough information relating to marketing strategy contribution towards the success or failure of SMEs in Polokwane. Pawan and Pawan (2013) state that marketing strategies serve as the important support of the developed marketing plans to reach the marketing needs of the SME and fulfil their market needs.

Zuma (2015) states that; "government knows that small business and co-operative sectors face limitations in developing and sustaining their enterprises that result from few business opportunities in the public and private sectors". SMEs in Polokwane do not show competitive strength and, in general, are unsustainable (Muchandigona 2015). Mudavanhu, Bindu, Muchabaiwa and Lloyd (2011) argue that there are many reasons leading to the high failure rate of SMEs, one of them is the failure to develop

proper marketing strategies and little effort by SMEs owners/ managers to market their businesses. According to Van Scheers (2011), marketing skills is considered one of the most active factors towards the organisations' growth and survival. Lack of marketing skills undesirably impacts the SMEs success.

According to Omar and Anas (2014), effective marketing influences the success of any business entity, including the SMEs. Bouazza, Ardjouman and Abada (2015) assert that "marketing plays a substantial role in the success or failure of SMEs, it also regarded as the biggest challenge faced by SMEs in their business processes".

There is a sturdy relationship amongst the SMEs marketing strategies and performance in terms of revenue growth, wider customer connections, improved efficiency and capacity to compete fairly with larger firms (David, Neeraj, Derek, John, Michael, Ruba, Julia & Julio 2013). Yan and Chew (2011) state that SMEs performance is influenced by the relative marketing strategy, competitive marketing strategy and lastly the business environment.

Mbedzi (2011) states that Limpopo SMEs that are part of business associations and co-operatives have an advantage of joint marketing schemes and technical marketing services, but on their own they can't perform marketing. Seeletse (2012) articulates that SMEs are inadequate in market research aspects since many SMEs were totally not involved in evaluating clients' satisfaction as part of their marketing strategy.

Although numerous studies have been conducted on causes prominent to success or failure of SMEs (Mbedzi 2011; Nkonde 2012; Seeletse 2012) few have studied the SMEs marketing strategies and the factors impacting on their marketing strategies in Polokwane. The study observes the use of marketing strategies (product strategies and marketing communication strategies) and their impact on SMEs performance in Polokwane, together with factors that affect their marketing strategy formulation. The elements of the marketing strategies chosen for the purpose of the study were product strategies and marketing communication strategies. The two strategies are believed to have much impact on the success and failure of the SMEs.

1.3 PURPOSE OF THE RESEARCH

The study investigates the factors impacting on marketing strategies formulation of SMEs in Polokwane. The study also investigates how marketing strategies influence SMEs performance.

1.4 RESEARCH OBJECTIVES AND HYPOTHESES

1.4.1 Primary objective:

The primary research objective is to investigate the factors influencing the marketing strategies (product strategies and marketing communication strategies) of the SMEs in Polokwane.

1.4.1.1 Secondary objectives:

- To determine the marketing strategies (product strategies and marketing communication strategies) adopted by SMEs in Polokwane
- To identify the factors that affect the SMEs marketing strategies (product strategies and marketing communication strategies).
- To determine the effect of marketing strategies (product strategies and marketing communication strategies) on SMEs performance.

1.4.1.2 Research Hypotheses

Both the primary and secondary research objectives directed the formulation of the hypotheses

Hypotheses 1

H_1 Marketing strategies (product strategies and marketing communication strategies) of SMEs differ across demographics (business operation, training and annual turnover)

H_0 Marketing strategies (product strategies and marketing communication strategies) of SMEs do not differ across demographics (business operation, training and annual turnover).

Sub-hypotheses:

H$_{1a}$ Marketing strategies (product strategies and marketing communication strategies) of SMEs differ across the business operation of SMEs.

H$_{1b}$ Marketing strategies (product strategies and marketing communication strategies) of SMEs differ across the training attended by SMEs.

H$_{1c}$ Marketing strategies (product strategies and marketing communication strategies) of SMEs differ across the business turnover of SMEs.

Hypotheses 2

H$_2$ Factors influencing marketing strategies (product strategies and marketing communication strategies) differ across the demographics of SMEs (business operation, training, annual turnover)

H$_0$ Factors influencing marketing strategies (product strategies and marketing communication strategies) do not differ across the demographics of SMEs (business operation, training, annual turnover).

Sub-hypotheses:

H$_{2a}$ Factors influencing marketing strategies (product strategies and marketing communication strategies) differ across the business operation experience of SMEs.

H$_{2b}$ Factors influencing marketing strategies (product strategies and marketing communication strategies) differ across the training attended by SMEs.

H$_{2c}$ Factors influencing marketing strategies (product strategies and marketing communication strategies) differ across the business turnover of SMEs.

Hypotheses 3

H$_3$ The marketing strategies (product strategies and marketing communication strategies) have an impact on the performance of SMEs.

H$_0$ The marketing strategies (product strategies and marketing communication strategies) do not have an impact on the performance of SMEs.

Sub-hypotheses:

H3ª. Marketing communication strategies have an impact on the performance of SMEs

H3[b]   Product strategies have an impact on the performance of SMEs.

1.5 RESEARCH METHODOLOGY

1.5.1 Research Design

Research design is a strategy according to which a scholar finds the study participants and gathers relevant data from them, with a vision of making inferences about the research problems (Boeije 2010; Krishnaswami & Satyaprased 2010). Malhotra (2010) and Aarker, Kumar, Leone and Day (2013) asserts that research design comprises full techniques used in the selection of sources to gather needed information to solve the research problem.

Cresswell (2014) concur with Boeije (2010) Krishnaswami *et al.* (2010) and Aarker *et al.* (2013) by explaining that research design refers to plans that direct the researcher during the collection of data, analysing of data and interpreting observations and offers organised techniques to be followed by the researchers. According to Malhotra (2010), a progressive and effective research is confirmed when a solid research design basis has been laid. The choice of a research design rest upon the nature of matters being researched, the researchers' personal skills and the study audience. Creswell (2014) highlights three approaches to research: qualitative, quantitative and mixed methods.

Qualitative and quantitative techniques offer a trade-off between the extensiveness and depth and targeting to specific populations. Qualitative methods, including in-depth interviewing, focus groups and observations, need good and substantial supervision to produce trustworthy data. Qualitative research design tends to place emphasis on the gathering of comprehensive primary data from a reasonable small sample through observing behaviour or asking questions. Qualitative data can be gathered within a short period of time, however, sometimes is not easy to summarise or quantify the data into expressive forms or numbers (Kumar 2011; Creswell 2014). Ivankova, Creswell and Clark (2016) views qualitative research as an investigation procedure of understanding, where a researcher analyses words, conduct research

and reports detailed views of informants. Nieuwenhuis (2016a) concur with Ivankova *et al.* (2016) that a qualitative research methodology deals with understanding the process, social and cultural contexts, which underlie different behavioural patterns.

Cant (2010) describe quantitative research as being descriptive and used to define a study, which is structured and quantifiable as it is reported in a numeric format. According to Johnson and Christensen (2012), quantitative research design involves gathering quantitative data such as variables, structured data-collection instruments, numerical data and identification of statistical relationships among variables. The objective is to make generalisations centred on the results of the population sample and the findings are subjected to numerical manipulation to create broad data representation (Creswell 2014). The collected data using quantitative methods are frequently understood to return more objective and truthful information because they are collected using standardised methods (Allwood 2012).

Mixed methods is an approach to investigation, which involves the collection of both quantitative and qualitative data, incorporating the two forms of data and by means of distinct designs that may comprise philosophical norms and hypothetical framework (Creswell 2014). Cameron (2011) and Bryan and Bell (2011) mentions that mixed methods has gradually become used and recognised as a research method for doing research in different disciplines, such as business, social sciences, education, health, political science, behavioural sciences and human sciences.

The quantitative research approach is adopted for the study and the survey method is employed to gather data for the testing of the framed objectives.

1.5.2 Sampling Plan

This section place emphasis on the discussion of the sampling population, sampling frame, sampling method, sampling size, data collection and data collection instrument. Sampling is a comprehensive outline of which dimensions will be engaged at what times, in which manner, on which material and by whom. Therefore, it should be planned in such a way that the consequential data will comprise a reminiscent sample of the parameters of importance and consent for all questions, as specified in the goals (Kumar 2011).

1.5.2.1 Sampling Population

According to Lior (2012), population is the whole group of people or any study objects that the researcher wants to describe and understand. The main objective of the study was to determine the use of marketing strategies in the SMEs. The target population for this study involved the SMEs around Polokwane. The foremost aim of this research was to determine the marketing strategies of SMEs and the impact thereof on their performance. Therefore, the SMEs serve as the unit of analysis and owners and/or managers had completed the questionnaire.

1.5.2.2 Sampling Frame

Wiid and Diggines (2013) define sampling frame as the reliable list from where the research sample will be drawn. Within this population, there will probably be only certain groups that will be of interest to a study (Walliman 2011). In Polokwane, the total number of SMEs is unknown. Convenience and snowball sampling were considered suitable in this quantitative study, especially in cases where the sample selection is from hard-to-find population or there is no sampling frame (Christensen, Johnson & Turner 2011).

1.5.2.3 Sampling Method

With the sampling method the researcher wishes to determine if probability or non-probability sampling will be useful in order to make the sample. Zikmund and Babin (2015) define a sample as a depiction of the essentials of the targeted population. Sampling methods are divided into two broad type, namely probability (random) and non-probability and each broad type has sub-types (non-random) sampling (Wilson 2010; Walliman 2011). Probability sampling comprises simple random, stratified, cluster and systematic sampling, while non-probability includes convenience, sequential, quota, judgmental and snowball sampling.

Probability sampling is a sampling technique wherein the samples are collected in a process that gives all individuals in the population an equal chance of being selected. In non-probability sampling, units are deliberately selected to reflect features within a sampled population and, hence, the characteristics of the population are used as the basis for selection (Walliman 2011; Ritchie & Lewis 2012).

The researcher uses non-probability sampling and snowball sampling. According to Saunders and Lewis (2012), the use of non-probability sampling methods is best when one does not have a comprehensive list of population and the likelihood of being selected from the population members is unknown. There was no clear number of the study population; therefore, convenience and snowball sampling were chosen. Snowball sampling is a technique used to find research subjects; the researcher requests the first subject to identify another prospective subject who also meets the research criteria. Each subject after being interviewed is asked to identify one or more others in the field (Aaker, Kumar, Day & Leone 2013).

1.5.2.4 Sampling Size

Aaker *et al.,* (2013) indicate that the sample size can be dictated by considering the cost to collect data, greater accuracy and the speed required for data collection. There was no frame of reference for the standard sample size. The sample size for existing studies on marketing and SMEs ranged from 100 to 300, Masocha, (2019) sample size 238, Sarango-Lalangui, Alvarez-Garcia and Rio-Rama (2018) samples size 188, Mohutsiwa (2012) sample size 206, Hove (2012) sample size 211, Choeu (2013) sample size 200, Soke (2014) sample size 273 and Chingwaru (2014), 278. Stam, Arzlanian and Elfring (2014) report that sample sizes for previous similar studies ranged from as little as 40 to as large as 756.

In this study the sample size of 412 was deemed appropriate to represent the population. This was based upon the principle that a larger sample size ensure the inclusion of people with diverse backgrounds, thus making the sample representative of the study population (Kumar 2011). According to Kotler and Keller (2012), large samples give more reliable results, but it is not necessary to sample the entire target population to achieve reliable results.

1.5.2.5 Data Collection and data Instrument

As per the researcher's knowledge, data collection contributes to the effective sample control. Dependability is to be enhanced in this research using a data collection instrument. Data collection instrument refers to the method used in gathering or

obtaining data for any research (Walliman 2011). Malhotra (2010) and Cooper and Schindler (2011) state that in quantitative research, primary data are collected from a great number of respondents with the intention of generalising about a certain population and the verdicts are subjected to mathematical analysis. It includes survey, observations and experiments.

- Survey

According to Malhotra (2010), surveys encompasses the gathering of primary data using structured questions that needs the participants to select from an encoded answer.

- Observations

Observation research offers opportunities to assist the researcher as an instrument to record the data (Kapoor & Kulshrestha 2010; Belk, Fischer & Kozinets 2013).

- Experiments

Malhotra (2010) state that the researcher uses experiments to manipulate one or more independent variables and measure their impact on the dependent variables.

Survey methods was used for data collection, with structured questionnaires, which involved SMEs managers or owners completing the questionnaire to ensure honest and a high rate of response. Wegner (2012) state that survey is a research method whereby primary data are gathered through direct questioning of respondents using a questionnaire to structure the collected data. Leedy and Ormrod (2014) concur with Wegner (2012) by defining a survey as a research design where a researcher poses some questions to enthusiastic participants, makes a summary of the responses using frequency counts, percentages or more statistical indices and then draws inferences about a population from the sample responses. A questionnaire is an organised list of questions circulated to a population sample with the purpose of drawing information from each respondent (Sekaran & Bougie 2010; Kumar 2011).

According to Graziano and Raulin (2013), when designing a questionnaire all guidelines and questions should be clear however, the questionnaire focus should be straightforward and defined by the research questions. Aaker, Kumar, Day and Leone (2011) recommend that a questionnaire be pre-tested to determine its success in providing relevant information to make responses for the research questions. When

developing the questionnaire, the researcher was guided by previous researches on marketing.

1.5.2.6 Data analysis

Data analysis involves reducing gathered data to a manageable data size after its collection (Cooper & Schindler 2013). The collected data will be analysed and tested using the Statistical Package for Social Science (SPSS), version 23. To draw conclusions from the collected data, two types of statistical tools will be used, namely descriptive and inferential statistics.

Creswell (2014) articulates that descriptive statistics describe the summarising and organising of quantitative data. Descriptive statistics is beneficial as it recapitulates outcomes for an experiment, thus consenting for more productive research and, subsequently, comprehensive analysis. The descriptive statistics to be used in this study is frequencies.

Inferential statistics involves using sample statistics to make estimations on the population considerations (Rosenthal 2011). ANOVA and regression are the inferential statistics to use in this study.

1.6 ETHICAL CONSIDERATION

Research should be planned in a way that the subjects are not exposed to any discomfort, physical harm, or even loss of privacy (Cooper & Schindler 2011). There is no potential harm that can possibly arise from the research and this is grounded on honesty and is not conducted with fraudulent intentions. The data collected is only used for this research purpose. The confidentiality of all the respondents in this study is kept. Ethical approval for this research was obtained from the University of South Africa, Department of Marketing and Retail Management Research and Ethics.

The researcher considers the following as ethical guidelines and policies regarding; informed consent, deception, confidentiality, anonymity, privacy and caring (McMillan & Schumacher 2010).

- Informed consent and voluntary participation

McMillan and Schumacher (2010) is of the view that informed consent is attained when explanations of the study are provided to the participants. The participants will be given advice concerning termination of participation at any given time with no penalty and clarity is given in terms of any risks associated with the research.

- Protection from harm

McMillan and Schumacher (2010) state that research or a study should never result in any bodily or mental worry to participants.

- Privacy, confidentiality and anonymity

The participants' privacy must be protected. The following restrictions must be applied to achieve the privacy for the research: participants' responses, characteristics, behaviour and other significant information (McMillan & Schumacher 2010)

1.7 STUDY LIMITATION

The main constraint for the study was the cost involved and the amount of time available to collect data and a lack of access to a database of SMEs in Limpopo. The outcomes of this research resulted from the responses received from the SME owners/managers around Polokwane. Therefore, the recommendations might not apply to all SMEs in other provinces. But the study findings could be used as a source for more and large-scale research on the effect of marketing strategies utilised by the SMEs.

1.8 CHAPTER OUTLINE

This section discusses the work that was covered in each chapter

Chapter 2 discusses the SMEs sector in South Africa.

In Chapter 3 covers the factors affecting marketing strategy formulation as well as discussion of the marketing strategy.

In Chapter 4, the research methodology followed is discussed. The chapter provides detailed information on the research method followed, such as the type of research

design, sampling methods, data collection, data processing, data analysis and ethical considerations.

In Chapter 5, the results and findings of the research as well as the analysis of these findings is presented

Chapter 6 discusses the conclusion and recommendations of the study

1.9 CONCLUSION

In this chapter, the background of the research, problem statement, research purpose and objectives and research methodology applied were discussed. The summary of chapters covered were also presented. In the next chapter, the SMEs sector in South Africa including Limpopo is discussed.

CHAPTER 2: THE SMALL AND MEDIUM (SMEs) SECTOR IN SOUTH AFRICA

2.1 INTRODUCTION

SMEs have been recognised for the contributions made towards economic developments. Regardless of the contributions made, they face difficulties that hinder them from operating successfully in both the developed and the developing countries. The importance of these SMEs is acknowledged worldwide, but it is still a challenge to outline what constitutes the definition of an SME, globally, as there is no single accepted universal definition (Ardic, Mylenko & Saltane 2011; Kiseleva & Pinkovetskaia 2016).

According to Mabuza (2016), in the South African context an SME definition is based on the number of people employed and the yearly turnover. Mabuza (2016) and Trade and Industry Policy Strategies (TIPS) (2017) states that the SME definition is centred on the number of employees in an enterprise in relation to their yearly turnover classifications. The chapter outlines all the challenges and the benefits SMEs face.

2.2 UNDERSTANDING THE SME SECTOR

2.2.1 Global small and medium businesses (SMEs)

According to Lucca and Lee (2016), there are different definitions for SMEs. Lucca and Lee (2016) further state that owing to the prominence and the economic role SMEs play around the globe, both the governmental bodies and the academics have their own definitions and these descriptions reveal the national perspective as diverse countries have their own definitions and the meaning of SMEs.

There is no uniform definition of an SME. This reflects the relative nature of the small- and medium-sized businesses, which can relate differently to businesses in agricultural, manufacturing and service sectors (Berisha & Pula 2015). In the United States (US) an SME is defined as a business entity comprising of a single or more domestic formations under collective ownership or control (United States International Trade Commission 2010). SMEs serves as the backbone for economy and employment in the US (TradeUp Capital Fund & Nextrade Group, LLC 2015).

Regardless of uncertainty, SMEs in the US put much focus on growth and developmental strategies to expand their financial performance (American Express 2017). It is widely viewed worldwide, including in the US and Japan that the SME sector will likely push the economy out of the recession because it is regarded as the engine for job creation (Calcagnini & Favaretto 2011)

Upon analysing the definitions of the SME, it is apparent that the definition depends on the party or person defining it and from which point one define it (Garikai 2011; Ward 2018). However, the importance of these SMEs is acknowledged worldwide, but it is still a challenge to define it globally as there is currently no single accepted universal description for SME (Ardic *et al.* 2011; Madani 2018). In SA, SMEs definitions make use of the number of employees within an entity and the annual turnover of the business (Garikai 2011). South Africa is part of the BRICS and Table 2.1 below outlines SMEs in some selected countries and BRICS countries.

In reference to Table 2.1, India defines the SMEs looking at the business turnover, which results from the investment in terms of machinery, plants and equipment, which are known as the three-tier Indian SMEs classification (Jain & Gandhi 2016). While other countries within BRICS, Egypt and Ghana define SMEs differently, using the revenue generated and employment, most researches outlines an SME through the number of employees (Nwankwo & Gbadamosi 2011; Yoshino & Taghizadeh-Hesary 2016). United Kingdom (UK) defines an SME as any organisation that hires below 250 employees, the US defines SME as any commercial entity that employs fewer than 500 employees, while the European Union (EU) define SMEs as any liberated business with not more than 25 percent owned by an alternative enterprise and having less than 250 employees (Patterson & Winston 2017).

Table 2.1: Summarised SME definition for selected countries

| | | EU | USA | Egypt | Ghana | BRICS | | | | |
						Brazil	Russia	India	China	RSA
Number of employees	Small	<50	<100	5-14	6-29	20-99	15-100	-	<300	50-99
	Medium	<250	<500	15-49	30-99	100-499	101-250	-	200-2000	100-200
Turnover	Small	$13m ($15m)	-	>EGP 500k >($29k)	$100k ($20k)	< R$ 240k <($60k)	400m RUB max ($6m)	Rs50-60m ($700 – $90k)	<Y30m (<$4m)	R2m-R4.5m ($200k - $400k)
	Medium	$67m ($75m)	-	EGP 20-50m ($1,1m)	$1m ($200k)	R$240 000 to R$2,4m ($6,5m)	1 b RUB max ($70m)	Rs60 – 99m ($90k – $1,4m)	Y30 – Y300m ($4m - $45m)	R4.5m-R50m ($400k - $4m)

Source: Adapted form Republic of South Africa National Credit Regulator (2011)

2.3 AN OVERVIEW AND ROLE OF THE SMES SECTOR IN THE SA ECONOMY

SMEs serve as an economic inducement and have become the building blocks of business formations. Looking at the US and other industrialised nations, SMEs account for the majority of jobs, creating new jobs and growth in the economy (Valadez, 2011). Hussain, Farooq and Akhtar (2012) agree with Valadez (2011) by stating that SMEs are imperative for economic growth of any country, particularly in the emerging world, through job creation and poverty alleviation.

South Africa is still a developing country and in developing countries, SMEs play a significant role and have the potential to advance the country's income distributions, reduce poverty through the creation of employment and impact on the facilitation of export growth (Love & Roper 2013). According to Mohutsiwa (2012), South Africa as a developing country is facing the pressure of job creation. Therefore, the formation of new SMEs and the enhancement of the current ones could help in assuaging the situation (Ramukumba 2014).

The small business sector contributes positively towards the economic growth of any country in the world (Wielicki & Arendt 2010). Valadez (2011) and Malefane (2013) articulates that SMEs serve as the main pillar of job creation, which helps in lowering the socio-demographic challenges, such as unemployment as well as income and occupation that result from high population growth. They serve as the driving force of economic strength due to the jobs created, which will then positively affect the national economy (Smit & Watkins 2012). Discovering novel customs to improve and advance the country's SME sector will contribute to the improvement of the South African economic problems (Sowetan Live 2012).

Al-Mubaraki and Aruna (2013) and Ayandibu and Houghton (2017) ascertain that SMEs play the following roles in any economy: (a) have the responsibility to grow employment at a quicker rate than large organisations (b) increase the market competitive intensity and decrease the dominance position of larger businesses; and (c) encourage the placement of business skills and innovation. Smit & Watkins (2012) alludes to the fact that the issue of SMEs as the central part of instituting employment and establishing the economic growth has been thoroughly debated.

Department of Trade and Industry (2012), Timm (2012) and Sibanda (2013) advocates that over 800 000 SMEs exist within the country and project their overall economic outputs to be around 50 percent of the GDP and 55 percent towards employment. Subsequently, SMEs accounts for approximately 95percent of the world's employed inhabitants and serve as the centre of employment in emerging countries (Abor & Quartey 2010; Chang, Wu & Cho 2011). The SMEs sector in South Africa make 60percent contribution to the country's employment and 42 percent to the GDP (Statistics South Africa 2015). This resulted in the governments worldwide supporting the development of SME sector in promotion of economic development (Fatoki & Garwe 2010; Fatoki & Odeyemi 2011; Rungani & Potgieter 2018). SMEs make a fair contribution towards the provision of products and services to humanity. With the current expanding customer base, large firms may not meet the high demand of goods and services alone, SMEs are needed (Katua 2014).

The National Development Plan (NDP) sets out numerous goals for the SME sector in South Africa - including the target for 90 percent of created employment opportunities by this sector by the end of 2030. The NDP envisages the growth of South African economy by at least 5.4 percent per year within the next 15 years and identified the SME sector as a pivotal player in pushing this growth (SBP 2014). Comparing African SMEs with other SMEs across the world, in Africa SMEs are not doing well because of the small local markets, difficult business conditions and undeveloped regional integration, which include burdensome official procedures, deprived infrastructure and derisory financial systems (Akugri, Bagah & Wulifan 2015).

Moreover, the contributions of SMEs towards the economy, like creation of employment, GDP contributions and poverty reductions differs across countries (Zafar & Mustafa 2017). Meaning that SMEs can accelerate economic progression since they create new jobs, enlarge the tax base and encourage innovation. Not all SMEs are appropriate to be vital drivers for economic growth (Shinozaki 2012). Shinozaki (2012) further state that there are two categories for SMEs for the role they play towards national economy, namely stability-orientated and growth-orientated. Stability-orientated SMEs are not very interested in business development, as they are usually family businesses catering only for basic needs. While growth-orientated SMEs are

insignificant in size, however, rising and exploring innovative business opportunities with advanced expertise.

Factors affecting SMEs marketing strategy formulations are discussed on the next section.

2.4 FACTORS AFFECTING THE MARKETING STRATEGIES OF SMEs IN SA

According to Kamunge, Njeru and Tirimba (2014), SMEs face difficulties that hinder their long-term survival. Aren and Sibindi (2014) discovers that 75 percent of the South African SMEs do not become established businesses, which contribute to the country's SMEs higher failure rate.

The marketplace today is branded by robust competition, swiftness and change as a mutual characteristic. The way business is done today is affected by new technologies and technology intensifies new market opportunities for businesses. These factors force businesses to respond swiftly to novel deviations and demand conditions within a short product life cycle and this is done through marketing and formulation of marketing strategies (Marjanova & Stajanova 2012). Hadiyati (2015) state that development of innovative technologies influences the system of running the business and advances the opportunities for new-found markets as customers have more expectations for new features and transformation of current products from time to time.

Compared to large enterprises, SMEs faces different challenges such as lack of experience for conducting market researches, limited resources, marketing skills, competition, building appropriate relationships with those customers and the trend of limiting marketing to selling (Aigbavboa & Thwala 2014; Makhitha 2016). Strategic and tactical customer related problems, business size, poor cash flow and marketing expertise are amongst the aspects that hinder the SMEs to perform the marketing function (Marjanova & Stojanovski 2012). Yan and Chew (2011) asserts that the development of marketing principles and strategies within SMEs is narrow and often relies on the small business traditional marketing model.

The research conducted by Lekhanya (2014) shows that most of the SMEs do not have marketing in mind and do not see the importance of marketing. Furthermore, the large number of respondents in Lekhanya (2014) assume that marketing needs

23

extraordinary skills and is costly, so lack of funds, lack of experience and knowledge were considered the foremost cause for them not to implement marketing.

There are other internal and external factors that have an effect on the SMEs, such as lack of marketing knowledge, lack of funding, competitions, economic and the legal influence. (Fatoki 2014; Lekhanya 2015). Therefore, it is apparent that the SMEs across the country and other nations are faced with constraints in marketing, market research, market access, management skills and other related factors. These are discussed in the next sections.

2.4.1 Marketing

According to Van Scheers (2011) and Gabrielli and Balboni (2010), marketing is one of the most important activities for SME success. SEDA (2012) assert that the South African SMEs face high levels of failure rate, which lack of marketing skills makes a huge contribution. Cant (2012) indicates that the absence of marketing skills has a bad effect on the success of SMEs.

Market knowledge is essential since it helps SMEs in identifying the prospective competitors in the market (Marjanova & Stojanovaski 2012). Furthermore, Marjanova and Stojanovaski (2012) state that SMEs owners are not knowledgeable in running the business and have no thorough understanding of the marketing practices and its impact to business success in a market economy. All these facts make the enterprise vulnerable in the market competition. Ebitu *et al.* (2015) recommends that SMEs managers should be effectively educated on the principles of marketing and on marketing practices. The SMEs marketing strategy aims to position resources and abilities to face competition in the market; it is reported that resources are an essential part in implementing the strategies; hence, SMEs do not have enough (Ardjouman & Asma 2015).

According to SAICA (2015), finding customers and marketing the business well are the biggest operational obstacles that SMEs come across. Many SMEs do not exercise the marketing model, which acknowledge the power of the customer and guarantees customer satisfaction.

Market knowledge assists SMEs to cultivate a competitive advantage through an understanding of customer demand and knowledge, which results in positioning itself

in a strong market position (Hadiyati 2015). Most SMEs have limited resources assigned for marketing and managers are inexperienced in marketing and focus on the activities they are familiar with, which leads to little engagement of marketing by SMEs (Carter & Jones-Evans 2012). A great deficiency in SMEs marketing is incompetence to forecast future product demands, where it results in a slow and passive response to restructurings and developments within the marketing environments (Jovanov & Conevska 2011).

Bellamy (2009) in Lekhanya (2010) assert that there is a great need for SMEs marketing managers to properly plan as they operate under unsettled environment. According to Sarma (2013) and Hadiyati (2015) SMEs are faces a fundamental marketing challenge to succeed and the foremost challenges SMEs face are product and market competitions and access to market information in support of marketing. Venkatesh and Kumar (2015) asserts that SMEs do not have enough resources in place therefore, there is a need for government support to make contribution in the area of marketing. Omar and Anas (2014) state that SMEs need both financial and non-financial support programs to make improvements in marketing, through partnering with big firms in exploiting all marketing opportunities.

SMEs owners implement the marketing concept differently to traditional marketing. Marketing concepts has remained the concept for discussion in many textbooks. This concept that was initially developed for bigger firms cannot be used without alterations or adaptations for SMEs. It shows that the approach of the marketing concept necessitates some adjustments to match with the SMEs characteristics as opposed to big firms (Sarma, Septiani, Dewi & Siregar 2013). According Omar and Anas (2014) and Leboea (2017), challenges in the SME market and marketing are experienced because of factors such as quality of goods (most produced goods are of lesser quality), inferior raw materials, unattractive product designs and lower level of workers' skills and expertise, therefore, to some extent the success of SMEs is influenced by ineffective marketing elements.

Enough revenue cannot be generated by selling out-fashioned products to the very same market in the same old way (Trivedi 2013). According to Ventatesh and Kumari (2015), marketing serves as a strategic instrument for business enhancement and has an effect on the growth and existence of the business. As a result of lack of resources,

lack of information and disorganised ways of marketing, the SME sector continuously faces problems in exploring fresh markets and keeping the old ones.

Awan and Hashmi (2014) state that marketing is informal and unstructured within the SMEs. According to Fischer, Nebe and Klompmaker (2011), marketing is a discipline that helps in delivering business-oriented market strategies that will enable it to meet customers at the point of their needs and surpass customers' expectations. Chuwiruch, Jhundra-Indra and Boonlua (2012) asserts that for the firm to successfully compete and become sustainable with all the high level of environmental changes and uncertainty, it is vital to develop new practices and strategies to appeal to the great masses of customers and retain competitive advantage. The victory of business is based on its capability to satisfy customer needs, it is done through adopting relevant marketing strategies and improvement in communication technologies (Li & Zhou 2010; Voronkova, Kurochkina, Firova & Bikezina 2017).

SMEs product and brand failures transpire on a continuing basis to varying degrees; this negatively affect the development and the product marketing processes (Berry 2010). It is a common issue that businesses and products that are not adequately marketed are likely to perform poorly (Tlhomola, Rankhumise & van Niekerk 2010). Therefore, it is important for SMEs to improve on the way they market their product and services.

The current and upcoming prospective businesses and product growth depend much on the marketing activities (Paull & Duarte 2010). Most SME owners are seriously constrained as they are unable to invest much in marketing and lack the essential marketing skills (International Monetary Fund 2013). According to January (2013), SMEs marketing is ordinarily disregarded, and this can be ascribed to motives such as shortage of funding for market researches for specific product and services, lack of exposure about the significance of corporate marketing training and lack of self-confidence to explore different market opportunities.

The research conducted by Xaba (2012) shows that some SMEs success depends on sales and marketing, therefore, without sales and marketing the business cannot guarantee a future patronage. Xaba (2012) further state that SMEs needs to engage on marketing and promotional works to ensure that clients are aware of their business, product and service existence.

2.4.2 Marketing research

Any business enterprise should have an intelligence marketing system in place to help them acquire useful information about consumer needs and wants and gather all the marketing intelligence that will ensure they have an understanding on how to satisfy consumer needs efficiently (Aaker, Kumar, Leone & Day 2012).

Marketing research serves as a contribution to the product design decisions and guides the new product development (Kahn 2013). Furthermore, Kahn (2013) assert that a well performed marketing research linked to customers' needs is certainly a substantial step in the National Development Plan process since it allows the marketing team to find information about what customers want and their willingness to pay for the offerings. Marketing research application is a crucial part of marketing activity for SMEs. SMEs effective marketing strategy formulation is centred upon consumer consideration and their behaviour. Therefore, consumers can be understood through the results of marketing research (Ogbadu 2013).

Executing SME market research can contribute to the SMEs to better identify a group of customers and may assist them serve different types of customers better and develop relevant products (Van Swinderen 2015). Van Swinderen (2015) further state that market research allows a firm to realise the target market and the way consumers think about the product before it can be placed on the shelves.

Making vital decisions can be extremely dangerous if thorough study of the market, its customers and competitors is not done, which is also relevant for SMEs regardless of their size (Kaden, Linda & Prince 2012). As with the inconsistency of marketing planning, SMEs essential limits make it almost difficult for such enterprises to do market research. Lack of funds and proficiency joined with limited time scales makes it questionable that SMEs owners/ managers do a thorough market research (Ruzzier, Ruzzier & Hisrich 2013)

2.4.3 Lack of access to market

In the developing countries, SMEs finds it difficult to access the markets and even if they can have access to finance, adequate and educated labour force and technological advancements, it could face failure if it does not have access to markets

(Hussain, Farooq & Akhtar 2012). The current technological advancements expose SMEs to seek both local and international markets (Al-Mubaraki & Aruna 2013).

Kockaya and Wertheimer (2016) define market access as the term used to denote different strategies and methods the firm uses to gain access to customers for their products and services. Access to markets is regarded as one of the critical requirements for SMEs to access funding and mentoring at the early stages of operation (SEDA 2016). However, Ladzani and Netswera (2009) mentions that some SMEs, particularly in the rural areas, are less advantaged as compared to their urban counterparts, as the access to both the market and funding's are not the same. Therefore, inadequate resources make a huge contribution to lack of market access.

Makhitha (2016) state that because of insufficient access to the markets, small businesses find it difficult to market their product successfully. Therefore, proper marketing strategies guide SMEs concerning price distribution, products, target markets and all factors of the marketing communication relevant for the target market, which will result in SMEs accurately accessing the markets (Ackah & Vuvor 2011; Makhitha 2016).

2.4.4 Competition

Competition is the key force in a competitive market that has an impact on the firm's pricing decisions and other things, such as products. Therefore, a marketer should study the competitors' present pricing strategies and analyse them to work out their upcoming pattern and should, consequently, structure the pricing policies (Sahaf 2013). Awan and Hashmi (2014) in Makhitha (2016) observes that SMEs are operating and contending in an environment that is comprehensive in scope, knowledge-based and information rich, which keeps on influencing the techniques of their business operations.

Adequately, the government should play a central position in removing all the obstacles that prevents rational competition within the SME sector (Mafuya 2013). As part of marketing, competition is always available and SME owners should be knowledgeable about business processes and clearly understand the marketing processes to survive the competition in the market (Ebitu & Ufot 2015). Ebitu and Ufot

(2015) further asserts that all mentioned facts lead to SMEs losing the battle with competition if they cannot clearly define both the business and marketing strategies.

2.4.5 Lack of management skills and training

Bola and Richard (2012) make reference to manufacturing SMEs in South Africa and in their study, they state that SMEs fail to grow due to deficiency of entrepreneurial and managerial skills and business skills. Zeleke (2013) concurs with Bola and Richard (2012) by establishing that the long-term existence and probability of the SMEs are seriously damaged by lack of entrepreneurial skills, lack of professional expertise and lack of managerial improvements to newly established businesses. Aghim (2013) articulate that management skills are recognised as one of the substantial elements for an entrepreneurial victory.

In support of Aghim (2013), January (2013) emphasise the importance of training and skills for business management and state that the enterprise managers should possess business and marketing skills or appoint an employee in possession of it or have a ready access to training to accomplish these skills. These skills will help them function in a professional way in their enterprises, work effectively with others, lead, have time management and clearly negotiate the business deals (Karanja, Muturi, Mukabi, Kabata, Wahome & Kayogo 2013)

Likewise, the SMEs managers often lack knowledge and expertise and these businesses often rely on a few individuals, often deprived of the sustenance of the correct management (Mbonyane 2009). Agbim (2013) recommends that SME managers possess the management skills to plan and budget for marketing strategy that offers assortment of products together with abilities to quickly act upon perceiving vagaries in the environment and maintain virtuous customer relations. Yahya, Fatt, Othma, Rahman and Moen (2011) recommend that SME managers obtain relevant business training and management skills to empower them to manage the enterprise effectively, make the right decisions to attract and preserve proficient employees.

Since SMEs function within an environment that changes swiftly because of globalisation, this assist the labour force within the SMEs to gain a particular level of education to match the ever-changing trends of the markets (Al-Dairi, McQuaid & Adams 2012). Radipere and Dhliwayo (2014) supports the findings of Ai-Dairi *et al.*

29

(2012) by articulating that the SMEs owners with higher qualifications contribute positively to better business performance, as they have acquired enough knowledge.

Smit and Watkins (2012) found that the failure rate of SMEs is increasing in South Africa due to, but not limited to owner-managers' small knowledge concerning the problems encountered in their business operations. Work experience and skills, the level of education, the age of the owner and the area in which the business operate in, have an essential impact on the business productivity (Norman & Mornay 2012). Wanigasekara and Surangi (2012) backs Norman and Mornay (2012) by stating that many scholars have realised a solid connection between education, business knowledge and business success.

Boris and Reggie (2012) state that a business person's technical and operational proficiencies serve as an imperative custom of a proficient power that advance the execution of the business visions and strategy. Lack of business skills and financial support makes it difficult for owner-managers to be open minded, as they usually focus much on the short-term objectives like being profit centred (Laos, Southiseng & Walsh 2010). The study pioneered by Costin (2011) shows that SME's growth depends on the entrepreneurs' opinion and intention for growth. Therefore, lack of resources limits SMEs marketing and often the same lack of resources affects the business growth. In most cases business owners lack marketing skills and have no resources, like finance, available to outsource experts in marketing (Needle 2010; Van Scheers 2011; Lucca & Lee 2016).

The size of the SME oftentimes finds it difficult to access necessary business resources and are forced to work with little available resources. Nevertheless, the availability of resources differs a lot between large firms and financial and human resources are narrow within an SME, where it may be necessary for an employee to multi-task (Cruz-Cunha & Varajao 2011). As articulated in the marketing and entrepreneurship literatures SMEs are repeatedly affected by the shortage of resources, namely human capital (Lucca & Lee 2016).

2.4.6 Business culture

Within the business and management framework, the word culture is used interchangeably with the term organisational culture. This refers to the process, beliefs

and practices of firms. Lucca and Lee (2016) state that to understand culture in a small business setting where the founder is in control of the business, there is a need to consider how the set of rules and ethical beliefs acquired from the environment affects our actions in society. Adelekan (2016) define organisational culture as part of knowledge concern with whole fundamental traditions that a certain assembly has developed while learning to resolve the adaptation problems to the internal integration (Adelekan 2016).

Maher (2014) confers that organisational culture significantly deters or simplifies the maintenance and execution of innovation and marketing strategies within an SME. This is a crucial factor, which affects the rate of marketing strategy and innovation. Businesses whose culture encourages innovations when there are resources available, like finance and human resources, have a habit of implementing more innovations, marketing strategies and advancing competitive advantage (Hughes & Morgan 2007).

The performance of an SME is affected by culture, cultural upbringings, aspirations, ambitions and the business owner's intentions that affect operational processes (Lucca & Lee 2016). Consequently, cultural factors and networks accessible by entrepreneurs can have an effect, not necessarily on the choice of an activity to be assumed, but also the outcomes of the very same activity (Petro, Annastazia & Robert 2014). Organisational culture can successfully encourage or prevent teamwork, sharing of knowledge, skills and ideas.

Different business owners are different in terms of styles of management and are inspired by various aspects of business life. Therefore, some SME owners/managers have no special interest for growth and shows hesitancy to participate in growth-inspiring activities such as increasing the number of staff members within an enterprise (Lucca & Lee 2016). Within the SMEs where there are few employees, like less than 10, the owner normally has a strong impact on the business culture, policies and business's actions unlike in big businesses (Ferreira 2011). Organisational culture within an SME affects numerous employee's and business outcomes. Burns (2011) state that organisational culture affects employee behaviour, creativity and innovation, knowledge management, learning and development and business performance. Felicia, George, Owoyemi and Adegboye (2013) indicate that social and cultural

standards and beliefs concerning entrepreneurship have a significant influence on inspirational background of entrepreneurial aims and trade performance.

2.4.7 Lack of branding

Branding is one of the major concepts in the field of marketing and is vital for all businesses, irrespective of the size (Pencak 2012). If it is well organised and planned, branding drives the business sales, creates a brand value, builds customer loyalty and promotes business growth. According to Cant, Wiid and Hung (2013), it is unfortunate that SMEs are aware of the benefits derived from branding, but they are too concerned about their daily business operations and neglect branding due to their attitude that branding is costly and is applicable for big businesses.

According to Muhammed, Mohd and Halim (2012), branding is generally assumed by SMEs to be the business of large firms and this is because branding for small businesses has been mostly ignored. One of the objectives of branding is to create uniqueness of a brand on proportions that are appropriate and preferred by consumers, which is something that is needed in the SMEs (Gouliamos, Theocharous & Newman 2013). Brand can create an exclusive identity to distinguish products and services and to stimulate consumer demands (Kapferer 2012).

Branding it's an element that affects marketing strategy of a company; nevertheless, marketing within the SMEs may be different from marketing of big companies, likewise branding matters of SMEs may also differ from branding issues of large companies (Tock & Baharun 2013). Odoom, Narteh and Boateng (2017) recommend branding for the improvement of SMEs performance, even though branding, as a concept, is invisible, but renowned brands are likely to be unforgettable by consumers and play an important role when there is no clear variation amongst products.

Nevertheless, SMEs in SA encounters many general challenges that prevent their progression (Nikolic, Dhamo, Schulte, Mihajlovic & Kume 2015). The significance of an SME growth involves its capacity to survive any change in its environment. Therefore, firms' strategies should not only be pointed on simple business survival, but instead focus the strategies on enhancing continuity and growth (Lucca & Lee 2016; Vemic 2017).

2.4.8 Government rules and regulations

The SME sector activities are regulated and are an essential function for any government (International Labour Organization 2016). Government policies has also been cited as a main limitation to entrepreneurial activities in South Africa (Simrie, Herrington, Kew & Turton 2012). However, Brazil increased its entrepreneurial activities resulting from well managed and stimulating government policies (Simrie *et al.,* 2012). As part of harsh business regulatory systems within the country, South Africa was rated 28 out of 30 economies, which mainly consists of developed countries (World Bank & International Finance Corporation 2012).

World Bank economists reveals that in countries with many business start-up regulations, its entrepreneurs start few new businesses (Shane 2011). According to Rankhumise (2010), the right or adverse environment for business evolution is created and influenced by government. The challenges emanating from the terms of wages framework, opportunities, taxation, technological support, licencing and infrastructure pave the way towards the success or failure of the SMEs (Aren & Sibindi 2014). Subject to the regulatory frameworks laid down by the government, it can certainly break or stimulate the small business economy (Kamunge, Njeru & Tirimba 2014).

2.4.9 Lack of clear business planning

The starting point in establishing a business is the discovery of a business prospect therefore, to transform it into a commercial entity it needs a sound plan or a feasibility study, which can be documented as a business plan (Kalanwa 2014). Business plan functions as a support to aid the enterprise to find its relevant target markets (Cant, Ardis & Sephapho 2014). This is thought-provoking because when drafting business plan, it is necessary to conduct consumer analysis and feasibility studies as prerequisites to identify the market (Halton Business 2011). Chimucheka (2012) states that some SMEs encounter problems controlling their cash flow and collapse, resulting from the absence of a business plan as it gives business direction.

Planning plays an imperative role in a business of any size and should never be taken casually (Pride, Hughes & Kapoor 2013). According to SBP (2014), SMEs without a comprehensive business plan have little chance for survival and success. Hisrich, Peters and Shepherd (2010) and Chimucheka (2012) found that a business plan helps

SMEs in applying for business loans or funding with the financial institutions, which is a prerequisite. However, if an incomplete business plan is presented it will be difficult for an enterprise to be given funding or credit by the bank in South Africa (Chimucheka 2013). Therefore, business owners and managers must work tirelessly and be prepared to devote enough time on planning to succeed (Muske 2011). An SME that has an outstanding performance makes good planning more frequently and sometimes looks at the broad situation and analyse far much better than the competing SMEs (Makhitha 2016).

It was proven that SMEs with high performance have annual or long-term marketing planning, consider comprehensive situational analysis, often do internal market research often, are not reactional but proactive in terms of future planning and set an adequate marketing objective (Makhitha & Bresler 2011).

2.4.10 Financial resources and support

SME owners or entrepreneurs usually hear about several financial institutions; however, they do not know what they offer, since obtaining this information may be costly (Magesa, Shimba & Magombola 2013). Rambo (2013) and Botrić and Božić (2017) concur with Magesa *et al.* (2013) by observing that most SMEs do not have information about the funding programmes and some face complications in accessing funds to sustain and increase their business investments

Harelimana (2017) recommend that, SMEs should be informed about the availability of funding opportunities and financial structures offered by the government and the private sector. However, Kihimbo, Ayako and Omoka (2012) assert that apart from adequate information about financing and business plans, collateral in the financial institutions should be lessened. This Lack of and limited financial resources make it hard for the SMEs to function well, therefore, a lot of challenges emanate (Cruz-Cunha & Varajao 2011; Leboea 2017).

According to Chimucheka (2013), there is a substantial link amongst the accessibility of finances and business growth, therefore, every business need finances to exploit growth, grab investment opportunities in the market and attain more valuable assets. In South Africa, there are numerous funding programmes and financing structures from public and private sectors. It was revealed that most of the South African SMEs

are not aware of the funding opportunities and finance remain the main challenge to execute marketing (NCR 2011).

Walt (2013) states that with basic financial problems for marketing, SMEs are faced with the onslaught of larger enterprise scales in terms of product quality, assessments of marketing scenarios, costs and changes in the market. Agwa-Ejon and Mbowa (2015) state that until SMEs have the required proficiency to modify their operations to the transformed marketing situations, they will not easily make it. Therefore, financing for SMEs marketing practices will remain a challenge

2.4.11 Crime

Crime is a main concern that adversely shakes local economic development (Motta 2017). It is apparent that crime is a crucial issue, not only having a bad effect upon SMEs but South Africa at large. SMEs often lack the skill to detect and trace criminal acts at an early stage, therefore, crime makes it difficult for SMEs to survive as they incur profit losses due to crime and security measures (Cant & Wiid 2013).

Due to the high level of employee theft and professional thieves SMEs incur much costs not only to protect their products but customers as well (Cant & Wiid 2013). Within the emerging world situation, growing crime experienced by firms can have direct consequences, as the already susceptible business climate in developing markets can further weaken. Crime may also hinder the progress and performance of SMEs (Islam 2014).

This is a crucial problem that undesirably distresses local development in developing countries and also affects the SMEs growth through extra costs for upgrading their security systems and reimbursement of employees affected by such acts of crime (Mbonyane & Ladzani 2012). According to Kimou (2015), the increase in the crime rates primarily affects the firm's profits

2.5 GOVERNMENT SUPPORT POLICY FOR SMES AND INSTITUTIONAL FRAMEWORK IN SOUTH AFRICA

For the past years the government of South Africa has financed the initiatives intended to support and grow the SME sector. This was done through the South African small

business policy that was guided by the 1995 White Paper on national strategy concerning the expansion and promotion of small businesses in the country (Timm 2011). Amra, Hlatshwayo and McMillan (2013) state that the White Paper stressed the necessity intended for access to finance, information and reasonable physical infrastructures for SMEs. The aim being to strengthen the capability of SMEs to strive and operate in both the national and international markets

The 1995 White Paper objectives presently find practical manifestation in the Integrated Small Business Development Strategy for 2005 to 2014. The strategy is based upon the following pillars:

- To increase the source of financial and non-financial support;
- Making demands for products produced by SMEs; and
- Dropping regulatory restraints.

In South Africa the government is aware and acknowledges the importance of SMEs and developed the framework to support SMEs. The South African government has made some initiatives in support of the SME economy (BANKSETA 2015). The Government's chief agencies and treasuries are spread transversely in five different departments, as shown in the table 2.2.

Table 2.2: The established structure for SMEs support

	Department	Agency	Command
1.	DTI	SEDA	Support small business development
		National Empowerment Fund (NEF)	To give funds to black-owned businesses and empower all business sizes (big or small)
		National Small Business Advisory Council (NSBAC)	Give advice to the minister on ways to improve small business support
2.	The Presidency	National Youth Development Agency (NYDA)	To help youth with career skills and to start their own businesses. To fund training and offer loans.
3.	Economic Development	Khula Finance Limited	To help fund small businesses and bridge the gap for the SMEs market not done by banks
		Industrial Development Cooperation (IDC)	Give funds to industrial projects, but the main focus is on small businesses.
		South African Micro-Finance Apex Fund (SAMAF)	Provides microloan access and support to the social capital mobilisation.
4.	Science and Technology (DST)	Technology Innovation Agency (TIA)	Focus on funding innovation in both SMEs and large firms
5.	Agriculture	Micro-Agricultural Financial Institute of South Africa (MAFISA)	To help the working poor's capability to operate current agriculture businesses, to start new ones and develop them into completely commercial operations.

Source: National Credit Regulator (2011)

SEDA, in association with the Department of Small Business Development (DSBD), has embarked on the Gazelles Programme, which strives for transforming the landscape in the SMME sector within the country (SEDA 2017). Nevertheless, according to Ryan (2012), Themba (2012) and Nkwinika and Munzhedzi (2016), few business owners/ managers are impressed that government is doing something to nurture SME development, entrepreneurship, innovation and job creation.

2.5.1 The SMEs support at provincial and local level

The South African government has vowed to support the SME initiatives and each province has established a support base, including the National Support offices, which are based in all the provinces, like NYDA (Malefane 2013). In Limpopo, the Department of Economic Development, Environment and Tourism (LEDET) is in charge for implementing the provincial support initiatives for small businesses. Some structures or institutions are in place to give small businesses support: Limpopo Development Agency (LIMDEV), Limpopo Business Support Agency (LIBSA), Limpopo Tourism and Parks, Limpopo Agribusiness Development Corporation (LADC) and Trade and Investment Limpopo (TIL). LIMDEV is responsible for finances and also renders trading and industrial space for SMEs and LIBSA helps in the business registrations, compilation of business plans, business training, mentoring and marketing the trade shows. TIL offers investors an inclusive one-stop service to make provision and facilitate investment and extension into South African, African and other international markets (Mbedzi 2011; Maloka 2013; DTI 2017).

Some of the previously mentioned agencies (LIBSA, TIL, LADC, LIMDEV) have been amalgamated into Limpopo Economic Development Agency (LEDA), which is guided by the Limpopo Development Corporation Act, Act No.5 of 1994, as amended, and conforms with the Public Finance Management Act (PFMA) (LEDA 2013/14). It has been established as a special purpose vehicle.

The SMEs developments in the local governments symbolise part of Local Economic Development (LED) strategy whereby it aims at promoting economic development (Africa Growth Institute 2010). Meyer and Venter (2013) describes LED as an undertaking whereby local people across different sectors working collectively to encourage local profitable activities, resulting in a strong and viable economy. LED is

a national government policy drive concerning financial developments that allow and inspire local people to work collectively to accomplish workable growth and development (Sibanda 2013). The local government in Limpopo lacks indispensable economic and human resource capability to make provisions of the basic services for SMEs and essential structures (Nkwinika & Munzhedzi 2016).

SEDA has formed several main programmes that are designed to guide small businesses through their specific problem areas, including offering support for growth and advancement. For instance, SEDAs Franchise Support Programme sponsors franchising businesses to new and current entrepreneurs, offering advice concerning possible franchisee and franchisor opportunities

Munzhedzi (2015) postulates that the LED programmes chaired by municipalities have not made a great impression. Conversely, Nkwinika and Munzhedzi (2016) posits that LED encourages the public, private and civil society divisions to form partnerships and act as a team to discover solutions to mutual commercial challenges.

2.6 CONCLUSION

An SME has been defined from the perspective of different countries and authors. The literature also showed the role SMEs play towards the country's economic development; it also showed the recognition of SMEs' impact internationally. The South African government has acknowledged the impact that small businesses have towards the economy and put some measures in place to support their formation and sustainability through funding, business advice and so on. However, some of the SMEs still fail due to factors like lack of resources, finance, lack of access to markets and managerial.

Technology has affected the way business is done today and it also intensifies new market opportunities for businesses. This forces businesses to respond swiftly to novel deviations and demand conditions within a short product life cycle, which is done through marketing and formulation of marketing strategies, which sometimes causes the SMEs to collapse. This was confirmed by the study conducted by Marjanova and Stajanova (2012).

Government acknowledgement and support towards the SMEs was also discussed whereby LEDs where developed with the aim of promoting economic development.

The next chapter discusses the marketing strategies within the SMEs.

CHAPTER 3: MARKETING STRATEGIES IN SMALL AND MEDIUM BUSINESSES (SMEs)

3.1 INTRODUCTION

The preceding chapter discussed the SME sector. The literature review in this chapter covers the marketing strategy as well as factors affecting performance of small businesses. As alluded to by Solomon, Marshall and Stuart (2011) businesses are there to satisfy the consumer needs and wants profitably. Therefore, an understanding of consumer needs will enable businesses to satisfy them appropriately and this can be done through the proper use of marketing and marketing strategies.

Van Scheers (2010) and Gabrielli and Balboni (2010) state that marketing can be seen as one of the most essential tasks for SMEs and that the necessary skills about marketing and marketing strategies are important for SMEs to survive. Lamb, Hair and McDaniel (2012) state that SMEs need the marketing strategies to select and unfold one and/more of the target markets and conserving and developing a marketing mix that yields positive results.

Subsequently, Makhitha (2016), ascertain that decisions about the business marketing strategy for products to be offered must take note of the target markets' needs and satisfaction. Therefore, a business must strive to satisfy customer needs. According to Akroush (2012), there are some components of marketing strategy, which must be adhered to: target market, product, price, place and marketing communication strategy. Borza and Borza (2014), concur with Akroush (2012) by stating that for businesses to achieve goals, they must follow the well-known typical marketing strategies, which are target markets, price, product, place and promotion strategies.

Gomez and Perez (2018) state that businesses need to implement marketing communications in order to achieve good brand positioning of their products and of the business itself because a favourable perception by consumers makes it easy to remain in the market. Therefore, effective communication needs to be maintained with customers to increase and strengthen loyalty and customer retention levels (Flores & Yapuchura 2012). The elements of the marketing strategies investigated within the study are product strategies and marketing communication.

3.2 DEFINING MARKETING

According to Solomon, Marshall and Stuart (2011), firms exist to satisfy both wants and needs of consumers. Therefore, an understanding of consumer needs will enable businesses to satisfy them appropriately and this can be done through proper marketing. Kotler and Keller (2012) define marketing as a collective process by which the businesses meet customers' needs and wants through manufacturing, offering and trading products and services of worth. Mullins and Walker (2013) concur with Kotler and Keller (2012) by defining marketing as a collective practice containing all the relevant activities in support of both the organisations and individuals to attain their needs and wants through a mutual exchange and develop a continuous relationship.

Lekhanya (2015) sums up these definitions by defining marketing as the point whereby the desired goods and services are created and delivered to prospective customers and it involves all possible events linked with winning and holding customers that are loyal to the firms. Therefore, understanding and knowing firms' target customers' demands, needs and wants are prerequisite before competitors can meet customer needs and demands through offering of exceptional products, needs and wants and further offer customer services convenience to retain them.

On the other hand Armstrong and Kotler (2013) simplify marketing as "managing customer relationships profitably and it does happen when consumers choose to satisfy their needs and wants in an exchange relationship". Awan and Hashmi (2014) describes marketing as a way to inform the consumers regarding the firm, its product and services offered. However, SME marketers are concerned in keeping and building customer relationships, aiming at sales generation.

Ebitu, Ufot and Olom (2015) state that marketing simplifies the process of exchange by giving a diversity of marketing activities that benefit stakeholders and customers. It encompasses focusing and aligning all the business activities to customers and stakeholders' needs. Marketing plays a major role in every business entity; however, the marketing theories have been developed in line with big firms. The existence and implementation of marketing in the SMEs is different from the conventional or straight marketing, while there is no difference between the basic principles applied (Hasan 2011).

Awan and Hashmi (2014) assert that marketers in the SMEs consider marketing as the substitute of advertising or selling. SMEs need marketing in a plan that is well-matched with their owner and business characteristics and it must be well planned (Marjanova & Stojanovaski 2012). This can be done through the marketing plan. A marketing plan is an outlined projection of action that leads an enterprise to set marketing objectives and formulate adequate plans to accomplish those objectives (Chaffey & Ellis-Chadwick 2012). Marketing plan lists specific actions needed in the implementation of the strategy for the product and the setting of specific timelines and milestones, clear statements of responsibility and the spending pattern for each activity are outlined (Mullins & Walker 2013).

At an SME level, marketing plan can form part of a business plan or a document that adds additional information and details regarding the marketing issues for the SME (Ruzzier, Ruzzier & Hisrich 2013). A marketing plan helps businesses to determine how to grow and where the business is going, which is significant since one expects people to flock to the business without any business efforts (Sandlin 2014). The marketing plan sets clear goals that must be achieved with the marketing activities planned, presents strategies and tactics that will be implemented to reach these objectives and identifies key performance indicators that will be used to measure effectiveness and efficiency (Reic 2017)

The marketing plan is important when authenticating and setting targets and business objectives while recognising probable competitive issues (Beamish 2012). It is designed to detail the marketing strategy of the firm's offering. Its purpose is to influence all the firm's stakeholders (suppliers, executives, distributers) to make or continue their investments and efforts to ensure success (Tanner & Raymond 2012).

To ensure the effective marketing of businesses and their products, firms do situation analysis before they formulate the marketing strategy; therefore, the next section discussed the situation analysis.

3.3 SITUATION ANALYSIS

As defined by the American Marketing Association (AMA), situation analysis is the disciplined assortment and study of historical and current information to find developments and situations with the potential to impact business performance and the selection of suitable strategies (CTI Reviews 2016). According to Ferrell and Hartline (2014), situation analysis is one of the common methods that firms use to collect and analyse marketing information, with the purpose of empowering the owner-manager with relevant information to adequately make prospective business decisions. Dann and Dann (2011), alludes to the fact that situation analysis comprises taking effects apart, whether it is a product (to understand the link between product features and consumer needs) or customer segments and competitors, with the aim to assess the firm's weaknesses and strength against the competitors.

An extensive analysis of the situation in which the firm is operating serves as the base for discovering opportunities to fulfil the unmet consumer needs and encounter constraints faced by the business, which is fuelled by economic, technological, political and sociological factors (Muller, Bezuidenhout & Jooste 2011). Marketers within an SME must have clear understanding of the actual and potential environment that business products and services will be marketed in; therefore, the firm ought to determine its strengths and weaknesses and examine external opportunities and threats (Lamb, Hair & McDaniel 2012).

Upon grouping the internal strengths and weaknesses, the business owner-manager/ marketers ought to emphasise the business resources, such as marketing skills, employee competences, technology, production costs and the available finances (Lamb *et al.* 2012). The analysis is naturally on-going and subject to alterations as the firm remains monitoring the internal and external factors affecting the business's marketing and operational environment, with the purpose of understanding the strategic challenges encountered by the firm and opportunities related to these continuous changes (Gershon 2013)

Reece and Blanchard (2010) state that situation analysis is like a balance sheet as it gives a snapshot of the firm's present state since it provides adequate overview that a marketer, a reader or owner-manager will understand the firm's offerings and the

value it provides to customers. The situation analysis offers the research basis that is utilised to help in advancing the imminent marketing strategies as well as refining the existing ones notwithstanding their elements (Gerson 2013). Marketing strategy is discussed on the next section.

3.4 MARKETING STRATEGY

Kotler and Armstrong (2011) define marketing strategy as the marketing rationality whereby firms have hopes of creating value, building and accomplishing customer relationships, which benefit the firm. However, in the process of tactical planning, a firm must conduct a situation analysis before it can take decisions on any definite arrangements. Situation analysis encompasses analysing the internal (company) and external (macro and micro factors outside the organisation) business environments.

The internal environment includes the technology, financial resources and the competencies and performance of the workforce, which should be examined thoroughly (Tanner & Raymond 2012). The purpose of doing internal environment analysis is to find, periodically, the definite strengths and weaknesses of a business (Havaldar 2010). This encompasses an analysis of all the factors within a firm, including finance, marketing, R&D, organisational structure, manufacturing and human resources (Saleem 2010)

Any organisation's current and proficient growth is dependent on the kind of environment in which it functions directly or indirectly (Babatunde & Adebisi 2012). Babatunde and Adebisi (2012) further asserts that an understanding of management strategy and its efficiency is not as easy as people believe; it needs to observe how the firm is faced with obstacles and opportunities ahead of it. External environment is comprised of market (customers, competitors and suppliers) and macro environment (economic, natural, demographic, technological, government, cultural and social and public) (Havaldar 2010). When analysing the external environment, the business will have a clear forecast of developments that affect the business either negatively or positively (Aswathappa 2010)

According to Lamb *et al.* (2012), marketing strategy involves all the processes of choosing and unfolding one or other of the target markets and rising and conserving a marketing mix that produces a satisfying relationship with targets market.

Furthermore, Karimi and Naghibi (2015), define marketing strategy as a process that makes it easy for the business to channel its available resources in a way that it will benefit through the increased sales and obtain a competitive advantage in the targeted market.

Marketing strategy focuses on allocating and coordinating all the marketing activities and resources to help in achieving the business objective (Mullins & Walker 2013). Kimani (2014), concur with Mullins and Walker (2013) by stating that the formulation and selection of marketing strategy contributes positively to achieving business goals and objectives. When designing a persuasive marketing strategy, marketing managers must try to answer the most important questions: What is the firm's target market and what is the firm's value proposition (Kotler & Armstrong 2011).

Marketing strategy summaries the way the firm aims to create significance for the target customers to gain value in return (Kotler & Armstrong 2011). Kotler and Armstrong (2011) further state that marketing strategy is representing the marketing sense whereby businesses hopes to build customers worth and accomplish gainful relationships. Akroush (2012), highlights the components of marketing strategy consisting of product, price, place and marketing communication strategy. Kotler and Armstrong (2012) support Akroush (2012) by asserting that marketing strategy summarises the overall marketing logic whereby firms have the anticipation of the creation of efficient customer value and commercial relationship and the essentials of positioning, marketing expenses and the target market.

A comprehensive marketing strategy entails a clear target market and is centred on the consumer needs (Gershon 2013). Borza and Borza (2014) concur with Akroush (2012); Kotler and Armstrong (2012) and Gershon (2013), by stating that for businesses to achieve goals, they must follow the well-known marketing strategies, which are product, place, price and promotion strategies. The exact product or service for the target market needs to be established. Distribution channels must be organised and observed endlessly. Communication must be done on the realities of the enterprises' products and services to the target customers using different promotional mixes and the appropriate pricing structure should be set to elicit customers and generate more revenue (Abasilim 2015). Kotler and Armstrong (2012) alludes to the fact that the marketing strategy choices vary due to the business situations, objectives,

the stage of their growth, dominance in the market and the environment in which they operate.

Ogundele, Akingbade, Saka, Elegunde and Aliu (2013) emphasise that SMEs, predominantly in the developing countries like Nigeria and South Africa, apply numerous marketing practices, which include sales promotion, relationship marketing strategy, technology-based marketing strategies, new product development strategy, direct distribution, segmentation and personal selling.

SMEs do not follow the traditional marketing strategies; they follow and develop their own distinctive marketing practices. Some SMEs rely on word-of-mouth as their main marketing communication tool (Awan & Hashmi 2014). Marketing strategies serve as a vital factor for the sustainability of the business and are intended to satisfy the market needs and obtain marketing goals. Commonly, big firms develop marketing strategies as a yearly plan, with strategic plan specifying activities to be attained in the current year, while in the SMEs, marketing strategies are partially planned (Pawan & Pawan 2013). Kotler and Armstrong (2012) highlight the elements of the marketing mix strategy (target market, product, pricing, place and marketing communication strategies), which was discussed next.

3.5 ELEMENTS OF THE MARKETING STRATEGY

A good marketing strategy considers and combine all four elements of the marketing program and the offering rather than emphasising a single element (Ferrell & Hartline 2014). This section covered the market segmentation, targeting and positioning, target market, product, pricing, place and marketing communication strategies. However, the study focused on two elements of the marketing strategy, which are; marketing communication and product strategies only.

There is a need for the SMEs to undertake appropriate marketing. Oji, Iwu and Hydam (2017) found that SMEs fail due to lack of appropriate marketing communication strategies. SMEs face challenges from the ability to adapt to rapidly changing market demand, technological change, and capacity constraints relating to knowledge, innovation and creativity, which can be changed through the implementation of product and marketing communication strategies (Yoshino & Taghizadeh-Hesary 2016). Marketing communication strategy as an element of the marketing strategy require the

SMEs to know how to communicate with customers about their products and services (Makhitha 2019).

According to Kottler and Keller (2009), the financial success of SMEs often depends on their marketing communication ability. Ebitu (2016) recommends that the goal of marketing communication within the SMEs be to increase understanding of marketing information and influence the acceptance of a business's products and services. Makhitha (2019) state that until customers are familiar with the SMEs products and its existence their products will not be purchased. Pangemanan and Walukov (2018) recommend that SMEs develop an effective product strategy, marketing networks and marketing communication strategies.

Ramasobana (2017) articulates that limited researches had been done on the sphere of the SMEs marketing communication strategies especially in Limpopo. On the other side Debeila (2018) state that SMEs in some parts of Limpopo are encountering some product development problems, which shows lack of proper product strategies. The above information let the researcher to focus on the two elements of the marketing strategy (product and marketing communication strategies)

3.5.1 Market segmentation, targeting and positioning

Segmentation can be defined as the method of dividing the markets into sets of possible customers with comparable needs and characteristics and who are most probable of exhibiting the same purchasing behaviour and respond to the same marketing strategies (Stokes & Chen 2009; Weinstein 2019). Market segmentation is the process of separating a market of prospective customers into diverse groups, according to their various characteristics (Shank & Lyberger 2015). With segmentation, the business is trying to accurately develop a strong and expressive understanding of the population sub-groups that share the same characteristics. Segmentation is mainly supported by the view that it is likely that people classified as being in a certain segment respond similarly to the set of social marketing interventions (Dietrich, Kubacki & Rundle-Thiele 2017).

The importance of segmentation is that it can augment value to most mutual techniques that are frequently, but not continuously, applied as part of social marketing programs. Its main purpose is to assist in understanding dissimilar people and their

needs to tailor products, services and some social programs for the segments (Dietrich *at al.* 2017). Therefore, the benefits of segmenting the market is to let the business categorise key consumer groups and assess their value, which helps the business to service these key consumers successfully (Freathy & O'Connell 2012).

There are common ways of segmenting the market, according to Martins (2012); Shank and Lyberger (2015) and Weinstein (2019).

- Demographic segmentation is grouping the markets based on the feasible customers' demographic factors such as the household size, race, educational level, occupation, age and gender (Martins 2012).
- Psychographic segmentation is described as grouping consumers based on the common lifestyle preference and personality; this allows the business to understand why customers buy (Shank & Lyberger 2015) (social class, lifestyles, values and personality).
- Geographic segmentation is a common segmentation strategy whereby the business serves customers in a certain area, or when the broad target market has diverse preferences based on their geographic location (Ferrell & Hartline 2008; Larsen 2010). This can be useful in making broad distinctions among local, regional, national and international market segments.
- Behavioural segmentation is the act of grouping consumers based on how they make purchases, how often they purchase and how loyal they are to a particular product or service (Shank & Lyberger 2015).
- Benefits segmentation is segmentation by separating the market into segments, whereby marketing managers can gain an improved knowledge about the needs and wants of customers. This allows the business to modify the marketing practices more precisely and reliably to the individual customers' preferences (Camilleri 2018)

When market segmentation is executed competently, it results in concrete benefits, with an improved understanding of consumer differences, which improves the match between the business strengths and consumer needs (Dolnicar, Grun & Leisch 2018).

3.5.2 Target Market

Pride, Hughes and Kapoor (2014) define the target market as the group of individuals or societies, for which a firm cultivates a marketing mix that suits the definite needs and choices of that specific group. Within the marketing strategy, a thoroughly defined and chosen target market is the first component (CTI Reviews 2016). Target marketing helps the business in setting the platform for product development and the design of a marketing program that can efficiently deliver the product offering to the targeted customers (Ferrell & Hartline 2014).

An SME must have enough monetary and human capital to fulfil the needs and wants of chosen target consumers. However, in general SMEs lack some resources and so it is essential to cautiously consider the segments that can be reached cost effectively with the limited resources (Ruzzier, Ruzzier & Hisrich 2013).

3.5.2.1 Target Market Strategies

The target market strategies refer to how an enterprise markets its products and services towards specific target markets being guided by the enterprise's marketing objectives, which highlight or define the targeted customers' purchasing behaviour (Wah 2017). An SME can make use of the following target marketing strategies: differentiated, undifferentiated, concentrated and micromarketing (Boone & Kurtz 2015).

- **Differentiated marketing strategy**

When using a differentiated or segmented marketing strategy, an SME bases its deeds on two or more carefully chosen segments and for each of the chosen segments makes a distinctive marketing mix. The SME utilises a differentiated marketing strategy to realise higher profits and a solid position in each of the target segments (Ferrell & Hartline 2011; Ruzzier *et al.* 2013).

- **Undifferentiated marketing strategy**

This is the marketing approach that considers the market to be one large market without looking at single segments and makes use of a single marketing mix (Lamb, Hair & McDaniel 2009). This strategy is followed when the firm chooses to ignore the

50

existence of diversity or differences in the markets and only sells a specific offering to the whole market with the use of a single marketing mix (Boone & Kurtz 2015). This strategy put much focus on the average target market expectations and concentrates its marketing determinations on the fundamentals of target segments' needs and conduct rather than deviances (Ray 2015). Lamb *et al.* (2009) further state that most of the SMEs make use of the strategy as it does not require a lot of resources to be employed, as the firm undertakes that individual customers have comparable needs that can be fulfilled using the same marketing mix.

- **Concentrated target marketing strategy**

Most SMEs choose to use the concentrated marketing strategy, rather than focusing on a lesser segment of a larger market. They choose to fill a large share of one niche with the aim of achieving the utmost dominant market position in an anticipated segment (Ruzzier *et al.* 2013). With concentrated marketing strategy, the firm tries to capture a large share of one or a few smaller market segments of niches (Schlegelmilch 2016). Concentrated marketing encompasses the firm in separating a very narrow number of segments upon which it successively focuses its efforts (Gilligan & Hird 2013).

- **Micro marketing**

This can be defined as the act of adapting products and marketing programs to match the tastes of entities and locations (Kotler & Armstrong 2012). It also adjusts the marketing mix of products to individuals and to exact locations. It comprises both the individual and local marketing. The Internet makes it easier for marketers to pursue micro marketing effectively, it can help in tracking the definite demographic and individual information, then marketers can direct emails to specific consumers most likely to purchase their products (Ruzzier *et al.* 2013; Boone & Kurtz 2015).

3.5.3 Positioning

Positioning is the process of packaging the company for a specific market and determining how to define it relative to the competition in the market (Demkin 2008). Positioning is more than manipulating the market's perception about the business, this is the pure statement of the firm's real value and its stand in the minds of customers

and potential customers (Levinson & Levinson 2011). An effective positioning serves as an important factor for the business' long-term success. This helps in fixing the business entity in the minds of consumers within the target markets (Shank & Lyberger 2015)

Positioning displays the place or the image where current products are placed in the market by the consumers in comparison to the same products from the competitors (Karadeniz 2009). Positioning deals with applying the business's brand to a detailed market segment. The worth of market position becomes most superficial when a business pursues an opportunity. Demkin (2008) states that the business's positioning is the preliminary stage and involves what customers and potential customers think of the firm before they can engage with it. This is simply placing the business image first within the target market's minds.

Target marketing is basically defining the business's potential primary customers, therefore, that market should be quantifiable, large enough and reachable (Ferrell & Hartline 2008). Targeting involves social marketers using segmentation analysis to choose the targeted segments and trying to participate in social programs; therefore, it is essential for these groups to be sufficiently large to be feasible in terms of provision of resources for investment (Camilleri 2018).

3.5.4 Product Strategy

Makhitha (2016) indicates that decisions about the business marketing strategy for products to be offered must take note of the specific target markets' needs and satisfaction. Cant and van Heerden (2013); Cravens and Piercy (2013) define product as any tangible or non-tangible objects or services offered by a firm for customers in exchange for something of value. Product can be anything, either favourable or unfavourable for customers to satisfy their needs or wants through an exchange process (Lamb, Hair & McDaniel 2012; Armstrong & Kotler 2013). Product strategy embraces product mix, product lines, product branding, labelling and packaging and guaranties and warranties (Kotler & Keller 2014). Product strategy should be a continuous process that steadily evaluates the existing products, make necessary product modifications, get rid of unwanted products and introduce new products (Kotler & Keller 2014).

McGuinness and Hutchinson (2013) asserts that a good knowledge of the product leads to good product strategies, which is very important as it helps the business to become more prosperous and competitive against the competition. Gomes (2010) in Cant and Wiid (2015) state that tactical decisions about products within SMEs are made mainly by the business owners and are commonly centred around the owners sentiments. Therefore, developing product strategies when making a decision about which product to sell, is important in every SME as it add to the success factors or failure of the entity. Ebitu (2016) recommends that SMEs should strategically invest much on the quality of their product rather than advertising or promoting too much, as this would improve and sustain the firm's profitability. Also, SMEs must ensure that customers are treated as kings, as amiable relations between the business and customers, consequently, increases their market share. Product includes all features and attributes that are connected to it and heightens the consumers' product experiences (Cant & Wiid 2015).

3.5.4.1 Product Mix

Product mix is a variety of related products that produce more sales income when promoted collectively than when marketed separately (Lamb *et al.* 2012). Theoretically, product mix is supplementary to arise in firm's production for the established products to the market (Mayer, Melitz & Ottaviano 2014). Product mix comprises all the product lines and items the firm sells and every product item in the product mix may require a diverse marketing strategy. Nevertheless, product lines and even the entire firm's product mix share some marketing strategy elements (Lamb *et al.* 2011; Kotler, Burton, Deans, Brown & Armstrong 2013).

Product line refers to a collection of products that are meticulously allied, as a result functioning in an analogous mode, are traded to similar customers, marketed over the same types of channels, or are within certain price series (Kotler & Armstrong 2011). According to Ferrell, Niininen and Lukas (2015), a firm can make a product improvement through product line extension and product modifications.

- **Product line extension**

This transpires once a firm's management make a decision to make an addition of products towards their current product line with the aim of bursting competition (Lamb,

Hair & McDaniel 2011). These products are produced mostly like the existing once, but they are specifically designed to cater somewhat different customer needs (Pride & Ferrell 2010). The business simply makes an additional product to the product line with the aim of competing broadly within the industry (Lamb, Hair, McDaniel, Kapoor, Klaise & Appleby 2010)

- **Product modification**

This refers to the act of altering one or more features or characteristics of the product and it differs from product line extension since the original product does not continue to be on the product line (Pride & Ferrell 2017).

- **Product items**

Is a specific kind of a product, which can be chosen separately from amongst the firm's products (Lamb *et al.* 2011). Product item symbolises a definite model, brand or size of a product that a firm offers and is the single product that a specific customer may buy (Kahn 2011). Therefore, each product item must be packaged in an appealing way.

3.5.4.2 Branding

The success of any product offering, or business depends largely on the target customer's ability to distinguish between products (Lamb *et al.* 2012). Branding helps in identifying and differentiating the products or services of one business from the competing product of other businesses. Branding is important to both businesses and their consumers because it makes shopping simple, facilitates information dispensation alarmed with the buying preferences, gives assurance that the consumer's purchase was right. It further helps in ensuring quality and fulfils positive customer needs (Mullins & Walker 2013). Kotler and Armstrong (2012) assert that the majority of consumers see brand as an essential fragment of the product since it can augment the actual product. Therefore, it is advisable for SMEs to develop and have a vibrant brand.

Branding benefits consumers in various ways. It helps consumers recognise products that might have their expected value. Brands also emphasise the product quality and dependability. Consumers who always purchase similar brands know that exactly the

same benefits, features and quality will be found whenever they buy the product (Gordon & Wilson 2015). Branding also offers some advantages to the seller. The brand name develops the base whereby a complete story concerning a product's distinctive features can be built upon (Armstrong, Adam, Denize & Kotler 2015).

Mitchell, Hutchinson and Bishop (2012) found that some of the owner/managers within the SMEs lead and influence branding and drive all the marketing activities in line with their own knowledge, business styles, personal networks and competencies, which may influence the business positively. SMEs research about the possible branding strategies and choose the suitable one (Spence & Essoussi 2010). Reijonen, Laukkanen, Komppula and Tuominen (2012) assert that the rising enterprises accept market and brand orientation to a larger magnitude than stable or deteriorating SMEs. Some research findings pointed that branding has much impact on the firm's sales performance (Hsiao & Chen 2013; Agostini, Filippini & Nosella 2015).

Suggestions from the branding literatures advocate that SMEs who develop and make an implementation of strong branding exertions can gain financial performance benefits (such as profit margin and sales returns) and non-financial performance benefits (Hsiao & Chen 2013; Asamoah 2014).

3.5.4.3 Packaging

Packaging includes all actions involved in planning and creating the vessel for a product. Product package is the first thing that consumers' see when looking at the product; therefore, it must the designed in such a way that it pulls consumers attention and encourages the product choice and purchase (Kotler & Keller 2014). Kotler and Keller (2012) further state that an excellent packaging serves as a vital part of a brand's parity.

The product packaging serves several functions: protecting, simplifying the use of and promoting the product, as well as providing information about the product and its use (Lamb, Hair & McDaniel 2017). It can give the product a strong promotional support at the point of purchase, as many customers may see the package unlike the advertisement and at a more opportune time (Mullins & Walker 2013). Consumers today expect products and services to satisfy their needs.

According to Ardhianto and Hardjana (2016), some of the SMEs have some limitations in terms of knowledge and technology for packaging purposes, which leads to some wrapping or packaging products with simplicity. Chukwuma, Ezenyilimba and Agbara (2018) state that if packaging is adopted and practiced effectively within the SMEs it influences their performance and leads to the increase in sales volume or performance.

According to Adnan, Nafi and Mohamed (2016), it is important for an SME to have a suitable packaging as all details that are exhibited on it about the products and manufacturers are acknowledged and will assist the consumers in making proper purchasing decisions. Chukwuma *et al.* (2018) recommends that if SMEs are not really conversant with packaging, they must seek services from professional about customer reactions towards the displays on the product packaging to boost their performance.

3.5.4.4 New product development and innovation

Loch and Kavadias (2008) define new product development (NPD) as a "set of all activities starting with the discernment of the market opportunities, product production, sales and the delivery of the product". This is backed by Simon (2009), by defining new product development as the method whereby the company produces new products with the aim of entering new markets or continuing to serve the current markets. NPD involves the process of transforming opportunities and technical ideas into a new product that will serve the current or new markets

According to Rubera and Cornelia (2013), the introduction of new and innovative products has a positive influence of the firm's value by increasing the market share. An effective NPD strategy helps in maintaining the market share to keep the firm's growth (Liu, Li & Chang 2014). Fantazy and Salem (2016) concur with Liu *et al.* (2014) by stating that NPD serves as the fundamental factor that drives the firm's success.

Understanding customer needs/requirements during NPD enables the firm or producer to cultivate products and services that deliver extra worth and creating solution to the problems encountered by customers (Fantazy & Salem 2016). Taking the inputs from the customer's knowledge in product development should empower

the producer to produce products and services that offer more value in resolving customer problems. Using the understanding of customers' needs through product configurations in NPD necessitates both customers and suppliers to make a pledge to the relationship (Svendsen, Haugland, Gronhaug & Hammervoll 2011). Upon the development of new products, SMEs must strive to produce innovative products that surpass consumer needs (Al-Askari 2011).

Svendsen *et al.* (2011) state that customers, suppliers and the business enterprise must actively work together during the development of new innovative products. Customer involvement using marketing tools such as marketing survey, interviews, field research, mass media and other direct communication techniques such as telephones and emails is an essential foundation of a new product development (Chang & Tayler 2016). Chang and Tayler (2016) further stresses that customer involvement will help the business to gain a wealth of insights into the customers' unique needs and requirements. Involving suppliers in the initial phases of product development helps in reducing costs, shortening time to market the product and make improvements on the product qualities (Eisto, Holtta, Mahlamaki, Kollanus, & Nieminen 2010).

Therefore, the understanding of NPD enables firms to attain quick speed to market, effective development costs and superior new product quality and makes a fair contribution towards the firm's status, long-term profitability and market share (Koski & Kretschner 2010; Racela 2015). SMEs that follow NPD are more profitable than those who do not follow it (Tajvidi & Karami 2015).

Kahraman, Kerre and Bozbura (2012) define innovation as the comprehension of an innovative product, method or service for which a technical solution is essential, where the results should be assumed as firms' innovation with a strong influence on the market. Product innovation is connected to the exploration of changes and innovations in the product category. It helps the firm to map out changes in the enterprise's product and refers to all new developments and improvements in an existing product (Rahman & Ramos 2012). Amongst SMEs, product innovation is one of the greatest precarious elements for their existence, competitiveness and growth. Nevertheless, product innovation in SMEs has remained low, due to several issues and trials (Pyeman, Rashid, Hanif, Mohamad & Tan 2016)

The significance of product innovation is seen when the market expands. Amongst SMEs, product innovation is one of the serious elements for their subsistence, progression and competitiveness (Pyeman, Edura, Rashid, Hanif, Jamal, Nasis, Mohamad & Tan 2014). Though technological and market fluctuations can never be in an SMEs control, pre-emptive new product development is considered the most potential basis for competitive advantage (Berchicci 2009). There is a need for the SME sector to make improvements on how they innovate, reduce costs and timing to become more competitive (Krause, Schutte & du Preez 2012). Sometimes SMEs are at a disadvantage because of lack of investment on innovation and NPD to meet the ever-changing customer needs (Sindakis 2015). The SME's ability to deliver and satisfy customer needs is the threshold level to continue business (Zuluaga 2008).

The on-going development and introduction of new innovated product offerings is considered a substantial strategy for a firm's sustained success. New innovated products can improve a firm's whole performance by fulfilling customer needs more successfully than current products or competitors' offerings (Tsiakis 2015). Innovation can also be realised on the improvement of the current business products. It is necessary for the firm to market both the new products and the improvement of the existing products for continuous survival since this has a substantial role in developing a competitive advantage and can make a significant contribution to a firm's progression and success (Tsiakis 2015). It is apparent that within the SME sector, product innovation is still a problem due to the costs involved and other challenges (Pyeman *et al.* 2016).

NPD and innovation involve revising, adding or improving product attributes, which is discussed on the next section.

3.5.4.5 Product attributes

Product attributes are the identifiable features that consumers look for on the product. Malasi (2012) asserts that product attributes are all the characteristics that an item may or may not have. Houseman and Mandel (2015) backs Malasi (2012) by defining product attributes as all the physiognomies of the product item when it is first sold by the producer that remain to be the product item's characteristics, irrespective of the way it could be resold to the end user.

In developing an offering (product or service) businesses must define the benefits offered to the end-user and those benefits are conveyed by attributes, such as features, quality, product style and design.

- **Product features** − serves as the most crucial competitive factor for distinguishing the firm's products and services from the competing products and services. A firm can compete effectively by being the first to produce or introduce the most needed and valued product features (Malasi 2012). Therefore, knowing the reason behind consumers choosing a particular product helps marketers realise, which brands and products consumers prefer. Like product flexibility.

- **Product quality** – is regarded as the main product positioning factor. Marketers have an interest in all quality dimensions, since appealing to and retaining customers means not only giving the quality of the product wanted, but additionally being supportive to the product quality through technical, quality administration and giving after-sales service (Jooste 2010). Subsequently, it is constantly significant to assess quality through the customers' eyes, as quality has a direct impression on a product or service performance; hence, it is narrowly associated with customer value and satisfaction (Petruzzellis & Winer 2016).

- **Product style and design** – this is an additional technique used towards enhancing customer preferences. Some firms have a status for unique style and design (Jooste 2010). Extraordinary styles may snatch attention and produce a lovely aesthetics product to perform much better in an improved way. An upright design makes a positive contribution towards a product's and appearance (Verweire 2014).

Product attributes lead to customer satisfaction, which can further be met through offering different but related firms' products and services as discussed. Product attributes help in determining the profitable and reasonable price for the product. Pricing strategy was discussed next.

3.5.5 Price Strategy

Price is what a consumer must offer to get a product or service of equal value (Kotler & Armstrong 2012; Armstrong & Kotler 2013). Price serves as an essential pillar within the firm since it influences the revenue of the business. It is furthermore a competitive

weapon for all firms (Lamb *et al.* 2012). Marketers must determine the amount of money customers are ready to spend before arriving at a final product or service price (Lamb *et al.* 2012). Formulation of pricing strategy starts by shaping the pricing intentions, which will then guide the development of the pricing strategy (Cravens & Piercy 2013). Price strategy serves as a simple, long-term pricing structure, which forms the preliminary product price and the intended price movement directions over the product life cycle (Lamb *et al.* 2012).

Understanding the impact of pricing on demand is one of the most fundamental requirements to price a product or service effectively (Boshoff 2014). Determining suitable pricing strategy for products is not easy because of some market's deregulations, strong global competition, knowledgeable buyers, slow market growth and the opportunity for the firms to strengthen the market position (Cravens & Piercy 2013). Pricing strategies provide a structure within which conclusions can be made with reliability and with the approval of the firm (Brassington & Pettit 2013). Omar (2014) assert that the knowledge of marketing strategy, experience in pricing, competition, product demand and consumer tastes must be considered when pricing. Fassnacht and Husseini (2013) state that pricing strategy, in most cases, is viewed as a short-term judgement made on a daily basis, unlike a long-term decision, whereby price wars and price promotion setups are easy.

According to Mbonyane and Ladzani (2011), pricing poses a thoughtful challenge for small businesses. SMEs fail to stick to the right price set-ups and without mechanisms in place to help in adapting to the varying business ultimatum. Beesley (2012) highlight that SMEs fail because they lack product pricing knowledge and do not know how to determine prices. Pride, Hughes and Kapoor (2010) asserts that regardless of how best the product has been designed and featured, it will not benefit the business in any way if it is priced incorrectly. Therefore, the SME managers are responsible for any detrimental outcomes arising from the pricing decision and should consider the evaluation of the main components (qualities, features) when pricing products (Forman & Hunt 2013).

Pricing decisions are mostly complex and are influenced by several interrelated and diverse factors that marketers must take into consideration. Some of these factors can be controlled by the firm and others are out of the business's control and the marketer

but can correspondingly influence any pricing decision (Gbadamosi, Bathgate & Nwankwo 2013).

Firms must support the internal managerial deliberations with external market forces and aspects in the process of price set-ups. Internal factors include marketing mix strategy, costs, organisational considerations and marketing objectives. External factors include competitors' charges and offerings, market demands and some other external factors (Kotler, Burton, Deans, Brown & Armstrong 2013). Price decisions can be challenging because of several factors that need to be considered, like the insecurity concerning the responses to prices amongst buyers, competitors and distribution channel members (Pride, Ferrell, Lukas, Schembri & Niininen 2011).

Rajagopal (2013) backs Pride *et al.* (2011) by asserting that the standing and the prospective competition in the markets directed by the firm limits the flexibility of the pricing decisions. As the market demand comprises a variety of products that consumers would be keen to buy at various prices at a given time or conditions, they buy more products at a lower price than they will at the higher prices (Sahaf 2013). However, consumers also consider an enterprise location before making the purchase. Place strategy follows.

3.5.6 Place Strategy

Place states where the product or service will be made accessible to the customers (Brassington & Pettit 2013). Place influences the delivery of the product to the correct customers with the right channel (Moderandi 2013). Therefore, it is a potential waste of time and money to try and distribute the product without the knowledge of customer requirements in terms of the form of distribution channel. Moderandi (2013) ascertain that to make a decent distribution platform, the business must put much focus upon the consumer needs. For instance, sometimes SMEs may find that targeted end-users find it difficult to reach the distribution wholesaler, retailer or even to use the Internet; hence, these are used as the business distribution channels. This led to business failure due to the poor distribution program.

Place strategies deals with the availability of products and services at the right position when needed by customers. Place encompasses all the business undertakings concerned with storage and transportation of either raw material or complete products,

with the goal of maintaining safe delivery of products to the desired destination while still in a usable condition (Lamb *et al.* 2012). Therefore, the decision about the place is important because the firm is making a large, semi-permanent commitment of resources that can reduce its future flexibility and affect the firm's profitability and future growth (Kotler & Armstrong 2012). The firm's marketing strategy realisation process lies not specifically on the achievement of specific production objectives and an accurate communication during the promotion phase, adequately the availability of products for the convenience of the consumers at the right place is much important (Szopa & Pekala 2012). Therefore, an appropriate channel of distribution for finished products is needed.

3.5.6.1 The distribution channel

Hill (2010) defines distribution channel as one or more enterprises participating in the dissemination of the business's products and services to consumers. Distribution strategy is an essential decision for firms to make and ensure that the products will be in the reach of customers. According to Segetlija, Maseric and Dujak (2011), it is advisable for the firms to build a good relationship with the clients, suppliers and middlemen when producing and delivering products or services. Each participant in the distribution channel becomes another level in the channel and their number determines the length of the channel. Adequately, Saremi and Zadeh (2014), state that distribution channels' progress and significance have increased in the current years, therefore, having an efficient distribution channel can be regarded as a good advantage for manufacturing SMEs, as the manufactured products will reach the relevant target effectively.

As alluded by Voortman and Makhitha (2014) over the SMEs growth it is important to recognise new market opportunities and advance the distribution channels to enable the small businesses to service its markets with the required products and services. Most producers sell straight to consumers, not passing through intermediaries like brokers, retailers or wholesalers who participate in moving products from the manufacturer to the businesses and/ end-users (Scribe 2010).

Distribution channels are used by marketers to exhibit, sell, or supply the end products to the consumers. These channels might be classified into direct or indirect distribution channels.

- **Direct Distribution**

According to Lancaster and Massingham (2011), direct distributions can be defined as the choice that the firm or the firm's marketer make, cuts the intermediaries and focus their marketing communication actions straight to the targeted customers. In direct distribution, the business moves the products from the producer to customers without the involvement of middlemen. This is more applicable in the service business (Hatten 2016). For example, the hairstylist uses direct distribution since customers receive services straight from the producer. Direct channels include through telephone, the Internet or mail (Kotler, Bowen & Makens 2010; Kotler & Keller 2014).

- **Indirect distribution channel**

In the indirect distribution channel, there are series of intermediaries through which the producer's products move before reaching the end users. It involves products going through channel members from the producer, past distributors to wholesalers and retail stores (Rosenbloom 2011). Consequently, the greater the intermediaries within the distribution channel, the higher the price is to be for the end-user or the customer (Hatten 2016). Figure 3.1 illustrates the three consumer distribution channels. Indirect channels include distributers, retailers, agents and wholesalers as intermediaries (Kotler, Bowen & Makens 2010; Kotler & Keller 2014).

Figure 3.1: Distribution channels.
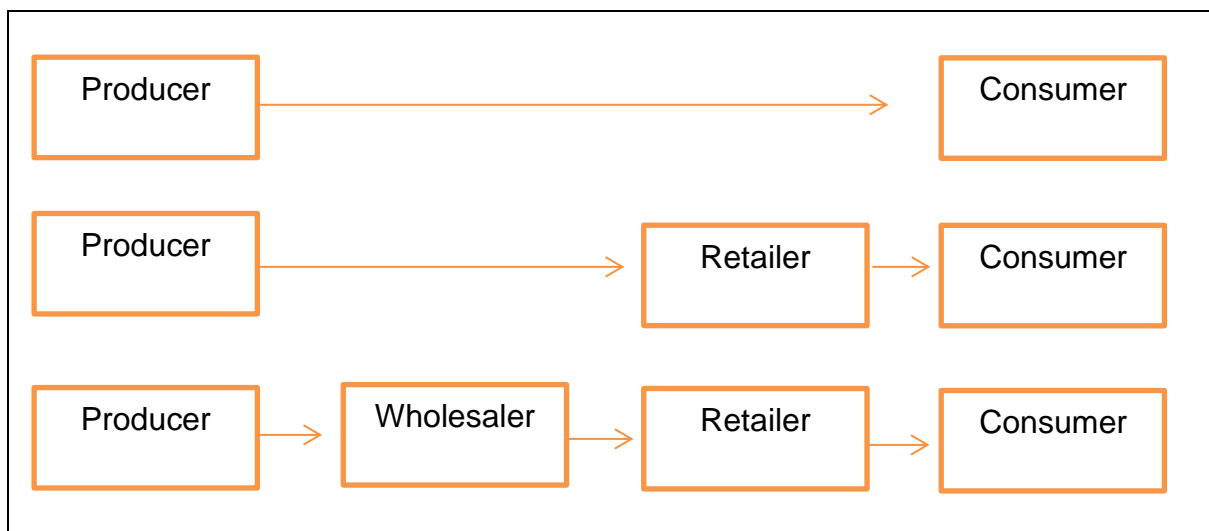
Source: Adapted from Kotler *et al.* (2010).

Figure 3.1 showed the mutual distribution channels. It is upon the business marketer to decide which distribution channel to follow, it can sell directly to customers (direct distribution) or use different intermediaries to sell to the very same customers (indirect distribution) (Kotler & Armstrong 2011). With the use of direct distribution or marketing channel (producer to consumer), there are no intermediary levels, the firm and customers communicate directly (Kotler & Keller 2014). Distribution channels help companies to ensure that products and services are accessible to customers in many ways.

For any enterprise to keep its consumers, it must build an efficacious mix of the genuine products, priced well, in the correct place and using the appropriate promotion (Mohammad, Wang & Sunayya 2012). Previously, SMEs most often used only one channel of distribution. Currently, SMEs use a blend of different channels with the aim of shortening the channel in any possible form (Ruzzier *et al.* 2013). According to Sheetal, Sangeeta and Kumar (2012), SMEs distribution channel is not satisfactory, therefore, there is a need for small industries to make improvement on their distribution channel for maximum consumer coverage, leading to most researchers in the field of marketing always stressing the issue of targeting.

SMEs can make use of the shortest possible marketing channel to deliver their products to consumers, which is the direct-marketing channel, where SMEs are

directly linked with the consumers, which will then affect their marketing communication strategy (Ruzzier *et al.* 2013). Marketing communication strategy was discussed below.

3.5.7 Marketing Communication Strategy

Marketing communication involves all the methods used in building communication opportunities and conveying messages to and getting responses from consumers, with the aim of creating the preferred reactions from the target audience (Kanibira, Saydanb & Nartc 2014). It is the business marketer's responsibility to ensure that marketing communication informs, reminds and persuades prospective customers of a product or service offering to provoke a response (Lamb *et al.* 2012). Cravens and Piercy (2013) state that the purpose of marketing communication within the firm's marketing is to reach management's anticipated communication goals with every targeted audience.

The marketing communication strategy is the plan for the ultimate usage of all the promotional mix elements (Lamb *et al.* 2012). The marketing communication strategy conveys equally satisfying exchanges with the target markets by persuading, educating, informing and reminding them about the benefits of the firm or products and services. All elements of marketing communications are co-ordinated and managed to assist in building a promotional composite (Lamb *et al.* 2012).

Odunlami and Emmanuel (2014) assert that every business must have a favourable and available medium that makes it easy for the enterprise's products and services to be well known by the target market. Lamb *et al.* (2012) state that a well-planned marketing communication strategy will grow the sales of the business or different products or services. The design of promotion strategies is guided by the market the firm is targeting and it's positioning.

Performance will be enhanced if there is mutual understanding about the objectives the promotional tools must achieve. Every business sets marketing communication objectives. Setting marketing communications objectives is imperative because they act as a means of weighing how best to build continuing dialogues with consumers to save the brand and sustain competitive advantage; they also offer a check on the use of marketing resources in the communication process (Dahlen, Lange & Smith 2010).

As Yeshin (2012) states that "the fundamental imperative is the need for an identification of clear, brief and assessable communication objectives that will allow the selection of the suitable communications tools to realise the tasks set". Some of the business marketing communication objectives include increasing general awareness levels, attracting new customers and increasing the usage of the product and services by the existing customers.

3.5.7.1 Purpose of marketing communication

The purpose of marketing communication strategy is to help in managing the firm's communication initiatives, coordinating and integrating all marketing communication elements to communicate with consumers and others who influence purchasing (Cravens & Piercy 2013). Egan (2011) asserts that when the enterprise's offerings entice customers, customers will form a relationship with an enterprise and are more likely to remain and increase their purchases. This helps in increasing the overall visibility of the business and enhance its reputation. Marketing communications is just part of the marketing mix, with the role of communicating information of various kinds about the business and its products and services to a target audience (Hughes & Fill 2006). However, it is not as easy as this might suggest; its role may differ based on the situations and the actual task at hand.

3.5.7.2 Steps in designing a marketing communication strategy

 According to Cravens and Piercy (2013), numerous steps are involved in designing a firm's marketing communication strategy:

(1) Setting communication objectives – help in determining how the components of the marketing communication strategy are used in the marketing program; pure set objectives will help in ensuring that every effort made is channelled in a specific field

(2) Deciding the roles each of the components perform in the promotion component – it is essential to set guidelines as to the projected contribution for every component of the promotion. It helps in determining the strategy for each promotion component.

(3) Estimating the promotional budget – the business promotional budget is likely to highlight cultivating the effectiveness of promotion unlike looking for the optimal size of the budget. Promotional budget in some businesses may consist of only the

projected advertising and sales promotion costs; the marketer must ensure that every cent spent on marketing communication helps to realise the marketing communication objectives. It is thus needed for the marketing manager to find out which marketing communication methods worked well in a certain year and which methods worked for which products (Gerber 2009). This will help in ensuring that the money in the budget is spent as effectively as possible.

(4) Selection of the strategies for each promotion element – it is essential for these strategies to be consistent with target market strategy and contribute to the preferred brand positioning. To determine strategies for each promotion element, one needs to consider the previous events.

(5) Integrating and executing the promotional components strategies – developing and implementing integrated communications strategies are essential for manufacturers as well as SMEs and for both consumer and business products.

(6) Assessing the usefulness of the integrated promotion strategies – it is important that every method to be used is thoroughly assessed to check if it is suitable for the intended use.

The elements of marketing communication are public relations, direct marketing, advertising, sales promotion, personal selling, packaging and sponsorship (Cravens & Piercy 2013; Polyorat 2014).

3.5.8 Elements of the marketing communication strategy

3.5.8.1 Public relations

Public relations is defined as the act of managing information distribution between an organisation and the public (Ale 2016). It helps the organisations to successfully network and communicate with their public and manage the relationships (Black 2011). It is a prearranged and continued determination to create and sustain a common understanding between an enterprise and its societies (Muchilwa, Otieno, Oginda & Oima 2014). Many SMEs do not know how to plan and implement a public relations strategy to generate consistent publicity (Kallier 2017).

3.5.8.2 Direct marketing

Direct marketing comprises several communication channels that assist businesses to make direct communication with consumers. It gives marketers the opportunity to gain direct access to buyers using telemarketing, digital marketing, electronic shopping, SMS and others (Cravens *et al.* 2013).

- **Telemarketing** – mobile phones have changed the method in which individuals receive or access valuable information (Gopaul & Bothma 2015). Telemarketing is a form of direct marketing, you can buy a very specific list and hire inexpensive telemarketers, even students, to sell your products or services over the phone (Gibson 2011). Telemarketing is not an appropriate tool for SMEs since it involves too much money. Telemarketing is one of the methods in direct marketing whereby it involves a salesperson soliciting potential customers or other businesses to purchase products or services offered (Siddiqui 2015). The salesperson directly contacts the consumers to check if they would be attracted to purchasing the business's products and facilitates all the purchasing processes over the phone (Cant 2016).

- **Digital marketing** - refers to the new marketing approach, which is advanced by digital elements, with dynamics and features, which must be comprehended to enable the SMEs to choose effective marketing strategies (Liu, Karahanna & Watson 2011). Sawicki (2016) define digital marketing as the heavy use of digital technologies to achieve business goals, through high levels of consumer needs fulfilment, businesses create channels to influence prospective recipients. Due to advanced digital technologies, brands can reach consumers with its products. Digital marketing involves the promotion of business products and brands using either one or other supplementary digital formats (Jarvinen, Tollinen, Karjaluoto & Jayawardhena 2012).

  Digital marketing offers SMEs opportunities to draw new customers and reach current customers more proficiently (Deiss & Henneberry 2016). Digital marketing brings some substantial opportunities to SMEs such as attaining the novel target audience, growing performance and productivity and refining growth (Shideler & Badasyan 2012). The marketing realities of SMEs is far from that of large firms; digitisation remains a bigger problem due to lack of resources like finance. Heini

& Heikki (2015) state that most of the SMEs seem not focused in using digital channels to the potential capability. It should be apparent that the use of digital channels is significant for business brands, therefore, SMEs should adopt it if they want to grow, be relevant and competitive. Galloway (2007) claim that "the starting of digital world has brought more chances of survival for SMEs and opportunities such as improvement in performance, improvement in competitive advantages, efficiency and reaching new target audiences".

Digital marketing, grounded on technologies, must put efforts on standards, returns and opportunities presented. According to Wind and Mahajan (2002) and Nair (2016), everyone dealing with marketing operations its essential to understand and realise the digital realities and concentrate on new philosophies of market contact, therefore, growing their segment and becoming effective in the untidy changing environment. Digital marketing makes use of all digital medias, including the Internet, mobile and communicating channels to advance communication and exchanges with customers (Pride & Ferrell 2017).

- **Mobile marketing** - According to Dzisi and Ofosu (2014), SMEs should not rely only on the word-of-mouth but embrace extra current technological marketing tools such as mobile marketing to reach potential customers, establish their brands and improve their performance. Mobile marketing can be defined as the established practices that improve an enterprise's engagement and communication with their audience in a way that is cooperative and relevant, using mobile devices and/or networks (Karthikeyan & Balamurugan 2012).

Karthikeyan and Balamurugan (2012) further emphasise the convenience of mobile marketing in sending promotional messages to individual customers that gave it immense popularity in the business world working to the SMEs advantage as it is affordable. Mobile advertising offers potential for customisation, since portable devices typically hold the user's given identity and it can use time, action and location awareness as customisation variables (Pousttchi & Wiedemann 2010). Pousttchi and Wiedemann (2010) further alludes that the feature of customisation turns mobile advertising into a significant mobile commerce application, as it consents the use of demographic information gathered by network service providers and information on the recent location.

- **Social media** can be defined as digital and Internet tools that have less to do with normal media; it offers a device for the audience to connect, talk and network with others (Al-Deen & Hendricks 2012). The term social media/social network is used for the Internet-based applications that form on the conceptual and scientific grounds of Web 2.0 this let the formation of user created content (Benson 2014). Social media can be used by an enterprise as an effective tool to involve users with the aim of making profit (Meiselwitz 2016).

Marketers can use social media to listen and advance insight about what is being said about products and services and interact with the potential and current customers (Calitz & Cullen 2012). Social media is a communication system that helps to advance brand recognition, increase awareness and reach customers effectively (Bullock & Deragon 2009). Social media appears to be an effective tool for customer engagement, brand building and building an exclusive relationship with customers. Rishika, Kumar, Janakiraman and Bezawada (2013) articulates that the use of social media can induce sales-related results; customers who are steadfast through social media to the business are lucrative than those who are not loyal to the products or brands on social media.

SMEs take time to adapt social media because of their adverse views about their effectiveness (Meiselwitz 2014). Therefore, it is important to choose social media or networking that can be easily aligned to the business objectives without misusing the social network in reaching small customers (Jantsch 2011). The successful application of social media depends on the full participation of the business or the marketing strategy. Mangold and Faulds (2009) contends that social media should be comprised within the marketing mix when developing and implementing the communication strategy. Businesses are gradually using social media sites to market products and services and engage in social marketing campaigns. Spenner and Freeman (2012) points that the benefits of social media practices in SMEs are that it gives consumers information about the good deals, products and services, which is what consumers are looking for.

According to Rufai (2014), SMEs functioning in the African markets have enormous opportunities to reduce their expenditures, raise their production and generation of enough revenue by leveraging on the business transformational

capabilities of communication technologies. Communication technologies (Twitter, Facebook, Instagram, WhatsApp) have made a huge contribution to the evolution and improvement of SMEs by dropping transactional costs, improving employee's productivity, reducing the communication costs between SMEs and customers, humanising corporate communication, helping the SMEs acquire more work knowledge, extended markets and have improved relationships with suppliers (Paul 2012). Therefore, the acceptance of technology in marketing strategies can be put into the SMEs improvement plans and that marketing strategy is a genuine instrument for viable SMEs development (Ardjouman & Asma 2015).

Social media serves as an essential part of the business's marketing communication and branding, like Facebook, which has become a crucial channel that businesses use to engage consumers and create brand awareness (Bruhn, Schoenmueller & Schafer 2012)

3.5.8.3 Advertising

Advertising refers to the paid, facilitated form of communication by an enterprise or an identifiable source with the aim of persuading the receiver (consumer) to react towards the advertised product or service at that moment or in future. According to Hollensen (2010), advertising is regarded as the greatest dominant form of communication and perhaps the one that has the utmost impact over our daily lives, it does not matter where one is, it is probable that we are surrounded by magazines, newspapers, radios, banners or even billboards advertising regularly.

Advertising puts much focus on creating awareness and delivers information concerning the existence of the business products, its accessibility and prices (Adesoga 2016). According to de Mooij (2010), the enterprise uses advertising to attach the significance of brands and these significances are taken in the light of the targeted audience's motivations and ambitions. Most businesses use advertising in promoting products and services, but it also serves as a source for creating a long-term business perspective. It is possible that there have been numerous advertisements that stick in consumers' minds, which have impacted them and created a certain perception in their minds (Hughes & Fill 2006).

Advertising is viewed as the most noticeable form of marketing communication. Some of the objectives of advertising are to persuade consumers to make a positive buying decision in favour of the business, making the business products and services known and increasing the product demands (Hollensen 2010). Advertising is one of the most powerful forms of marketing communications and the one that possibly has the most effect on our daily lives. It does not matter where we go throughout the day, it is possible that we see either by billboard, radio, magazine, cinema, newspaper, TV or banner advertising regularly (Hughes 2006). This can also build a long-term business image.

Advertising plays a valuable part in the promotion of brand promises and backs a product or service with visible worth, but it is the sales personnel who carry the promise and boost the need for internal branding (Ncube 2016). Advertising can be informative and influential; using both the mass and new medias to convince consumers to buy products and services and it may also be besieged at promoting an existing or new product (Terkan 2014). Advertising has progressively become common as more individuals and businesses go for as an element to make their products and services well known by consumers, there are some pop ups advertisements that just appear on different websites and can also be executed in all kinds of uncommon areas (Trehan & Trehan 2010).

This is a low-cost method of transmitting the selling message to potential customers; it can pave a way for the salesmen by persuading audiences to request information and identify businesses selling the products (Adesago 2016). Advertising, if done by the manufacturers, can force retailers to buy products to meet consumer demands.

Advertising acts as a means to fight competition; businesses use innovative and interesting advertisements to lure consumers to continue to be loyal or switch from competing brands and capture consumer attention (Dominick 2013). For any advertisement to be effective and creative, it must comprise a unique selling proposition. The graphic features serve a purpose and entail several components that are joined in precise setups to create a brand message that will appeal to the audience (Dominick 2013).

Advertising creates positive brand awareness for the SMEs, it is a clear method of generating a large customer base and it boasts their sales volume (Gitau 2012). Advertising is used in persuading customers to make a purchase decision and familiarising customers with products. Habib, Hossain and Oma (2015) recommend that SMEs should use advertising as it influences consumer attitude, opinion about the business and attitude, which will result in changing consumers purchasing behaviour. Habib *et al.* (2015) further state that advertising helps in changing the product image in the consumer's mind.

3.5.8.4 Sales promotion

Sales promotion plays a key role in retaining current consumers and drawing new ones. Kotler, Bowen and Makens (2010) define sales promotion as a varied collection of enticement tools, frequently short-term, intended to stimulate more and quicker consumer purchases for the enterprise's products and services. Singh & Gupta (2014) supports Kotler *et. al.* (2010) by alluding to the fact that it comprises all those activities (excluding: personal selling, advertising and publicity), which encourage the market demand for the products over some short-range stimuli, which are non-recurring in nature and temporary and through referrals of satisfied customers.

Sales promotion is primarily considered for short-term practice and there are a variety of promotional incentives that are intended for consumers such as prices, coupons, bonus packs, premiums, warrantees, free trials, free goods and samples. Incentive elements are planned to meet explicit customer anticipation or reinforce current customer relationships (Kottler *et al.* 2009), while others might include rebates, price-offs, loyalty programmes and contests (Belch & Belch 2007).

Sometimes sales promotions are misinterpreted as advertising, as many times they use advertising to make promotional offer awareness. Arens, Weigold and Arens (2011) state that sales promotion is usually known for providing consumers with rewards for showing certain behaviours, it focuses on provoking an immediate target market response by presenting price incentives to either distribution channel members or final consumers. Marketers are responsible for selecting the most suitable sales promotions technique that suit a certain market segment or, sometimes to choose the suitable sales promotion techniques to successfully boost the anticipated results on consumer buying behaviour (Marais, de Klerk & Bevan-Dye 2014). Although various

sales promotion techniques focus on a similar primary objective of growing business sales by encouraging buying, each technique is different and is established to accomplish explicit objectives, such as to encourage continuous buying, stimulating the continuous use of the brand and encouraging customers to switch from other brands (Belch & Belch 2012).

The most frequently used sales promotion activities within the SMEs include refunds, contests, rebates, quantity deals, packaged premiums, discounts, gifts and samples. The main aim of sales promotion for the SME is to increase the sales volume. Sales promotion for SMEs involves making cognisance of the firm, its products and services while giving customers reasons to make a purchase (Ruzzier *et al.* 2013).

Sales promotions are among the most effective methods for persuading consumer purchasing behaviour and influencing consumers to buy a certain product or brand, which ultimately advances awareness where there is brand dominance and competition, leading to customer retention (Kotler *et al.* 2009; Ouwersloot & Duncan 2008).

3.5.8.5 Personal Selling

Personal selling is a process whereby the sales consultants communicate directly with the prospective buyer in which the two share their offering experiences or needs and the salesperson tries to meet the prospective customers needs through a definite product offering available for purchase (van Heerden & Drotsky 2011). Armstrong and Kotler (2013) define personal selling as the presentation of products and services to the prospective buyer, which persuades them to make the purchase.

It involves personal interaction and physical confirmation of the product. SMEs make little use of personal selling because it is expensive and requires too much time however, this is suitable for well established businesses (Hiduke & Ryan 2014). Some concerns have been raised about the relevance of personal selling however, many complex and high value products still need a salesperson, therefor personal selling it is still an essential promotional method that continue to promote products and increase business sales (Adesoga 2016). Unlike other elements, personal selling allows the message adjustments according to the customers, control over audience and gain the insight about consumer behaviour and the market trends.

Personal selling can be expressed through personal exhibition of products and ideas to the customer, in which the seller is persuading and helping the consumer to make the purchasing decision (Todorova 2015). Personal selling is amongst the first methods of promotion, which defines the method whereby the sales representatives ascertain and stimulate consumer needs or wants (Adesoga 2016). With personal selling salesmen are used to communicate the value of the services to clients thus growing customer's level of satisfaction and ensuring that customers get the right quality of services needed while also improving information to suit customer needs (Olumoko, Abass & Dansu 2012).

3.5.8.6 Sponsorship

Sponsorship is about the contribution outside of an individual or a firm's usual kind of activities, with the objectives of making the public aware of the firm or organisation, developing the bonds and altering the consumer's perception about a brand or firm (Egan 2015). With sponsorship, the enterprise is spending some money to support a cause or an event that is constant with the business goals, such as cultivating brand cognisance or improving a company image (Fortunato 2013; Cornewell 2014). According to Plewa and Conduit (2016), SMEs do sponsorship and are seen in a positive light and there is no much difference amongst the larger organisations and SMEs sponsorship.

Kolabi, Hosseini, Mehrabi and Salamzedah (2011) state that SMEs rely on the interactive methods like word of mouth marketing to thoroughly communicate the firm's product and services message and develop customer referrals. Word of mouth in small businesses is still taking a lead as a marketing tool that is relied upon, for gaining customers (Karimi & Naghibi 2015).

3.6 THE IMPACT OF MARKETING STRATEGIES ON BUSINESS PERFORMANCE

The right marketing strategies embrace not only creating an increasing market share but discovering an improved way to meet consumers' needs and desires. Marketing strategy is one of the significant efficient strategies that SMEs implement to boost performance (Dzisi & Ofosu 2014). Businesses, including SMEs, have become aware of the necessity to establish approaches that will assist them to advance their understanding of the market, customers and competitors (Dzisi & Ofosu 2014). As

highlighted by Karthikeyan and Dharmaraj (2015) a single strategy may not directly have an impact on the overall business performance, but a combination of strategies has a great impact on business performance.

The greatest needs of SME managers are to have a perfect understanding of and to cultivate marketing strategies for their product and service offerings. SMEs' success is centred on the capability to build a rising body of contented and loyal customers (Van Scheers 2011). Kotler and Armstrong (2011) state that marketing seeks to appeal to new customers by making promises of great values and retaining current customers through satisfaction. Today, SMEs are characterised by high competition, therefore, there is a need to have some steadfast strategies in order to survive. With an appropriate strategy, SMEs can enhance their performance to gain an increase of market share (Dewi 2016). Molly (2013) recommends that businesses build a worthy and solid customer base and establish contacts with relevant stakeholders to help the business to grow; however, when assessing the business performance, there is a need for the business to make some quantifiable measures by finding aspects that need some enhancements.

Performance measurement is the process whereby the target and value the business generates from their stakeholders is measured against how well the business is managed (Illmer 2011). Ringim (2012) states that performance measurement enables the business to focus on the elements that need some enhancements by assessing the evolution of work through quality, cost and time and making consolidations on areas with high level of outputs. Continuous performance is any business's objective because only through performance, it enables businesses growth and progress (Gavrea 2011).

David, Neeraj, Derek, John, Michael, Ruba and Julio (2013) found that there is a substantial connection between the SMEs marketing strategies and performance in case of broader customer relations, income growth and employment opportunities and enhanced proficiency. Marketing strategy if cautiously adjusted to the local market, has the power to meet with customer needs and subsequently improve the business performance (Zeriti, Robson, Spyropoulou & Leonidou 2014). Dzisi and Ofosu (2014) states that marketing strategies that are applied by SMEs have great impact on their performance in terms of brand cognisance, market share and success. A good

marketing strategy supports sales and expansion and makes a significant contribution to the businesses' market share growth (Marjanova *et al.* 2012).

3.7 FORMULATING HYPOTHESES

A research hypotheses is the statement that researchers create when they venture unto the results of an experiment and a well worked-out hypotheses represents half the answer of the formulated research question (Mourougan & Sethuraman 2017). A good hypotheses also indicates the researcher's knowledge in the field undertaken in the study. With this study, the researcher focused on identifying the factors that influence the formulation of marketing strategies for SMEs in Polokwane.

3.7.1 Demographic factors and marketing strategies (product strategies and marketing communication strategies)

Yan and Chew (2011) assert that the development of marketing strategies within SMEs is narrow and often relies on the small business traditional marketing model, which is influenced by marketing knowledge, training and funds. The SMEs marketing strategy aims to position business resources and abilities to contest in the market. It is reported that resources within the SMEs are an essential part in implementing the marketing strategies, hence SMEs do not have enough resources (Ardjouman & Asma 2015). Marketing strategy offers the avenue for using the business resources proficiently to attain its set goals and objectives (Adewale *et al.* 2013).

Hypotheses 1

H_1 Marketing strategies (product strategies and marketing communication strategies) of SMEs differ across demographics (business operation, training and annual turnover).

H_0 Marketing strategies (product strategies and marketing communication strategies) of SMEs do not differ across demographics (business operation, training and annual turnover).

Sub-hypotheses were formulated for each demographic factor.

H_{1a} Marketing strategies (product strategies and marketing communication strategies) of SMEs differ across the business operation of SMEs.

H$_{1b}$ Marketing strategies (product strategies and marketing communication strategies) of SMEs differ across the training attended by SMEs

H$_{1c}$ Marketing strategies (product strategies and marketing communication strategies) of SMEs differ across the business turnover of SMEs

3.7.2 Demographic and factors influencing marketing strategies (product strategies and marketing communication strategies)

Ardjouman and Asma (2015) assert that while big businesses can swiftly move from one business to the next, SME businesses are limited or stagnant as a result of inadequate resources, which limit the strategies from being effectively implemented. The availability of suitable financial resources is significant for business development (Tustin 2003). Business managers who have acquired relevant skills and training are likely to able to get the market for business products, scan the environment and produce products that can stand in the market and compete (Czinkota & Ronkainen 2003). Abilities and capacities of management within an SME are factors connected to the success of the business as they give the entrepreneur the aptitude to perform successfully and the authority to act excellently in a specific range of possible future context (Ibrahim & Soufani 2002). Leitao and Franco (2011) found that the marketing strategies and performance of SMEs are influenced by the high levels of SME owner's education and training, SME owners that have received training are likely get and develop skills to sustain the business.

The study conducted by Sharmilee and Muhammad (2016) discovers that more than half of the respondents regarded managerial training and lack of competency as a factor that affects the implementation of marketing strategies and performance of the business. This finding is supported by the study of Martin and Staines (2008) which found that managerial training and competencies certainly affect the implementation of strategies within the SMEs.

This leads to the second hypothesis.

H$_2$ Factors influencing marketing strategies (product strategies and marketing communication strategies) differ across the demographics of SMEs (business operation, training, annual turnover).

H_0 Factors influencing marketing strategies (product strategies and marketing communication strategies) do not differ across the demographics of SMEs (business operation, training, annual turnover).

Sub-hypotheses were formulated for each demographic factor:

H_{2a} Factors influencing marketing strategies (product strategies and marketing communication strategies) differ across the business operation experience of SMEs.

H_{2b} Factors influencing marketing strategies (product strategies and marketing communication strategies) differ across the training attended by SMEs.

H_{2c} Factors influencing marketing strategies (product strategies and marketing communication strategies) differ across the business turnover of SMEs.

3.7.3 The impact of marketing strategies (product strategies and marketing communication strategies) on performance of SMEs

Owomoyela *et al.* (2013) view marketing strategy as way of providing quality products that satisfies customer needs, offering reasonable prices and engaging in extensive distribution and backed with effective promotional strategy. With reference to the study conducted by Adewale *et al.* (2013) found that marketing strategies were expressively independent and positively influenced the business performance.

Marketing communication, as part of the marketing strategies, has a positive impact on business performance, which is also triggered by the effects of brand knowledge and brand awareness (Buil, de Chernatony & Martinez 2013). Chandy and Zia (2014) found that marketing communication strategies positively impact on the business's overall performance. Some studies discovered that product consideration has an influence on business performance in terms of expansion, market share, profitability and so on. Product performance is based on the most important single new product that is considered in terms of sales turnover and thus contribute to the long-term profit performance (Strydom 2011).

Hypotheses 3

H_3 Marketing strategies (product strategies and marketing communication strategies) have an impact on the performances of SMEs.

H_0 The marketing strategies (product strategies and marketing communication strategies) of SMEs do not have an impact on the performance of SMEs.

Sub-hypotheses were formulated for each demographic factor:

$H3^a$. Marketing communication strategies have an impact on the performance of SMEs

$H3^b$ Product strategies have an impact on the performance of SMEs.

3.8 CONCLUSION

The focus of this chapter was to discuss the marketing strategies of the SMEs and how they affect the SMEs performance. Elements of the marketing strategy (market segmentation, targeting, positioning, target market, product, pricing, place and marketing communication strategies) were outlined, which has indicated its importance and the application within the SMEs. The reviewed literature showed that SMEs do not use marketing strategies very effectively or somehow marketing strategies are not used at all. It was assumed that marketing strategy was something that can mainly be applied by big companies while others believe that marketing needs some special skills, and this has some impact on the overall performance of the SME.

The next chapter discusses the research methodology adopted in this study.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 INTRODUCTION

The purpose of this chapter was to outline the framework of research methods that were used for the research. The sampling plan and the methods used to analyse the collected data were discussed, describing the research design chosen for the purpose of this research and the reason behind the choice of the research design. Also, the instrument used for data collection was described. Lastly, the ethical considerations that were followed during the research process were deliberated.

4.2 RESEARCH METHODOLOGY

Welman, Kruger and Mitchel (2013) define research methodology as the practice for considering and clearing up the sense about the research methods and procedures to discover a phenomenon. Research methodology is further defined by Babbie and Mouton (2006) as methods, techniques and procedures applied when executing the research design as well as the fundamental ideologies and assumptions that emphasise their use.

4.2.1 Research paradigm

This study adopted the post-positivist approach in understanding how the adoption of marketing strategies impact on the performance and business outcomes of SMEs. The literature has identified different research paradigms that guide studies in the field of business studies. These range from positivist, post-positivist, phenomenology, interpretivist to activist. Research paradigm is the philosophical outlook of the researcher, which shapes the way the researcher sees reality, known as ontology and how he seeks knowledge, which is known as epistemology.

Mack (2010) in distinguishing between ontology and epistemology, notes that ontology may be simply regarded as the way an individual sees reality and epistemology as the way we acquire knowledge. Ontology may thus suggest identifying the reality as one sees it in existence. Ontologist study the meaning when one says something is real, then an epistemologist studies the meaning when we say we have a knowledge of something.

A research paradigm according to Lather (1986) and Talmy (2010), fundamentally shows the researcher's views about the world is living in and also want to be in. This institutes the intellectual beliefs and moralities that outline how the researcher looks at the world and how everything is interpreted in that world. A paradigm can be used in three ways in human sciences, namely for the institutionalisation of knowledgeable motion, comprehensive groupings of methods and perceptions to the research of any subject and for describing the extensive research approaches (Hussain, Elyas & Nasseef 2013). It is mostly observed that the paradigms we figure in our thoughts have an authoritative outcome as they make the lens through which we view the world (Shah & Al-Bargi 2013).

4.2.1.1 Positivist

The positivist paradigm stresses that honest and factual activities could be observed and studied scientifically and could as well be explained by means of lucid and rational analysis and investigations (Aliyu, Bello, Kasim & Martin 2014) The positivist paradigm explore social realities based on the impression that the understanding of human behaviour can be gained through observations. Taylor and Medina (2013) state that knowledge is often derived from observations and this approach consider the factual and understanding of information in our disposal.

4.2.1.2 Philosophical approach to the study – Post positivist

Post-positivists pursued the understanding of causal relationships; hence, correlational and experimentation studies are used. Furthermore, according to Creswell (2009), as knowledge is cautious, hypotheses are not verified but basically not excluded. In postpositivist paradigm, the latter admits that reality is deficient, and that truth is not complete but feasible. It allows for remarks without construction of hypotheses to be tested (McGregor & Murnane 2010).

According to McGregor and Murnane (2010), in post-positivist paradigm, instead of attempting to describe how something works, researchers attempt: (a) to disclose power relationships and structures or (b) to know why people operate in the way they operate. The post-positivist paradigm undertakes that research should not be value-free and unprejudiced but be loaded with value, subjective and intersubjective.

In this paradigm, exploration should occur in public and in the day-to-day lives of the people, in natural situations rather than in a laboratory (Zammito 2004). The researcher needs to understand how the adoption of marketing strategy impacts on the performance and business outcomes of SMEs, which is the reason why a post-positivist approach is used.

4.2.2 Research Design

Research design is viewed as the directing plan, which states all approaches and procedures in the collection and analysing of data for research or study purposes (Zikmund, Babin, Carr & Griffin 2012). Through the research design the researcher can get the study or research subjects and gather necessary data from them with the intention of reaching decisions for the research problem (Boeije 2010). Bezuidenhout (2011) see research design as the action plan or process that serves as the main guideline for any research purpose. According to Saunders, Lewis and Thornhill (2009), this process assists the researcher in gaining a comprehensive knowledge in planning the research, the reason behind the way of conducting it and the implications thereof.

The choice of a research design was influenced by the nature of matters being researched, the researchers' experience and the audience for the study (Creswell 2014). When conducting research, a researcher can make use of the main types of research designs to gather data: exploratory research, descriptive research and causal research (Cooper & Schindler 2011). When using exploratory research, the researcher pushes to gain understandings of the common nature of the problem, the probable options and the significant variables that need to be deliberated upon in forthcoming researches (Aaker, Kumar, Leone & Day 2013)

According to Hair, Bush & Ortinau (2006) and Cooper and Schindler (2011), a researcher can select a research design from many kinds of research designs, namely exploratory research, causal research and descriptive research. Exploratory research is used when a researcher needs to understand or get an insight into a phenomenon or individual and it is convenient when the researcher desires to elucidate his own understanding about the research problem (Saunders 2009). Wiid and Diggines (2013) state that causal research shows the connection between variables and helps to identify and explain a link between the dependent and independent variables.

According to Sreejesh, Mohapatra and Anusree (2014), the basic aim of causal research is to find the cause and effect relations amongst variables. Descriptive research design explains the variables being studied and makes it flexible to examine a problem from different approaches (Boswell & Cannon 2017).

The descriptive research was deemed appropriate for the study and it is discussed next.

4.2.2.1 Descriptive research

The objective of the descriptive research design is to describe a correct profile of an individual, events or circumstances (Saunders *et al.* 2009). According to Dantzker and Hunter (2012), a descriptive research design is appropriate for our research since it stresses the description of facts and physiognomies of a particular population, policy or any given area of interest in an organised and detailed manner. Descriptive research is different from exploratory research as it is known by prior formulation of the problem/specific hypotheses while exploratory research is commonly used for problem formulation (Creswell 2014). The information gained from a descriptive study can offer understandings or perceptions not known in previous researches and it can also lead to the study becoming inferential (Dantzker & Hunter 2012).

An inferential study generalises findings from a sample group and applies them to the larger population (Dantzker & Hunter 2012). If one is going to make inferences from the descriptive research or study, they must be sure that the population is well represented within the sample studied (Dantzker & Hunter 2012). Descriptive research design is used when the aim of the study is to have knowledge about who, what, when, where and how, concerning the research topic (Creswell 2014; Sahu & Singh 2017).

Two forms of descriptive research can be followed, namely cross-sectional and longitudinal study. In a cross-sectional descriptive research study, researchers gather and measure the gathered information from any specified sample of population elements once only (Burns & Bush 2010; Churchill, Brown & Suter 2010). With longitudinal descriptive research, a static sample of population elements is measured repetitively on the same variables (Wilson 2012). The study follows the cross-sectional descriptive research since the data were collected from a given sample at a given time.

The objective of this study was to identify factors influencing the formulation of marketing strategies for SMEs in Polokwane.

4.2.3 Research Approach

Creswell (2014) highlighted three approaches to research, namely qualitative, quantitative and mixed methods.

4.2.3.1 Qualitative Research

Qualitative research aims to address the research aims using the method that allows the researcher to thoroughly interpret occurrences not dwelling much on numeric measurements (Zikmund *et al.* 2012). It is usually used in answering questions concerning the multifaceted nature of the occurrences, with the motive to describe and understand the sensations from the participants' viewpoints (Veal 2011). Qualitative research method aims to study behaviours in cultural, social and political situations (Salkind 2012).

Not all researchers have positive opinions about the reliability of qualitative research outcomes, when compared to a quantitative research method. Klenke (2016) posit that positivists usually question its dependability, because their reliability and validity concepts cannot be addressed the same as in a quantitative research. Subsequently researchers who follow qualitative research state that figures do not produce adequate insight concerning matters at hand (Verhoeven 2011).

Qualitative research differs from quantitative research based on its significance dedicated to expressing the opinions and perceptions of the research participants (Yin 2016). According to Silverman (2010), qualitative methods should not be regarded as intrinsically greater and quantitative research approach may undeniably be more suitable for most research problems.

Qualitative research is a research technique that obtains data from a fairly small group of participants. When compared to quantitative research, quantitative research obtains data from a large sample size, which provides data that are statistically analysed (Lehmann 2006). Using a qualitative research method, a researcher can avoid statistical techniques and mechanics associated with the quantitative research method (Silverman 2010).

4.2.3.2 Quantitative Research

According to Keyton (2010), quantitative research methods can be defined as the research methods whereby the researcher depends much on the statistical information given by the participants. It begins with the formulation of hypotheses, which should be easy to understand (Fain 2017). The researcher in quantitative research investigates theory through the formulation of hypotheses, data collection and thereafter analyses the collected data to back or refute the set hypotheses (Creswell 2009; Laura & James 2014).

Quantitative research seeks to discover new understanding by focusing on the investigation of issues within the natural environment (Laura & James 2014). Thus, the focus of quantitative research is upon the methodologies that stress data verifications, measurements of variables, variables explanations, statistical significance and internal validity (Fain 2017). Quantitative research is mostly used in investigating whether there are statistically substantial variances between dependent variables based on an independent variable (Stein, Rice & Cutler 2013). Most often quantitative research focuses on the research of the characteristics of variables within a short period of time obtaining the results that can be generalised (Flick 2015).

Quantitative research is repeatedly branded with the common scientific method that collects data empirically in a structured, systematic and organised way for the discoveries to be generalised to other situations (Boswell & Cannon 2017). Quantitative research seeks to understand the connection between variables (Saunders, Lewis & Thornhill 2012). In a quantitative study, the researcher tries to define the cause and effect connection between variables (Bryman 2012).

Quantitative research, like qualitative research, specifies the research purpose, the research participants, the type of data being collected, time frame for data collection and how data are to be collected (Boswell & Cannon 2017). Certainty in the fundamentals of a quantitative angle leads a researcher to review questions concentrated on relationships between variables, while being outcome-oriented (Fain 2017).

Quantitative research target for detachment, scientific independence and objectivity when stating their research questions and the hypotheses (Laura & James 2014). Flick

(2015) states that quantitative research can also be used when selecting the research participants, collecting data to respond the research questions, doing analysis and making their conclusions. In quantitative research methods, the relationship between the researcher and the participants' is minimised and the value of the research is quarantined as much as possible (Laura & James 2014).

Boswell and Cannon (2017) emphasise that it is essential for the researcher in a quantitative study to be in control of effect from inconsequential variables, such as ethnicity, age and gender. According to McKenzie (2013), quantitative methods are objective and easily administrated and interpreted, with the research outcomes that are conveyed in numeric format and easy to standardise. Veal (2011) indicate that the usual methods of quantitative data collection comprise surveys, experiments and case studies. The purpose is to simplify the results to a comprehensive setting, centred on the results of a sample of the population, which is illustrative (Kalane 2015).

4.2.3.3 Mixed Methods

Mixed methods encompass the integration of both the qualitative and quantitative research methods in one research study (Creswell 2014). The central principle of the mixed methods is that the use of qualitative and quantitative methods together offers enhanced understanding of the research problems (Creswell & Plano-Clark 2007). According to Hartley (2011), diverse methods of research have their own distinctive strengths and weaknesses and researchers are combining methodological approaches with the determination of using the strength of another method to overcome the weaknesses of the other method.

The chosen method for this research study was quantitative research method and data was gathered by means of a survey using a structured and self-administered questionnaire. The study has adopted a descriptive study using quantitative data. The reason behind choosing quantitative research design was because it can be used to determine the acquaintances between different variables, describe variables and be used to test the cause and effect connections between variables. Some previous studies on the SMEs used the quantitative method, such as Wiese (2014); Gaweseb (2015); Lekhanya (2016); Seukindo (2017).

4.3 SAMPLING PLAN

Sampling is the method of deciding on the number of individuals for a research study in a manner that the chosen individuals signify the greater or whole group from which they were carefully chosen (McDaniel & Gates 2010; Bezuidenhout 2011). Sampling allows the researcher to come to conclusions through evaluating or analysing the acquired data from the selected sample (Khure 2013).

Sampling is a suitable part of the population that the researcher chooses to partake in a research, whereby the needed information for the research will be acquired from (Sekaran & Bouble 2010; McDaniel & Gates 2010). According to Makhitha (2013), the sampling plan details the sampling population, sampling method, sampling frame and the sampling size of the study.

4.3.1 Target Population

The target population is described by Graziano and Raulin (2013) as the population by which the information is wanted from and study findings will be based on. Welman *et al.* (2013) describe a population as the collection of constituents such as individual offerings, persons, administrations, occasions and associations. Jha (2014) agree with Welman *et al.* (2013) by stating that research population refers to the group samples that share certain characteristics that can be related to the researcher's project.

Population is the group of entities that meet the specific needs of the researcher and which are proposed to be used to generalise the research results (McMillan & Schumacher 2010). Cooper and Schindler (2011) state that population refers to the comprehensive collection of elements whereby statistical inferences are to be made.

Population is the intellectual idea of a group of several cases from which a researcher takes a sample and to which outcomes from the chosen sample are generalised (Neuman 2011). The target population for this study was the SMEs operating in Polokwane except Hawkers. Graziano and Raulin (2013) describes a target population as citizens by which the researcher it is expected to make inferences of the research findings from. Once a population is identified for a specific research project, the search begins for a good sampling frame

4.3.2 Sampling Frame

Several commercial establishments offer a database of names, telephone numbers and addresses of the possible sampling frame for numerous studies. Irrespective of the sources, it is very difficult and expensive to get the exact or representative sampling framed (Shukla 2008). Wiid and Diggines (2013) define sampling frame as the reliable list used to draw research sample. Within this population, there will probably be only certain groups that will be of interest to the study (Walliman 2011).

In Polokwane, the total number of SMEs is unknown. Snowball and convenience sampling were considered suitable in this quantitative study especially in cases where the sample selection is from a hard-to-find population or there is no sampling frame (Christensen, Johnson & Turner 2011).

4.3.3 Sampling Method

Sampling plan can be categorised into probability and non-probability sampling. Both the sampling methods recommend the selection of elements of the population by chance (Walliman 2011; Jha 2014). The researcher made use of non-probability sampling as it is convenient and representative of the population.

Probability sampling establishes a non-zero and a known chance of each member of the defined target population to be nominated as part of a sample, while non-probability sampling fails to ascertain the same chance and thus not provide for members of the population to be selected in the sample (Jha 2014). According to Sekaran and Bougie (2013), in probability sampling, members of the known population stand a chance to be chosen in the sample for the research purpose. Dixon, Singleton and Straits (2016) concur with Sekaran and Bougie (2013) by stating that probability sampling is based on a method of unsystematic selection that offers each case in the population the same opportunity to be incorporated in the sample.

A non-probability sampling technique can be described as a random and subjective technique whereby the chances of being selected as a sample are not open or members of the inhabitants do not have a known or non-zero selection chance (Cooper & Schindler 2008). Ritchie and Lewis (2012) mentions that in non-probability sampling, units are consciously nominated to reveal certain features in a sampled

population, therefore, the population's characteristics are used as the basis for selection (Ritchie & Lewis 2012).

Non-probability sampling is established on selection by accidental means and is much appropriate where it is challenging to get access to the entire inhabitants (Walliman 2011). The non-probability methods include quota, purposive, convenience and snowball sampling (Burns & Bush 2010; Jha 2014). Quota sampling encompasses designing the population into fractions of certain groups needed by the researcher to be represented in the sample (Bachman & Schutt 2013).

According to McMillan and Schumacher (2010), when following purposive sampling, the researcher chooses certain traits from the population that will be useful concerning the researched topic. Snowball sampling is considered suitable for quantitative studies mainly in cases where there is no sampling frame (Christensen, Johnson & Turner 2011). According to Cooper and Schindler (2011), in convenience sampling, the researcher chooses any enthusiastically accessible units as participants and it is also economical. Mustapha (2010) mentions that the convenience sampling approach includes the study participants that take part in the research based on their willingness and availability, regardless of their group associations. This method is convenient for researchers as they can gather data from everyone whom they can contact. Therefore, after looking at the sampling methods available, non-probability sampling, convenience and snowball sampling were considered for this study. Since there is no reliable database for SMEs in Polokwane, through snowball sampling, SMEs told the researcher about other SMEs and convenience sampling was also applied for those who were readily accessible to take part in the study and is cheaper and easier to conduct.

Saunders, Lewis and Thornhill (2009) state that convenience sampling is the best imperative kind of non-probability sampling. This is because researchers trust their research experience and inventiveness to consciously get population members, in a way that the secured sample may be considered as an applicable population representative.

In a convenience sampling method, the sample selection process is continuous until the necessary sample size has been reached (Cooper & Schindler 2011). The decision

to use non-probability sampling depends on the unit of analysis, data collection methods and the research questions (Dixon, Singleton & Straits 2016).

4.3.4 Sample Size

Sample size is described as a group that is a subdivision of the research population (Saunders *et al.* 2009). Kapoor and Kulshrestha (2010) articulates that when deciding on the sample size, the sample must not be more than necessary to waste resources and time; however, a sample must not be too small to bring inaccurate outcomes. According to Muday (2013), larger sample size can bring better and more trustworthy research findings.

Blumberg *et al.* (2008) specify that the sample size can be influenced by the costs involved when collecting data. Cooper and Schindler (2008) state that, data gathered from samples can be used to make conclusions about a population without probing every member of that population. Therefore, enough samples are needed to represent the population.

For any form of quantitative research analysis there is a minimum sample size of at least 100 required to determine simple fractions for each variable (Kent 2007). There are some rules involved when determining the sample size (Sekaran & Bougie 2013):

- The sample size of 30 to 500 is appropriate for many researches.
- Where samples need to be divided into sub-samples, a sample size of 30 is needed for every category.
- In multivariate researches, the sample size ought to be sometimes as large as the number of variables in the study.

Aaker *et al.* (2013) shows that the sample size can be uttered by bearing in mind the cost involved in collecting data, reliability and the pace required for data collection. There is no frame of reference for the standard sample size. The sample size for existing studies on marketing and SMEs ranges from 100 to 350, for example, Soke (2014) sample size 273; Chingwaru (2014) sample size 278; Makhitha (2016) sample size 200; Rungani and Potgieter (2018) sample size 350; and Makhubela (2019) sample size 300. As reported by Stam, Arzlanian and Elfring (2014) the sample sizes for the past similar studies ranged 40 to 756.

Therefore, being guided by the above statements, the researcher chose 412 samples to represent the population. According to Struwig and Stead (2013), it is hard to determine if the sample size is good or bad, however, it is suggested that the researcher should be guided by the research purpose and goals. Determining an acceptable population sample size involves knowing that the larger the sample size the more likely it is to obtain the research results that can be generalised.

In the absence of the sampling frame the researcher can focus on non-probability sampling methods for the study (Adams, Khan and Raeside 2014). There was an absence of the sampling frame for the SMEs in Polokwane which necessitated the researcher to use both the snowball and convenience sampling for the SMEs, whereby the researcher was moving from street to street approaching the SMEs owners/managers that were readily available for the purpose of research. All the participants signed the consent form to ensure that everyone is aware that the research participation was voluntary.

4.3.5 Data Collection Methods

4.3.5.1 Survey

Saunders, Lewis and Thornhill (2012) articulate that a survey research includes all the approaches that an investigator needs to create conclusions from a sample about inhabitants to respond to the research questions and to meet research goals. The aim of a survey is to develop analogous data through the subdivisions of the preferred sample, the aim being to find resemblances and variances (Cooper & Schindler 2011).

Survey research can be described as a cross-sectional design relative to which data are gathered mostly by a self-completion questionnaire or by well-organised interviews on more than one case (Bryman 2012). According to Saunders *et al.* (2012), surveys help the researcher in collecting quantitative data, which quantitative analysis can be made from, using both descriptive and inferential statistics.

Survey techniques are allied with the descriptive and causal research and allow a researcher to gather more quantity of information from a set population cost effectively (Gaweseb 2015).

When using the survey research method, primary data are collected directly from the respondents or the sample and the questionnaire is used to structure and record the collection of data (Wegner 2012). In this study, the survey research was piloted, and using a questionnaire to gather primary data from the SMEs in Polokwane. Distribution and collection of the questionnaire was done by the researcher alone.

4.3.5.2 Questionnaire

The primary data in this study were gathered using questionnaires. According to Collis and Hussey (2009), a questionnaire is a list of cautiously arranged questions, which have been chosen to obtain reliable responses from a study sample. Brace (2013) defines a questionnaire as the communication method between the researcher and the subject, although occasionally administered on the researcher's behalf by an interviewer.

Questionnaires offer the researcher a good administrative advantage and present a comprehensive way of collecting data (Robert 2013). A good questionnaire should reduce the response problems to boost the prospects for a good response rate (Denscombe 2014).

A good written questionnaire is a low-cost choice for a survey and can deliver the most accurate answers (Brace 2013). It is in the researcher's jurisdiction, being guided by the research or study objectives, to formulate questions, which require answers and through the questionnaire the respondents will convey the answers back to the researcher (Brace 2013)

When creating a questionnaire, all information and questions should be to the point and very clear and outlined by the research questions (Graziano & Raulin 2013). Pre-testing the questionnaire is recommended before it can be presented to the respondents. Pre-testing the questionnaire determines its success and provides relevant information to respond to the set research questions (Aaker *et al.* 2011). The questionnaire was pre-tested and all errors or comments, were rectified or changed before being presented to the respondents.

4.3.5.3 Questionnaire Design

Questionnaire design and layout are essential features of a questionnaire, which help in capturing the interest of the participants. There are different considerations when designing a questionnaire, which comprise the types of questions, introduction, wording and the number of questions combined in a questionnaire (Horn 2012). The questionnaire was selected as the method to gather data since it can easily be managed and distributed. It also ensures that the entire sample can receive the same questions, which ensure consistency of the questions asked to all the respondents. The types of questions used in this study included the Likert scale, closed, dichotomous and open-ended questions.

Closed questions can be responded to with one word or short phrase, while open-ended questions afford the respondent the opportunity to give a long answer or express himself to a particular question (Johnson & Christensen 2012). A questionnaire based on closed-ended items is typically used in quantitative research (Johnson & Christensen 2012). Dichotomous questions have only two alternative responses, such as male or female, yes or no and so on (Shukla 2010). Dichotomous questions signify the first and simplest form of the closed question format, as the respondent is limited to two fixed alternatives (Wilson 2012)

Welman *et al.* (2013) state that Likert scale questions allow the ratings and measurements of the respondents in line with different ideas, topics or conditions. Likert scale is rated as the most frequently used method of scale in marketing research and it is easy to manage (Zikmund & Babin 2010). The Likert scale is convenient in determining the total score for each of the respondents concerning each score. Malhotra (2009) states that it is vital to use a steady scoring method so that the low or high score reflects a constructive response. The questionnaire length must be kept reasonably short, thus certifying that it is not complicated to manage as well as to undertake the coding of the responses (Horn 2012). To ensure anonymity, participants were not requested to specify their names on the questionnaires.

Codes were assigned to each of the possible responses that respondents chose. Instructions were added on the questionnaire cover page, persuading the respondents to be honest and critical as they select the best response. The respondents were advised to request the results of the research, should they need them.

The existing literature was used to design the questionnaire items. Questions on marketing attitude were designed using information sourced from Brooksbank, Thompson and Williams (2008), for marketing orientation, Keh, Nguyen and Ping (2007); Tsikirayi, Muchenje and Katsidzira (2013) for marketing communications, Lekhanya (2015); Mohammad and Neda (2012) for product innovation, Keizer, Dijkstra and Halman (2002); Oke, Burke and Myers (2007); Osei, Yunfei, Appienti and Forkuoh (2016) for questions related to SMEs factors/challenges, Lekhanya (2010); Lekhanya (2015); Zhou (2015); Aigbavboa and Thwala (2014) for questions related to performance, and also from Oke, Burke and Myers (2007); Terziovski (2010); Osei,Yunfei, Appienti and Forkuoh (2016) for the overall design of the questionnaire.

To ensure that all possible errors (like inadequate time limits, unclear instructions) within the questionnaire are avoided or addressed early, pilot testing was done. Pilot testing is very useful if the measuring instrument has been formulated mainly for the research study (Welman *et al.* 2013). Saunders *et al.* (2009) assert that with pilot testing, the researcher is able to determine the respondents' behaviour about the research questions.

4.4 DATA PREPARATION

4.4.1 Editing

Editing helps to identify unanswered questions and is also useful to check the consistency of the responses. If responses are unsatisfactory, the researcher returns to the field to reconnect with the respondents to get better or more complete data (Makhitha 2013)

4.4.2 Coding

Data coding, in this instance, encompasses allocating numbers to answers to group responses into a limited number of classes and groups. Arrangement of data into limited categories is essential for effective analysis (Chazireni 2017). Coding assisted the researcher to reduce the large number of qualitative responses into just a few manageable categories that hold critical information vital for analysis. In the research, coding was done on the questionnaire for all the variables from v1 to v135.

4.4.3 Data Capturing

Data capturing is a data preparation stage where data are transcribed by being transferred from questionnaires onto a disk or directly into a computer (Cooper & Schindler 2011). The data capturers checked for errors during data capturing. Thereafter, the researcher and the research supervisor also checked the final captured data to confirm that no wrong codes and mistakes were made. The questionnaires were checked for mistakes, then later captured for analysis.

4.4.4 Data cleaning

Data cleaning involves making sure that raw data values were accurately entered into a computer readable file. The main aim for cleansing the data is to identify the dirty or unnecessary data (irrelevant, incorrect, or incomplete data) and to either alter or remove it to confirm that a given set of data is correct and consistent with other sets in the system (Rana, Negi & Kapoor 2016)

4.4.5 Data analysis

The researcher administered the questionnaire to be used in obtaining information for this study. The responses to the questionnaire were manually analysed, entered into Microsoft Excel database and prepared for SPSS analysis.

The first thing to do when analysing the collected data is to describe them (Salkind 2009). Data analysis entails the reduction of collected data to a controllable size, making summaries, considering the available patterns and making use of the available statistical techniques to interpret the data (Cooper & Schindler 2008).

Burns and Bush (2014) state that data analysis assists the researcher to abstract data that is expressive and correctly describes essential characteristics of the phenomena. Furthermore, data analysis is significant since raw data offer tiny details and meaning to researchers (Msoza 2015). Once the sample of data has been described, the descriptive information is used to deduce or infer from the sample, which the data was collected from the sample (Salkind 2009).

4.4.6 Quantitative data analysis

Quantitative data, before being processed and evaluated, carries only slight significance (Welman *et al.* 2013). Therefore, there is a need to process and transform data into codes. Veal (2011) articulate that there is a commonly used statistical package to code data, namely Statistical Packages for Social Sciences (SPSS). For the purposes of this research, SPSS, version 24 was used to capture and analyse data. Data analysis was done in the following way:

4.4.6.1 Descriptive Statistics

Descriptive statistics are regarded as the most effective means of summarising the characteristics of huge sets of data (Kent 2007). In addition, descriptive statistics designate the sample characteristics.

Descriptive statistics are used to review, discover and show the collected data (Coakes 2013). Likewise, Graziano and Raulin (2013) affirms the description of data is done in descriptive statistics and then analysed by means of inferential statistics. Zikmund *et al.* (2010) state that frequency and distribution percentages can also be utilised to recapitulate and describe data. As stated by Bartholomew, Knott & Moustaki (2011) factor analysis functions on the belief that quantifiable and observable variables can be reduced to fewer latent variables with mutual variances.

There are two main factor analysis techniques which are Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA). The EFA was adopted in the study. EFA is used when the researcher wants to uncover the multifaced patters by exploring the dataset and examining the data predictions (Yong & Pearce 2013).

4.4.6.2 Inferential statistics

Njue (2015) describes inferential statistics as the system that uses the probability concept to infer the properties of a population from the analysis of the sample. The aim of inferential statistics is to make inferences from the sampled population concerning the population that the sample was drawn from (Quinlan 2011)

Walliman (2011) articulates that inferential statistics are analytical, based on implications made from analysed facts. The predictive element is made on the basis

that certain qualities that are predominant in a sample will be evident for the whole population.

4.4.6.3 ANOVA and regression

ANOVA and regression were also applied to determine the impact of marketing strategies on business performance. ANOVA is most appropriate when the researcher is interested in testing the differences between three or more groups and the dependent variable is continuous and if there is only one independent variable, a one-way ANOVA is deemed appropriate (Frederick & James 2006). The regression model is a statistical procedure that lets the researcher make estimations of the linear, or straight line, relationship that connects two or more variables. The most frequently used type of regression is linear regression, which measures the degree to which the relationship between independent variables and dependant variables can be signified by a straight line (Scott 2018)

4.5 VALIDITY AND RELIABILITY ISSUES

In both quantitative and qualitative studies, validity and reliability are critical aspects of instruments (e.g. questionnaire) (Laura & James 2014). Bryman and Bell (2015) concur with Laura and James (2014) by articulating that validity and reliability are the greatest criteria's when assessing a study. Both the study's validity and reliability were discussed:

4.5.1 Validity (External and Internal)

According to Leedy and Ormrod (2014), validity is the point to which the research tool measures what it is envisioned to measure. Validity refers to the degree to which a particular measurement offers data that relate to frequently believed significances of a specific concept (Rubin & Babbie 2017). McMillan and Schumacher (2010) articulate that quantitative research design validity contains suggestions centred on content in terms of the sampling evidence based on the response processes within the questionnaire and on internal structure relative to the traits evident in the grade head system

A researcher can use different types of validity tests to determine if he managed to make good measurements. The types of validity tests are content, construct and criterion validity. Content validity helps the researcher to determine how accurately an assessment tool taps into various aspects of the specific construct in question and criterion validity is established when there is a close relationship between the results of the measured concept and other results from other measurements (Salkind 2009). Construct validity demonstrates how well the results found from utilising the instrument match the concepts it is envisioned to measure (Cooper & Schindler 2008).

4.5.2 Reliability

Leedy and Ormrod (2014) define reliability as the uniformity with which a measuring tool produces certain, reliable outcomes when the entity being measured has no difference. It refers to the probability that a measurement procedure will produce a similar explanation of a given phenomenon if that dimension is repetitive (Rubin & Babbie 2017). Tavakol and Dennick (2011) and Laura and James (2014) describe reliability as the consistency of measurement in a research study and the credibility of the findings. Therefore, the reliability of the research lies on its ability to demonstrate the availability of good or similar results from a group of respondents

The statistical programme SPSS 24.0 was chosen to analyse data from the respondents because of its reliability. In determining whether the findings are reliable, the following question must be asked: Will the evidence and inferences stand up to the closest scrutiny? The Cronbach's alpha will also be used as a test of core uniformity and is commonly used to calculate the relationship values between the answers on the assessment tools.

4.6 ETHICAL CONSIDERATIONS

Any research that involves contact with human populations comprises ethical considerations and the respondents must be safeguarded (Blumberg, Cooper & Schindler 2008). In this research, the free will to participate by the respondents was discussed, the respondents' right to confidentiality and permission were acquired and respondents advised and assured about the right to withdraw from the study at any given time.

The researcher considered the subsequent as ethical rules and policies: informed consent, protection from harm, confidentiality, privacy, anonymity and caring (McMillan & Schumacher 2010). Informed consent is attained when explanation of the study is given to the participants. The participants were given advice concerning termination of their participation at any time with no consequence and clarity is given in terms of any risks associated with the research.

McMillan and Schumacher (2010) further state that research or study should at no time result in any bodily or mental worry to participants. The participants' privacy must be protected. The following restrictions must be applied to achieve privacy: participants' responses, characteristics, behaviour and other significant information (McMillan & Schumacher 2010)

Ethical approval for this research was obtained from the University of South Africa, Department of Marketing and Retail Management Research and Ethics.

4.7 CONCLUSION

This chapter concentrated on the methodology used in this study. The description of quantitative research as a method used for the study, research design, sampling plan and data analysis methods was given. Measures followed during the data collection were also discussed. The chapter adopted the survey method using a questionnaire to collect data. The questionnaire for this study was designed using the literature, this discussion was followed by how the questionnaire was developed. Both the snowball and convenience sampling methods were adopted for the study. Efforts were made in ensuring that mistakes were lessened and that the right sample was attained. The chapter to follows provides the detailed presentation and discussion of the research findings attained from the questionnaires.

CHAPTER 5: ANALYSIS OF THE RESULTS AND FINDINGS

5.1 INTRODUCTION

The chapter provides detailed analysis of the findings and interpretations of the study results. The purpose of the study was to identify factors influencing marketing strategy formulation for SMEs in Polokwane.

The analysis of the results entails the use of descriptive statistical analysis, factor analysis and inferential statistics (ANOVA and regression). Some of the information was presented in the form of figures and tables to clarify the study findings.

5.2 VALIDITY AND RELIABILITY

Leedy and Ormrod (2013) state that the reliability and validity of a research instrument must be calculated to determine if the used instrument has in fact measured the envisioned concepts, together with its consistency in measuring the concepts. This section presents the basis on which the factors analysed were considered.

5.2.1 Validity

As discussed in 4.5.1 in the previous chapter, in quantitative research design, validity contains suggestions centred on content in terms of the sampling, evidence based on response processes within the questionnaire and on internal structure with relation to the traits evident in the grade head system (McMillan & Schumacher 2010). Bougie and Sekaran (2010) concur with McMillan and Schumacher (2010) by articulating that validity refers to the honesty of the instrument and its provision of accurate responses to what the researcher requires.

The questionnaire was evaluated, and pilot testing was done with 10 SMEs to determine the suitability of the questionnaire and to eliminate the vague and unrelated questions. Participants' attitude towards the questions within the questionnaire were observed during the pilot testing. The questionnaire was kept short, vague questions removed to avoid discouragement and unrelated questions to the objectives were removed.

According to Ibrahim, Shiratuddin and Wong (2015), the recommended acceptable value for item loadings for each of the corresponding research construct is 0.40. As shown in Table 5.10 and Table 5.14 all the items show communalities above 0.4, which range from 0.432 – 0.798 and 0.415 – 0.733 for both marketing communication and product strategy respectively. The analysis meets the minimum requirement of items correlation, KMO and Bartlett's test of sphericity. The KMO for marketing communication strategy is 0.729 as shown in Table 5.09 and for product strategy is 0.665 as shown in Table 5.13, indicating acceptable content and convergent validity in the current study. Appendix 4 and 5 show the correlations matrix: marketing communication strategy and product strategy.

The presented results in Appendix 4 about marketing communication strategies indicates that there is a substantial positive relationship between sales promotions and digital marketing (r= .373; medium effect; p<.001), business branding (r= .321; medium effect; p<.001), personal selling (r= .352; medium effect, p<.001), traditional media (r= .100; small effect; p<.001) and a substantial negative relationship with public relations (r= -.058; small effect; p<.001), word of mouth (r= -.138; small effect; p<.001)

The results shows a substantial negative relationship between digital marketing and public relations (r= -.249; small effect; p<.001), email communication (r= -.018; small effect; p<.001), and a substantial positive relationship with business branding (r= .314; medium effect; p<.001), telemarketing (r= .251; medium effect; p<.001), personal selling (r= .243; medium effect; p<.001), traditional media (r= .089; small effect; p<.001).

There was a substantial positive relationship between public relations and email communication (r= .214; small effect; p<.001), traditional media (r= .220; small effect; p<.001), word of mouth (r= .031; small effect; p<.001), and a negative relationship with business branding (r= -.103; small effect; p<.001), telemarketing (r= -.132; small effect; p<.001), personal selling (r= -.089; small effect; p<.001).

Appendix 4 shows that there was a substantial positive relationship between email marketing and personal selling (r= .018; small effect; p<.001), traditional media (r= .170; small effect; p<.001), word of mouth (r= .008; small effect; p<.001), and a

substantial negative relationship with business branding (r= -.039; small effect; p<.001), telemarketing (r= -.075; small effect; p<.001)

There was a substantial positive relationship between business branding and telemarketing (r= .289; medium effect; p<.001), personal selling (r= .255; medium effect; p<.001), traditional media (r= .122; small effect; p<.001), and a negative relationship with word of mouth (r= -.036: small effect; p<.001).

Lastly the results in appendix 4 indicates that there was a substantial positive relationship between telemarketing and personal selling (r= .193; small effect; p<.001), traditional media (r= .029; small effect; p<.001), word of mouth (r= .095; small effect; p<.001).

With reference to Appendix 5, the product strategies for SMEs, the correlation between variables is discussed.

The correlation matrix in appendix 5 indicates that there is a substantial positive relationship with usefulness of branding (r= .294; medium effect; p<.001), product variety (r= .176; small effect; p<.001), catering customer needs (r= .111; small effect; p<.001), new products (r= .256; medium effect; p<.001). The table also show negative relationship between product quality and packaging and cost of branding (r= -.098; small effect; p<.001), collaborative product development (r= -.069; small effect; p<.001), and a substantial

The results shows that there is a substantial positive relationship with collaborative product development (r= .245; medium effect; p<.001), product variety (r= .040; small effect; p<.001) and a negative relationship between cost of branding and usefulness of branding (r= -.050; small effect; p<.001), catering customer needs (r= -.160; small effect; p<.001), new products (r= -.122; small effect; p<.001).

Appendix 5 indicates that there is a substantial positive relationship between usefulness of branding and product variety (r= .052; small effect; p<.001), catering customer needs (r= 0.95; small effect; p<.001), new products (r= .256; medium effect; p<.001). Further it shows a substantial positive relationship between collaborative product development and product variety (r= .123; small effect; p<.001), and lastly there is a positive relationship between product variety and new products (r= .158; small effect; p<.001).

In conclusion for both appendix 4 and 5 both marketing communication strategies and product strategies, it showed that there was a correlation between the constructs and discriminant validity.

5.2.2 Reliability

Due to the nature of the research, the only form of reliability that could be considered is internal consistency reliability. Cronbach's alpha is the most widely used measure of internal consistency, which needs a sample size of at least 300 to be considered an unprejudiced estimator of internal consistency (Kirkman 2010). Leedy and Ormrod (2014) define reliability as the uniformity with which a measuring tool produces certain, reliable outcomes when the entity being measured has no difference. It refers to the probability that a measurement procedure will produce similar explanations of a given phenomenon if that dimension is repetitive (Rubin and Babbie 2017). According to Zikmund and Babin (2013), reliability is considered poor if the value is below 0.6, moderate is between 0.6 and 0.7 and good value is between 0.7 and 0.9.

Cooper and Schindler (2013) refers to the Cronbach's alpha as the statistical dimension that is used to measure the internal reliability of multi item scales at an intermission level of dimension. The Cronbach's alpha for the nine extracted factors for marketing communication strategy measured was 0.611, however two factors (factor 8 and 9 see appendix 4) did not have the satisfactory alpha value as possible factors in the SMEs marketing communication strategy.

According to Taper (2016), depending on what is investigated, the alpha value of 0.45 – 0.98 is acceptable, as various lists of terms advocate that there is no clear accord on the most acceptable labels to use in describing the values found in calculating the Cronbach's alpha value. The recommended cut-off value is .30 (Ramsden 2019). The Cronbach's alpha for the seven extracted factors for product strategy measured was 0.434, however, three individual factors (factor 5, 6 and 7 see appendix 5) did not have the satisfactory alpha value as possible factors in SMEs product strategy and were left out.

Table 5.1: Total coefficient value: Marketing communication

Dimension	Marketing communication strategy		Number of items
	Cronbach's alpha test		
	Alpha value	Item-total	
Sales promotions	0.630		4
Digital marketing	0.577		4
Public relations	0.663		3
Email communication	0.777		2
Business branding	0.482		3
Telemarketing	0.575		2
Personal selling	0.502		2
Traditional media	0.393		2
Word of mouth	0.313		2
Overall alpha for all factors	**0.611**		

Table 5.2: Total coefficient value: Product strategy

Dimension	Product strategy		Number of items
	Cronbach's alpha test		
	Alpha value	Item-total	
Product quality and packaging	0.591		4
Cost of branding	0.700		2
Usefulness of branding	0.450		2
Collaborative product development	0.485		3
Product variety	0.310		3
Catering for needs of customers	0.304		3
Introduce new products	0.100		2
Overall alpha for all factors	**0.434**		

The next section covered the respondent's demographic characteristics.

5.3 RESPONDENTS DEMOGRAPHIC CHARACTERISTICS

The questions contained in Section B of the questionnaire related to the respondent's demographic information. The questions related to respondents' gender, their role in a business, age group, business ownership, business registration, the years of business operation, training in relation to marketing, number of people it employs, annual turnover, business stage and the business industry. The demographic aspects are used to outline the characteristics of the participants and the businesses they operate.

The number of questionnaires distributed to the sample was 412, which made the response rate 100% (n=412).

5.3.1 Gender of the respondents

The respondent's gender is useful as it gives a clear picture of the participants. The sample consisted of more males (58.0%, n=239) than females (42.0%, n=173) as indicated in Figure 5.1, meaning that the males dominated the study population.

Figure 5.1: Gender
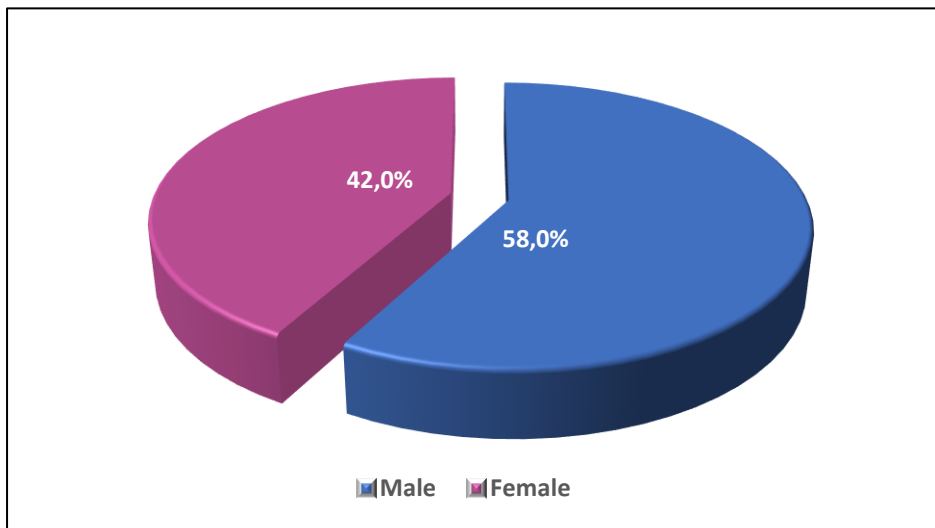
5.3.2 Business registration

All the businesses involved in the study were formally registered as shown in Table 5.3 below.

Table 5.3. Business registration status

Valid	Frequency	Percent	Valid percent	Cumulative percent
Yes	412	100.0	100.0	100.0

5.3.3 The role in the business

The largest proportion of respondents (45.9%, n=189) were managers in the business. While the owners of businesses accounted for 24.0% of the overall respondents in the study and the owner/managers accounted for only 30.1% as shown in Figure 5.2

Figure 5.2: The role in business
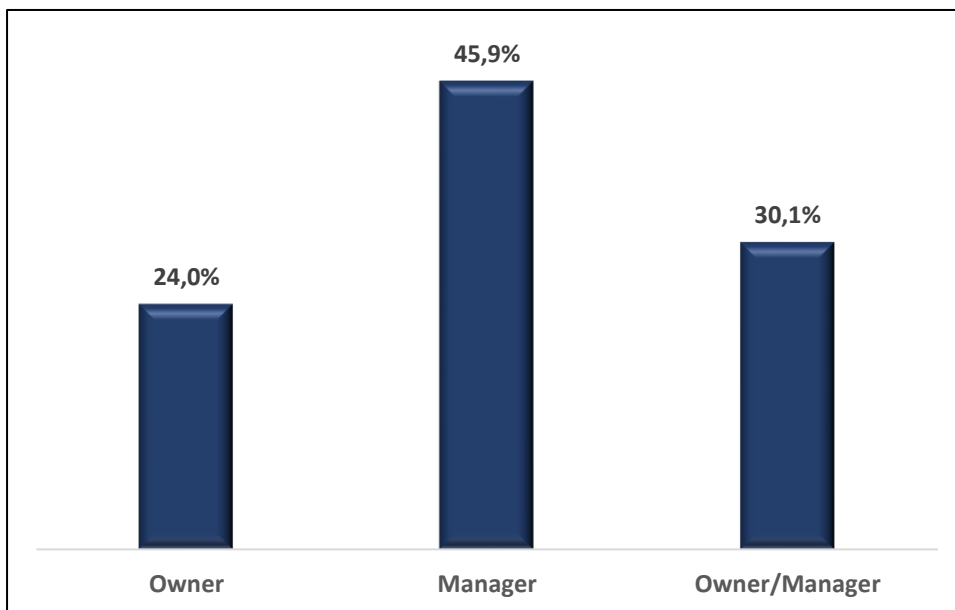
5.3.4 Age of the respondents

It was discovered that more than 40% (40.9%, n=168) of the respondents fall within the age group of 35 to 45 years. The lowest was the age group between 18 to 25 years old, which accounts for 3.4% of the overall population. The lowest percentage of the age group means that majority of the businesses were not under the care or ownership of younger respondents as shown in Figure 5.3 below.

Figure 5.3: Age of the respondents

18 to 25 years — 3,4%
25 to 35 years — 22,9%
35 to 45 years — 40,9%
45 to 55 years — 24,8%
55 to 65 years — 8,0%
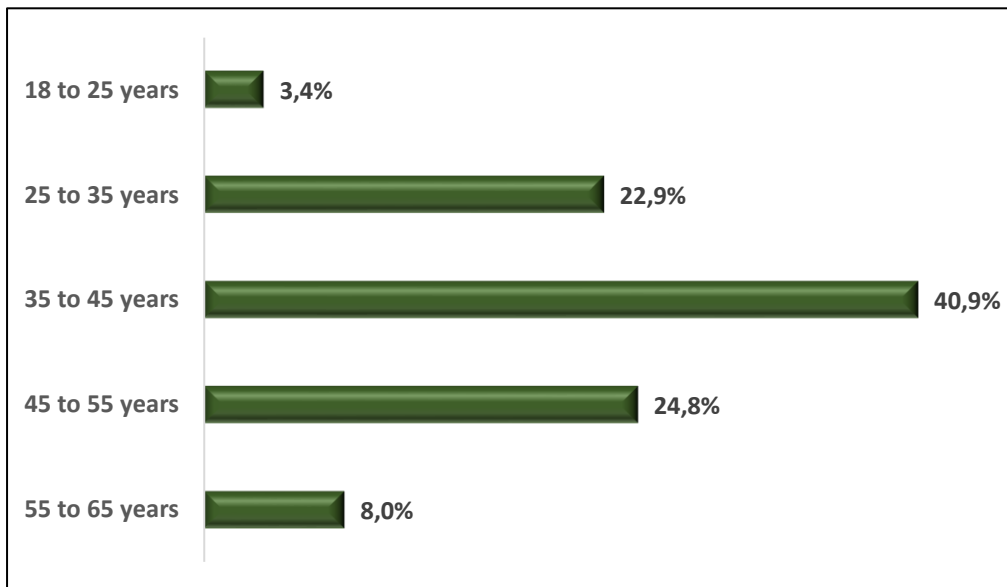
5.3.5 Business years of operation

More than 40% (43.6%, n=179) of the companies have been in business for about 5 to 10 years and those respondents in the above 10 years group accounted for 41.4%, which shows that the majority of the businesses have been in operation for relatively long, as shown in Figure 5.4.

Figure 5.4: Business years of operation

Less than a year — 0,2%
Between 1 and 2 years — 2,7%
Between 3 and 5 years — 12,2%
Between 5 and 10 years — 43,6%
Over 10 years — 41,4%
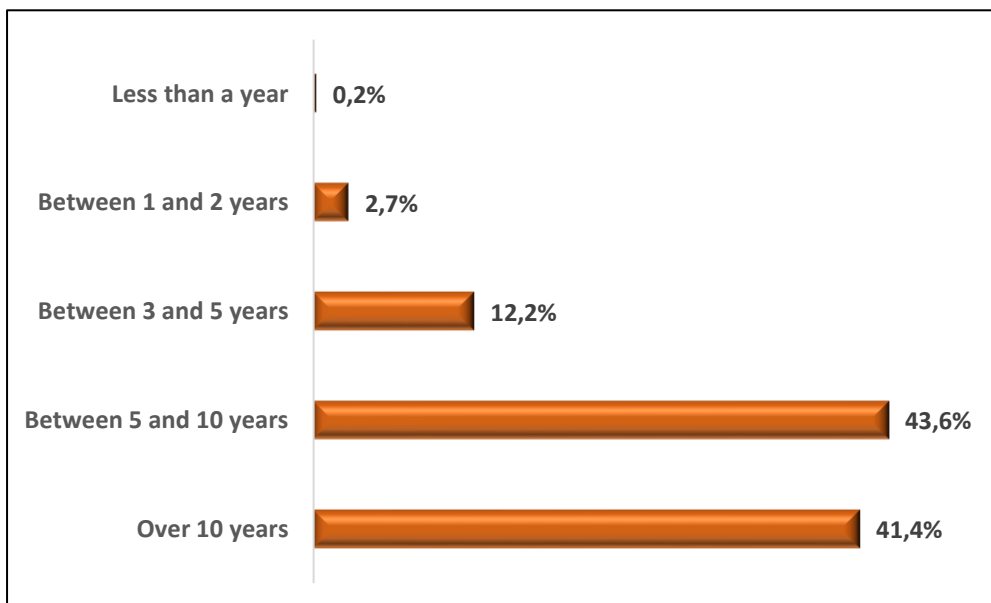
5.3.6 Business marketing training

A large proportion of the respondents, more than 80% (85.0%, n=350), have undergone training related to marketing. As shown in Figure 5.5.

Figure 5.5: Business marketing training
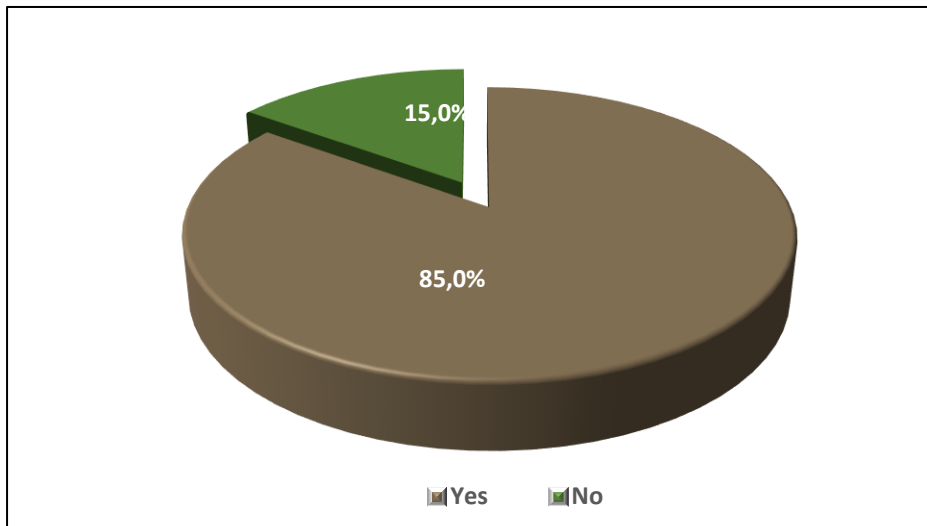
5.3.7 Number of employees in the business

More than half of the businesses (55.6%, n=228) employed from 5 to 20 people followed by those employing less than 5 people (22.7%, n=93) and 21 to 50 people (19%, n=78). The respondents employing between 51 and 100 and over 100 people were very rare, constitute only 2,4% and 0,2% respectively as shown in Figure 5.6 below.

Figure 5.6: Number of business employees
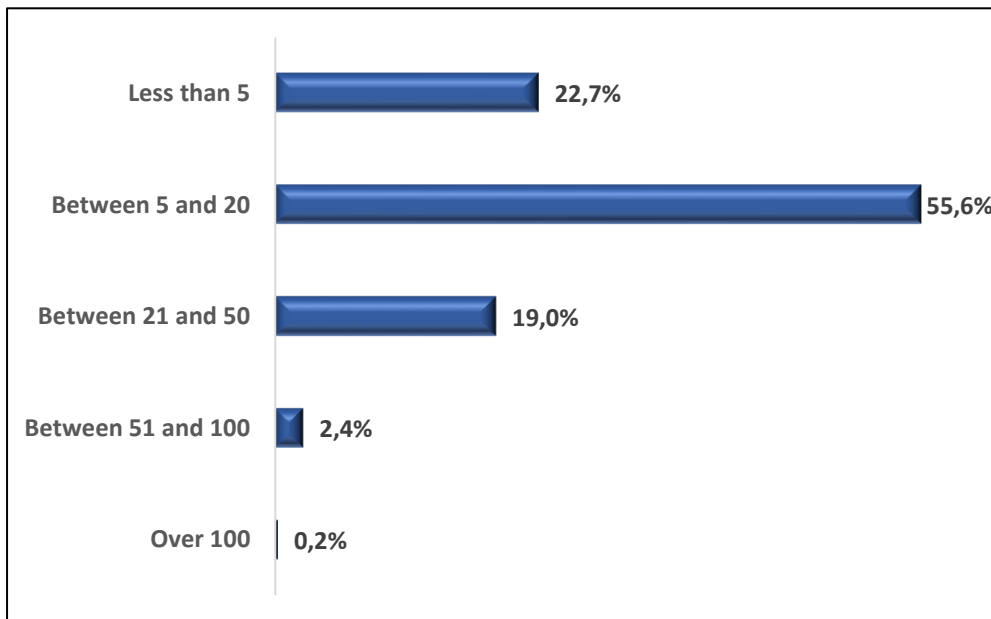
5.3.8 Business development stage

The majority of the respondents (43.3%, n=177) were not certain about their business developmental stage. Almost a quarter of the businesses (24.0%, n= 98) were in the mature stage, while only 3 (0.7%) of the businesses were in the start-up stage as shown in Figure 5.7.

Figure 5.7: Business development stage
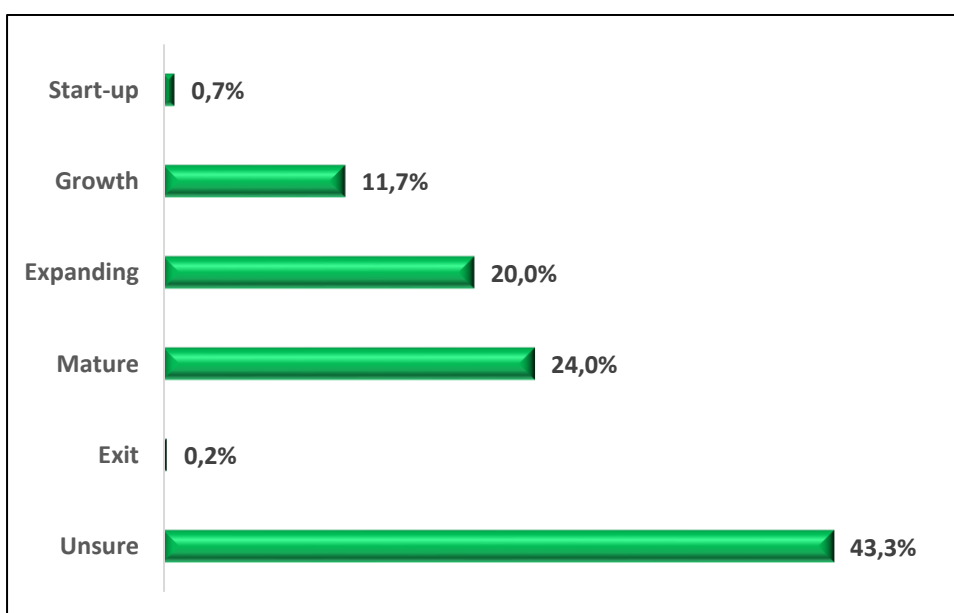
5.3.9 Business ownership

More than half of the businesses (52.4%, n=216) were sole-owned with the owner being the manager. This means that the majority of the businesses were still managed by the owners even though there were employees within the business and the process of entrepreneurial transition has happened. This was shown in Figure 5.8.

Figure 5.8: Business ownership
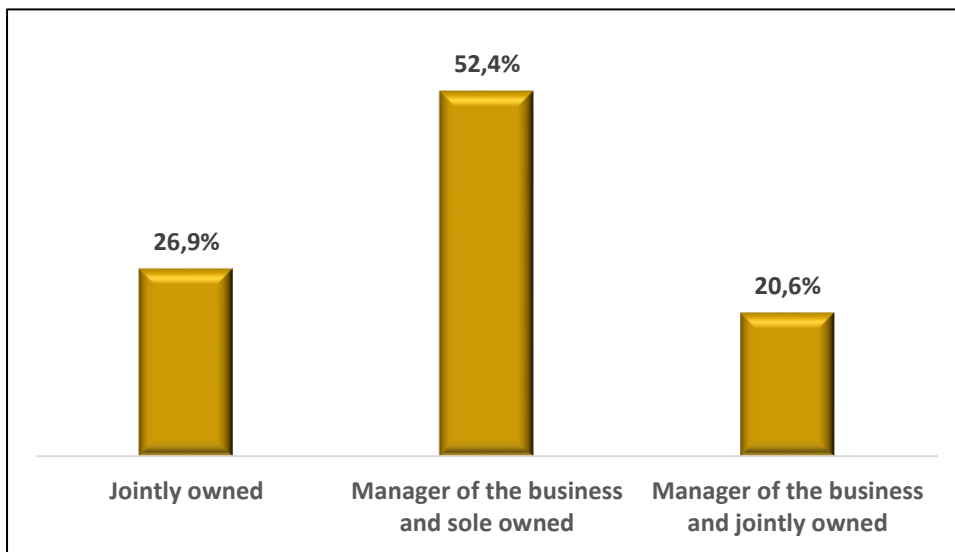
5.3.10 Business annual turnover

As appears in Figure 5.9 below, the largest proportion of the businesses (47.0%, n=193) had an annual turnover of R500 001 to R1 000 000, which is followed by 37.7% of businesses, which have a turnover of R1 000 001 – over R5 000 000. Only 2.4% of the businesses had a minimum turnover between R0 – R100 000.

Figure 5.9: Business annual turnover
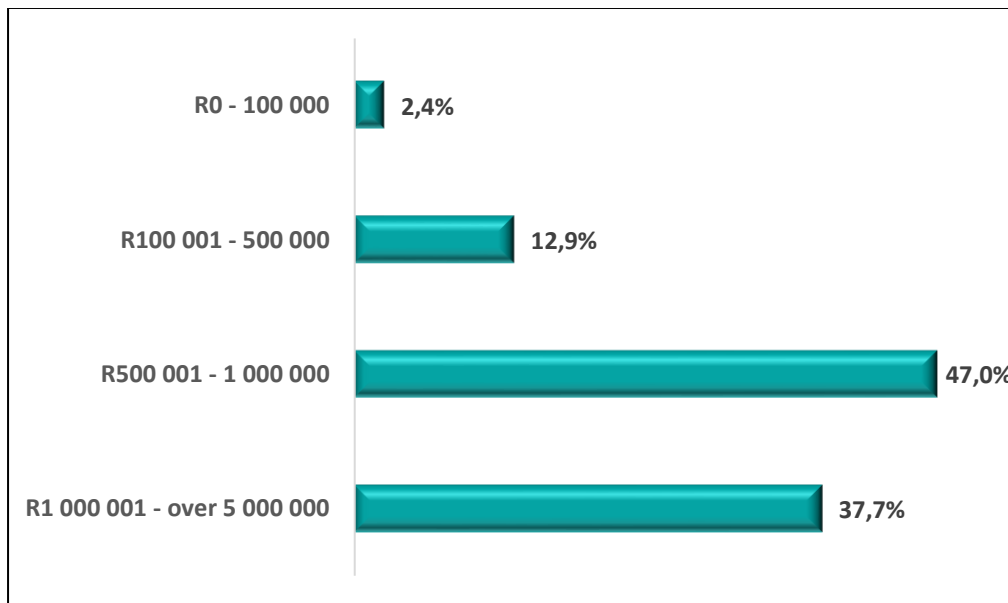
5.4 DESCRIPTIVE STATISTICS

5.4.1 SMEs attitude towards marketing communication

The respondents were asked to indicate their agreement with the statements by selecting a value from a scale of one (strongly disagree) to five (strongly agree).

The interpretation in this section is based on the proportions of respondents that selected agree and strongly agree. The statements that the respondents tend to agree with most were 'We consider marketing as a useful tool for business operation', 'Marketing helps to promote our products and services', 'We need marketing for the growth of our company' and, 'We regard marketing as an important function in our business'.

The respondents agreed the most with 'Marketing helps to promote our products and services (97.1%, agree = 54.4% and strongly agree = 42.7%, n=400) with 0% disagreement and 2.9% (n=12) neutral on this statement'. This implies that; indeed, marketing plays a very great role in promoting both the products and services of the business. This shows that marketing is beneficial for SMEs.

We need marketing for the growth of our company was strongly supported by 94.2% of the respondents (agree = 56.1% and strongly agree = 38.1%, n=388). The

112

statement, 'We regard marketing as an important function in our business' was supported by 93.4% of the respondents (agree = 54.1% and strongly agree = 39.3%, n= 385). Respondents also agreed/strongly agreed with 'We consider marketing as a useful tool for business operation' (93.2%, agree = 48.1% and strongly agree = 45.1%, n=384)

On average the statement that the respondents agreed and strongly agreed with the most were 'Marketing helps to promote our products and services' (97.1%). Therefore, this is apparent that majority of the respondents agree that marketing is a very useful function in every business regardless of the size or the industry. This enable the business transactions between customers and businesses to happen, meaning that for customers to know about the business, business marketing must take place.

SMEs and large businesses use marketing to get the attention of the consumers in order help their growth (Senthur, Jegatheesam & Sakthi 2013). Zachary, McKenny, Short and Payne (2011) found that marketing information enables the business to alter their market offerings to meet the customer preferences, thereby playing a critical role in the financial performance of the business.

According to the study conducted by Parrott, Azam and Holliman (2010), a direct relationship between the business size and the application of effective marketing planning is witnessed, and this results in a constructive relationship between the evaluation of marketing activities and business growth. Though the growth of the business is influenced by several other factors within the business, the relationship between the business and its customers attests the worth of the marketing function in attaining improved business results (Vilnius & Vitautas 2008)

There are three statements that the respondents tends to disagree/strongly disagree with, which were: 'we are doing well without marketing; marketing is an unnecessary burden on our business, and we are yet to experience the benefits of marketing'.

86.2% (disagree = 48.3% and strongly disagree = 37.9%, n= 355) of the respondents shows that marketing has a tremendous impact on the business by disagreeing with the statement that state 'we are doing well without marketing' on the other side 79.4% (disagree = 54.9% and strongly disagree = 24.5%, n= 327) disagreed that 'marketing is an unnecessary burden on our business' however 19.7% of the respondents neither

agree or disagree with the statement. This simply support that there is no business without marketing.

The principle of the marketing concept articulates that business realises success by defining and satisfying the needs and wants of the target markets. Therefore, SMEs need to regularly transform and appraise their business operations, this makes it vital as market knowledge separates the victors from the losers (Marjanova & Stojanovski 2012). SMEs need to have the capacity to continuously change and update the way they operate their businesses. This makes it vital to be market-driven when launching a product since market knowledge differentiates the winners from the losers. Walsh and Lipinski (2009) emphasise that marketing functions contributed to the success of SMEs and the capability to think tactically.

Table 5.4: SMEs attitude towards marketing communication

SMEs attitude towards marketing communication	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Standard deviation (SD)	Number of respondents (N)	Mean (M)
Marketing is done daily in our firm	0.0%	1.2%	12.6%	**46.6%**	39.6%	.715	412	4.25
We regard marketing as an important function in our business	0.0%	0.0%	6.6%	**54.1%**	39.3%	.593	412	4.33
We consider marketing as a useful tool for business operation	0.0%	0.0%	6.48%	**48.1%**	45.1%	.611	412	4.38
Marketing helps to promote our products and services	0.0%	0.0%	2.9%	**54.4%**	42.7%	.546	412	4.40
Marketing leads to guaranteed business for us	0.0%	1.7%	24.8%	**52.7%**	20.9%	.721	412	3.93
We are doing well without marketing	37.9%	**48.3%**	10.2%	3.4%	0.2%	.774	412	1.80
We still need help to deal with marketing in our business	3.4%	14.6%	20.9%	**53.6%**	7.5%	.947	412	3.47
We need marketing for the growth of our company	0.0%	0.2%	5.6%	**56.1%**	38.1%	.587	412	4.32
Marketing is an unnecessary burden on our business.	24.5%	**54.9%**	19.7%	0.5%	0.5%	.711	412	1.98
We are yet to experience the benefits of marketing	16.5%	22.8%	**28.4%**	27.9%	4.4%	1.144	412	2.81

5.4.2 Marketing strategies (product strategies and marketing communication strategies) adopted by SMEs in Polokwane

This section is divided into two sections: The adoption of marketing communication strategies and product strategies whereby the respondents were also asked to indicate their agreement or disagreement with both the marketing communication and product strategies statements by selecting a value from a scale of one (strongly disagree) to five (strongly agree). The two were discussed respectively, see also Table 5.5 and Table 5.6

5.4.2.1 Marketing Communication Strategy

The respondents were asked to indicate their agreement or disagreement with the statements regarding the marketing communication strategy by selecting a value from a scale of one (strongly disagree) to five (strongly agree).

There were statements that the respondents tend to agree and strongly agree with the most, which are; 'We give out business cards' (98.8%= agree 30.6% and strongly agree 68.2%, n=407);' Marketing communication helps us build a strong brand identity' (97.6%=agree 46.1% and strongly agree 51.5%, n=402); 'Marketing communication helps us to build relationships with customers (98%= agree 62.1% and strongly agree 35.9%, n=404); We distribute flyers and leaflets (97.5%, agree 25.7% and strongly agree 71.8%, n=402) and 'Brochures are handed out as part of communications with our customers' (95.2%= agree 65.8% and strongly agree 29.4%, n=392).Respondents agree/strongly agree that 'word-of-mouth influences customer decision making' (93.2%, agree 57.5 and strongly agree 35.7%, n=384). We use social media to communicate our special offers 93.2% (agree 42.2% and strongly agree 51%, n=384). Consumers are living in times where social media plays a great role of information circulations, as a result most of the businesses are engaging with customers through the use of social medias like Twitter and Facebook. 'Networking helps us expand our business's ability to grow' 91.6% (agree 54.9% and strongly agree 36.7%, n=377).

The statement 'We prefer word of mouth advertising' 90.1% (agree 49.8% and strongly agree 40.3%, n=371) shows that word of mouth plays an important role for every business whereby advertisements are run without any payments from the business. It is common that most of the people have been introduced to other products through

116

word-of-mouth and majority made the purchases (Resnick, Cheng, Simpson and Lourenco 2016).

There were only two statements that respondents tend to disagree with: We believe that telemarketing is not an appropriate tool for SMEs since it involves too much money 68.4% (disagree 41.5% and strongly disagree 26.9%, n = 280), while 21% neither agree nor disagree with the statement (neutral 21.1%, n=87). We make use of national advertising 47.5% (disagree 38.3% and strongly disagree 9.2%, n=377), while the once who neither agree nor disagree is 28.4% (neutral 28.4%, n=117). This implies that majority of the SMEs does not use national advertising and they also believe that telemarketing can yield positive results for the SMEs.

Table 5.5 shows the adoption of marketing communication strategies.

Table 5.5: The adoption of marketing communication strategies

The adoption of marketing communication strategies	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Standard deviation (SD)	Number of respondents (N)	Mean (M)
Marketing communication helps us build a strong brand identity	0.0%	0.5%	1.9%	46.1%	**51.5%**	.564	412	4.49
Marketing communication helps us to build relationships with customers	0.0%	0.0%	1.9%	**62.1%**	35.9%	.514	412	4.34
We use sponsorships as part of marketing communication	8.0%	26.7%	20.1%	**35.0%**	10.2%	1.154	412	3.13
We advertise our products locally	0.0%	0.2%	5.6%	**63.8%**	30.3%	.557	412	4.24
We make use of national advertising	9.2%	**38.3%**	28.4%	19.9%	4.1%	1.0189	412	2.71
Brochures are handed out as part of communications with our customers	0.0%	1.0%	3.9%	**65.8%**	29.4%	.563	412	4.24
We prefer word of mouth advertising	0.0%	0.5%	9.5%	**49.8%**	40.3%	.655	412	4.30
Majority of our business comes from client referral (word of mouth)	5.8%	7.5%	**37.6%**	33.3%	15.8%	1.033	412	3.46
We find that Word of mouth influences customer decision making	0.0%	0.0%	6.8%	**57.5%**	35.7%	.585	412	4.29
We find that Word of mouth does have more credibility than advertisers can even imagine	0.0%	2.4%	19.9%	**45.1%**	32.5%	.785	412	4.08
For us, Word of mouth is the best way of advertising without payment	0.0%	0.2%	4.9%	**51.5%**	43.4%	.590	412	4.38
We make use of personal selling	0.7%	2.7%	12.4%	**47.1%**	37.1%	.800	412	4.17
Personal selling has a significant influence on our sales force performance	0.0%	0.7%	10.4%	**55.3%**	33.5%	.650	412	4.22
Personal selling is an important and dominant thing for us to increase sales and build relationships with customers	0.0%	0.7%	10.4%	**56.3%**	30.8%	.656	412	4.17
Personal selling is relevant for us in relationship building and influencing creative selling	0.0%	0.5%	18.2%	**51.5%**	29.9%	.700	412	4.11

The adoption of marketing communication strategies	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Standard deviation (SD)	Number of respondents (N)	Mean (M)
Networking helps us expand our business's ability to find new customers	0.0%	0.2%	7.8%	**58.9%**	33.3%	.599	412	4.25
Networking helps us expand our business's ability to find new partners	0.0%	2.7%	12.9%	**54.9%**	29.6%	.721	412	4.11
Networking helps us expand our business's ability to grow	0.0%	1.0%	7.5%	**54.9%**	36.7%	.638	412	4.27
We use social media to communicate our special offers	0.0%	0.7%	6.1%	42.2%	**51.0%**	.642	412	4.43
We use social media to communicate with customers	0.2%	0.2%	7.8%	**47.3%**	44.4%	.655	412	4.35
We make use of outdoor billboards and posters	0.0%	4.1%	14.8%	**49.3%**	31.8%	.791	412	4.09
We believe that telemarketing is not an appropriate tool for SMEs since it involves too much money.	26.9%	**41.5%**	21.1%	9.0%	1.9%	.992	412	2.18
We believe that telemarketing is a good method for direct marketing	1.2%	2.4%	15.8%	**58.3%**	22.3%	.767	412	3.92
We give out business cards	0.0%	0.2%	1.0%	30.6%	**68.2%**	.507	412	4.67
We distribute flyers and leaflets	0.0%	0.2%	2.2%	25.7%	**71.8%**	.522	412	4.69

5.4.2.2 Product strategy

The statements that the respondents tend to agree and strongly agree with most were: 'Our products meet customer needs' with the overall of 99% (agree = 47.8% and strongly agree = 51.2%, n=408) meaning that every SMEs produces products with customers' needs as a priority, making it much easier for customers to become loyal to the business. Additional statements are 'An excellent packaging serves as a vital part of our brand' (98.6%, agree = 40.3% and strongly agree = 58.3%, n=406); 'Branding builds our customer loyalty' (97.3%, agree = 59.2% and strongly agree = 38.1%, n=401). The majority of customers want to buy well packaged and branded products; it is not likely for customers to buy products without packaging and brand name (Yaro 2015).

It is believed that packaging and branding plays an important role in allowing customers to know what to expect from business and its products, this also serve to distinguish business products from the competitors (Agariya, Johari, Sharma, Chandraul & Singh 2012). The statements 'we produce high-quality products' (96.6%, agree 60.9% and strongly agree = 35.7%, n=398); 'Innovation ensures success in new products for us' (95.9%, agree = 66.0% and strongly agree = 29.9%, n=395); 'Our products offers benefits that responds to the customers desire' (94.4%, agree = 63.6% and strongly agree = 30.8%, n=389) were strongly supported by respondents.

Product strategies play a significant role in the survival of every business as without product strategy and innovation it will be hard for every entity to meet customer needs as the basis for every business.

The statements that the respondents tend to disagree most are 'we do not brand our products since branding is costly'; 'we believe that branding is for big firms only'. Over 80% (disagree = 53.4% and strongly disagree 29.9%, n=343) of the respondents accept that branding plays a great role in customer choices and preferences by disagreeing with the statement 'we do not brand our products since branding is costly' this implies that without branding it will be difficult for businesses to sell and meet customers at the point of their needs. The only respondents that agree with the statement that 'branding is costly' its roughly 2% (2.4% n=10) while the remaining 14.3% (n=59) of the respondents are neutral meaning, they are not either agreeing or

disagreeing with the statement 'we believe that branding is for big firms only' was supported by 83% of the respondents (disagree = 48.8% and strongly disagree = 34.2%, n=342). This shows that regardless of the business size or even the years of operation it is necessary for businesses to have brands for the offered products as part of the product identity. Table 5.6 showed the adoption of product strategies.

Table 5.6: The adoption of product strategies

The adoption of product strategies	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Standard deviation (SD)	Number of respondents (N)	Mean (M)
Our products meet customer needs	0.0%	0.0%	1.0%	47.8%	**51.2%**	.520	412	4.50
Our products are technologically advanced	0.0%	1.5%	18.9%	**44.7%**	35.0%	.762	412	4.13
We produce high-quality products	0.0%	0.2%	3.21%	**60.9%**	35.7%	.544	412	4.32
Innovation ensures success in new products for us	0.0%	0.2%	3.9%	**66.0%**	29.9%	.532	412	4.25
We use innovation to compete against our competitors	0.0%	1.2%	6.8%	**53.4%**	38.6%	.646	412	4.29
Our products offer benefits that respond to the customer's desires	0.0%	0.5%	5.1%	**63.6%**	30.8%	.564	412	4.25
We offer a broad range of products	0.0%	1.0%	20.6%	**48.5%**	29.9%	.735	412	4.07
We introduce new products to enter a new market	1.2%	10.2%	15.5%	**52.9%**	20.1%	.915	412	3.81
We introduce new products to the existing market	0.0%	1.7%	12.4%	**53.6%**	32.3%	.699	412	4.17
We offer customised products or services	0.0%	5.6%	18.7%	**48.5%**	27.2%	.826	412	3.97
We study competitors closely in various segments and rapidly	0.0%	0.5%	6.6%	**61.9%**	31.1%	.756	412	4.24
We continuously improve our products to meet the needs and wants of our customers	0.0%	3.4%	10.4%	**53.6%**	32.5%	.737	412	4.15
We offer different product designs and quality for different types of customers	0.0%	3.6%	12.6%	**52.7%**	31.1%	.756	412	4.11
An excellent packaging serves as a vital part of our brand	0.0%	0.2%	1.2%	40.3%	**58.3%**	.534	412	4.57
Our packaging facilitates product selection and purchase	0.0%	0.0%	8.5%	**48.3%**	43.2%	.630	412	4.35
Branding drives our business sales	0.0%	0.0%	11.4%	**46.4%**	42.2%	.665	412	4.31
Branding creates brand value and promotes business growth for us	0.0%	0.2%	6.1%	**51.7%**	42.0%	.605	412	4.35

The adoption of product strategies	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Standard deviation (SD)	Number of respondents (N)	Mean (M)
Branding builds our customer loyalty	0.0%	0.0%	2.7%	**59.2%**	38.1%	.532	412	4.35
We do not brand our products since branding is costly	29.9%	**53.4%**	14.3%	1.7%	0.7%	.753	412	1.90
We believe that branding is for big firms only	34.2%	**48.8%**	14.6%	1.9%	0.5%	.768	412	1.86

5.4.3 Factors that affect the formulation of SMEs marketing strategies

SMEs encounter different types of difficulties and operate in unsteady environments characterised by financial difficulties, political chaos, educational, infrastructural and cultural complications (Mezher, El-Saouda, Nasrallah & Ajam 2008). Therefore, it is important to find out which factors affect SMEs the formulation of marketing strategies for SMEs in Polokwane.

The respondents were asked to indicate their agreement with the statements with regards to the factors that affect the formulation of marketing strategies within the SMEs by means of selecting a value from a scale of one (strongly disagree) to five (strongly agree).

The statements that the respondents tend to agree and strongly agree with most were: Lack of in-depth understanding of marketing research has a significant negative impact on the business marketing strategy' (96.8%, agree 47.3% and strongly agree 49.5%, n= 398), 'Lack of finance has a negative impact on the business operations and the way marketing is done' (94.6%, agree 51.9% and strongly agree 42.7%, n=390), 'An inexperienced employee dealing with business marketing has a negative impact on the survival of the business' (93%, agree 58.3% and strongly agree 35%, n=384), 'Lack of finance has a negative impact on the business operations and the way marketing is done' 94.6% (agree 51.9% and strongly agree 42.7%, n=380). Almost 100 percent of the respondents articulate that lack of financial strength negatively affect the business operation. This is backed by Sulistya and Darwanto (2016) stating that SMEs encounters problems in terms of financial credits. Makhubela (2019) also states that lack of finances within the SMEs poses a major threat.

Business cannot run marketing without planning, 93% (agree 52.2% and strongly agree 41.7%, n=387) of the respondents agree that 'lack of business planning has a negative impact on marketing. However, it is believed that SMEs confuse marketing with selling as 91% (agree 39.8% and strongly agree 51.2%, n=375) of the respondents agree with this statement that 'There is a trend of limiting marketing activities to selling only'. 86% of the respondents from the statistical analysis articulate that marketing knowledge and experience is an important factor in the survival of any kind of business by agreeing with the statement that 'Lack of knowledge and experience affects the marketing ability of SMEs'.

'Lack of knowledge and experience affects the marketing ability of SMEs' 86% (agree 57.5% and strongly agree 28.9%, n=356) this indicates that majority of the respondents lack marketing knowledge. Kamunge *et al.* (2014) mentioned that even if SMEs might have knowledge on how to run a business if there are no marketing communication knowledge and skills the business will still fail. 'Inability to analyse and capture market opportunities is one of the problems facing small business marketing' 78.9% (agree 51.0% and strongly agree 27.9%, n=325) agree to this statement. Table 5.7 shows the common factors that affects the formulation of SMEs marketing strategies

.

Table 5.7: Factors that affects the formulation of SMEs marketing strategies

Common factors that affects the formulation of SMEs marketing strategies	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Standard deviation (SD)	Number of respondents (N)	Mean (M)
Lack of finance has a negative impact on the business operations and the way marketing is done	0.0%	0.0%	5.3%	**51.9%**	42.7%	.585	412	4.37
Lack of in-depth understanding of marketing research has a significant negative impact on the business marketing strategy	0.0%	0.2%	2.9%	47.3%	**49.5%**	.568	412	4.46
Difficulty in accessing finance is one of the problems facing small business marketing	0.2%	2.9%	12.1%	**52.2%**	32.5%	.753	412	4.14
An inexperienced employee dealing with business marketing has a negative impact on the survival of the business	0.0%	0.2%	6.6%	**58.3%**	35.0%	.590	412	4.38
Managerial competency and skills shortage affect marketing strategy formulations and performance of the business	0.2%	0.2%	7.5%	**52.9%**	39.1%	.638	412	4.30
Lack of product branding affects product sales and innovation within SMEs	0.0%	1.6%	28.9%	**38.3%**	31.2%	.764	412	4.19
Lack of customer demand serves as a barrier to business and marketing strategies	6.1%	12.4%	5.8%	**44.2%**	31.6%	1.178	412	3.83
Inability to analyse and capture market opportunities is one of the problems facing small business marketing	2.2%	8.7%	10.2%	**51.0%**	27.9%	.962	412	3.94
Lack of business planning has a negative impact on marketing	0.0%	0.2%	5.8%	**52.2%**	41.7%	.601	412	4.35
Lack of continuous improvement on products to meet customer needs and wants, is one of the problems facing small business marketing	1.7%	14.6%	12.1%	**50.7%**	20.9%	1.002	412	3.75
Lack of understanding of product development has a negative impact on marketing and business planning	0.2%	1.5%	6.6%	**60.7%**	31.1%	.643	412	4.21
Lack of understanding of the right marketing channels for products constitute a barrier to the implementation of business and marketing strategies	0.0%	0.7%	12.1%	**49.5%**	37.6%	.686	412	4.24

Common factors that affects the formulation of SMEs marketing strategies	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Standard deviation (SD)	Number of respondents (N)	Mean (M)
Lack of understanding of the product pricing/costing has a negative impact on marketing and business planning	0.2%	1.0%	10.7%	**50.0%**	38.1%	.699	412	4.25
Business culture that is not allowing the business to operate in a modernised way has a negative impact on marketing and business planning	0.2%	2.4%	10.4%	**53.2%**	33.7%	.728	412	4.18
Lack of knowledge and experience affects the marketing ability of SMEs	0.2%	1.2%	12.1%	**57.5%**	28.9%	.681	412	4.12
Poor standardisation and low-quality products are one of the problems facing small business marketing	5.6%	19.9%	14.3%	**43.0%**	17.2%	1.153	412	3.46
Lack of a quality assurance system for products and services affects the way that products are marketed	1.5%	13.6%	12.1%	**50.7%**	22.1%	.986	412	3.78
Competition is one of the factors affecting business marketing	5.6%	15.3%	16.0%	**43.2%**	19.9%	1.135	412	3.57
Finding it difficult to build appropriate customer relationships affect business marketing	1.5%	6.1%	9.7%	**52.9%**	29.9%	.877	412	4.04
There is a trend of limiting marketing activities to selling only	0.0%	0.2%	8.7%	**39.8%**	51.2%	.659	412	4.42

127

5.4.4 The impact of marketing strategies (product strategies and marketing communication strategies) on SMEs performance

The respondents were asked to indicate their agreement with the statements with regards to the factors that affect the formulation of marketing strategies within the SMEs by means of selecting a value from a scale of one (strongly disagree) to five (strongly agree).

The statements that the respondents tended to agree and strongly agree with most were: 'Implementation of marketing strategies has resulted in sales increase in our business' (98.6%, agree 47.6% and strongly agree 51%, n=406), 'Marketing communication helped us to build more relationships with customers' (97.6%, agree 56.8% and strongly agree 40.8%, n=402) and 'Product development and innovation strengthened our relationship with customers' (90.6%, agree 56.6% and strongly agree 34.0%, n=373). Out of this statement only 0.7% of the respondents disagree that 'Product development and innovation help the business in ensuring a better understanding between the business and its customers'.

Additional statements were: 'Marketing communication has resulted in increased customer loyalty towards our business' (89.8%, agree 57.8% and strongly agree 32.0%, n=263), through marketing communication the loyalty of customers is realised. 89% (agree 57.5% and strongly agree 31.6%, n=367): of the respondents agreed that 'Branding has resulted in increased customer loyalty towards business'. The results revealed that SMEs' owner/managers agreed that marketing is very important for the success business. Refer to table 5.8 below.

The next section discussed factor analysis for marketing communication strategies.

Table 5.8: The impact of marketing strategies on SMEs performance.

The impact of marketing strategies on SMEs performance.	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Standard deviation (SD)	Number of respondents (N)	Mean (M)
Implementation of marketing strategies has resulted in sales increase in our business	0.0%	0.0%	1.5%	**47.6%**	51.0%	.529	412	4.50
Marketing communication helped us to build more relationships with customers	0.0%	0.0%	2.4%	**56.8%**	40.8%	.534	412	4.38
Branding has resulted in sales increase in our business	0.0%	0.0%	8.0%	**56.8%**	35.2%	.599	412	4.27
Branding has resulted in increased customer loyalty towards our business	0.0%	0.0%	10.9%	**57.5%**	31.6%	.619	412	4.21
Marketing communication has resulted in increased customer loyalty towards our business	0.0%	0.7%	9.5%	**57.8%**	32.0%	.633	412	4.21
Marketing communication resulted in increased profitability for our business	0.0%	1.7%	9.5%	**54.6%**	34.2%	.678	412	4.21
Marketing communication helped us to better retain loyal customers	0.0%	1.5%	10.4%	**48.1**%	40.0%	.702	412	4.27
Marketing communication helped us in identifying new customers	0.2%	1.0%	11.2%	**54.6**%	33.0%	.683	412	4.19
Marketing communication increased our competitiveness in the market	0.0%	0.5%	8.5%	**55.1%**	35.9%	.628	412	4.26
Product development and innovation strengthened our relationship with customers	0.0%	0.7%	8.7%	**56.6%**	34.0%	.633	412	4.24
Product development increased our market share	0.0%	1.0%	14.3%	**55.6%**	29.1%	.677	412	4.13
Product development and innovation increased our competitiveness in the market	0.0%	0.7%	9.2%	**56.3**%	33.7%	.638	412	4.23
Product development and innovation increased our sales	0.0%	1.0%	11.7%	**53.9%**	33.5%	.672	412	4.20
Product quality increased our product/service performance	0.0%	0.0%	7.3%	**51.9%**	40.8%	.608	412	4.33
Product innovation and development increased customer satisfaction	0.0%	0.0%	5.3%	**48.3%**	46.4%	.591	412	4.41

5.5 FACTOR ANALYSIS: MARKETING COMMUNICATION STRATEGIES

Factor analysis (FA) is defined as an investigative technique applied to an established variable that tries to find the subsets of variables from which the observed variables were made (Field 2000). To lessen the dimensionality of the data, principle component analysis (PCA) with IBM, SPSS Statistics 26 was used to study patterns of relationships among the questions used to elicit the respondents' perceptions regarding the marketing communications in their businesses.

The factorability of the correlation matrix was investigated using Pearson's product-moment correlation coefficient. Preliminary distribution analyses indicated that the assumptions of normality, linearity and homoscedasticity were not violated.

5.5.1 Sample adequacy

Exploratory factor analysis (EFA) is defined as finding few substantial and new variables by considering the relations amongst the variables by merging quite a few interconnected variables (Altunisik, Coşkun, Bayraktaroglu & Yildirim 2005). While the PCA basically tries to scientifically derive a fairly smaller quantity of variables to use to convey as much of the information in the observed variables as possible.

The factorability of the correlation matrix was investigated using Pearson's product-moment correlation coefficient. Preliminary distribution analyses showed that the standards of normality, linearity and homoscedasticity were not dishonoured.

Bartlett's Test of Sphericity has been used for the conformity of data with factor analysis and KaiserMeyer-Olkin coefficient (KMO) has been used for the appropriateness of sample size. If KMO value is lower than 0.50, it is not appropriate to continue factor analysis. In this case, it is advisable to upsurge the figure of observations (Field 2009).

The Kaiser-Meyer-Olkin value was 0.729, above the recommended minimum value of 0.50 (Kaiser, 1970, 1974; Field, 2009; Yayar & Karaca 2017) and the Bartlett's test of sphericity (Bartlett, 1954) reached statistical significance, $p<.001$. Thus, the correlation matrix was assumed to be factorable. See Table 5.9.

Table 5.9: KMO and Bartlett's test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.729
Bartlett's Test of Sphericity	Approx. Chi-Square	1830.130
	df	276
	Sig.	0.000

Table 5.9 displays the results of KMO measures of the sampling adequacy, and it further describes the results of Bartlett's test of sphericity. The tests were steered to create the sample adequacy for the factoring correlation matrix. The Bartlett's test of sphericity (Bartlett 1954) reached statistical significance, $p<.001$. The KMO index, which measures the communalities of the items, reached 0.729. Both the KMO and Bartlett's test meet the statistical significance of EFA analysis. Thus, the correlation matrix was assumed to be factorable.

To reduce the dimensionality of the data, Principle Component Analysis (PCA) with IBM SPSS Statistics 26 was used to examine patterns of correlations among the questions used to elicit the respondents' perceptions regarding the marketing communications in their businesses. PCA is applied to extract maximum variance from the data set with each factor thus dropping a great number of variables into reduced number of factors (Tabachnick & Fidell 2007).

Table 5.10 shows the communalities. Communalities are regarded as a continuance of factor loadings. According to Rietveld and Van Hout (1993), the communality of a variable is the sum of the loadings of this variable on all extracted factors, which then shows the correlations between these items. When a value is near 1 it shows an item that correlates extremely with the other items. For the 24 items examined to elicit the respondents' perceptions regarding the marketing communications in their businesses, the communalities are rational, because the communalities range from a minimum of 0.432 to the maximum of 0.798. Some studies on marketing communication find the reasonable communalities with the minimum of 0.430 (Makhubela 2019)

Table 5.10: Communalities (Principle component analysis)

Communalities		
	Initial	Extract
Marketing communication helps us build a strong brand identity	1.000	0.560
We make use of national advertising	1.000	0.755
We use sponsorships as part of marketing communication	1.000	0.712
Brochures are handed out as part of communications with our customers	1.000	0.490
Personal selling has a significant influence on our sales force performance	1.000	0.517
Personal selling is an important and dominant thing for us to increase sales and build relationships with our customers	1.000	0.712
We find that Word of mouth influences customer decision making	1.000	0.648
We find that Word of mouth does have more credibility than advertisers can even imagine	1.000	0.432
For us, Word of mouth is the best way of advertising without payment	1.000	0.692
Networking helps us to form relationships with others	1.000	0.539
We make use of public relations	1.000	0.632
We communicate our special offers via SMS	1.000	0.514
We communicate our special offers on the internet	1.000	0.576
We use email to communicate with customers	1.000	0.798
We use emails to advertise our products to customers	1.000	0.778
We use email to communicate with suppliers	1.000	0.496
We use social media to communicate our special offers	1.000	0.495
We use social media to communicate with customers	1.000	0.543
We believe that telemarketing is not an appropriate tool for SMEs since it involves too much money	1.000	0.708
We believe that telemarketing is a good method for direct marketing	1.000	0.689
We advertise in Magazines	1.000	0.666
We advertise in Newspapers	1.000	0.763
We give out business cards	1.000	0.604
We distribute flyers and leaflets	1.000	0.598
Extraction Method: Principal Component Analysis.		

Table 5.10 showed the communalities. Rietveld and Van Hout (1993) indicate that communalities can be viewed as a continuance of component loadings whereby communality of a variable is seen as the amount of the loadings of this variable on all extracted components. The Kaiser Criterion is said to be reliable when the averaged extracted communalities are at least more than .70 and when there are less than 30 variables, or the averaged extracted communalities are equal to or above .60 and the

sample size is over 250 (Field, 2009). Factor extraction using the PCA was shown in Table 5.11.

Table 5.11: Total Variance Explained by Exploratory Factor Analysis (Principal Component Analysis)

	Total Variance Explained					
Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.901	16.256	16.256	3.901	16.256	16.256
2	2.376	9.902	26.157	2.376	9.902	26.157
3	1.525	6.356	32.514	1.525	6.356	32.514
4	1.456	6.066	38.579	1.456	6.066	38.579
5	1.269	5.286	43.865	1.269	5.286	43.865
6	1.169	4.870	48.735	1.169	4.870	48.735
7	1.108	4.615	53.350	1.108	4.615	53.350
8	1.071	4.461	57.810	1.071	4.461	57.810
9	1.038	4.326	62.137	1.038	4.326	62.137
10	.911	3.794	65.931			
11	.855	3.561	69.491			
12	.772	3.216	72.707			
13	.751	3.130	75.838			
14	.717	2.986	78.824			
15	.682	2.843	81.667			
16	.610	2.541	84.208			
17	.606	2.525	86.733			
18	.581	2.423	89.156			
19	.542	2.258	91.413			
20	.514	2.144	93.557			
21	.439	1.831	95.388			
22	.418	1.742	97.130			
23	.398	1.660	98.790			
24	.291	1.210	100.000			
Extraction Method: Principal Component Analysis.						
a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.						

Table 5.11 showed the final results of EFA analysis, which also showed the extracted nine factors, namely sales promotions, digital marketing, public relations, e-mail communication, business branding, telemarketing, personal selling, traditional media

and word of mouth. Yong and Pearce (2013) suggests the use of scree test concurrently with the eigenvalues to establish or determine the number of components to keep. The main function for eigenvalues and scree test is to determine how many factors to retain. Figure 5.10 below showed the Scree plot.

Figure 5.10: Scree Plot: Marketing communications
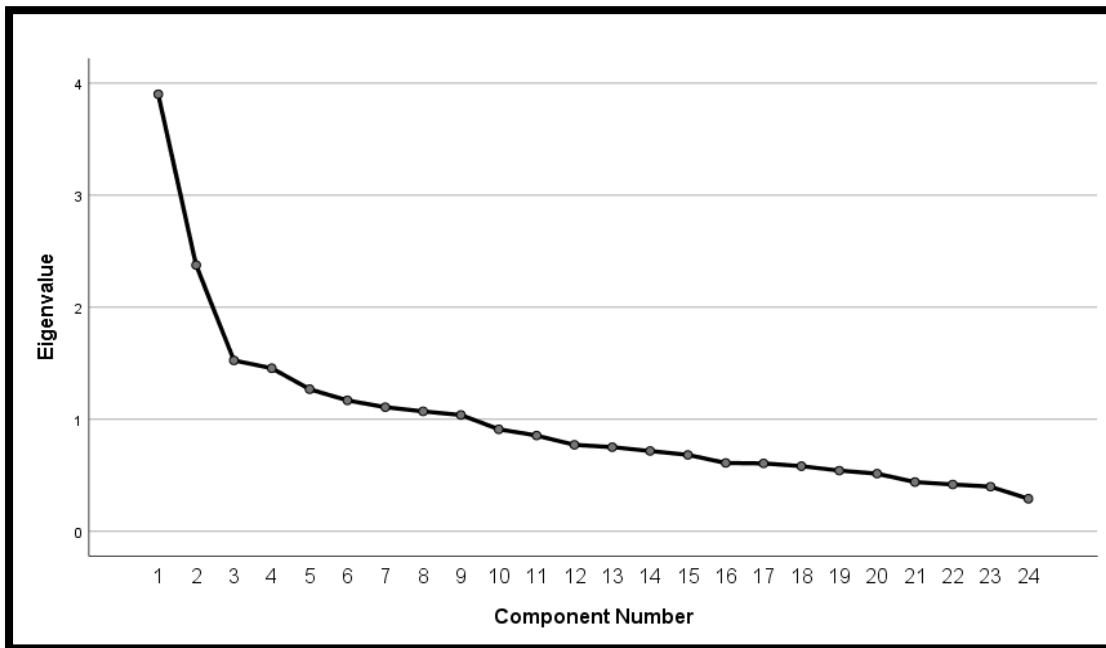
In reference to Figure 5.10, the scree plot is a rough bar plot of the eigenvalues and is one of the procedures used in determining the number of factors to retain in factor analysis, it enables you to quickly note the relative size of each eigenvalue (Cattell 1966). The accurateness of the scree plot expands when the factor loading is high and the number of variables per factor are few (Kanyongo 2005)

Promax rotation, a rotation method that allows for correlation among the latent factors was performed. Excluding factor loadings of less than 0.4, resulted in a simple structure (Thurstone 1947) with each of the nine factors showing several strong loadings (Table 5.10). The subscales for the extracted components were obtained by calculating the mean of the items loading on each of the subscales. Items that loaded negatively were reverse-coded before calculating the values. This resulted in nine latent variables being created and named (see Table 5.12).

Table 5.12: Rotated Pattern Matrix: Principal Component Analysis with Promax rotation (Kaiser Normalisation)

Variables	Components								
	1: Sales promotion	2: Digital marketing	3: Public relations	4: Email communication	5: Business branding	6: Telemarketing	7: Personal selling	8: Traditional media	9: Word of mouth
We give out business cards	.726								
We distribute flyers and leaflets	.674								
Networking helps us to form relationships with others	.664								
We find that Word of mouth does have more credibility than advertisers can even imagine	.528								
We use email to communicate with suppliers		.728							
We use social media to communicate with customers		.618							
We use social media to communicate our special offers		.613							
We communicate our special offers via SMS		.593							
We make use of national advertising			.869						
We use sponsorships as part of marketing communication			.759						
We make use of public relations			.622						
We use email to communicate with customers				.920					
We use emails to advertise our products to customers				.915					
We communicate our special offers on the internet					.759				

Variables	Components								
	1: Sales promotion	2: Digital marketing	3: Public relations	4: Email communication	5: Business branding	6: Telemarketing	7: Personal selling	8: Traditional media	9: Word of mouth
Marketing communication helps us build a strong brand identity					.670				
Brochures are handed out as part of communications with our customers					.503				
We believe that telemarketing is not an appropriate tool for SMEs since it involves too much money.						-.811			
We believe that telemarketing is a good method for direct marketing						.749			
Personal selling is an important and dominant thing for us to increase sales and build relationships with our customers							.868		
Personal selling has a significant influence on our sales force performance							.573		
We advertise in Newspapers								.876	
We advertise in Magazines								.662	
For us, Word of mouth is the best way of advertising without payment									.783
We find that Word of mouth influences customer decision making									-.691
Percentage of variance	16.256	9.902	6.356	6.066	5.286	4.870	4.615	4.461	4.326
Cumulative percentage	16.256	26.157	32.514	38.579	43.865	48.735	53.350	57.810	62.137

Variables	Components								
	1: Sales promotion	2: Digital marketing	3: Public relations	4: Email communication	5: Business branding	6: Telemarketing	7: Personal selling	8: Traditional media	9: Word of mouth
Cronbach alpha	0.630	0.577	0.663	0.777	0.482	0.575	0.502	0.393	0.313
Mean score	4.4284	4.3671	3.0421	3.9345	4.3325	3.9005	4.1942	3.7221	3.0461
Standard deviation	0.43005	0.44915	0.86057	0.96184	0.44149	0.74305	0.53347	0.78447	0.45242
Extraction Method: Principal Component Analysis.									
Rotation Method: Promax with Kaiser Normalization.[a]									
a. Rotation converged in 8 iterations.									

Table 5.12 shows the components for the nine extracted factors, namely: sales promotions, digital marketing, public relations, email communication, business branding, telemarketing, personal selling, traditional media, word of mouth. The loadings per item show the range at which a single item loads onto a factor. The items that loads highly on a specific factor are normally indicated by the value near one and the items that loads >=0.50 can be considered as substantial.

Oblique rotation was chosen since correlations between latent factors are allowed for. Promax specifically was selected since it first rotates orthogonally and then rotates this solution again obliquely to allow for connections between factors (Tabachnick & Fidell 2007). The generally agreed upon lower limit for Cronbach's Alpha is 0.70, although it may decrease to 0.60 in exploratory research (Hair *et al.* 2006). The Cronbach's alpha for the current study was .611.

As shown in Table 5.12 above, five of the nine factors had only two items loading on them: Factor four, Factor six, Factor seven, Factor eight, and Factor nine. In the final analysis and considering that not all the nine extracted factors demonstrate acceptable internal consistency as illustrated by the Cronbach's alpha coefficients listed in Table 5.12 above, in addition to factors one, two, three and five, it was decided to retain factors four and six on statistical ground. Similarly factor seven was retained as it could help to explain the importance of personal selling for SMEs in their marketing communication. Factor eight and nine are however dropped as possible factors in SMEs communication strategy because of the poor Cronbach's Alpha values. According to Taper (2016), depending on what it is investigated various list of terms for alpha value advocates that there is no clear accord on the most acceptable labels to use in describing the values found in calculating the Cronbach alpha value.

Factor 1: Sales promotions, which loaded 'We give out business cards', 'We distribute flyers and leaflets', 'Networking helps us to form relationships with others', 'We find that word-of-mouth does have more credibility than advertisers can even imagine'. The reliability analysis attained a Cronbach's alpha of 0.630, which is above the recommended lower limit of .6 for exploratory studies with the mean score of 4.43, standard deviation of 0.43, variance percentage of 16.26 and cumulative percentage of 16.26. The standard deviation of 0.43 shows that SMEs agree on their use of this marketing communication tool. The study conducted by Van Scheers and Radipere

(2008) recommend the use of different advertising methods apart from those that are used by large businesses, such as outdoor advertising, print advertising, advertising in the taxi ranks to take the advertising message across. This is supported by Subramanian (2017) that whatever the business communication it must be done swiftly with the catchy communication medium, as the growth of small businesses rely on new opportunities and strategies to raise the sales. SMEs can now go borderless and can infiltrate to huge markets over the entire world (Moloi 2013). However, some SMEs cannot implement some of the sales promotion methods due to financial constraints (Lekhanya 2010; Gabrielli & Balboni 2010; Mapheto *et al.* 2014)

Factor 2: Digital marketing, which loaded, 'we use email to communicate with suppliers, we use social media to communicate with customers, we use social media to communicate our special offers, we communicate our special offers via SMS. Cronbach's alpha of 0.577, mean score of 4.38, standard deviation of 0.45, percentage of variance 9.90 and cumulative percentage of 26.16. The standard deviation of 0.45 shows that SMEs agree on their use of this marketing communication tool. Although the factor Cronbach alpha is low, the individual Cronbach alpha for the items is high at .728 for 'we use email to communicate with suppliers', .618 for 'we use social media to communicate with customers', .613 for 'we use social media to communicate our special offers' and .593 for 'we communicate our special offers via SMS'. Most SMEs adopt social media facilities for the likeness of customers regarding their product and services (Ingenbleek, Meulenberg & van Triip 2015). The act of using social media platforms has gained momentum in every business entity, which resulted in more opportunities to expand business services (Ha & Lennon 2011). Most SMEs have fully-fledged their businesses by enticing consumers using the current advanced tools. Dutot and Bergerone (2016) found that there is a shifting trend in perceptions and most consumers tend to use these platforms for online product purchasing. According to Yan and Musika (2018) social media has influenced SMEs to the highest degree as they have gained in terms of using strategies for approaching target consumers. Haili (2014) reveals that most the SMEs have accepted social media in their business promotions, and it has created brand awareness. However, Lekhanya (2013) state that the main challenge for SMEs, when using social media and social networks, is how to protect the business reputation and image from negative comments about the business. This is supported by Lee (2014) by stating that in some instances social

media have led to a destruction of consumers, making it more difficult in some respects for SMEs to reach the targeted audiences.

Factor 3, which is the public relations, loaded three variables which are, 'We make use of national advertising', 'We use sponsorships as part of marketing communication', 'we make use of public relations' (v14, v15, v34 respectively). These variables loaded satisfactorily together on factor 3 in the final EFA analysis. Obtaining the reliability analysis on Cronbach's alpha of 0.663, mean score of 3.04, standard deviation of 0.86 and percentage of variance 6.36 and cumulative percentage 32.51.

Venter *et al.* (2007) pronounced that public relations promote the success and growth of the business by establishing goodwill and maintaining good lines of communication between business and the public. This gives credibility to the business brands and businesses are continuously attaining organisational goals through the sponsorship activities. Amoako, Dartey-Baah, Dzogbenuku and Kwasie (2012) found that sponsorship has progressively been observed to create audience awareness and an association with the sponsored entity. Therefore, all SMEs should practice sponsorship as it communicates positive image or message to the target audience and the public at large. Sponsorship grow the SMEs marketing communication performance because it stimulates and creates desire, awareness, action and increases sales of the business (Allen 2010).

Factor 4, named email communication/marketing, loaded, 'we use email to communicate with customers v41', 'We use emails to advertise our products to customers, v42'. The correlation between the two items loading on this factor, V41 and V42, is 0.635 (medium to large). The Cronbach's alpha for the factors is 0.777, which is above the recommended lower limit of 0.6 for exploratory studies, with the mean score of 3.93, standard deviation of 0.962 and percentage of variance 6.07 and cumulative percentage 38.58.

Email offers interactive and conversational communications, which leads to the growth of the SMEs in the fast-growing world of digital communications (Bourn 2014). According to Waheed and Yang (2017), email-marketing/communication gives twice the return on investment as compared to other forms of online marketing. Shenoy (2008) also acknowledged the efficiency of email advertising in daily business

operations. It was found that universal use of an email service is one of the substantial accomplishments in business communication (Zhang, Kumar & Cosguner 2017) However, the success of email-marketing or email as a business communication method relies much on how customer privacy and respect is managed (Bolos, Idemudia, Mai, Rasinghani & Smith 2016). The more informative and entertaining the emails' contents with a high level of privacy, the more it attracts customers towards email-advertising (Jamalzadeh, Behravan & Masoudi 2012).

There were three factors loading in Factor 5 (Business branding), namely 'we communicate our special offers on the internet', 'marketing communication helps us build a strong brand identity', 'brochures are handed out as part of communications with our customers'. Cronbach's alpha of 0.482, mean score of 4.33, standard deviation of 0.44, percentage of variance 5.29 and cumulative percentage of 43.89. Although the factor Cronbach's alpha is low, the individual Cronbach's alpha for the items is high at .869 for 'We make use of national advertising' .759 for 'We use sponsorships as part of marketing communication' and .622 for 'We make use of public relations'. Zellweger, Kellermanns, Eddleston and Memili (2012) contend that business branding can either positively or negatively impact business success. Blomback and Craig (2014) suggest that SMEs should develop an exclusive business branding, even though there is limited information existing on the branding and marketing practices within the SMEs.

Branding contributes positively to the financial performance of the SMEs operating within the evolving countries like South Africa (Farrington & Venter 2018). Blomback and Ramirez-Passillas (2012) state that business branding or image is fashioned by presenting the business, advertising and communicating an anticipated business brand to the public. It is necessary for SMEs to understand that branding has undertaken a massive change, from being an identification component to the creation of emotional attachment with customer, which create a unique brand value (Amin & Nika 2019).

Factor 6, named telemarketing, loaded two factors, which are, 'We believe that telemarketing is not an appropriate tool for SMEs since it involves too much money', 'We believe that telemarketing is a good method for direct marketing'. The correlation between the two items loading on this factor is -.417 (medium). The correlation is

negative, therefore, 'We believe that telemarketing is not an appropriate tool for SMEs since it involves too much money' was reverse-coded to force the same direction for the perceptions. The use of reversed variables together with direct variables infers that reversed variables must be recoded to attain the total score of the scale (Javier, Pedrosa, Lozano, Eduardo, Marcelino & Muniz 2018)

The Cronbach's alpha is 0.575, just below to the recommended lower limit of .6 for exploratory studies. Although the factor Cronbach's alpha is low, the individual Cronbach's alpha for the items is high at -.811 for 'We believe that telemarketing is not an appropriate tool for SMEs since it involves too much money' and .749 for 'We believe that telemarketing is a good method for direct marketing'. Mean score 3.90, standard deviation of 0.74, percentage of variance 4.87 and cumulative percentage of 48.74. The standard deviation of 0.74 shows that SMEs agree on their perception of this marketing communication tool. Telemarketing is a good method of setting appointments for the salespeople, inviting prospective customers to visit a trade show, etcetera (Kotler & Keller 2014).

According to Noh and Park (2014), telemarketing is a good and efficient method of communication that businesses practice with the aim of creating value for the customers and receiving feedback about customer preferences. The study conducted by Tiwari and Gupta (2012) found that with the future of telemarketing, majority of the respondents appeared to be in favour of telemarketing since nearly half of the respondents said it should be continued while few numbers was not so sure about it. Artraya (2013) advised that arousing the prospects curiosity is the major pillar in telemarketing, prospects should be given enough chance and opportunity to ask related questions while the aim is that the prospect gets enough and clear information as the basis for consideration.

Factor 7, named personal selling, loaded two variables, which are, 'personal selling is an important and dominant thing for us to increase sales and build relationships with our customers', 'personal selling has a significant influence on our sales force performance'. Cronbach's alpha for the factors is 0.502, Mean score of 4.19, standard deviation of 0.533 and percentage of variance 4.16 and cumulative percentage 53.35. Although the factor Cronbach's alpha is low, the individual Cronbach's alpha for the items is high at .573 for 'Personal selling has a significant influence on our sales force

performance' and .868 for 'Personal selling is an important and dominant thing for us to increase sales and build relationships with our customers'.

The correlation between the two items loading on this factor (7) is 0.335 (acceptable). The Cronbach's alpha is 0.502, below to the suggested lower limit of 0.6 for exploratory studies. However, this factor 7 was retained as it could help to explain the importance of personal selling for SMEs in their marketing communication. Personal selling ensures customers post-purchase satisfaction and build profitable long-term relationships, that is built on trust. Khan (2014) reports that personal selling is another method of promotion that SME owners should use to market their products effectively. Personal selling should be applied within the SMEs to persuade customers to make additional purchases of products and meet the business's revenue goals (Mohammed, Rashid & Tahir 2014). Kihanya (2013) found that personal selling positively influences the business performance.

Factor 8: traditional media, loaded only two variables, 'we advertise in Newspapers', 'we advertise in Magazines'. The correlation between the two items loading on this factor is 0.255 (small). Each of these two variables correlates with several other variables. At face value, the two items seem to refer to something similar; advertising in traditional media.

The Cronbach's alpha is 0.393, more than 0.1 lower than the suggested lower limit of 0.6 for exploratory studies. Based on the above weak statistical support for it, this factor was dropped.

Factor 9: word-of-mouth advertising, which loaded, 'for us, word-of-mouth is the best way of advertising without payment', 'we find that Word of mouth influences customer decision making'. The correlation between the two items loading on this factor is -.186 (very small, effectively non-existent). Neither of these two variables correlate with any of the other variables. At face value, the two items seem to refer to something similar; the value of word of mouth as a tool.

The Cronbach's alpha is 0.313, way lower than the recommended lower limit of .6 for exploratory studies. Based on the above weak statistical support for it, this factor is dropped.

5.6 FACTOR ANALYSIS: PRODUCT STRATEGIES

To reduce the dimensionality of the data, PCA with IBM SPSS Statistics 26 was used to examine patterns of correlations among the questions used to elicit the respondents' perceptions regarding product development and innovation in their businesses. As highlighted in 5.5.1, EFA is defined as finding few substantial and new variables by considering the relations amongst the variables by merging quite a few interconnected variables (Altunisik, Coşkun, Bayraktaroglu & Yildirim 2005).

5.6.1 Sample adequacy

Bartlett's test of sphericity has been used for the conformity of data with factor analysis and Kaiser-Meyer-Olkin coefficient (KMO) has been used for the appropriateness of sample size. If KMO value is lower than 0.50, it is not appropriate to continue factor analysis. In this case, it is advisable to upsurge the figure of observations (Field 2009). The Kaiser-Meyer-Olkin value was 0.665, just above the recommended minimum value of 0.6 (Kaiser 1970, 1974) and the Bartlett's test of sphericity (Bartlett 1954) reached statistical significance, $p<.001$. See Table 5.13, which displays the results of KMO measures of the sampling adequacy, and it further describes the results of Bartlett's test of sphericity. Both the KMO and Bartlett's test meet the statistical significance of EFA analysis.

Table 5.13: KMO and Bartlett's test: Product development and innovation

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.665
Bartlett's Test of Sphericity	Approx. Chi-Square	944.691
	df	171
	Sig.	0.000

In reducing the dimensionality of the data, PCA with IBM SPSS Statistics 26 was used to examine patterns of correlations among the questions used to elicit the respondents' perceptions regarding the product development and innovation of their businesses. PCA is applied to extract maximum variance from the data set with each factor thus

dropping a great number of variables into reduced number of factors (Tabachnick & Fidell 2007).

Table 5.14 showed the communalities. Communalities are regarded as a continuance of factor loadings. According to Rietveld and Van Hout (1993), the communality of a variable is the sum of the loadings of this variable on all extracted factors, which then shows the correlations between these items. When a value is near one it shows an item that correlates extremely with the other items. For the 19 items examined to elicit the respondents' perceptions about the product development and innovation in their businesses, the communalities are rational, because the communalities range from a minimum of 0.415 to the maximum of 0.733. According to the accepted guidelines for identifying significant factor loadings (Hair *et al*. 1995) 0.30 was accepted as the cut-off point for interpretation purposes.

Table 5.14: Communalities (principle component analysis)

Communalities		
	Initial	Extract
Our products meet customer needs	1.000	0.525
Our products are technologically advanced	1.000	0.415
Innovation ensures success in new products for us	1.000	0.660
Our products offer benefits that respond to the customer's desires.	1.000	0.632
We focus most on knowing the customer well to provide his/her needs instantly	1.000	0.534
We introduce new products to enter a new market	1.000	0.481
We introduce new products to the existing market	1.000	0.548
We offer customised products or services	1.000	0.606
We offer different product designs and quality for different types of customers	1.000	0.608
Our understanding of competitor's products is key for improvement in the capability of our products	1.000	0.478
Our competitors are first to introduce new products	1.000	0.610
We involve staff across different departments/sections in new product developments	1.000	0.573
We collaborate with other SMEs during product development	1.000	0.552
An excellent packaging serves as a vital part of our brand	1.000	0.517
Our packaging facilitates product selection and purchase	1.000	0.536
Branding builds our customer loyalty	1.000	0.711
Branding promotes business growth for us	1.000	0.563
We do not brand our products since branding is costly	1.000	0.733
We believe that branding is for big firms only	1.000	0.652
Extraction Method: Principal Component Analysis.		

Table 5.14 showed the communalities, which can be professed as a continuance of component loadings, whereby communality of a variable is seen as the amount of the loadings of this variable on all extracted components (Rietveld and Van Hout 1993). The Kaiser Criterion is said to be reliable when the averaged extracted communalities are equal to or above 0.60 and the sample size is over 250 (Field 2009). Factor extraction using the PCA is shown in Table 5.15. The study achieved the KMO of 0.665

Table 5.15: Total Variance Explained by Exploratory Factor Analysis (Principal Component Analysis)

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.710	14.262	14.262	2.710	14.262	14.262
2	2.016	10.612	24.873	2.016	10.612	24.873
3	1.429	7.524	32.397	1.429	7.524	32.397
4	1.298	6.834	39.231	1.298	6.834	39.231
5	1.261	6.639	45.870	1.261	6.639	45.870
6	1.174	6.177	52.047	1.174	6.177	52.047
7	1.045	5.501	57.548	1.045	5.501	57.548
8	0.926	4.872	62.420			
9	0.887	4.668	67.088			
10	0.822	4.327	71.415			
11	0.788	4.150	75.565			
12	0.686	3.610	79.174			
13	0.679	3.575	82.749			
14	0.662	3.484	86.233			
15	0.612	3.222	89.455			
16	0.554	2.916	92.371			
17	0.534	2.809	95.180			
18	0.511	2.692	97.872			
19	0.404	2.128	100.000			

Total Variance Explained

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

The results of EFA analysis, were shown in Table 5.15, which also shows the extracted seven factors, namely product quality and packaging, cost of branding, usefulness of

branding, collaborative product development, product variety, meeting customer needs and introduction of new products. The use of scree test concurrently with the eigenvalues is recommended to determine the number of components to keep (Yong & Pearce 2013). The main function for eigenvalues and scree test is to determine how many factors to retain.

Promax rotation, a rotation method that allows for correlation among the latent factors was performed. Excluding factor loadings of less than 0.4 resulted in a simple structure (Thurstone 1947), with each of the seven factors showing several strong loadings (Table 5.16). Not all the extracted factors demonstrate the acceptable internal consistency as illustrated by the Cronbach's alpha coefficients listed in Table 5.16. The subscales for the extracted components were obtained by calculating the mean of the items loading on each of the subscales (Table 5.16).

Table 5.16: Rotated Pattern Matrix: Principal Component Analysis with Promax rotation (Kaiser Normalization)

Variables	Components						
	1: Product quality and packaging	2: Cost of branding	3: Usefulness of branding	4: Collaborative product development	5: Product variety	6: Meeting customer needs	7: Introduction of new products
An excellent packaging serves as a vital part of our brand	.722						
Our packaging facilitates product selection and purchase	.719						
Our products meet customer needs	.563						
Our products are technologically advanced	.502						
We do not brand our products since branding is costly		.885					
We believe that branding is for big firms only		.811					
Branding builds our customer loyalty			.913				
Branding promotes business growth for us			.639				
Our competitors are first to introduce new products				.773			
We involve staff across different departments/sections in new product developments				.707			
We collaborate with other SMEs during product development				.436			
We offer different product designs and quality for different types of customers					.710		
We offer customised products or services					.667		
Our understanding of competitor's products is key for improvement in the capability of our products					-.521		
We introduce new products to enter a new market						-.648	

Variables	Components						
	1: Product quality and packaging	2: Cost of branding	3: Usefulness of branding	4: Collaborative product development	5: Product variety	6: Meeting customer needs	7: Introduction of new products
Our products offer benefits that respond to the customer's desires.						.636	
We focus most on knowing the customer well to provide his/her needs instantly						.544	
Innovation ensures success in new products for us							.808
We introduce new products to the existing market							-.507
Percentage of variance	14.262	10.612	7.524	6.834	6.639	6.177	5.501
Cumulative percentage	14.262	24.873	32.397	39.231	45.870	52.047	57.548
Cronbach alpha	0.591	0.700	0.450	0.485	0.310	0.304	0.100
Mean score	4.3865	1.8756	4.2379	3.0955	3.3552	3.5380	4.2100
Standard deviation	0.41492	0.66715	0.48377	0.82115	0.51923	0.45555	0.42743
Extraction Method: Principal Component Analysis.							
Rotation Method: Promax with Kaiser Normalization.[a]							
a. Rotation converged in 9 iterations.							

Table 5.16 showed the components for the seven extracted factors. Oblique rotation was chosen since correlations between latent factors are allowed for. Promax specifically was chosen since it first rotates orthogonally and then rotates this solution again obliquely to allow for correlations among factors (Tabachnick & Fidell 2007).

According to a rule of thumb, using a Cronbach's alpha level of .01 (two-tailed), a rotated factor loading for a sample size of at least 300 would need to be at least .32 to be considered statistically meaningful (Tabachnick & Fidell 2007). When the factor loading is at least 0.4 sturdily suggest that a specific variable is attributable to factors (Cutillo 2019). The correlation r must be 0.30 or greater since anything lower would suggest a weak relationship between the variables (Tabachnick & Fidell 2007). Often variables with low communalities (less than .20) are removed from the analysis since the aim of factor analysis is to try and describe the variance through the common factors (Child 2006).

As shown in Table 5.18 above, three of the seven extracted factors had only two items loading on them: Factor 2 'We do not brand our products since branding is costly', 'We believe that branding is for big firms only', Factor 3 'Branding builds our customer loyalty', 'Branding promotes business growth for us', Factor 7 'Innovation ensures success in new products for us', 'We introduce new products to the existing market'. In the final analysis,' not all the 7 extracted factors demonstrate acceptable internal consistency as illustrated by the Cronbach's alpha coefficients listed in Table 5.16 above. Factors 5, 6 and 7 are, however, dropped as possible factors in SMEs product strategy because of the poor Cronbach's alpha values. Taper (2016) state that depending on what it is investigated the alpha value of 0.45 – 0.98 is acceptable, however, Taper (2016) articulate that various lists of terms advocate that there is no clear accord on the most acceptable labels to use in describing the values found in calculating the Cronbach's alpha value.

Factor 1: Product quality and packaging, which loaded 'An excellent packaging serves as a vital part of our brand', 'Our packaging facilitates product selection and purchase', 'Our products meet customer needs', 'Our products are technologically advanced'. The reliability analysis attained a Cronbach's alpha of 0.591, which is slightly below the recommended lower limit of .6 for exploratory studies with the mean score of 4.39, standard deviation of 0.41, variance percentage of 14.26 and cumulative percentage

of 14.26. Molina-Castillo, Munuera-Aleman and Calantone (2011) consider product quality as a serious element for the business to obtain a competitive advantage, it is further assumed to be of high importance to the existence and success of a product. Product quality and packaging are a good combination for product success. Abdalkrim and AL-Hrezat (2018) found that there is a significant statistical effect of the packaging role in protecting the products and consumer on the consumer's perception of product quality at the point of purchase. This is in line with Heising, Dekker, Bartels and Van Boekel (2014) who found that expediency is another function of packaging that consumers often look for at the point of purchase, the package size may also narrate to the product's storage and convenience of use.

Factor 2: Cost of branding, which loaded 'We do not brand our products since branding is costly', 'We believe that branding is for big firms only'. The reliability analysis attained a Cronbach's alpha of .700, which is above the recommended lower limit of .6 for exploratory studies with the mean score of 1.88, standard deviation of 0.67, variance percentage of 10.61 and cumulative percentage of 24.87. SMEs are faced with some financial constraints, which make it difficult to do branding. Odoom (2017) found that these financial limitations for branding force SMEs to focus on short term branding strategies, this resulted in SMEs opting to develop long-term branding strategies as a secondary priority. The element of financial resources to develop branding for SMEs has been noted as the core component for engendering strategic branding efforts in SMEs (Merrilees, Rundle-Thiele & Lye 2011).

Factor 3: Usefulness of branding, 'Branding builds our customer loyalty', 'Branding promotes business growth for us'. The reliability analysis attained a Cronbach's alpha of 0.450, which is below the recommended lower limit of .6 for exploratory studies. However, this is in line with the recommendation made by Taper (2016), that depending on what is researched the alpha value of 0.45 – 0.98 is acceptable. The mean score of 4.24, standard deviation of 0.48, variance percentage of 7.52 and cumulative percentage of 32.40. Yaro (2015) states that branding is an important aspect for the business as it adds value to a product, serves as a product differentiation strategy and allows the SMEs to charge higher prices on the products than they would if products were viewed as identical by consumers. This is in line with the study conducted by Lake (2012) that states branding helps in enhancing product image and

helps in identifying the competing brands by consumers. It attracts consumers and creates connections to the brand through the emotions that accompany it. If a brand is powerful it will serve as a strong and effective tool for building a good reputation and consumers loyalty that brings greater sales (Mudrik 2016)

Factor 4: there were three factors loading in factor 4 (collaborative product development), namely 'Our competitors are first to introduce new products', 'We involve staff across different departments/sections in new product developments', 'v78 We collaborate with other SMEs during product development'. The reliability analysis attained a Cronbach's alpha of 0.485, which is below the recommended lower limit of .6 for exploratory studies. However, this is in line with the recommendation made by Taper (2016) that depending on what is researched the alpha value of 0.45 – 0.98 is acceptable. The mean score of 3.10, standard deviation of 0.82, variance percentage of 6.83 and cumulative percentage of 39.23. The intensive efforts of product development secure a competitive position for the SMEs brands, resulting in higher revenues and the increase of shareholder value (Sammut-Bonnici 2015).

Factor 5: explains the product variety and loaded 3 items on it, which are 'We involve staff across different departments/sections in new product developments', 'We collaborate with other SMEs during product development', 'We offer different product designs and quality for different types of customers. The reliability analysis attained a Cronbach's alpha of 0.310, which is below the recommended lower limit of .6 for exploratory studies with the mean score of 3.36, standard deviation of 0.52, variance percentage of 6.64 and cumulative percentage of 45.87. Based on the above weak statistical back up, this factor cannot positively contribute to the study, therefore, the factor is dropped.

Factor 6: Meeting customer needs, which loaded 3 items 'We introduce new products to enter a new market', 'Our products offer benefits that respond to the customer's desires', 'We focus most on knowing the customer well to provide his/her needs instantly'. The reliability analysis attained a Cronbach's alpha of 0.304, which is way below the recommended lower limit of .6 for exploratory studies with the mean score of 3.36, standard deviation of 0.46, variance percentage of 6.18 and cumulative percentage of 52.05. Therefore, this factor is not considered for study solutions

Factor 7: Introduction of new products, which loaded two items 'Innovation ensures success in new products for us', 'We introduce new products to the existing market'. The reliability analysis attained a Cronbach's alpha of 0.100, the mean score of 4.21, standard deviation of 0.43, variance percentage of 5.50 and cumulative percentage of 57.55

The correlation between the two items loading on this factor is.-.055 (effectively non-existent). 'Personal selling has a significant influence on our sales force performance' also has small correlations with 3 other variables but 'Personal selling is an important and dominant thing for us to increase sales and build relationships with our customers' does not correlate with any of the other variables. At face value, the two items refer to new products but do not really address the same aspect around new products. This explains the non-existent correlation between them. The Cronbach's alpha is .100, way below the suggested lower limit of .6 for exploratory studies. Based on the weak statistical and theoretical motivation for retaining this factor, it was dropped from the study solution.

The next section discussed the results of the hypotheses tested in this study.

5.7 TESTING HYPOTHESES 1: MARKETING COMMUNICATION STRATEGIES AND DEMOGRAPHIC FACTORS (BUSINESS OPERATION, TRAINING AND ANNUAL TURNOVER) AND

H_{1a} Marketing strategies of SMEs differ across demographics business operation of SMEs.

H_{1b} Marketing strategies of SMEs does differ across business training attended by SMEs owners/managers.

H_{3a} Marketing strategies of SMEs differ across demographics business turnover, of SMEs.

Hypotheses 1 tests whether marketing communication strategies differs across the demographic factors of the SMEs. The following demographic factors were tested: business operation, business marketing training and business turnover.

153

5.7.1 Business operation (business maturity) and marketing communication

The one-way ANOVA and Welch ANOVA tests were used to investigate whether business maturity has a significant effect on the respondents' attitudes towards marketing communication. The one-way ANOVA and Welch ANOVA tests found that, on average, business maturity has a highly significant effect on the respondents' agreement level with statements about the business marketing communications in their businesses regarding all the dimensions except C3 and C7. Refer to the Table 5.17.

Table 5.17: Business maturity (business years of operation)

ANOVA									
Descriptive		**N**	**Mean**	**Std. Deviation**	**95% Confidence Interval for Mean**		**Post hoc**	**df**	**Sig.**
					Lower bound	**Upper bound**			
C1 Sales promotions	5 years or less	62	4.2056	.47158	4.0859	4.3254	4.553	2	.000
	Between 5 and 10 years	179	4.4148	.41825	4.3531	4.4765			
	Over 10 years	170	4.5206	.39545	4.4607	4.5805			
	Total	411	4.4270	.42965	4.3853	4.4687			
C2 Digital marketing	5 years or less	62	4.3065	.42082	4.1996	4.4133		2	.000
	Between 5 and 10 years	179	4.2919	.46770	4.2229	4.3609			
	Over 10 years	170	4.4706	.42117	4.4068	4.5344			
	Total	411	4.3680	.44933	4.3244	4.4116			
C3 Public relations	5 years or less	62	2.8656	.76456	2.6714	3.0598		2	.097
	Between 5 and 10 years	179	3.1304	.86715	3.0025	3.2583			
	Over 10 years	170	3.0137	.88181	2.8802	3.1472			
	Total	411	3.0422	.86162	2.9586	3.1257			
C4 Email communication	5 years or less	62	3.9516	.65104	3.7863	4.1169		2	.004
	Between 5 and 10 years	179	4.0978	.76084	3.9855	4.2100			
	Over 10 years	170	3.7559	1.19446	3.5750	3.9367			
	Total	411	3.9343	.96301	3.8409	4.0277			
C5 Business branding	5 years or less	62	4.0645	.43874	3.9531	4.1759		2	.000
	Between 5 and 10 years	179	4.3240	.43047	4.2605	4.3875			
	Over 10 years	170	4.4431	.40990	4.3811	4.5052			
	Total	411	4.3341	.44080	4.2914	4.3769			

ANOVA									
Descriptive		**N**	**Mean**	**Std. Deviation**	**95% Confidence Interval for Mean**		**Post hoc**	**df**	**Sig.**
					Lower bound	**Upper bound**			
C6 Telemarketing	5 years or less	62	3.7177	.78208	3.5191	3.9164		2	.008
	Between 5 and 10 years	179	3.8408	.75778	3.7290	3.9526			
	Over 10 years	170	4.0235	.69191	3.9188	4.1283			
	Total	411	3.8978	.74196	3.8259	3.9698			
C7 Personal selling	5 years or less	62	4.1048	.58770	3.9556	4.2541		2	.207
	Between 5 and 10 years	179	4.1816	.55257	4.1001	4.2631			
	Over 10 years	170	4.2412	.49021	4.1670	4.3154			
	Total	411	4.1946	.53403	4.1429	4.2464			

Specifically, in the case where a business have been in existence for 5 years or less (M=4.21, SD=.472), respondents score significantly lower on the C1 digital marketing dimension than respondents from businesses that are between 5 and 10 years (M=4.41, SD=.418) old, as well as those from businesses that have been in existence for more than 10 years (M=2.33, SD=.65). Respondents from businesses that are between 5 and 10 years (M=4.41, SD=.418) score significantly (marginally) lower on this dimension than respondents from businesses that have been in existence for more than 10 years (M=2.33, SD=.65). In the case where a business has been in existence for more than 10 years (M=4.47, SD=.421), respondents score significantly higher on the C2 use of digital marketing dimension than respondents from businesses that are between 5 and 10 years (M=4.29, SD=.468) old, as well as marginally higher than those from businesses that have been in existence for more than 5 years or less (M=2.31, SD=.421).

The study found that the more the years of business operation, the easier the acceptance of relevant marketing communication strategies. For example, SMEs that have been in existence for more than 10 years scored significantly high in both the sales promotions and digital marketing usage. This is backed by the study conducted by Buil *et al.* (2013) that marketing communication strategy positively impacts on SMEs performance, which is caused by the impact on business experience, brand knowledge, etcetera. Business maturity has a tremendous impact of the adoption of new marketing strategies and the way the owners/manager respond to business marketing, which ensures the good performance and business competitiveness (Kariithi 2015). Also, Tsikirayi *et al.* (2013) state that, the more the SME has been in operation the more the positive attitude towards applying marketing communication strategies. Van Scheers and Radipere (2008) also emphasise the importance of positive attitudes towards marketing communication strategies as this leads to the success of the entity. Wamb and Carter (2016) found that most of the SMEs have adopted social media as part of marketing communication tools. In summary, the agreement level goes up as the maturity increases.

In the case where a business has been in existence for more than 10 years (M=3.76, SD=1.194), respondents score significantly lower on the C4 the use email as a communication tool dimension than respondents from businesses that are between 5

and 10 years (M=4.10, SD=.761) old. In the case where a business have been in existence for 5 years or less (M=4.06, SD=.439), respondents score significantly lower on the C5 Business branding dimension than respondents from businesses that are between 5 and 10 years (M=4.32, SD=.430) old as well as those from businesses that have been in existence for more than 10 years (M=4.44, SD=.410). Respondents from businesses that are between 5 and 10 years (M=4.32, SD=.430) score significantly lower on this dimension than respondents from businesses that have been in existence for more than 10 years (M=4.44, SD=.410). In summary, the agreement level goes up as the maturity increases.

In the case where a business has been in existence for more than 10 years (M=4.02, SD=.692), respondents score significantly higher on the C6 telemarketing dimension than respondents from businesses that are between 5 years or less old (M=3.72, SD=.782). Based on the above findings, it is apparent that business maturity goes with marketing communication understanding, however with the use of email to communicate with customers is visa-versa, because businesses that are above 10 years in operation seems not to understand the usage of email to communicate with customers. However, the study conducted by Cant *et al.* (2016) found that emails were the utmost internet-based method used by SMEs to communicate their special offers. The findings of the study about branding is in line with Razeghi, Roosta, Alemtabriz and Gharache (2014) branding brought SMEs differentiation and consistency of image with reality, it was also found that SMEs that operated for a long-time understand branding and its impact.

5.7.2 Business marketing training and marketing communication

The independent samples t-test was used to investigate whether the respondents have attended training has a significant effect on the level of agreement with statements about the business marketing communications in their businesses. refer to Table 5.18.

Table 5.18: Independent samples test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
C1 Sales promotions	Equal variances assumed	3.704	.055	3.428	410	.001	.20051	.05850	.08552	.31550
	Equal variances not assumed			3.109	78.196	.003	.20051	.06449	.07212	.32889
C2 Digital marketing	Equal variances assumed	.001	.969	2.160	410	.031	.13311	.06161	.01199	.25423
	Equal variances not assumed			2.117	82.694	.037	.13311	.06288	.00804	.25818
C3 Public relations	Equal variances assumed	.948	.331	-1.023	410	.307	-.12135	.11857	-.35444	.11173
	Equal variances not assumed			-1.062	86.802	.291	-.12135	.11426	-.34846	.10575
C4 Email communication	Equal variances assumed	5.071	.025	.564	410	.573	.07475	.13264	-.18600	.33549
	Equal variances not assumed			.673	100.925	.502	.07475	.11102	-.14550	.29499
C5 Business branding	Equal variances assumed	.038	.845	2.710	410	.007	.16359	.06037	.04492	.28227
	Equal variances not assumed			2.651	82.596	.010	.16359	.06170	.04086	.28633
C6 Telemarketing	Equal variances assumed	.005	.944	.803	410	.423	.08221	.10243	-.11914	.28356
	Equal variances not assumed			.772	81.549	.442	.08221	.10643	-.12953	.29396
C7 Personal selling	Equal variances assumed	.130	.718	1.303	410	.193	.09567	.07344	-.04871	.24004
	Equal variances not assumed			1.306	84.266	.195	.09567	.07323	-.04996	.24129

The independent samples t-test found that whether the respondents have attended training on average has a significant effect on C1 sales promotion (t (92.02) =-2.492, p<.05), C2 digital marketing (t (410) = -3.696, p<.001) and C5 Business branding (t (410) =-3.696, p<.001). Specifically, those who have attended training (M=4.46, SD=.414) have a significantly higher agreement score than those who have not attended training (M=4.26, SD=.477) regarding C1 Sales promotions.

Those who have attended training (M=4.39, SD=.445) have a significantly higher agreement score than those who have not attended training (M=4.25, SD=.058) regarding C2 Use of digital marketing. Those who have attended training (M=4.37, SD=.436) have a significantly higher agreement score than those who have not attended training (M=4.19, SD=.057) regarding C5 Business branding. From the study findings it is obvious that marketing training plays a very important role in marketing SMEs since the respondents that attended marketing training have lesser challenges in understanding marketing communication strategies. The study conducted by Van Scheers (2011) found that the enhancement of SME managers' marketing skills will improve business success and rejuvenate economy. In summary, training seems to lead to higher levels of agreement on the C1, C2 and C5 dimensions. Refer to Table 5.18.

5.7.3 Business annual turnover and marketing communication

The one-way ANOVA test was used to investigate whether annual turnover has a significant effect on the level of agreement with statements about the business marketing communication in their businesses. The one-way ANOVA and Welch ANOVA tests found that, on average, annual turnover has a highly significant effect on the respondents' agreement level with statements regarding the business marketing communication strategies in their businesses regarding 5 of the dimensions (C1, C2, C5, C6, C7) as shown in Table 5.19.

Table 5.19: Business annual turnover

ANOVA									
Descriptive		N	Mean	Std. Deviation	95% Confidence Interval for Mean		Post hoc	df	Sig.
					Lower bound	Upper bound			
C1 Sales promotion	R0 – 100 000	10	4.1000	.41164	3.8055	4.3945		3	.000
	R100 001 – 500 000	53	4.2123	.45308	4.0874	4.3371			
	R500001–1 000 000	193	4.3912	.45409	4.3267	4.4557			
	R1 000 001 – over 5000 000	155	4.5677	.33506	4.5146	4.6209			
	Total	411	4.4276	.43028	4.3859	4.4693			
C2 Digital marketing	R0 – 100 000	10	4.1750	.31292	3.9512	4.3988		3	.000
	R100 001 – 500 000	53	4.1085	.40582	3.9966	4.2203			
	R500001–1 000 000	193	4.2591	.43254	4.1977	4.3205			
	R1 000 001 – over 5000 000	155	4.6032	.38413	4.5423	4.6642			
	Total	411	4.3674	.44966	4.3238	4.4110			
C3 Public relations	R0 – 100 000	10	3.1000	.64884	2.6359	3.5641		3	.882
	R100 001 – 500 000	53	3.1132	.67603	2.9269	3.2995			
	R500001–1 000 000	193	3.0518	.84414	2.9320	3.1717			
	R1 000 001 – over 5000 000	155	3.0086	.94811	2.8582	3.1590			
	Total	411	3.0446	.86008	2.9612	3.1280			
C4 Email communication	R0 – 100 000	10	3.6500	.62583	3.2023	4.0977		3	.805
	R100 001 – 500 000	53	3.9151	.61030	3.7469	4.0833			
	R500001–1 000 000	193	3.9560	.92104	3.8252	4.0867			
	R1 000 001 – over 5000 000	155	3.9323	1.12105	3.7544	4.1101			
	Total	411	3.9343	.96301	3.8409	4.0277			

ANOVA								
Descriptive		N	Mean	Std. Deviation	95% Confidence Interval for Mean		Post hoc	df	Sig.
					Lower bound	Upper bound			
C5 Business branding	R0 – 100 000	10	3.8333	.42310	3.5307	4.1360		3	.000
	R100 001 – 500 000	53	4.0566	.45166	3.9321	4.1811			
	R500001–1 000 000	193	4.2953	.40789	4.2374	4.3532			
	R1 000 001 – over 5000 000	155	4.5054	.39905	4.4421	4.5687			
	Total	411	4.3325	.44203	4.2897	4.3754			
C6 Telemarketing	R0 – 100 000	10	3.8500	.33747	3.6086	4.0914		3	~~.000~~
	R100 001 – 500 000	53	3.4434	.78238	3.2277	3.6590			
	R500001–1 000 000	193	3.8290	.74077	3.7238	3.9342			
	R1 000 001 – over 5000 000	155	4.1484	.66002	4.0437	4.2531			
	Total	411	3.9002	.74393	3.8281	3.9724			
C7 Personal selling	R0 – 100 000	10	3.8500	.33747	3.6086	4.0914		3	~~.000~~
	R100 001 – 500 000	53	4.0660	.57209	3.9084	4.2237			
	R500001–1 000 000	193	4.1244	.57062	4.0433	4.2054			
	R1 000 001 – over 5000 000	155	4.3452	.43977	4.2754	4.4149			
	Total	411	4.1934	.53390	4.1417	4.2452	~~116.872~~		

Specifically, in the case where a business has an annual turnover of R1 000 001 to over R5 000 000 (M=4.57, SD=.335), respondents score significantly higher on the C1 sales promotion dimension than respondents from businesses with an annual turnover of R0 to R100 000 (M=4.10, SD=.412), an annual turnover of R100 001 to R500 000 (M=4.21, SD=.453) as well as those from businesses that have an annual turnover of R500 001 to R1 000 000 (M=4.39, SD=.454). Respondents from businesses with an annual turnover of R500 001 to R1 000 000 (M=4.39, SD=.454) score significantly higher on this dimension than respondents from businesses that have annual turnovers of R100 001 to R500 000 (M=4.21, SD=.453) on this dimension. In summary, the agreement level goes up as the annual turnover increases.

In the case where a business has an annual turnover of R1 000 001 to over R5 000 000 (M=4.60, SD=.384), respondents score significantly higher on the C2 digital marketing dimension than respondents from businesses with an annual turnover of R0 to R100 000 (M=4.18, SD=.313), an annual turnover of R100 001 to R500 000 (M=4.11, SD=.406) as well as those from businesses that have an annual turnover of R500 001 to R1 000 000 (M=4.26, SD=.433). Respondents from businesses with an annual turnover of R500 001 to R1 000 000 (M=4.26, SD=.433) score significantly higher on this dimension than respondents from businesses that have annual turnovers of R100 001 to R500 000 (M=4.11, SD=.406) on this dimension.

As outlined in the above table, in cases where a business has an annual turnover of R1 000 001 to over R5 000 000 (M=4.51, SD=.399), respondents score significantly higher on the C5 Business branding dimension than respondents from businesses with an annual turnover of R0 to R100 000 (M=3.83, SD=.423), an annual turnover of R100 001 to R500 000 (M=4.06, SD=.452) as well as those from businesses that has an annual turnover of R500 001 to R1 000 000 (M=4.30, SD=.408). Additionally respondents from businesses with an annual turnover of R500 001 to R1 000 000 (M=4.30, SD=.408) score significantly higher on this dimension than respondents from businesses that have annual turnovers of R0 to R100 000 (M=3.83, SD=.423) and R100 001 to R500 000 (M=4.06, SD=.452) on this dimension. In summary, the agreement level goes up as the annual turnover increases.

The findings are backed by Mumel, Hocovar and Snoi (2007) stating that there is a significant relationship between marketing communication strategies and business

turnover; the higher the turnover the higher the application of marketing communication activities. However, SMEs seeking better business turnover and performance should focus more on using specific marketing communication activities (Abernathy, Kubick & Masli 2013). In summary, the agreement level goes up as the annual turnover increases.

As mentioned in Table 5.17, in the case where a business has an annual turnover of R1 000 001 to over R5 000 000 (M=4.15, SD=.660), respondents score significantly higher on the C6 telemarketing dimension than respondents from businesses with an annual turnover of R100 001 to R500 000 (M=3.44, SD=.782) as well as those from businesses that have an annual turnover of R500 001 to R1 000 000 (M=3.83, SD= .741). Additionally, respondents from businesses with an annual turnover of R500 001 to R1 000 000 (M=3.83, SD=.741) score significantly higher on this dimension than respondents from businesses that have annual turnovers of R100 001 to R500 000 (M=3.44, SD=.457822) on this dimension.

In the case where a business has an annual turnover of R1 000 001 to over R5 000 000 (M=4.35, SD=.440), respondents score significantly higher on the C7 Personal selling dimension than respondents from businesses with an annual turnover of R0 to R100 000 (M=3.85, SD=.337), an annual turnover of R100 001 to R500 000 (M=4.07, SD=.572) as well as those from businesses that has an annual turnover of R500 001 to R1 000 000 (M=4.12, SD=.5. This shows that businesses with higher turnover are likely to use and experience the benefits of personal selling than the once with minimum turnover. Personal selling as part of Marketing communication strategies offers the path for using the business resources competently to accomplish its established goals and objectives (Adewale *et al.* 2013).

5.8 TESTING HYPOTHESES 2: DEMOGRAPHICS (BUSINESS OPERATION, TRAINING AND ANNUAL TURNOVER) AND FACTORS INFLUENCING MARKETING STRATEGIES

H_{2a} Factors influencing marketing strategies differ across the demographics of SMEs business operation experience of SMEs.

H_{2b} Factors influencing marketing strategies do not differ across the training attended by SMEs.

H_{2c} Factors influencing marketing strategies differ across the business turnover of SMEs.

Hypotheses 2 tests whether factors influencing marketing strategies differ across the demographic factors of the SMES. The following demographic factors were tested: business operation, business marketing training and business turnover. These three factors were chosen as the possible factors that can help in measuring the SMEs demographics that have an impact on the factors that influence SMEs marketing strategies.

5.8.1 Business operation (business maturity) and factors influencing marketing strategies

To investigate whether business maturity has a significant effect on the respondents' perception of the multitude of marketing challenges that face SMEs, the one-way ANOVA test was used.

Table 5.20: Extent of the existence of marketing challenges for SMEs

Descriptive	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower bound	Upper bound		
5 years or less	62	67.9211	7.90332	1.00372	65.9141	69.9282	49.21	84.13
Between 5 and 10 years	179	70.6837	6.94806	.51932	69.6589	71.7085	53.97	87.30

Descriptive	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower bound	Upper bound		
Over 10 years	170	70.3922	7.14523	.54801	69.3103	71.4740	47.62	87.30
Total	411	70.1464	7.22469	.35637	69.4458	70.8469	47.62	87.30

The one-way ANOVA test found that business maturity has a significant effect on the extent to which respondents perceive marketing challenges for SMEs, $F_{(2)} = 3.579$, $p < .05$. As can be seen in the ANOVA Table 5.21, the respondents with businesses that have been in existence for 5 years or less (M=67.92, SD=7.90), are significantly less pessimistic in terms of the extent that SMEs are faced with marketing challenges than those whose businesses have been in existence for between 5 and 10 years (M=70.68, SD=6.95). In general, it seems that respondents are more pessimistic as business maturity increases.

Table 5.21: ANOVA: Extent of the existence of marketing challenges for SMEs

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	368.950	2	184.475	3.579	.029
Within Groups	21031.440	408	51.548		
Total	21400.391	410			

5.8.2 Business marketing training and factors influencing marketing strategies

In order to determine whether the fact that respondents have been for training or not has a significant effect on the extent to which they believe SMEs are faced with marketing challenges, the independent samples t-test was used. Refer to Table 5.22.

Table 5.22: Group statistics: Business Marketing Training

	Have you gone to any training related to marketing?	N	Mean	Std. Deviation	Std. Error Mean
Q4 Idx_perc Extent of the existence of marketing challenges for SMEs	Yes	350	70.6213	7.06370	.37757
	No	62	67.4859	7.54289	.95795

Table 5.23: Independent samples test: Extent of the existence of marketing challenges for SMEs

		Equal variances assumed
Levene's Test for Equality of Variances	F	.542
	Sig.	.462
t-test for Equality of Means	t	3.188
	df	410
	Sig. (2-tailed)	.002
	Mean Difference	3.13540
	Std. Error Difference	.98341
95% Confidence Interval of the Difference	Lower	1.20223
	Upper	5.06856

In Table 5.23, the t-test found that whether the respondents have had training or not has a highly significant effect on the extent to which they perceive SMEs facing marketing challenges, t (410) =3.188, p<.01). Those respondents who have had training (M=70.62, SD=7.06) perceive marketing challenges for SMEs to be more prolific than those who have not had training (M=67.49, SD=7.54).

5.8.3 Business turnover and factors influencing marketing strategies

To investigate whether annual turnover has a significant effect on the respondents' perception of the multitude of marketing challenges that face SMEs, the one-way ANOVA test was used.

Table 5.24: ANOVA: Q4 Extent of the existence of marketing challenges for SMEs

	Sum of Squares	df.	Mean Square	F	Sig.
Between Groups	441.224	3	147.075	2.859	.037
Within Groups	20935.038	407	51.437		
Total	21376.262	410			

The one-way ANOVA test found that annual turnover has a significant effect on the extent to which respondents perceive marketing challenges for SMEs, F (3)= 2.859, p<.05.

As can be seen in the multiple comparisons table (Tukey), the respondents with annual turnover of R0 to R100 000 (M=64.76, SD=8.67), are (marginally) significantly less pessimistic in terms of the extent that SMEs are faced with marketing challenges than those whose businesses have an annual turnover of R500 001 to R1 000 000 (M=70.88, SD=7.17).

The findings of the study are backed by Carvalho (2007) stating that businesses with a high level of annual turnover employ marketing personnel and show an understanding of both marketing and marketing challenges. This finding is also in line with the study of Simpson, Padmore, Taylor and Frecknall-Hughes (2016) which found that SMEs with a turnover in the range R0 to R100 000 were less marketing active when compared with those with higher turnovers.

5.9 TESTING HYPOTHESES 3: THE IMPACT OF MARKETING STRATEGIES ON PERFORMANCE OF SMES

The section tested two sub-hypotheses - one linked to marketing communication H3a and another linked to product strategies, H3b. The two sub-hypotheses tested the impact of marketing strategies on the performance of the SMEs.

5.9.1 Marketing communication strategy and SMEs performance (Hypotheses 3a – H3a)

This section presented the results for hypotheses 3a.

Hypotheses 3a

H3^a. Marketing communication strategies have an impact on the performance of SMEs.

H3^0 Marketing communication strategies do not have an impact on the performance of SMEs.

In order to determine whether there is a significant relationship between the marketing communication strategies and the individual (categorical – dichotomous) performance aspects related to marketing communication. The non-parametric Mann-Whitney U test was used as shown in the table 5.25 below.

Table 5.25: Test Statistics [a]: The implementation of marketing strategies has resulted in sales increase in our business

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	476.000	497.000	-2.619	0.009
C2 Digital marketing	763.000	784.000	-1.593	0.111
C3 Public relations	915.500	83536.500	-1.052	0.293
C4 Email communication	1128.000	83749.000	-.319	0.750
C5 Business branding	1171.000	1192.000	-.167	0.868
C6 Telemarketing	1106.500	83727.500	-.396	0.692
C7 Personal selling	735.000	756.000	-1.753	0.080
a. Grouping Variable: Q5-V109 Implementation of marketing strategies has resulted in sales increase in our business				

The Mann-Whitney test in Table 5.25 found that, there is a significant relationship between the Q2 C1 sales promotions dimension of marketing communication and the Q5 V109 performance aspect, z=-2.619, p<.01. Those respondents that indicated that they do sales promotions (MR=208.33, n=406) reported significantly higher agreement

with the statement that their marketing strategies resulted in sales increase than those who did not indicate that they advertise actively (MR=82.83, n=6).

Table 5.26: Test Statistics [a]: Marketing communication helped us to build more relationships with customers

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	1137.000	1192.000	-2.398	0.016
C2 Digital marketing	1778.500	1833.500	-.631	0.528
C3 Public relations	1573.000	82576.000	-1.183	0.237
C4 Email communication	1940.000	82943.000	-.193	0.847
C5 Business branding	1206.000	1261.000	-2.221	0.026
C6 Telemarketing	1889.000	1944.000	-.334	0.738
C7 Personal selling	915.000	970.000	-3.093	0.002
a. Grouping Variable: Q5-V110 Marketing communication helped us to build more relationships with customers				

The Mann-Whitney test found that there is a significant relationship between the Q2 C1 sales promotions dimension of marketing communication and the Q5 V110 performance aspect, z=-2.398, p<.05. Those respondents that indicated that they do sales promotions (MR=208.67, n=402) reported significantly higher agreement with the statement that their marketing communication helped them to build more relationships with customers than those who did not indicate that they advertise actively (MR=119.20, n=10).

The Mann-Whitney test found that there is a significant relationship between the Q2 C5 business branding dimension of marketing communication and the Q5 V110 performance aspect, z=-2.221, p<.05. Those respondents that indicated that business branding is important (MR=208.50, n=402) reported significantly higher agreement with the statement that their marketing communication helped them to build more relationships with customers than those who did not indicate that business branding is important (MR=126.10, n=10).

The Mann-Whitney test on Table 5.26 found that there is a significant relationship between the Q2 C7 personal selling dimension of marketing communication and the Q5 V110 performance aspect, z=-3.093, p<.01. Those respondents that indicated that

personal selling is important (MR=209.22, n=402) reported significantly higher agreement with the statement that their marketing communication helped them to build more relationships with customers than those who did not indicate that personal selling is important (MR=97.00, n=10).

Table 5.27: Test Statistics [a]: Branding has resulted in sales increase in our business

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	6114.000	6675.000	-.217	0.828
C2 Digital marketing	4224.500	4785.500	-3.135	0.002
C3 Public relations	4915.000	76925.000	-2.054	0.040
C4 Email communication	5774.000	6335.000	-.749	0.454
C5 Business branding	4761.000	5322.000	-2.337	0.019
C6 Telemarketing	4744.500	5305.500	-2.364	0.018
C7 Personal selling	5137.000	5698.000	-1.788	0.074
a. Grouping Variable: Q5-V111_Branding has resulted in sales increase in our business				

As shown in the table 5.27, the Mann-Whitney test found that there is a significant relationship between the Q2 C2 digital marketing dimension of marketing communication and the Q5 V111 performance aspect, z=-3.135, p<.01. Those respondents that indicated that using digital marketing is important (MR=211.85, n=379) reported significantly higher agreement with the statement that branding has resulted in sales increase than those who did not indicate that using digital marketing is important (MR=145.02, n=33).

The Mann-Whitney test found that there is a significant relationship between the Q2 C3 public relations dimension of marketing communication and the Q5 V111 performance aspect, z=-2.054, p<.05. Those respondents that indicated that public relation is important (MR=202.97, n=379) reported significantly less agreement with the statement that branding has resulted in sales increase than those who did not indicate that public relations is important (MR=247.06, n=33).

The Mann-Whitney test on Table 5.27 found that there is a significant relationship between the Q2 C5 business branding dimension of marketing communication and the Q5 V111 performance aspect, z=-2.337, p<.05. Those respondents that indicated

that business branding is important (MR=210.44, n=379) reported significantly higher agreement with the statement that branding has resulted in sales increase than those who did not indicate that business branding is important (MR=161.27, n=33).

The Mann-Whitney test found that there is a significant relationship between the Q2 C6 telemarketing dimension of marketing communication and the Q5 V111 performance aspect, z=-2.364, p<.05. Those respondents that indicated that telemarketing is useful (MR=209.45, n=379) reported significantly higher agreement with the statement that branding has resulted in sales increase than those who did not indicate that telemarketing is useful (MR=172.67, n=33).

Table 5.28: Test Statistics [a]: Branding has resulted in increased customer loyalty towards our business

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	6984.000	8019.000	-1.726	0.084
C2 Digital marketing	6104.000	7139.000	-2.896	0.004
C3 Public relations	6761.500	74289.500	-1.998	0.046
C4 Email communication	7915.000	75443.000	-.466	0.641
C5 Business branding	5950.000	6985.000	-3.145	0.002
C6 Telemarketing	6559.500	7594.500	-2.315	0.021
C7 Personal selling	6448.500	7483.500	-2.521	0.012
a. Grouping Variable: Q5-V112_Branding has resulted in increased customer loyalty towards our business				

The Mann-Whitney test found that there is a significant relationship between the Q2 C2 digital marketing dimension of marketing communication and the Q5 V112 performance aspect, z=-2.896, p<.01. Those respondents that indicated that using digital marketing is important (MR=212.37, n=367) reported significantly higher agreement with the statement that branding has resulted in increased customer loyalty than those who did not indicate that using digital marketing is important (MR=158.64, n=45).

The Mann-Whitney test found that there is a significant relationship between the Q2 C3 Public relations dimension of marketing communication and the Q5 V112 performance aspect, z=-1.998, p<.05. Those respondents that indicated that using

public relations is important (MR=202.42, n=367) reported significantly less agreement with the statement that branding has resulted in increased customer loyalty than those who did not indicate that using public relations is important (MR=239.74, n=45).

The Mann-Whitney test found that there is a significant relationship between the Q2 C5 Business branding dimension of marketing communication and the Q5 V112 performance aspect, z=-3.145, p<.01. Those respondents that indicated that business branding is important (MR=212.79, n=367) reported significantly higher agreement with the statement that branding has resulted in increased customer loyalty than those who did not indicate that Business branding is important (MR=155.22, n=45).

In reference to Table 5.28 the Mann-Whitney test found that there is a significant relationship between the Q2 C6 telemarketing dimension of marketing communication and the Q5 V112 performance aspect, z=-2.315, p<.05. Those respondents that indicated that telemarketing is useful (MR=211.13, n=367) reported significantly higher agreement with the statement that branding has resulted in increased customer loyalty than those who did not indicate that telemarketing is useful (MR=166.30, n=45).

The Mann-Whitney test found that there is a significant relationship between the Q2 C7 personal selling dimension of marketing communication and the Q5 V112 performance aspect, z=-2.521, p<.05. Those respondents that indicated that personal selling is important (MR=211.43, n=367) reported significantly higher agreement with the statement that branding has resulted in increased customer loyalty than those who did not indicate that personal selling is important (MR=166.30, n=45).

Table 5.29: Test Statistics [a]: Marketing communication has resulted in increased customer loyalty towards our business

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	7277.000	8180.000	-.689	0.491
C2 Digital marketing	4875.000	5778.000	-4.013	0.000
C3 Public relations	6164.000	74799.000	-2.211	0.027
C4 Email communication	7725.500	8628.500	-.062	0.950
C5 Business branding	7044.000	7947.000	-1.020	0.308
C6 Telemarketing	6542.000	7445.000	-1.726	0.084
C7 Personal selling	6960.500	7863.500	-1.163	0.245
a. Grouping Variable: Q5-V113_Marketing communication has resulted in increased customer loyalty towards our business				

The Mann-Whitney test on the table 5.29 found that there is a highly significant relationship between the Q2 C2 digital marketing dimension of marketing communication and the Q5 V113 performance aspect, z=-4.013, p<.001. Those respondents that indicated that using digital marketing is important (MR=214.32, n=370) reported significantly higher agreement with the statement that marketing communication has resulted in increased customer loyalty than those who did not indicate that using digital marketing is important (MR=137.57, n=42).

The Mann-Whitney test found that there is a significant relationship between the Q2 C3 public relations dimension of marketing communication and the Q5 V113 performance aspect, z=-2.211, p<.05. Those respondents that indicated that using social relationship media is important (MR=202.16, n=370) reported significantly less agreement with the statement that marketing communication has resulted in increased customer loyalty than those who did not indicate that public relations is important (MR=244.74, n=42).

Table 5.30: Test Statistics ^a: Marketing communication helped us to better retain loyal customers

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	8278.500	9503.500	-.803	0.422
C2 Digital marketing	5916.500	7141.500	-3.857	0.000
C3 Public relations	7807.000	73873.000	-1.398	0.162
C4 Email communication	8476.000	9701.000	-.547	0.584
C5 Business branding	6801.000	8026.000	-2.748	0.006
C6 Telemarketing	7972.500	9197.500	-1.210	0.226
C7 Personal selling	7249.500	8474.500	-2.208	0.027
a. Grouping Variable: Q5-V114_Marketing communication helped us to better retain loyal customers				

As stipulated in table 5.30, the Mann-Whitney test found that there is a highly significant relationship between the Q2 C2 digital marketing dimension of marketing communication and the Q5 V114 performance aspect, z=-3.857, p<.001. Those respondents that indicated that using digital marketing is important (MR=214.70, n=363) reported significantly higher agreement with the statement that marketing communication led to better customer retention than those who did not indicate that using digital marketing is important (MR=145.74, n=49).

The Mann-Whitney test shown in the above table found that there is a significant relationship between the Q2 C5 business branding dimension of marketing communication and the Q5 V114 performance aspect, z=-2.748, p<.01. Those respondents that indicated that Business branding is important (MR=212.26, n=363) reported significantly higher agreement with the statement that marketing communication led to better customer retention than those who did not indicate that business branding is important (MR=163.80, n=49).

The Mann-Whitney test found that there is a significant relationship between the Q2 C7 personal selling dimension of marketing communication and the Q5 V114 performance aspect, z=-2.208, p<.05. Those respondents that indicated that personal selling is important (MR=211.03, n=363) reported significantly higher agreement with

the statement that marketing communication led to better customer retention than those who did not indicate that personal selling is important (MR=172.95, n=49).

Table 5.31: Test Statistics [a]: Marketing communication resulted in increased profitability for our business

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	7913.000	8994.000	-.678	0.498
C2 Digital marketing	6621.500	7702.500	-2.392	0.017
C3 Public relations	7550.000	74711.000	-1.148	0.251
C4 Email communication	8113.500	9194.500	-.410	0.682
C5 Business branding	7164.000	8245.000	-1.693	0.091
C6 Telemarketing	6842.000	7923.000	-2.128	0.033
C7 Personal selling	6946.000	8027.000	-2.032	0.042
a. Grouping Variable: Q5-V115_Marketing communication resulted in increased profitability for our business				

The Mann-Whitney test found that there is a significant relationship between the Q2 C2 digital marketing dimension of marketing communication and the Q5 V115 performance aspect, z=-2.392, p<.05. Those respondents that indicated that using digital marketing is important (MR=211.41, n=366) reported significantly higher agreement with the statement that marketing communication resulted in increased profitability than those who did not indicate that using digital marketing is important (MR=167.45, n=46).

The Mann-Whitney test found that there is a significant relationship between the Q2 C6 telemarketing dimension of marketing communication and the Q5 V115 performance aspect, z=-2.128, p<.05. Those respondents that indicated that telemarketing is useful (MR=210.81, n=366) reported significantly higher agreement with the statement that marketing communication resulted in increased profitability than those who did not indicate that telemarketing is useful (MR=172.24, n=46).

The Mann-Whitney test found that there is a significant relationship between the Q2 C7 personal selling dimension of marketing communication and the Q5 V115 performance aspect, z=-2.032, p<.05. Those respondents that indicated that personal selling is important (MR=210.52, n=366) reported significantly higher agreement with

the statement that marketing communication resulted in increased profitability than those who did not indicate that personal selling is important (MR=174.50, n=46).

Table 5.32: Test Statistics [a]: Marketing communication helped us in identifying new customers

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	8348.500	9674.500	-1.100	0.271
C2 Digital marketing	6010.500	7336.500	-4.069	0.000
C3 Public relations	8089.500	73430.500	-1.411	0.158
C4 Email communication	8820.000	10146.000	-.496	0.620
C5 Business branding	8033.000	9359.000	-1.513	0.130
C6 Telemarketing	7451.000	8777.000	-2.266	0.023
C7 Personal selling	7403.500	8729.500	-2.378	0.017
a. Grouping Variable: Q5-V116_Marketing communication helped us in identifying new customers				

The Mann-Whitney test found that there is a highly significant relationship between the Q2 C2 digital marketing dimension of marketing communication and the Q5 V116 performance aspect, z=-4.069, p<.001 (table 5.34). Those respondents that indicated that using digital marketing is important (MR=215.35, n=361) reported significantly higher agreement with the statement that marketing communication helped identify new customers than those who did not indicate that using digital marketing is important (MR=143.85, n=51).

The Mann-Whitney test found that there is a significant relationship between the Q2 C6 telemarketing dimension of marketing communication and the Q5 V116 performance aspect, z=-2.266, p<.05 (table 5.34). Those respondents that indicated that telemarketing is useful (MR=211.36, n=361) reported significantly higher agreement with the statement that marketing communication helped identify new customers than those who did not indicate that telemarketing is useful (MR=172.10, n=51).

The Mann-Whitney test found that there is a significant relationship between the Q2 C7 personal selling dimension of marketing communication and the Q5 V116 performance aspect, z=-2.378, p<.05 (table 5.34). Those respondents that indicated

that personal selling is important (MR=211.49, n=361) reported significantly higher agreement with the statement that marketing communication helped identify new customers than those who did not indicate that personal selling is important (MR=171.17, n=51).

Table 5.33: Test Statistics [a]: Marketing communication increased our competitiveness in the market

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	5736.500	6439.500	-1.776	0.076
C2 Digital marketing	4434.500	5137.500	-3.672	0.000
C3 Public relations	6050.000	76550.000	-1.293	0.196
C4 Email communication	6640.500	7343.500	-.441	0.660
C5 Business branding	5909.500	6612.500	-1.529	0.126
C6 Telemarketing	5589.000	6292.000	-2.006	0.045
C7 Personal selling	4695.000	5398.000	-3.409	0.001
a. Grouping Variable: Q5-V117_Marketing communication increased our competitiveness in the market				

The Mann-Whitney test as shown in the table 5.33 found that there is a highly significant relationship between the Q2 C2 digital marketing dimension of marketing communication and the Q5 V117 performance aspect, z=-3.672, p<.001. Those respondents that indicated that using digital marketing is important (MR=213.17, n=375) reported significantly higher agreement with the statement that marketing communication increased market competitiveness than those who did not indicate that using digital marketing is important (MR=138.85, n=37).

The Mann-Whitney test found that there is a significant relationship between the Q2 C6 telemarketing dimension of marketing communication and the Q5 V117 performance aspect, z=-2.006, p<.05 (table 5.33). Those respondents that indicated that telemarketing is useful (MR=210.10, n=375) reported significantly higher agreement with the statement that marketing communication increased market competitiveness than those who did not indicate that telemarketing is useful (MR=170.05, n=37).

The Mann-Whitney test found that there is a significant relationship between the Q2 C7 personal selling dimension of marketing communication and the Q5 V117 performance aspect, z=-3.409, p<.01 (table 5.33). Those respondents that indicated that personal selling is important (MR=212.48, n=375) reported significantly higher agreement with the statement that marketing communication increased market competitiveness than those who did not indicate that personal selling is important (MR=145.89, n=37).

Table 5.34: Test Statistics [a]: Product development and innovation increased our sales

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Sales promotions	8507.000	9885.000	-1.086	0.278
C2 Digital marketing	7258.500	8636.500	-2.654	0.008
C3 Public relations	7416.500	72396.500	-2.438	0.015
C4 Email communication	9207.000	74187.000	-.195	0.845
C5 Business branding	7014.000	8392.000	-3.003	0.003
C6 Telemarketing	6488.000	7866.000	-3.678	0.000
C7 Personal selling	7584.000	8962.000	-2.325	0.020
a. Grouping Variable: Q5-V118_Product development and innovation increased our sales				

The Mann-Whitney test found that there is a significant relationship between the Q2 C2 digital marketing dimension of marketing communication and the Q5 V118 performance aspect, z=-2.654, p<.01 (table 5.36). Those respondents that indicated that using digital marketing is important (MR=212.34, n=360) reported significantly higher agreement with the statement that product development and innovation increased sales than those who did not indicate that using digital marketing is important (MR=166.09, n=52).

The Mann-Whitney test found that there is a significant relationship between the Q2 C3 public relations dimension of marketing communication and the Q5 V118 performance aspect, z=-2.438, p<.05 (table 5.34). Those respondents that indicated that using social relationship media is important (MR=201.10, n=360) reported significantly less agreement with the statement that product development and

innovation increased sales than those who did not indicate that using public relations is important (MR=243.88, n=52).

The Mann-Whitney test found that there is a significant relationship between the Q2 C5 business branding dimension of marketing communication and the Q5 V118 performance aspect, z=-3.003, p<.01 (table 5.36). Those respondents that indicated that business branding is important (MR=213.02, n=360) reported significantly higher agreement with the statement that product development and innovation increased sales than those who did not indicate that business branding is important (MR=161.38, n=52).

The Mann-Whitney test as shown in Table 5.34 above found that there is a highly significant relationship between the Q2 C6 Telemarketing dimension of marketing communication and the Q5 V118 performance aspect, z=-3.678, p<.001 (table 5.34). Those respondents that indicated that telemarketing is useful (MR=214.48, n=360) reported significantly higher agreement with the statement that product development and innovation increased sales than those who did not indicate that telemarketing is useful (MR=151.27, n=52).

The Mann-Whitney test found that there is a significant relationship between the Q2 C7 personal selling dimension of marketing communication and the Q5 V118 performance aspect, z=-2.325, p<.05 (table 5.34). Those respondents that indicated that personal selling is important (MR=211.43, n=360) reported significantly higher agreement with the statement that product development and innovation increased sales than those who did not indicate that personal selling is important (MR=172.35, n=52).

Koekemoer (2014) state that marketing communication strategies like personal selling, public relations, advertising and direct marketing are effective when used to communicate with all relevant stakeholders for the SMEs. Ramasobana (2017) found that there is a substantial difference in the performance of SMEs based on the marketing communication strategy implemented.

Jerman and Zayrsnik (2012) confirm that marketing communication strategies has a positive impact on the SMEs performance. The SMEs financial success is influenced by the ability of the implemented marketing communication strategies (Kotler & Keller

2009). According to Esposito (2013), marketing communication help the SMEs in developing, establishing and maintaining long term relationship with customers and potential consumers.

There are marketing communication strategies that were adopted within the study namely: sales promotions, digital marketing, public relations, personal selling, email communication and telemarketing. The study results showed that positive contribution to the SMEs performance. Therefore, H3 (H3a): indicating that there is a positive impact of marketing strategies on performance of SMEs (H3a: marketing communication strategy and SMEs performance), was accepted.

5.9.2 Product strategy and SMEs performance (Hypotheses 3b – H3^b)

The purpose of this section is to determine the effect of Q3 components (product strategies dimensions in their businesses) on the individual Q5 variables (V119-V124). This is done through the discussions and presentations of results for Hypotheses 3b. Due to factor 2 loading very low Cronbach alpha, it was excluded from further analysis in this section.

Hypotheses 3^b

H3^b Product strategies have an impact on the performance of SMEs.

H3^0 Product strategies do not have an impact on the performance of SMEs.

In order to determine whether there is a significant relationship between the continuous product strategies dimensions and the individual (categorical – dichotomous- V119-V124) performance aspects, the non-parametric Mann-Whitney U test was used.

The Mann-Whitney test found that there is a significant relationship between the Q3 C2 cost of branding dimension of product development and innovation and the Q5 V119 performance aspect, $z=-2.765$, $p<.01$. Those respondents that indicated that they find branding too costly to do (MR=201.48, n=373) reported significantly less agreement with the statement that product development and innovation strengthened customer relationships than those who did not indicate that they find branding too costly to do (MR=254.55, n=39).

The Mann-Whitney test found that there is a significant relationship between the Q3 C3 usefulness of branding dimension of product development and innovation and the Q5 V119 performance aspect, z=-2.690, p<.01. Those respondents that indicated that they believe in the value of branding (MR=211.39, n=373) reported significantly higher agreement with the statement that product development and innovation strengthened customer relationships than those who did not indicate that they believe in the value of branding (MR=159.76, n=39).

Table 5.35: Test Statistics [a]: Product development and innovation strengthened our relationship with customers.

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Product quality and packaging	6163.000	6943.000	-1.596	0.111
C2 Cost of branding	5399.500	75150.500	-2.765	0.006
C3 Usefulness of branding	5450.500	6230.500	-2.690	0.007
C4 Collaborative product development	7073.000	76824.000	-.286	0.775
C5 Product variety	6683.500	7463.500	-.850	0.395
C6 Catering for needs of customers	7244.500	76995.500	-.042	0.966
a. Grouping Variable: Q5-V119_Product development and innovation strengthened our relationship with customers				

The Mann-Whitney test did not find any significant relationship between the Q3 dimensions and the Q5 V120 performance aspect.

Table 5.36: Test Statistics [a]: Product development increased our market share

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Product quality and packaging	10011.500	12027.500	-1.148	0.251
C2 Cost of branding	9782.500	70857.500	-1.454	0.146
C3 Usefulness of branding	10852.000	71927.000	-.170	0.865
C4 Collaborative product development	10930.500	12946.500	-.073	0.942

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C5 Product variety	10636.500	71711.500	-.419	0.676
C6 Catering for needs of customers	9986.500	71061.500	-1.197	0.231
a. Grouping Variable: Q5-V120_Product development increased our market share				

Table 5.37: Test Statistics [a]: Product development and innovation increased our competitiveness in the market

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Product quality and packaging	6427.500	7288.500	-1.655	0.098
C2 Cost of branding	6759.000	75765.000	-1.222	0.222
C3 Usefulness of branding	6539.000	7400.000	-1.539	0.124
C4 Collaborative product development	5296.000	74302.000	-3.216	0.001
C5 Product variety	7518.000	76524.000	-.123	0.902
C6 Catering for needs of customers	6504.000	7365.000	-1.575	0.115
a. Grouping Variable: Q5-V121_Product development and innovation increased our competitiveness in the market				

The Mann-Whitney test found that there is a significant relationship between the Q3 C4 collaborative product development dimension of product development and innovation and the Q5 V121 performance aspect, z=-3.216, p<.01. Those respondents that indicated that they collaborate (MR=200.27, n=371) reported significantly less agreement with the statement that product development and innovation increased market competitiveness than those who did not indicate that they collaborate (MR=262.83, n=41).

Table 5.38: Test Statistics ^a: Product quality increased our product/service performance

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Product quality and packaging	3063.000	3528.000	-4.318	0.000
C2 Cost of branding	5518.500	5983.500	-.352	0.725
C3 Usefulness of branding	3851.500	4316.500	-3.123	0.002
C4 Collaborative product development	5152.000	78305.000	-.927	0.354
C5 Product variety	5544.000	78697.000	-.302	0.763
C6 Catering for needs of customers	4950.500	5415.500	-1.284	0.199
a. Grouping Variable: Q5-V122_Product quality increased our product/service performance				

The Mann-Whitney test found that there is a highly significant relationship between the Q3 C1 product quality and packaging dimension of product development and innovation and the Q5 V122 performance aspect, z=-4.318, p<.001. Those respondents that indicated that they attend to product quality and packaging (MR=213.48, n=382) reported significantly higher agreement with the statement that product quality increased product/service performance than those who did not indicate that they attend to product quality and packaging in their business (MR=117.60, n=30).

The Mann-Whitney test found that there is a significant relationship between the Q3 C3 usefulness of branding dimension of product development and innovation and the Q5 V122 performance aspect, z=-3.123, p<.01. Those respondents that indicated that they believe in the value of branding (MR=211.42, n=382) reported significantly higher agreement with the statement that product quality increased product/service performance than those who did not indicate that they believe in the value of branding (MR=143.88, n=30).

Table 5.39: Test Statistics [a]: Product innovation and development increased customer satisfaction

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
C1 Product quality and packaging	3852.000	4105.000	-.820	0.412
C2 Cost of branding	3972.000	80217.000	-.611	0.541
C3 Usefulness of branding	3381.000	3634.000	-1.746	0.081
C4 Collaborative product development	4108.000	80353.000	-.337	0.736
C5 Product variety	3806.500	80051.500	-.907	0.364
C6 Catering for needs of customers	4156.500	80401.500	-.254	0.799
a. Grouping Variable: Q5-V123_Product innovation and development increased customer satisfaction				

The Mann-Whitney test did not find any significant relationship between the Q3 dimensions and the Q5 V123 performance aspect.

The study reveals that there is a significant relationship between the product strategy and the performance of SMEs. This finding is supported by the position of Adewale *et al.* (2013) which states that product innovation and development serve as marketing strategy which impacts on business performance. This is in line with the study conducted by Ebitu (2016) states that there is a significant relationship between product quality and profitability of the SMEs.

New product development, innovations and qualities are the cornerstone for a successful SME, particularly the once with aggressive growth ambitions (Tapera & Gororo 2013). Kottler and Keller (2008) posits that consumers buy product because of the qualities and features upon the product, this are the bundles of benefits and value for money. Cant *et al.* (2015) found that product quality is plays an important role for the success of SMEs since the repeat purchase depend on the product quality. Competencies related to new product development, innovation and product qualities enable SMEs to exploit the ever-changing market.

5.10 SUMMARY

In this chapter, data analysis was done, presented and interpreted to get the results. The response rate was 100% (n=412) with SMEs in Polokwane. The study found that both marketing communication and product strategies have a positive influence on the performance of the SMEs and it was also discovered that SMEs managers/owners who attended marketing training understand challenges that comes with marketing better than the SMEs managers/owners who never attended marketing training.

The study summarised that 16 factors (nine from marketing communication strategies and seven from product strategies) were extracted from the analysis. Regression analysis was done to assess whether product strategies and marketing strategies have any impact on the performance of SMEs in Polokwane. The ANOVA was also performed, which shows positive results.

Table 5.40 showed the summary of the research objectives, the link to the hypotheses and the applied statistical analysis for each of the hypotheses.

Table 5.40: Objectives, hypotheses and statistical analysis

Objectives	Hypotheses	Statistical analysis	Supported /rejected
To determine the marketing strategies (product strategies and marketing communication strategies) adopted by SMEs in Polokwane	H_1 Marketing strategies of SMEs differ across demographics (business operation, training and annual turnover)	ANOVA	Supported
	H_0. Marketing strategies of SMEs do not differ across demographics (business operation, training and annual turnover)	ANOVA	Rejected
To identify the factors that affects the SMEs	H_2. Factors influencing marketing strategies differ across the demographics of SMEs marketing strategies (business operation, training, annual turnover)	ANOVA	Supported

Objectives	Hypotheses	Statistical analysis	Supported /rejected
marketing strategies (product strategies and marketing communication strategies).	H_0. Factors influencing marketing strategies do not differ across the demographics of SMEs marketing strategies (business operation, training, annual turnover)	ANOVA	Rejected
To determine the effect of marketing strategies (product strategies and marketing communication strategies) on SMEs performance.	H_3. The marketing strategies (product strategies and marketing communication strategies) of SMEs have an impact on the performance of SMEs.	Mann-Whitney	Supported
	H_0. The marketing strategies (product strategies and marketing communication strategies) of SMEs do not have an impact on the performance of SMEs	Mann-Whitney	Rejected

CHAPTER 6: CONCLUSIONS, AND RECOMMENDATIONS.

6.1 INTRODUCTION

The study focused of factors influencing marketing strategy formulations for SMEs in Polokwane. The distinctiveness of the study was being able to realise all the factors affecting SMEs when formulating marketing within their business enterprises.

While Chapter 5 presented the research results of the study, the aim of this chapter was to provide a summary of the main hypothetical and practical findings and then recommended ways of filling the gaps that were recognised within the study.

The objectives of the study were achieved after analysing and comparing the results of the study with the reviewed literature, thus allowing new information to fill the gaps and formulating with recommendations, how the findings could enhance the SMEs. This chapter also outlines the conclusions, recommendations and study significance and provided a chapter summary.

6.2 OVERVIEW OF RESEARCH OBJECTIVES

The primary research objective of the study was to investigate the factors influencing the formulation of marketing strategies (product strategies and marketing communication strategies) for SMEs in Polokwane. This was followed by the three secondary objectives being: (1) determining the marketing strategies (product and marketing communication strategies) adopted by SMEs, (2) identifying the factors that affects the SMEs marketing strategies and (3) determining the effects of marketing strategies (product strategies and marketing communication strategies) on SMEs performance.

6.3 CONCLUSIONS OF FINDINGS

Dzisi and Ofosu (2014) state that SMEs have the need to establish marketing strategies that help them to gain a reflective understanding of customers and competitive advantages over competitors. The findings of Ramasobana (2017) concluded that there is a significant difference in the performance of SMEs based on product and marketing communication strategies adopted. The adopted marketing

strategies within the SMEs enables them to compete with the established businesses (David *et al.* 2013).

6.3.1 Conclusions of findings: Marketing strategies (Marketing communication and product strategies) adopted by SMEs

6.3.1.1 Conclusions of findings for marketing communication strategies

The major marketing communication strategies adopted within the SMEs are (in terms of importance): sales promotions, digital marketing, business branding, personal selling, email communication, telemarketing, and public relations.

In the study, it was confirmed that SMEs 'strongly agree' (M=4.43) to the use of sales promotions. Sales promotion can be described as a technique that impact on the buyer through a systematic marketing instruments to fast-track the purchase process with the short-term effects (Genchev & Todorova 2017). Sales promotions help the SMEs in stimulating consumer purchases and transactional SME performance by adding product value for a limited time period. It usually involves lowering the price of a product and improves customer's perceived product value (Familmaleki Aghighi & Hamidi 2015). SMEs use sales promotions to get rid of old stock, promoting new products to both new and old customers, and to retain existing customers (Dzisi & Ofosu 2014).

Sales promotion was deemed an important marketing communication strategy used by the SMEs followed by the use of digital marketing (M=4.37). According to Yasmin, Tasneem and Fatema (2015), digital marketing is widely used by SMEs to promote products and services by means of digital channels. Yaseen, Al-Adwan and Al-Madadha (2019) found that the majority of the SMEs are using digital marketing, however some have limited the usage to social media as a common tool for digital marketing. Digital marketing provides opportunities for SMEs to appeal to new customers and encourage current customers to buy (Matt 2015).

The next marketing communication strategy SMEs agreed with is the use of business branding as shown by the 'strong agreement' of M=4.33 from the SMEs. Banerjee and Dasgupta (2009) found that branding helps to strengthen the competitive advantages for the SMEs and leads to the profitable long run survival.

Furthermore, SMEs strongly use personal selling (M=4.19). This finding was also backed by Mapheto *et al.* (2014) that personal selling is most used by SMES as the marketing communication strategy. Kihanya (2013) found that personal selling positively influences the business performance

In addition, the research study indicated that SMEs 'agree' (M=3.93) that email communication has a positive impact on the performance of the SMEs. According to Waheed and Yang (2017), email-communication gives twice the return on investment as compared to other forms of online marketing. The more informative and entertaining the emails' contents with a high level of privacy, the more it attracts customers towards email-advertising (Jamalzadeh, Behravan & Masoudi 2012).

The study revealed that SMEs 'moderately agree' to the use of telemarketing (M=3.72). As indicated by Noh and Park (2014) telemarketing is a good and efficient method of communication that businesses practice with the aim of creating value for the customers and receiving feedback about customer preferences. The study conducted by Tiwari and Gupta (2012) found that SMEs are in favour of telemarketing.

The study revealed that public relations (M=3.04) is the least used marketing communication strategy. Oduanlami and Emmanuel (2014) assert that every organisation must have a favourable and available medium that makes it easy for the enterprise's products and services to be well known by the target market. Black (2011) state that the use of public relations as a marketing communication strategy helps the organisations to successfully network and communicate with their public and manage the relationships.

6.3.1.2 Conclusions of findings for product strategies

The research study found that product quality and packaging (M= 4.39) have a positive impact on the performance of the SMEs. Molina-Castillo, Munuera-Aleman and Calantone (2011) considers product quality as a serious element for the business to obtain a competitive advantage. It is further assumed to be of high importance to the existence and success of a product. Abdalkrim and Al-Hrezat (2018) found that there is a significant statistical effect of the packaging role in protecting the products and consumer on the consumer's perception of product quality at the point of purchase.

The current study agree with the above study as it was found that excellent packaging serves as a vital part of the SMEs brand (99 percent).

This study confirmed that SMEs 'strongly agree' (M=4.24) that they do branding. Branding is an important marketing communication strategy used by the SMEs. Branding plays an important role in changing consumers perceptions about the business and its products (Agariya *et al.* 2012). However, Pyeman *et al.* (2016) found that product innovation and branding as part of the product strategy within the SME sector is still a problem due to the costs involved and other challenges. SMEs are disadvantaged due to lack of investment on product innovations to meet the ever-changing customer needs (Sindakis 2015).

Product strategies are tremendously changing the landscape for the SMEs business operation, focusing on the consumer promises. SMEs 'agree moderately' (M=3.10) to the impact that collaborative product development is having on the performance of the SMEs.

Further, based on the research findings SMEs 'strongly disagree' (M=1.88), with the fact that branding is costly, and this has the lowest mean score. It is believed that SMEs brand products. This is contrary to Agostini *et al.* (2014) who found that amongst SMEs there is no widespread use of branding due to financial constraints. Odoom (2016) state that SMEs should use branding as part of the differentiation strategies. Therefore, SMEs should plan, organise, implement and coordinate branding in a way that brings out maintainable competitive advantage for the SME (Kapferer 2012).

Over 80 percent of the respondents accept the positive impact made by branding, by disagreeing with the statement 'We do not brand our products since branding is costly'.

6.3.2 Conclusions regarding marketing challenges faced by SMEs

The reviewed literature found that SMEs face many challenges, namely marketing communication and product challenges, which are crucial for the existence of every SME. Ebitu (2015) observe that most of the challenges were because most of the managers within the SMEs are not knowledgeable about the principles and practices of marketing. The SMEs experienced challenges in line with their business operation, namely lack of understanding for marketing research, lack of finance, lack of business

planning, inexperienced employees and lack of understanding for correct marketing channels, while the least challenges experienced are lack of access to finance, lack of product branding and lack of customer demands

Lack of in-depth understanding of marketing research and lack of finance has a significant negative impact on the business marketing strategy, growth and survival of the SMEs (Contessi & De Nicola 2012; Ogbadu 2013). It was also found that lack of business planning, inexperienced employee, lack of understanding of the right marketing channels and lack of managerial competency and skills negatively affect marketing strategy formulations, business growth and performance of the business (Cant 2012; Oji, Iwu & Haydam 2017; Adetayo 2018).

The least challenges that are negatively affecting the SMEs operation and performance are lack of access to finance, lack of product branding and lack of customer demands. If the market is properly analysed and the right decision is taken about market opportunities it is likely that an SME will not fail. As highlighted by Czarniewski (2014) communicating customer value and preference leads to customer demand, which has a positive influence on the survival and the success of an SME.

6.3.3 Conclusions of findings: Demographics and marketing communication

The study confirmed that the demographic factors (business operation, training and annual turn-over) have an impact on the marketing communication strategies of the SMEs.

Marketing communication strategies adopted by SMEs differ according to how long they have been operation. It was found that SMEs that have been in operation for more than 10 years use more digital marketing and new media marketing than those that have been in operation for less than 10 years.

It was found that SMEs that attended training understand marketing communication better and use sales promotion and business branding than others.

SMEs with the high turnover rate (R1 000 000 to R5 000 000) tend to adopt to marketing communication than SMEs with a lower turn-over rate. It was found that SMEs with the higher turnover use sales promotion, digital marketing and business

branding more than the other marketing communication strategies. This shows that marketing communication strategies are adopted more in SMEs with larger annual turnovers than SMEs with lower turnover.

6.3.4 Conclusions of findings: demographics and factors influencing marketing strategies

SMEs must become more marketing active to attain better performance. However, the study found that SMEs who have been in operation for longer experience less challenges than those that have been in operation for less than five years. SMEs that have attended training tend to understand marketing and the study found that SMEs that had not attended training experience more marketing related challenges than those who attended training. The SMEs with managers that have attended trainings related to marketing are more likely to overcome marketing challenges.

The influence of business annual turnover on the existing marketing challenges was tested using the one-way ANOVA test and found that annual turnover has a significant effect on the extent to which respondents perceive marketing challenges for SMEs. This finding is also in line with the study of Simpson *et al.* (2016) which found that SMEs with a turnover in the range R0 to R100 000 were less marketing active when compared with those with higher turnovers.

6.3.5 Conclusions for the impact of marketing communication and product strategies on the performance of SMEs

The current study confirmed that there is a significant relationship between both the marketing communication strategies and product strategies with the SMEs performance. Marketing communication and product strategies were found to influence the SMEs performance in respect of the following: market share, expansion and return on investment.

As highlighted by Karthikeyan and Dharmaraj (2015) a single strategy may not directly have an impact on the overall business performance, but a combination of strategies has a great impact on business performance. Adewale *et al.* (2013) found a significant positive relationship between product strategy and the SMEs performance. Marketing communication strategies have a positive impact on the SMEs success and can

193

enhance the SMEs performance (Wang, Pauleen & Zhang 2016). Owomoyela *et al.* (2013) found that product strategies have a significant influence on the SMEs performance. These findings are in line with Lekhanya (2015) who highlights that very few tools for marketing communication and product strategies are fully applied to boost the SMEs growth.

David *et al.* (2013) found a significant correlation between marketing strategies and performance of SMEs in terms of improved efficiency, increased revenue (turnover), wider connection with customers, etc. SMEs engaging in traditional marketing to attract new customers and to retain the current customers increases their sales (Oboreh, Ogechukwu & Francis 2011). The study revealed that there is a positive relationship between marketing strategies and the performance of SMEs (Dzisi & Ofosu 2014)

6.4 RECOMMENDATIONS

This section covered recommendations based on the findings of the study to help SMEs to improve their marketing strategies.

6.4.1 Recommendations about marketing communications and product strategies

6.4.1.1 Recommendations about marketing communications

The study extracted nine factors about marketing communication strategies. Marketing communication strategies that are mostly used are sales promotions (M= 4.43), digital marketing (M= 4.37), business branding (M=4.33), personal selling (M=4.19), email communication (M= 3.93) and telemarketing (M= 3.90), and marketing communication strategies that are used the least are traditional media (M= 3.72), word-of-mouth (M= 3.05) and public relations (M= 3.04).

The following recommendations were made based on the study findings on marketing communication strategies

Based on the research outcomes, which discovered that SMEs strongly agree that they use sales promotions methods, the distribution of flyers and business cards topped the list. The study recommended that the SMEs continue using the sales

promotion. Subramanian (2017) supports this, that whatever the business has to communicate must be done swiftly with a catchy communication medium, as the growth of small businesses rely on new opportunities and strategies to raise the sales. However, Mapheto *et al.* (2014) recommends that some of the sales promotion methods are not implemented within the SMEs due to financial constraints.

Based on the study results, social media as part of digital marketing showed a positive response. Social media has a positive effect on the SMEs performance. It is therefore important for every SME to adopt social media like Facebook and Twitter to promote the business offerings, as these are low-cost online platforms for sharing and gathering information from customers. Haili (2014) reveal that most of the SMEs have accepted social media in their business promotions, and it has created brand awareness.

Although public relations was found to be least used within the SMEs operation with the mean score of 3.04, it is recommended that SMEs should still use public relations as part of their marketing communication strategies, particularly sponsorships. Amoako *et al.* (2012) found that sponsorship has progressively been observed to create audience awareness and an association with the sponsored entity. Therefore, SMEs should practice sponsorship as it communicates positive images or messages to the target audience and the public at large.

The traditional media for SMEs did not yield better results due to the nature thereof (M= 3.72) it is therefore, recommended that SMEs refrain from using the traditional media as they involve a large amount of money. Word-of-mouth and telemarketing did not bear statistically significant results on the study, meaning they seem, currently, to have no benefit on the business. Therefore, it is recommended that word-of-mouth and telemarketing should not be relied upon. Telemarketing is not recommended for SMEs since it involves extensive funds, which is a problem for the SMEs. However, SMEs should improve the product/service quality to get customers chatting about their products and services. SMEs should improve the use word-of-mouth since it is less expensive, flexible, spreads information faster and allows SMEs to have a closer contact with customers (Franco *et al.* 2014).

6.4.1.2 Recommendations about product strategies

The study extracted seven factors about product strategies. Product strategies that are mostly used are Product quality and packaging (M= 4.39), Business branding (M= 4.24), introducing new products (M= 4.21), Meeting customer needs (M= 3.54), Product variety (M= 3.36). The continuous use of these strategies will continue to positively influence the performance of the SMEs.

The following recommendations were made based on the study findings: product strategies.

Based on the research outcomes, which discovered that SMEs 'strongly agree' that product quality and packaging plays an important role in distinguishing the business and products from those of competitors. Molina-Castillo *et al.* (2011) considers product quality to be of high importance to the existence and success of a product. It is therefore recommended that SMEs focus on product quality and packaging as part of their daily plan. SMEs must seek the services of the experienced professionals dealing with consumer behaviours in order to improve their product features (quality) and packaging to boost their performance.

Cant, Kallier and Wiid (2016) found that SMEs consider product quality as the most significant product characteristic that consumers look at when making a purchase decision. This recommendation came as a result of the respondents' 'strongly agreeing' that 'An excellent packaging serves as a vital part of our brand' and 'We produce high-quality products'.

The study found that the cost of branding does not play any major role in preventing SMEs to brand products. However, SMEs are faced with some financial constraints, which makes it difficult to do branding. SME respondents disagree with the statements: 'We do not brand our products since branding is costly' and 'We believe that branding is for big firms only'. The respondents accept that branding plays a major role in customer choices and preferences. Regardless of business size or the years of operation, branding is vital for SMEs offered products as part of the product identity. Odoom *et al.* (2017) articulate that the financial limitations of the SMEs force them to focus on short-term branding strategies. Therefore, the study recommends that SMEs focus on branding rather than looking at the cost involved, this will help an SME to

gain the competitive market share. When the SME brands, it must bear in mind that branding must project the business in the mind of customers.

A high number of respondents (90.6%) agreed that 'Product development and innovation strengthened our relationship with customers', meaning that product development is important for the survival of the SMEs. It is recommended for SMEs to have varieties of product to meet the customer demands. Cant and Wiid (2013) found that some SMEs failures resulted from lack of products variety and strategic planning. Therefore, it is essential for SMEs to consider having different varieties in their product offerings and offer personalised products. Deloite (2015) state that apart from enticing consumers with the right products contents, research shows that majority of consumers like personalised products and services. According to El-Maraghy Schum, E-lMaraghy and Piller (2013), products are designed and produced to meet customers' needs, therefore, in order to address different customer needs variety of products are created to meet the varied customer requirements.

It is important for SMEs to select the right products to sell, as selling the wrong products can result in loss of profit for the SME as the needs of customers will not be met. Cant *et al.* (2016) recommends that SMEs must have different product strategies or consider various factors when making decisions regarding the products to sell.

It is recommended that SMEs strive to meet customer needs through the development of different products that match customer requirements. SMEs can assess customer needs by analysing factors such as what they buy, who they are, and why they buy it (Ramees & Safeena 2016). Camilleri (2018) states that SMEs should continuously do market research to get to know their customers' needs and wants, this leads to building customer loyalty with increased satisfaction.

SMEs tend to agree that branding is an expensive and fruitless exercise. Blomback and Craig (2014) suggest that SMEs should develop an exclusive business branding, even though there is limited information existing on the branding and marketing practices within the SMEs. The study further recommends that SMEs brand their own product to build both the business and product identity. Since branding is not all about the product, this is how a business can be identified and this can be done through designing of business logo, business cards and signage etcetera.

6.4.1.3 Recommendations regarding factors influencing marketing strategies of SMEs

It was found that SMEs that have been operating for more than five years shows high levels of marketing understanding. SMEs agreed that 'Lack of in-depth understanding of marketing research has a significant negative impact on the business marketing strategy' (96%). On the other hand, 'Lack of finance has a negative impact on the business operations and the way marketing is done 95%', 'Lack of business planning has a negative impact on marketing' (94%), and 'Managerial competency and skills shortage affect marketing strategy formulations and performance of the business' (92%) were slightly less.

SMEs owners or managers needs training to be in a better position to compete profitably. The study recommends that SMEs owners/managers go for marketing or any other business-related programmes/training to understand how to deal with these marketing challenges. As highlighted by Bola and Richard (2012) with reference to the South African SMEs, SMEs fails to grow due to deficiency of entrepreneurial, managerial and marketing skills. January (2013) emphasise the importance of training for SMEs owners and managers, stating that the enterprise managers should possess business and marketing skills or appoint personnel with the required skills. Marketing skills and any other business skills will help SMEs to operate professionally and be in a better position to negotiate the business deals successfully (Karanja, Muturi, Mukabi, Kabata, Wahome & Kayogo 2013).

Al-Shatanawi, Osman and Halim (2014) state that SMEs should conduct marketing research as it provides the SMEs with relevant information to help in solving marketing challenges experienced and it also serves as the basis for business planning. Marketing research if properly followed, helps in processing the primary and secondary information about customers' attitudes and product demands. Makhubela (2019) state that SMEs should approach the Small Enterprise Finance Agency (SEFA), which provides retail and wholesale finance to SMEs in South Africa. SEFA offers services such as direct financial lending to SMEs in the form of loans from R500.00 to R5 000 000.00. It is recommended that SMEs do business planning as it helps in determining the management actions to design new ways of business operation and product expansion processes (Beckett 2012)

Every business entity including SMEs, needs progressive and dynamic managers to succeed in today's highly competitive business environment. Crook *et al.* (2011) articulates that SMEs should strive to train managers to be competent as there is a positive relationship between SMEs managerial competencies and success. Competent managers provide the basis for consistent, reliable and positive performance standards (Veliu & Manxhari 2017).

6.4.1.4 Recommendations about the impact of marketing communication and product strategies on the performance of SMEs

The current study confirmed the impact of marketing communication strategies on the SMEs performance and success. Therefore, it is recommended that SMEs should continue the use of sales promotions, digital marketing, business branding, personal selling and email marketing as they positively impact on their performance. The study further revealed that there is a significant relationship between the product strategy and the performance of SMEs. The findings are backed by Cant *et al.* (2015) who found that product quality, as part of product strategy, acts as a push factor for the success of SMEs since repeat purchase depends on the product quality. It is recommended for SMEs to continue managing their relationships with customers profitably.

Therefore, it is recommended that SMEs produce products of a high quality, use attractive packaging for the products, continue to produce different product varieties, charge competitive prices, offer after sales services (repairs, product maintenance, training, etc), position appropriately themselves and provide other distinctive product benefits to consumers.

6.4.1.5 Recommendations about the influence of demographic factors (business operation, business training, and business turn-over) on marketing communication strategies.

The study found that SMEs with fewer years of operation (less than 10 years) they do adopt marketing strategies but to a lesser extent than those who have been in operation for ten or more years. Therefore, the study recommended that SMEs with fewer years of operation must attend marketing and business operations related trainings to understand the importance and the impact of marketing on their survival.

It is further recommended that SMEs with more than ten years of operation, that are likely to adopt marketing communication strategies, continue to attend marketing-related training to better improve their marketing communication strategies.

The study found that there is a link between business annual turnover and the likeliness of SMEs to adopt marketing strategies. Therefore, SMEs with higher annual turnover must continue the use of marketing strategies as it yields positive results. However, the study recommends that SMEs with lesser turnover focus on marketing communication strategies that do not require much funds, like word-of-mouth.

As the SME is one of the prime prospects for the government, government has set entities like SEDA, LEDA, SEFA, etcetera that gives SMEs financial assistance, business incubation programmes and other related services. It is recommended that the government support services be advertised thoroughly for the SMEs to know about their existence, since some may not be aware of the services offered.

6.4.1.6 Recommendations about the influence of demographic factors (business operation, business training, and business turn-over) on factors influencing marketing strategies of SMEs

The study recommended that business turnover and the years of operation should not be regarded as a major problem for the SMEs for not applying marketing, SMEs must be trained, as the trained SMEs' employees dealing with marketing are more likely to understand marketing operations as training significantly influence the way SMEs perceive marketing. SMEs must seek the help of government entities (NTSIKA, SEDA, LEDA, LIBSA, etc.) to deal with marketing regardless of the annual turnover.

6.5 LIMITATIONS AND RECOMMENDATIONS FOR FURTHER STUDY

Only one province (Limpopo) was included in the study, in future the research must be carried out in other provinces to make provincial comparisons, which may yield results that can be generalised. A database for all SMEs in Limpopo was not accessible, which limited the accessibility of SMEs in the area. This could be considered as a further limitation

The recommendations are articulated and conferred in order to assist in improving the way SMEs perceive marketing and perhaps the ignored factors that pertain to the survival of these SMEs in terms of marketing. As highlighted by Wanga *et al.* (2016) it is evident that marketing communication strategies positively affect the SMEs performance. It was found in the current study that not all marketing communication strategies contribute positively towards the performance of the SMEs. Word-of-mouth, personal selling, telemarketing and traditional media still need further investigation as to why they did not have an impact in predicting the performance of an SME.

A further comparative study is needed on the SMEs about product strategies and the challenges impacting bon the SMEs performance, for the generalisation of the findings, similarity and different market strategies employed by other organisations

6.6 STUDY SIGNIFICANCE

The significance of this research study is that it provides information about marketing communication and product strategies for both the SMEs and governments, and how they can influence the SMEs operations and performance. The SMEs may consider utilising marketing communication and product strategies, which are significant (sales promotions, digital marketing, personal selling, branding, new products, product quality and packaging) and new ones for future use. The findings of this study will serve as a guideline in developing marketing communication and product strategies to SMEs in Polokwane and other sectors and overcoming challenges they experience in their businesses.

6.8 CONCLUSION

The chapter discussed the literature summaries and the primary study summaries. The chapter also presented the recommendations for marketing strategies (marketing communication and product strategies) and recommendations for further study. The study aimed to identify factors

 affecting the formulation of marketing strategies within the SMEs in Polokwane and the objective of the study was achieved.

The study was not only significant for understanding factors that affect SMEs marketing strategy formulation and the adoption of marketing strategies, but it also contributes to the literature on marketing strategies and factors affecting marketing strategies on the basis for SMEs and large businesses. The study achieved the research objectives. The findings of the objectives are as follows (1) determining the marketing strategies (product and marketing communication strategies) adopted by SMEs, it was found that SMEs use both the marketing communication strategies (sales promotions, digital marketing, business branding, personal selling, email communication, telemarketing and public relations) and product strategies (product quality and packaging, branding, collaborative product development).

(2) identifying the factors that affects the SMEs marketing strategies, the findings showed that inexperienced marketing personnel and difficulties in accessing finance have a significant impact on the adoption of marketing strategies within the SMEs. (3) determining the effects of marketing strategies (product strategies and marketing communication strategies) on SMEs performance, the study found that marketing communication and product strategies has a positive significant influence on the performance of the SMEs.

REFERENCES

Aaker, D., Kumar, V., Day, G. & Leone, R. 2011. *Marketing research*. (10th ed). New Jersey: Wiley.

Aaker, D., Kumar, V., Day, G. & Leone, R.P. 2013. *Marketing research*. (11th ed). New Jersey: Wiley & Sons

Abasilim, A.N. 2015. Extent of application of marketing mix strategy by small and micro scale enterprises in Osun State, Nigeria, 7(2): 16-19.

Abdullah, R.B. 2012. The relationship between store band and customer loyalty in relating in Malaysia. *Asian Social Science,* 8(2): 117-185.

Abernathy, J.L., Kubick, T.R. & Masli, A. 2013. The Economic Relevance of Chief Marketing Officers in Firms' Top Management Teams. *Journal of Business & Economics Research.* 11(12): 555-568.

Abor, J. & Quartey, P. 2010. Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics,* 1(39): 218–228

Abugu, J.O. 2014. *The Principles and Practice of Modern Marketing*. First Second. Enugu. Newmoon Publishers.

Ackah, J. & Vuvor, S. 2011. The Challenges faced by Small & Medium Enterprises (SMEs) in Obtaining Credit in Ghana. Master's Thesis in Business Administration. Unpublished.

Adams, J., Khan, H.T.A. & Raeside, R. 2014. *Research methods for graduate business and social science students.* (2nd ed). New Delhi: SAGE Publications Inc.

Adelekan, S.A. 2016. The impact of organizational culture on innovation capability of SMEs case study of SMEs in Alimosho and Ojo local government area of Lagos state, Nigeria. *International Journal of Economics, Commerce and Management,* 8(9): 158-181

Adeniran, T. & Johnston, A. 2011. Investigating the Level of Internet Capabilities of South African Small and Medium Enterprises in Changing Environments. From

<www.zaw3.co.za/index.php/ZAWWW/2011/paper/view/450> [Accessed on 18 March 2016].

Adesoga, A. 2016. Examination of the relevance of Personal Selling in Marketing Activities: A Descriptive Method. *Journal of Accounting and Management,* 06(2): 103-116.

Adetayo, A.S. 2018. Impact of Strategic Planning on Organizational Performance: A Study of Unilever Nigeria PLC and May & Baker Nigeria PLC. *International Journal of Scientific & Engineering Research,* 9(2): 1256-1262.

Adewale, A.G., Adesola M.A. & Oyewale, I. 2013. Impact of Marketing Strategy on Business Performance A Study of Selected Small and Medium Enterprises (SMEs) In Oluyole Local Government, Ibadan, Nigeria. *IOSR Journal of Business and Management,* 11(4): 59-66.

Adnan, Z.S., Nafi, S.N.M. & Mohamed, Z. 2016. Technology Sharing in SME Product Packaging: Barriers and Opportunities. *Asian Business Seminar Circuit* (ABSC2012)

Africa Growth Institute. 2010. South African SMME Business Confidence Index Report: 1st-4thquarters. [online] http: www.africagrowth.com/report April 2010.pdf. [Accessed 08 September 2016]

African Development Bank. 2012. Bank financing to small and medium enterprises in East Africa: Findings of as Survey in Kenya, Tanzania, Uganda and Zambia. Tunis: *African Development Bank.* Working Paper Series no. 146, March.

Agbim, K.C. 2013. The Relative Contribution of Management Skills to Entrepreneurial Success: A Survey of Small and Medium Enterprises (SMEs) in the Trade Sector. *Journal of Business and Management,* 7(1): 08-16.

Agostini, L., Filippini, R. & Nosella, A. 2015. Brand-building efforts and their association with SME sales performance. *Journal of Small Business Management,* 53(1): 161-173.

Aigbavboa, C.O. & Thwala, W.D. 2014. Challenges Facing Black Owned Small and Medium Construction Companies: A Case Study of Nelspruit – Mbombela

Municipality, South Africa. *Journal of Economics and Behavioral Studies*, 6(10): 771-778.

Ainin, S., Parveen, F., Moghavvemi, S., Jaafar, N.I. & Mohd Shuib, N.L. 2015. 'Factors influencing the use of social media by SMEs and its performance outcomes'. *Industrial Management and Data Systems*, 115(3): 570-588.

Akroush, M. 2012. An empirical model of Marketing strategy and shareholder value: A value-based marketing perspective, Competitiveness Review: An international *Business Journal incorporating Journal of Global Competitiveness*, 22(1): 48-89.

Akugri, M.S., Bagah, D.A. & Wulifan, J.K. 2015. The Contributions of Small and Medium Scale Enterprises to Economic Growth: A Cross-Sectional study of Zebilla in the Bawku West District of Northern Ghana. *European Journal of Business and Management,* 7(9): 2222-2839.

Al-Askari, A.H. 2011. The impact of entrepreneurship and innovation on developing the marketing strategy in business organizations: An analytical study. *Journal of Business and Retail Management Research,* 5(2):105-117.

Al-Dairi, A., McQuaid, R. & Adams, J. 2012. 'Entrepreneurship training to promote start-ups an innovation in Bahrain', *International Journal of Innovation and Knowledge in Middle East and North Africa,* 1(2): 179–210.

Ale, F.B. 2016. Ethics, values and relevance of public relations and information management.

Aliyu, A.A., Bello, M.U., Kasim, R. & Martin, D. 2014. Positivist and Non-Positivist Paradigm in Social Science Research: Conflicting Paradigms or Perfect Partners? *Journal of Management and Sustainability*; 4(3): 79-95

Allen, S. 2010*. How to become successful at sponsorship sales*. Trafford, Victoria.

Allwood, C.M. 2011. *The distinction between qualitative and quantitative research methods is problematic*. Qual Quant, 46:1417-1429.

AL-Mubaraki, H. & Aruna, M. 2013. 'Technology innovation for SME growth: A perception for the emerging economies', *Journal of Economics and Sustainable Development, 4(3): 156–163.*

Altunışık, R., Coşkun, R., Bayraktaroğlu, S. & Yıldırım, E. 2005. *Sosyal Bilimlerde, Araştırma Yöntemleri*: SPSS Uygulamalı. (4rd ed). Sakarya: Sakarya Kitabevi.

American Express. 2017. U.S. Small and Medium Enterprises Optimistic About Business Prospects in 2017 and Beyond. (Press Release). New York.

Amin, F. & Nika, F.A. 2019. Brand Experience and Brand Equity. *The Journal of Business Perspective.*

Amoako, G.K., Dartey-Baah, K., Dzogbenuku, R.K. & Kwasie, S. 2012. The effect of sponsorship on marketing communication performance: A case study of Airtel Ghana. *African Journal of Marketing Management*, 4(2): 65-79.

Amra, R., Hlatshwayo, A. & McMillan, L. 2013. SMME employment in South Africa. Paper to be presented at the biennial conference of the Economic Society of South Africa, Bloemfontein, 25-27.

Ardhianto, P & Hardjana, A.C. 2016. SMEs Traditional Packaging Technology as a Part of Building Brand Soul of Product. *International Journal of Computational Engineering Research,* 6(7): 10-13.

Ardic, O.P., Mylenko, N., & Saltane, V. 2011. Small and Medium Enterprises: A cross-country analysis with a new date set. World Bank Policy Research - Working Paper Series.

Ardjouman, D. & Asma, B. 2015. Marketing Management Strategies Affecting Performance of Small and Medium Enterprises (SMEs) in Cote d'Ivoire. *International Journal of Business and Social Science*, 6(4): 141-150.

Aren, A.U. & 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.

Arens, W.F., Weigold, M.F. & Arens, C. 2011. *Contemporary advertising and integrated marketing communications.* (13th ed.). New York: McGraw Hill.

Armstrong, G., Adam, S., Denize, S. & Kotler, P. 2015. *Principles of Marketing.* (6th ed). Pearson.

Armstrong, G.M. & Kotler, P. 2013. *Marketing: An introduction.* (11th ed.) Pearson Education Ltd.

Arsalan, M.G., Naveed, U.R.K. & Muhammad, A.M. 2011. 'Marketing practices of textile business and firm's performance: A case of Pakistan'. *Euro Economical*, 2(28): 99-107.

Asamoah, S.E. 2014. Customer based brand equity (CBBE) and the competitive performance of SMEs in Ghana. *Journal of Small Business and Enterprise Development*, 21(1): 117-131.

Aswathappa, K. 2010. *International Business.* (4th ed.) Tata McGraw-Hill Education.

Awan, A.G. & Hashmi, S. 2014. Marketing Practices of Small & Medium Size Enterprises: A Case Study of SME's in Multan District. *European Journal of Business and Innovation Research,* 2(6): 9-20.

Ayandibu, A.O. & Houghton, J. 2017. The role of Small and Medium Scale Enterprise in local economic development (LED). *Journal of Business and Retail Management Research (JBRMR)*, 11(2): 133-139.

Babatunde, B.O. & Adebisi, A.O. 2012. Strategic Environmental Scanning and Organization Performance in a Competitive Business Environment. *Economic Insights – Trends and Challenges*, 64(1): 24-34.

Bachman, R. & Schutt, R.K. 2013. *The Practice of Research in Criminology and Criminal Justice.* (5th ed.) SAGE.

Banerjee, S. & Dasgupta, P. 2009. Branding in Small and Medium Enterprises: A Conceptual Model to Manage Branding Initiatives. Conference Paper.

BANKSETA Brochure. 2015.

Bartholomew, D., Knotts, M. & Moustaki, I. 2011. *Latent variable models and factor analysis: A unified approach.* (3rd ed.) West Sussex, UK: John Wiley & Sons.

Beamish, K. 2012. CIM Coursebook 07/08 Marketing Planning.

Beckett, S. 2012. Business Planning. *Journal of business continuity & emergency planning*, 26(6): 82-88.

Beesley, C. 2012. How to price your small business' products and services. (Online) Available on: http://www.sba.gov/community/blogs/how-price-your-small-business%E2%80%99-products-and-services. [Accessed 21 September 2016].

Belch, G. & Belch, M. 2007. *Advertising and promotion, an integrated marketing communications perspective*. (7th ed.) Boston: McGraw-Hill.

Belch, G.E. & Belch, M. A. 2012. *Advertising and promotion: an integrated marketing communication perspective*. (9th ed.) New York: McGraw Hill.

Belk, R., Fischer, E. & Kozinets, R.V. 2011. *Qualitative consumer and marketing research*. Canada: York University.

Bellamy, L.C. 2009. Strategy formulation in SMEs: indications from a longitudinal study. *International Journal of Entrepreneurship and Small Business*, 8 (4): 534-549.

Berchicci, L. 2009. Innovating for Sustainability: *Green Entrepreneurship in Personal Mobility, London*: Routledge, eBook Collection (EBSCOhost), EBSCOhost. [Accessed 28 November 2017]

Berisha, G. & Pula, J.S. 2015. Defining Small and Medium Enterprises: a critical review. *Academic Journal of Business, Administration, Law and Social Sciences,* 1(1): 17-28.

Berndt, A. & Tait, M. 2012. *Relationship Marketing and Customer Relationship Management.* (2nd ed.) Claremont: Juta.

Berry, T. 2010. Product and Brand Failures: A Marketing Perspective. Available online

Bezuidenhout, C.A. 2011. *South African Perspective on fundamental criminology*. Heinemann: Cape Town.

Bisseker, C. 2014. SMEs: stop the failure rate. Small & medium businesses. [Accessed 8 March 2016]. http://www.financialmail.co.za/features/2014/05/15/smes-stop-the-failure-rate.

Black, S. 2011. *The Practice of Public Relations*. (4th ed.) Routledge.

Blombäck, A. & Craig, J. 2014. "Marketing from a Family Business Perspective." In *the SAGE Handbook of Family Business*. London: Sage.

Blombäck, A. & Ramírez-Pasillas, M. 2012. "Exploring the Logics of Corporate Brand Identity Formation." *Corporate Communications: An International Journal,* 17(1): 7-28.

Blumberg, B., Cooper, D.R. & Schindler, P.S. 2008. *Business research methods.* Maidenhead: McGraw-Hill.

Boeije, H. 2010. *Analysis in qualitative research.* Thousand Oaks: California.

Bola, A. & Richard, M. 2012. An analysis of entrepreneurial and business skills and Training Needs in SMEs in the Plastic Manufacturing Industry in the Eastern Cape Province, South Africa. *International Review of Social Sciences and Humanities*, 3(2), 236-247.

Boris, U. & Reggie, N. 2012. Business sustainability: empirical evidence on operational skills in SMEs in South Africa. *Journal of Small Business and Enterprise Development,* 19(1): 146-163.

Borza, S.I. & Borza, I.C. 2014. A Broad Analysis of Marketing Strategies for their Incorporation as Activities in a User Centred Process. *Procedia Economics and Finance*, 16: 239-250.

Boshoff, C. 2014. *Services Marketing.* (2nd ed.) Juta and Company.

Boswell, S. & Cannon, S. 2017. *Introduction to Nursing Research. Incorporating Evidence-Based Practice.* (4th ed.) Jones & Bartlett Learning.

Botrić, V. & Božić, L. 2017. Access to Finance: Innovative Firms' Perceptions in PostTransition EU Members. EaM: *Ekonomie a Management*, 20(1): 129-143.

Bouazza, A.B., Ardjouman, D. & Abada, O. 2015. Establishing the Factors Affecting the Growth of Small and Medium-sized Enterprises in Algeria. *American International Journal of Social Science, 4(2): 101-115.*

Bourn, J. 2014. *Ten ways Email marketing can help your business grow.* [Online] Available at http://www.bourncreative.com/10-ways-email-marketing-can-help-business/ [Accessed on 10 January 2020].

Brace, I. 2013. *Questionnaire Design: How to Plan, Structure and Write Survey Material for effective market research.* (3rd ed). Kogan Page Limited.

Brassington, F. & Pettit, S. 2013. *Essentials of Marketing*. (3rd ed.) Pearson.

Brink, A. & Cant, M.C. 2009. Problems experienced by small businesses in South Africa.

Brooksbank, D., Thompson, P. & Williams, R. 2008. Entrepreneurial attitudes, intentions and activities – a comparison of urban and rural areas in Wales. *International Journal of Entrepreneurship and Small Business*, 6(3): 421-436.

Bruhn, M., Schoenmueller, V. & Schafer, D.B. 2012. "Are social media replacing traditional media in terms of brand equity creation?", *Management Research Review*, 35(9): 770-790.

Bryan, A. & Bell, E. 2011. *Business Research Methods.* (3rd ed.) London: Oxford University Press.

Bryman, A. & Bell, E. 2015. *Business research methods*. (4th ed.) United Kingdom: Oxford University Press.

Bryman, A. 2012. *Social Research Methods*. (4th ed.) Oxford University Press.

Buil, I., de Chernatony, L. & Martinez, T. 2013. Examining the role of advertising and sales promotions in brand equity creation. *Journal of Business Research,* 66: 115-122.

Bullock, D. & Deragon, J. 2009. How do you sell Social Media? [Online] Social Media Directions: Social Media Directions Available at: http://www.free-ebooks.net/ebook/How-To-Sell-Social-Media/pdf?dl&preview [Accessed 12 April 2019].

Bureau for Economic Research. 2016. The Small, Medium and Micro Enterprise Sector of South Africa. Research Note. No 1.

Burns, A.C. & Bush, R.F. 2010. *Marketing Research*. (6th ed.) Pearson Education, Inc.: Upper Saddle River, NJ.

Burns, A.C. & Bush, R.F. 2014. *Marketing research.* (7th ed.) Boston: Pearson.

Burns, P. 2010. *'Entrepreneurship Small Business Start-ups, Growth and Maturity.'* UK: Palgrave Macmillan.

Calcagnini, G. & Favaretto, I. 2011. *The Economics of Small Businesses: An International Perspective.* Physica-Verlag. A springer Company.

Calitz, A.P. & Cullen, M. 2012. The Use of Social Media in Business School Marketing. *International Business Conference (IBC).*

Cameron, R. 2011. Mixed Methods Research: The Five Ps Framework. *The Electronic Journal of Business Research Methods,* 9(2):96-108.

Camilleri, M.A. 2018. *Market Segmentation, Targeting and Positioning. In Travel Marketing, Tourism Economics and the Airline Product.* Springer, Cham, Switzerland.

Cant, M.C. & Wiid, J.A. 2013. Establishing the Challenges Affecting South African SMEs. *International Business & Economics Research Journal,* 12(6): 707-716.

Cant, M.C, Wiid, J.A & Hung, Y.T. 2013. The Importance of Branding for South African SMEs: An Exploratory Study. *Corporate Ownership & Control,* 11(1-8), 735-744

Cant, M.C. & van Heerden, C.H. 2010. *Marketing management: A South African perspective.* Cape Town: Juta.

Cant, M.C. 2010. *Marketing: An introduction.* Cape Town: Juta.

Cant, M.C. 2012. Challenges Faced by SME's In South Africa: Are Marketing Skills Needed? *International Business & Economics Research Journal,* 11(10): 1107-1116.

Cant, M.C. 2012. Small Business Attitudes Towards Ethical Issues: Survival or Ethically Correct? *International Business & Economics Research Journal,* 11(12): 1347-1358

Cant, M.C. Wiid, J.A & Kallier, S.M. 2013. Small Business Owners' Perceptions of Moral Behaviour and Employee Theft in the Small Business Sector of Nigeria. *Gender & Behaviour,* 11(2): 5775-5787.

Cant, M.C. & Van Heerden C.H. 2013. *Marketing Management: A South African Perspective.* Claremont, Juta & Company Ltd.

Cant, M.C., Erdis, C. & Sephapo, C.M. 2014. Business Survival: The Constraints Experienced by South African SMEs in the Financial Sector. *International Journal of Academic Research in Business and Social Sciences,* 4(10): 565-579.

Cant, M.C., Kallier, S.M. & Wiid, J.A. 2016. SMEs and product mix decisions: fact or fiction. *Problems and Perspectives in Management*, 14(3-3): 608-616.

Cant, M.C., Wiid, J.A. & Kallier, M.S. 2015. Product Strategy: Factors That Influence Product Strategy Decisions of SMEs In South Africa. *The Journal of Applied Business Research*, 31(2): 621-630.

Carter, S. & Jones-Evans, D. 2012. *Enterprise and Small Business: Principles, Practice and Policy*. (3rd ed.) Pearson.

Cattell, R. B. 1966. The SCREE test for the number of factors. *Multivariate Behavioral Research*, 1: 245-276.

Chaffey, D., & Ellis-Chadwick, F. 2012. *Digital Marketing: Strategy, Implementation and Practice*. (5th ed.) Pearson Education Limited.

Chang, S.I., Wu, H.C. & Cho, C.M. 2011. The development of a digital divide assessment mechanism for SMEs: A perspective from the Taiwan manufacturing industry. *Journal of Global Information Technology Management*, 14(1):6-34.

Chang, W. & Taylor, S.A. 2016. The Effectiveness of Customer Participation in New Product Development: A Meta-Analysis. *Journal of Marketing,* 80: 47-64.

Chazireni, B. 2017. An investigation into corporate social responsibility on sustainable growth of wholesale and retail SMEs: a case study of eThekwini municipal region. Thesis. Durban University of Technology. Unpublished.

Chimucheka, T. 2012. Usefulness of business plans to small, micro and medium enterprises in East London, South Africa. *African Journal of Business Management,* 6(14): 4957-4963.

Chimucheka, T. 2013. Overview and Performance of the SMMEs sector in South Africa. *Mediterranean Journal of Social Sciences*, 4(14): 783-795.

Chingwaru, T. 2014. Impact of Trade and Economic Liberalisation Policy Reforms on the operations of selected Small to Medium Enterprises (SMEs) in Zimbabwe; a comparative study with South Africa's experiences. Dissertation. Unpublished.

Christensen, L.B., Johnson, R.B. & Turner, L.A. 2011. *Research Methods, Design and Analysis*. (11th ed.) Boston: Pearson Education.

Chukwuma, A.I., Ezenyilimba, E. & Agbara, V.N. O. 2018. Effect of Product Packaging on the Sales Volume of Small and Medium Scale Bakery Firms in South East Nigeria. *International Journal of Academic Research in Business and Social Sciences,* 8(6): 988–1001.

Churchill, G.A., Brown, T.J. & Suter, T.A. 2010. *Basic Marketing Research*. (7th ed). Boston, MA: Cengage Learning.

Chuwiruch, N, Jhundra-Indra, P. & Boonlua, S. 2012. Marketing Innovation Strategy and Marketing Performance: A Conceptual Framework *Proceedings of the Academy of Marketing Studies,* 19(2): 82-93.

Ciubotariu M, S. 2013. The role of small and medium enterprises in the modern economy and the importance of IFRS application for SMEs, " *The USV Annals of Economics and Public Administration*, 13(17): 201-210.

Coakes, S.J. 2013. *SPSS: analysis without anguish: version 20 for Windows*. Queensland: John Wiley.

Collis, J. & Hussey, R. 2009. *Business Research: a practical guide for undergraduate & postgraduate students*. New York: Palgrave Macmillan.

Contessi, F. & De Nicola, S. 2012. What do we know about the relationship between access to finance and international trade? *Working Paper 2012-054B,* Federal Reserve Bank of St. Louis, St. Louis, MO.

Cooksey, R. & McDonald, G. 2011. *Surviving and thriving in postgraduate research,* Prahran, VIC, Tilde University Press.

Cooper, D.R. & Schindler, P.S. 2008. *Business Research Methods*. (10th ed.) Boston: McGraw-Hill.

Cooper, R.D. & Schindler, P.S. 2011. *Business Research Methods*. (11th ed.) McGraw-Hill. Education: Asia.

Costin, Y. 2011. In pursuit of growth: An insight into the experience of female entrepreneurs. *International Journal of Gender and Entrepreneurship*, 4(2): 108-127.

Cravens, D.W. & Piercy, N.F. 2013. *Strategic Marketing*. (10th ed.) McGraw-Hill.

Creswell, J.W. & Plano-Clark V.L. 2007. *Designing and Conducting Mixed methods Research*. (2nd ed.) Thousand Oakes, CA, Sage Publications.

Creswell, J.W. 2009. *Research design: Qualitative and Mixed Methods Approaches*. London: SAGE.

Creswell, J.W. 2014. *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. (4th ed.) Los Angeles, California: Sage Publications.

Crook, T.R., Todd, S.Y., Combs, J.G., Woehr, D.J. & Ketchen, D. J. 2011. Does human capital matter? A meta- analysis of the relationship between human capital and firm performance. *Journal of Applied Psychology*, 96: 443-456.

Crosby, R.A., DiClemente, R.J. & Salazar, L.F. 2006. *Research Methods in Health Promotion.* Jossey-Bass.

Cruz-Cunha, M.M. & Varajao, J. 2011. *Innovations in SMEs and Conducting E-Business: Technologies, Trends and Solutions*. IGI Global.

Czarniewski, S. 2014. Communicating Customer Value Based on Modern Technologies. *Central European Business Review*, 3(2): 36-43.

Dahlen, M., Lange, F. & Smith, T. 2010. *Marketing Communications: A Brand Narrative Approach*. John Wiley & Sons Ltd.

Dann, S. & Dann, S. 2011. *E-marketing*. Palgrave Macmillan.

Dantzker, M. & Hunter, R.D. 2012. *Research Methods for Criminology and Criminal Justice*. (3rd ed.) Jones & Bartlett Learning.

David C.M., Neeraj, A., Derek, K., John W., Michael, R., Ruba, B., Julia, C. & Julio, B. 2013. 'Lessons on Technology and Growth from Small-Business Leaders', The Boston Consulting Group, UK. Available online: https://www.bcsgperspectives.com/content/articles/technology_software_globalizatio

n_ahead_curve_lessons_technology_growth_small_business_leaders/ [Accessed on 09/06/2015]

De Mooij, M. 2010. *Global marketing and advertising: Understanding cultural paradoxes.* (3rd ed.) United States: Sage Publications, Inc.

Debeila, S.O. 2018. A Determination of Challenges and Opportunities Faced by Small, Medium and Micro Enterprises (SMMEs) In Fetakgomo Local Municipality, Sekhukhune In Limpopo Province. Mini-Dissertation. University of Limpopo. Unpublished.

Deiss, R. & Henneberry, R. 2016. *Digital Marketing for Dummies.* John Wiley & Sons.

Deloitte. 2015. The Deloitte Consumer Review. Made-to-order: *The rise of mass personalisation.* Available online. http://www.deloitte.com/view/consumerreview. [Accessed 26 February 2019]

Demkin, J.A. 2008. *The Architect's Handbook of Professional Practice.* (14th ed.) John Wiley & Sons, Inc.

Denscombe, M. 2014. *The Good Research Guide: For Small-Scale Social Research Projects.* (5th ed.) McGraw-Hill Education.

Dewi, F. 2016. Manager Characteristics, HR Renewal, Marketing Strategies, Partnership Motivation, Work Orientation, Work Standardization, on SMES Business Resilience in the Competition: A SMES Study in Jakarta Indonesia. International *Journal of Management & Development,* 3(2): 32-48.

Dietrich, T., Kubacki, K. & Rundle-Thiele, S. 2017. *Segmentation in Social Marketing: Process, Methods and Application.* Springer.

Dixon, J.C., Singleton, R.A. & Straits, B.C. 2016. *The Process of Social Research.* Oxford University Press. New York.

Dolnicar, S., Grun, B. & Leisch, F. 2018. *Market Segmentation Analysis: Understanding It, Doing It, and Making It Useful.* Springer.

Dominick, J. 2013. *The Dynamics of Mass Communication.* New York: McGraw-Hill.

Douglas, J., Douglas, A., Muturi, D. & Ochieng, J. 2017. An Exploratory Study of Critical Success Factors for SMEs in Kenya. Conference: *International Conference on Excellence in Services* At: Verona, Italy.

Dutot, V. & Bergeron, F. 2016. From strategic orientation to social media orientation: Improving SMEs' performance on social media. *Journal of Small Business Enterprise Development*. 23: 1165–1190.

Dzisi S. & Ofosu, D. 2014. Marketing Strategies and the Performance of SMEs in Ghana. *European Journal of Business and Management*. 6(5): 102-111.

Ebitu, E.T. 2016. Marketing Strategies and the Performance of Small and Medium Enterprises in Akwa Ibom State, Nigeria. *British Journal of Marketing Studies*, 4(5): 51-62.

Ebitu, E.T., Ufot, J.A. & Olom, P.A. 2015. Marketing Problems and the Performance of Selected Small and Medium Enterprises (SMEs) in Southern Senatorial District of Cross River State, Nigeria. *American International Journal of Contemporary Research*, 5(5): 70-76.

Eccles, R.G. 2012. Is sustainability now the key to corporate success? http://www.theguardian.com/sustainable-business/sustainability-key-corporate-success. [accessed: 25 July 2017.]

Egan, J. 2011. *Relationship Marketing: Exploring Relational Strategies in Marketing*. New York: Prentice Hall.

Eisto, T., Holtta, V., Mahlamaki, K., Kollanus, J. & Nieminen, M. 2010. Early Supplier Involvement in New Product Development: A Casting-Network Collaboration Model. *International Conference on Service Science, Management and Engineering; Penang, Malaysia: 548-559*

El-Maraghy H.A., Schum, G., El-Maraghy W.H. & Piller, F.T. 2013. Product variety management. CIRP Annals - Manufacturing Technology.

Entrepreneur magazine, Eileen Figure Sandlin. 2014. Start Your Own Consulting Business: Your Step-By-Step Guide to Success. (4th ed.) Entrepreneur Media.

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

Fain, J.A. 2017. *Reading, Understanding, and Applying Nursing Research*. (5th ed.) F.A. Davis Company.

Familmaleki M., Aghighi, A. & Hamidi, K. 2015. Analyzing the Influence of Sales Promotion on Customer Purchasing Behavior. *International Journal of Economics & Management Sciences,* 4(4): 243.

Fantazy, K.A. & Salem, M. 2016."The value of strategy and flexibility in new product development", *Journal of Enterprise Information Management*, 29(4): 525-548.

Farrington, S. & Venter, E. 2018. The Influence of Selected Marketing and Branding Practices on the Financial Performance of Family SMEs. *Southern African Business Review*. 22: 1-33.

Fassnacht, M. & El-Husseini, S. 2013. EDLP versus Hi-Lo pricing strategies in retailing – a state of the art article. *Journal of Business Economics*. 83(3): 259-289.

Fatoki, O. & Chindoga, L. 2011. An investigation into the obstacles to youth entrepreneurship in South Africa. *International Business Research*, 4(2): 161-163.

Fatoki, O. & Garwe, D. 2010. Obstacles to the growth of new SMEs in South Africa: A principal component analysis approach. *African Journal of Business Management*, 4(5):729–738.

Fatoki, O. & Odeyemi, A. 2011. Which new small and medium enterprises in South Africa have access to bank credit? *International Journal of Business and Management*, 5(10):128-136.

Fatoki, O. 2014. The Perception of New Small Business by Trade Creditors in South Africa. *Mediterranean Journal of Social Sciences*, 5(16): 27-32.

Felicia, O.J., George., O., Owoyemi, O. & Adegboye, M. 2013. Effects of Socio-Cultural Realities on the Nigerian Small and Medium Sized Enterprises (SMEs): Case of Small and Medium Sized Enterprises in Lagos State. *International Journal of Business and Management.* 9(1): 90-100.

Ferreira, M. 2011. 'SME growth sector: A taxonomy combining life-cycle and resource-based theories.' *The Service Industries Journal,* 31(2): 251- 271.

Ferrell, O.C. & Hartline, M. 2008. *Marketing Strategy.* (4th ed.) Thompson Learning.

Ferrell, O.C. & Hartline, M.D. 2014. *Marketing Strategy: Text and Cases.* (6th ed.) South-Western Cengage Learning.

Ferrell, O.C., Niininen, O. & Lukas, B.A. 2015. *Marketing Principles.* (2nd ed.) Cengage Learning.

Field, A. 2000. *Discovering Statistics using SPSS for Windows.* London – Thousand Oaks – New Delhi: Sage publications.

Fischer, H., Nebe, K. & Klompmaker, F. 2011. *A Holistic Model for Integrating Usability Engineering and Software Engineering Enriched with Marketing Activities.* Berlin Heidelberg: Springer-Verlag.

Flick, U. 2015. *Introducing Research Methodology: A Beginner's Guide to Doing a Research Project.* (2nd ed.) SAGE.

Flores, M.E. & Yapuchura, S.A. 2012. Marketing holístico en la industria hotelera en puno-Perú. *Comuni@ccion: Revista de Investigación en Comunicacióny Desarrollo*, 3(1): 5-16.

Forman, H. & Hunt, J.M. 2013."The effect of decision context on perceived risk in pricing strategies: how managers view uncontrollable environmental forces", *Journal of Product & Brand Management,* 22(10): 79-86.

Franco, M., Santos, M.D.F., Ramalho, I. & Nunes, C. 2014. An exploratory study of entrepreneurial marketing in SMEs: The role of the founder-entrepreneur'. *Journal of Small Business and Enterprise Development,* 21(2): 266-283.

Freathy, P. & O'Connell, F. 2012. Spending time, spending money: passenger segmentation in an international airport. *The International Review of Retail, Distribution and Consumer Research*, 22(4): 397-416.

Gabrielli, V. & Balboni, B. 2010. SME Practice towards Integrated Marketing Communications. *Marketing Intelligence & Planning*, 28(3): 275-290.

Galloway, L. 2007. "Can broadband access rescue the rural economy?", *Journal of Small Business and Enterprise Development*, 14(4): 641-653.

Garikai, B.W. 2011. Exportation Challenges by Small and Medium Enterprises and Possible Exportation Strategies. Retrieved from http://www.articlebase. com/business-4056101.html

Gavrea, C., Ilies, L. & Stegerean, R. 2011. Determinants of Organizational Performance: The Case of Romania. *Management & Marketing Challenges for the Knowledge Society*, 6(2): 285-300.

Gaweseb, C.G. 2015. Marketing Communication Methods Used by Namibian Clothing and Textile SMEs – A Case Study of SMEs Operating from Katutura and Khomasdal Incubation Centers. Dissertation. Unisa. Unpublished.

Gbolagade A, Adesola M.A. & Oyewale I.O. 2013. Impact of Marketing Strategy on Business Performance A Study of Selected Small and Medium Enterprises (SMEs) In Oluyole Local Government, Ibadan, Nigeria. *Journal of Business Management*. 11(4): 59-66.

GEM. 2014. The crossroads - a goldmine or a time bomb? Cape Town: Global Entrepreneurship Monitor.

Genchev, E. & Todorova, G. 2017. Sales Promotion Activities – Effective Tool of Marketing Communication Mix. *Trakia Journal of Sciences*, 15(1): 181-185.

Gerber, K. 2009. *FCS Marketing Communication L3*. (2nd ed.) Pearson Education.

Ghouri, A.M., Khan, N.R., Malik, A.M. & Razzaq, A. 2011. 'Marketing practices and their effects on firm's performance: findings from small and medium sized catering and restaurants in Karachi'. *International Journal of Business and Management*, 6(5): 251-259.

Gibson, P. 2011. *The World of Customer Service*. (3rd ed.) Cengage Learning.

Gilligan, C. & Hird, M. 2013. *International Marketing: Strategy and Management.* Routledge.

Gitau, J. 2012. Effects of Advertising on the Small and Medium Enterprises in Kenya: A case study on East African Packaging Industries. Thesis. Laurea University of Applied Sciences. Unpublished.

Global Entrepreneurship Monitor (GEM). 2014. Retrieved November 2015, from GEM: http://www.gemconsortium.org.

Gomes, L.F.A.M., Moshkovich, H. & Torres, D. 2010. Marketing decisions in small businesses: how verbal decision analysis can help. *International journal of management decision making,* 11(1): 19-36.

Gomez, M.C.O. & Perez, W.G. 2018. Communication as a Marketing Strategy: Cross-cultural Analysis of Young People from Mexico and Colombia Based on Demographic Segmentation. *Mediterranean Journal of Social Sciences.* 9(3): 173-183.

Gopaul, M. & Bothma, N. 2015. *E-Marketing in The South African Context*, Cape Town, South Africa: Juta and Company, eBook Collection (EBSCOhost), EBSCOhost. [Accessed 28 November 2017].

Gordon, B. & Wilson, O. 2015. *Computer-Mediated Marketing Strategies: Social media and online Brand Communities.* IGI Global.

Gouliamos, K., Theocharous, A. & Newman, B.I. 2013. *Political Marketing Strategic Campaign Culture*. Routledge.

Graziano, A. & Raulin, M. 2013. *Research Methods: a process of inquiry.* (8th ed.) New Jersey: Pearson.

Ha, Y. & Lennon, S.J. 2011. Consumer responses to online atmosphere: The moderating role of atmospheric responsiveness. *Journal of Global Fashion Marketing,* 2(2): 86-94.

Habib, A., Hossain, S. & Oma T. 2015. Impact of Advertisement on Consumer Choice: A Case of SME and Consumers. *Singaporean Journal of Business Economics, and Management Studies,* 4(5): 1-15.

Hadiyati, E. 2015. Marketing and Government Policy on MSMEs in Indonesian: A Theoretical Framework and Empirical Study. *International Journal of Business and Management;* 10(2): 128-141.

Haili, M.N. 2014. A study of the impact of social media on consumers. *International Journal of Marketing Research*. 56: 387-404.

Hair, J.F., Bush, R.P. & Ortinau, D.J. 2006. *Marketing research within a changing environment. (*3rd ed.) New York: McGraw-Hill/Irwin.

Halton Business. 2011. Why Should You Conduct a Business Feasibility Study? Online available. https://haltonsbec.wordpress.com/2011/10/31/why-should-you-conduct-a-business-feasibility-study/. [Accessed 08 August 2017]

Harelimana, J.B. 2017. Role of Access to Finance for the Performance of Small and Medium Enterprises in Muhoza Sector, Rwanda. *Business and Economics Journal,* 8(1): 1-5.

Hartley, R.D. 2011. *'Mixed Methods Research', in Snapshots of research: readings in criminology and criminal justice.* SAGE Publications, Inc., Thousand Oaks, CA.

Hasan, M. 2011. Marketing Activities of Small and Medium Businesses in Bangladesh. 6: 124-138.

Hassan, M.U., Qureshi S.U., Sharif, S. & Mukhtar, A. 2013. Impact of Marketing Strategy Creativity on Organizational Performance via Marketing Strategy Implementation Effectiveness: Empirical Evidence from Pakistani Organizations. *Middle-East Journal of Scientific Research,* 16(2): 264-273.

Hatten, T.S. 2012. *Principles of Small Business Management.* (5th ed.) USA, South-Western Cengage Learning.

Hatten, T.S. 2016. *Small Business Management: Entrepreneurship and Beyond.* (6th ed.) Cengage Learning.

Havaldar, K.K. 2010. *Business Marketing: Text & Cases.* (3rd ed.) Tata McGraw-Hill Education.

Heini M.T. & Heikki, K. 2015. "The usage of digital marketing channels in SMEs", *Journal of Small Business and Enterprise Development*, 22(4): 633-651.

Herrington, M., Kew, J. & Kew, P. 2010. Global Entrepreneurship Monitor (GEM): 2009 South African report-With a difference. *Tracking Entrepreneurship in South Africa: A*

GEM Perspective. Cape Town: University of Cape Town Graduate School of Business.

Hiduke, G.P. & Ryan, J.D. 2014. *Small Business: An Entrepreneur's Business Plan.* (9th ed.) Cengage Learning.

Hill, A.V. 2010. The Encyclopaedia of Operations Management - 2010 Edition: A field manual and encyclopaedic glossary of operations management terms and concepts. Clamshell Beach Press.

Hisrich, R.D, Peters, M.P. & Shepherd, A. 2010. *Entrepreneurship.* (8th ed.) New York: McGraw-Hill.

Hollensen, S. 2010. *Global Marketing.* London: Pearson education limited.

Horn, R. 2012. *Researching and writing dissertations: a complete guide for business and management students.* (2nd ed.) London: Chartered Institute of Personnel and Development.

Hove, P. 2012. The impact of Technological Marketing on Porter's Competitive forces model and SMEs' performance. Dissertation. Unpublished.

Hsiao, Y.C. & Chen, C.J. 2013. Branding vs contract manufacturing: capability, strategy, and performance. *Journal of Business and Industrial Marketing*, 28(4): 317-334.

Hughes, G. & Fill, C. 2006. *Marketing Communications 2006-2007.* The Chartered Institute of Marketing.

Hughes, P. & Morgan, R. 2007. A resource-advantage perspective of product-market strategy performance and strategic capital in high technology firms. *Industrial Marketing Management*, 36(4): 503-517.

Human Resource Development Council of South Africa. 2013. Review of the current skills development system and recommendations towards the best model for delivering skills in the country. HRDC SSR-TTT Review of the Skills System in South Africa.

Hussain, I., Farooq, Z. & Akhtar, W. 2012. 'SMEs development and failure avoidance in developing countries through public private partnership', *African Journal of Business Management,* 96(4):1581-1589.

Hussain, M. A., Elyas, T. & Nasseef, O. A. 2013. Research Paradigms: A Slippery Slope for Fresh Researchers. *Life Science Journal,* 10(4): 2374-2381.

Ibrahim, N., Shiratuddin, M.F. & Wong, K.W. 2015. Comparing the Influence of Non-Persuasive and Persuasive Visual on a Website and Their Impact on Users Behavioural Intention. *Journal of Telecommunication, Electronic and Computer Engineering,* 8(8): 149-154.

ILDP. 2014. Informal Small Medium and Micro Enterprises (SMME) Retailers in South Africa.

Illmer, S.J. 2011. *Success through excellence!* Illmer Investment Performance Consulting AG.

Ingenbleek, P.T.M., Meulenberg, M.T.G. & van Trijp, H.C.M. 2015. Buyer social responsibility: A general concept and its implications for marketing management. *Journal of Marketing Management.* 31(13-14): 1428-1448.

International Labour Organization. 2016. An assessment of Administrative Barriers and Regulatory Costs for SMEs in South Africa. The Cost of Red Tape.

International Monetary Fund. 2013. Bangladesh: Poverty Reduction Strategy Paper. Staff Country Reports.

Islam, A. 2014. Economic Growth and Crime against Small and Medium Sized Enterprises in Developing Economies. Policy Research Working Paper 6768: The World Bank Development Economics Global Indicators Group.

IT Web. 2011. Importance of SME sector – or why ARC exists. [Online] Available from: http://www.itweb.co.za/index.php?option=com_content&view=article&id=45967 [Accessed: 17 August 2016].

Ivankova, N.V., Creswell, J.W. & Plano Clark, V.L. 2016. *Foundations and approaches to mixed methods research. In: K. Maree First steps in research.* (2nd ed.) Pretoria: Van Schaik Publishers.

Jain, M.K. & Gandhi, S.K. 2016. Defining Indian SMEs: A Critical Analysis. *International Journal of Arts, Humanities and Management Studies,* 2(6): 12-25.

Jamalzadeh, M., Behravan, N. & Masoudi, R. 2012. An Empirical Study of Email-Based Advertisement and its Influence on Consumers' Attitude. *International Review of Management and Marketing,* 2(3): 130-138.

Jantsch, J. 2011. Let's talk Social Media for Small Business, Microsoft live small business, Version Two. Online. Available: htm: www.ducttapemarketing.com/socialmediaforbusiness.pdf.

January, P.C. 2013. The Evaluation of the Entrepreneurial Seed Fund programme: the case of the Cape Winelands District Municipality. Dissertation. UNISA. Unpublished.

Jarvinen, J., Tollinen, A., Karjaluoto, H. & Jayawardhena, C. 2012. "Digital and social media marketing usage in B2B industrial sector", *Marketing Management Journal*, 22(2): 102-117.

Javier, S., Pedrosa, I., Lozano, L.M., Eduardo, G., Marcelino, C. & Muniz, J. 2018. Using reversed items in Likert scales: A questionable practice. *Psicothema*, 30(2): 149-158.

Jerman, D. & Zavrsnik, B. 2012. The model of marketing communications effectiveness: Empirical evidence from Slovenian business-to-business practice. *Journal of Business Economics and Management,* 13(4): 63-81.

Jha, S.A. 2014. *Social Research Methods*. McGraw Hill.

Johnson, B. & Christensen, L. 2012. *Educational research– Quantitative, qualitative and mixed approach*. (4th ed.) Thousand Oaks: Sage Publications.

Johnson, G., Whittington, R. & Scholes, K. 2012. *Fundamentals of Strategy*. Pearson Education, Harlow, UK.

Jovanov-Marjanova, T. & Conevska B. 2011. Comparative Analysis of Factors from Marketing and Legal Perspective and Policies That Affect SMEs in Macedonia and EU, Conference Proceedings form the First International Conference - Researching Economic Development and Entrepreneurship in Transitional Economies, Faculty of Economics, University of Banja Luka, Banja Luka, Bosnia and Herzegovina, October 27-29.

Kahn, K.B. 2013. *The PDMA Handbook on New Product Development*. (3rd ed.) John Wiley & Sons.

Kahraman, C., Kerre, E.E. & Bozbura, F.T. 2012. Uncertainty Modeling in Knowledge Engineering and Decision Making - Proceedings of the 10th International Flins Conference. World Scientific Publishing.

Kalane, L. 2015. Reasons for Failure of SMEs in The Free State. Dissertation. University of Free State. Unpublished.

Kalanwa, S.C. 2014. *Entrepreneur's Guide on Managing Small Business Profitably*. Bookbaby.

Kallier, S.M. 2017. The focus on marketing communication efforts of SMEs. *Management & Marketing. Challenges for the Knowledge Society*, 12(1): 140-154.

Kamunge, M.S., Njeru, A. & Tirimba, O.I. 2014. Factors affecting the performance of small and macro enterprises in Limuru town market of Kiambu County. *International Journal of Scientific and Research Publications*, 4(12): 1-20.

Kanibira, H., Saydanb, R. & Nartc, S. 2014. Determining the Antecedents of Marketing Competencies of SMEs for International Market Performance, 10th International Strategic Management Conference. *Procedia - Social and Behavioral Sciences*, 150: 12-23.

Kanyongo, G.Y. 2005. "Determining the Correct Number of Components to Extract from A Principal Components Analysis: A Monte Carlo Study of The Accuracy of The Scree Plot," *Journal of Modern Applied Statistical Methods*, 4(1): 65-74.

Kapferer, J.N. 2012. *The new strategic brand management: Advanced insights & strategic thinking*. (5th ed.) London: Kogan Page.

Kapoor, A. & Kulshrestha, C. 2010. *Marketing Research. Excel Books*: New Delhi.

Karadeniz, M. 2009. Product Positioning Strategy in Marketing Management. *Journal of Naval Science and Engineering*, 5(2): 98-110.

Karanja, T., Muturi, P., Mukabi, M., Kabata, D., Wahome, S. & Kayogo, M. 2013. Small Business Management (Entrepreneurship). *International Journal of Business and Social Science,* 4(1): 113-142.

Karimi, S. & Naghibi, H.S. 2015. Social Media Marketing (SMM) strategies for Small to Medium Enterprises (SMEs). *International Journal of Information, Business and Management,* 7(4): 84-95.

Karthikeyan, N. & Balamurugan, T. 2012. Mobile Marketing: Examining the impact of Interest, Individual attention, Problem faced and consumer's attitude on intention to purchase. *Interdisciplinary Journal of Contemporary Research in Business Institute of Interdisciplinary Business Research*, 3(10): 809-821.

Karthikeyan, R. & Dharmaraj, A. 2015. Impact of Marketing Strategies on Pump Industry with Reference to Coimbatore District. *International Journal of Research in Social Sciences*, 5(2): 219-224.

Katua, N.T. 2014. The Role of SMEs in Employment Creation and Economic Growth in Selected Countries. *International Journal of Education and Research,* 2(12): 461-472.

Keh, H.T., Nguyen, T.T.M. & Ping, H. 2007. The effects of entrepreneurial orientation and marketing information on the performance of SMEs. *Journal of Business Venturing*, 22(4): 592-611.

Keizer, J.A., Dijkstra, L. & Halman, J.I.M. 2002. Explaining innovative efforts of SMEs. An exploratory survey among SMEs in the mechanical and electrical engineering sector in The Netherlands. Technovation 22.

Kent, R. 2007. *Marketing Research: Approaches, Methods and Applications in Europe.* (1st ed.) London: Thomson Learning.

Keyton, J. 2010. *Communication research asking questions, finding answers*. (3rd ed.) Boston: McGraw-Hill.

Kihanya, K. 2013. Effects of Integrated Marketing Communication on Business Performance in The Insurance Industry A Case Study of The Kenya Orient Insurance Limited. Dissertation. United States International University. Unpublished.

Kihimbo, B.W., Ayako, B.A. & Omoka, K.W. 2012. Collateral requirements for financing of small and medium enterprises (SMEs) in Kakamega municipality in Kenya. *International Journal of current Research,* 4(6): 21-26.

Kimani, E. 2014. Marketing Strategies and Performance of Kenya Revenue Authority. Unpublished Project. University of Nairobi.

Kimou A.J.C. 2015. Crime, self-protection and business growth in Cote d'Ivoire. *Modern Economy,* 6(10): 1101-1114.

Kirkman, A. 2010. The Role of Wine Tourism in The Marketing of Wineries in The Stellenbosch Wine Route of South Africa. Dissertation. UNISA. Unpublished.

Kiseleva, O.V. & Pinkovetskaia, I.S. 2016. Analysis on Investment of Small and Medium Entrepreneurship. *International Journal of Economics and Financial* Issues, 6(8 Special Issue): 315-320.

Kivunja, C. & Kuyini, A.B. 2017. Understanding and Applying Research Paradigms in Educational Contexts. *International Journal of Higher Education,* 6(5): 26-41.

Klenke, K. 2016. *Qualitative Research in the Study of Leadership.* (2nd ed.) Emerald Group.

Koekemoer, L. 2014. *Marketing communication, an integrated approach*. Ltd. Cape Town: Juta and Company Ltd.

Kolabi, A., Hosseini, H., Mehrabi, R. & Salamzedeh, A. 2011. Developing entrepreneurial marketing mix: Case study of Entrepreneurial Food Enteprises in Iran. *Journal of Knowledge Management, Economics and Information technology*, 1(5): 1-17.

Kongolo, M. 2010. Job creation versus job shedding and the role of SMEs in economic development, *African Journal of Business management*, 4(11): 2288-2295.

Koski, H. & Kretschmer, T. 2010. "New product development and firm value in mobile handset production", *Information Economics and Policy*: IEP, 22(1): 42-50.

Kotler, P. & Armstrong, G.M. 2011. *Principles of Marketing*. Cape Town. Pearson Education.

Kotler, P. & Keller, K.L. 2014. *Marketing management.* (14th ed.) Upper Saddle River, NJ: Pearson Prentice Hall.

Kotler, P., Bowen J.T. & Makens, J.C. 2010. *Marketing for hospitality and tourism.* (5th ed.) Upper Saddle River, NJ: Prentice Hall.

Kotler, P., Keller, L., Brady, M., Goodman, M. & Hansen, T. 2009. *Marketing management.* London: Pearson.

Krause, W., Schutte, C. & du Preez, N. 2012. Open Innovation in South African Small and Medium-Sized Enterprises. CIE42 Proceedings, 16-18 July 2012, Cape Town, South Africa © 2012 CIE & SAIIE.

Kumar, R. 2011. *Research methodology: a step by step guide for beginners.* (3rd ed.) Sage Publications.

Ladzani, W. & Netswera, G. 2009. Support for Rural Small Businesses in Limpopo. *Development Southern Africa*, 26(2): 225-239.

Lamb, C.W., Hair, J.F. & McDaniel, C. 2009. *Essentials of Marketing.* (6th ed.) Cengage Learning

Lamb, C.W., Hair, J.F. & McDaniel, C. 2011. *Marketing: Student edition*. South-Western

Lamb, C.W., Hair, J.F. & McDaniel, C. 2012. *Essentials of Marketing*. (7th ed.) Cengage Learning

Lamb, C.W., Hair, J.F. & McDaniel, C. 2017. *Principles of Marketing*. Cengage Learning.

Lamb, C.W., Hair, J.F., McDaniel, C., Kapoor, H., Klaise, H. & Appleby, R. 2010. *Marketing. Canadian Edition*. Nelson Education

Larsen, N. 2010. Market Segmentation - A framework for determining the right target customers. Thesis. Unpublished.

Lather, P. 1986. Research as praxis. *Harvard Educational Review, 56*(3): 257-277.

Laura, M.O. & James, A.B. 2014. *Quantitative Research for the Qualitative Researcher*. SAGE publications.

Leboea, S.T. 2017. The Factors Influencing SME Failure in South Africa. Dissertation. University of Cape Town. Unpublished.

LEDA. 2013/14. Annual report. Available at: www.lieda.co.za [accessed 28 September 2016].

Leedy, P.D. & Ormrod, J.E. 2013. *Practical Research Planning and Design.* (9th ed.) Boston: Pearson.

Leedy, P.D. & Ormrod, J.E. 2014. *Practical Research Planning and Design.* (10th ed.) Harlow, UK: Pearson.

Lehmann, D. 2006. Evaluating Measurement Properties of Collage Research: Development of brand representations. Druck and Bindung.

Lekhanya, L.M. 2010. The Use of Marketing Strategies by Small, Medium and Micro Enterprises in Rural KwaZulu-Natal. PhD Thesis. Durban University of Technology. Unpublished.

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

Lekhanya, L.M. 2015. Key internal factors affecting the small, medium and micro enterprises (SMMEs) marketing strategies in rural South Africa. *Problems and Perspectives in Management,* 13(2): 410-417.

Lekhanya, L.M. 2015. The Significance of Emerging Technologies in Promoting Internationalization of Rural SMEs in South Africa. *Mediterranean Journal of Social Sciences*. 5(20): 2717-2725.

Leonidou, C, N., Katsikeas, C.S. & Morgan, N.A. 2013. "'Greening' the Marketing Mix: Do Firms Do It and Does It Pay Off," *Journal of the Academy of Marketing Science*, 41(2): 151-70.

Levinson, J.C. & Levinson, J. 2011. *The Best of Guerrilla Marketing: Guerrilla Marketing Remix*. Entrepreneur Press.

Li, J.J. & Zhou, K.Z. 2010. How foreign firms achieve competitive advantage in the Chinese emerging economy: Managerial ties and market orientation. *Journal of Business Research,* 63(8): 856-862.

Lior, G. 2012. *Handbook of Survey Methodology for the Social Sciences.* New York: City University of New York.

Liu, Q., Karahanna, E. & Watson, R.T. 2011. "Unveiling user-generated content: designing websites to best present customer reviews", *Business Horizons*, 54(3): 231-240.

Liu, W., Li, J., & Chang, X. 2014. A Multi-Agent Model for Strategies of New Product Development. *Economic Computation & Economic Cybernetics Studies & Research,* 48(1): 1-15.

Loch, C.H. & Kavadias, S. 2008. *Handbook of New Product Development Management.* Elsevier Ltd.

Love, J. & Roper, S. 2013. *SME Innovation, Exporting and Growth.* Enterprise Research Centre, White Paper No. 5.

Lucca, C. & Lee, S.H. 2016. *Entrepreneurial Marketing for SMEs*. New York: Palgrave Macmillan.

Maboa, R.S. 2011. A Situational Analysis of the SMMEs in the Maruleng Municipality in the Limpopo Province. Dissertation. University of Limpopo. Unpublished.

Mabuza, P.V. 2016. The potential role of public-private partnerships in the South African economy: An innovative conceptual public-private partnerships model for small and medium enterprise development. PhD Thesis. University of South Africa. Unpublished.

Mack, L. 2010. The Philosophical Underpinnings of Educational Research. *Polyglossia,* 19: 5-11.

Madani, A.E. 2018. SME Securitization in SME Policy: Comparative Analysis of SME Definitions. *International Journal of Academic Research in Business and Social Sciences,* (8): 103-114.

Mafuya, Z.B. 2013. Factors deterring business expansion in South Africa. Dissertation. UKZN. Unpublished.

Magesa, R., Shimba, C. & Magombola, D. 2013. Investigating impediments towards access to financial services by women entrepreneurs: A Case of Arumeru District. *Developing Country Studies*: 3(11): 105-115.

Mahembe, E. 2011. *Literature review on small and medium enterprises' access to finance.* Pretoria: National Credit Regulator.

Maher, L. 2014. Building a culture for innovation: A leadership challenge. World *Hospitals and Health Services*, 50(1): 4-6.

Makhitha, K.M. & Bresler, N. 2011. The perceived marketing benefits of the 2010 FIFA World Cup for craft enterprises, *African Journal for Physical, Health Education, Recreation and Dance*, pp. 232-252.

Makhitha, K.M. 2013. Buyer behaviour of craft retailers in South Africa. PhD Thesis. University of Pretoria. Unpublished.

Makhitha, K.M. 2016. Marketing Strategies of Small Craft Producers in South Africa: Practices and Challenges. *The Journal of Applied Business Research,* 32(3): 663-679.

Makhitha, K.M. 2019. Marketing strategies for closing the market access gap experienced by small craft producers in South Africa. *Journal of Business and Retail Management Research (JBRMR),* 13(3): 147-159.

Makhubela, V.F. 2019. The impact of Marketing Communication Strategies on the performance of Small Independent Retailers in Soweto, South Africa. Dissertation. UNISA. Unpublished.

Malasi, J.M. 2012. Influence of Product Attributes on Mobile Phone preference among university students: A Case of Undergraduate students. *International Journal of Academic Research in Economics and Management Sciences*, 1(6): 10-16.

Malefane, S.R. 2013. Small Medium, and Micro Enterprise and local economic-base restructuring – a South African local government perspective. *Journal of Public Administration*, 48(4): 671-690.

Malhotra, N.K. 2010. *Marketing research: an applied orientation.* (6th ed.) Upper Saddle River, NJ: Pearson.

Maloka, C.M. 2013. The Contribution of Small, Medium and Micro Enterprises towards Local Economic Development in Mankweng Township, Limpopo Province. Dissertation, University of Limpopo. Unpublished.

Mangold, W.G. & Faulds, D.J. 2009. Social media: New hybrid element of the proportion mix. *Business Horizon*, 52: 357-365.

Marais, H., de Klerk, N. & Bevan-Dye, A.L. 2014. Perceived Effectiveness of Sales Promotion Techniques amongst South African Generation Y Students. *Mediterranean Journal of Social Sciences,* 5(21): 51-60.

Marjanova, T.J. & Stojanovaski, M. 2012. Marketing Knowledge and Strategy for SMEs: Can They Live Without It? Thematic Collection of papers of international significance: "Reengineering and entrepreneurship under the contemporary conditions of enterprise business. pp. 131-143.

Martin, G. & Staines, H. 2008. Managerial competencies in small firm. *Journal of Management Development*, 13(7): 23-34.

Martins, J.H. 2012. Market segmentation of the consumer market in South Africa. *International Retail and Marketing Review*, 8(1):61-74.

Masocha, R. 2019. Social Sustainability Practices on Small Businesses in Developing Economies: A Case of South Africa. *Sustainability.*

Mayer, T., Melitz, M.J. & Ottaviano, G.I.P. 2014. Market Size, Competition, and the Product Mix of Exporters. *American Economic Review*, 104(2): 495–536.

Mbedzi, K.P. 2011. The Role of Government Agencies in Promoting SMMEs in Limpopo: A Critical Assessment. Research report.

Mbonyane, B.L. & Ladzani, W. 2011. Factors that hinder the growth of small businesses in South African townships. *European Business Review*. 23(6): 550-560.

Mbonyane, B.L. 2009. An Exploration of Factors that Lead to Failure of Small Businesses in the Kagiso Township. Dissertation, UNISA. Unpublished.

Mbugua, J.K., Mbugua, S.N., Wangoi, M., Ogada, J.O. & Kariuki, J.N. 2013. Factors affecting the growth of micro and small enterprises: A case of tailoring and dressmaking enterprises in Eldoret. *International Journal of Business and Social Sciences*, 4(5): 285-293.

McDaniel, C. Jr. & Gates, R. 2010. *Marketing Research with SPSS.* (8th ed.) Asia: John Wiley and Sons (Pty) Ltd.

McGregor, S.L.T. & Murnane, J.A. 2010. Paradigm, methodology and method: Intellectual integrity in consumer scholarship. *International Journal of Consumer Studies*, 34(4): 419-427.

McGuinness, D. & Hutchinson, K. 2013. Utilising product knowledge: competitive advantage for specialist independent groceries retailers. *International Journal of Retail and Distribution Management*, 41(6): 461-476.

McKenzie, S. 2013. *Vital statistics* - E-Book: An introduction to health science statistics.

McMillan, J.H. & Schumacher, S. 2010. *Research in Education*: *evidence-based enquiry*. (7th ed.) New Jersey: Pearson.

Mensah, M.S.B. 2012. Access to manufacturing of small business sector in Ghana. *International Journal of Business and Management*. 7(12): 36-47.

Meyer, D.F. & Venter, A. 2013. Challenges and solutions for Local Economic Development (LED) municipal institutional arrangements. The case of the Northern Free State. *Administratio Publica* 21(4): 91-113.

Mezher, T., El-Saouda, R., Nasrallah, W.F. & Ajam, M. 2008. Entrepreneurship in Lebanon: a model for successes and failures. *International Journal of Arab Culture Management and Sustainable Development,* 1(1): 34.

Minister Lindiwe Zulu. 2016. Small Business Development Dept. Budget Vote 2016/17

Mitchell, R, Hutchinson, K. & Bishop, S. 2012. Interpretation of the retail brand: an SME perspective. *International Journal of Retail & Distribution Management,* 40(2): 157-175.

Moderandi, Inc. 2013. The Strategic Marketing Process: How to Structure Your Marketing Activities to Achieve Better Results. (2nd ed.)

Mohammad, A.H., Wang, A. & Sunayya, B. 2012. Investigating on Tourists satisfaction: An empirical study on East Lake. *European journal of business and management,* 4(7): 273-282.

Mohammad, R.J. & Neda, S. 2012. "The effect of electronic word of mouth on brand image and purchase intention: An empirical study in the automobile industry in Iran", *Marketing Intelligence & Planning*, 30(4): 460-476.

Mohutsiwa, M. 2012. Strategic Entrepreneurship and Performance of Small and Medium Enterprises in South Africa. Research Report. WITS. Unpublished.

Molly, T. 2013. "Definition of Performance Measurement", Demand Media. Available online: http://smallbusiness.chron.com/definition-performance-measurement-45759.html. [Accessed 26 July 2016]

Moloi, R. 2013. The sustainability of construction small-medium enterprises (SMEs) in South Africa. MSc dissertation. University of Witwatersrand, Johannesburg, South Africa. Unpublished.

Morgan, J.P. 2012. *The Small and Medium Enterprise (SME) Sector —Catalyst for Growth in South Africa.* JPMorgan Chase Foundation.

Morgan, N.A. 2012. Marketing and business performance. *Journal of the Academy of Marketing Science*, 40:102–119.

Motta, V. 2017. The impact of crime on the performance of Small and Medium-Sized Enterprises: Evidence from the service and hospitality sectors in Latin America. *Tourism Economics,* 23(5): 1-18*.*

Mourougan, S. & Sethuraman, K. 2017. Hypothesis Development and Testing. *Journal of Business and Management,* 19(5): 34-40.

Mouton, J. 2011. *The practice of social research.* Cape Town: Oxford University Press

Msoza, S.K. 2015. Assessing Customer Service in The Malawian Public Postal Service. Dissertation. Durban University of technology. Unpublished.

Muchandigona, A. 2014. Exploring Factors that Affect Growth Development of Small and Medium Enterprises in Polokwane Local Municipality*.* Dissertation. Mancosa. Unpublished.

Muchilwa, D.M., Otieno, O.C., Oginda, M. & Oima, D. 2014. The Impact of Public Relations Principles in the Strategic Management of the Police Force in Kenya. *Universal Journal of Management,* 2(3): 116-126.

Mudavanhu V., Bindu, S., Muchabaiwa, L. & Lloyd, C. 2011. Determinants of Small and Medium Enterprises Failure in Zimbabwe: A case study of Bindura. *International Journal of Economic Research,* 2(5):82-89.

Muday, S. 2013. A research model to improve understanding of the extent of usage of enterprise resource planning systems in a university. MTech, Durban University of Technology. Unpublished.

Muhammed, H.H., Mohd, N.M.S. & Halim, B.M.L. 2012. Relationship between Entrepreneurial Orientation, Firm Resources, SME Branding and Firm's Performance: Is Innovation the Missing Link? *American Journal of Industrial and Business Management*, 2: 153-159.

Mullins, J.W. & Walker, O.C. 2013. *Marketing Management. A Strategic Decision-Making Approach.* (8th ed.) McGraw-Hill.

Munzhedzi, P.H. 2015. South African local economic development: issues, challenges and opportunities. Conference proceeding of the South African Association of Public Administration and Management Limpopo Chapter, The Park Hotel, Mokopane, October 2014.

Muske, G. 2011. Small business myths and realities. Available online: http://www.ag.ndsu.edu/ccv/documents/publication.

Mustapha, U.M. 2010.The Role of Product Design, Manufacturing Systems and Environmental Uncertainty in Nigeria Manufacturing Organizations. Engineering Doctorate (D- Eng). Available: www.usq.edu.au [Accessed 10 October 2016].

Nair, H.V. 2016. Digital marketing: a phenomenon that rules the modern Word. *Reflections Journal of Management (RJOM)*, 6: 80-86.

National Credit Regulator. 2011. Literature Review on Small and Medium Enterprises' Access to Credit and Support in South Africa. South Africa.

Needle, D. 2010. *Business in Context: An Introduction to Business and Its Environment*. Cengage Learning.

Neneh N.B. & van Zyl, J.H. 2012. Achieving optimal business performance through business practices: evidence from SMMEs in selected areas in South Africa.

Neuman, W.L. 2011. *Social research methods: qualitative and quantitative approaches.* (7th ed.) Boston, Massachussettes: Allyn & Bacon.

Nieuwenhuis, J. 2016a. *Qualitative research designs and data-gathering techniques. In: K. Maree First steps in research*. (2nd ed.) Pretoria: Van Schaik Publishers

Nikolić, I., Dhamo, Z. H., Schulte, P., Mihajlović, I. & Kume, V. 2015. An analysis of factors affecting failure of SMEs. In proceedings of the 11th International May Conference on Strategic Management-IMKSM. Bor, Serbia. pp. 160-180.

Njue, F.M. 2015. A Comparative Analysis of Upper and Lower Quartile Academic Achievers' Study Habits in Secondary Schools in Embu County, Kenya. Dissertation. UNISA. Unpublished.

Nkonde S.D. 2012. Information Asymmetry and Obstacles on SMMEs growth in the Rural Areas of uThungulu District Municipality of KwaZulu-Natal. Dissertation University of Zululand. Unpublished.

Nkwinika, M.K.K. & Munzhedzi, P.H. 2016. The Role of Small Medium Enterprises in the Implementation of Local Economic Development in South Africa. *SAAPAM Limpopo Chapter 5th Annual Conference Proceedings.*

Norman, C. & Mornay, R.L. 2012. Impact of Level of Education and Experience on Profitability of Small Grocery Shops in South Africa. *International Journal of Business Management*, 3(1): 462-470.

Nwankwo, S. & Gbadamosi, A. 2011. *Entrepreneurship marketing: principles and practice of SME marketing.* Routledge.

Oboreh, J.S., Ogechukwu, A.D. & Francis, U.G. 2011. Relationship marketing as an effective strategy by Igbo managed SMEs in Nigeria. *Journal of Arts, Science & Commerce*, 2(2): 229-255.

Odoom, R. 2016. "Brand-building efforts in high- and low-performing small- and medium-sized enterprises (SMEs)", *Journal of Small Business and Enterprise Development*, 23(4): 1229-1246.

Odoom, R., Narteh, B. & Boateng, R. 2017. "Branding in small- and medium-sized enterprises (SMEs): Current issues and research avenues", Qualitative Market Research: *An International Journal*, 20(1): 68-89.

Odunlami, I.B. & Emmanuel, A.T. 2014. Effect of Promotion on Product Awareness (A Case Study of a Reputable Organization in the Brewery Sub-Sector of the Manufacturing Industry). *International Journal of Education and Research,* 2(9): 451-472.

OECD/EU/EBRD/ETF/SEECEL. 2016. SME Policy Index: Western Balkens and Turkey 2016: Assessing the Implementation of the Small Business Act for Europe, SME Policy Index, OECD Publishing, Paris.

Ogbadu, E.E. 2013. Appraisal of the Practical Application of Marketing Research by SMEs in Nigeria. *International Journal of Academic Research in Business and Social Sciences*, 3(2): 27-41.

Ogundele, O.J.K., Akingbade, W.A., Saka, R.O., Elegunde, A.F. & Aliu, A.A. 2013. Marketing Practice of Small and Medium Enterprises (SMEs): Perspective from a Developing Country. *Mediterranean Journal of Social Sciences*, 4(3): 243-258.

Oji, O.N., Iwu, C.G. & Haydam, N. 2017. The use of social media marketing strategies by SMMEs in the hospitality sector in Cape Metropole, South Africa. *African Journal of Hospitality, Tourism and Leisure,* 6(1): 1-16.

Oke, A., Burke, G. & Myers, A. 2007. "Innovation types and performance in growing UK SMEs", *International Journal of Operations & Production Management*, 27(7): 735-753.

Olumoko, T.A., Abass, O.A. & Dansu, S.F. 2012. The role of Personal selling in enhancing client satisfaction in Nigerian insurance market. *Journal of emerging Trends in Economics and Management Sciences,* 3(2): 147-152.

Omar, C.M. & Anas, T. 2014. The Marketing of Small and Medium Enterprise (SME) Products Based on Food Processing. *European Journal of Business and Social Sciences*, 3(5): 76-87.

Osei, A., Yunfei, S., Appienti, W.A. & Forkuoh, S.K. 2016. Product Innovation and SMEs Performance in the Manufacturing Sector of Ghana. *British Journal of Economics, Management & Trade,* 15(3): 1-14.

Ouwersloot, H. & Duncan, T. 2008. *Integrated marketing communications*. London: McGraw-Hill.

Owomoyela, S.K., Oyeniyi, K.O. & Ola, O.S. 2013. Investigating the impact of marketing mix elements on consumer loyalty: An empirical study on Nigerian Breweries Plc. *Interdisciplinary Journal of Contemporary Research in Business,* 4(11): 485-496.

Pangemanan, S.A. & Walukov, I.M. 2018. Marketing strategy analysis for small and medium-scale business enterprises (SMEs) for Home Industry Furniture in Leilem, the Regency of Minahasa. *Journal of Physics*: Conference Series 953, 1-13.

Parrott, G., Azam, R.M. & Holliman, D. 2010. "An analysis of marketing programmes adopted by regional small and medium-sized enterprises", *Journal of Small Business and Enterprise Development*, 17(2): 184-203.

Patterson, K. & Winston, B. 2017. *Leading an African Renaissance: Opportunities and Challenges*. Palgrave Macmillan.

Paul, A. 2012. Role of information communication technology in the growth and development of small and medium scale enterprises in Ghana – case study of some selected small and medium scale enterprises in the Tema Metropolis. Dissertation. Kwame Nkrumah University of Science and Technology. Unpublished.

Paull, R.E. & Duarte, O. 2010. Tropical Fruits, Volume 1. CABI.

Pawan, K. & Pawan, K. 2013. Marketing Strategies of Small-Scale Industries: A Review. *International Journal on Arts, Management and Humanities,* 2(2): 35-38.

Pencak, S. 2012. The importance of branding. [Online] Available from: http://www.mymagneticblog.com/the-importance-of-branding/ [Accessed: 20 May 2017].

Petro, M., Annastazia, M. & Robert, M.G. 2014. The Effects of Socio-Cultural Factors on the Performance of Women Small and Medium Enterprises in Tanzania. *Journal of Economics and Sustainable Development*, 5(21): 51-62.

Polyorat, K. 2014. Integrated marketing communication for SME's organic fertilizer: the case study of Men-ngern.

Pousttchi, K. & Wiedemann, D.G. 2010. *Handbook of Research on Mobile Marketing Management*. Business Science Reference. New York.

Pride, W.M. & Ferrell, O.C. 2010. *Marketing.* 2010 edition. Cengage Learning.

Pride, W.M. & Ferrell, O.C. 2017. *Foundations of Marketing*. (7th ed.) Cengage Learning.

Pride, W.M., Hughes, R.J. & Kapoor, J.R. 2010. *Introduction to Business.* (10th ed.) Australia: South Western Cengage Learning.

Pride, W.M., Hughes, R.J. & Kapoor, J.R. 2013. *Foundations of Business.* Cengage Learning.

Pyeman, J., Edura, W., Rashid, W., Hanif, A., Jamal, S., Nasis, A., Mohamad, S. & Tan, P.L. 2014. Proceedings of the 1st AAGBS International Conference on Business Management. Springer.

Quinlan, C. 2011. *Business Research Methods.* United Kingdom: South-Western Cengage Learning.

Racela, O.C. 2015. "Viable strategy configurations and new product development capability and performance", *Asia Pacific Journal of Marketing and Logistics*, 27(2): 249-266.

Radipere, N.S. 2012. An analysis of local and immigrant entrepreneurship in the South African small enterprise sector. Unpublished Doctoral thesis. Pretoria: UNISA. Unpublished.

Radipere, S. & 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.

Radipere, S. 2014a. The effects of culture as a start-up factor on business performance. *Problems and Perspectives in Management*, 12(4): 141-154.

Radipere, S. 2014b. The effects of entrepreneurial orientation on business performance. *Mediterranean Journal of Social Sciences*, 5(16): 141-152.

Ramasobana, M. 2017. Marketing Communication and the Performance of Small and Medium Enterprises in Polokwane Local Municipality. *The 2nd Annual International Conference on Public Administration and Development Alternatives.* 26 - 28 July 2017, Tlotlo Hotel, Gaborone, Botswana.

Rambo, C.M. 2013. Time required to break-even for small and medium enterprises: The Evidence from Kenya. *The International Journal of Marketing Research and Management,* 6(1): 81-94.

Ramees, R.M. & Safeena, P.K. 2016. Customer Needs and Customer Satisfaction. *Training Manual on Theeranaipunya - Equipping Fisherwomen Youth for Future.*

Ramsden, K. 2019. The effects of psychological capital and job satisfaction on work engagement of support staff at a holding's establishment (Meridian Holdings). Dissertation. University of Stellenbosch. Unpublished.

Ramukumba, T. 2014. Overcoming SMEs challenges through Critical Success Factors: A case of SMEs in the western Cape Province, South Africa. *Economic and Business Review,* 16(1): 19-38.

Rana, S., Negi, G.P. & Kapoor, K. 2016. A Study over Importance of Data Cleansing in Data Warehouse. *International Journal of Advanced Research in Computer Science and Software Engineering.* 6(4): 151-157*.*

Rankhumise, E.M. & Rugimbana, R.O. 2010. Micro enterprise owner perspectives on performance: Insights from selected municipalities in Mpumalanga Province, South Africa. *Africa Journal of Business Management,* 4(16): 3500-3507.

Ray, N. 2015*. Emerging Innovative Marketing Strategies in the Tourism Industry*. IGI Global.

Razak, R.A. 2012. "Entrepreneurial orientation without stress as a 'Tonic' in magnifying the Malaysian SMEs productivity: a theoretical perspective", *International Journal of Academic Research in Business and Social Sciences,* 2(4): 163-180.

Reece, M. & Blanchard, K. 2010. *Real-Time Marketing for Business Growth*: *How to Use Social Media, Measure Marketing, and Create a Culture of Execution*. Kawasaki.

Reic, I. 2017. *Events Marketing Management: A Consumer Perspective*. Routledge.

Reijonen, H., Laukkanen, T., Komppula, R. & Tuominen, S. 2012. Are growing SMEs more market-oriented and brand-oriented? *Journal of Small Business Management*, 50(4): 699-716.

Republic of South Africa National Credit Regulator. 2011. Literature review on small and medium enterprises' access to credit and support in South Africa. Midrand: National Credit Regulator.

Resnick, S.M., Cheng, R., Simpson, M. & Lourenco, F. 2016. Marketing in SMEs: a "4Ps" Self-branding model. *International journal of Entrepreneurial Behaviour and Research,* 22(1): 155-174.

Rietveld, T. & Van Hout, R. 1993. *Statistical Techniques for the Study of Language and Language Behaviour*. Berlin – New York: Mouton de Gruyter.

Ringim, K.J. 2012. Effect of the business process reengineering factors on information and technology capabilities on organizational performance. PhD Thesis. University of Utara, Malaysia. Unpublished.

Rios, V.R. & Campo, E.P. 2013. *Business Research Methods: Theory and Practice.* ESIC Editorial.

Rishika, R., Kumar, A., Janakiraman, R. & Bezawada, R. 2013. "The effect of customers' social media participation on customer visit frequency and profitability: an empirical investigation", *Information Systems Research*, 24(1): 108-127.

Ritchie, J. & Lewis, J. 2012. *Qualitative Research Practice: A Guide for Social Science Students and Researchers*. Los Angeles: Sage.

Robert, K.Y. 2013. *Case Study Research: Design and Methods*. (5th ed.) Sage Publications.

Rosenthal, J.A. 2011. *Statistics and Data Interpretation for Social Work*. New York: Springer Publishing Company, LLC.

Rubera, G. & Cornelia, D. 2013. "Technology Versus Design Innovation's Effects on Sales and Tobin's Q: The Moderating Role of Branding Strategy," *Journal of Product Innovation Management*, 30(3): 448-64.

Rubin, A. & Babbie, E. 2009*. Essential Research Methods for Social Work*. (2nd ed.) Cengage Learning.

Rubin, A. & Babbie, E.R. 2017. *Empowerment Series: Research Methods for Social Work*. (9th ed.) Cengage Learning.

Rufai, I.A. 2014. The impact of communication technologies on the performance of SMEs in a developing economy: Nigeria as a case study. *The Electronic Journal of Information Systems in Developing Countries.* 65(7): 1-22.

Ruhdelius, H.K. 2011. *The Core Marketing.* McGraw-Hill Irwin. New York.

Rungani, E.C. & Potgieter, M. 2018. 'The impact of financial support on the success of small, medium and micro enterprises in the Eastern Cape province', Acta Commercii 18(1): a591.

Ruzzier, M.K., Ruzzier, M. & Hisrich, R.D. 2013. *Marketing for Entrepreneurs and SMEs: A Global Perspective.* Edward Elgar Publishing.

Ryan, E. 2012. Business Partners Launches new index to measure SME confidence levels. *Pretoria News: Business Report, 20 July.* Pretoria: Independent News.

SAICA. 2015. SMEs insight report. South Africa.

Saleem, S. 2010. *Business Environment.* (2nd ed.) Pearson.

Salkind, N.J. 2009. *Exploring research.* (7th ed.) Essex: Pearson/ Prentice Hall.

Salkind, N.J. 2012. *Exploring research.* (8th ed.) Pearson.

Sarango-Lalangui, P., Álvarez-García, J. & Río-Rama, M.D.C.D. 2018. Sustainable Practices in Small and Medium-Sized Enterprises in Ecuador. *Sustainability, MDPI,* 10(6): 1-15.

Saremi, H. & Zadeh, S.M.M. 2014. Management of Distribution Channels. *Indian Journal of Scientific Research*, 5(3): 452-456.

Sarma, M., Septiani, S., Dewi, F.R. & Siregar, E.H. 2013. The Impact of Entrepreneurial Marketing and Business Development on Business Sustainability: Small and Household Footwear Industries in Indonesia. *International Journal of Marketing Studies.* 5(4): 110-122.

Saunders, M. & Lewis, P. 2012. *Doing Research in Business & Management.* (1st ed.) Harlow, England: Pearson.

Saunders, M., Lewis, P. & Thornhill, A. 2009. *Research methods for business students.* (5th ed.) Cape Town: Prentice Hall.

Saunders, M., Lewis, P. & Thornhill, A. 2012. *Research methods for business students.* (6th ed.) England: Pearson Education Limited.

Sawicki, A. 2016. Digital Marketing. *World Scientific News.* 48: 82-88.

SBP. 2011. Growing Small Firms, Growing Employment.

SBP. 2012. Current State of legislation in South Africa: A country overregulated and under governed? An SBP occasional paper.

SBP. 2013. Developing a new path for SMEs in South Africa; Reassessing for growth. Issue paper 1.

SBP. 2014. Examining the challenges facing small businesses in South Africa. Issue Paper 1.

Schlegelmilch, B.B. 2016. *Global Marketing Strategy: An Executive Digest.* Springer.

Schmid, S. & Kotulla, T. 2011. "50 years of research on international standardization and adaptation— From a systematic literature analysis to a theoretical framework", *International Business Review,* 20: 491-507.

Scotland, J. 2012. Exploring the philosophical underpinnings of research: Relating ontology and epistemology to the methodology and methods of the scientific, interpretive, and critical research paradigms. *English Language Teaching,* 5(9): 9-16.

Seda, Y. 2015. Activities of Strategic Marketing Planning in SMEs. *International research Journal of Social Sciences*, 5(1): 853-867.

SEDA. 2012. Analysis of the Needs, State and Performance of Small and Medium Businesses in the Agriculture, Manufacturing, ICT and Tourism Sectors in South Africa. Final Report.

SEDA. 2016. The Small, Medium and Micro Enterprise Sector of South Africa. Research Note, 2016 No 1.

SEDA. 2017. Business development and support for small enterprises. *Interview with Koenie Slabbert, the Provincial Manager of Seda Limpopo.*

Seeletse, S.M. 2012. Common causes of small businesses failure in the townships of West Rand district municipality in the Gauteng Province of South Africa. *African Journal of Business Management,* 6(44): 10994-11002.

Segetlija, Z., Maseric, J. & Dujak, D. 2011. Importance of Distribution Channels - Marketing Channels - For National Economy.

Sekaran, U. & Bougie, R. 2010. *Research Methods for Business: A Skills Building Approach.* (5th ed.) Chichester: John Wiley.

Sekaran, U. & Bougie, R. 2013. *Research Methods for Business. A Skill Building Approach.* (6th ed.) Wiley, New York.

Senthur, B.S., Sowmyan, G. & Sakthi, V. 2013. The Product Promotion and Consumer Retention Gap in Online Shopping. 4th International Conference on Electronics Computer Technology. Page 158-161.

Shane, S. 2011. Small Business's Problem with Government Regulation. Small Business Trends. Online available [accessed: 21 July 2017]. https://smallbiztrends.com/2011/01/small-business's-problem-with-government-regulation.html.

Shank, M.D. & Lyberger, M.R. 2015. *Sports Marketing: A Strategic Perspective.* (5th ed.) Routledge.

Sharma, P. & Gounder, N. 2012. 'Obstacles to Bank financing of micro and small enterprises: Empirical evidence from the pacific with some policy implications', *Asia-Pacific Development Journal*, 9(2): 49-75.

Sharmilee, S. & Muhammad, H. 2016. Factors affecting the performance of small and medium enterprises in KwaZulu-Natal, South Africa. *Problems and Perspectives in Management*, 14(2-2): 277-288.

Sheetal, C., Sangeeta, S. & Kumar, R. 2012. Marketing Strategies of Small and Medium Enterprises: A Sample Survey. *International Journal of Management Sciences*, 01(2): 60-71.

Shenoy, D. 2008. Measuring effectiveness and value of email advertisements in relationship-oriented email messages. Massachusetts Institute of Technology, 63-70.

Shinozaki, S. 2012. A new regime of SME finance in emerging Asia: Empowering growth-oriented SMEs to build resilient national economies. *ADB Working Paper Series on Regional Economic Integration*. No. 104.

Shukla, P. 2008. *Essentials of Marketing Research*. Paurav Shukla & Ventus Publishing ApS.

Shukla, P. 2010. *Essentials of Marketing Research: Part II. Measurement, Questionnaires, Analysis & Reporting*. Paurav Shukla & Ventus Publishing.

Sibanda, K., Hove-Sibanda, P. & Shava, H. 2018. 'The impact of SME access to finance and performance on exporting behaviour at firm level: A case of furniture manufacturing SMEs in Zimbabwe'. *Acta Commercii,* 18(1): 1-13.

Sibanda, M.M. 2013. Small Medium and Micro-Enterprises in Local Economic Development: A South African Local Government Perspective: *Journal of Public Administration*, 48(8): 656-670.

Siddiqui, M.S. 2015. Regulating telemarketing. *The Financial Express,* 22(330): 720-739.

Silverman, D. 2010. *Doing Qualitative Research*. (3rd ed.) Sage.

Simpson, M., Padmore, J., Taylor, N. & Frecknall-Hughes, J. 2016. Marketing in small and medium sized enterprises. *International Journal of Entrepreneurial Behaviour & Research*, 12(6): 361-38.

Simrie, M., Herrington, M., Kew, J. & Turton, N. 2012. *Global Entrepreneurship Monitor South Africa*. Cape Town: University of Cape Town.

Sindakis, S. 2015. *The Entrepreneurial Rise in Southeast Asia: The Quadruple Helix Influence on Technological Innovation*. Springer.

Singh, S.K. & Gupta, S. 2014. *Entrepreneurship with Practical Class XII*. Revised edition. SBPD Publications.

Singh, T.J. & Sahu, S.K. 2017. *Research Methodology: Latest Edition.*

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

Soke, V.B. 2014. The application of internet marketing by small, medium and micro enterprises (SMEs) in Soweto. Dissertation. UNISA. Unpublished.

Solomon, M.R., Marshall, G.W. & Stuart, E.W. 2011. *Marketing: Real People, Real Choices.* Prentice Hall, New Jersey.

South African Government. 2012. South African government Online. Retrieved from. www.info.gov.za [Accessed 14 July 2012]

Southiseng, N. & Walsh, J. 2010. Competition and Management issues of SME entrepreneurs in Laos: Evidence from empirical studies in Vientiane Municipality, Savannakhet and Luang Prabang. *Asian Journal of Business Management*, 2(3): 57-72.

Spence, M. & Essoussi, L.H. 2010. SME brand building and management: an exploratory study. *European Journal of Marketing*, 44(7/8): 1037-1054.

Spenner, P. & Freeman, K. 2012. "To keep your customers, keep it simple", *Harvard Business Review*, 90(5): 108-114.

Sreejesh, S. Mohapatra, S. & Anusree, M.R. 2014. *Business Research Methods: An Applied Orientation.* Springler.

Stam, W., Arzlanian, S. & Elfring, T. 2014. Social capital of entrepreneurs and small firm performance: A meta-analysis of contextual and methodological moderators, *Journal of Business Venturing*, 29(1): 151-173.

Statistics South Africa 2015. Quarter 2. Quarterly Labour Force Survey, Pretoria, viewed n.d., from Http://Www.Statssa.Gov.Za/Default.Asp.

Statistics South Africa. 2016. Retrieved from: http://www.statssa.gov.za/?p=1034. Retrieved: 07 June 2017.

Stein, F., Rice, F.S. & Cutler, S.K. 2013. *Clinical Research in Occupational Therapy*. (5th ed.) Delmar, Cengage Learning.

Stokes, D. & Chen, H. 2009. Small business and the environment: Turning over a new leaf? *Business Strategy Environment*, 19(5): 273-288.

Struwig, F.W. & Stead, G.B. 2013. *Research: Planning, Designing and Reporting.* Pearson Education South Africa (Pty) Ltd.

Sturdy, G. 2013. Customer relationship management through business intelligence. Dissertation. Tilburg University.

Subramanian, K.R. 2017. Marketing and Promotion of a Single Product in Different Regions. *International Journal of Engineering and Management Research.* Vol 7, (4).

Sulistya, G.A. & Darwanto, D. 2016. 'Transaction cost of micro and small enterprises financing'. *Economic Journal of Emerging Markets,* 8(2): 171-186.

Svendsen, M.F., Haugland, S.A., Grønhaug, K. & Hammervoll, T. 2011. Marketing strategy and customer involvement in product development. *European Journal of Marketing,* 45(4): 513-530.

Szopa, P. & Pekala, W. 2012. Distribution Channels and Their Roles in The Enterprise. *Polish Journal of Management Studies*, 6: 143-150.

Tabachnick, B.G. & Fidell, L.S. 2007. *Using multivariate statistics.* (5th ed.) Boston, MA: Allyn & Bacon.

Tajvidi, M. & Karami, A. 2015. *Product Development Strategy: Innovation Capacity and Entrepreneurial Firm Performance in High-Tech SMEs.* Palgrave MacMillan.

Talmy, S. 2010. Qualitative Interviews in Applied Linguistics: From Research Instrument to Social Practice. *Annual Review of Applied Linguistics*, 30:128-148.

Tanner, J.F. & Raymond, M.A. 2012. *Marketing Principles.* (v.2.0).

Taper, K.S. 2016. The Use of Cronbach's Alpha When Developing and Reporting Research Instruments in Science Education.

Tapera, J. & Gororo, R. 2013. An Analysis of The Factors Affecting Formulation and Implementation of Marketing Strategies in The Insurance Industry. *Research Journal of Social Science & Management,* 3(8): 201-219.

Tavakol, M. & Dennick, R. 2011. Making sense of Cronbach's alpha: *International Journal of Medical Education,* 2: 53-55.

Taylor, P.C. & Medina, M.N.D. 2013. Educational research paradigms: From positivism to multi-paradigmatic. *Journal for Meaning Centered Education,*1(1): 881-889.

Tennis, J.T. 2008. "Epistemology, Theory, and Methodology in Knowledge Organization: Toward a Classification, Metatheory, and Research Framework." (2008).

Terkan, R. 2014. Importance of Creative Advertising and Marketing According to University Students' Perspective. *international journal of Management and Marketing,* 4(3): 239-246.

Terziovski, M. 2010. Innovation Practice and Its Performance Implications in Small and Medium Enterprises (SMEs) In the Manufacturing Sector: A Resource-Based View. *Strategic Management Journal*, 31: 892-902.

The Department of Trade and Industry (DTI). 2012. *White Paper on National Strategy for the Development and Promotion of Small Business in South Africa.* Pretoria, Government Publications.

The Department of Trade and Industry. South Africa. 2013. The DTI Agencies. Small Enterprise development Agency (SEDA).

Themba, Y. 2012. Small is the way to go. Sunday Times: Review, 1 July: 5: Johannesburg: Avusa.

Timm, S. 2011. How South Africa can Boost Support to Small Businesses: Lessons from Brazil and India. *Trade and Industrial Policy Strategies* (TIPS).

Timm, S. 2011. Take a leaf out of Brazil's Book: back small businesses. *Business Day,* January. 31:9. Johannesburg: Avusa.

Timm, S. 2012. How the state and private sector can partner to boost support to SMEs Lesson from Chile and Malaysia. A report for the South African Department of Trade and Industry (the DTI) and TIPS.

Tlhomola, S.J., Rankhumise, E.M. & Van Niekerk, B.J. 2010. Perceptions of Small, Medium, Micro Enterprise Entrepreneur regarding Factors Contributing to Failure: A Case of Tshwane Metropolitan Municipality. Tshwane University of Technology.

Tock, J.M. & Baharun, R. 2013. Introduction to SMEs in Malaysia: Growth and potential and branding strategy. *World Journal of Social Sciences*, 3(6): 189-203.

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

Trade & Industry Policy Strategies. 2017. The State of Small Business in South Africa. *The real economy bulletins.* Available online.

Trade-Up Capital Fund & Nextrade Group, LLC. 2015. State of SME Finance in the United States in 2015. Report.

Trehan, M. & Trehan, R. 2010. *Advertising and Sales Management.* New Delhi: V.K Enterprises.

Trivedi, J.Y. 2013. A Study on Marketing Strategies of Small and Medium sized Enterprises. *Research Journal of Management Sciences*. Vol. 2(8), 20-22.

Tsikirayi, C.M.R., Muchenje, B. & Katsidzira, Z. 2013. Impact of integrated marketing communications mix (IMCM) in small to medium enterprises (SMEs) in Zimbabwe as a marketing tool. *Research in Business and Economics Journal*, 7(10): 1-12.

Turton, N. & Herrington, M. 2012. *Global Entrepreneurship Monitor 2012 South Africa.* Cape Town: University of Cape Town.

U.S International Trade Commission. 2010. Small and Medium-Sized Enterprises: Overview of Participation in U.S. Exports. United States International Trade Commission Investigation No. 332-508. USITC Publication 4125.

Valadez, R.M. 2011. The value proposition of small businesses: economic engines for job creation. *Journal of Management and Marketing Research,* 9: 1-11.

Valassis, K. & De Rosen, Y. 2013. Adaptation/Standardization of SMEs' Marketing Mix Elements across borders. Dissertation. Halmstad University. Unpublished.

Van Fleet, D., Van Fleet, E. & Seperich, G.J. 2014. *Agribusiness. Principles of Management.* Delmar Cengage Learning.

Van Heerden, C.H. & Drotsky, A. 2011. *Personal selling.* (2nd ed.) Claremont: Juta.

Van Scheers, L. & Makhitha, K.M. 2016. Are Small and Medium Enterprises (SMEs) planning for Strategic Marketing in South Africa? *Foundations of Management*, 8: 243-250.

Van Scheers, L. 2011. SMEs' marketing skills challenges in South Africa. *African Journal of Business Management,* 5(13): 5048-5056.

Van Scheers, L. 2012. Marketing related challenges of small and medium enterprises (SMEs) in developing African countries: The South African challenge.

Van Swinderen, A.M. 2015. Market Research for SME finance. Growth Cap. Project Technical Note.

Veal, A.J. 2011. *Research Methods for Leisure and Tourism: A practical guide.* Sydney: Pearson education.

Veliu, L. & Manxhari, M. 2017. The Impact of Managerial Competencies on Business Performance: SME's In Kosovo. *Vadyba Journal of Management.* 1(30): 59-65.

Vemic, M.B. 2017. *Optimal Management Strategies in Small and Medium Enterprises.* IGI Global.

Venkatesh, J. & Kumari, R.L. 2015. Role of marketing strategies in the context of MSME sector. *International journal of research in finance and marketing.* 5(8): 1-6.

Venter, R., Urban, B. & Rwingema H. 2011. *Entrepreneurship: Theory in Practice.* Cape Town: Oxford University Press.

Vilnius, U. & Vitautas, D. 2008. Importance of marketing activities in a company: the management perspective.

Vlad, D.V, Pintea, F.R. & Garbo, V.I. 2015. Analysis of marketing strategies implemented of Advertising environment: "vitrina advertising" CLUJ-NAPOCA. Quality-Access to Success, Vol. 16, S2.

Voortman, C. & Makhitha, K.M. 2014. The alignment of product strategy to supply chain practices of craft businesses in Gauteng Province, South Africa. *Journal of Transport and Supply Chain Management* 8(1): 126-137.

Voronkova O.V., Kurochkina A.A., Firova I.P. & Bikezina, T.V. 2017. Implementation of an Information Management System for Industrial Enterprise Resource Planning. *Espacios,* 38(49): 23-35.

Walliman, N. 2011. *Research Methods: the basics*. Routledge, USA.

Walt, K. 2013. Major Content Marketing Solutions and Problems. www.forbes.com.

Wang, W.P., Pauleen, D.J. & Zhang, T. 2016. 'How social media applications affect B2B communication and improve business performance in SMEs'. *Industrial Marketing Management*, 54: 4-14.

Wanigasekara, W.M.S.K. & Surangi, H.K.N.S. 2011. Impact of level of education and business experience on business success among small retail owner managers in Sri Lanka, University of kelaniya. Paper to be presented at 2nd International Conference on Business and Information (ICBI) 20 October 2011.

Ward. 2018. SME Definition (Small to Medium Enterprise). https://www.thebalancesmb.com/sme-small-to-medium-enterprise-definition-2947962. [Accessed on 18 Mar 2019].

Watson, L. & Netswera, G. 2009. Support for Rural Small Businesses in Limpopo Province, South Africa. Development Southern Africa, 225-239.

Wegner, T. 2012. *Applied business statistics, Method and excel-based applications.* (3rd ed.) Juta.

Weinstein, A. 2019. *Superior Customer Value: Finding and Keeping Customers in the Now Economy.* (4th ed.) Routledge.

Welman, C., Kruger, S.J. & Mitchell, B.C. 2013. *Research methodology*. (3rd ed.) Cape Town: Oxford University Press.

Wielicki, T. & Arendt, L. 2010. A knowledge-driven shift in perception of ICT implementation barriers: comparative study of US and European SMEs. *Journal of Information Science,* 36(2):162-174.

Wiid, J.A. & Diggines, C.N. 2013. *Marketing research*. Cape Town: Juta.

Wilson, A. 2012. *Marketing Research: An integrated approach*. (3rd ed.) Essex: Pearson Education.

Wind J. & Mahajan V. 2002. Digital marketing, Symphonya. *Emerging Issues in Management (symphonya.unimib.it),* 1: 43-54.

World Bank & International Finance Corporation. 2012. Doing Business in a more transparent world: Economy Profile-South Africa. Washington, DC: The International Bank for Reconstruction and Development.

Xaba, G.M. 2012. The Operational Experiences of Small Business Owners in Kwa-Thema Township. Dissertation. Tshwane University of Technology. Unpublished.

Yahya, A.Z., Fatt, C.K., Othman, A.S., Rahman, I.A. & Moen, J. 2011. Management skills and entrepreneurial success of small and medium enterprises (SMEs) in the services sector. *African Journal of Business Management,* 5(26): 10410-10418.

Yan, L. & Musika, C. 2018. The Social Media and SMEs Business Growth. How can SMEs Incorporate Social Media? Linnaeus University. Sweden. Available online: http://www.diva-portal.org/smash/get/diva2:1210927/FULLTEXT01.pdf. [Accessed 22 November 2019]

Yan, S. & Chew, D.A.S. 2011. An investigation of marketing strategy, business environment and performance of construction SMEs in China. *African Journal of Business Management*, 5(6): 2396-2405.

Yasmin, A., Tasneem, S. & Fatema, K. 2015. Effectiveness of Digital Marketing in the Challenging Age: An Empirical Study. *International Journal of Management Science and Business Administration*, 1(5): 69-80.

Yayar, R. & Karaca, O.E. 2017. Economic Literacy Levels of Public Officers in Turkey. *Pakistan Journal of Commerce and Social Sciences*, 11(1): 49-65.

Yeshin, T. 2012. *Integrated Marketing Communications*. Butterworth-Heinemann.

Yin, R.K. 2016. *Qualitative Research from Start to Finish*. (2nd ed.) The Guilford Press. New York London.

Yong, A.G. & Pearce, S. 2013. A Beginner's Guide to Factor Analysis: Focusing on Exploratory Factor Analysis. *Tutorials in Quantitative Methods for Psychology*, 9(2): 79-94.

Yoshino, N. & Taghizadeh-Hesary F. 2016. Major Challenges Facing Small and Mediumsized Enterprises in Asia and Solutions for Mitigating Them. ADBI Working Paper 564. Tokyo: Asian Development Bank Institute. Available: http://www.adb.org/publications/majorchallenges-facing-small-and-medium-sized-enterprises-asia-and-solutions/

Zachary, M.A., McKenny, A., Short, J.C. & Payne, T. 2011. Family Business and Market Orientation: Construct Validation and Comparative Analysis. *Family Business Review,* 24(3): 233-251.

Zafar, A. & Mustafa, S. 2017. SMEs and its Role in Economic and Socio-Economic Development of Pakistan. *International Journal of Academic Research in Accounting, Finance and Management Sciences.* 7(4): 195-205.

Zammito, J.H. 2004. A nice derangement of epistemes: Post-positivism in the study of science from Quine to Latour. Chicago. IL: The University of Chicago Press.

Zeleke, W. 2013. Analysis of Factors that Affect the Long-Term Survival of Small Businesses in Pretoria, South Africa. *Journal of Data Analysis and Information Processing*, 1: 67-84.

Zellweger, T.M., Kellermanns, K.W., Eddleston, K.A. & Memili, E. 2012. Building a Family Firm Image: How Family Firms Capitalize on Their Family Ties. *Journal of Family Business Strategy,* 3(1): 239-250.

Zeriti, A., Robson, M.J., Spyropoulou, S. & Leonidou, C.N. 2014. Sustainable Export Marketing Strategy Fit and Performance. *Journal of International Marketing,* 22(4): 44-66.

Zhou, D. 2015. Critical success factors towards SMEs sustainability in Johannesburg Municipality. Dissertation. University of Pretoria. Unpublished.

Zikmund, W.G. & Babin, B.J. 2010. *Exploring Marketing Research. International Edition*. (10th ed.) South-Western.

Zikmund, W.G. & Babin, B.J. 2015. *Exploring Marketing Research*. (11th ed.) Cengage Learning.

Zikmund, W.G., Babin, B.J., Carr, J.C. & Griffin, M. 2012. *Business Research Methods*. (9th ed.) Cengage Learning.

Zikode, S. 2012. Concentrated ownership hampering SME development. 7th November 2012. http://www.engineeringnews.co.za/article/concentrated-ownership-hampering-sme-development-2012-11-07/rep_id:4136. Accessed: 18/03/2016.

Zuluaga, P. 2008. *Conquer the Top 6 Small Business Marketing Challenges. (Internet 2018).*

Zuma, J.Z. 2015. South Africa: State of the Nation Address.

APPENDIX 1: ETHICAL CLEARANCE

UNISA | university of south africa

UNISA DEPARTMENT OF MARKETING AND RETAIL MANAGEMENT ETHICS REVIEW COMMITTEE

Date   10 May 2019

Dear   Mr Legodi Cedric Phokwane

Decision: Ethics Approval from 2019 - 2022

NHREC Registration # : (if applicable)
ERC Reference # : 2019_MRM_004
Name : Mr Legodi Cedric Phokwane
Student #:   48287970
Staff #: N/A

Researcher(s):   Mr Legodi Cedric Phokwane, 0737234876, clegodi65@gmail.com

Supervisor (s):   Prof Khathutshelo M Makhitha, 0124292381, makhikm@unisa.ac.za

---

Working title of research:

Identifying factors influencing marketing strategy formulation for small and medium enterprises in Polokwane, South Africa.

Qualification: Postgraduate degree

Thank you for the application for research ethics clearance by the Unisa Department of Marketing and Retail Management Ethics Review Committee for the above mentioned research. Ethics approval is granted for 3 years.

The **low risk application** was **reviewed** by the Department of Marketing and Retail Management Ethics Review Committee on 23 April 2019 in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment.

The proposed research may now commence with the provisions that:

1. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.

2. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study should be communicated in writing to the Department of Marketing and Retail Management Research Ethics Committee.

3. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.

4. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing, accompanied by a progress report.

5. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, if applicable: Protection of Personal Information Act, no 4 of 2013; Children's act no 38 of 2005 and the National Health Act, no 61 of 2003.

6. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data require additional ethics clearance.

7. Minor changes suggested by the committee be amended on the Form 1.

Note:

The reference number **2019_MRM_004** should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.

Yours sincerely,

Signature

Chair of Department of
Marketing and Retail Management ERC
E-mail: jwiid@unisa.ac.za
Tel: (012) 429-2381

Signature

Executive Dean: College of Economic and
Management Sciences
E-mail: mogalmt@unisa.ac.za
Tel: (012) 429-4805

URERC 25.04.17 - Decision template (V2) - Approve

University of South Africa
Preller Street, Muckleneuk Ridge, City of Tshwane
PO Box 392 UNISA 0003 South Africa
Telephone: +27 12 429 3111 Facsimile: +27 12 429 4150
www.unisa.ac.za

257

APPENDIX 2: LANGUAGE EDITING LETTER

Linda Scott
Editing Services

Masters (Linguistics: Intercultural Communication); BA (Hons) Lang Prac; ACE; NPDE
Reg. Member of SATI and SACE

English language editing
SATI membership number: 1002595
Tel: 083 654 4156
E-mail: lindascott1984@gmail.com

30 January 2020

To whom it may concern

This is to confirm that I, the undersigned, have language edited the **dissertation/theses** of

Phokwane Legodi Cedric

for the degree
Master of Commerce: Business Management

entitled:

Identifying factors influencing marketing strategy formulation for small and medium enterprises in Polokwane, South Africa

The responsibility of implementing the recommended language changes rests with the author of the document.

Yours truly,

Linda Scott

258

APPENDIX 3: QUESTIONNAIRE

APPENDIX B

QUESTIONNAIRE

SECTION A: Statements regarding marketing strategies

Q. 1.

Please state to what extent you agree with the following statements with regards to your business marketing/marketing communication attitude. Please note that there is no right or wrong answer. Please do not mark the variable numbers. Please mark each statement accordingly where 1= strongly disagree and 5= strongly agree.

Criteria	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Variable No Ignore this section
MARKETING/MARKETING COMMUNICATION ATTITUDE						
Marketing is done daily in our firm	1	2	3	4	5	V1
We regard marketing as an important function in our business	1	2	3	4	5	V2
We consider marketing as a useful tool for business operation	1	2	3	4	5	V3
Marketing helps to promote our products and services	1	2	3	4	5	V4
Marketing leads to guaranteed business for us	1	2	3	4	5	V5
We are doing well without marketing	1	2	3	4	5	V6
We still need help to deal with marketing in our business	1	2	3	4	5	V7
We need marketing for the growth of our company	1	2	3	4	5	V8
Marketing is an unnecessary burden on our business.	1	2	3	4	5	V9
We are yet to experience the benefits of marketing	1	2	3	4	5	V10

Q. 2.

Please tell us to what extent you agree or disagree with the following statements with regards to your business marketing communications. Please note that there is no right or wrong answer. Please do not mark the variable numbers. Please mark each statement accordingly where 1= strongly disagree and 5= strongly agree.

Criteria	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Variable No Ignore this section
Marketing communication helps us build a strong brand identity	1	2	3	4	5	V11
Marketing communication helps us to build relationships with customers	1	2	3	4	5	V12
We advertise our products locally	1	2	3	4	5	V13
We make use of national advertising	1	2	3	4	5	V14
We use sponsorships as part of marketing communication	1	2	3	4	5	V15
Brochures are handed out as part of communications with our customers	1	2	3	4	5	V16
We make use of personal selling	1	2	3	4	5	V17
Personal selling has a significant influence on our sales force performance	1	2	3	4	5	V18
Personal selling is an important and dominant thing for us to increase sales and build relationships with our customers	1	2	3	4	5	V19
Personal selling is relevant for us in relationship building and influencing creative selling.	1	2	3	4	5	V20
We prefer word of mouth advertising	1	2	3	4	5	V21
Majority of our business comes from client referral (word of mouth)	1	2	3	4	5	V22
We find that Word of mouth influences customer decision making	1	2	3	4	5	V23
We find that Word of mouth does have more credibility than advertisers can even imagine	1	2	3	4	5	V24
For us, Word of mouth is the best way of advertising without payment	1	2	3	4	5	V25
We find that Word of mouth encourages customer purchase	1	2	3	4	5	V26
Networking helps us expand our business's ability to find new customers	1	2	3	4	5	V27
Networking helps us expand our business's ability to find new partners	1	2	3	4	5	V28
Networking helps us expand our business's ability to grow	1	2	3	4	5	V29
Networking helps us to form relationships with others	1	2	3	4	5	V30
Networking helps us in acquiring new business leads	1	2	3	4	5	V31

Criteria	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Variable No Ignore this section
Networking is a great way for us to identify business best practices	1	2	3	4	5	V32
Networking help us to stay on the cutting edge of technology	1	2	3	4	5	V33
We make use of public relations	1	2	3	4	5	V34
We make use of telephone communications	1	2	3	4	5	V35
We use International trade fairs and exhibitions	1	2	3	4	5	V36
Our online platform helps us in selling more products	1	2	3	4	5	V37
Our own website helps us in luring customers	1	2	3	4	5	V38
We communicate our special offers via SMS	1	2	3	4	5	V39
We communicate our special offers on the internet	1	2	3	4	5	V40
We use email to communicate with customers	1	2	3	4	5	V41
We use emails to advertise our products to customers	1	2	3	4	5	V42
We use email to communicate with suppliers	1	2	3	4	5	V43
Customers can order products from us via email	1	2	3	4	5	V44
We use social media to communicate our special offers	1	2	3	4	5	V45
We use social media to sell our products	1	2	3	4	5	V46
We use social media to communicate with customers	1	2	3	4	5	V47
We make use of outdoor billboards and posters	1	2	3	4	5	V48
We believe that telemarketing is not an appropriate tool for SMEs since it involves too much money.	1	2	3	4	5	V49
We believe that telemarketing is a good method for direct marketing	1	2	3	4	5	V50
We have our business Catalogue	1	2	3	4	5	V51
We advertise in Magazines	1	2	3	4	5	V52
We advertise in Newspapers	1	2	3	4	5	V53
We advertise on Television	1	2	3	4	5	V54
We advertise on the Radio network	1	2	3	4	5	V55
We do road shows	1	2	3	4	5	V56
We give out business cards	1	2	3	4	5	V57
We distribute flyers and leaflets	1	2	3	4	5	V58

Q3.

Please indicate the degree to which you agree or disagree with the statements regarding product development and innovation in relation to your business. Please note that there is no right or wrong answer. Please do not mark the variable numbers. Please mark each statement accordingly where 1= strongly disagree and 5= strongly agree.

Criteria	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Variable No Ignore this section
Our products meet customer needs	1	2	3	4	5	V59
Our products are technologically advanced	1	2	3	4	5	V60
We produce high-quality products	1	2	3	4	5	V61
Innovation ensures success in new products for us	1	2	3	4	5	V62
Our products innovations are usually completed on time	1	2	3	4	5	V63
We use innovation to compete against our competitors	1	2	3	4	5	V64
Our products offer benefits that respond to the customer's desires.	1	2	3	4	5	V65
We focus most on knowing the customer well to provide his/her needs instantly	1	2	3	4	5	V66
We continuously improve our products to meet the needs and wants of our customers	1	2	3	4	5	V67
We offer a broad range of products	1	2	3	4	5	V68
We introduce new products to enter a new market	1	2	3	4	5	V69
We introduce new products to the existing market	1	2	3	4	5	V70
We offer customized products or services	1	2	3	4	5	V71
We offer different product designs and quality for different types of customers	1	2	3	4	5	V72
We study competitors closely in various segments and rapidly develop new products better than theirs	1	2	3	4	5	V73
Our understanding of competitor's products is key for improvement in the capability of our products	1	2	3	4	5	V74
Our competitors are first to introduce new products	1	2	3	4	5	V75
We involve staff across different departments/sections in new product developments	1	2	3	4	5	V76
We accept new product ideas from our customers	1	2	3	4	5	V77
We collaborate with other SMEs during product development	1	2	3	4	5	V78
An excellent packaging serves as a vital part of our brand	1	2	3	4	5	V79

University of South Africa
Preller Street, Muckleneuk Ridge, City of Tshwane
PO Box 392 UNISA 0003 South Africa
Telephone: +27 12 429 3111 Facsimile: +27 12 429 4150
www.unisa.ac.za

262

Criteria	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Variable No Ignore this section
Our packaging facilitates product selection and purchase	1	2	3	4	5	V80
Our packaging provides information about the product and its use	1	2	3	4	5	V81
Branding drives our business sales	1	2	3	4	5	V82
Branding creates brand value and promotes business growth for us	1	2	3	4	5	V83
Branding builds our customer loyalty	1	2	3	4	5	V84
Branding promotes business growth for us	1	2	3	4	5	V85
We do not brand our products since branding is costly	1	2	3	4	5	V86
We believe that branding is for big firms only	1	2	3	4	5	V87

Q. 4.

Please express your opinion on the following statements regarding the factors facing SMEs in relation to marketing. Please note that there is no right or wrong answer. Please do not mark the variable numbers. Please mark each statement accordingly where 1= strongly disagree and 5= strongly agree.

Criteria	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Variable No Ignore this section
Lack of in-depth understanding of marketing research has a significant negative impact on the business marketing strategy	1	2	3	4	5	V88
Lack of finance has a negative impact on the business operations and the way marketing is done	1	2	3	4	5	V89
Difficulty in accessing finance is one of the problems facing small business marketing.	1	2	3	4	5	V90
An inexperienced employee dealing with business marketing has a negative impact on the survival of the business	1	2	3	4	5	V91
Managerial competency and skills shortage affect marketing strategy formulations and performance of the business	1	2	3	4	5	V92
Lack of product branding affects product sales and innovation within SMEs	1	2	3	4	5	V93

Criteria	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Variable No Ignore this section
Lack of customer demand serves as a barrier to business and marketing strategies	1	2	3	4	5	V94
Inability to analyze and capture market opportunities is one of the problems facing small business marketing	1	2	3	4	5	V95
Lack of business planning has a negative impact on marketing	1	2	3	4	5	V96
Lack of understanding of the right marketing channels for products constitute a barrier to the implementation of business and marketing strategies	1	2	3	4	5	V97
Lack of continuous improvement on products to meet customer needs and wants, is one of the problems facing small business marketing	1	2	3	4	5	V98
Lack of understanding of product development has a negative impact on marketing and business planning	1	2	3	4	5	V99
Lack of understanding of the product pricing/costing has a negative impact on marketing and business planning	1	2	3	4	5	V100
Business culture that is not allowing the business to operate in a modernized way has a negative impact on marketing and business planning	1	2	3	4	5	V101
Lack of knowledge and experience affects the marketing ability of SMEs	1	2	3	4	5	V102
Poor standardization and low-quality products are one of the problems facing small business marketing	1	2	3	4	5	V103
Lack of a quality assurance system for products and services affects the way that products are marketed	1	2	3	4	5	V104
Competition is one of the factors affecting business marketing	1	2	3	4	5	V105
Finding it difficult to build appropriate customer relationships affect business marketing	1	2	3	4	5	V106
There is a trend of limiting marketing activities to selling only	1	2	3	4	5	V107
Lack of clear business planning is one of the problems facing small business marketing	1	2	3	4	5	V108

Q. 5.

Please tell us to what extent you agree with the following statements about how marketing strategies impacted on the performance of your business. Please note that there is no right or wrong answer. Please do not mark the variable numbers. Please mark each statement accordingly where 1= strongly disagree and 5= strongly agree.

Criteria	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Variable No Ignore this section
Implementation of marketing strategies has resulted in sales increase in our business	1	2	3	4	5	V109
Marketing communication helped us to build more relationships with customers	1	2	3	4	5	V110
Branding has resulted in sales increase in our business	1	2	3	4	5	V111
Branding has resulted in increased customer loyalty towards our business	1	2	3	4	5	V112
Marketing communication has resulted in increased customer loyalty towards our business	1	2	3	4	5	V113
Marketing communication helped us to better retain loyal customers	1	2	3	4	5	V114
Marketing communication resulted in increased profitability for our business	1	2	3	4	5	V115
Marketing communication helped us in identifying new customers	1	2	3	4	5	V116
Marketing communication increased our competitiveness in the market	1	2	3	4	5	V117
Product development and innovation increased our sales	1	2	3	4	5	V118
Product development and innovation strengthened our relationship with customers	1	2	3	4	5	V119
Product development increased our market share	1	2	3	4	5	V120
Product development and innovation increased our competitiveness in the market	1	2	3	4	5	V121
Product quality increased our product/service performance	1	2	3	4	5	V122
Product innovation and development increased customer satisfaction	1	2	3	4	5	V123

University of South Africa
Preller Street, Muckleneuk Ridge, City of Tshwane
PO Box 392 UNISA 0003 South Africa
Telephone: +27 12 429 3111 Facsimile: +27 12 429 4150
www.unisa.ac.za

265

Q. 6. Please indicate how you identify yourself.

Male	1	V124
Female	2	

Q. 7. Please indicate your role in the business, select the appropriate option.

Owner	1	V125
Manager	2	
Owner/Manager	3	

Q. 8. What is your age group?

18 to 25 years	1	
25 to 35 years	2	
35 to 45 years	3	V126
45 to 55 years	4	
55 to 65 years	5	

Q. 9. How is your business owned?

Jointly owned	1	
Manager of the business and sole owned	2	V127
Manager of the business and jointly owned	3	

Q. 10 Is the business formally registered?

Yes	1	V128
No	2	

Q. 11. How many years has your company been in business?

Less than a year	1	
From 1 to 2 years	2	
From 3 to5 years	3	V129
From 5 to 10 years	4	
Over 10 years	5	

Q. 12. Please indicate if you have gone to any training related to marketing.

Yes	1	V130
No	2	

Q. 13. How many people do you employ?

Less than 5	1	
From 5 to 20	2	
From 21 to 50	3	V131
From 51 to 100	4	
Over 100	5	

Q. 14. Please indicate the annual turnover (rounded to the nearest R1 000) of your business?

R0 – 100 000	1	
R100 001 – 500 000	2	
R500 001 – 1000 000	3	V132
R1000 001 – over 5000 000	4	

Q. 15. At which stage of the business development are you?

Start-up	1	
Growth	2	
Expanding	3	V133
Mature	4	
Exit	5	
Unsure	6	

Q. 16. Specify the business sector that your business operates in, select the most appropriate option. Please tick **only** one response

Mining	1	
Electricity	2	
Tourism and leisure	3	
Construction	4	
Transportation	5	V134
Retail industry	6	
Agriculture, hunting, and forestry	7	
Communication services	8	
Catering, accommodation and other trade	9	
Others	10	

THANK YOU FOR YOUR COOPERATION

APPENDIX 4: CORRELATIONS MATRIX: MARKETING COMMUNICATION STRATEGY.

	C1 Sales promotions	C2 Digital marketing	C3 Public relations	C4 Email communication	C5 Business branding	C6
C1 Sales promotions	1					
C2 Use of digital marketing	.373**	1				
C3 Use of public relations	-.058	-.249**	1			
C4 Use of email communication	-.018	-.018	.214**	1		
C5 Importance of business branding	.321**	.314**	-.103*	-.039	1	
C6 Usefulness of telemarketing	.158**	.251**	-.132**	-.075	.289**	
C7 Importance of personal selling	.352**	.243**	-.089	.018	.255**	
C8 Advertise in traditional media	.100*	.089	.220**	.170**	.122*	
C9 Usefulness of word of mouth as a tool	-.138**	-.057	.031	.008	-.036	
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

APPENDIX 5: CORRELATIONS MATRIX: PRODUCT STRATEGY

	C1 Product quality and packaging	C2 Cost of branding	C3 Usefulness of branding	C4 Collaborative product development	C5 Product
C1 Product quality and packaging	1				
C2 Cost of branding	-.098*	1			
C3 Usefulness of branding	.294**	-.050	1		
C4 Collaborative product development	-.069	.245**	-.076	1	
C5 Product variety	.176**	.040	.052	.123*	
C6 Catering for needs of customers	.111*	-.160**	.095	-.091	
C7 Introduce new products	.256**	-.122*	.208**	-.086	
*. Correlation is significant at the 0.05 level (2-tailed).					
**. Correlation is significant at the 0.01 level (2-tailed).					