An examination of brand orientation and consumer perception of SMMEs in Mafikeng, North West Province, South Africa

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Dissertation accepted in fulfilment of requirements for the degree Master of Arts in Communication at the North West University

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Graduation: April 2020
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DECLARATION

I, Ogunsanya Akintayo Adesoji, declare that the dissertation entitled “An examination of brand orientation and consumers' perception of SMMEs in Mafikeng, North West Province, South Africa”, hereby submitted for the degree of Master of Arts in Communication, Faculty of Humanities, North-West University, has not previously been submitted by me for a degree at this or any other institution. I further declare that is my original work in design and execution and that all sources and materials used in the dissertation have been duly acknowledged.

Akintayo Adesoji Ogunsanya
ACKNOWLEDGMENTS

I am grateful to my supervisor, Professor William Heuva, for his patience and guidance during my studies. I would not have gone this far without his mentorship. I am particularly appreciative of his kindness, material support and fatherly concern during this journey. Words cannot express the extent of my gratitude. Thank you sir!

I wish to thank my co-supervisor, Mr Bright Molale, for his effort and for keeping me on my toes at critical times. Your insights sharpened my work in no small measure. I am also irredeemably grateful for your sacrifices, material support and kindness. Thank you immensely for your support.

I am sincerely grateful to my friend, Ms Kgomotso Thong: one of the persons I cannot forget. Without you, your support, understanding and personal sacrifices, I would have been severely distraught at certain times. There was an obligation for you to assist but you helped anyway, there was no obligation for you to make personal sacrifices for me but you did anyway – thank you so very much.
DEDICATION

I dedicate this study to two women in my life:

My wonderful mother, Mrs Olufunmilayo Ogunsanya, for her sacrifices, unending support, fervent prayers and consistent encouragement. Thank you mum, I remain forever grateful. You are the best; and

My lovely sister, Ifeoluwa Olamide, for constantly praying and encouraging me during tough rough times. You comforted me when I thought all hope was lost and my strength to push returned: thank you Ife.
ABSTRACT

Small businesses are globally recognised as important economic entities and have been the subject of various scholarly investigations. However, small business branding is a relatively new and nascent field of research and incontrovertible evidence exists that little information on the subject has come from Africa. Based on the preceding facts, this study was conceived to investigate brand orientation and consumers’ perception of small businesses in Mafikeng, North West Province, South Africa. The choice of the research locale was informed by the concentration of most small businesses in the country in rural areas. Using a qualitative approach of inquiry, three entrepreneurs were interviewed in order to assess their brand orientation in terms of their understanding and disposition towards branding, including strategies adopted in their businesses. Furthermore, two focus group sessions, of at least nine participants per session, were held in two locations namely; Mafikeng Town and Mmabatho, in order to explore their perceptions of small businesses given their respective brand positioning. Generally, the brand orientation of the entrepreneurs was found to be low, resulting in low brand distinctiveness. Focus group sessions corroborated the low brand orientation considering the fact that familiarity of discussants with regard to knowledge of small businesses was almost non-existent, a situation attributed to poor branding and communication. Recommendations were made to enhance brand distinctiveness of small businesses as well as for policy interventions and future scholarly studies.

Key words: SMME, brand orientation, brand position, perception, South Africa
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CHAPTER 1

INTRODUCTION TO THE STUDY

1.1 Introduction

Branding is an important activity that both scholars and marketing practitioners concur engenders competitive advantage for firms. Over the years, firms have, and continue to, apply branding as a key component of their business strategy. Evidence of branding benefits abounds from established firms, big corporations and multinational companies from whose perspectives, until recently, branding has been discussed and researched.

This study focuses on branding, with particular emphasis on small businesses. The rationale for the departure from the historic status quo, where branding was studied from the perspective of big business, is articulated in the sections below. The chapter also focuses on the major concepts discussed in the study.

1.2 Background

From the classic perspective, branding is understood as a differentiation and identification marker that adopts physical, visual elements (name, colour, logo and trademarks) to differentiate products (Giddens, 2015:04; Heding et al., 2009:09; Knox & Bickerson, 2003:03). However, branding operates beyond the functional, physical differentiation level. The other important aspect is that companies ascribe intangible, psychological attributes to further differentiate and place their brands in the minds of consumers (Kotler et al., 2007: 255). Thus, Kotler et al. (2007:255) posits that “to brand a product, it is necessary to teach consumers ‘who’ the product is – by giving it a name and using other brand elements to help identify it – as well as ‘what’ the product does and ‘why’ consumers should care”. Savvy firms with strong brand orientation apply the brand logic to position their brand, secure consumer loyalty and stay relevant in the market.
A brand is, therefore, a useful platform which firms use to signify value and gain competitive advantage – it enables them cultivate and nurture perceptions consumers have about their offerings. This basic idea of branding has taken root over the years and the need to clearly differentiate and position their offering is one reason companies continue to heavily and relentlessly commit substantial resources to branding. However, branding has always been thought of as an exclusive preserve of big companies at the expense of small, medium and micro enterprises (SMMEs) (Centeno et al., 2013:446-447; Spence & Essoussi, 2008:1037; Krake, 2005:228; Witt & Rode, 2005:273; Wong & Merilless, 2005:155). Consequently, knowledge concerning SMME branding only began gaining momentum, albeit nascent, around the turn of the twenty-first century (cf. Ahohen, 2008).

Small, medium and micro enterprises (SMMEs) are usually businesses that are not big. These types of businesses lack the wherewithal to command vast resources or status as do large companies and they face peculiar challenges that inhibit their growth potential (National Credit Regulator, 2011:07; Wong & Merrilees, 2005:155). Notwithstanding their size, SMMEs are globally recognised as major economic concerns that generate significant employment more than big businesses (Bureau for Economic Research, 2016:05; European Commission, 2015:03; Organisation for Economic Cooperation and Development, 2004:09).

However, the situation of SMMEs in South Africa is grim. According to the country’s Department for Trade and Industry (2008: xxvi), SMMEs in South Africa are “less dynamic, with a majority of enterprises remaining in the nascent and 'baby business' phases (less than 3.5 years in existence)”, meaning their survival rate is low. Other studies (Bureau for Economic Research, 2016:7-10; Olawale & Garwe, 2010:731-732) also concur that the survival rate of SMMEs in South Africa is low.

Abimbola (2001:99) argued that size does not exclude firms from attaining brand status. In view of this, brand orientation is considered in this study as a non-negotiable ideology required by SMMEs to deliver competitive edge and position their businesses for success and survival, especially in South Africa. With the growing interest in SMME branding research around the
world, this study focuses on South Africa and examines the place of brand orientation, that is, the degree to which branding is central to the business ideology of SMMEs and how such businesses position their brand.

One of the recurrent challenges responsible for high rate of failure of SMMEs is poor managerial knowledge (Bureau of Economic Research, 2016:7-10; Olawale & Garwe, 2010:731-732), and branding is a matter of knowledge. Since SMME branding is an emerging body of knowledge, the aim of this study was, therefore, to investigate the brand orientation of SMMEs in Mafikeng, North-West Province, South Africa and to understand their brand orientation, that is, their knowledge of branding and how such businesses apply the knowledge to position their brand.

In line with the contemporary brand thought, exemplified, for instance, by Iglesias et al. (2013: 677), in their Organic View of Brand premised on the argument that brand value is co-created from interactions established between consumers and the organisation that manages the brand, the researcher also explored the perception(s) of consumers about SMMEs given the position communicated.

1.3 Statement of the problem

SMMEs die quick and fast in South Africa (Bureau of Economic Research, 2016:7-10; Department of Trade and Industry, 2008: xxvi; Olawale & Garwe, 2010:731-732) due to a host of peculiar constraints among which are insufficient knowledge and skill. Knowledge and skill constraint immediately brings branding to the forefront considering the fact that brand orientation could be undermined in the absence of requisite knowledge.

Notwithstanding the challenges, having a brand orientation and executing concerted brand strategy is a mantra preached both in marketing literature and practice; this is in line with the dominant marketing philosophy which holds that the consumer is king and firms must nurture a brand that revolves around customer satisfaction instead of just trying to sell a product. Additionally, branding is no longer understood from the traditional product perspective. A corporate brand approach that concentrates on the entire firm has been introduced to the brand
discourse and practice and is touted as important for SMMEs specifically (Merrilees, 2007:404; Razeghi et al., 2014:112).

Small businesses are recognised as leaders in creative and innovative ideas and, as such, are not precluded from branding even within the limits of meagre resources given that branding increases competitive advantage. However, the brand orientation of SMMEs is contentious because evidence does not suggest that they have adequate knowledge of, sufficiently value or understand the place of branding in their business. In fact, SMMEs usually perceive branding as investments that do not satisfy their immediate preoccupation with selling and making profit (Wong & Merilless, 2005:156).

Despite the fact that researchers are increasingly investigating SMME branding and knowledge is gradually growing in that respect, the extensive review of small business branding studies conducted by Odoom et al. (2017:68-89) shows that the bulk of SMME branding knowledge is largely from the Global North and almost nothing from developing regions such as Africa. Thus, a geographical knowledge gap exists in the field.

In addition to the existing geographical knowledge gap, the researcher observed that SMMEs in rural areas have not attracted much interest in terms of their brand orientation whereas rural provinces in South Africa have significant numbers of SMMEs (Bureau of Economic Research, 2016:17; Department for Trade and Industry, 2008:XXVii), most of them informal. This accounts for the focus on SMMEs in Mafikeng since the locale is rural.

Considering the fact that there is an existing void in terms of geographical knowledge gap, the brand orientation of SMMEs was examined in this study by investigating small businesses in Mafikeng, including congruency of consumers' perception of brand position communicated by SMMEs.
1.4 Aim and objectives of the study

The overarching goal of this study was to examine brand orientation and consumer perception of SMMEs in Mafikeng. The specific objectives of the study were to:

- Explore brand orientation of SMMEs in Mafikeng;
- Explore how SMMEs position their brand; and
- Understand consumers’ perception of SMME brand positioning.

1.5 Research questions

The main research question asked in the study was as follows: "what is the brand orientation and consumers’ perception of SMMEs in Mafikeng? In order to answer this question, the following subsidiary research questions were asked:

- What is the brand orientation of SMMEs in Mafikeng?
- How do SMMEs in Mafikeng position their brand? and
- What is the perception of consumers with regard to SMMEs given their brand position?

1.6 Definition of terms

The following terms are defined in accordance with their usage in this study:

- **Brand**: an offering (product, service, or any marketable item intended to satisfy a need) with distinguishable physical markers and/or associated psychological attributes.
- **Brand orientation**: the extent to which SMMEs make branding an integral part of their business strategy.
- **Brand positioning**: to craft a specific impression that evokes certain perceptions which enables a firm’s offering to own a distinct place in the mind of consumers.
- **Corporate brand**: the type of brand orientation that covers the entirety of a company and all its activities.
• **Product brand**: the type of brand orientation tailored specifically to a particular product or service alone.

• **Target market(s)**: the primary category or categories of consumers whom firms target their offering at.

### 1.7 Branding: Evolution and dimensions

At its core, branding serves to pitch firms' offering firmly in consumers’ mind such that a particular brand of product or service is preferred among competing ones, gain consumer loyalty, resulting in steady and repeated patronage. In essence, branding is a relationship building process between firms and their target market where the brand represents a promise through which consumer confidence and trust are gained by meeting or gratifying their needs. While the idea behind branding appears both simple and logical, branding thought and approaches have evolved through time reflecting different perspectives of its management.

Heding *et al.* (2009:20-26) identified seven distinct approaches to branding spanning three timelines from 1985-2006. According to the scholars, the evolution of branding and philosophies to its management are as follows:

1. **Company/Sender Focus Era of 1985-1992**: During this epoch, the brand was viewed solely as a firm’s property thus, branding was a linear activity and consumers were seen as passive actors in the creation of a brand value. The two approaches to branding during this era were the economic approach (premised on the idea that consumers will patronise products that deliver maximum value hence, firms focused only on communicating existence of their offering) and identity approach (where attention shifted from products to the entirety of the firm based on the notion that overall identity, image and reputation of the firm must be integrated and managed as a whole).

2. **Human/Receiver Focus Era of 1993-1999**: Linear communication is still present in this era but attention has shifted to consumers who received brand communications and are held as owners of the brand; association of human qualities with brands has also began
to take root. Three approaches to branding consequently emerged namely: consumer-based approach (where consumers are seen as owners of the brand but can be programmed by firms to act in predetermined ways in favour of the brand), personality approach (where association of human attributes to brands took root following realisation that consumers saw brands as extensions of their personalities) and relational approach (where thought shifted to the creation of brand meaning as a cyclic, human-like relationship where both consumers and firms contribute to brand meaning).

3. Cultural/Context Focus Era of 2000-2006: Seismic shifts regarding brand management occurred during this period as a consequence of new knowledge on how consumers use a brand. The two approaches associated with this period are community approach (where, bolstered by the emergence of the Internet, brands became social artifacts used by communities of consumers for interaction and construction of meaning in their spheres thus, taking ownership of brand significantly away from firms) and cultural approach (where brands became cultural artifacts and icons such that culture affects brand and vice-versa).

Through its evolution, two distinct dimensions of branding have endured namely; product and corporate branding.

1.7.1 Product and corporate branding

There is little contestation that the basic orientation of classic branding ideology is product branding inclined towards product-consumer (Keller & Lehman, 2006:740). Put simply, product branding basically concentrates on branding a product to align with a particular target market or consumers. However, product branding is not a sustainable differentiation strategy because it is a narrow approach that focuses on short-term, tactical decisions (Heding et al., 2009:51). Echoing a similar concern, Kotler et al. (2007:13-14) argues that factors such as globalisation, increasingly sophisticated and disloyal consumers, fragmentation of markets, fiercer competition and difficulty of maintaining convincing product differentiation have made product branding unsustainable. This situation is responsible for the emergence of the more strategic corporate branding where the entirety of firm positioning is aligned and coordinated at the corporate level and primacy is given
to identity and relationships (Heding et al., 2009:51; Hatch & Schultz, 2001:1041). Thus, the dominant reasoning that pushed corporate branding to the forefront hinged on corporate brands having the potential to engender sustainable differentiation and consumer loyalty in an age where previous tactics of product differentiation have been blurred (Theaker, 2004:240).

A key differentiating element between product and corporate branding is the notion of consumer for the former and stakeholder for the latter – the meaning of both concepts has significant implications for their respective scope. Consumers constitute the immediate target market that use products of and have immediate purchase incentives for firms. With regard to the stakeholder component of corporate branding, a widely used stakeholder definition is that given as “any group or individual who can affect or is affected by the achievement of the organisation’s objectives” (Freeman cited by Freeman et al., 2010:207). Stakeholders (employees, customers, suppliers, the public, pressure groups, regulatory authorities and the media) have diverse interests in firms that are not necessarily pecuniary.

For the foreseeable future, clusters of stakeholders will continue to be active co-participants in the creation of a brand value thus, the longevity of firms will be continually negotiated in a myriad of complex socio-economic and political relationships with many stakeholder groups. The stakeholder dimension of corporate branding is instructive because, as articulated by Balmer and Greyser (2006:737), corporate brands are similar to a strong covenant that elicits almost religious-like loyalty from all groups that experience the firm.

Consequently, in terms of scope, corporate branding is broader than its product counterpart. The former is a management function that encompasses every aspect of a firm’s internal and external operations whereas product branding operates at the level of consumer-product relationship. This difference is highlighted in table 1.1.
Table 1.1: Differences between product and corporate branding

<table>
<thead>
<tr>
<th></th>
<th>Product branding</th>
<th>Corporate branding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focuses attention on</strong></td>
<td>The product</td>
<td>The company</td>
</tr>
<tr>
<td><strong>Managed by</strong></td>
<td>Middle manager</td>
<td>CEO</td>
</tr>
<tr>
<td><strong>Attracts attention and gains support of</strong></td>
<td>Customers</td>
<td>Multiple stakeholders</td>
</tr>
<tr>
<td><strong>Delivered by</strong></td>
<td>Marketing</td>
<td>Whole company</td>
</tr>
<tr>
<td><strong>Communications mix</strong></td>
<td>Marketing</td>
<td>Total corporate communication</td>
</tr>
<tr>
<td><strong>Time horizon</strong></td>
<td>Short (life of product)</td>
<td>Long (life of company)</td>
</tr>
<tr>
<td><strong>Importance to company</strong></td>
<td>Functional</td>
<td>Strategic</td>
</tr>
</tbody>
</table>

Source: Hatch and Schultz (2001:1044)

1.8 Brand orientation

The term brand orientation describes a philosophy where the brand is the nucleus of all planning (Wong & Merrilees, 2008:372). According to Urde (1999: 117 & 122) brand orientation is a deliberate mindset in which firms concentrate efforts on and manage their brands as a strategic resource for building lasting consumer relationships and gaining competitive advantage. High brand orientation positively influences a firm’s performance (Baumgarth, 2010: 666; Wong & Merrilees, 2007:399). A major driver of high brand orientation is the management, its attitude towards branding and type of leadership provided in that respect (Hankinson, 2012: 991) but factors such as lack of financial resources, sales and profit mindset, insufficient attention for and failure to see relevance of branding are barriers that inhibit brand orientation (Wong & Merrilees, 2008: 374). So, although brand orientation appears to be both logically necessary and theoretically simple, nurturing a successful brand is problematic even for established businesses (Boyle, 2003: 79). Consequently, Hirvonen and Laukkanen (2014: 41-42) contends that small firms will always have low brand orientation unless they are sure branding will benefit their business.
1.9 Brand positioning

As part of their branding strategy, firms align their brands in specific ways that will resonate with their target market. Positioning is the branding principle adopted to align brands with consumers. Heding et al. (2009:14) explains the rationale for brand positioning as follows:

The idea of brand positioning is based on the assumption that consumers have limited mind space for commercial messages and that the most successful brands hence, are the ones able to position themselves in the minds of consumers by adapting the most congruent and consistent commercial message.

Beyond owning a share of the consumers’ mind space, positioning also keeps firms focused, distinct, consistent and competitive since brand positioning invariably means acting to specific competencies and strengths that can be leveraged. For instance, Blankson (2016:163) affirms that positioning facilitates preference for a firm’s products over that of competitors, emphasising the consumer implication of brand positioning. Furthermore, Porter (1996:69) maintained positioning means to be strategic and the conscious decisions of firms regarding what they will do and not do with the effect that brand confusion is eliminated, competitors deterred and distinctiveness earned as a consequence of consistent actions. Thus, brand positioning is not merely a haphazard communication directed at consumers but a strategic instrument used to fight competition.

1.10 Defining small businesses

One of the earliest efforts to define small businesses was by the Bolton Committee (1971:01), where SMMEs were described as firms employing less than 200 people, including other financial thresholds. However, the committee cautioned as follows:

It became clear that a small firm could not be adequately defined in terms of employment or assets, turnover, output or any other arbitrary single quantity, nor would the definition be appropriate throughout the economy. What we thought most appropriate to our inquiry was a
definition which emphasised those characteristics of small firms, which might be expected to make their performance and their problems significantly different from those of larger firms. In the end…, three main characteristics had to be taken into account (Bolton Committee, 1971:1).

The characteristics advanced by the Committee were as follows:

1. In economic terms, small businesses usually have substantially reduced market share;
2. Small businesses are typically administered by the owner(s) in a personalised style rather than through a formal management structure; and
3. Small businesses are typically independent because they are not usually part of a bigger company and owner(s) control their affairs as they deem fit.

The foregoing reflects the nature of SMMEs even in present times. Worldwide, with the exception of the European Union (EU), there is no consensus definition for what constitutes a small business. This is because the different economic activities that fall within the ambit of small businesses are broad and comprise both informal and formal enterprises (Bureau for Economic Research, 2016:05). Thus, countries apply yardsticks that cover registration status, number of employees, turnover or profit and balance sheet value to differently define small businesses in their respective contexts. For instance, the European Union applied these yardsticks to define a small business as any entity which, regardless of its legal status, employs less than 250 members of staff, has a turnover not exceeding 50 million Euros and balance sheet value of not more than 43 million Euros (Official Journal of the European Union, Articles 1&2, 2003). In table 1.2 for example, the lack of uniformity in how countries define small business using employee number is apparent.
Table 1.2: Categorisation of SMMEs according to employee threshold by different countries

<table>
<thead>
<tr>
<th>No. OF EMPLOYEES</th>
<th>MICRO</th>
<th>SMALL</th>
<th>MEDIUM</th>
<th></th>
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<tr>
<td>&lt;10</td>
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Source: National Credit Regulator (2011:23)
In South Africa, the broad qualitative definition of a small business is contained in the National Small Business Act, NSB, (29 of 2004) as:

Any entity, whether or not incorporated or registered under law, consisting mainly of persons carrying on small enterprise concerns in any economic sector and established for the purpose of promoting the interests of or representing small enterprise concerns, and includes any federation consisting wholly or partly of such association, and any branch of such organisation.

In terms of employee and financial thresholds, small businesses in South Africa employ less than 5 to a maximum of 200 staff, have annual turnover less than R150, 000 but not more than R50 million and a balance sheet value less than R100, 000 but not exceeding R18 million, (Falkena et al. cited by National Credit Regulator, 2011:25).

1.10.1 Importance of small businesses

Small businesses are major economic concerns and are globally acclaimed as both outnumbering big businesses and generating more jobs. According to the Organisation for Economic Cooperation and Development (OECD, 2004:09), small businesses are responsible for 95 percent of jobs and the European Commission (2015:03) reported that nine out of every 10 firms in the EU are small businesses and SMEs generate two out of every three jobs. Although SMMEs are a major economic thrust in South Africa, the small business terrain in the country, as observed previously, is dire. Nonetheless, policy makers are making concerted efforts to revitalise the ailing SMME sector in the country in order for them to realise their potential.

1.11 Significance of the study

This study will produce insights which will contribute to academic and scholarly knowledge with regard to SMME branding practices from an African perspective. By probing brand orientation of SMMEs, this investigation will contribute important information towards improving intellectual depth and richness of SMME branding practices. Additionally, the study will benefit SMMEs in terms of insights into brand building of their business.

1.12 Scope of the study

This study focused on brand orientation and consumers’ perception of SMMEs given the limited number of studies on small business branding and the high failure rate of SMMEs in South Africa,
which, potentially, branding can mitigate. The study was limited to SMMEs based in Mafikeng, North West Province, South Africa since rural areas in the country have been found to have a significantly higher number of small businesses yet, studies of this nature have largely focused on SMMEs in urban areas.

1.13 Structure of the study

This study is divided into six chapters as follows:

- **Chapter One** provides the introduction, the background and motivation for the study.
- **Chapter Two** focuses on the literature review on scholarly and intellectual knowledge concerning SMME branding.
- **Chapter Three** focuses on the theoretical framework that informed the study. The Framing and Diffusion of Innovation theories are also discussed in this chapter.
- **Chapter Four** focuses on the methodology and research design used in conducting the study.
- **Chapter Five** focuses on data presentation and discussion of findings.
- **Chapter Six** provides the conclusion and recommendations.

1.14 Summary of chapter

This chapter has provided the introduction, the rationale for the study, a definition of major concepts and the aim and objectives of the study. The next chapter is the literature review.
THEORETICAL FRAMEWORK

2.1 Introduction

This chapter focuses on the philosophical view adopted in the study, a discussion and analysis of branding within the context of framing and diffusion of innovation theories. A discussion and analysis of each theory begins with the context of its use, followed by an overview, conclusion and critical analysis of the context of their respective usage.

2.2 Philosophical stance of the study

The philosophical point of departure of this study is the constructivist paradigm. In his exposition on constructivism, Cresswell (2003:08) explains that the paradigm construes knowledge and reality as a product of social construction in which meanings of phenomenon is understood within the context of people who enact it to the extent that the researcher’s task is to systematically focus and rely on contextual views to make sense of what is being studied. As a result, subjectivity is an integral component of constructivism. This is unlike the positivistic school which is oriented towards realism or objective reality wherein, phenomenon is perceived as existing neutrally outside of subjective influences (Flick, 2009:86). While positivism conveys the idea of uniformity and sameness, constructivism extols contextual variations, nuances, depth and subjectivity.

The constructivist stance of this study informs the assumption on which the inquiry is founded. The fundamental assumption of the investigation is that the reality, practice and conduct of branding for SMMEs in rural areas are contextually different from small businesses in urban locations. Consequent upon this assumption, knowledge sought is contextualised to respective participating small businesses; the purpose being to understand the realities that condition their brand orientation and subsequent branding-related actions. This assumption has root in previously discussed literature on state of small business branding where it was shown that, first, the field is still up-and-coming and scant evidence on the subject exists from developing countries such as South Africa. Secondly, previous evidence on small business branding in the country (cf. Cant et al., 2008; Carvalho, 2007; Ncube, 2016 in section 3.4) was mainly from urban-based SMMEs whereas there are more small businesses in rural provinces such as the North West
Province, where Mafikeng is located. Importantly, contemporary brand philosophy is in tandem with the constructivist paradigm because the inclination is towards co-creation between firms, consumers and other stakeholders. The co-creation of brand meaning brings to the fore different contexts and connotations people associate with brands, for instance, the case of Harley Davidson motorcycles symbolic of a non-conformist, outlaw subculture (Schouten & McAlexander cited by Muñiz & O’Guinn, 2001:414).

Finally, the theoretical perspectives of this study also emphasises a constructivist inclination in line with the foregoing. The framing theory is immediately indicative of a constructivist leaning since it focuses on subjective nuances and it is within its context brand positioning as subjective frame is examined. In the case of diffusion of innovation theory, the context of its use is the innovation-decision process as it relates to the spread of brand positions and how the different factors in the process may affect consumers' level of brand knowledge.

2.3 Framing theory

The first theoretical perspective of this study is framing theory within which the crafting of brand positioning as a perceptual frame given to a product or service is specifically situated.

2.3.1 Overview of the framing theory

Ardèvol-Abreu (2015:425) noted that there is immense disparity of meanings and interpretations that have been associated with framing theory – this is hardly surprising given its central idea and amenability to various situations. Hallahan (2008:01) opined that framing is a crucial aspect in the construction of social reality because it is a purposeful tool used to delimit the scope of a message, shape perception and aid processing of information. In a similar manner, Ardèvol-Abreu’s (2015:424) analysis of framing theory emphasised that all forms of communications, whether persuasive or informative, requires precise structures for narration and impact hence, frames are used to prioritise certain aspects of reality at the expense of others.

The theory essentially holds that messages are subjective creations imbued with perspectives, inclinations, idiosyncrasies and preferences of the creators. The subjectivity relates to some
predetermined objective or agenda used to frame or present messages in a particular way to influence recipients' actions (Arowolowo, 2017:02) in ways consistent with what message creators want. A frame, thus, is a psychological structure used to organise thought, intention, attention, understanding and action (Ardèvol-Abreu, 2015:425). The framing theory is typically understood in terms of media content and its effect on the audience whereas, it has multidisciplinary applications since it primarily explains how messages are intentionally prepared, patterned and delivered by communicators to influence opinions, thoughts and actions (van Gorp, 2007:60).

Since framing theory is usually associated with media content bias and its impact on audience, one of its strongest criticisms is that insofar as the media are powerful institutional forces, negative prejudices and manipulation of audience cognition can be perpetuated (Hernandez, 2015) for the gratification of insular interests. In reality, this criticism has merit in the present age where fake news and post-truth have become topical issues of concern given the impact of spurious frames used to propagate questionable notions. Regardless of this criticism though, framing has functional and contextual value; the theory remains relevant because of its usefulness in organisation of narration not just regarding media content but across many aspects of social reality. For instance, Hallahan (1999:210) identified seven typologies of framing applicable beyond media content as follows:

- **Situations framing** that focuses on relationships in everyday life;
- **Attributes framing** where features of objects, products and people are the concern and framed in ways that emphasises value of, superiority to or benefit over others;
- **Choices framing** that poses alternatives for people in terms of loss or gain situations;
- **Actions framing** used in persuasive contexts to influence disposition of people in favour of a particular action presented as desirable and depicted in terms of negative or positive frames;
- **Issues framing** in which social concerns are presented in various ways by different parties contesting for public acceptance of their version;
- **Responsibility framing** related to individuals’ roles in events portrayed in ways consistent with self-image that reduces culpability and accentuates benefits; and
- **News framing** concerns media portrayal of news in culturally consistent ways.
The myriad of messages we consume daily are not immune from a measure of selective and subjective framing, no matter how little. Insofar as subjective and selective nuances are central components of framing, then, framing is also important in branding because the activity is concerned with message narratives that employ selected frames, both visual and perceptual schemas, used to personify the offering and define its brand personality.

2.3.2 Framing brand position

Holt (2003:03) asserts that consumers do not experience products objectively and brands are “…perceptual frames through which customers understand, value and experience the product”. It follows that in order to align products to consumers’ subjective realities or induce subjective value that earns preference for a brand over its competitors, firms must frame a suitable brand position for their offering(s) to occupy a distinctive place in consumers’ minds. This framing necessity, as Ardèvol-Abreu (2015:424) noted, dictates deliberate exclusion of certain aspects which, in brand positioning context, Porter (1996:68) termed strategic trade-off. In his explanation of brand positioning as a strategic trade-off, Porter (1996:68) argued that it is a basis for choice and barrier to competition, implying that framing of brand position in a particular way enhances consumers’ preference and fends off competition once that position is ingrained.

A parallel view that appreciably diminishes subjective nuances in framing branding positions is contained in the discussion of Heding et al.’s (2009:30-33) economic approach to brand management. In the economic approach, consumers were viewed as less active, easily malleable units whose motivation for the consumption of products is guided by rational evaluations of available product alternatives and maximisation of cost regarding price and expended effort. The firm’s task in the economic dispensation was to ensure that products are functional, available at the right place, sold at right price and consumers made aware of its availability.

The brand mediated relationship between firm and consumers in the economic approach was linear and functional; in this era, consideration of subjective symbolic-associative consumer engagement with and use of brands was de-emphasised whereas evidence has variously confirmed that consumers use brands subjectively necessitating framing of brand positions beyond rational or functional consideration. Moreover, scholars have realised that multiplicity of brands limits consumers’ ability, both cognitively and time-wise, to make purchases based on rational evaluation (Chen & Chang, 2016:356) thus, reinforcing Holt’s (2003:03) assertion of consumer subjectivity in the use of products and necessitating subjective frames in brand
positioning. For instance, Tsai (2007:372-374) investigated message framing for brand communication and found that consumers’ construction of their self was central to their reception of brand communication.

A critical aspect of framing brand messages concerns positively framed messages or negatively brand framed messages. The work of Kahneman and Tversky (1979:263-291) is instrumental in the consideration of positive or negative brand message frames. Kahneman and Tversky’s (1979:263-291) study pertains to decisions under risk; the scholars’ research suggests that consumers are risk-preventing when confronted with a negatively framed message that emphasises loss and risk averse when confronted with a positively framed message that emphasises gain for them. In other words, a negatively framed brand message will motivate consumers to use the brand in a bid to avoid potential danger arising from disregard while a positively framed brand message will result in a lukewarm response from consumers because gain does not signify danger. Nonetheless, evidence regarding consumers’ response to either positively framed or negatively framed messages is mixed (Arora, 2007:378).

Thus far, framing has been examined from the perspective of the product as a brand whereas the concept also has implications for the entire firm. Modern realities pertaining to social and environment issues is another factor that makes only product related rational or functional framing of brand positioning less sustainable. Increasing clamour by different stakeholder groups that firms balance their profits with care for both people and planet extends framing brand positions into the realm of firms acting as socially responsible entities. This resonates with issues framing in Hallahn’s (1999:210) framing typology. Scholars and practitioners have held that framing corporate brand positions is necessary and conforms to modern thought and topical social issues. For instance, Berens and van Halderen (2011:74) advocated a corporate, organisation wide framing of positioning and summarised as follows:

- Framing the brand to pertinent social issues strengthens the organisation’s position; and
- Organisations need to find a balance between a generic, abstract frame with a broad appeal and the organisation’s concrete approach that addresses the issue.

Similarly, Aaker (2004:09) echoed the same necessity for corporate brand position framing by emphasising the need for firms to be seen as responsible citizens that cater for social needs and
not just their brands and profits. The King IV Report (2016:45) highlighted the broad range of aspects organisations need to be alert to in order to be responsible citizens as follows: contribution to social wellbeing; environmental protection; responsible and fair economic practices; and the welfare of employees. The framing of an organisation’s position to include broad social issues advocated by Berens and van Halderen (2011:74) or as a responsible citizen advocated by Aaker (2004:09), underscores why firms have to embrace any aspect listed in King IV (2016:45).

Summarily, the foregoing discussion has established that framing is critical in the construction of brand position and SMMEs, as businesses, are not excluded from framing their brands. To the extent that framing is important in the construction of social reality and peoples’ perspectives and perceptions (Hallahan, 1999:207), the adoption of the framing theory has proved to be important, both for positioning of products and holistic positioning of firms as a responsible corporate citizen.

2.4 Diffusion of innovation theory

Diffusion of innovation theory is the second theoretical framework considered in this study. Thus, customer-based equity, as a consequence of diffusion or sufficient spread of brand knowledge and position, are examined herein. To this end, emphasis is placed on the perceived attribute of the Innovation variable in the Innovation-Diffusion process to conceptualise consumers’ adoption of a brand based on their knowledge of it and its positioning.

2.4.1 Overview of Diffusion of innovation theory

There are three critical elements in Rogers’ (1962) Diffusion of Innovation theory as follows: innovation; diffusion; and adoption. According to Sahin (2006:14), an innovation is a technology, practice or idea perceived as new in a social system while diffusion is “the process by which an innovation is communicated through certain channels over time among members of a social system” (National Open University of Nigeria, 2008:21). From the foregoing definitions, it is apparent that the action of diffusion never operates in a vacuum but depends on the existence of an innovation. The final of the tripartite elements is adoption and is defined by Rogers (1995:206) as “the relative speed with which an innovation is adopted by members of a social system”.
The scope of diffusion of innovation embraces many facets of humanity since it concerns how practices and knowledge dissipate between and within societies. Given that knowledge is not static and societies search for newer, more efficient and improved solutions, it means that innovations provoke a struggle between opposite forces of new and old, traditional and novel, which ultimately engenders use and disuse. Rogers et al. (2009:16) acknowledges that several scholars have criticised the diffusion of innovation theory because it supports "expert-driven, top-down approaches to address problems" to the disadvantage of indigenous solutions and perspectives. Likewise, this shortcoming is acknowledged as a major defect of the diffusion and innovation theory by Strang and Meyer (1993:487-488). Other scholars have expanded on the consequences of the diffusion of innovation theory. According to Kee (2017:10-11), the theory has implications at an individual level in organisations and perpetuation of knowledge gap imbalance at a societal level. Kee (2017:10-11) observed that when innovations fail at organisations, individual employees tend to take the blame for such failure for improper implementation instead of management analysing the complexity and suitability of the innovation itself; on a social level, the scholar noted that individuals of higher socio-economic status benefit more from their access to resources, which enables them adopt innovations disproportionately earlier than the lower strata of society thereby, perpetuating a knowledge gap.

Notwithstanding the criticisms, diffusion of innovation is widely used to understand and explain the spread, acceptance and use of new technologies, ideas and practices by both scholars and experts in various fields. For instance, Betrand (2004:113-121) applied the theory to challenges associated with HIV/AIDS interventions, especially how communications can be appropriately structured and disseminated to promote knowledge and encourage behaviour change. Similarly, Kelly (2012:1-18) used diffusion of innovation to analyse transfer of technology and knowledge systems among health practitioners towards promoting healthier societies. Also, Marsden (2011:1-13) noted that diffusion of innovation applies to the formulation of more efficient and climate friendly local transport policies since the theory facilitates knowledge sharing and practices between and within governments while Simin and Janković (2014:517-529) argued that the theory is useful in the promotion of organic agricultural practices towards enhancing the production of healthier and natural foods.

The foregoing discussion on diffusion of innovation conveys a notion of mitigating criticisms by finding ways in which the theory could be useful. However, Modashcl (2010:1-19) presented an insightful social historical perspective that informed the scholar’s view that diffusion of innovation
makes no sense, not because it is useless, but because it suggests the erroneous view that innovations are always new and must be adopted in their exact original form without considering contexts and modifications. Moldaschl (2010:4-5) argued that societies have historically evolved through an intricate process of invention-innovation-imitation-diffusion instead of innovation-diffusion. With regard to this alternative scheme of ideas that flow between and within societies, the scholar argued as follows:

...If differentiations between Invention and Innovation are to be made, saying that the first occurrence of doing something must apply to inventions, what in the world do “new combinations” signify...? It is easier to make distinctions using practical examples than ones based on general principle. Sony’s Walkman, for example, did not really contain anything new: a magnetic tape recorder, miniaturised electronics, nicely packaged in a shiny case: atypical “innovation” ... But secret services had had this type of device foursome time before its introduction. So, we have to be more specific: consumer innovation (p.04).

Moldaschl’s (2010:4-5) perspective is premised on the distinction advanced by the scholar between invention (something created newly and which did not previously exist) and innovation (creative or clever adaption of an invention for use in other contexts). The postulation herein is that since progress is not static, it follows that inventions will be modified to become innovations intended to suit different contexts or purposes. Different societies will imitate such innovations and possibly further modify them. In this sequence, diffusion has occurred not just for the innovation but the original invention hence, “diffusion is, therefore, identical to imitation as a process category. Only when used as a word for result, does it designate something else: the number of people who already imitate...” (Moldaschl, 2010:5). This perspective brings diffusion into the realm of social necessity societies will embrace as they individually advance and seek more efficient and better practices to improve themselves. It also suggests the whole history of social progress is a product of modification and imitation of inventions and innovations. Indeed, the systematic review of meta-narrative literature by Greenghalgh et al. (2005:417) revealed that researchers and scholars in various fields have conceptualised diffusion of innovation in different ways, resulting in various storylines. Therefore, to ensure an innovation is successful, it is advisable to:

- Consider potential adopters' needs and views, with specific attention to balancing costs and benefits for them;
- Design different strategies for different demographic, structural and cultural characteristics of diverse sub-groups;
• Use a suitable style, imagery and metaphors for messages;
• Identify and use appropriate communication methods; and
• Ensure strict monitoring and evaluation of defined goals (Greenhalgh et al., 2004:603).

The constructivist views articulated by Moldaschl (2010:1-19) and Greenhalgh et al. (2004:603) regarding, diffusion of innovations, has implications for branding generally and SMMEs particularly. It suggests that since branding is implemented by different firms as contexts demand (cf. Kay, 2006:743-744 in section 3.5), and branding principles are the same for both small and big businesses (cf. Abimbola, 2001:102 in section 3.1), then SMMEs have to modify branding principles to fit their context in order to spread or diffuse their brands. Indeed, the process of diffusion of innovation is not simplistic. According to Rogers (1995:207), adoption of an innovation is a function of interplay between the following variables:

• **Perceived attribute** of the innovation in terms of its compatibility, relative advantage, trialability, complexity and observability. As explained by Rogers (1995:250-251), relative advantage refers to the extent to which an innovation is perceived as better than the one it replaces – relative advantage is positively correlated to adoption of an innovation. Compatibility describes the perception of an innovation in terms of its consistency with existing needs, previous experiences and values of adopters – it is also positively correlated to adoption of an innovation. Complexity is the relative degree of difficulty or ease of use associated with an innovation while observability explains how visible results of an innovation are to adopters – perceived observability of an innovation is positively associated to adoption. Lastly, trialability refers to the extent an innovation may be experimented with for a limited time. The perceived trialability of an innovation positively affects its adoption.

• **Type of innovation-decision**, which could be optional, collective or dependent on authority.

• **Communication channels** adopted for the communication of the innovation whether interpersonal channels or mass communication channels.

• **Nature of social system** in terms of values, norms and interconnectedness.
• **Extent of change agent’s efforts** in advancing the innovation for members of a social system to adopt.

As it will be established in the CBBE Model (section 3.6.1) adequate brand knowledge must exist in the minds of consumers for successful brand building. The firm, as the source of brand knowledge, correlates to change agents in the diffusion of innovation theory whose brand will be evaluated by consumers on its perceived attributes before adoption. On the one hand, the firm, as change agent, exemplified by the entrepreneur in the case of SMMEs, attempts to position its brand in consumers’ mind and relies on supplying the target market with sufficient knowledge intended to persuade them to adopt the brand. On the other hand, the targeted consumers will only adopt the brand if its message is appropriately communicated, resonates with them and the brand’s attributes satisfies them. This interaction is captured in the innovation-decision process figure 2.1.

![Figure 2.1: Innovation-diffusion process](image)

Source: Gouws & van Oudsthoorn (2011:240)

2.4.2 **Innovation decision process and diffusion of brand**

The innovation-diffusion process re-emphasises variables of branding previously discussed in the literature as follows:

• Brand communication methods, referred to as conversation spaces in the OVB Model (cf. Organic View of Brand, subsection 3.5.1), which in the case of SMMEs, was found to be
more of interactional and e-marketing (Centeno & Hart, 2012:251-252), is critical for successful brand building;

- **Brand Knowledge**, as a crucial antecedent for successful brand building and consumer adoption of brands emphasised in the CBBE Model. In this case, factors such as socioeconomic and personality values and lifestyle of the intended consumers will enhance appropriate brand positioning as discussed in the STP brand positioning approach. Consequent efforts to provide consumers with brand knowledge thus has strong potential for success since the firm's approach is based on informed choices that reflects consumers’ needs; and

- **Time dimension needed for brand building to materialise as exemplified in the Double Vortex Model.**

Communication channels selected by the firm for communication of its brand position becomes important because inappropriate or insufficient selection of channels will reduce visibility of the brand and thwart its objective regarding brand building. In case this situation prevails, the diffusion of innovation theory implies that the brand will suffer since consumers will have little or no knowledge of it, much less, its position. The reason is simple: the innovation decision process is fundamentally flawed because of the inappropriate use of communication. Norms of society within which consumers are based cannot be overlooked in the scheme of innovation-decision since the present landscape of communication and media has impacted consumer norms and brand use.

In their elaboration, Rambocas and Arjoon (2012:04-05) contend that norms of society can be *modern or traditional* and describe the former as Digital Natives or Millennials who grew up in a technology and media saturated age. Therefore, their primary source of communication and information is the Internet (Moriarty cited in Rambocas & Arjoon, 2012:04-05). For instance, norms of millennials are characterised by less brand loyalty, less risk aversion, distrust of business, prioritisation of self-gratification and personal convenience in their brand use (Lancaster & Stillman cited in Rambocas & Arjoon, 2012:05).

The foregoing characterisation of norms of society extends the frontier of knowledge into two dimensions namely: firm's knowledge and understanding of its target market and brand knowledge. Whether norms of the targeted market are *modern or traditional*, it is the firm's indubitable task to first understand the characteristics of its potential consumers as this will reveal
valuable insights that will inform the framing of brand position and message. This is critical for successful brand building and adoption given that consumers do not experience brands objectively (Holt, 2003:03). Requisite and sufficient knowledge of norms of its target market enhances the firm’s ability to structure or frame potent brand position and messages that consumers will relate to.

Another implication of norms of society concerns the brand community component of the OVB model. In their pioneering research, Muñiz and O’Guinn (2001:418) defined brand communities as “social entities that reflect the situated embeddedness of brands in the day-to-day lives of consumers and the ways in which brands connect consumers to brand, and consumers to consumers”. The emergence of brand communities is an indication that consumers bond into groups of shared experiences and aspirations and adopt brands as iconic signifiers of their personality. Fournier (2008:03) lends credence to brand community bonding by affirming that:

People often develop brand relationships to gain new social connections or to level out their connections in some significant way. Brand relationships can also provide venues wherein emotional support, advice, companionship and camaraderie are provided.

Heding et al. (2009:188-189) further affirms that norms of brand communities revolve around sense of ethical necessity, collective consciousness, common traditions and practices. These define the values in brand communities, between individuals there and their relationship with brands. To this end, the innovation-decision process and subsequent adoption of brands emphasised the consideration of norms or values held by intended targets as societies of brand consumers. This re-emphasises the need for firms to be cognisant of norms of target consumers in their brand positioning and message framing strategy and informs Florea’s (2015:1530) verdict that firms that are able to create communities of consumers, enhance the adoption of their brand as opposed to passive firms that merely aim at acceptance or rejection.

2.4.3 Perceived attributes of innovation and brand

Perceived attributes is a crucial determinant of diffusion or spread of an innovation and substantially mediates the adoption or rejection of a brand (Rogers, 1995:207 and Sahin, 2006:15). The correlation of perceived attributes elements to basic consumer consideration
yardsticks is instructive in this regard. For instance, applying the perceived attributes elements to a purchase situation, consumers will evaluate a brand as follows:

- **Trialability** (trials and samples): Does the brand offer samples and trials to experience it? This is consistent with free samples and tests firms indulge their consumers in order to stimulate use.

- **Compatibility** (to needs): Does the brand satisfy felt-needs? This is also consistent with the fundamental principle that brands must meet consumers’ needs and deliver value for it to be continually adopted (Kotler et al., 2007:23).

- **Observability** (of benefits): Boehner and Gold (2012:79) noted that observability relates to potential consumers’ getting experiential reports from current users of a brand. Therefore, the concern here is: are the benefits of a brand visible enough for more potential consumers to adopt it? Observation of benefits may emanate from individual users or brand communities whose judgment may either encourage or discourage more users to adopt the brand in question.

- **Relative advantage** (in relation to similar brands): Since brands are always in constant competitive struggle, consumers consider the advantage of similar brands in a particular class as a precursor to continued adoption or rejection. Judgments of current users, either as group of brand of community or a lone individual may impact estimations of comparative relative advantage.

- **Complexity** (of use): According to Rogers (1995:242), innovations that are simpler to use, tend to be adopted faster. Consequently, the ease of use of a brand constitutes another important quality consumers consider before adoption.

All elements of perceived attribute of an innovation are factors that influence the success or otherwise of an innovation from the perspective of the recipient because they relate to perceptions about positioning (Rogers, 1995:238) and perceived quality of brands. As Severin and Ling (2013:134) observed, perceived quality mediates brand equity and brand images held in consumers’ minds. Likewise, Aaker (1996:105-108) buttressed the role of perceived quality as a determinant of brand equity. Aaker (1996:105-108) averred that perceived quality is a crucial determinant of brand equity and manifests in terms of consumer loyalty, price premium and
customer satisfaction. According to Lamb et al. (2015:05), customer satisfaction results when consumers feel the product has met their expectations; a brand’s perceived quality, mirrored by perceived attributes variable of diffusion of innovation, is a key driver of customer satisfaction.

In conclusion, the diffusion of innovation theory lends useful theoretical guide for firms and adoption of their brand by consumers in that it identifies important elements whose interaction may either reduce or enhance the success of brand building.

2.5 Summary of chapter

This chapter has provided the theoretical framework that informed the study. The next chapter focuses on the methodology and research design used in conducting the study.

CHAPTER 3

LITERATURE REVIEW

3.1 Introduction

This chapter focuses on the literature review on the branding of small businesses, branding and brand positioning. The discussion begins with a presentation of the current state of branding of small businesses followed by the nature and characteristics of SMMEs as portrayed in literature. Thereafter, barriers and the context of small businesses in South Africa are examined and a framework for the evaluation of brand orientation of SMMEs is provided.
The next section focuses on models branding and of brand building. Other aspects discussed are brand identity, brand communication, brand positioning, and a framework for evaluation of SMME brand positioning and consumer perception of brand position.

3.2 Small business branding: State of the field

Scholars are in agreement that small business branding is still a nascent field - the number of available studies attests to this situation. Ahonen’s (2008:03) review of academic articles on SMME branding revealed that only 14 existed from 2001 to 2008. The author maintains most studies focused on corporate rather than product branding although the theoretical underpinning was of the latter brand dimension. Ahohen (2008:10) also observed that the qualitative method was often used because the phenomenon was relatively new.

Odoom et al. (2017:68-89) also undertook a review of academic articles on existing small business branding and found that 50 of them addressed the subject from 2004-2014. Thus, the authors maintained “it appears a significant amount of work has been carried out on branding in the area of small businesses. However, literature on this appears unclear, scattered and relatively scanty” (p.69). Unlike Ahonen’s (2008:01) study, Odoom et al. (2017: 68-89) identified and provided in-depth analysis of five emergent aspects in small business branding research as follows: branding concepts used; branding themes; methodical approaches; conceptual leanings; and geographic concentration. The findings of the authors regarding these aspects revealed as follows:

- **Branding concepts used** were brand management, corporate and product/service brand;
- **Branding themes** were adoption of brand/brand orientation, brand building/development and brand as a strategic tool;
- **Methodological underpinnings**: both qualitative and quantitative methods had been used although there was a preponderance of qualitative approach;
• **Geographical settings**: most studies were from developed economies, specifically Australia, Europe and Asia and little or almost nothing from less developed regions such as Africa; and

• **Conceptual focus** studies have been significantly modelled, framework and conceptual in nature across all geographical regions and less of theory grounded work.

The foregoing presentation of the state of small business branding serves not only to underscore that the field is relatively embryonic, but also presents trends that have emerged in this regard. Proceeding from the aspect of brand concepts used in small business branding identified by Odoom *et al.* (2017:68-89), it is clear that branding thought for small businesses is also informed by age-long branding principles espoused on by scholars and practitioners and adopted by large businesses. Indeed, branding principles are the same for large and small businesses (Abimbola, 2001:102). Whereas, some scholars have expressed concern that SMMEs do not seem to fit into conventional branding theory and approaches (Ahohen, 2008:05; Angakana, 2007:26; Razeghi *et al.*, 2014:121) because – as Keller (2009:140) opined – size, knowledge, resources, market circumstance and context differ for businesses, there are no distinct branding alternatives for SMMEs.

In this scenario, small businesses must be creative; they must adapt and innovate in order to usher a strong brand. However, given the shortage of small business branding studies from Africa, it will seem either SMMEs in the continent have not creatively adapted traditional branding principles to their advantage or the hitherto status quo notion that branding is an exclusive preserve of established businesses making small business branding investigations unattractive. Whatever the case is, the reality is that considerable insights on small business branding from countries such as South Africa do not exist in the growing field of SMME branding, necessitating the need for more scholarly investigations that could assist in understanding the role of branding in mediating value for both the small business and its customers (Odoom *et al.*, 2017:82).

### 3.3 Nature and characteristics of small business branding

As one of the earliest small business branding inquiry, Wong and Merrilees (2005:156-159) conducted a qualitative investigation into SMMEs’ brand orientation based on four parameters namely; brand orientation, brand barriers, brand distinctiveness and brand marketing
performance. Brand orientation describes the degree to which a small business places primacy on making brand strategy nucleus of its ideology such that marketing the offering as a brand is super-ordinate. The result of SMMEs’ brand orientation is unique efficiencies and qualities consumers will associate with a specific brand, which allows them to bond with, remain loyal to and patronise it. The direct consequence of SMMEs’ brand orientation is brand distinctiveness, which refers to the clear separation of a product from competitors. Brand marketing performance describes the value a product yields on every investment made on it while brand barriers are factors that inhibit the ability of SMMEs’ to implement a brand-based plan.

Wong and Merrilees’ (2005:156-159) study resulted in three archetypes of SMME brand orientation as follows:

- **Minimalist** SMMEs are characterised by very low marketing and branding;

- **Embryonic** SMMEs have minimal marketing but their brand orientation is either non-existent or executed through informal word of mouth. In addition, they use limited promotional tools. Therefore, they are considered as having medium orientation to the four factors; and

- **Integrated** SMMEs have stronger marketing and branding tactics as vital components of their strategy. Also, they use various promotional tools. As a result, they are categorised as having high orientation to the four parameters.

The foregoing archetypes are significant insofar as condensing the brand concepts of SMMEs into four easy ideas is concerned. Moreover, the connection between parameters and subsequent categorisation scheme is helpful for both theoretical description and pragmatic classification of SMMEs according to their brand orientation. In addition, the archetypes imply a link subsist between the sub-group (that is, small, medium or micro) in which a SMME falls and its brand orientation. It might, for example, be inferred that a micro enterprise will be in the minimalist group. Extending the example, it may further be inferred that small and rural SMMEs will probably fall into the minimalist category while a similarly small SMME located in a semi-rural or urban area will tilt towards either the integrated or embryonic category.
A notable characteristic used for the archetypes categorisation of brand orientation of SMMEs is brand barriers. Small businesses encounter peculiar difficulties, which hamper their capacity to pursue a concerted brand strategy thus, emerging as a major mediating factor that determines whether a brand is minimalist, embryonic or integrated. Overall, Wong and Merrilees’ (2005:156-159) work sets a contextual framework for conceptualising SMMEs’ brand orientation.

Brand barriers are a recurrent feature in small business branding. In the study by Centeno et al. (2013:449), it was found that becoming a strong brand for a SMME occurs over two stages, the first being the starting stage characterised by difficulties, confusion and uncertainties as the small business struggles to establish itself. In the event a small business survives the first phase, it evolves into a stable business with growing brand recognition and, therefore, enters the development stage where it leverages on its successes to further strengthen its brand. Thus, while Centeno et al. (2013:449) did not provide a template for the description of small business brand orientation, it also emphasised the role of barriers.

Unlike Wong and Merrilees, Centeno et al. (2013:450-451&455) emphasises that the brand owner or entrepreneur personifies the brand and is the nerve centre around which all activities revolve. Similarly, Abimbola and Vallaster (2007:343) and Gundala and Khawaja (2008:28) affirms that owners of small businesses play a central role in developing, representing and gaining recognition for the brand.

Personification of the brand by the brand owner is a key distinguishing trait of small businesses because they usually operate informal, less elaborate management structures (Berthon et al., 2008:28; Bolton Committee, 1971:01; Tavares, 2015:132&139-140). For this reason, Krake (2005:232) advised that the brand should be clearly linked to the owner's personality. The brand owner centrality is directly linked to managerial competence and knowledge which are major barriers faced by SMMEs. When the brand owner lacks requisite knowledge and competence, brand orientation may be negatively impacted. Indeed, Osakwe et al. (2015:34) averred that the success of small business branding is a function of the brand owner’s attitude towards brand orientation.
Two models encapsulate the contextual nature and characteristics of small business branding: Krake (2005:233) and Tavares (2015:141). In his Funnel Model, Krake (2005:233) notably placed the entrepreneur or brand owner at the nucleus of all brand-related decisions while influence of the market, combined with available budget, also play significant roles in determining the brand orientation of SMMEs. In this sense, Krake proposes brand barriers and brand owner centrality as crucial characteristics of brand management in small businesses.

Figure 3.1: Funnel model

Source: Krake (2005:233)

Tavares (2015:141) developed a contextual theoretical model which identified moderators (barriers), leadership (role of brand owner) and culture (informed by brand owner nuances) as essential factors that determine brand orientation and management of small businesses.
From the foregoing, the broad characteristics of small business branding can be extrapolated to be:

- The brand owner/entrepreneur personifies the brand, is the fulcrum of discretion and plays a major role in whether the brand is successful or not;
- The peculiar barriers faced by SMMEs exert significant moderating influence on their brand orientation and brand success; and
- Small businesses usually operate less formal management structures.

Thus, the journey of a small business to become a successful brand is a function of its brand orientation, which is influenced by the brand owner’s dispositions and other extant brand barriers. Hence, depending on the moderating extent of these factors on brand orientation, small businesses can have, as categorised by Wong and Merrilees (2005:156-159), integrated, embryonic or minimalist brand orientation.

### 3.3.1 Small business brand barriers

Generally, small businesses often face constraints of time, finance, knowledge, skills and access to markets. The Organisation for Economic Cooperation and Development (2017:08) succinctly
captures the range of bottlenecks faced by SMMEs to include entrepreneurs’ lack of knowledge, strategic vision and resources. These challenges have been found to consistently subsist in various contexts. For instance, lack of money is a perennial barrier for SMMEs (Agostini et al., 2014:88; Berthon et al., 2008:28; Horan et al., 2011:117; Krake, 2005:234) as is little knowledge (Banerjee & Dasgupta, 2009:23; Du Plessis et al., 2015:01; Gundala & Khawaja, 2014:28; Horan et al., 2011:117; Wong & Merrilees, 2005:162).

These barriers affect the ability of small businesses to execute compelling brand strategies as their large business counterparts. By implication, barriers have the potential to stagnate progress and growth of SMMEs, keeping them in a survival mode where they focus more on transactions and profits and less on branding. Berthon et al. (2008:28) also reasoned that presence of barriers sends SMMEs into ‘survival mentality’, thus affecting brand orientation.

3.4 Small business context in South Africa

Small businesses in South Africa have been confirmed by various sources to have high failure rate, most dying within three years. A report of the Bureau of Economic Research (2016:16-17) reveals that the country is mostly populated by informal SMMEs across seven of the nine provinces; the report further notes that informal small businesses face more constraints, an indication that most SMMEs in South Africa are overwhelmed by barriers since they are mostly informal.

The Small Enterprise Development Agency (2018:01&16) also reported that SMMEs in the country are mostly informal even though small businesses in rural provinces have grown, maintaining “...a large portion [of SMMEs] do not survive beyond their second year in business” (p.14). According to Juntunen et al. (2010:19), small businesses progress through five stages as follows: inception; survival; growth; expansion; and maturity. The dire situation of SMMEs in the country suggests most do not live beyond the inception stage.

The foregoing has been found to create barriers to brand orientation of small businesses. Following their investigation of 43 SMMEs in Tshwane, Cant et al. (2013:743) concluded that while SMMEs know the benefit that accrues from branding, they find it difficult to build a strong brand name that consumers acknowledge and trust. The major reason Cant et al. (2013:743) attributed for this situation is preoccupation with day-to-day running of the business and little
importance attached to branding, which is not perceived to be germane to or compulsory for SMMEs as, for instance, are inventory management, cash flow and selling. This is an indication that small businesses in South Africa recognise the value of branding and would otherwise infuse it in their business but are constrained by other barriers which send them into survival mode.

Carvalho (2007:75-81) found that SMMEs revolve around the brand owner who personifies it. Recurrent in the study was the dimension of barriers, especially money to implement elaborate brand campaigns. However, it must be noted that the study focused on start-up SMMEs in Gauteng. Regarding SMMEs in Durban, Ncube (2016:107,108 & 113) found that though the entrepreneurs demonstrated the desire to become strong brands, they lacked understanding of the core meaning of branding and placed less value on it consequently. Furthermore, SMMEs are constrained by lack of money hence, they tend to restrict their efforts to rudimentary activities such as naming and logo creation.

The foregoing discussion suggests that small businesses in South Africa are not necessarily averse to branding but are less bothered about it because it is perceived as not yielding immediate financial incentives that can aid the survival of businesses. However, it must be mentioned that the studies concentrated on SMMEs in urban South Africa whereas most small businesses are situated in rural provinces. This study focused on SMMEs in Mafikeng, located in the rural North West Province.

3.4.1 Framework for evaluating brand orientation

The main aim of this study was to explore brand orientation. Thus, the framework adapted in the study was extrapolated from the foregoing literature, specifically Wong and Merrilees (2005:156-159) and product-corporate brand dimensions in accordance with Hatch and Schultz (2001:1004) as discussed in subsection 1.7.1 (Chapter One).
Figure 3.3: Framework for evaluating brand orientation

Source: Adapted from Hatch and Schultz (2001:1044) and Wong and Merrilees (2005:156-159)

The small business brand orientation categorisation of Wong and Merrilees (2005:156-159) was adapted for the purpose of evaluating and categorising participating small businesses regarding whether they are minimalist, embryonic or integrated (cf. discussion on Wong & Merrilees’ tripartite brand orientation archetype in section 3.3). The intention of the product or corporate brand aspects, adapted from Hatch and Schultz (2001:1044), of the framework, was to describe which dimension participating SMMEs adopt hence, its inclusion in the framework.

3.5 Branding and building strong brands

Perhaps in the product and production concept epochs, which corresponds to Heding et al.’s (2009:20-26) company/sender taxonomy of brand philosophies, a firm’s offering (product or service) would suffice to earn the firm success and acclaim. But it turns out the offering alone is not sufficient: branding is required to escalate a firm’s status because it engenders lasting relationships between both consumers and firms.

Scholars concur that branding has overall benefits for firms’ reputation (Balmer & Greyser, 2006:737) and is an essential requirement that escalates status (Kapferer, 2008:33; Merrilees, 2007:406-408) thereby, serving as a platform to generate profit for companies. For instance, the report on the world’s 500 most valuable brands (Brand Finance, 2018a) and South Africa’s top 50 most valuable brands (Brand Finance, 2018b) is a compilation of reputable and profitable firms that are strong brands. Consequently, branding differentiates an ordinary product from an offering which resonates with consumers. Branding separates a product from the clutter and raises it to the status of a personality with distinctive features that attract consumers and keep them loyal – branding bestows the quality of a brand on an otherwise nondescript product.
Ironically, there is no exact branding formula firms can rely on to make them become strong brands. Juntunen et al. (2010:116) asserts that precise description of brand building activities are scarce while Balmer (2001:251) outlines a number of conceptual vagueness that complicates branding. Also, Kay (2006:743-744) copiously argues that branding is less ingrained in theory and more akin to allegories and metaphors from successful brands whose stories have come to define how branding should be done yet, “different strong brands suggest different courses of action, different brand management principles…there is no single approach to developing a strong brand. Branding logic appears to vary for each individual brand”. Therefore, the direction to take in brand building is less of a precise prescription and more a matter of branding knowledge and discretionary application as circumstances demand.

In light of the foregoing, brand building may confound small businesses because they will tend to compare themselves to big businesses that present different approaches of executing branding and with whom they cannot compete in terms of resources. Notwithstanding this situation, SMMEs need only to understand basic principles and components of brands, then apply in their context.

3.5.1 Models of brand components

Lazer (1962:09) defines a model as diagramming of a complex system. Models capture components of a system so that an otherwise complicated idea is simplified by depicting integral parts, identifying their value and establishing relationships to other components that make up the system. Put simply, models sort things and are pathways to problem-solving (Crosby, 2017:02). Several brand models abound and serve as guides to brand management decisions in various situations; over 300 brand models exist to date (Amirkhizi cited in Burmann et al., 2008:390). Two models reflecting the contemporary view of brands are examined below.

3.5.2 Double Vortex Model

The Double Vortex Model, created by de Chernatony and Riley (1998:1085), is predicated on de Chernatony’s initial Atomic Model. Since the Atomic Model was not subjected to prior external evaluation, these scholars used it as a working template to interview 20 brand experts working in different fields of marketing communication. The purpose was to understand practitioners’ conceptions of branding, input missing components and revise the previous model: the Double Vortex Model was the result of that exercise. The caveat though, is that, although similarities
existed in terms of functional and symbolic aspects of the brand “…consensus is lacking on the brand’s components and on their relative importance…” de Chernatony and Riley (1998:1074). This lends credence to the lack of uniformity regarding brand building.

Figure 3.4: Double Vortex brand model

Source: de Chernatony and Riley (1998:1085)

The Double Vortex Model is a robust representation of contemporary philosophy regarding brand management. It has been acknowledged that the creation of brand meaning is best construed as a relational process where firms and all groups that have interests in them, either directly or indirectly, co-create meanings. To this end, an integrated brand strategy that acknowledges this is necessary (Herrmann et al., 2010:1018).

Although consumers and stakeholders have been established to belong to product and corporate brand dimensions respectively, the inclusion of both concepts in this model suggests the scholars advocate integration of both product and corporate brand dimensions as a sustainable branding strategy. The Double Vortex Model emphasises shared ownership of the brand where, on the one hand, the firm and stakeholders are constantly interacting and each impacting the other in a value driven relationship. On the other hand, consumers, who constitute the core target market, are not just passive participants who absorb all types of brand stimulus from the firm but autonomous
units whose perceptions and opinions shape brand meaning. Thus, on-going strategic relationship between stakeholder-consumer groups and firms is a major tenet of the Double Vortex Model.

Inasmuch as shared brand ownership is important, the initial brand stimulus must originate from a firm that introduces an offering into the market and takes a set of brand decisions which, consequent upon stakeholder-consumer relationships, evolves over time. Thus, Burmann et al. (2008:390) argues that the company as the initial source of a brand is important. The Double Vortex Model does not diminish or de-emphasise this position. What constitutes brand components for this model are the clear mission, vision, organisational values and distinct corporate culture of the firm, which must drive its services and relationships. Importantly, the firm’s offering must satisfy functional, symbolic and legal needs.

Finally, the element of time and experience is impressed in this model. This suggests that brand building is a strategic, long-term investment and not tactical, short-term practice. Indeed, Kapferer (2008:12) argued that “a brand exists when it has acquired power to influence the market. This acquisition takes time”. Since the firm will be involved in on-going relationships between stakeholder-consumer groups, the implication is that the firm must audit its brand position and perceptions and align them with subsisting realities thus, brand position or meaning will evolve.

The immediate disadvantage of this model for SMMEs is that it is elaborate and requires immense resources (money, time, knowledge and human resource) which, usually, small businesses lack. Nonetheless, many scholars have extolled the virtues of being a SMME. Unlike large businesses, small enterprises “…tend to be more entrepreneurial, flexible, and innovative, which makes them…responsive to customers’ needs” (Berthon et al., 2008:28). In light of their ability to innovate and adapt, SMMEs have the burden to learn, be creative and remain resilient.

Since it is established that the brand owner personifies the brand and is the ultimate source of leadership in SMMEs, it becomes incumbent that the entrepreneur, within the context of Double Vortex Model, sets a clear mission and vision for the brand, establishes organisational values, dictates the tone for and impresses corporate culture and pursues relationships between stakeholder-consumer groups. Although the element of branding as an investment over time may not satisfy the immediate needs of SMMEs, it remains a reality the brand owner must imbibe.
3.5.3 Organic View of Brand Model (OVB)

Iglesias et al. (2013:671) also emphasised the contemporary thought that brand is co-created and argued that brands are negotiated entities created in a dynamic space between firms and many stakeholder groups hence, “managers must accept that they are losing control of their brands and that controlling every aspect of a brand is impossible in this new environment” (p.672).

![Organic View of Brand (OVB) model](image)

**Figure 3.5: Organic View of Brand (OVB) model**

Source: Iglesias et al. (2013:678)

The OVB model attempts the robustness of the Double Vortex Model because it also combines stakeholder and consumer elements; the difference between them being components emphasised, especially conversation spaces. In the case of the OVB model, the components identified for successful brand building are the organisation (emphasis on employees), consumers, stakeholders, brand communities (aggregates of consumer groups that use the brand for iconic relationships and meaning creation bolstered by new technologies such as social media), brand interfaces (all forms of visual identities and physical points of contact such as name, package and points-of-sale) and conversation space (points of interface where firms and different groups interact).
The model recognises employees as important brand interfaces whose attitude could injure or promote the brand. In essence, this is suggestive of a strong corporate/organisational culture existing within the firm as did the Double Vortex Model. The organisation, as overarching component of OVB, implies corporate branding is a necessity and may exist alongside product branding, if necessary.

Heding *et al.* (2009:25) situate brand communities within the cultural/community philosophy of branding and reiterates that consumers use brands for social interactions in various conversation spaces. Conversation spaces could be channels of communications created by firms to interact with different groups or those created by consumers (Hatch & Schultz, 2009:124). Whichever the case, firms, as reasoned in the OVB model, must be active in conversation spaces because they enhance the success of brand building. The implication of this aspect of branding is specifically for communication of the brand. Unless firms, including SMMEs, undertake consistent and ongoing communication of their brand through a mix of appropriate channels to sustain interactions with their stakeholder-consumer groups, it is likely they will become irrelevant in the market.

Again, without diminishing the company as a source of brand, shared ownership of a brand and relationships are stressed as the soul of brand building in the OVB model. Two implications arise for small businesses in the context of OVB: visibility of brand physical identities; and engagement in or creation of conversation spaces. Obscurity of the brand will mean the brand owner has not sufficiently engaged its target groups via use of appropriate conversational spaces, that is communication channels. In the case of OVB, therefore, brand communication is not implied but explicitly identified as a major component necessary for successful brand building.

The foregoing models, despite differing in certain instances, reflect current views that brand building is a co-created relationship and ownership of the brand is no longer totally within the control of firms. The nature of the relationship is dynamic and requires firms to actively engage stakeholder-consumer groups, monitor and adapt their brand position to remain relevant. Both models also imply corporate branding philosophy in line with contemporary thought that it is more sustainable. It would be logical to infer, then, that since there is no consensus on how best to build successful brands, small businesses have to adapt their branding strategies within the present thought.
3.6 Brand building principles

The findings of Odoom (2016:1240-1241) emphatically confirms that there is positive correlation between brand building and small business performance yet, it may be tempting to conclude that brand building is amorphous since perspectives vary. In reality, despite the myriad of variations in contextual application and execution of branding strategy, there are underlying principles that inform brand building actions and decisions. In usual scholarly practice, brand building principles exist in the form of models.

3.6.1 Customer-Based Brand Equity (CBBE) Model

Keller’s (2009:140) Customer Based Brand Equity (CBBE) model is a useful mental map that highlights sequential inside-out (from firm to target market) steps of brand building. As a major concept that refers to the worth of a brand, brand equity is the overall worth and benefits that accrue to a product from its status as a brand and manifested in aspects such as favourable consumer perceptions, considerable market share and profitability (Kotler et al., 2007:256).

According to Keller (1993:02), Customer-Based Brand Equity is the “differential effect of brand knowledge on consumer response to the marketing of the brand”. In other words, CBBE is the reaction of consumers to a brand they know as opposed to an obscure, unremarkable product. It follows that consumers must both be aware of and knowledgeable about a brand as a precursor to brand equity. To this end, the CBBE model provides brand building steps predicated on brand knowledge.

Brand knowledge operates on two levels namely; brand awareness and brand image (Keller, 1993:02). Brand awareness relates to consumers’ recall and recognition of brands while brand image describes the associations or imageries linked to brands (Aaker, 1996:111). Brand associations have been found to occur in many variations, the most prominent being brand personality or ascription of human characteristics to products or services (Aaker, J., 1997:347). Ample evidence has confirmed that consumers use brands for symbolic-associative reasons: Aaker, J.’s (1997:351) investigations revealed five human characteristics consumers associate with brands namely; ruggedness, excitement, competence, sincerity and sophistication while
Fournier (1998:349), Schembri et al. (2010:632) and Isaksen and Roper (2016:661) found that consumers use brands as symbolic artifacts that reflect their life and experiences. The CBBE model is proposed as a guide for firms on how to manage brand knowledge and its dimensions towards evolving strong brands that have symbolic meanings for their users.

The CBBE model for brand building is divided into four chronological phases. Each stage of the model focuses on an exact task and indicates corresponding impact on consumers. If the CBBE principle is appropriately executed, each phase and its matching impact will logically lead to the next and ultimately culminate in a holistic brand message, thus resulting in brand equity. For them to have a strong brand, the CBBE model advised firms to implement the following sequential activities in their brand building efforts:

- **Brand salience stage**: This phase describes how consumers perceive the product in different buying and consumption situations. In this stage, the firm has to clearly identify its product(s) in order to increase brand awareness then articulate its advantages or benefits and, finally, show consumers how it satisfies their needs. Essentially, this is the stage where the firm has to supply consumers with sufficient information about its brand to enhance brand knowledge.

- **Brand performance stage**: In this phase, the firm focuses on how its product meets consumers’ practical needs. The firm takes the product essence or benefits narrative from the salience stage and takes it deeper by explaining product features, uniqueness, benefits and other need satisfying capacities.

- **Brand imagery stage**: At this stage, attention shifts to ways a brand satisfies psychological and social needs of consumers. Both performance and imagery phases require firms to communicate their brands’ uniqueness and what they do by concentrating on features and benefits that distinguish theirs from the competition. This is the stage where firms emphasise brand associations that create lasting impressions on consumers’ minds.

- **Brand judgments stage**: At this point, the initiative progresses into consumers’ domain of rational assessment. Consumers assess the brand on factors such as quality, credibility, and superiority based on brand claims and their own usage experience.
• **Brand feelings stage:** Consumers display emotional responses and attachments to the brand at this stage of brand building. Both judgments and feelings stages are positive responses elicited in favour of the brand.

• **Brand resonance stage:** Consumers bond with, remain loyal to and patronise the brand at the point of resonance.

In their exposition on brand equity, Burmann *et al.* (2009:391-392) identified psychological, behavioural and financial dimensions of the concept, emphasising that the sum of the first two (psychological brand equity and behavioural brand equity) gives brand strength. Aaker (1996:105-106) noted that loyalty is a fundamental dimension of brand equity and loyal customers are potent barriers to entry for competitors. Consumer loyalty suggests a brand has strong psychological and functional incentive for consumers, which make them patronise it thus, resulting in profits for the firm. This advantage has long been recognised, necessitating the constant drive of firms implementing strategies that position their brand firmly with their target market to secure their loyalty; firms advance knowledge of their products or services in such strategies in line with the CBBE thrust.

Neural evidence has confirmed that brand knowledge mediates consumer preferences thus, critical in brand building. In their acclaimed neural test of Coke and Pepsi, McClure *et al.* (2004:385) reported that although both cola drinks are competitors, participants significantly preferred Coke to Pepsi because of the former's superior brand knowledge. The researchers maintained as follows:

> Despite the fact that there was Coke in all cups during the taste test, subjects in this part of the experiment preferred Coke in the labeled cups significantly more than Coke in the anonymous task and significantly more than Pepsi...the effects of brand knowledge for Pepsi and Coke were reflected in the imaging experiments as well. When an image of a Coke can preceded Coke delivery, significantly greater brain activity was observed...Pepsi had no such effect... (p.385).

In view of incontrovertible evidence regarding the importance of brand knowledge in brand building, CBBE is an instructive tool for the exercise. Although it is a generic model and not specifically for small businesses, CBBE highlights the fundamental purpose of branding and
provides practical steps firms need to execute in building their brands. The model’s emphasis on brand knowledge, because of its differential effect in mediating consumer preference and practical steps, makes it useful for SMMEs brand building.

3.6.2 Krake’s six points guidelines for small business brand building

Being one of the earliest scholars to investigate SMME branding, Krake (2005:232) proposed a model comprising six guidelines for SMMEs to follow in their brand building effort. The model proposes that SMMEs should:

- Focus on building between one or two strong brands;
- Concentrate a creative marketing programme on no more than two major brand associations that will serve as foundation for brand equity;
- Adopt an appropriately integrated combination of brand elements to enhance both brand awareness and image;
- Develop logical business policy and be consistent in all brand communications;
- Ensure that an unambiguous association between the entrepreneur’s character and the brand is established; and
- Promote enthusiasm and passion for the brand within the company.

Figure 3.6: The CBBE model

Source: Keller (2009:140)
With the exception of establishing a connection between entrepreneur’s character and the brand, which has established previously, is a consequence of small businesses being personified by the brand owner, all other guidelines do not represent a significant departure from fundamental branding tenets. Instead, Krake’s (2005:232) guidelines may be considered as an adaption from the general not just to suit the needs of SMMEs but to instil basic branding principles in small firms. This reinforces Abimbola’s (2001:102) assertion that branding principles are the same for both big and small firms.

Inasmuch as Krake’s (2005:232) guidelines are useful for SMMEs, it is deficient in that some of the steps are vague and require deeper treatment or simplification since owners of small business require clarity (Razeghi et al., 2014:121). For instance, steps two and three – on brand associations, brand equity, brand awareness and brand image – would serve small businesses better if the meanings and implications of those concepts were provided, including showing their interconnectedness as did the CBBE.

3.7 Brand identity

Identity is an important mix of branding. Brand identity does not only refer to observable physical visibility of a firm, it encompasses overall orientation in terms of philosophy, attitudes and actions. Acknowledging that identity is the reality of a firm, Balmer & Gray’s (1998:695) explanation outlined the scope of a firm’s identity as follows:

...identity involves the dynamic interplay among the company’s business strategy, the philosophy of its key executives, its corporate culture, and its organisational design. The interaction of these factors results in differentiating the firm from all others...

However, identity has been the subject of various interpretations, connotations and meanings due to its broad scope (van Riel & Balmer, 1997:340) and, as a result, have engendered confusion as to its exact meaning (Balmer, 2001:248-249). Scholars have delineated schools of thought within the identity construct to be visual or graphic identity paradigm, organisational identity paradigm and corporate identity paradigm (Balmer, 2009:552; Balmer, 2001:248; Cornelissen, 2004:70-71; van Riel & Balmer, 1997:340). Given that none of these three aspects is less important and
dispensable, brand identity becomes holistic when firms manage them coherently and strategically.

Brand identity management is also another feature where personification of SMMEs by their owners is reflected since, unlike large businesses, success of the firm’s identity relies squarely on the small business entrepreneur. Through the actions or inactions of the small business entrepreneur, the overall identity of the firm is impacted positively (when concrete, deliberate and strategic actions are implemented) or negatively (when actions are haphazard).

3.7.1 Visual identity

The visual and tangible parts of a brand are most observable by consumers and stakeholders. Elements such as the brand’s name, logo, trademark and other such visual components comprise the visual identity. Perhaps, since it is necessary for identification, Wong and Merrilees (2005:157) found that SMMEs’ understanding of branding is mainly in terms of visual elements whereas, ironically, their visual identity components tend to be unstable and change frequently (Rode & Vallaster, 2005:127). Small businesses need to pursue consistent and deliberate visual identity that will aid their differentiation in the minds of their consumers and stakeholders. In this regard, Rode and Vallaster (2005:132) advised SMMEs to avoid brand names that depend on a single individual, especially if it is a partnership.

Firms give considerable thought to their naming policy. Thompson (2003:89-91) suggests brand names could be descriptive because it indicates what the firm does immediately although it limits potential of expansion into other domains later, abstract or associative though the latter suggestions may be initially subjected to ridicule. Small businesses may find this naming proposition useful for their brands.

3.7.2 Organisational and corporate identities

Organisational identity refers to internal perceptions of what the brand stands for and captures the firm’s beliefs, values, mission, vision and culture imbibed by employees (Balmer, 2009:555; Cornelissen, 2004:70-71) while corporate identity is the total representation of the brand to all
stakeholder groups, especially customers, investors and the public (Cornelissen, 2004:70-71). In effect, employees of the firm must have a passion for their brand before being at a vantage position to influence other external groups such as consumers. Again, this emphasises the role of the SMME brand owner in terms of having a clear purpose for the brand and transferring the brand’s values, mission and vision to staff. In this regard, Rode and Vallaster (2005:131) counselled small business entrepreneurs to:

- Clearly define their brand, its values and philosophy;
- Personally remain consistent to brand values and philosophy;
- Communicate the brand’s values and philosophy both internally and externally; and
- Develop an appropriate team that will live the brand and transfer its identity.

### 3.7.3 AC⁴ID identity model

Given its broad scope, identity manifests in many forms, both within the firm and externally. Balmer (2012:1077) proposed seven types of identities in the AC⁴ID model. The model assists firms in the evaluation and alignment of its identities such that there is no disparity between what is intended, what is communicated, what is understood and what the reality is.

![AC⁴ID identity model](image)

**Figure 3.7: AC⁴ID identity model**

Source: Balmer (2012:1080)
Balmer (2012:1080) espoused the model dimensions as: *Actual Brand identity* being the firm’s unquestionable or subsisting identity; *Communicated Brand Identity* is what claims it is; *Conceived Brand Identity* is what stakeholders perceive the brand to be; *Convenanted Brand Identity* is what the brand promises to be or represent for stakeholders and consumers; and *Cultural Brand Identity* refers to the brand’s culture within the organisation in terms of its values and philosophy. Furthermore, *Ideal Brand Identity* describes what the brand should be and, lastly, *Desired Brand Identity* is the brand’s aspiration.

For small businesses, the AC4ID model buttresses the need for owners to prioritise deliberate decisions regarding their values and communication, both in the firm and outside it, to enhance the success of their brand. Rather than operating haphazardly without a clear direction, the AC4ID model implies that SMMEs have to be aware of the consequences of their actions or inactions towards becoming a successful brand.

### 3.8 Brand communication methods

Brand communication is an integral part of firms’ brand building in that it makes no sense to have good offering without communicating its existence to target market(s). Should a firm fail to use appropriate communication approaches to engage its consumers, awareness of and knowledge about its products or services will suffer. Thus, as established in the analysis of the CBBE Model, consumer brand equity will be negative. To this end, brand communication is either implicitly suggested in branding discourse, as is the case in the Double Vortex Model, or explicitly mentioned, for instance, in the OVB Model, where conversation space was emphasised. However, reflecting the embryonic field of small business branding, scant research has focused on SMME brand communication specifically (Centeno & Hart, 2011:250).

Brand communication is the channel for creating and managing relationships between firms and their target markets. Traditional marketing situates the task of brand communication within the ambit of promotions element of the 4Ps (Product, Place, Price and Promotions). Promotions refer to the ways companies inform consumers of what they offer and do (Chartered Institute of Marketing, 2009:05), where techniques such as advertising, public relations and sales promotion are used usually through mass media.
Emphasising that brand communication is the persuasive means firms attempt to remind and inform consumers about their products or services as well as convince them to patronise them, Keller (2009:139) hinted that erstwhile reliance on traditional mass media to conduct brand communications is questionable in an era dominated by the proliferation of new media. Reinforcing Keller’s (2009:139) reflection, Campbell et al. (2014:05) commented that the notion of mass media no longer exists given the countless array of media options that can be customised to suit whatever taste an individual or firm prefers.

In any case, brand communications through mass media, which large firms still use for their promotions, requires substantial financial spending, which is usually out of the reach of SMMEs. In fact, personal networks and Word-of-Mouth are most commonly used by SMMEs for brand communications (Bresciani & Eppler, 2010:361; Abimbola, 2001:104). Centeno and Hart (2011:251-252) classify brand communication channels for SMMEs into three categories as follows: interactional; transactional; and E-marketing, observing that small businesses favour interactional and e-marketing approaches.

<table>
<thead>
<tr>
<th>Interactional marketing</th>
<th>Transactional marketing</th>
<th>E-marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Close and personal communication (face to face communication)</td>
<td>Mass personalisation (personal communication through mass vehicles)</td>
<td>E-communication (communication through internet and e-mail)</td>
</tr>
</tbody>
</table>

Figure 3.8: Classification of brand communication by SMMEs

Source: Centeno and Hart (2011:255)

Both interactional and e-marketing channels seem readily suitable to the needs of small businesses. The Internet has, for instance, eliminated traditional spatio-temporal barriers of communication, enabling users to tell their stories as they deem fit through User Created Content (UCC) on social media and websites (Guidice et al., 2014:09). This presents an interesting proposition for businesses, both large and small, because it places content creation and sharing decisions in the hands of firms, a role which was previously the exclusive preserve of the mass media. Additionally, it is cost effective thereby, making it reasonably affordable within limited resources of SMMEs. Derham et al. (2011:02) affirmed that the popularity, ubiquity, ease of use
and affordability make e-marketing-related options essential brand communications tools for both SMMEs and large businesses. Scholars have also established the link between Word-of-Mouth, e-marketing and brand building, which made Oztamur and Karakadilar (2014:513) aver that when more people positively write about and discuss a brand online, marketing strategies become better and more effective.

In the previous mass media dominated dispensation, brand communication would have posed a significant challenge for small businesses because, even if a compelling brand message exists, financial constraints to buy media time and space may hinder their brand building. In this case, personal networks and Word-of-Mouth will be the most viable brand communication options thus, limiting the reach of promotions by SMMEs. Whereas, as shown in the above discussion of e-marketing, brand communications through Internet channels does escalate brand communications in terms of reaching more people.

3.9 Perspectives on brand positioning

Brands evoke feelings from their target market(s). On the one hand, firms that have ushered a strong brand will be subject of positive perceptions and associations in the minds of consumers – thus increasing brand equity. On the other hand, brands with little or no visibility in the consciousness of consumers will suffer from low brand equity and struggle to stay afloat. In either case, the brand’s positioning is at the heart of consumer perceptions.

While the idea of positioning is fundamentally to communicate and establish what Keller (2009:145) refers to as points-of-parity and points-of-difference for differentiation of a brand from its competitors, scholars have proposed different multifaceted and complex perspectives to achieving it (Thompson, 2003:80). According to Kapferer (2008:175), brand positioning must address the following four questions: What benefit does the brand offer consumers? Who are the target market(s)? Why or reasons that justify the brand benefits and Whom are the rivals against who the brand will compete? These questions will, as Kapferer (2008:175) argued, assist consumers compare brands and guide their selection among competing alternative brands. This brand positioning approach condenses the tasks involved in creating a position which, though by no means suggested by the scholar may convey the impression that evolving a brand position is both simple and probably static once created.
However, Kapferer was quick to highlight a flaw in the four question approach and expose its inadequacy. In his critique, Kapferer (2008:177) subtly conveyed a corporate brand sentiment for brand positioning by arguing for inclusion of identity in positioning. Kapferer (2008:177) advanced his argument in this respect as follows:

What does the identity concept add to that of positioning?...In the first place, because positioning focuses more on the product itself. What then does positioning mean in the case of a multiproduct brand? How can these four questions on positioning be answered if we are not focusing on one particular product category?

Kapferer’s (2008:177) logic is premised on the possibility that a firm’s brand architecture may include different product ranges, such as Procter and Gamble or Naspers for example. In this regard, a single brand positioning anchored on the four questions may be unsuitable for such multi-product brand that may need to, as may be understood from this critique, have a holistic positioning where the firm is overarching. While the scholar’s reasoning is sound, it is not entirely the case that a multi-product firm will decide to adopt an overarching, corporate brand positioning. Hatch and Schultz (2001:08) noted that adopting a corporate brand positioning is a matter of business strategy and may not be appropriate if: a firm is a product incubator that aims to create brands and sell off later, after mergers and acquisitions or if the firm operates in an industry associated with frequent issues. Hatch and Schultz averred that in such cases, the corporate brand will suffer the consequences of any of its products associated with it in the event of a scandal hence “sometimes, products brands just make more sense…” (2001:08).

Thompson (2003:81) proposed a broad model for creating brand positions and emphasised that brand positions change in line with prevailing dynamics from consumers and competition. The formula for crafting a brand position, according to Thompson (2003:81), is a five step strategy where firms have to:

- Understand stakeholders’ (internal and external) dynamics and needs;
- Collect and aggregate information, insights, ideas and possibilities arising from understanding stakeholders;
• Create an active brand definition that captures the totality of the brand expression in both visual and behavioural forms;
• Optimise value of the positioning through brand architecture; and
• Ensure continuous development, management and evaluation of the positioning over time.

Thompson’s (2003:81) proposition is a far-reaching model that considers brand positioning as a strategic management function that stresses corporate brand philosophy. Brand positioning is typically seen as consumer-oriented, however, Thompson departs from that status quo and extends the concept to stakeholder groups, suggesting that the position a firm adopts must resonate not just with customers but with the collection of its stakeholder groups. This brand positioning suggestion impresses the fact that positions must be flexible and dynamic enough to transform, given prevailing situations instead of remaining rigid. In this context, brand positioning is recognised as an organisation-wide strategy that adheres to Mintzberg’s (1987:11-24) postulation that strategy is a dynamic and multi-faceted process that could variously be a plan, ploy, pattern, position or perspective depending on prevailing circumstances which inform how firms have to adapt their actions.

Kapferer’s (2008:177) concern regarding brand architecture is reflected in Thompson’s (2003:81) proposition for brand positioning. But the former seems to suggest that multi-product brands will almost certainly adopt a corporate brand position while Thompson (2003:92-94) acknowledges that brand positioning decision for multi-product brands is a matter of decision, reinforcing the view of Hatch and Schultz (2001:08).

Edu and Negrecia (2018:1-9) conducted a study on brand positioning proposition, specifically for small businesses. The focus of their approach was founded on the SWOT (Strengths, Weaknesses, Opportunities and Threats) model. The authors suggested that crafting a brand position should follow a procedural and analytical process of situation analysis of the brand, appropriate configuration of competitive advantage, competitive advantage communication, competitive advantage sustainment, implementation of positioning elements(s) and assessing positioning outcomes. Regardless of varying perspectives, brand positioning addresses competition and consumer-stakeholder dynamics as they relate to the firm. Scholars agree that whatever brand position a firm adopts, it must be significant, credible, relevant and differentiates brands from competitors (Janiszewska & Insch, 2012:11).
3.9.1 Segmentation, targeting and positioning

The STP formula is widely cited in brand positioning literature, and is a guide that describes sequential steps and variables necessary for developing a brand position. The STP logic posits that the route to brand positioning begins with segmentation, moves to targeting and culminates in positioning.

3.9.2 Segmentation

The rationale for segmentation is that no single product is meant for or appeals to everyone, making it necessary to categorise people into homogenous groups of consumers who have similar characteristics and product needs (Gilligan & Wilson, 2009:341). The criteria for market segmentation include geographic variables, demographic variables, psychographic variables and behavioural variables (Gilligan & Wilson, 2009:341; Drummond et al., 2008:58-69).

- **Geographic variables**: Consideration is given to the location of consumers as an overarching factor of categorisation (Drummond et al., 2008:58-69).

- **Demographic variables**: The basis for grouping using this variable includes age, sex, race, ethnicity, education and occupation. Demographic segmentation enables firms to define particular characteristics of their target market(s), understand how those characteristics influence their product consumption patterns and use information gleaned from demographic data for the exploration of possible ways in which brands can be positioned.

- **Psychographic variables**: Values and lifestyles (VALS) of consumers is the yardstick for this variable (Kotler et al., 2007:213). Psychographic segmentation underscores the established notion that consumers use brands for symbolic and associative reasons. When firms understand the values and lifestyles of their target market(s), it facilitates the creation of associations and imageries that dovetails with consumers’ ways of life. It must be said that both geographic and demographic variables impact consumers’ VALS exemplified, for example, by Living Standard Measure (LSM) stratification of people into socio-economic classes and used to describe and predict lifestyle patterns.
• **Behavioural variables**: Consumers are categorised according to their usage rate, loyalty, knowledge of brand and benefits sought (Gilligan & Wilson, 2009:357; Kotler et al., 2007:214). Behavioural segmentation assists firms to understand which of its target market(s) are core users and loyal customers of their brands, including benefits they seek and derive, which motivates them to patronise a brand. Ultimately, this type of information empowers firms to better position their brand.

### 3.9.3 Targeting and positioning

Targeting involves evaluating segments and selecting groups that will be most profitable and sustainable for the firm on the long-term (Drummond et al., 2008:13). The idea behind targeting is similar to that of segmenting in that it involves deciding, from the number of potential consumers identified during the segmentation process, specific groups the firm will focus on. The selected groups constitute the firm’s target markets that are its core consumer base (Kotler et al, 2007:449). The firm then decides on suitable positioning strategies given its target markets.

Several authors have advanced different strategies on how positioning can be achieved but there is no consensus template and positioning is yet to be theorised for SMMEs. Sermans (2010:05) identified ten possible ways through which firms position their brands as follows: focusing on a brand’s *problem solving* potential; *value* or cost efficiency; *premium* or quality; *traditional* emphasising stability and reliability of a brand; emphasising *innovation*; depicting current or *aspired lifestyle*; *convenience* or *ease of use* of a brand; *aesthetics*; *performance*; and *size* or comprehensiveness.

According to Kotler et al. (cited in Drummond et al., 2008:189), positioning strategies used by firms for their brands could be any of *product attributes* that makes a brand unique, *product benefits* for consumers, *usage occasion* specifying circumstances or situations for which a brand is appropriate, *users category* reflecting the idiosyncrasies of particular types of consumers, activities for which a brand is relevant, *personality* of the brand in alignment to personality of target market(s), *origin* of a brand to show tradition, quality or reputation, *competitive strategy* where a brand is differentiated as preferable to its competitors, *product class* and *symbol.*
Considering the fact that brand positioning strategies abound and none completely captures all possible ways in which positioning can be achieved, it can be deduced from the foregoing discussion on brand positioning that positioning covers broad areas such as competitive positioning, price or quality positioning, features or attributes positioning, target market positioning and corporate branding positioning. This broad labelling was adopted for purpose of this study.

3.9.4 Framework for brand positioning

Considering the fact that there is no unified template for brand positioning, and in order to have a frame from which SMME brand positioning and consumer perception could be explored, the researcher adapted three previous postulations on positioning and developed a framework for the study. The framework is, in essence, an abstraction generated by coalescing thematically-related strategies into theoretical concepts. The previous studies, their strategies on positioning and researcher abstracted concepts are presented as follows:

Table 3.1: Framework for evaluating brand positioning

<table>
<thead>
<tr>
<th>Author</th>
<th>Positioning approaches</th>
<th>Meaning</th>
<th>Researcher’s concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Porter (1996:61-78)</td>
<td>Access positioning</td>
<td>Limited to consumers in a particular area</td>
<td>Target market positioning</td>
</tr>
<tr>
<td></td>
<td>Variety positioning</td>
<td>Offering only a particular variety of product to consumers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Needs positioning</td>
<td>Meeting a set of associated needs of consumers</td>
<td></td>
</tr>
<tr>
<td>Merrilees (2007:403-415)</td>
<td>Corporate branding</td>
<td>Overarching tool for entire firm through identity and stakeholders</td>
<td>Corporate branding positioning</td>
</tr>
</tbody>
</table>
### Attributes

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Features positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attributes</td>
<td>Emphasises features absent in or overlooked by competitors</td>
</tr>
<tr>
<td>Application</td>
<td>Emphasises alternative ways consumers can use product/service (usage flexibility)</td>
</tr>
<tr>
<td>Competition</td>
<td>Aggressive comparison to competitors</td>
</tr>
<tr>
<td>Product Class</td>
<td>Emphasise uniqueness from competitors</td>
</tr>
<tr>
<td>Price/quality</td>
<td>Price/quality</td>
</tr>
</tbody>
</table>

**Source:** Adapted from authors cited in the study

### 3.10 Summary of chapter

This chapter discussed literature on SMMEs, SMME branding and branding. In the next chapter the theoretical framework adopted in the study is examined.
CHAPTER 4

METHODOLOGY

4.1 Introduction

This chapter focuses on the methodology, research design and decisions taken in order to achieve the objectives of the study. The chapter is divided into two sections as follows: The first section focuses on the methodology used in conducting the study, the ontological and epistemological influence on the research paradigms and the rationale for choosing a qualitative paradigm for the study; while the second section focuses on the research design with particular emphasis on the population, sampling, sample, data collection methods, data analysis and quality in qualitative research.

4.2 Methodology

According to Cresswell (2003:06), making a knowledge claim necessarily dictates that researchers have certain prior assumptions which inform how the subject of inquiry will be investigated and what will be learned as a result. Cresswell (2003:06) further notes that in research tradition, scholars conceptualise the assumptions as paradigms, epistemology and ontology and research methodologies. Methodology indicates the overarching philosophical orientation of a research study; it is the foundation on which the entire methodical strategy rests and derives systematic direction. For Hesse-Biber and Leavy (cited by Nieuwenhuis, 2016:51), methodology is “the bridge that brings our philosophical standpoint (on ontology and epistemology) and method (perspective and tool) together”. Kothari (2004:08) also reasoned that methodology is the logic behind methods and provides a structure to understand and evaluate decisions in the context of a specific study. While noting that the main methodology paradigms are qualitative and quantitative research approaches, Pandey and Pandey (2015:18) and Griffie (2012:44) maintain methodology encompasses the entire systematic and planned framework, which constitutes the foundation of a study, guides its execution and influences particular types of knowledge consistent with philosophy of adopted methodology. A qualitative approach to inquiry was adopted in this study.
Researchers have been historically divided along quantitative-qualitative paradigms and it is believed qualitative research is a latter day ideology (Flick, 2009:32). While a quantitative paradigm is rooted in positivist philosophy and relies on statistics and figures for data analysis, description and representation, a qualitative paradigm embraces a constructivist ideology, which prioritises lived experiences in a particular context thus, collects and analyses data in the form of words, texts or images (Rolfe, 2004:306). Mayring (2014:06) provides a succinct description of the paradigmatic conflict by asserting that rigid positivist thinking emphasises a quantitative conception of research and occupies one extreme of the divide while the opposing end is occupied by a more open, explorative and interpretive qualitative school of thought.

Given opposing views occasioned by a dichotomisation of paradigms, proponents of qualitative and quantitative research have engaged in contestations regarding how each construes nature of research and how research should be conducted. It will amount to uninformed simplicity to suggest the notion that this conflict only relates to methods of collecting, analysing and representing data alone when, in fact, it goes deeper into conceptions of ontology and epistemology. Suffice to say that a mixed methodology has emerged and is essentially a “pragmatic combination of qualitative and quantitative research…” (Flick, 2009:32). Hence, mixed methodology is a compromise approach that combines elements of qualitative-quantitative philosophies and methods with the view to “…end the paradigm wars of earlier times” (Flick, 2009:32).

4.2.1 Scrutiny of ontological and epistemological influence on paradigms

As fundamental pillars of methodology, the ontological and epistemological inclinations of a study represent parameters for rational decisions, judgments and perspectives adopted in the execution of a research project. This is so because ontology and epistemology address age-long, pristine philosophical questions about reality and knowledge within which positivist and constructivist predilections are captured. While ontology relates to the perception of reality, epistemology is concerned with nature and evidence of knowledge (Mason, 2002:14-16). Positivists subscribe to the idea that reality is value-free or devoid of human influences and knowledge can be objectively measured and verified using scientific methods (Glesne & Peshkin, 1992:06). Also, Bryman (2004:11) noted that only objective, value-free and measureable phenomenon that can be tested and rationally explained qualifies as knowledge for positivists. Positivists’ objectivity and measurability leaning towards reality and knowledge dictates the adoption of a quantitative
method of research for adherents of this philosophy since it enhances logical explanations and
generalisations of findings. To this end, quantitative research is characterised by the following
features provided by Damon and Holloway (2011:13):

- Narrow focus and preference for experiments;
- Hypotheses testing, causal relationships, control and prediction;
- Randomised sampling and fixed sample before commencement of research;
- Tightly structured, standardised and controlled methods of data collection;
- Statistical analysis;
- Detachment of or very limited involvement of researcher with participants;
- Measurable and testable outcomes; and
- Emphasis on reliability, validity and generalisations.

However, the focus of quantitative research with measurements and generalisation has been
criticised. For instance, Glesne and Peshkin (1992:07) argues that the belief that social reality is
objective and can be measured is questionable. Damon and Holloway (2011:05) also questions
the idea that homogeneity of meaning exists given differing contexts. These criticisms signal an
important point of departure for qualitative research where humans and their construction of social
reality are not viewed as analytical units that can be fragmented into chunks of measurable
variables but as context-specific creations resulting from real world, naturalistic interactions
(Golafshani, 2003:600). In this sense, the purpose of qualitative research is to understand,
illuminate and extrapolate meanings to similar situations instead of prediction and generalisation
(Golafshani, 2003:600). Thus, qualitative researchers immerse in the surrounding and context of
participants and gather information directly from them to make sense of the phenomenon under
investigation (Creswell, 2003:09).

The foregoing indicates that qualitative research has diametrically opposed conception of
ontology and epistemology. For qualitative research, reality is viewed as socially constructed and
context-specific, therefore, knowledge cannot be generalised as a result. Flynn (2006:20)
summarised the overriding ontological and epistemological foundation of qualitative research.
The author maintains the manner in which individuals perceive, conceive and imagine reality
differs but is a conscious construction of contextual reality. To this end, Damon and Holloway
(2011:13) highlight the following features as uniquely differentiating qualitative research:
• Understanding nuances and context in naturalistic settings;
• Adoption of flexible theoretical or purposive sampling;
• Methods of data collection that allow in-depth exploration of participants’ views;
• Data analysed using thematic methods or other methods of comparative textual analysis; and
• Direct involvement of researcher with participants.

According to Bryman (2008:391-392), the shortcomings of qualitative research are its subjectivity, difficulty of replication, aversion for generalisation and lack of transparency. In addition to emphasising contextual differences, qualitative researchers have argued that generalisations are impossible in constructivist-oriented investigations because the researcher is the instrument (Clarke, 2017). The embeddedness of the researcher in qualitative research necessitates reflexivity as a way of articulating a researcher’s subjectivities, involvement in research and the extent to which both condition the investigation (Ali & Yusof, 2011:64; Damon & Holloway, 2011:09; Mohajan, 2017:13; Morrow, 2005:250-260). Reflexivity is an acceptable qualitative research tradition of “making one’s implicit assumptions and biases overt to self and others” (Morrow, 2005:254) as a necessary feature of naturalistic investigations.

4.2.2 Rationale for choosing a qualitative paradigm for the study

As previously stated in the theoretical framework section of this study (in philosophical stance of study in section 2.2), this investigation embraces the constructivist orientation, which aligns to the qualitative paradigm. This approach is predicated on theoretical correlation, contemporary branding thought, trends in small business branding and conscious, personal choices of the researcher.

Firstly, there is a connection between the theoretical perspective of the study (see framing theory and diffusion of innovation theory in Chapter Two) and the methodology adopted. While the framing theory already suggests a preference for qualitative methodology as it bothers on social reality as a subjective construction, it could be argued that the diffusion theory fits the positivistic
philosophy more. The latter comment regarding the diffusion of innovation theory is not disputed but its adoption and analysis in the context of this study emphasises constructivist orientation (see innovation decision process and diffusion of brand in subsection 2.5.2).

Secondly, contemporary thought considers branding as a relational, socially constructed reality in which different groups of stakeholders and consumers use brands for subjective, socially significant interactions in the negotiation of brand meaning with firms (cf. Iglesias et al., 2013 in 3.5.1; Schembri et al., 2010 in 3.6.1; Heding et al., 2009 in 1.7 & 3.5.1; Holt, 2003 in 2.4.2; de Chernatony & Riley, 1998 in 3.5.1). In the researcher’s opinion, to ignore this reality in the face of multiple confirmatory evidence represents a misnomer and perpetuates previous beliefs that brands serve essentially functional purposes, firms control its meaning and can entrench whatever impression that suits them [firms] in the consciousness of a passive target market.

Thirdly, insofar as small business branding is an emergent field, studies in this regard are predominantly qualitative and there is little or no evidence from developing countries such as South Africa (cf. Odoom et al., 2017 and Ahohen, 2008 both in section 3.1). It follows that SMME branding has been investigated from different contexts and differences may yet arise given contextual realities. To this end, the researcher took the value judgment to adopt a qualitative methodology and, as is the practice of qualitative investigations, extrapolate meanings to similar situations (Golafshani, 2003:600).

Finally, the researcher is personally interested in branding orientation of small businesses in rural South Africa since many SMMEs in the country are predominantly in rural provinces (cf. Small Enterprise Development Agency, 2018 in 3.4 & Bureau of Economic Research, 2016 in 3.4). On the other hand, the high failure rate of small businesses is indicative of their inability to survive. Additionally, branding has been found to differ for small businesses generally (cf. Tavares, 2015 in 3.3 & Krake, 2005 in 3.3); the researcher is interested in exploring and understanding the context of small businesses in this regard.
4.3 Research design

Research design is the framework, strategy, plan or procedure through which an investigation is executed. Kothari (2004:31) considers research design as the sequential procedure of conditions for collecting and analysing data such that predetermined research aims are achieved within prevailing conditions. Pandey and Pandey (2015:107) consider research design as the setting of a research project, how data will be collected and managed in order to achieve set objectives. In light of its importance in conducting a sound investigation, Kumar (2011:96) posits that a research design must fulfil the following:

- Develop an operational plan that informs various procedures required to finalise an investigation; and
- Ensure that procedures can obtain objective and accurate findings to the research questions.

This study adopts an exploratory research design given that SMME branding is generally still nascent and there is not much evidence from developing countries like South Africa in the literature. In the sections that follow, the operational plan and procedural tasks undertaken in the study are discussed as they relate to population of the study, sampling, sample, data collection methods and data analysis.

4.3.1 Population of the study

According to Griffee (2012:53), population refers to people (or things) possessing characteristics or features of what a study investigates. Expatiating the concept further, Pandey and Pandey (2015:40) explained that population is the total constituents of a distinct group from which a sample is drawn for research purposes. Pandey and Pandey (2015:40) maintain identification and description of population precedes sampling and is necessary to understand their characteristics and nature. Brand owners of SMMEs in Mafikeng, North-West Province, South Africa and consumers in Mafikeng constituted the population of the study.

4.3.2 Brand owners of SMMEs

The expression brand owners of SMMEs refer to entrepreneurs or individuals who own a small business. South Africa is populated by small businesses in rural areas (cf. Small Enterprise
Development Agency, 2018 and Bureau of Economic Research, 2016 both in section 2.3). In their respective reports, the Bureau of Economic Research (2016:10 &17) and the Small Enterprise Development Agency (2018:01 & 16) noted that rural provinces have more informal SMMEs and these small businesses face more constraints than their counterparts in urban areas. Therefore, the North West Province, being a rural province, the characteristics of SMMEs in Mafikeng are benchmarked according to the description of the Bureau of Economic Research (2016:10&17) and the Small Enterprise Development Agency (2018:01&16). To this end, small businesses in the area are considered to be significantly informal and face constraints of knowledge and skills, among others.

From a numerical perspective, it is difficult to definitively determine the number of SMMEs in the North West Province in general and Mafikeng in particular. This is because registration is not compulsory to own a small business, so, most are not necessarily registered (Department for Trade and Industry, 2008: XXIII). The researcher acknowledges that the National Small Business Act, NSB, (29 of 2004) empowers the Small Enterprise Development Agency to register small businesses. However, even with the coming of the Agency, reports have established that data on SMMEs is “insufficient with no official repository” (National Credit Regulator, 2011:31) or “fragmentary, anecdotal or simply non-existent” (SBP Alert, 2013:01). Additionally, registration ascribes the label of formality to a SMME. Reports of the Small Enterprise Development Agency (2018:01&16) and the Bureau of Economic Research (2016:10&17) have revealed that most small businesses are informal, an indication that they are not registered. Given legal or registration leniency (cf. NSB 29 of 2004 in section 1.9) and the apparent preponderance of informal SMMEs in the country, the researcher did not attempt to determine the number of small businesses in Mafikeng.

4.3.3 Consumers

With regard to the consumer population, selection was limited to individuals residing in Mafikeng, where participating SMMEs were domiciled. Such consumers should have lived in the area for at least a year, and, therefore, had a measure of familiarity with the locale where the businesses were domiciled. This singular factor was strictly applied as the major distinguishing feature of this subset of population because experience has shown that SMMEs usually operate within their immediate environment, in this scenario, broadening the consumer population outside of SMMEs’ locale would have negated the objective of the study. From the consumer population, the
researcher explored their perceptions of the brand position of participating SMMEs with the aim to probe whether or not there was congruency between brand positioning and consumers’ perception on the one hand, and, the extent of interaction between SMME and consumers regarding negotiated brand meanings on the other.

4.4 Sampling and sample

Sampling refers to the “process of selecting a sample from the population”, using either of probability or random sampling technique or non-probability sampling technique (Pandey & Pandey, 2015:43). Kothari (2004:31) also averred that sampling is the process of selecting participants who will be observed.

Kumar (2011:175) makes a case of how philosophical orientation influences whether probability sampling or non-probability sampling is adopted in the following manner:

The selection of a sample in quantitative and qualitative research is guided by two opposing philosophies. In quantitative research, you attempt to select a sample in such a way that it is unbiased and represents the population from where it is selected. In qualitative research, number considerations may influence the selection of a sample such as: the ease in accessing potential respondents; your judgment that the person has extensive knowledge about an episode, an event or a situation of interest to you; how typical the case is of a category of individuals or simply that it is totally different from the others. You make every effort to select either a case that is similar to the rest of the group or the one which is totally different. Such considerations are not acceptable in quantitative research.

Therefore, in light of the fact that probability sampling is oriented towards quantitative research and non-probability applicable to qualitative investigations, Marshall (1996:523) argues that though probability sampling technique is rigorous and relies on exact knowledge of the population since generalisation of findings is usually the objective, it is not always suitable for naturalistic, qualitative studies where context-related phenomenon are investigated for depth and nuance. Hence, non-probability sampling suits qualitative investigations more.

A sample, on the other hand, refers to a limited number of participants selected from the population for data collection purposes (Griffee, 2012:54). Sampling and sample choices are made to conserve time and energy as well as make a study less cumbersome and more
manageable. A non-probability sampling technique was employed in this study and purposive sampling used to select participants, both brand owners of SMMEs and customers. According to Pandey and Pandey (2015:54), purposive sampling allows the researcher to use discretion and knowledge of the population to select samples that match features that are deemed crucial for a study. Similarly, Creswell and Poth (2018:148) state that the rationale of purposive sampling is not to draw statistical conclusions rather, it deliberately samples a set of people that will best inform the researcher(s) about the research problem being investigated.

Having previously conducted similar investigations in Mafikeng, the researcher understands the characteristics of SMMEs and is also aware of the challenge in enlisting entrepreneurs for research purposes; hence, a purposive sampling technique was preferred for the sake of convenience and time. To this end, three (3) entrepreneurs located in Mafikeng were purposively selected for the study.

With regard to the number of customers, a minimum of nine (9) but not above twelve (12), who had lived in Mafikeng for at least a year, were selected to participate in the study. More details are provided in the section on methods of data collection.

4.4.1 Selection of SMMEs

While selection of the three (3) SMMEs was not bound to any strict probabilistic process, it was also not haphazard. The researcher was guided by a set of parameters that captured basic features of SMMEs, chief of which was the overarching qualitative description of small businesses enshrined in the National Small Business Act (29 of 2004) as follows:

Any entity, whether or not incorporated or registered under law, consisting mainly of persons carrying on small enterprise concerns in any economic sector and established for the purpose of promoting the interests of or representing small enterprise concerns, and includes any federation consisting wholly or partly of such association, and any branch of such organisation…

To this end, the parameters that informed the selection of SMMEs were:

- Any small business domiciled in Mafikeng area whether registered or not;
• Any small business domiciled in Mafikeng rendering either a service or selling a product for commercial interest only;
• Any small business domiciled in Mafikeng managed either only by the brand owner or that employs a small number of staff; and
• Monetary worth of the small business was negligible since the emphasis of the study was on knowledge and application of branding from the perspective of management.

Key personnel from whom data was collected were entrepreneurs. It was established in the literature section (cf. Tavares, 2015 in 3.3; Centeno et al., 2013 in 3.3; Berthon et al., 2008 in 3.3; Gundala & Khawaja, 2008 in 3.3; Abimbola & Vallaster, 2007 in 3.3; Bolton Committee, 1971 in 1.9) that SMMEs are personified by entrepreneurs in whom all authority and direction reside. To this end, entrepreneurs are responsible for providing leadership in terms of brand orientation and direction of the firm. Therefore, entrepreneurs constitute key informants for this category of the population.

4.4.2 Selection of consumers

At least nine (9), but not more than twelve (12) consumers participated in the focus group discussions. An explanation for the choice of this number is provided below. Consumers who had lived in Mafikeng for at least a year and who were conversant with the terrain were selected to participate in the focus group discussions.

4.5 Data collection

Two methods were used to collect data as follows:

• Semi-structured face-to-face interviews with entrepreneurs of SMMEs; and
• Focus group discussions with customers.

Semi-structured face-to-face interview was used to solicit information from participating SMMEs since the method permits in-depth interaction between the researcher and participants. Damon and Holloway (2011:224-226) and Ryan et al. (2009:310) identifies three broad forms of interviews namely; unstructured/non-standardised interviews; semi-structured interviews; and structured or standardised interviews. A standardised or structured interview follows a rigid procedure because it has predetermined set of answers to questions. Unlike the standardised
format, a semi-structured interview, is guided by an interview guide (list of main themes), supports interactions between the interviewer and interviewee, aids in-depth exploration of ideas and provides the opportunity for follow-up questions while the unstructured or un-standardised format typically takes the form of a conversation in which the interviewee takes the leading role (Damon & Holloway, 2011:224-226; Ryan et al., 2009:310).

As per its value, Qu and Dumay (2011:239) posit that interviews are useful ways researchers understand the lived experiences of other people but, judged against quantitative methods, interviews cannot provide information about a huge sample of subjects because it involves a considerable amount of effort and time to execute. Expanding on Qu and Dumay’s (2011:239) position, Mason (2002:65) posits that interviews are appropriate for situations where a researcher intends to navigate depth, nuance, complexity and richness of data. Indeed, the subject of this investigation is nuanced, complex and the type of rich information semi-structured interviews will generate is needed for understanding. To this end, using the semi-structured interview allowed the researcher to gain first-hand narratives from participants thus, enhancing the understanding of the brand orientation of SMMEs, including factors and/or rationale that influenced their dispositions.

Compared to other types of interviews conducted through mediated means, Ryan et al. (2009:310) noted that face-to-face interviews allow the researcher to observe and analyse non-verbal cues thereby, enhancing understanding of what is being said. Mathers et al. (1998:08) added that face-to-face interviews enable researchers correct misunderstandings, clarify questions, explore responses and probe new ideas. Indeed, the choice of semi-structured face-to-face interviews allowed the researcher to ask follow-up questions to probe unclear or unexpected ideas the entrepreneurs expressed thus, enhancing more understanding and insights regarding the objectives of the study.

Ethical matters were constantly negotiated with the entrepreneurs and focus group discussants. First, the objective of the investigation was explained before the actual interview and discussion. Permission was sought to record the sessions.
4.5.1 The interview schedule

According to Ryan et al. (2009:311), the interview schedule is an important guide that keeps the interview focused and is determined by the structure of the interview, nature of the research and objectives. Mathers et al. (1998:09) in their guide to conducting interviews noted that interview guides are determined by the nature of the research but advised that the schedule must capture the following:

- Type of questions that will be asked;
- Appropriate phrasing of questions;
- Breadth and depth of topics that will be covered; and
- Sequencing of questions.

This study is not concerned with questions relating to financing of participating SMMEs. The range of questions covered in the interview schedule was broadly divided into two categories namely; brand orientation and branding positioning. While brand positioning questions probed strategies (see framework for brand positioning in 3.9.4) adopted to frame their offerings, brand orientation questions focused on probing questions regarding entrepreneurs’ understanding of brand, brand identity and brand communication methods adopted in their businesses. This is in line with the objectives of the study. In terms of sequence, brand orientation questions preceded brand positioning questions in the interview schedule.

4.5.2 Focus group discussions

Focus group discussions were used to enable the researcher to explore the perceptions of customers with regard to the brand of participating SMMEs taking into consideration the brand positioning the businesses intend to or say they convey. This, in effect, was an attempt to probe if there was congruency in brand positioning and perception.

According to Daymon and Holloway (2001:242), focus group discussions are conducted with a group of people “for the purpose of eliciting ideas, thoughts and perceptions about a specific topic or certain issues linked to an area of interest. The ultimate goal in focus group discussions is to see the topic (which may concern a service, product or issue) from the point of view of
participants”. Other scholars do not differ from the definition of Damon and Holloway (cf. Mishra, 2016: 02; Freitas et al., 1998:02). The unique characteristics of focus group discussions are as follows: questions or tests discussants will respond to; and the presence of a moderator and group interaction from which collective views of discussants arise (Dilshad & Latif, 2013:192). In addition to these, Mishra (2016:02), Krueger (2002:01), Mathers et al. (1998:04) and Freitas et al. (1998:02) emphasises homogeneity of discussants in a focus group discussion.

The researcher personally moderated the focus group sessions, no language translator was used as all discussants were educated. Regarding homogeneity, discussants all shared the same location within the vicinity of SMMEs selected for the study, an indication that they were all residents of Mafikeng where the businesses were located.

4.5.3 Size of focus group discussion

Opinions vary on the size of a focus group discussion. While Lictman (2014:295) is of the view that a large number of discussants is not required for focus groups since generalisation is not the objective and advised that at least six (6) but not more than twelve (12) suffices, Damon and Holloway (2001:247) argued that depending on the situation, as little as three (3) discussants may be appropriate although between six (6) to ten (10) is the norm.

Escalada and Heong (2014:05), on the other hand, are of the view that participants in focus groups must not be fewer than eight 8 but not exceed 10, noting that should the group be too small, one person may dominate and when it is too large, the researcher may have difficulty controlling the session. According to Freitas et al. (1998:11), a focus group should consist of a minimum of 6 and a maximum of 10 participants. However, Mishra (2016:02) contested the idea of fixing numbers for focus group discussions as follows:

…There is no ‘best’ solution to group composition, and group mix will always impact on the data, according to things such as the mix of ages, sexes and social professional statuses of the participants. What is important is that the researcher gives due consideration to the impact of group mix (e.g., how the group may interact with each other).
Mishra's reasoning (2016:02) seems to agree with Damon and Holloway (2001:247) who, though initially recommended composition limits, later advised that manageability and complexity of topic should inform a researcher’s selection of focus group discussants. Since six (6) is recurrent as the least number of discussants for focus groups, the minimum discussants enlisted was nine (9) but was not more than twelve (12). The focus group discussion was conducted to point of data saturation or the point where no new information was added to what had been already provided (Saunders et al., 2017:1896).

4.5.4 Selection of focus group discussants

Lictman (2014:296) advised that selection of focus group participants can be done through one of or a combination of advertising, nomination or word of mouth. Both advertisement and word of mouth were used to select focus group discussants. The researcher used word of mouth, through personal contacts to solicit participation, however, no personal acquaintance of the researcher took part in the discussions. All discussants had no prior relationship with the researcher. Through this process, a total of twelve (N= 4 consumers per SMME by 3 SMME = 12) discussants expressed willingness to participate in the discussions. In terms of composition, discussants were from different backgrounds that included students, government and private sector employees.

4.5.5 Procedure of focus group discussions

Two discussions of at least nine (9), but not more than twelve (12) participants per session were held in two different locations (Mafikeng Town and Mmabatho). At Mafikeng a total of twelve discussants participated in the focus group while twelve participated in Mmabatho. In total, twenty one (21) discussants participated in the focus group discussions. The discussions were discontinued after completion of the second session in Mmabatho because at that point, no significantly new data emerged regarding consumers' perception of the brand positioning of SMMEs. Therefore, saturation was reached after completion of the second discussion session.

The focus group discussion was divided into three stages. The first two stages were designed to evaluate discussants' brand knowledge and brand positioning perception of the SMMEs while the last stage sought personal insights from discussants that could enhance SMMEs’ branding. To this end:
• In the first stage (anonymous test), discussants were tasked with associating visual identities, mainly colour, as used by the respective SMMEs with each participating small business; and

• In the second stage, each participating SMME was individually identified by name and associated with a colour. Then, the discussants were probed on familiarity or lack thereof regarding each SMME and their perception of each of the brand’s positioning.

• In the final stage participants’ opinion were sought on what small businesses can do to increase the popularity of their business with consumers.

### 4.5.6 Data collection

Data was collected as follows:

• First, entrepreneurs were interviewed to understand their brand orientation and brand positioning; and

• Second, focus group discussions were held with customers. Equipped with brand orientation and positioning claims of the brand owners, the researcher held focus group discussions with consumers with the aim of understanding their perception of brand positioning claims of entrepreneurs.

### 4.6 Data analysis

Data was analysed thematically in this study. Braun and Clarke (2006:06) define thematic analysis as a method for “identifying, analysing and reporting patterns (themes) within data. It minimally organises and describes data set in (rich) detail”. As Alhojailan (2012:40) asserts, thematic analysis is best suited for all kinds of investigations that seek to discover and understand interpretations of data sourced from naturalistic settings and it enables the determination and relationship between various themes thus, enhancing intricacy and accuracy of the study.

Thematic analysis is useful for the sorting and reduction of large amounts of data that usually result from naturalistic, qualitative investigations. While themes are accepted to be recurring
patterns of ideas, the question is how are themes identified? In answering the question, Braun and Clarke (2006:10) states that no general rule exists regarding the identification of themes since the process is neither a matter of the number of times an idea occurred nor does it depend on rigid measurable indices. Rather, themes should be an idea that captures important information that relates to research questions (Braun & Clarke, 2006:10). Going by this reasoning, identification of themes is tied to ideas related to research questions. Thus; it becomes the responsibility of the researcher to systematically apply his or her discretion and detail in finding themes. Thus, Theron (2015:04) is of the opinion that codification of themes is an intuitive activity.

Similarly, in Bazeley’s (2013:125 & 177-178) opinion, thematic analysis is done by reading transcripts, then assigning labels or codes that represent an idea and later compared with other codes to generate broad themes. To this end, the scholar identified the sequence of thematic analysis as follows:

- Label or code to identify and capture relevant patterns;
- Sort and connect codes into categories; and
- Use categories to build broad themes.

Bazeley’s (2013:125 & 177-178) counsel does not differ from the assertion of Braun and Clarke (2006:10) in that the former’s template also suggest there are no fixed rules of identification of themes other than the researcher’s duty to find ideas and patterns that answer research questions and coalesce them. However, Ryan and Bernard (2003:89-94) provide eight clues that signify an idea or pattern is a theme as follows:

- Repetitions or ideas and topics that occur and recur;
- Indigenous terms and expressions that are unfamiliar or used in unfamiliar ways;
- Stories and examples through which people use to describe their experiences or express and idea;
- Transitions or shifts that naturally occur in speech such as pauses, silence or change in voice tone could indicate progression from one idea to another;
- Similarities and differences between emphasis or degree of expressions or ideas are conveyed;
• Linguistic connectors which show the relationships of cause, effect, judgment or reason for actions;
• Missing data or what respondents deliberately fail to answer; and
• Theory-related material where the researcher has a set of predetermined themes from the theoretical literature.

These clues were very helpful during data analysis. The clues were used to identify themes that, for instance, participants – both entrepreneurs and focus group discussants – conveyed in the form of anecdotes, slangs, indigenous expressions and comparisons between businesses and ideas.

4.6.1 Coding

Coding involves the fragmentation of data into discrete units that represents a pattern and combining related codes to build a broad, unified theme (Lawrence & Tar, 2013:32; Alhojailan, 2012:43; Damon & Holloway, 2001:136). Marshall and Rossman (1999:150) consider coding as "a messy, ambiguous, time-consuming, creative, and fascinating process" because it is a challenging task but, nonetheless, necessary in thematic analysis. Coding in this study was done through in vivo codes or codes that emerged from the data in the form of words and expressions used by participants (Damon & Holloway, 2001:307). Thus, open coding, axial coding and selective coding were considered appropriate for this study as is Clarke and Braun’s (2013:121-122) and Braun and Clarke’s (2006:16-23) six phase approach.

In the open coding stage, data is fragmented to separate ideas and labelled with emerging words or expressions that capture a specific idea for subsequent comparison (Priest et al., 2002:33). During axial coding, categories of codes identified during open coding are compared and combined on the basis of their similarities to form new subcategories (Strauss & Corbin, 1998:24). With selective coding, "categories are organised around a central explanatory concept" (Strauss & Corbin, 1998:161). Using this strategy, codification begins with many themes or codes in the open coding stage, related themes or codes are combined during axial coding thus, reducing the data set further and, finally, axial codes are further combined to achieve selective coding using similarity of themes as a criterion. Since it is the last stage, selective coding results in broad ideas that provide answers to research questions.
According to Clarke and Braun (2013:121-122), thematic coding is a six phase process that involves the following:

- **Data familiarisation**: The stage of immersion in data to where the researcher listens to audio and re-reads transcribed data;
- **Coding**: At this stage, initial labeling of emergent themes begins. This correlates with open coding;
- **Searching for themes**: Here, similar themes or codes are combined to form new categories. It is essentially ‘coding your codes to identify similarity in data’ (Braun & Clark, 2013:121-122). This stage correlates with axial coding;
- **Reviewing themes**: The task here is to examine themes generated with the view to evaluate the extent to which they capture the data and tell a compelling story;
- **Defining and naming themes**: At this point, codes are finalised and given a broad label or theme that captures a unique idea. This relates to selective coding; and
- **Writing a report**: The final activity of discussing and presenting the analysis.

In this study, the foregoing coding strategies were adapted into the following eight sequential steps and used in the analysis:

- Transcription of interview audios;
- Familiarisation with the data;
- Open coding;
- Axial coding;
- Review of open and axial codes with transcripts;
- Selective coding;
- Review of open, axial and selective codes; and
- Data analysis.

Data analysis was inductive since themes emerged directly from the data and gradually built up to broad, theoretical concepts.
4.7 Quality in qualitative research

Quality assurance in qualitative research is an on-going, contentious issue. Scholars agree that validity relates to measuring efficiency of research instruments while reliability concerns consistency of results in different contexts thus, enhancing generalisation. For positivist scholars, validity and reliability are cardinal marks of research quality. For instance, Mohajan (2017:01) echoes a positivist preference by declaring that validity and reliability remains the best parameters of determining good research. However, Golafshani (2003:601) countered that since a quantitative study is oriented towards explaining and qualitative towards understanding, reliability is not relevant in qualitative research but noted as follows:

Although reliability and validity are treated separately in quantitative studies, these terms are not viewed separately in qualitative research. Instead, terminology that encompasses both, such as credibility, transferability and trustworthiness is used.

Ali and Yusof (2011:25-64) traversed the subject and laid bare the conflict and divergent opinions regarding quality in qualitative research. Proceeding from underlying philosophical assumptions that informed the various opinions, Ali and Yusof (2011:26) condensed the schools of thought into the following four:

- Those who believe the only way to determine quality of qualitative investigations is through the scientific criteria of reliability, validity and objectivity;
- Those who insist there is no absolute way to judge quality of qualitative studies;
- Those who argue that quality of qualitative studies can be determined by modifying quantitative research yardsticks to fit the research context of qualitative studies; and
- Those who say qualitative studies can only be judged through unique criteria developed for it.

In addition to identifying credibility, transferability and trustworthiness, as recurring terminologies of quality in qualitative research, rigour also featured as one the recommendations advanced by Ali and Yusof (2011:26). However, Davies and Dodd (2002:281) cautioned that rigour in qualitative research must not be understood in the context of reliability and validity but in terms of
embracing and explaining subjectivity, reflexivity and social interaction that manifested in the
conduct of a research project. For Davies and Dodd (2002:281), therefore, in addition to
credibility, transferability and trustworthiness, addressing subjectivity and reflexivity are marks of
quality in qualitative research since it provides what Heshusius (cited by Blair, 2015:14-15)
referred to as “participatory consciousness”.

Rolfe (2006:304-305) arrived at a similar categorisation of schools of thought regarding quality in
qualitative research but noted that trustworthiness is an overarching quality measure, which is
divided into credibility which corresponds to internal validity; dependability which relates to
reliability; transferability which has a similar meaning to external validity. Damon and Holloway
(2001:84-85) concur with Rolfe (2006:304-305) and maintain trustworthiness is a critical quality
value in qualitative studies.

Given the foregoing and the necessity to achieve quality in this study, attention was, first, given
to the advice of Rolfe (2006:309) that the research report itself is a major yardstick of evaluating
the quality of an inquiry. Thus, rigour (in the context of Davies & Dodd, 2002:281) was given
prominence in the study and the final write-up. The rationale for decisions taken in the study is
linked to contemporary propositions, facts and theoretical postulations. Furthermore, with regard
to trustworthiness, data was described in full narrative style to capture the essence of the context
and enhance comparison with similar situations. Additionally, reflexivity on researcher subjectivity
and overall research process was included in the study.

4.8 Ethical considerations

Ethical issues of concern for this study were informed consent and disclosure. Been the primary
population group participating entrepreneurs were enlisted voluntarily. The adherence to the
voluntary participation ethical precept meant securing consent of participants was challenging as
participants exercised their right to reject participating. Eventually, participants who consented
were fully briefed on the objectives of the study, its scope and procedure as well as their rights.

First, after securing consent of entrepreneurs the purpose of the study was orally explained and
a consent form was presented for their assent. Importantly, the entrepreneurs were told that no
financial reward was attached to their participation and that they had the right to withdrawal from
the interview at any point. Also, entrepreneurs were informed of the researcher’s intention to
interview customers about their perception of participating SMMEs’ brand positioning to which all entrepreneurs consented. The benefits of the study towards understanding SMMEs’ brand orientation and how such knowledge could benefit society, both practically and academically, were also explained.

Second, in the case of focus group discussants the same procedure followed for entrepreneurs was implemented. Discussants’ participated voluntarily and assented to consent forms, were informed that their was no financial reward attached to their participation and were intimated on the practical and academic benefits of the research.

Other critical aspects of the research concerned audio recording and anonymity of participants. All participants consented to being recorded. In addition, they all consented to their personal details remaining undisclosed in the research report.

### 4.9 Summary of chapter

This chapter has provided the methodology and research design used in conducting this study. The next chapter focuses on data analysis and presentation of findings.
CHAPTER 5

PRESENTATION AND DISCUSSION OF FINDINGS

5.1 Introduction

The findings of this study are provided in this chapter. The presentation begins with a brief reminder of the research questions and the theoretical framework that informed the study. This is followed by a discussion of the findings emanating from research questions two and three for each participating small business while the last research question on consumer perception is collectively made for all SMMEs. A discussion of the implications of the findings and additional findings that arose during the data collection process is also provided.

5.2 Re-stating the research questions

The following research questions were asked in the study:

- What is the brand orientation of SMMEs in Mafikeng?
- How do SMMEs in Mafikeng position their brands? and
- What is the perception of consumers of SMMEs with regard to brand positioning?

The ascription of categorisation of brand orientation follows from the framework provided in the Framework for Evaluating Brand Orientation (see subsection 3.4.1). Thus, one can summarise that the first level of the framework is product and corporate brand dimensions (discussed in 1.7.1) while the second and final level is the tripartite brand orientation archetype of Wong and Merrilees (2005:156-159) given as minimalist SMMEs characterised by low marketing and branding, embryonic SMMEs that have a measure of marketing though brand orientation is either non-existent or done informally through word-of-mouth and integrated SMMEs that make branding an integral part of their operation and use different promotional tools. A detailed discussion of brand orientation is provided in sections 1.9 and 3.3 while the framework for brand positioning is provided in subsection 3.9.4.
5.3 Small businesses selected for the study

In compliance with ethical considerations of anonymity and confidentiality, all SMMEs selected for the study were not identified by their brand names. Rather, they were anonymously referred to as Interview Participants One (IP One), Interview participant Two (IP Two) and Interview Participant Three (IP Three). The overall details concerning each of the small businesses are as follows:

Table 5.1: SMMEs selected for the study

<table>
<thead>
<tr>
<th>Name</th>
<th>Type of business</th>
<th>Years in business</th>
<th>Legal status</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP One</td>
<td>Fast food</td>
<td>3</td>
<td>Registered/formal</td>
<td>4</td>
</tr>
<tr>
<td>IP Two</td>
<td>Transportation and logistics</td>
<td>3</td>
<td>Registered/formal</td>
<td>2</td>
</tr>
<tr>
<td>IP Three</td>
<td>General supplies and services</td>
<td>6</td>
<td>Registered/formal</td>
<td>7</td>
</tr>
</tbody>
</table>

5.4 Findings with regard to interview participant one

Six themes emerged as follows:

Table 3.2: Themes for interview participant one

<table>
<thead>
<tr>
<th>Concept</th>
<th>Number of theme(s)</th>
<th>Theme(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand orientation</td>
<td>3</td>
<td>Branding only necessary when business is big, experimentation to overcome market barriers and lifecycle</td>
</tr>
<tr>
<td>Brand communication</td>
<td>1</td>
<td>Word-of-mouth</td>
</tr>
<tr>
<td>Brand positioning</td>
<td>2</td>
<td>Affordability/price, customer service</td>
</tr>
</tbody>
</table>
5.4.1 Findings on research question one: Brand orientation

This SMME has never prioritised branding in its three years of existence and the entrepreneur held the opinion that branding is necessary only when a business is established, strong and able to compete with big businesses. For this reason, the business does not even display its name, except on menu lists, despite the fact that it is registered. In fact, the entrepreneur’s understanding of branding is largely in terms of giving a name for recognition and believes any attempt to associate a conspicuous name with the business must be consequent upon the acquisition of a core target market before business is established. This invariably means there is no form of deliberate visual brand identity because, in addition to de-emphasising its brand name, the business does not have a consistent brand colour although it spotted purple at the time of the study, thus corresponding with the findings of Rode and Vallaster (2005:127), that visual designs of small businesses tend to be unstable in nature and change frequently. This finding is captured in in the excerpt below:

The first thing you must do in branding; you must firstly, run a business without branding so that if you can make a mistake, there is no one who is going to remember that this company did this. Firstly, you must try the market without branding, with no name so that if you make a mistake, that mistake will be acceptable so that no one will know who did the business... I did not do branding. After you see that what you are trying is improving or you are going somewhere, you can start branding your company if you've got the client. You cannot start a business, brand a business without clients because when you start a business, there is a lot of mistakes you are going to make (sic).

This reasoning has implications for the branding of the small business. First, this is an indication that the entrepreneur has very limited knowledge about branding and underscores the fact that knowledge and skills are inhibiting barriers faced by SMMEs (cf. Banerjee & Dasgupta; 2009:23; Du Plessis et al., 2015:01; Gundala & Khawaja, 2014:28; Horan et al., 2011:117; Organisation for Economic Cooperation and Development, 2017:08;Wong & Merrilees, 2005:162 in subsection 3.3.1). Second, it indicates that people still believe that branding is for established businesses. In addition, the fact that the entrepreneur indicates “I have a name registered but I do not brand it” is an indication that even though an officially registered business name does exist, it is not made visible to the public and the idea that “you must try the market without branding, with no name so that if you make a mistake, that mistake will be acceptable so that no one will know who did the
business”, corresponds with the previous findings that SMMEs view branding as merely a naming or visual identification exercise (cf. Wong & Merrilees, 2005:157 in subsection 3.6.1 and Ncube, 2016:107,108 & 113 in section 3.4). Given the perpetuation of such behaviour, it is unlikely that this particular business will evolve into a strong brand. Although the entrepreneur emphasised the importance of a target market for branding to be successful, the context unambiguously revealed the preference was towards a trial and error approach where bold, visible recognition of the business should follow only when profit could be guaranteed. Indeed, experimentation or trial and error is a major theme that emerged for this business and is directly responsible for its approach to branding.

The entrepreneur’s justification for relegating branding is, as contained in the copious quotation, because business is fraught with many mistakes so a period of trial and error, where the business will attempt to find its feet in terms of customer acquisition must be allowed. The objective of this period is to experiment, learn about challenges of the market environment and adapt the business afterwards to fit the market. This brings to fore, the issue of brand barriers. Acknowledged as limiting factors to brand orientation, barriers of many facets are indeed a major reason why this particular SMME has not made any deliberate effort to brand the business in its years of operation. The other implication of the experimentation theme is that it may indicate a lack of focus since the objective is towards profit.

Considering the fact that the entrepreneur maintained his mentors’ philosophy is “…go to to school and get the knowledge and open your own thing…our grand grand fathers work, what they get is house and car (sic)” is an indication of preference for quick profit over long-term investment in intangibles such as branding. Thus, this mind-set is an integral motivation behind the entrepreneur’s foray into the business. However, disenchantment may ensue when the business does not turn early profit, turning the entrepreneur into a serial failure who dumps businesses almost as fast as he ventures into them. In any case, it has been previously found that such philosophical disposition diminishes brand orientation (cf. Cant et al., 2008:743 in section 3.3) since branding requires time (cf. Kapferer, 2008:12 in subsection 3.5.2) and does not meet immediate profit inclination. The impact of the entrepreneur’s mentors on business orientation is apparently strong to the extent that the business is named after them since they are major motivators behind the entrepreneur’s decision to go into business.
While the entrepreneur has not invested in branding thus far because the venture is still considered to be in the experimentation stage, the next logical concern was the duration it will take to exit this stage for branding to be done as captured in the following excerpt:

This is going to take me more than seven years to ten years without branding. I will brand it after ten years, after I know exactly what I am doing... by the time when I am satisfied, when I am competing with top shops.

This directly links to the subject of lifecycle or duration it takes SMMEs to transit from one phase to another or go out of business entirely. Although a maximum of five phases was identified for the lifecycle of SMMEs (cf. Juntunen et al., 2010:19 in section 3.4), there is no association of duration or number of years per stage. However, the consensus that most SMMEs in South Africa do not survive beyond three years (cf. Department for Trade and Industry, 2008: xxvi in section 1.1 and Small Enterprise Development Agency, 2018: 01 & 16 in section 3.4) suggests three years suffices for the introductory phase where the brand struggles to cope and survive but there is silence regarding the next stage(s). From the perspective of this particular small business, the coping and survival stage may stretch as far as seven or ten years after which the business would have acquired sufficient footing to consider branding.

On its method of brand communication, the business depends on just word-of-mouth as captured in the following excerpt:

I am one of the guys who advertise very cheap, for free, word-of-mouth. The other customers advertise for me even sometimes when they bought (sic) something here, they take a picture and put it on social network.

Reliance on word-of-mouth is in tandem with what scholars have previously found to substantially subsist among SMMEs regarding their use of word-of-mouth as a major means of communication (cf. Abimbola, 2001:104; Bresciani & Eppler; 2010:361; Centeno & Hart, 2011:251-252 in section 3.8). Although the entrepreneur does not specifically use social media, consumers extend their word-of-mouth recommendation and referral to social networks thus, enhancing the popularity of the business. This shows the link between word-of-mouth, the Internet and brand building as noted by Oztamur and Karakadilar (2014:513) (see section 3.8).
In light of the foregoing, the brand orientation of the SMME is as follows:

- In terms of brand dimension, it adopts product branding since it focuses only on making its product available for customers for the sake of profit and does not invest much effort in other forms of identity; and

- In terms of brand orientation archetype, it has minimalist orientation since its marketing and branding are very low. Also, the entrepreneur’s decisions regarding branding constitute a brand barrier for the business.

Overall, brand knowledge for the brand owner of this SMME is low thus, diminishing its brand orientation. This affirms the fact that entrepreneurs personify SMMEs, are the source of brand direction and brand orientation depends on their attitude towards branding (cf. Centeno et al., 2013:450-451 & 455; Abimbola & Vallaster, 2007:343; Gundala & Khawaja, 2008:28; Osakwe et al., 2015:34, section 3.3).

5.4.2 Findings on research question two: Brand positioning

With regard to brand positioning, the entrepreneur emphasised two propositions which the firm focuses on for competitive advantage as follows: affordability/price; and customer service. Affordability/price reflects recognised brand positioning strategies contained in the brand positioning evaluation framework. The entrepreneur maintained this positioning is in line with the main target market of the business identified (students of the local university). The business is located close to its target market thus, also corresponding to Porter’s access positioning (cf. Framework for Brand Positioning, section 3.9.4). Explaining the rationale for adopting affordability positioning, the entrepreneur indicated as follows:

I do not kill them with price. The price is fair because I know we are coming from different backgrounds...

In advancing this position, the entrepreneur adheres to the principle that brand positioning must take cognizance of the nature of the target market for sustainable differentiation and competitive advantage (cf. Janiszewska & Insch, 2012:11; Kapferer, 2008:175, section 3.9). However,
customer service was a new brand positioning strategy that is not captured in the framework. Regarding customer service, the entrepreneur indicated as follows:

I listen to them. This business is run by customers because if a customer suggests something next time, I am going to do what the customer told me. Some told me the food must be clean, your price must be fair, you must be friendly to them.

The customer service positioning strategy of this SMME shows that the entrepreneur interacts with consumers, listens to them, implements their suggestions and cultivates a relationship with them. This approach is consistent with contemporary philosophy that brand building is a relational process where both brand meaning and value are co-created between the firm and consumers (cf. de Chernatony & Riley, 1998:1085; Iglesias et al., 2013:671 subsection 3.5.1). Ironically, while this small business seems to have the potential to evolve into a strong brand, low brand orientation, occasioned by insufficient knowledge of branding, hinders its potential.

5.5 Findings with regard to Interview Participant Two

Eight themes emerged for this small business.

Table 5.3: Themes that emerged from the discussion with Interview Participant Two

<table>
<thead>
<tr>
<th>Concept</th>
<th>Number of theme(s)</th>
<th>Theme(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand orientation</td>
<td>3</td>
<td>Branding is creating awareness through logo, signage and adverts, entrepreneur territoriality/ control and experimentation</td>
</tr>
<tr>
<td>Brand communication</td>
<td>4</td>
<td>Personal selling/business pitching, pamphlets, e-mails and telemarketing</td>
</tr>
<tr>
<td>Brand positioning</td>
<td>1</td>
<td>Quality of service</td>
</tr>
</tbody>
</table>
5.5.1 Findings on research question one: Brand orientation

In its three years of existence, this business has gone through an interesting historical evolution. The enterprise started out as a routine door-to-door cab pick-up and delivery of people to various destinations and later ventured into the health sector, where it entered agreements with hospitals to transport dialysis patients for treatment. Recently, the business began to exclusively focus on high-end, heavy duty delivery of materials for clients primarily in the energy sector as well as hospitals. The progressive transformation of the business from a routine cab pick-up and delivery service into a specialised, capital intensive, goods delivery logistics firm indicates the entrepreneur is business savvy, driven and knowledgeable enough to function in a complex business environment. It could be expected that this should reasonably translate into sufficient brand knowledge but that is not the case. The entrepreneur’s understanding of branding is in terms of creating awareness through the creation of a logo, advertisements on social media and signage. For this entrepreneur, branding can be achieved by:

…first and foremost, developing a logo for that business…after developing the logo, now of late, things are easy because of what we’ve got in social media. We’ve got many social media platforms so you can advertise your business on Whatsapp, on Facebook, on Instagram and on MySpace, all these social media platforms. Also, you can develop a website, you can, as the business grows and develops, you can maybe go about designing a sign or billboard of some sort maybe placing it outside of where the business will be operating, from basically outside the office and then maybe get another one maybe about a kilometre or so away from the business so that people can see it as they drive by (sic)…

This supports the claim by scholars that the putative understanding of branding in small business circles is essentially in terms of visual depiction (name, logo and colour) and as mere creation of awareness. The exclusion of co-creation and relationship building as core pillars of branding from the understanding of branding by SMMEs can severely limit, or completely destroy, an otherwise promising venture. Indeed, this limited interpretation of branding was evident in the entrepreneur’s territoriality/control theme. While evidence has been variously presented in this investigation regarding entrepreneur centrality in the operations of SMMEs, the drawback inherent in this feature came to the fore from the perspective of this particular SMME. Having transformed the business from a routine cab delivery service to a specialised, high-end goods delivery operation, this business is set to inevitably enter a period of hiatus since the owner is returning to pursue postgraduate studies. When asked why a manager cannot be employed to oversee the business and report to him in the interest of keeping the business going, the entrepreneur replied as follows:
Honestly, there hasn’t been anyone that I can say is fit to take care of the business. There isn’t anyone that I can say is reliable enough to carry on my day-to-day business without my hands-on supervision.

Perhaps paying a manager could have been a challenge but the entrepreneur did not indicate money was a problem and, in any case, the firm has some employees working within the business. Instead, the response is more indicative of the inability to trust anyone else with managing the business in the owner’s absence. For a small business operating in a complex and competitive high-end goods delivery service, this action is impolitic. This is because the current clientele base of the SMME is circumspect and prioritises expertise and relationships thus, re-acquiring such customers will be challenging when the hiatus is over. Another factor that may be critical to this display with regard to territoriality and control manifested in the name of the business. According to the entrepreneur, the name of the business is:

…first of all, its six alphabets…all those alphabets are actually initials of myself and my two sisters (sic).

In this regard, it could be reasoned that the business is so ingrained in the family that no outsider can manage it successfully. It has been advised that entrepreneurs should ensure a strong link between their personality and the brand since the entrepreneur epitomises small business brands (cf. Krake, 2005:232, section 3.3). Rode and Vallaster (2005:130) found that entrepreneurs select names that indicate their personal bond with the business and their personal attitude is particularly instructive in decisions to hire employees. The finding regarding this particular SMME aligns with the position of these scholars to the extent that the entrepreneur has epitomised the business but the personal attitude regarding hiring a manager seems to be that no one else can oversee the business.

The experimentation theme also surfaced with this SMME regarding how it decided on its visual identity, excluding the name. Although the business initially operated without a colour scheme or logo, the current visual identity was exposed as follows:

In terms of the colour, navy blue and white, I looked at the type of environment that I work in, that is what influenced the colour and the logo. Because when I started the business, I did not have the logo, the colours and everything. I
developed them as the business has been running realising the type of business that I am into and the kind of service that I give.

This is similar to the notion expressed by the previous entrepreneur, that a period of experimentation is necessary to allow for learning about the nature of the market environment and adapting the business to fit prevailing realities. The recurring experimentation theme can be interpreted to mean the SMMEs neither conducted prior diligent research into markets they ventured into nor do they have a strong, clearly defined brand philosophy (cf. Rhode & Vallster, 2005:131 in subsection 3.7.2) thus, having to experiment for a while before deciding if they will stay in or exit the business. The idea of experimenting to determine whether a business is viable or not is responsible for unstable brand identity and could account for high failure rate of small businesses.

With regard to its brand communication, four methods were identified as preferred choices namely; personal selling/business pitching, pamphlets, e-mails and telemarketing. This finding is, again, consistent with trends observed by scholars and the previous SMME in this study. It should also be noted that the entrepreneur has no form of presence on the Internet whatsoever; its only means of interaction is through the methods identified. Obviously, the advantage of affordability and ease of use makes interpersonal and e-marketing methods readily appropriate for small businesses (cf. Derham, et al., 2011:02, section 3.8). However, the entrepreneur advanced other reasons for using previously identified methods, and also for refusing social media, as captured in the following excerpt:

It just depends on the circumstance and how complex the communication needs to be with them…the type of clients I work with are not actually those that can be based on social media. Basically, work that is hands-on; you never really have time for social media. You have to be hands-on physically at the place of work.

The use of marketing pamphlets is an important communication tool used by this SMME to promote its business, particularly when pitching for new clients and showing credibility by providing a list of past and current clients. This is an example of small businesses using mass personalised communication through mass communication methods (cf. Centeno & Hart, 2011:225, section 3.8). The entrepreneur explained the function of the pamphlets to clients as follows:
They would have to look at my vision and mission statement, those things should be able to influence them as they go through the company profile...so basically, what I do is when I go and sell my company to somebody, my services to somebody, I attach my company profile...that is where you will find all the information you will need with regard to the company. And then within the company profile there are reference numbers and people that you can contact, that I have done service for previously and they will tell you the type of business that I gave them (sic).

The need to tailor communication methods appropriately to fit the nature of the target market is crucial in order to maximise communication efforts in terms of reach and impact (cf. Innovation Decision Process and Diffusion of Brand, subsection 2.4.2) and the entrepreneur selected a mix of communication methods in this regard. However, this exposes disconnect between the entrepreneur’s knowledge of the target market and the decision to allow the business to slide into a period of inactivity. The point has been previously made that this firm recently ventured into a complex and specialised market where expertise and relationships are usually valued – there was no evidence to suggest the entrepreneur is not aware of this fact. In fact, the deliberate choice of communication methods mix and reasons adduced in this respect testifies to the entrepreneur’s appreciation of the context. Thus, to put the firm’s operation on hold for a period of years will definitely reduce its estimation in the minds of the circumspect target market as a competent brand. Worst case scenario is that this action may inadvertently lead to the demise of the firm although it is not inconceivable that the entrepreneur can revitalise it provided lots of effort is committed in that direction.

Proceeding from the foregoing, this SMME’s brand orientation is as follows:

- Regarding brand dimension, the significant inclination is towards product branding but there were salient elements of attempts at corporate branding. The overriding product branding tendency is evident in the perception of branding as essentially a visual identification activity. This can be further extended to the act of the delivery of goods. The entrepreneur was specific that as long as deliveries are made to requirements, then the firm is in good standing, a mindset not far from functional, product brand orientation. Where that act of delivery of goods and quality service are seen as a veritable source to build sustainable differentiation and foundation for lasting relationship with the target market, then the firm could become a strong corporate brand. In the case where the latter
philosophy prevailed, it is doubtful the entrepreneur would readily allow the firm to slide into a period of hiatus because an organisation wide identity would have been cultivated and such time away would definitely injure the brand. It is for these reasons that the firm is seen as significantly oriented towards product branding. Having said that, the entrepreneur’s attempt at corporate branding manifested in its corporate value, albeit weak, in terms of having a core mission and value propositions in its marketing pamphlets.

- With regard to brand orientation archetype, the SMME is minimalist. Although the entrepreneur adopts a mix of communication approaches to promote the business (cf. Wong & Merrilees, 2005:156-159, section 3.3), the disposition of the entrepreneur has the potential to harm any gains made, especially when considered from the perspective of allowing the business to enter a period of absence. Thus, brand orientation is considered low with high brand barrier notably the entrepreneur’s managerial decisions.

5.5.2 Findings on research questions two: Brand positioning

The singular positioning strategy of the firm is quality of service as a basis for brand distinctiveness as explained by the entrepreneur:

I just go by making sure I go all out in ensuring that I deliver. I deliver my service quality sometimes hundred percent, sometimes, even more. I thrive (sic) to deliver what the client wants and even more, that is the best way of doing it.

Although quality is part of brand positioning framework set out to evaluate positioning strategies of SMMEs, service quality, as used and emphasised by this entrepreneur, is new. While this is an indication of the entrepreneur’s emphasis on service quality as its core differentiation strategy, its potential in engendering a strong brand as a basis for lasting building relationship is not fully recognised and pursued to its full extent otherwise, again, taking a long break from both the business and clients will not arise since the loss on brand equity will be colossal.

5.6 Findings with regard to Interview Participant Three

Overall, five themes emerged for this small business.
Table 5.4: Themes that emerged from the discussion with Interview Participant Three

<table>
<thead>
<tr>
<th>Concept</th>
<th>Number of theme(s)</th>
<th>Theme(s)</th>
</tr>
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<tbody>
<tr>
<td>Brand orientation</td>
<td>2</td>
<td>Branding is formalisation and documentation of business, stakeholder engagement</td>
</tr>
<tr>
<td>Brand communication</td>
<td>2</td>
<td>E-mails and telemarketing</td>
</tr>
<tr>
<td>Brand positioning</td>
<td>1</td>
<td>Quality of service</td>
</tr>
</tbody>
</table>

5.6.1 Findings on research question one: Brand orientation

The small business specialises in general supplies of consumables, stationeries and health-related items, including offering services such as fumigation, cleaning and catering. Consequently, its target market includes individuals requiring its services, government departments, hospitals, and firms, both big and small alike. Given the need to guarantee quality of its services and show competence, the entrepreneur affirmed that branding can only be achieved when the business is formalised, registered and its plan documented. In the opinion of the entrepreneur, formalisation of the business is a prerequisite for brand distinctiveness since it conveys genuineness and competence. Providing justification for this view of branding, the entrepreneur indicated as follows:

Being a part of a small business is a good idea. For me, what I have to tell you, you have to start from scratch, where in the drawing board whereby you have to start having documentations of your businesses (sic). Also, in South Africa, here, we have many stakeholders that they can fund you and help you, assist you get some of the businesses.

Evidently knowledgeable about the processes involved in and stakeholders responsible for formalisation of business, the entrepreneur gave a copious overview of the procedure, emphasising that compliance with the formalisation requirement enables SMMEs to access funding and transact business with high profile clients thereby, enhancing their status. For instance, the entrepreneur indicated as follows:
You take your proof of registration...then, you go to SARS, they give you tax clearance that is going to make your business operate in South Africa...you can render businesses to the South African government...it is more genuine. Then, you have to have triple BBBEE, it is a certificate that is meant for black economic empowerment...since all this thing is about starting a small business, is about empowering black people.

It is for the foregoing reasons that the entrepreneur maintained achieving brand distinctiveness for a small business is the result of formalisation of the business and interacting with stakeholder structures established to enhance the sustainability of SMMEs since many opportunities are associated with small businesses that are compliant. This interpretation by the entrepreneur is an insightful inversion of branding for SMMEs in the context of South Africa. It offers insights into how knowledge of the socio-economic environment can be harnessed by savvy entrepreneurs to their advantage. It will not be odd if the entrepreneur provided answers that thoroughly aligned with branding principles for small businesses (cf. Krake, 2005:232, subsection 3.6.2). In fact, the entrepreneur's branding strategy adheres to Krake's branding principles for small businesses to a certain extent, but the major exception is that rather than using elaborate communication to build its brand, the entrepreneur simply leveraged on existing SMME empowerment schemes and other formal structures to access some of its target markets and deploy other strategies thereafter for brand building. For instance, one of the economic empowerment structure leveraged by the entrepreneur is the Broad Based Black Economic Empowerment (BBBEE) scheme as captured in the excerpt below.

For instance, in my own, it is hundred percent black owned, hundred percent women...those are advantages. Unfortunately, I do not have disable, if I see one, I will hire because it is recommended (sic).

The entrepreneur's awareness of, knowledge about and interaction with stakeholders is crucial to the success of the tactic it uses. Rather than concentrate on just potential consumers of its services as per product branding philosophy, the entrepreneur interacts with major stakeholder entities whose mandate is economic empowerment, uses the platforms to enhance its credibility and access its target markets. For this reason, the entrepreneur emphatically maintained the business is a brand, especially as it has referrals, recommendations and commendations through these platforms as indicated below.

It is a company that is known...they pick-up my company because of its legitimacy...they can call me...can you come and render a service like one, two, three? [The firm] is a big company now that is reliable. It is about winning orders. When government requires a job for you, they will give you a letter of
demand...then you will do it...they will give you a recommendation letter that you will know that so so company has done a certain project at so place and it was fair and good. So, that is like an award for that you can have a recommendation (sic).

The case of the visual identity of this SMME is unlike the previous ones. Its name can best be described as accidental functionality though its brand colours (black and orange) and logo were deliberate choices. With regard to its name, the entrepreneur indicated that since previous names that were deliberately chosen already existed in the database of registered SMMES, consequently, “the guy who was registering for me, he asked me tell me what is your names...he said I am going to take half of your name and half of your surname and make it a name. That is how they call it...(sic)” Overall, except for the name, the entrepreneur’s visual identity, especially its logo, was deliberate and planned from the outset to reflect its willingness to accept and deliver tasks. Explaining the concept of its logo, the entrepreneur indicated as follows:

My logo is about the hands that they are asking and the other hand that is giving. So, in my motto, I said givers never lack. So, for somebody who can see that logo, I am humbly asking for this job, can you please give me?

The preferred choices of communication for this SMME are e-mails and telemarketing. The entrepreneur indicated that most of the interaction between the firm and clients occurs over the phone and through e-mail given, especially with high profile clients, the need to have a formal trail of records and verification. While the SMME does not have dedicated social media accounts for business purposes, the entrepreneur occasionally uses her personal social media to showcase health equipment. Although the entrepreneur maintained the business does have a website that contains its profile and exploits, an extensive search of the universal resource locator (URL) official address returned an error result.

Thus, in light of the foregoing, the following could be said about the brand orientation of this SMME:

- Regarding brand dimension, the inclination is towards corporate branding because instead of focusing only on potential consumers, the entrepreneur identified other stakeholders that could enhance and engage its brand, thus enhancing its credibility and accessing a wide range of targets, both high profile and routine clients alike.
• On brand orientation archetype, the business is embryonic because it adopts a mix of communication approaches and the entrepreneur demonstrated a measure of strategic branding disposition.

5.6.2 Findings on research question two: Brand positioning

The singular positioning adopted by this small business is quality of service since the quality of services, according to the entrepreneur, results in satisfaction, thus leading to further business opportunities, both from satisfied clients and in the form of referrals or recommendations to new clients. As a testament to underscore the extent to which quality of service has differentiated the firm and got it offers, the entrepreneur gave the following scenario:

…it is all about quality, being able to deliver. I can make an example with gloves, I used to supply gloves. When you go and supply a glove…you will find another company will go and bring that but in fake. When doctors put it, gloves are tearing. It is not elastic, it is not firm and strong…then doctors make a protest. They say as for us, if you do not change these things, we cannot put our health at risk…so they call management. They say the previous ones you were using where did you buy them…they say it is [the company] and when [the company] supply this thing, there was no complain…so [the company] got a free job that I did not even compete with someone (sic)…

The brand positioning inclination also corresponds to corporate brand of positioning of Merrilees (cf. Framework for Brand Positioning, subsection 3.9.4) since the entrepreneur essentially prioritised leveraging on stakeholders that could enhance the business.

5.7 Findings on research question three: Consumers’ perception of brand positioning of SMMES

The findings on consumers’ perception of brand positioning of SMMEs were achieved through two focus group discussion sessions held in Mafikeng and Mmabatho. The sessions comprised at least nine (9) discussants each and neither exceeded forty (40) minutes. In instances where comments, opinions and suggestions of discussants are quoted directly, alphabets are used to indicate they were made by different individuals in compliance with ethical considerations of anonymity.
The precursor to consumers’ perception of a brand is their familiarity with and knowledge of the brand. The relationship between brand knowledge, consumer perception or estimation of the brand and other favourable consumer actions is an established fact (cf. Keller’s, 2009:140 CBBE Model, subsection 3.6.1). Consequently, discussants in the focus group sessions were evaluated on brand knowledge and familiarity as antecedents with regard to the perception of brand positioning of SMMEs.

All discussants demonstrated neither sufficient familiarity with nor had adequate knowledge of the SMMEs. To this end, consumers’ perception of brand positioning of SMMEs was almost nonexistent, with the exception of IP One, who fared marginally better with consumers. With regard to IP One, some of the comments regarding the perception of the brand were as follows:

T: Customer service. His customer service is wow.

S: The food he sells is fresh. Like they do it on the spot, you do not get there while the food is already done (sic)...

In addition, the prices were deemed to be fair and comparatively affordable. These insights align with the entrepreneur’s claim that the business prioritises customer service and affordability. However, this is not to say the business resonated strongly with the discussants because, in fact, none of the SMMEs did. Despite being located close to its target market, discussants did not remember IP One at all in the anonymous familiarity and brand knowledge test. Also, neither the colour nor name of the firm readily came to their mind. It was not until both the name and colour were associated with the small business that discussants suddenly remembered it, even then, none of them knew the name of the business because the entrepreneur completely de-emphasised the aspect of brand identity. For example, one of the discussants gave the following comment regarding the difficulty in associating the colour purple with IP One:

No, I do not think so [that is, the business is not a brand, explanation in parenthesis by researcher] because there is a school like we know a purple colour belongs to…like the first thing that will come to mind is the school before him (sic).
The choice of colours by the SMMEs and resultant conflict with those of established, well-known brands recurred for all three SMMEs selected for the study. For instance, in the case of IP Three, one discussant indicated that its black and orange colours reminded her of Chicken Liken, a known fast food brand, and not the SMME while for IP Two, navy blue and white immediately reminded some discussants of Bidvest, a financial service provider. For both IP Three and IP Two, no discussant was familiar with the name although they emphasised that for any service-oriented firm, the quality of service was an important positioning strategy.

Considering the fact that discussants were not familiar with these businesses, located in their environment, they were probed to provide reasons. Some of the discussants revealed as follows for IP One:

T: …as alluded earlier on…we never take into cognisance that it is actually a business…we do not look at the name.

S: I think sometimes we become just too ignorant. If we go somewhere with what we want to buy, we just buy that thing.

This corresponds to other comments and indicates participants did not consider the business as a brand because it was not big and, as such, they did not pay attention to any other thing about the business apart from its product. This is not surprising because the entrepreneur had personally indicated that business can only be a brand when it is big and competes with established firms (cf. subsection 4.3.1 regarding IP One’s brand orientation).

With regard to IP Two, some participants maintained as follows:

F: It is not important if I come to your business…everybody cannot buy from all companies in this town. It is not possible for all of us to use a business but if you are doing a serious thing, we will know you exist because your name will be seen. We all know some companies but have not used their products before; we know their names…if we do not know the name, something is wrong with their marketing. That is the problem with our small business guys, they are many but do not do good marketing…how can we know their brand if they are just the same? (sic)

E: …many guys do this transportation business, the taxis and the type you mentioned. I know some small business who do transport people and farm products for some stores because their bakkie
and car are with their brand. Those robots for traffic and other places, some they put their advert
and numbers there, some they use Facebook…I think this one is not with the brand on the car
(sic)...

O: You know this transportation business… everybody is doing it and you can be able to see that
you do not even know their company names or maybe they are just doing it for quick money. So,
maybe one can do business with them and do not know their company name just the name of the
person (sic).

With regard to IP Three, the responses were not significantly different from the foregoing. As a
matter of fact, participants concurred that the main reason why they were not familiar with the
small businesses was a matter of poor marketing noting as follows: “…our town is small. If you
take your business seriously, people will know it even if they do not use it…” This is an indication
that the participants perceive the SMMEs to be obscure firms that invest little effort in marketing
and branding. Additionally, it emerged that participants’ preference was for established and well-
known brands and did not regard SMMEs as competent enough with regard to meeting their
needs as captured in the excerpts below.

K:…you just go to the shops that are recognised, like everybody talk about it (sic).

T: Because already maybe that second individual has used their products so now they are giving
you feedback on how the product was. So, now with these small businesses…you do not know
whether it is going to work or not.

L: I think quality. Because we tend to think to think that these big businesses have good quality and
small businesses they do not.

Participants were asked to proffer ways the SMMEs could use to enhance their brand
distinctiveness given competition from and peoples’ seeming preference for big businesses and
they indicated as follows:

S: I’d say they should locate the need in an environment, because if their services are needed then
definitely the business is going to grow. But then if they just open a business whereby the service
are not really in demand then the business might not fly.

L: Social media, creating posts on social media.

K: …Creating brochures for the business to be known, distributing it to everyone.
Although the SMMEs do not resonate with the views of participants, it is instructive to note that the entrepreneurs saw the need to have a unique differentiating quality for their brand positioning. However, the challenge is their inability to transform their businesses from routine businesses into distinctive brands since their brand orientation is low. Going by the insights from participants in the focus group sessions, the branding of SMMEs is poor and accounts for their obscurity.

These findings indicate that there is no active co-creation relationship between consumers and SMMEs. Entrepreneurs were more concerned with selling and profits, similar to what Cant et al. (2013:743) found, apparently because they operate in a survival mode (Berthon et al., 2008:28).

### 5.8 Discussion and implication of findings

Although the SMMEs selected for the study did not have the same offerings, there were significant and similar trends that emerged from the investigation. One of such important findings relates to entrepreneurs’ understanding of branding. On the one hand, entrepreneurs of both IP One and IP Two echoed long held, but definitely no longer tenable view that branding is about visual identification and creating awareness using whatever visual identity scheme a business has. Although consumers see many of such awareness-creating communications from firms daily, it does not necessarily translate into any significant impact nor does it necessarily mean anything to them, other than just another signage. Indeed, consumers have limited cognitive and temporal space (cf. Chen & Chang, 2016:356, subsection 2.3.2), meaning that they cannot process, assimilate and act on all such awareness creating communication from various firms. The really successful brands are those that are able to go beyond functional awareness creation, frame a suitable and sustainable brand position and engage in continual interactions with their target market (cf. Holt, 2003:03, subsection 2.3.2). The entrepreneurs’ inclination towards this traditional view of branding also has significant theoretical implications: it means the brand owner, as a
change agent, does not pay necessary attention to the crucial role of framing the brand thus, limiting its spread or diffusion in the market.

On the other hand, IP Three entrepreneur understanding of branding is both curious and yet novel, at least in terms of realising a myriad of stakeholders involved in the success of a brand and interacting with them. That the entrepreneur construes branding to be a matter of formalisation or registration of business as necessary for brand distinctiveness, is curious. In fact, registration does not guarantee acceptance by consumers; it is merely complying with legal requirements, which is not a requisite to function as a SMME (cf. National Small Business Act, 29 of 2004, section 1.9). Ironically, the entrepreneur’s approach is novel because it was not registration just for the sake of it, it was registration to gain credibility, access government-sponsored economic empowerment mechanisms and use that as a springboard to access its clientele. This is ingenious to the effect that it shows strategic thinking and knowledge of the socio-economic terrain, including opportunities therein – this was lacking in the other two SMMEs discussed above. Nonetheless, registration is not branding; in fact, it does not necessarily mean registering and interacting with economic empowerment stakeholders to transform the business into a strong brand. This is because registration minus a strong brand personality founded on core competency that can be used for sustainable differentiation and building relationship with stakeholder groups and consumers, cannot work.

The findings revealed that entrepreneurs seem to have an otherwise potentially viable business, however, low brand orientation is a barrier for their respective firms becoming strong brands hence, the lack of brand distinctiveness. The fact that the entrepreneurs have not invested sufficient effort in their marketing and branding was recurrent in the focus group sessions where participants emphasised that SMMEs, and many others, have little, shoddy or no branding making people prefer established brands over small businesses. To this extent, SMMEs are perceived as no more than ordinary businesses.

Another notable finding relates to experimentation with the view to finding a viable business venture. Experimentation was seen as a necessary process for learning, locating a suitable venture, adapting to market contexts and growing afterwards. This suggests a trial and error approach as opposed to the established standard of prior market research and planning before venturing into a business. Consumers in the focus group discussion encouraged SMMEs to do
prior research and locate a need before venturing into a business was also instructive. Yet, market research does not seem to be a common practice among SMMEs, a situation which can result in serial failure and contribute to the high failure rate of small businesses in the country. Even if the business does not die for a fairly long time, the implication of experimentation is that it is not good for brand identity. This is because experimentation will mean the business either has no identity or its identity is inconsistent, both evident in this study.

Finally, there is need for better brand positioning execution. First, as already indicated in the presentation of findings regarding consumers’ perception of brand positioning of SMMEs, the positioning of small businesses significantly meant nothing to discussants during the focus group discussions not because the entrepreneurs did not have, or claim to have, a positioning strategy but because, again, of what was termed ‘poor marketing’ that leads to obscurity of the firms in question. Thus, this further results in low brand orientation and shows that branding is more than mere entrepreneur claim(s) or intention(s). While entrepreneurs acknowledged the need for brand positioning and had positioning strategies, their low overall brand orientation diminished the potential of their brand positioning in terms of endearing the brand to consumers.

5.9 Additional findings

A critical additional finding relates to experimentation and the lifecycle stages and minimum years to transit between successive stages. All businesses pass through lifecycle phases but ascribing minimum years of transition means SMMEs must not operate in experimentation, trial and error mode since this will complicate their progress and perpetually keep them in the introductory phase (cf. Department for Trade and Industry, 2008: xxvi, section 1.1) or result in their demise. In the context of scholarly work and policy formulation, for instance, reconciling the lifecycle stage of SMMEs in view of the experimentation mind-set can present a conundrum. For example, being in business for well over the three years life expectancy of SMMEs (cf. Bureau of Economic Research, 2016:16-17; Small Enterprise Development Agency, 2018:01 & 16, section 3.4) may not necessarily translate to positive progression going by the disposition of entrepreneurs and voiced emphatically by IP One, for example. In terms of experimentation, mode-lifecycle stage relationship, the brand orientation of SMMEs also comes to the fore. It is logical to conclude that there is a positive correlation between progression and brand orientation, an indication that the more successful a small business becomes, so should its brand orientation become stronger and
integrated. However, the experimentation mind-set of entrepreneurs may mean their brand orientation is fuzzy, haphazard or non-existent.

5.10 Summary of chapter

This chapter has provided the findings of the study. The next chapter focuses on the conclusion and recommendations for entrepreneurs, policy makers and future investigations.
CHAPTER 6

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter provides a summary of the entire study, conclusions on the objectives of the study, limitations of the study and recommendations for entrepreneurs, policy makers and areas for future research.

6.2 Summary

Premised on the global recognition of SMMEs as important economic entities and given that small business branding research is a nascent field that has not had much contribution from countries such as South Africa, the objective of this study was to investigate brand orientation and consumer perception of SMMEs in the country. The study was conducted in Mafikeng, North West Province, South Africa. While brand orientation describes SMMEs’ overall understanding of and disposition towards branding, consumers’ perception was explored in terms of brand position adopted by small businesses. A qualitative approach to inquiry was used in conducting the study and to achieve its objectives. The main research objective of the study is what is the brand orientation and consumers’ perception of SMMEs in Mafikeng?

The findings from the three SMMEs and two focus group discussions with consumers, all resident in the research locale, provided insights into entrepreneurs’ brand orientation and how their orientation impacted the fate of their firms regarding transforming their businesses from an ordinary business to a strong brand that resonates with the populace. Generally, the findings revealed that SMMEs have low brand orientation, a situation responsible for low brand distinctiveness.
6.3 Conclusion

The conclusion drawn from this study is in relation to the findings obtained from the analysis of the three SMMEs selected for the study and with regard to each research question. Thus, the following conclusions were drawn:

6.3.1 Conclusion on the brand orientation of SMMEs

The framework for ascribing type of brand orientation is according to the tripartite classification of Wong and Merrilees (2005:156-159) (see discussion on the classification system in section 2.2). In brief, the scholars tie three other concepts to brand orientation namely; brand distinctiveness, which distinguishes an offering from its rivals as a consequence of its brand orientation; brand marketing performance, which is the value an offering yields on all investments made on it; and, lastly, brand barriers, which describe factors that impede SMMEs from executing a brand-based strategy. In other words, a SMME with a strong brand orientation will be distinctive, appeal to consumers and will have fewer barriers that prevent it from executing a brand-based strategy.

Brand marketing performance was excluded in this study because financial performance is not included in the scope. Entrepreneurs’ understanding or knowledge and disposition to branding emerged as a major brand barrier in the study. Consequently, the brand orientation of each SMME selected for the study is given as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Brand orientation</th>
<th>Brand distinctiveness</th>
<th>Brand barrier (Entrepreneurial disposition)</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP One</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Minimalist</td>
</tr>
<tr>
<td>IP Two</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Minimalist</td>
</tr>
<tr>
<td>IP Three</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
<td>Embryonic</td>
</tr>
</tbody>
</table>

Furthermore, with regard to brand orientation, it is concluded that:

- Entrepreneurs’ understanding of branding is significantly in terms of basic use of name and other visual identity schemes to create awareness.
Entrepreneurs’ disposition towards branding constitutes a barrier, both in terms of understanding and decisions they take. All three entrepreneurs had different attitudes towards branding. While the owner of IP One completely avoided any form of branding until the business was big enough to compete with established firms, the other two entrepreneurs made for interesting comparison. Both entrepreneurs of IP Two and IP Three were postgraduate students. However, while the former decided to bring the business operation to a halt for study purposes, the latter did not entertain such thought. This managerial disposition of the entrepreneurs portends significant impact for the success, stagnation or failure of their respective brands. This underscores the fact that entrepreneurs embody their brand and their understanding of and disposition towards branding has overall implications for the brand.

The dimension of branding adopted by the entrepreneurs is overwhelmingly product branding although there were attempts at corporate branding.

The choice of communication methods adopted by the entrepreneurs was less of word-of-mouth and more of e-marketing, especially e-mails, telemarketing and a bit of mass personal communication through marketing pamphlets.

6.3.2 Conclusion on brand positioning of SMMEs

Though their brand orientation was generally low and impacted their positioning, entrepreneurs acknowledged the need to have a unique trait that will be their major proposition. Consequently, they adopted a range of positioning strategies, which were both deliberate and inadvertent. The positioning adopted by each SMME was as follows:

Regarding IP One, the deliberate positioning adopted is price and customer service as provided in Table 5.2. However, the inadvertent positioning is the entrepreneur’s access positioning, one of Porter’s (1996:61-78) recommendations in Table 3.1 regarding framework for brand positioning. By situating its business nearby its target markets, the entrepreneur inadvertently adopted this positioning strategy.
• As for IP Two, the singular deliberate positioning strategy was quality of service and presented in Table 5.3. This aligns with Blankson’s (2016:162-183) quality of positioning strategy as contained in Table 3.1 for brand positioning framework.

• Finally, IP Three deliberately adopted quality service positioning. However, the entrepreneur’s extensive recognition of and interaction with stakeholders that could enhance the success of the business aligns with corporate branding as identified by Merrilees (2007:403-415) in Table 3.1. Thus, corporate branding was the inadvertent positioning strategy adopted by this SMME.

6.3.3 Conclusion on consumers’ perception of respective brand positioning by SMMEs

Based on the findings from the focus group sessions, it is concluded that the brand positioning of SMMEs has not resulted in significant distinctiveness for each of them. This is because the brand orientation of entrepreneurs was generally limited, thus contributing to their obscurity and negatively impacted their firms – this invariably means there was no co-creation relationship between SMMEs and consumers. Thus, SMMEs were perceived as just ordinary small businesses that do not invest sufficient effort in their communication and branding.

It is reasonable to affirm that had the entrepreneurs put in extra effort into their branding, especially the communication part, and constantly engaged their consumers in the contemporary branding view that the firm, consumers and stakeholders are partners co-creating a brand value, then the SMMEs would have been more distinctive. However, this does not suggest that there was no modicum of such action on the part of the entrepreneurs. For instance, participants commended customer service positioning of IP One, indicating the existing effort to nurture a consumer-focused strategy to advance brand distinctiveness. Also, IP Three demonstrated strategic thinking in its stakeholder engagement approach. Nonetheless, these examples are more short-term tactics for a particular gain, profit for IP One and access to support for IP Three, rather than a long-term, holistic brand strategy. Again, this is a consequence of entrepreneurs’ understanding and disposition to branding.

In conclusion, entrepreneurs are not necessarily averse to branding, the challenge is low brand orientation occasioned by limited understanding and less than desirable disposition. This is one
reason why some of participants reasoned that Mafikeng is a small town and any SMME that is serious and invests extra effort, will be known regardless of what it offers.

6.4  Recommendations for entrepreneurs, policy makers and future investigation

In this subsection, recommendations are made for three categories of role-players critical to transforming SMME branding from its present low state in the interest of enhancing brand distinctiveness of small businesses. These recommendations are consequent upon findings of the study.

6.4.1  Recommendation for entrepreneurs

As an epitome of their brand, entrepreneurs have an immense leadership role to play in terms of conceiving brand strategy, ensuring employees imbibe the brand value and monitoring its execution, both within the firm and externally in all its engagements. For this reason, entrepreneurs have to necessarily see branding as more than just a visual identification exercise or a short-term tactic. Entrepreneurs need to realise that branding is an investment and takes time to yield results but it does not take forever – this is the simple fact established and recognised brands know and imbibe. In other words, entrepreneurs must be strategic.

To be strategic means entrepreneurs must shun haphazard, trial and error or experimentation mind-set that emerged during the course of this study. Prior, deliberate planning and market research will ensure they do not venture into an unknown market that will become a futile and wasteful exercise. It is true that SMMEs are constrained by money and this may constrain their ability to commission an elaborate market research. However, such intelligence gathering exercise need not be capital intensive; entrepreneurs can access a lot of information on the Internet from government and reputable private sources on socio-economic and market situations. Alternatively, they could also observe and learn from other entrepreneurs or, if possible, have mentors to guide them. Additionally, they can personally interact with potential target market(s) their intended business will serve to glean information and understand the context better. These are relatively cheap and easy intelligence gathering tactics entrepreneurs can use to have an idea of the market which, once understood, will inform their branding strategy.
Finally, entrepreneurs have to improve their brand communication mix. It is almost inconceivable that any serious firm will not have an online presence in this age. To this end, entrepreneurs must pay attention to their online communication, it is a must have. But importantly, entrepreneurs must leverage on their communities first. Since entrepreneurs are more likely to be resident where their businesses are located, it means they can be termed as locals – this has the advantage of familiarity with the overall landscape of the community and its dynamics. Consequently, entrepreneurs need to look towards community engagement or contributions to enhance their distinctiveness. This strategy is in line with the corporate citizenship philosophy and corporate social responsibility. Entrepreneurs need to identify causes or actions they can reasonably contribute to and be associated with because it adds more value to the brand. It is through planned communication that entrepreneurs can interact with consumers, co-create a strong brand, and be competitive and distinctive.

6.4.2 Recommendation for policy makers

There are different support mechanisms to assist SMMEs in South Africa. Most of the support mechanisms seem to concentrate more on financial and technical assistance. These support structures are important stakeholders in the SMME sector and as revealed in the findings, not all entrepreneurs are oblivious to the existence and role of such stakeholders. Thus, since some savvy entrepreneurs will make efforts to exploit opportunities from these support and empowerment stakeholders, it is recommended that policy makers make branding (in terms of tutorship and implementation) as an integral part of the support they render. This, in view of the fact that branding is essential and supporting an entrepreneur financially and technically does not automatically mean the beneficiary is adept at the soft skill of positioning the business for success and distinctiveness. Consequently, policy makers need to include branding as part of interventions towards engendering a viable SMME sector in the country.

6.4.3 Areas for future research

Two recommendations are made regarding future research. First, generally, it is recommended that scholars and researchers conduct more research on SMME branding in rural South Africa since most small businesses are located there. Specifically, there is need to investigate the issue
of experimentation mind-set of entrepreneurs, its impact on lifecycle progression and consequences for branding.

Finally, given that branding includes product and corporate dimensions, studies need to be conducted with the view to ascertain which dimension SMMEs lean towards, including the rationale for their leaning(s). This is particularly recommended for rural services SMMEs that do not have a tangible product to serve as contact point but rather depend on staff to live the brand.

6.5 Limitations of the study

All investigations have limitations and this one is no exception. The most profound limitation of this study was the small sample size. This is a consequence of the qualitative approach adopted. Thus, the findings of the study cannot, and is not intended to be generalised. The purpose of the study was to gain in-depth knowledge and nuances involved in SMME branding through personal interactions with entrepreneurs and consumers. This objective was achieved given the methodology adopted and regardless of the limitation. Also, the study was conducted in a rural area and the findings may differ for urban areas or, indeed, other rural areas either in Mafikeng or other provinces. Nonetheless, comparisons from different contexts are not out of order but, rather, will lead to more understanding of SMME branding.

6.6 Conclusion

This chapter has provided a summary of the study, presented the general conclusion based on the findings highlighted in the penultimate chapter and provided the three categories of recommendations drawn from the findings.

6.7 Personal reflection

A couple of years back, I became aware of the economic importance of the small business sector but I was shocked that SMME branding was historically non-existent and only began at the turn of the twenty-first century. Instantly, I became converted to investigating and specialising in small business branding. My concern is really on SMME branding from an African perspective because, as the literature unambiguously shows, little contribution has come from the continent on the
subject. Therefore, I am a strong advocate of African small business branding, first before anywhere else – this mind-set has implications for me as a researcher.

First, I know that my afro-centric mind-set connotes a pro and anti-prejudice. My first internal conflict was to ask myself if my stance is that SMME branding research from the West is universal; should I take this position, I probably will conduct my research with preconceived notions to the extent that my judgment will be clouded as I will inevitably look for what I subconsciously believe. Second, I wondered if my notion was not that African SMMEs are not just fit to brand because the entrepreneurs had no knowledge and wherein, business just for money. This was a dangerous thought but, yes, I pondered on it. Nonetheless, I knew that was not the case because I am acutely aware of ubiquity of the expression ‘brand your business’ in small business circles. Therefore, I concluded that my thought regarding African SMMEs not being fit to brand is hogwash – I realised the challenge was, among other peculiar small business bottlenecks, a matter of knowledge and skill. Again, branding knowledge as a problem of entrepreneurs was a conflict – if I was not careful, I could become condescending during my research when I should be objective, learn and understand the contexts from the perspectives of my participants.

Anyway, I came to terms with my internal conflicts before I even began writing or went to the field for data collection. My simple solution was to stay educated; one must be able to unlearn previous knowledge and acquire new ideas which, invariably, means knowledge is dynamic and incremental. This was the mind-set I conducted the research with and, going forward, shall not change. It is this mind-set and, of course, empirical evidence from the literature, that made me settle for the qualitative approach. I reasoned that to truly gain more understanding about SMME branding from an African perspective and contribute my bit to the literature, I needed to directly interact with entrepreneurs. My conviction was, and still is, that a quantitative methodology will mean I am of the view that information from the West, while not disregarding it in any form or manner, is true for all cases and contexts whereas one cannot attempt to generalise what evidently has been under-researched from an African angle.

Conducting this study was challenging, especially with regard to finding participants for the research. Despite repeated disappointments from SMMEs that initially indicated their willingness to participate in the study, my curiosity, interest and passion drove me to push harder. The interviews and focus group sessions were interesting, conversational and interactive as I made
efforts to avoid technical jargons and stuck to simple, clear and descriptive language. It was also insightful and the no holds barred responses enriched the data I got. For me, three bits of information still stand out and is a testament to the value of qualitative interviewing: the subject of experimentation; the ingenious leverage on socio-economic support of stakeholders by one of the entrepreneurs; and the fact that participants in the focus group sessions concurred that SMMEs do not do enough to be distinctive hence, they do not take most serious.

This study has been enlightening and fulfilling for me. I get a sense of academic accomplishment which, hopefully, will result in practical solutions. Much work, though, still has to be done regarding SMME branding and my interest is not the least exhausted.
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ANNEXURES: INTERVIEW SCHEDULE AND FOCUS GROUP GUIDE

Annexure One: Interview Schedule

Brand orientation

1. Tell me about your business. [By that, I mean when you started your business, why you started the business, what type of products or service you offer and how many people you employ].

2. Let us assume I want to start a new business and I come to you for advice on how to brand, what will you say branding is? How will you advise me to brand?

3. What about you, do you consider your business a brand?

4. Which is more important as a brand between your company and product?
   
   Note: the logic of question 4 follows from the preceding one. The objective is to probe if the entrepreneur adopts product brand or corporate brand.

Methods of brand communication

5. Tell me who your customers are. [What I mean is you should give me a description of the kinds of people who buy your products, the people you specifically know need your products].

   Note: While this question is intended to herald exploration of brand communication channels used, it also relates to brand positioning because it bothers on segmentation and targeting of specific people.

6. How do you communicate with your customers? [what I mean is what methods of communication do you use to relate with your customers]

Brand identity

7. Let us talk about your business name, logo and colour. Why did you select them?
Brand positioning

8. If a customer buys your product (or comes to your company to do business), what do you think he or she will feel about your product or company?

Note: *This question is structured to accommodate both service and product-oriented questions, it shall be asked appropriately.*

9. For you as the business owner, what do you want customers to feel or think whenever they come across your product or company or name?
10. In what way do you present your product [or company] so that customers can feel or think what you have in mind?

Annexure Two: Focus group guide

**Stage 1:** Discussants were shown the official colour of the SMME. Then, they were asked to associate the colour with any local business they know.

**Objective:** *To explore consumers' brand knowledge of the SMME*

**Stage 2:** At this point, each participating SMME was individually identified by name and associated with a colour for discussants.

1. Then, discussants were asked to give their perception of the SMME and reasons for their perception.

2. Discussants were informed of the intended positioning of the brand owner and asked if they saw the brand that way or not.

**Stage 3:** Finally, discussants’ opinions on what small businesses can do to increase popularity of their business with consumers were sought.