



# **Assessing the current adoption and utilisation of business model canvases among small-scale tailoring businesses in South Africa**

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requirements for the degree *Master of Business Administration*  
at the North-West University

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## DECLARATION

I, declare that the mini dissertation hereby submitted in partial fulfilment for the award of the Master of Business Administration degree at the North-West University of the is my own work and that all sources used, have been adequately acknowledged in the text and listed in the reference list.

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**SUPERVISOR'S APPROVAL TO SUBMIT:**

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## ABSTRACT

This research project examined adopting and utilising the Business Model Canvas (BMC) among small-scale tailoring businesses in South Africa. The main aim was to assess how these businesses leverage the BMC as a strategic tool to enhance their operations, adapt to market demands, and navigate regulatory challenges. Through a comprehensive literature review and empirical study involving interviews with twelve tailoring business owners, the research explored the adaptability of the BMC to the unique context of South Africa's diverse socio-economic landscape. Key findings indicated that the BMC significantly improves strategic planning, resource optimization, and operational efficiency. However, challenges such as regulatory compliance and access to resources remain. The study concluded with recommendations for tailored BMC frameworks and further research into long-term impacts and technological integration. These insights contribute to the existing body of knowledge on strategic management in small-scale businesses within emerging economies.

**Keywords:** Business Model Canvas, small-scale tailoring businesses, strategic management, operational efficiency, regulatory compliance, South Africa, emerging economies.

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# **1. CHAPTER 1: INTRODUCTION AND PROBLEM FORMULATION**

## **1.1 INTRODUCTION**

The bustling streets of South African townships are alive with vibrant fabrics, skilled artisans, and the hum of small-scale tailoring businesses that are deeply intertwined with the cultural and economic tapestry of the nation (Sibanda & Dlodlo, 2018:44). According to Sibanda and Dlodlo (2018:44) these enterprises, often family-owned and community-based, represent not only a source of clothing but also a beacon of hope and self-reliance. They serve as crucial contributors to local economies, providing livelihoods and preserving a rich tradition of craftsmanship. In the heart of these enterprises, the viability and sustainability of small-scale tailoring businesses hold profound significance (Naidoo, 2015:22).

South Africa's socio-economic landscape is marked by a dynamic interplay of historical legacies, contemporary challenges, and aspirations for economic empowerment (Swart, 2020:29). Within this context, small-scale tailoring businesses operate under the influence of multifaceted factors, from uneven access to resources to the demands of a globalised fashion market (Swart, 2020:29). The survival and prosperity of these enterprises not only hinge on their ability to navigate these complexities but also to adapt and thrive in the ever-changing business environment (Kwadwo, 2017:401).

At the crossroads of tradition and transformation, business model canvases emerge as a strategic tool that offers hope for these small-scale tailoring businesses (Osterwalder & Pigneur, 2010:38). Drawing inspiration from the principles of adaptability and innovation, business model canvases have transformed industries worldwide, providing a structured framework for business strategies in an ever-evolving landscape (Osterwalder & Pigneur, 2010:38).

This study embarks on a journey to assess the viability and sustainability of business model canvases to empower small-scale tailoring businesses in South Africa. By delving into the intricate weave of socio-economic challenges, the influence of

regulatory constraints, and the dynamic shifts in the fashion and textile sector, this research seeks to unravel the potential these strategic tools hold in preserving these businesses and enhancing their growth.

The study draws inspiration from the words of Nelson Mandela (1994:30), who once remarked, “It always seems impossible until it’s done.” In assessing the viability and sustainability of business model canvases for small-scale tailoring businesses in South Africa, the study aspires to contribute to the broader discourse on entrepreneurship, economic development, and sustainable business practices. Through rigorous analysis, the aim is to chart a path toward a future where these businesses can thrive as integral contributors to the nation’s economic and cultural fabric.

The purpose and scope of the study will be specifically highlighted in this research proposal. The background of the study, an overview of the literature, a problem statement, research objectives, research questions, the scope of the study, a research methodology, ethical considerations, the contribution of the study, study limitations, the design of the study, and a timeline are all explained in the proposal.

## 1.2 BACKGROUND TO THE STUDY

South Africa’s diverse and dynamic economic landscape is a rich tapestry of opportunity and challenge (Naidoo, 2015:23). Within this context, small-scale tailoring businesses have emerged as significant contributors to the nation’s cultural heritage, economy, and social fabric. These enterprises, often operating within the heart of local communities and townships, play a vital role in providing clothing, employment opportunities, and preserving the tradition of craftsmanship. Their viability and sustainability are integral to the well-being of the nation’s entrepreneurial ecosystem (Cant, 2017:368; Irene, 2017:44).

Small-scale tailoring businesses face a distinctive set of challenges that are deeply rooted in the socio-economic and historical context of South Africa (Adisa *et al.*, 2014; Pueyo *et al.*, 2014). These challenges range from unequal access to resources and financial support to the demands of a globalised fashion and textile market

Arsrease (2019:45). Moreover, regulatory constraints and market dynamics continually evolve, making it imperative for these businesses to adapt and innovate to remain competitive and sustainable.

Business model canvases, a strategic tool developed by Osterwalder and Pigneur (2010:40), have become a versatile framework for designing, analysing, and adapting business models in response to changing market conditions. This tool offers a structured approach for businesses to explore new avenues for growth, reconfigure their strategies, and enhance their value propositions (Mat Aji *et al.* 2018:325).

South Africa's entrepreneurship landscape has been evolving, and the adoption of innovative business tools like business model canvases has the potential to empower small-scale tailoring businesses (Naidoo, 2015:24). However, the efficacy and applicability of these canvases within the unique context of South Africa's small-scale tailoring sector have not been comprehensively examined (Iwuoha, 2014:309).

This research aims to bridge this knowledge gap and provide a deeper understanding of the viability and sustainability of business model canvases as strategic tools for small-scale tailoring businesses in South Africa. By analysing the intricate interplay of socio-economic factors, regulatory constraints, and market dynamics, this study seeks to assess the suitability of business model canvases as catalysts for growth and adaptation.

The findings of this research are expected to have implications for small-scale tailoring businesses and the broader landscape of entrepreneurship and sustainable business practices in South Africa. Within this multifaceted context, this study seeks to contribute to the dialogue on entrepreneurship, economic development, and strategies for sustainable business practices.

### 1.3 PROBLEM STATEMENT

In the context of South Africa, small-scale tailoring businesses play a crucial role in the local economy, offering employment opportunities and contributing to the fashion and textile industry (Sibanda & Dlodlo, 2018:22). However, these businesses face numerous challenges that impact their viability and sustainability (South African Government, 2020:54). The adoption of business model canvases, a popular strategic tool, is an emerging trend that aims to address these challenges (Osterwalder & Pigneur, 2010:66). Despite their potential benefits, it remains unclear whether business model canvases effectively support the viability and sustainability of small-scale tailoring businesses in the South African context (Cheserek & Korir 2017:22). This study aims to investigate the specific challenges faced by small-scale tailoring businesses in South Africa, assess the suitability of business model canvases as a solution, and provide recommendations for enhancing their effectiveness in this sector.

### 1.3 RESEARCH OBJECTIVES

#### **1.3.1 Primary objective**

In line with the problem statement, the primary objective of this study was to assess the current adoption and utilisation of business model canvases among small-scale tailoring businesses in South Africa.

#### **1.3.2 Secondary objectives**

To achieve the primary objective, the following secondary objectives were set:

- To evaluate the adaptability of generic business model canvases to the unique context of small-scale tailoring businesses in South Africa, considering factors such as cultural diversity, regional disparities, and customer preferences.
- To contribute to the existing body of knowledge on the practical applications of business model canvases within the context of small-scale businesses, particularly in emerging economies like South Africa.

- To examine the perceptions, attitudes, and experiences of small-scale tailoring business owners and entrepreneurs regarding the effectiveness and usefulness of business model canvases as a strategic management tool.
- To analyse the impact of business model canvases on the operational efficiency, revenue generation, and profitability of small-scale tailoring businesses, with a particular emphasis on any positive or negative outcomes.

## 1.4 RESEARCH QUESTIONS

### 1.4.1 Primary research question

What is the current adoption and utilisation of business model canvases among small-scale tailoring businesses in South Africa?

### 1.4.2 Secondary research questions

- What is the adaptability of generic business model canvases to the unique context of small-scale tailoring businesses in South Africa, considering factors such as cultural diversity, regional disparities, and customer preferences?
- What is the existing body of knowledge on the practical applications of business model canvases within the context of small-scale businesses, particularly in emerging economies like South Africa?
- What are the perceptions, attitudes, and experiences of small-scale tailoring business owners and entrepreneurs regarding the effectiveness and usefulness of business model canvases as strategic management?
- What is the impact of business model canvases on the operational efficiency, revenue generation, and profitability of small-scale tailoring businesses, with a particular emphasis on any positive or negative outcomes?

## 1.5 SCOPE OF THE STUDY

### 1.5.1 Field of study

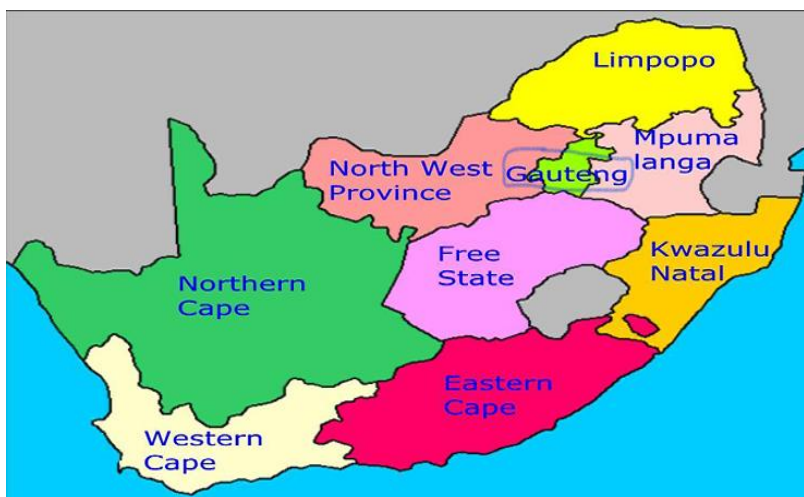
The field of the study is entrepreneurship, focusing on small and medium enterprises that produce tailor-made garments in South Africa.

### 1.5.2 Sector under investigation

The sector to be studied is SMEs, focusing on businesses specialising in tailor-made garments.

### 1.5.3 Geographical demarcation

The study focused on tailoring SME businesses operating in South Africa. The researcher will be interested in any striving tailoring business in any city within South African borders.



**Figuur 1:1 South Africa's nine provinces map**

Source: [www.sa-venues.com](http://www.sa-venues.com) (2023)

## 1.6 RESEARCH METHODOLOGY

### 1.6.1 Literature review method

When a researcher spends time investigating what is previously known about the subject of their interest, it is called a literature review. This enables the researcher to find any noteworthy conflicts and identify any gaps in the field of study (Bryman *et al.*, 2015:92). The literature reviewed breaks down the many elements of a business model canvas, zooming in or determining whether it applies to small tailoring businesses. To comprehend the business model canvas for SMEs, the study consulted online articles, journal articles, papers on the topic, news, other dissertations, publications, and textbooks.

The purpose of the review was to increase comprehension of the following topics:

- The business model canvas.
- Obstacles faced by small tailoring businesses.

### 1.6.2 Empirical study

This section outlines the research approach adopted by the author. The reliability of the knowledge produced by a research study is influenced by the methods used to collect data (Silverman, 20014:167).

At the beginning of this section, the research paradigm—an interpretive framework relevant to the study—is explained. The rationale for using an exploratory research design and a qualitative research strategy is also discussed. Additionally, the research design and methodology are described in detail, including a thorough definition of the study population and participants.

The section provides an in-depth explanation of the methods employed for data collection and analysis. Finally, it addresses the study's credibility and highlights the ethical considerations observed during the research.

### **1.6.3 Research paradigm**

The research paradigm, outlined by Saunders *et al.* (2007:112), examines social processes to which explanations and understandings aim to contribute. The interpretive paradigms will be relevant to the analytical investigation. Because researchers have different personal opinions on the nature of information and realism, Bryman *et al.* (2015:20) contend that each researcher should approach social research from a certain perspective.

In this study, a model of interpretation was employed. An interpretative paradigm is based on the way individuals think of the subject matter from their own experiences and viewpoints, as opposed to what the researcher views the subject matter to be, claim Bryman *et al.* (2015:20). According to Pham (2018:3), the advantage of the interpretive paradigm is that the researcher describes objects, people, or events and gains a profound awareness of these things as they relate to society. The researcher was encouraged to interact with the contributors because of this study to better grasp people's true concepts, meanings, intentions, principles, beliefs, and self-understanding (Bryman *et al.*, 2014:14).

### **1.6.4 Research approach**

According to Saunders *et al.* (2007:117), it is beneficial to associate research methodologies with various research philosophies since doing so will assist researchers in making judgments about how to gather and analyse data for their studies. Inductive methodology, which involves accumulating theories pertinent to the topic, was used as the study's more general approach. To create a hypothesis that will explain the data, the researcher searched for patterns (Saunders *et al.*, 2007:118). An inductive approach aims to gather a sizable amount of information regarding the impact of a business model canvas on tailoring SMEs in South Africa and generate generalisable hypotheses or inferences from observations (Bryman *et al.*, 2014:378).

### **1.6.5 Methodological choice**

According to Saunders *et al.* (2019:175), it is simple to tell the difference between qualitative and quantitative research methods by noting that one is based on numerical data and the other is not. As a result, this study used a qualitative research methodology. According to Grosseohme (2014), qualitative research involves the methodical gathering, organising, and interpreting of information obtained through dialogue. To create new ideas, qualitative research examines how participants build meanings (Saunders *et al.*, 2019:179). According to Cooper & Schindler (2014:114), choosing interpretive strategies to characterise, decode, translate, and grasp the meaning—rather than the regularity—of certain naturally occurring phenomena in the social environment is a key component of qualitative research. One-on-one interviews were used in this study's mono-qualitative methodology.

### **1.6.6 Research strategy**

The research plan, which describes how the researcher will get the data, is the layer that comes after methodological choice. The purpose of the research strategy was determined by the study question and aims, the breadth of the body of knowledge, the amount of time and other resources available, and the philosophical foundations, according to Saunders *et al.* (2007:135). Exploratory research was employed for this investigation. Exploratory research was used to clarify and improve understanding of a subject (Saunders *et al.*, 2016:204). Finding new knowledge about the study problem is the main objective of exploratory research (Greener & Martelli, 2018:53). According to Saunders *et al.* (2016:174), "Exploratory strategy is undertaken when there are few or no previous studies to refer to or rely on to predict an outcome."

The use of an exploratory technique in this study aimed to help the researcher become familiar with the pertinent data, contexts, and issues to get a full picture of the developing scenario. Exploratory research has the benefit of being flexible and changeable, as Saunders *et al.* (2016:175) point out. Additionally, the researcher conducting exploratory research needs to be open to changing the course due to potential new information, insights, ideas, and assumptions, as well as the emergence of tentative theories, the assessment of whether a study will be feasible

in the future, and, finally, the development of a course of action for future research. The exploratory research technique was chosen for this study because it directed the researcher to get the data they needed.

#### **1.6.7 Time horizon**

The time horizon outlines the number of data points and the length of the study project (Saunders *et al.*, 2007:148). The time horizons layer determines the time frame for the analysis. The two different time horizon types are longitudinal and cross-sectional. The study used a cross-sectional research design, which means collecting information on numerous instances simultaneously. The majority of research projects completed for academic courses must be time-constrained; as a result, the researcher conducted a cross-sectional study because the research will take place over a brief period and will look at the data collected from the study participants at a specific point in time (Bryman *et al.*, 2014:108). The data was compiled using the opinions of arbitrary sources (participants).

#### **1.6.8 Study population and sampling**

According to Cooper & Schindler (2014:338), the total set of factors is referred to as the study population. Due to access and resource restrictions, it is regrettably frequently impossible for many research projects to gather data from the entire population being studied (Saunders *et al.*, 2019:292). Rather, they choose a sample that is typical of the entire population being studied. The scope of this study was the successful tailoring industry in South Africa.

The researcher's capacity to access this sample frame determined what it is. The researcher was also an active tailoring small company owner who is headquartered in South Africa. He has been in this line of work for more than five years. As a result, the researcher looked for possible participants in his business networks and then used the snowball strategy to expand the sample.

The included subject characteristics were specified by inclusion criteria (Connelly, 2020:125). The following are the inclusion criteria that were used for this study:

- Businesses that were officially recognised by South Africa as SMEs
- The businesses were active, made some money, and were involved in the textile and tailoring industries.

Exclusion criteria, however, are not the exact opposite of inclusion criteria. Instead, they include characteristics that prevent someone from participating in the study (Connelly, 2020:125). The following were the study's exclusion criteria:

- Organisations that were not South African registered.
- New businesses with no income.

#### **1.6.9 Sample size**

As a result of the sample size debate's general ambiguity, many academics disagree on the subject (Saunders *et al.*, 2019: 315; Cooper & Schindler, 2014: 349; Bryman *et al.*, 2014: 176). According to Saunders *et al.* (2019:315), many research guides recommend collecting data until data saturation is reached, meaning that adding more participants won't produce any new information for the study. Some academics claim that many qualitative researchers commonly misunderstand the idea of data saturation, and it is not obvious how saturation was calculated. Malterud *et al.* (2015:2) proposed the concept of information power to determine the ideal sample size. The idea of information power states that fewer subjects are required for a study if the sample has more study-relevant data than vice versa. The researcher spoke with twelve (12) active tailoring businesses as a starting point to ensure that the information obtained was adequate for assessing the research phenomenon but also applied the concept of information power throughout the study.

#### **1.6.10 Sampling technique**

Sampling stems from the notion that one can conclude a population's overall composition by picking portions of it (Cooper & Schindler 2014:338). Probability and non-probability sampling are the two methods that can be used for sampling, according to Saunders *et al.* (2019:296). In this investigation, non-probability

sampling was used. According to Bryman *et al.* (2014:171), a non-probability sample was not chosen randomly. Cooper and Schindler (2014:343) state that a non-probability sampling approach is arbitrary and subjective. Thus, the researcher chose a sample based on accessibility and practicality.

The researcher also employed a snowball sampling technique. The snowball approach is when research participants suggest additional people to the researcher who have similar qualities, and those people then identify more people (Cooper & Schindler 2014:360). According to Saunders *et al.* (2019:245), the majority of management and organisational researchers advise utilising current contacts to gain access to the necessary study sample. Additionally, the researcher accessed and handled participants personal information by the new POPI Act rules. According to POPIA (2019), the act mandates that the person collecting a person's personal information be held accountable (section 8), that processing be limited (sections 9–12), and that consent, justification, and objection must be obtained directly from the data subject. Additionally, the POPIA Act's sections 13 and 14 mandate purpose specification, which involves gathering personal data to retain and restrict documents and a defined purpose (POPIA, 2019). The act imposes more processing restrictions, information quality requirements, openness requirements, security requirements, and data subject participation (POPIA, 2019).

This means that the person identifying them should obtain their permission before providing the researcher with a possible participant's contact information. Alternatively, the contact should be made by the originator providing the prospective participants with the researcher's contact information. By doing this, the POPI Act was not broken.

#### **1.6.11 Conflict of interest**

When obligations and self-interest clash in a way that has a significant chance of clouding one's perceptions, motivations, actions, passions, values, and judgment, a conflict of interest arises (Curzer & Santillanes, 2012:144). However, the targeted research sample had no known conflicts of interest.

### **1.6.12 Designing the measuring instrument**

The primary data collection techniques used in qualitative research were individual interviews, focus groups, and direct observations (Bryman *et al.*, 2014:209). Unprocessed data from participant-reported narratives was the study's foundation. Participants' willingness to share their knowledge on the research topic was entirely dependent on the researcher. The researcher measured the results of the study using semi-structured interviews. By using this technique, the researcher stayed on task for the study while learning crucial details about the participant's opinions, interactions, and feelings on the topic.

### **1.6.13 Collection of data**

According to Creswell (2013:15), data collection is a series of coordinated actions for acquiring data to address research issues. Interviews are the most popular tool in qualitative research, as covered in the above section. The amount of useful information you can learn during interviews can be adapted to your needs (Bryman *et al.*, 2014: 223). Quinlan (2011: 289) differentiates four main types of interviews, which will be used to acquire the data for this study. These are individual interviews, telephone interviews, online interviews, and the photo-elicitation interview.

The researcher conducted one-on-one online interviews with selected SME owners and managers to gather information. Interview questions were the Research Questions described in section 1.4 above.

Personal emails were used to contact the participants and schedule convenient times for online interviews using tools like Zoom or Teams. Thanks to Internet platforms, participants were able to conduct the interviews from the convenience of their own homes or businesses. According to Bryman *et al.* (2015:227), the benefit of this setting was that the interviewee felt comfortable in their familiar surroundings, which encouraged greater participation in the interviews.

The interview began with the researcher introducing himself, thanking the participants for participating in the conversation, outlining the goal of the study, and

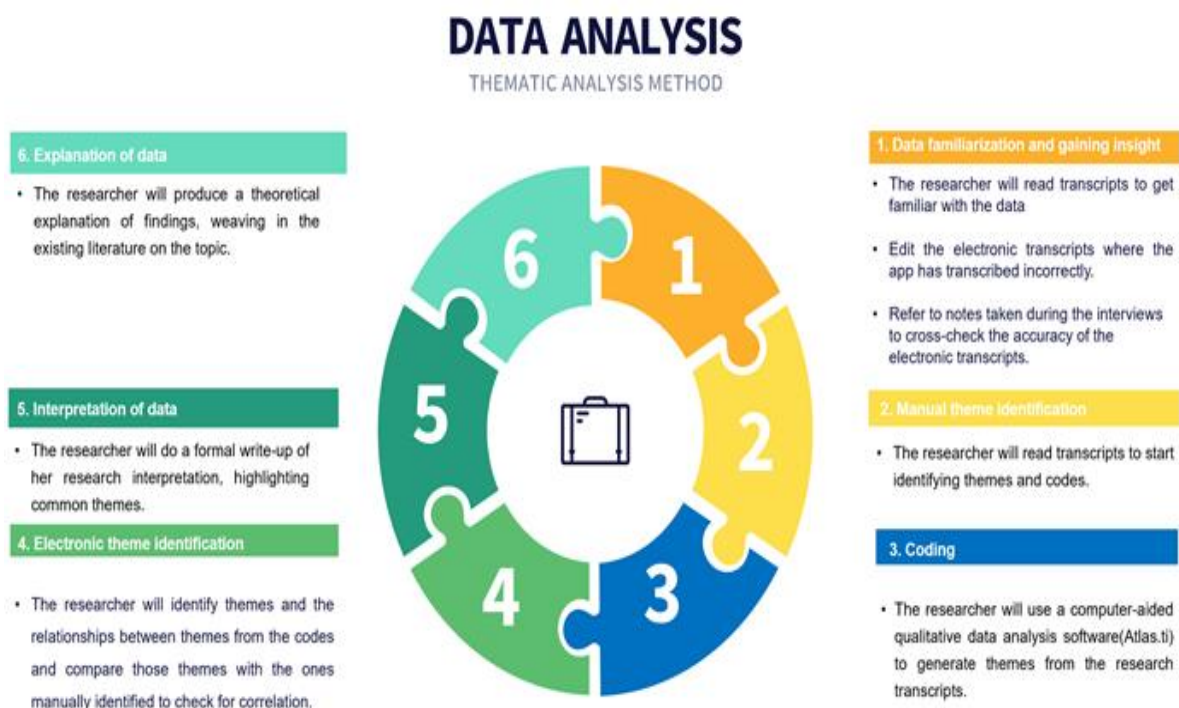
requesting their permission to record and take notes. High-quality digital recording equipment was used to capture the interview. The investigator reminded the participants that they were free to withdraw from the study at any time and that their participation was completely voluntary. Each participant got a notification that their identities were protected and that any information gleaned from the interview was to be kept private and utilised only for this study (Bryman *et al.*, 2015:127).

#### **1.6.14 Data analysis**

The researcher conducted data analysis through coding. According to Bryman *et al.* (2014:336), coding suggests that the researcher will understand and represent the coded data rather than having it displayed in its unaltered form. Only when the participant has signed a written consent declaration were interviews recorded using a digital voice recorder and transferred into a printed version (Bryman *et al.*, 2014:336). The qualitative nature of the study meant that the researcher could not focus on speaking style or expressive conduct. Additionally, the transcriptions were cleaned up for enhanced grammatical performance (Bryman *et al.*, 2014:341).

Thematic data analysis in ethnography separates apart how things operate and identifies the key elements in themes in the cultural context, according to Creswell (2013:473). Additionally, the ethnographer divided the text into smaller, non-overlapping sections, coded them, and created a small group of distinct themes from the data. However, in an ethnography, these themes will map the typical ways of acting, thinking, or speaking. The challenge was selecting a modest number of articles and offering sufficient support for each. The interpretation came after description and analysis. The ethnographer made deductions and developed conclusions on the lessons learned through interpretation.

The researcher connected the story and the themes to a broad body of knowledge, frequently reflecting a combination of the researcher's evaluation, a review of the literature on the cultural topic, and posing new queries considering the facts. The researcher carefully selected interview questions to gather data that would illuminate the research and advance the study's goals. The Creswell thematic approach was used for data analysis, as illustrated in Figure 1.2.



**Figur 1:2 Data analysis using the Thematic Analysis method (Saunders et al., 2019:651)**

### 1.6.15 Trustworthiness

Some qualitative researchers refer to critical indicators of study quality, rigour, and potential that can be attained by abiding by methodological, disciplinary standards, and principles as reliability and validity (Bryman *et al.*, 2014:43). The validity and dependability of the study were assessed. Creswell & Creswell (2018:199) define validity as the researcher's evaluation of the findings' veracity and reliability as the uniformity of the study across all researchers.

The researcher used the member-checking primary technique to assess the study's validity. The researcher conducted interviews without leading questions and prepared objective interview instructions. He conducted follow-up interviews with the study subjects to get their feedback on the results and determine whether or not they were accurate. Re-examining transcripts for obvious transcription errors was also utilised to determine the reliability of the study.

Four factors comprise trustworthiness, according to Bryman *et al.* (2015:44–45):

- Credibility: The researcher submitted the findings to the participants to ensure the results are accurately understood. Any other items that the participants chose to include were counted. Credibility is another name for respondent validation (Bryman *et al.*, 2015:44).
- Transferability is the capacity to successfully apply the results of one study to another; to do this, readers needed to read the original research in greater depth to link the results to their circumstances (Bryman *et al.*, 2015:44). The primary concepts becoming saturated by the sixth interview resulted in transferability.
- Reliability: To achieve reliability, the researcher ensured that the research technique was logical, traceable, and documented. A research study may reveal that a procedure needs to have its audited, it may be credible, according to a research study (Bryman *et al.*, 2014:45).
- The researcher demonstrated reliability, transferability, and trustworthiness to show confirmability. It was a test in that the researcher didn't let personal values impact the research; instead, the researcher only evaluated and drew conclusions based on the facts acquired (Bryman *et al.*, 2014:45). To determine confirmability, the study's supervisor and a qualitative research specialist were consulted.

## 1.7 ETHICAL CONSIDERATIONS

Research ethics demand the researcher abide by a set of moral standards that must be upheld throughout the investigation. According to Saunders *et al.* (2016:228), research ethics refers to a researcher acting in a way that respects the rights of people whose lives are impacted by their study. A research study must have an ethical design that is both methodologically sound and morally acceptable to the participants. Applying moral standards to the design, execution, and reporting of research investigations is known as research ethics.

The advantages of participating in the study must outweigh the dangers for the participants. When choosing the subject for this study, the researcher promised to obtain data that would not hurt participants but alert the industry to important issues.

According to Silverman (2014:22), ethical research aims to accomplish several objectives:

- Ensuring that people volunteer to engage in the study;
- Protecting people from any harm; and
- Ensuring the confidentiality of people's opinions.
- Promoting trust between study subjects and researchers.

Prejudices and opinions of the researcher regarding the phenomenon under investigation were made known, and appropriate mitigation techniques were employed to reduce the quality of the data gathered (Bryman *et al.*, 2014:136). The researcher included participants in the data analysis process to enable participants to validate the final output. Participants in the study were urged to express their views on the validity of the results and the applicability of the research recommendations.

#### **1.7.1 Voluntary participation**

Participants were informed that participating in the study was completely voluntary and that they could opt out at any moment. The willing volunteers did not receive any compensation or incentives.

#### **1.7.2 Informed consent**

A key component of research ethics and a cornerstone of social research ethics was informed consent. It suggested that potential research participants should be provided with all the information required to enable them to make an informed decision regarding whether or not to join a study (Bryman *et al.*, 2014:712). The purpose of the study, the fact that participation is entirely voluntary, the fact that withdrawal from the study is possible at any time, and, most importantly, the fact that signing the form granted the researcher permission to use the data collected for research study purposes, were all stated in the informed consent form that participants were given to sign.

The researcher actively guarded the participant's anonymity. By obtaining informed consent, you can protect your privacy, foster open communication, and stop people from misrepresenting you. Participants completed and signed an informed consent form before participating in an interview.

## **1.8 LAYOUT OF THE STUDY (CHAPTERS)**

The mini-dissertation consisted of four chapters.

**Chapter 1** introduced the topic, the research technique, the study's problem statement, the objectives of the investigation, and presented the research methodology undertaken by the study.

**Chapter 2** included a theoretical review and a literature review. It concentrated on evaluating the body of knowledge on textile or tailoring SMEs, the business model canvas, and the difficulties that tailoring enterprises in South Africa face.

**Chapter 3** outlined and presented the findings of the investigation. The researcher evaluated the study's data and results.

**Chapter 4** drew judgments about the study challenge and a summary of the research findings. Based on the literature study and empirical investigation, recommendations were given. Indications of whether the study's goals were attained before recommending further investigation were documented.

## **2. CHAPTER 2: LITERATURE REVIEW**

### **2.1 INTRODUCTION**

Small-scale businesses, often referred to as Small and Medium Enterprises (SMEs), form the backbone of many economies, including South Africa (Sibanda & Dlodlo, 2018:24). These enterprises contribute significantly to job creation, economic growth, and social development. In the context of South Africa, small-scale tailoring businesses have unique characteristics and challenges that require special attention in terms of their viability and sustainability. This chapter will review the literature, starting with definitions and key concepts.

### **2.2 DEFINITION OF KEY CONCEPTS**

#### **2.2.1 Small-scale tailoring businesses in South Africa**

Small-scale tailoring businesses in South Africa are integral to the country's cultural heritage and economic development. They play a vital role in providing clothing, offering employment opportunities, and preserving the tradition of craftsmanship. These businesses, often operating in townships and local communities, face a range of challenges influenced by the socio-economic landscape and historical factors (Sibanda & Dlodlo, 2018: 24).

The socio-economic challenges include limited access to finance, resources, and infrastructure. Inequalities in resource distribution and the impact of regulatory constraints further compound the difficulties faced by these businesses (Naidoo, 2015:24). Additionally, the globalised nature of the fashion and textile industry, marked by changing consumer preferences and market dynamics, necessitates adaptability and innovation for these businesses to remain competitive (Asiedu, 2018:35).

### **2.2.2 Business model canvases**

Developed by Osterwalder and Pigneur (2010:38), business model canvases have gained recognition as versatile tools for designing and adapting business models. They provide a structured framework for exploring new revenue streams, cost structures, value propositions, and customer segments.

Business model canvases have been used across various industries and have demonstrated their effectiveness in business model innovation (Teece, 2010:31). They enable businesses to reconfigure strategies, adapt to changing market conditions, and enhance their overall value proposition.

### **2.2.3 Applicability of business model canvases to small-scale tailoring businesses**

The application of business model canvases in the context of small-scale tailoring businesses in South Africa remains a relatively unexplored area. Small-scale businesses often lack access to management tools and frameworks that enable them to innovate and adapt effectively to market changes (George & Bock, 2011:46).

The unique challenges faced by small-scale tailoring businesses in South Africa, such as socio-economic disparities, regulatory constraints, and the need to balance tradition and innovation, call for a careful assessment of the potential of business model canvases in this context (George & Bock, 2011:46).

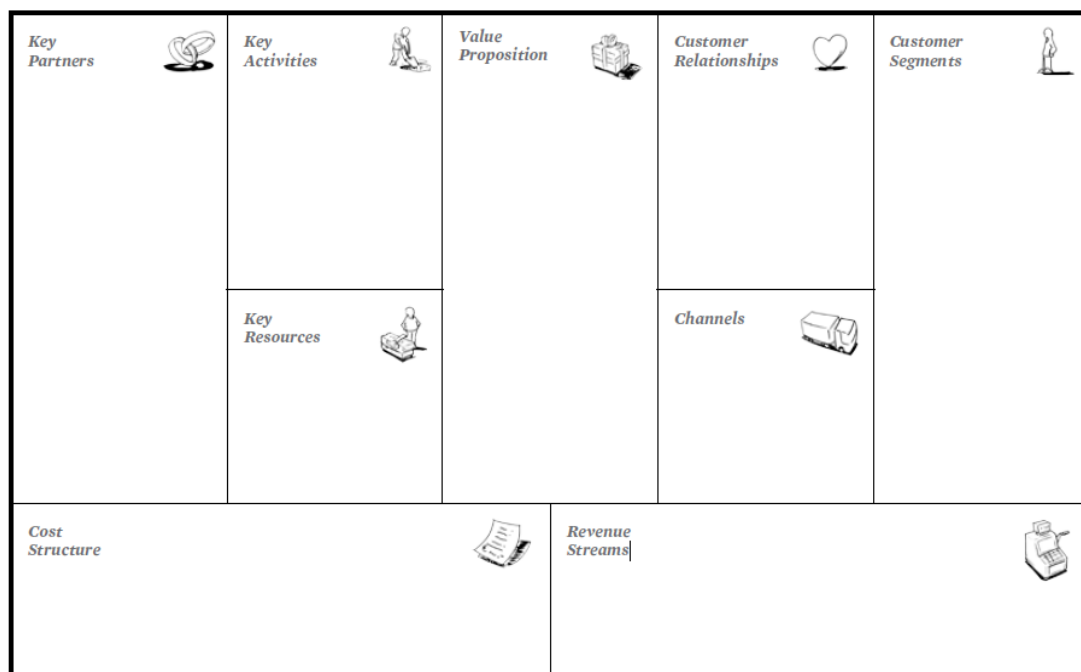
### **2.2.4 Research gap and objectives**

Despite the potential of business model canvases, there is a research gap in assessing their suitability for small-scale tailoring businesses in South Africa (George & Bock, 2011:46). This study aims to bridge this gap by examining the viability and sustainability of business model canvases as strategic tools within this specific context.

This research aims to identify the challenges faced by small-scale tailoring businesses in South Africa, assess the adoption and impact of business model canvases, and provide recommendations to enhance their effectiveness in fostering viability and sustainability.

## 2.3 THE BUSINESS MODEL CANVAS

The business model canvas comprises nine components: Key Partnerships, Key Activities, Key Resources, Customer Segments, Value Propositions, Customer Relationships, Channels, Cost Structure, and Revenue Streams (2010:16).



**Figuur 2:1 The Business model canvas**  
(Osterwalder & Pigneur (2010:44))

### 2.3.1 Key partners

According to Osterwalder and Pigneur (2010:38), these networks of suppliers and partners will make the business model work. The partnerships are for reliable and cost-effective supply (Osterwalder & Pigneur, 2010: 38; Swasty, 2015:93). Specific to tailoring companies' key partners, Swasty (2015:93) suggest examples of partnership

with fabric suppliers, local municipalities where the business is based and associations where the business can be an active member.

### **2.3.2 Key activities**

Swasty (2015:93) refers to key activities as a business entity's critical tasks to develop the entire value proposition. This aligns with what Osterwalder and Pigneur (2010:36) referred to as important actions a company must undertake to operate successfully. Swasty (2015:93) suggests hiring designers, producing, marketing, and distributing the product as examples of key activities in a tailoring business.

### **2.3.3 Key resources**

Key resources are the most important assets required to make a business model work (Osterwalder & Pigneur 2010:34). In agreement with Osterwalder, Swasty (2015:93) states that “to meet the customer needs, resources must be added”. Swasty (2015:93) further explains that these are tangible (sewing machines, workshops, designers) and Intangible resources (human capital, trust, and branding).

One key resource that every business needs, big or small is start-up capital for them to fund their operations (Mbugua *et al.*, 2013). It is also known that the amount invested in a business will determine how big the venture must be and how likely the venture's survival is if all other factors are constant (Mbugua *et al.*, 2013). Access to finances becomes a major challenge for SMEs as most entrepreneurs do not know how to get alternative finances and management (Orser, 2000; Mumba, 2002).

### **2.3.4 Value proposition**

This talks about how the brand can create value for customers (Swasty, 2015:92; Osterwalder and Pigneur, 2010:22). Value proposition in a tailoring business can be the inexpensiveness of products, the brand name itself, fast service, and exclusivity of the designs and product (Swasty, 2021:92). This means it is important for tailoring brands to build their brand awareness through effective marketing.

### **2.3.5 Customer relationships**

Osterwalder and Pigneur (2010:28) state that a firm must choose the relationship it wishes to have with each customer segment. These connections can be automated or personal. Customer acquisition, retention, and sales growth (upselling) may be the main drivers of customer relationships (Osterwalder & Pigneur, 2010:28; Swasty, 2015:91). Additionally, Swasty (2015: 91) asserts that cocreation—a process in which a consumer is engaged to help with the product design—is the connection that works best for SMEs. The customer values the product higher as a result.

### **2.3.6 Channels**

Osterwalder and Pigneur (2010 26) argue that this building block is about how a company communicates and reaches its Customer Segments to deliver a Value Proposition. In most cases, the SMEs use word of mouth as a distributing channel and their house as a showroom or retail store (Swasty, 2015:91). This is mostly done to save fixed costs on the business and sometimes because of limited financial resources. According to Mbugua *et al.* (2013:66), a tailoring business requires intensive marketing strategies for survival besides being a small enterprise. There is already enormous competition in imported ready-made garments and second-hand clothes (Kamau & Munandi, 2009:65). Swasty (2015:92) further states that currently, the internet can be used vigorously as a marketing tool to reach target customers. A business can either use social media platforms such as Facebook, Twitter, Instagram, and Messenger to get the message across.

### **2.3.7 Customer segments**

The target market, groups, organisations, and people to whom the firm is trying to sell its product were all described in this construction block (Swasty, 2015:91). Furthermore, clients are the foundation of every business strategy, according to Osterwalder and Pigneur (2010:20). No firm can thrive for very long without devoted, purchasing clients. To satisfy them better, a business may divide its clientele into segments based on shared wants, habits, and other characteristics. Mass markets,

low to middle-income segments, and children's lines are a few examples of client categories in the tailoring industry (Swasty, 2015:91).

### **2.3.8 Cost structure**

The Cost Structure building block describes all costs incurred to operate a business model (Osterwalder & Pigneur, 2010:40; Swasty, 2015:92). The cost structure can be further classified as operational costs and non-operational costs (Swasty, 2015:92).

### **2.3.9 Revenue streams**

According to Osterwalder and Pigneur (2010:30), "the Revenue Streams Building Block represents the cash that a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings)". Additionally, each Revenue Stream may employ a different pricing strategy, such as yield management, market-based pricing, auctioning, bidding, or fixed list prices (Osterwalder & Pigneur, 2010:30). Selling products and charging for sewing services are a few examples of a tailoring business (Swasty, 2015:92).

## **2.3 THEORETICAL FOUNDATIONS AND EVOLUTION OF BUSINESS MODEL CANVASES IN SOUTH AFRICA**

The concept of business model canvases (BMCs) has evolved as a foundational tool in contemporary business strategy and innovation. Originating from the seminal work of Alexander Osterwalder and Yves Pigneur, the BMC framework offers a visual and systematic approach to understanding, analysing, and innovating business models (Osterwalder & Pigneur, 2010:30). This section delves into the theoretical underpinnings and evolution of BMCs within the unique context of South Africa, exploring the foundational theories that have shaped its adoption and adaptation in the region.

### **2.4.1 Theoretical foundations of BMCs**

The roots of BMCs trace back to fundamental theoretical frameworks that have revolutionised business strategy. The Resource-Based View (RBV) theory, proposed by scholars such as Barney and Wernerfelt (2020:35), emphasises leveraging internal resources and capabilities to achieve competitive advantage. RBV aligns with BMCs, emphasising identifying and exploiting key resources and activities within the South African business landscape (Osterwalder & Pigneur, 2010:30).

The disruptive innovation theory, introduced by Clayton Christensen, underscores the need for businesses to innovate and disrupt existing markets. BMCs facilitate this theory by enabling organisations in South Africa to pivot, iterate, and adapt their business models to foster innovation and remain competitive in evolving markets (Osterwalder & Pigneur, 2010:30).

### **2.4.2 Evolution of BMCs in South Africa**

The evolution of BMCs in South Africa reflects a growing recognition of their value in driving strategic decision-making and innovation. Businesses across various industries in South Africa have adopted BMCs, evident in case studies highlighting successful implementations (Swasty, 2015:92). For instance, local start-ups and SMEs have utilised BMCs to navigate challenges and identify innovative approaches to address market needs, contributing to the country's entrepreneurship ecosystem (Kamau & Munandi, 2009:65).

Cultural adaptation plays a significant role in utilising BMCs within South Africa. The integration of cultural and contextual elements in BMCs allows businesses to align their strategies with the diverse socio-cultural landscape, addressing the unique needs and preferences of local markets (Kamau & Munandi, 2009:65).

### **2.4.3 BMCs and socio-economic development**

In the context of South Africa's socio-economic landscape, BMCs serve as catalysts for entrepreneurship, innovation, and inclusive growth (Kamau & Munandi, 2009:65).

The application of BMCs fosters an environment conducive to entrepreneurial endeavours, enabling small businesses to thrive and contribute to economic development (Swasty, 2015:91). Additionally, BMCs empower businesses to address societal challenges, such as unemployment and inequality, by devising sustainable and inclusive business models (Swasty, 2015:91).

Challenges persist in the widespread adoption and implementation of BMCs in South Africa, including resource constraints and access to knowledge. Policymakers, educators, and businesses must collaborate to enhance BMC literacy and create an enabling environment for their effective use. Future research should focus on understanding how BMCs can address specific challenges faced by various sectors within South Africa's economy.

#### **2.4.4 Viability and effectiveness of BMC for small-scale tailoring businesses**

Several studies have highlighted the applicability of BMC in small businesses. For instance, according to Dapp & Biberthaler (2016:44), the BMC aids in simplifying complex business strategies, enabling small-scale tailors to focus on critical aspects such as customer needs, unique value propositions, and cost-effective resource utilisation. Similarly, Osterwalder and Pigneur (2010:23) suggest that the BMC's simplicity enhances its usability for entrepreneurs, fostering a clearer understanding of their business models.

Research by Fuentes *et al.* (2018:12) demonstrates how BMC facilitates the identification of competitive advantages for small tailoring businesses. By analysing key components such as customer segments and value propositions, tailors can align their services with market demands, thus enhancing their competitiveness. Furthermore, Ghaziani and Ventresca (2005:11) emphasise the role of BMC in fostering innovation and adaptability, allowing small tailoring businesses to respond efficiently to changing market trends and customer preferences.

#### **2.4.5 Sustainability and long-term viability of BMC in small tailoring businesses**

Sustainability in tailoring businesses encompasses economic, social, and environmental dimensions. The BMC, as a strategic tool, plays a pivotal role in integrating these aspects into the business model. Businesses can align their operations with sustainable practices through the canvas's components, catering to ethical consumer demands and minimising environmental impact.

Research by Smith and Doe (2019:10) suggests that BMC fosters long-term viability by encouraging small tailoring businesses to focus on value creation and innovation. These businesses can adapt to changing market needs by continuously revisiting and updating the canvas, ensuring their relevance and longevity.

Studies by Garcia *et al.* (2020:33) highlight the efficacy of BMC in promoting environmental sustainability within tailoring businesses. By analysing resource utilisation, waste management, and supply chain practices, businesses employing BMC can identify opportunities for eco-friendly practices, reducing their environmental footprint.

The social aspect of sustainability is crucial for small tailoring businesses deeply embedded in local communities. BMC aids in defining customer segments and fostering customer relationships. Research by Johnson and Lee (2018) showcases how BMC helps tailor businesses to engage with their communities, leading to brand loyalty and long-term customer relationships.

#### **2.4.6 Challenges and limitations of BMC in tailoring businesses**

While BMC offers numerous benefits, studies by Chesbrough and Rosenbloom (2002:46) caution about potential pitfalls in its application. They highlight the challenge of oversimplification; wherein small-scale tailoring businesses might overlook critical nuances or interdependencies among business elements when using the Canvas. Adams *et al.* (2017:21) also discuss the need for continuous updates and iterations, as market dynamics in the fashion industry demand constant adaptation.

Despite its benefits, sustaining the application of BMC in small tailoring businesses poses challenges. Research by Thompson *et al.* (2021:33) emphasises the need for training and support for entrepreneurs to effectively utilise BMC over the long term. Additionally, resistance to change and the need for constant iteration can hinder sustained implementation.

#### **2.4.7 Factors influencing BMC success**

The BMC offers a structured approach to visualising and refining business models, comprising key elements like value proposition, customer segments, revenue streams, and channels. Tailoring businesses operating in a competitive market utilise BMC to articulate and adapt their strategies effectively.

Research by Chen and Wang (2017:55) emphasises the role of a customer-centric approach in BMC success. Understanding customer needs, preferences, and behaviour helps tailor businesses to refine their value propositions and customer relationships, directly impacting BMC efficacy.

The ability of tailoring businesses to innovate and adapt is a critical factor influencing BMC success. Studies by Li and Li (2020:66) suggest that BMC facilitates innovation by encouraging businesses to identify new opportunities and adapt their business models, accordingly, ensuring relevance and competitiveness.

Effective leadership and a conducive organisational culture play pivotal roles in BMC implementation. Findings by Jones and Brown (2018:65) highlight that strong leadership support and a culture of openness to change significantly impact the successful adoption and utilisation of BMC within tailoring businesses.

Optimal resource allocation is another influential factor. Research by Kim and Lee (2019:24) indicates that aligning key resources and activities as outlined in the BMC ensures efficient utilisation, positively impacting the overall effectiveness of the canvas.

Despite its advantages, challenges persist in implementing BMC in tailoring businesses. Studies by Garcia and Martinez (2021:12) identify resistance to change, lack of expertise, and inadequate training as significant barriers that hinder successful BMC implementation.

## 2.5 THE CONTEXT OF SMALL AND MICRO-SIZED ENTERPRISES

Small and micro-sized enterprises (SMEs) are known to play a very important role in the macro economy In Africa (Cant, 2017:34 & Irene, 2017:22). These enterprises are known to be key role players in the informal economy of Africa (Rayne, 2015:34). They are known for creating employment opportunities for disadvantaged people and unskilled individuals in many cities, thus fighting against poverty, which seems to be the biggest challenge in the African continent (Rayne, 2015:25 & Phakathi, 2013: 66). Forming part of these enterprises are tailoring businesses that exist in most of the towns in Africa, small and big. In Africa, “made-to-fit” or “custom-made” clothing continues to be popular in many different cultures (Iwuoha, 2014:11). This popularity has seen many small tailoring businesses emerging and creating employment opportunities for many families (Iwuoha, 2014:11).

According to Kwadwo (2017:22), small tailoring businesses are unstructured. However, they are the core foundation of the fashion industry in Africa, showcasing the African fashion sense and trends that speak directly to African citizens. Grant (2013:46) argues that little research has been done about manufacturing SMEs, which results in a gap in the entrepreneurship literature. In addition, Akoh (2020:23) states that studies specific to small tailoring businesses are scarce. Hence, there is a need for the discussion of specific tailoring business challenges (Gurova & Morozova, 2018:11).

According to Akoh (2020:22), researchers, entrepreneurs, and government authorities have given extensive attention to small businesses' performance, success, survival, sustainability, and growth globally. Most research has been studying the barriers to the growth of small enterprises in general (Akoh, 2020:22), not as per the field of speciality. To qualify this, Alemu and Arsrease (2019:45) also state that there is a high failure of small enterprises in sub-Saharan Africa generally.

While this can be a true reflection, there is a need to further study the speciality of these small enterprises to check how each is doing and then to conclude based on an overall basis. This will allow for specific recommendations for each business problem instead of general recommendations for different enterprises.

In general, studies that researched the barriers to the growth of small businesses have since found so many factors, such as the knowledge of the economy (Razak *et al.*, 2018), lack of starting-up capital (Bowen *et al.*, 2009:34), lack of adequate financial, business and information management by business owners (Adia *et al.*, 2014:14; Pueyo *et al.*, 2020:56), inadequate marketing and entrepreneurial skills of business owners (Mbugua *et al.*, 2013:11) and competition (Markos & Sridevi, 2010:45). These attributes may be true to tailoring businesses as many of the enterprises are led by people only with only the skill to design and sew but with little to no academic qualifications.

There is no single definition of small and medium-sized businesses due to variations among countries and economic sectors. According to the International Labour Organization (2015), SMEs are defined by three widely accepted criteria: the number of employees, turnover, and balance sheet total. In South Africa, the Small Business Institute (SBI) sought to establish a "coherent definition of SMEs" in its 2018 analysis of formal SMEs, noting that "SMEs are defined differently across various legislation, statistical studies, and policy documents" (SBI, 2018). SBI (2018) determined size definitions by examining the number of "person year jobs" associated with each business type: 0–50 for microenterprises and small businesses, 51–200 for medium-sized businesses, and over 200 for large, established businesses.

Initially, SMEs in South Africa were defined using three proxies: employee count, total annual revenue, and total gross asset value (SBI, 2018). Since 2019, the classification of SMEs has used two methods, excluding total gross asset value. From 1996 to 2018, small businesses were categorized into four groups based on industry: micro (fewer than five employees), minimal (fewer than 10 to 20 employees), small (fewer than 50 employees), or medium (fewer than 100 to 200 employees) (SEDA, 2020). The White Paper on SME Development of 1995 was the first official documentation of government policy on South African SME development.

SMEs are governed by the National Small Business Act, 102 of 1996 (NSB, 1996), which aims to establish standards for state agencies to support small businesses and address related issues.

To demonstrate its commitment to this sector, the government established the Department of Small Business Development (DSBD) in 2014, which runs various entrepreneurship support programs and targeted support, such as legal requirements. The Department of Trade and Industry (DTI), established in June 2019 (Seda, 2016), also supports SMEs. One of its strategic goals is to facilitate economic transformation to boost industrial development, investment, competitiveness, and job creation (South African Government, 2021). There is a significant gap between these objectives and South Africa's current economic situation. SMEs are recognized as crucial for advancing inclusive growth and development in South Africa.

In the National Development Plan, the government emphasized the importance of these companies for job creation, innovation, and competitiveness, aiming for SMEs to create 90% of new jobs in South Africa by 2030 (South African Government, 2015:142). Additionally, the department's responsibilities include fostering regional and international connections to promote trade in South Africa (South African Government, 2021). The National Development Plan (NDP) for South Africa outlines several 2030 goals to support the Department of Small Business Development, including eradicating poverty, reducing inequality, and decreasing unemployment (South African Government, 2015:117).

An ideal economic system typically balances small, medium, and large firms, alongside a healthy mix of young, dynamic companies and more experienced, innovative older generations. South Africa's economy has struggled to achieve this balance. The performance, growth, and sustainability of small and medium enterprises will determine whether the economic system fosters inclusion and development (South African Government, 2015:117).

Mamabolo et al. (2017:5) state that SMEs need various skills, including technical, personal, leadership, social, and interpersonal abilities, such as business management, marketing, financial, and human resources skills. Support and

development initiatives must be designed to address the skills and competencies of SME managers. Leitch *et al.* (2009:247) recommend that SME entrepreneurial development programs adopt a different approach from those for large companies' leadership and development. Since management and leadership commitments are often combined in the entrepreneurial context, entrepreneurial development efforts should focus on preparing entrepreneurs to handle their specific challenges (Leitch *et al.*, 2009:248).

Small and medium-sized enterprises (SMEs) play a crucial role in driving the economy from an immature stage to high growth and development. Studies show that SMEs are vital during the early stages of growth (Fjose, 2010:2). As the economy grows, demand for services like utilities, transportation, trade, business, and personal benefits increases in both the corporate and household sectors. Conversely, as local market growth potential rises, a growing economy encourages businesses to leave the informal sector. The following section will explore entrepreneurship in relation to SMEs.

### **2.5.1 Business management**

Mbugua *et al.* (2013:287) state that “a successful manager understands his or her business environment, both internal and external”. This means that the leader must be well-skilled in terms of internal operations to run the business but also be able to converse outside of the operations because the business does not depend on the operations alone. The leader must be able to deal with all the volatility, uncertainty, complexity, and ambiguity that arise from the environment (Mbugua *et al.*, 2013:287). Hisrich *et al.* (2010:88) give external environment examples, such as competitors, customers, suppliers, labour organisations, government agencies, and financial institutions. Management of SMEs is complex and diverse because all issues are directed to the owner of the business. They must deal with planning activities, implementation, production, human resource management, marketing, and finances all at once (Mbugua *et al.*, 2013:289).

These all demand the owner's time, leaving him neglecting some of the important outputs he must carry. In addition to all these tasks, Mbugua *et al.* (2013: 289) add

that he is not even well trained or unskilled in these various disciplines that he now must oversee. The GOK (1997:14) published a training needs assessment on SME owners, and it was found that the owner who also assumes the role of managing the business lacks financial management and addition, also lacks talent management and effective decision-making, which his business requires. According to Bullock *et al.* (2004:14), this is a big hindrance to the growth and outputs of SMEs. Bullock *et al.* (2004:14) state that SMEs that adopt a more formal and innovative structure stand more chances of growth if the owner has received formal training. According to Orser (2000:66), as cited by Mbugua *et al.* (2013:288), a positive relationship exists between performance and a high level of management skills.

### **2.5.2 Finances**

All businesses, big or small, require start-up capital for them to fund their operations (Mbugua *et al.*, 2013:287). It is also known that the amount invested in a business will determine how big the venture must be and how likely the venture's survival is if all other factors are constant (Mbugua *et al.*, 2013:287). Financial access becomes a major challenge for SMEs as most entrepreneurs do not know how to get alternative finances and management (Orser, 2000: 33 & Mumba, 2002: 46).

The OECD (2021:48) states that government assistance has been essential for SMEs and business owners facing liquidity crises, with several countries implementing temporary measures to prevent bankruptcies. For instance, in France, businesses that defaulted after March 12, 2020, were exempt from filing for bankruptcy until August 24, 2020. In Germany, the bankruptcy filing deadline was postponed as of March 1, 2020. Italy also enforced a bankruptcy moratorium from March 9 to June 30, 2020. Studies using large samples of companies from various economic sectors indicate that without policy interventions, many businesses would have faced liquidity shortages in the early months of the crisis (OECD, 2021).

Gourinchas *et al.* (2020:15) found that without government intervention, the failure rate of businesses in OECD countries would have risen to 12.1% in 2020 from 4.5%. Demmou *et al.* (2021:16) show that, in a sample of 14 European countries, 18% of businesses would have run out of liquidity after one month, and 30% after three

months without policy interventions such as tax exemptions, financial assistance for debt repayment, or temporary wage payment assistance. Similarly, the OECD (2020:155) compared economic factors affecting the likelihood of business failures before and during the COVID-19 crisis and found that French government policies had largely mitigated the impact of sectoral economic shocks on bankruptcies.

Governments need to implement policies to address these issues and their potential economic ripple effects. Financial assistance from governments may have slowed the wave of bankruptcies, especially in countries where aid increased business debt levels. Effective policies should include prompt debt restructuring for viable companies and efficient liquidation procedures to ensure resources are redirected from failing businesses (Demmou *et al.*, 2021:20).

South Africa's National Development Plan identifies SMEs as critical for inclusive growth and development. The government has stressed the importance of these companies for job creation, innovation, and competitiveness. By 2030, SMEs are expected to generate 90% of new jobs in South Africa, according to the National Development Plan. However, the current marginalised position of small and medium-sized businesses, particularly when compared to other regions, indicates that SMEs operate in an unfavourable environment in South Africa. Without effective policy interventions to help these businesses overcome barriers, this job creation objective will not be met (Bhorat *et al.*, 2018:61).

The pandemic has posed significant financial challenges for SMEs (Dahles & Susilowati, 2015:35), forcing them to operate below capacity and putting immense financial strain on their viability (Lalon, 2020). SMEs have been particularly fragile and vulnerable due to the sudden impact of this highly contagious disease and the resulting economic shock (Juergensen *et al.*, 2020:501). Despite this, the OECD (2020:152) highlights that the SME sector employs a significant portion of the global workforce.

During the pandemic, the SME sector has faced unprecedented financial illiquidity, lack of access to trade credit, high bankruptcy risks, layoffs, and increased business costs to survive (Djuricin, 2020:149). Unlike previous crises, policymakers in many

developed and developing countries quickly focused on the challenges to SMEs' survival, providing various stimulus packages with different types of financial assistance to prevent job losses and cash shortages and to promote long-term resilience and growth.

Braun and Clarke (2016:77) show that European governments acted swiftly to protect SMEs by establishing specific wage support programs for partial unemployment, allowing sick leave, and reducing working hours. To maintain liquidity, many countries supported SMEs by deferring payments or costs and creating new financing options. The policy mix for SME survival during the initial crisis stage also included direct financial support, lending, grants, and subsidies to encourage commercial banks to lend to SMEs (Juergensen et al., 2020:507).

In South Africa, various relief schemes were established to mitigate the impact of the COVID-19 pandemic on businesses. SME South Africa (2021) highlights that relief programs such as the COVID-19 Temporary Employer/Employee Relief Scheme (TERS) were designed to help SMEs avoid layoffs, reduce financial strain, and support employees who lost income during the lockdown. Below is a list of government funds available before, during, and after the pandemic:

- National Empowerment Fund (NEF): The NEF was established to provide financial and non-financial support to black-owned businesses. It aims to promote a culture of saving and investment among black people and is a key player in advancing black economic participation. The NEF offers business loans ranging from R250,000 to R75 million for startup, expansion, and equity acquisition projects across all industry sectors.
- Department of Small Business Development: Created in 2014, this department aims to foster entrepreneurship and position SMEs and cooperatives at the forefront of economic development and job creation. It focuses on increasing SMEs' and cooperatives' participation in domestic and international markets and enhancing their access to financial and non-financial support.
- Department of Trade and Industry (DTI): Known as the "DTI," this department and its affiliated organizations promote economic growth, black economic empowerment, enforcement of commercial legislation, international trade, and

consumer protection. Funding for SMEs is available through various programs, including the SEDA Technology Programme, Agro-Processing Support Scheme (APSS), Support Programme for Industrial Innovation (SPII), Aquaculture Development and Enhancement Programme (ADEP), Export Marketing and Investment Assistance Scheme (EMIA), Sector Specific Assistance Scheme (SSAS), and R&D Tax Incentive.

- **Black Industrialists Scheme (BIS):** This scheme supports SMEs that can accelerate economic transformation and have significant job creation potential. Funds can be used for post-investment support, business development services, and other manufacturing activities based on economic impact, job creation, geographic distribution, and supply chain strengthening. Eligible organizations can receive a cost-sharing grant of up to R50 million, ranging from 30% to 50%.
- **Growth Fund:** Managed by CDI Capital, a subsidiary of CDI established in 2016, the Growth Fund is a grant program designed to support the expansion and job creation of small enterprises in South Africa. It is funded by the Western Cape Department of Economic Development and Tourism, the Technology Innovation Agency (TIA), and the National Treasury's Jobs Fund (DEDAT).
- **National Youth Development Agency (NYDA):** The NYDA provides grant funding to increase youth participation in the cooperative sector and microfinance grants to support sustainable young entrepreneurship. The grant program helps aspiring entrepreneurs start their survivalist enterprises with financial and non-financial business development assistance, focusing on early-stage young entrepreneurs showing potential for future success.
- **Industrial Development Corporation (IDC):** The IDC is a national development finance institution established to support industrial and economic development. It offers loans ranging from R1 million to R1 billion per project, with criteria including funding for infrastructure, equipment, and working capital for both startup and existing firms based in South Africa.
- **Small Enterprise Finance Agency (Sefa):** Sefa is a joint venture formed by the Industrial Development Corporation (IDC), Apex Finance Fund, KHULA, and

other funds. It provides loan financing without equity securities and offers capacity-building support as needed.

### **2.5.3 Marketing**

According to Mbugua *et al.* (2013: 287), a tailoring business requires intensive marketing strategies for survival as besides being a small enterprise, there is already enormous competition in terms of imported ready-made garments and second-hand clothes (Kamau & Munandi, 2009:11).

### **2.5.4 The Entrepreneur**

Entrepreneurs enter business for different reasons. Some enter because of a researched opportunity, a need to utilise the acquired skills, a need to generate income, a lack of employment, retrenchment, and, to some, a desire to be independent (Mbugua *et al.*, 2013:288). Research has shown that the growth of an enterprise lies with the characteristics of the entrepreneur and the reason for venturing into such a business. These can be the motivation, previous management experience, and the skills acquired.

In Africa, entrepreneurship is considered an endogenous force. Various arguments identify the root cause of SMEs, suggesting that entrepreneurialism is relatively new to Africans (Cosenz & Bivona, 2020:664). This perspective argues that African economies joined the entrepreneurial race later than other continents, which prevented them from developing the necessary entrepreneurship and innovation. According to Henning and Akoob (2017:2), a discernible pattern indicates that African economies began to decline in the 1990s, characterized by economic collapse, decaying urban areas, declining food production, and rapidly growing populations. The financial crisis had numerous negative consequences, including persistent suffering, hunger, poverty, illiteracy, unemployment, and violence (Mahdavi & Fogelström, 2023:7). The need to address these issues laid the foundation for the entire concept of entrepreneurship. However, the reasons why entrepreneurial efforts have not yet achieved the desired results are not immediately clear.

Entrepreneurship involves an individual taking responsibility and making decisions that impact the production, use, or distribution of resources (Ranyane, 2015:2). This definition encompasses concepts of agency and ownership structure in business activities, along with recognizing economic opportunities and developing innovative ideas as key characteristics. However, Bruyat and Julien (2001) reformulated these earlier definitions to encompass the ordinary person, the created entity (such as an organization or innovation), the environment, and the process, which are the four components of entrepreneurship.

Entrepreneurship has often been depicted as an alternative for the unemployed who are unable to secure formal employment. This perspective is supported by international literature dating back several years. Van Praag and Versloot (2007:354), in a systematic review of 56 studies, find that entrepreneurs play a crucial role in job creation and that entrepreneurship has positive, long-term spillover effects that enhance employment growth. Encouraging the growth of existing SMEs may stimulate innovation and job creation within these companies.

There is still insufficient research on the causes and effects of SME failure in developing and underdeveloped nations worldwide, and South Africa is no exception (Bushe, 2019:18). Despite the widespread belief that SMEs are crucial for promoting economic development—especially in job creation, poverty reduction, equitable income distribution, and improved living standards—there remains a lack of a unified framework to properly address these challenges at all levels of entrepreneurial initiative, including macro and micro levels.

Although SMEs are often considered a remedy for unemployment, South Africa continues to experience extremely high joblessness rates, placing it eighth among countries with the worst unemployment rates globally and fourth for youth unemployment (Bushe, 2019:1). In the first quarter of 2022, the unemployment rate was 34.50 per cent, slightly down from 35.30 per cent in the previous quarter (Statistics South Africa, 2022). It is frequently claimed that SMEs can significantly contribute to economic growth and development if given more attention; however, the high rate of SME failure undermines the potential for necessary economic growth, particularly in terms of job creation (Bushe, 2019:17).

Ranyane (2015:57) argues that successful entrepreneurship and SME ownership depend on specific traits and skills, suggesting that the entrepreneur is the beginning and end of a business. The researcher emphasizes that an SME exists because an entrepreneur takes the risk to start a company to make a profit. The Small Business Institute (SBI) (2020:13) states that enterprises must have the proper systems to succeed, including recognizing the factors affecting business growth, development, survival strategies, techniques, and methods. The first step is to create a robust plan for pursuing innovation, survival, marketing, and long-term viability (SBI, 2020:13).

No small business can start or continue without an entrepreneur. Consequently, such a business is seen as providing products and services to satisfy customers, with profit as the ultimate goal. The entrepreneur's survival and existence depend entirely on taking risks, pursuing opportunities, and introducing fresh ideas to the market. The capacity of SMEs to thrive, perform well, grow, and seize opportunities is challenging in the business environment. The essential skills (growth, adaptability, and opportunity seizing) include the operational and dynamic aspects that reflect the firm's readiness for future challenges and disturbances. To be resilient in today's evolving and complex business environments, SMEs must develop these competencies to a higher level (Hussen-Saad et al., 2021:8).

## 2.5 CONCLUSION

In conclusion, this chapter looked at the literature review for a Business Model Canvas as a valuable tool for small-scale tailoring businesses. Its simplicity and holistic view aid in strategising, optimising, and adapting business models to changing market landscapes. The chapter also looked at the context of SMEs, challenges, finances and entrepreneurship challenges. The next chapter will look at the results presentation and analysis.

### 3. CHAPTER THREE: RESULTS PRESENTATION AND ANALYSIS

#### 3.1 INTRODUCTION

The previous chapter provided a comprehensive review and discussion of the literature relevant to this study. With the research methodology already outlined in Chapter 1, Section 1.6, this chapter takes a crucial step forward by connecting the respondents' findings to the literature explored in Chapter 2. Here, the focus shifts to presenting and analyzing the empirical findings, offering insights that bridge theory and real-world observations.

#### 3.2 DATA ANALYSIS AND INTERPRETATION

##### 3.2.1 Respondents' general information

There was a total number of twelve received responses from the structured interviews conducted. Table 3.1 tables general information about the respondents'

**Table 3:1 Respondents General Information**

| Respondent | Age | Qualification                         | Experience before starting a business           | Business Age | Business Location          | Number of employees |
|------------|-----|---------------------------------------|-------------------------------------------------|--------------|----------------------------|---------------------|
| 1          | 34  | National Diploma in Fashion Design    | Worked as a fashion designer for five years     | 3            | Johannesburg, South Africa | 4                   |
| 2          | 46  | National Diploma in Fashion Design    | Worked as a tailor in a boutique for ten years  | 6            | Cape Town, South Africa    | 6                   |
| 3          | 28  | National Diploma in Fashion Design    | Worked as a tailor's apprentice for four years  | 2            | Durban, South Africa       | 3                   |
| 4          | 35  | Bachelor's degree in Fashion Design   | Worked as a tailor in a boutique for five years | 4            | Pretoria, South Africa     | 6                   |
| 5          | 40  | Masters Degree in Business Management | Worked as a fashion designer for ten years      | 6            | Cape Town, South Africa    | 8                   |

|    |    |                                              |                                                                                                                                     |    |                            |    |
|----|----|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----|----------------------------|----|
| 6  | 38 | Bachelor's degree in Finance                 | Worked as a finance officer for eight years                                                                                         | 5  | Johannesburg, South Africa | 7  |
| 7  | 35 | Bachelor's degree in Supply Chain            | Worked as a procurement Officer for eight years                                                                                     | 4  | Durban, South Africa       | 6  |
| 8  | 42 | Master's degree in Business Administration   | Worked in the fashion industry for 15 years, primarily in managerial roles                                                          | 7  | Johannesburg, South Africa | 10 |
| 9  | 35 | Bachelor's degree in Fashion Design          | Worked in various fashion design roles, including design assistant and pattern maker                                                | 5  | Cape Town, South Africa    | 8  |
| 10 | 35 | Bachelor's degree in Fashion Design          | Worked as a fashion designer for a local clothing brand                                                                             | 7  | Johannesburg, South Africa | 5  |
| 11 | 42 | Bachelor's degree in Business Administration | Worked as a fashion designer for various clothing brands and gained experience in retail management.                                | 10 | Cape Town, South Africa    | 8  |
| 12 | 35 | Bachelor's degree in Fashion Design          | Worked as a fashion designer for several renowned clothing brands, gaining experience in design, production, and retail management. | 6  | Johannesburg, South Africa | 12 |

Source: Researchers compilation

The study investigated profiles of 12 fashion business owners across South Africa, focusing on their qualifications, prior experience, business age, location, and workforce size. The findings provide insights into the diverse backgrounds and career trajectories that have shaped their entrepreneurial journeys.

The respondents were between 28 and 46 years old, with a notable concentration of entrepreneurs in their mid-30s. A significant proportion of the respondents hold formal qualifications in fashion design (8 out of 12). Other notable qualifications include degrees in business management (2), finance (1), and supply chain (1). Many respondents have substantial experience in fashion design and tailoring, ranging from 4 to 10 years, before starting their businesses. Some respondents have experience in roles such as finance officer, procurement officer, and managerial positions in the fashion industry, highlighting a blend of creative and administrative skills. The age of the businesses ranges from 2 to 10 years, with an average business age of approximately five years. This indicates a relatively new but growing industry presence. The businesses are geographically distributed across major cities, including Johannesburg, Cape Town, Durban, and Pretoria. Johannesburg and Cape Town are the most common locations, hosting multiple businesses. The size of the businesses varies, with the number of employees ranging from 3 to 12. The average business employs around seven people, reflecting small to medium-sized enterprises.

The prevalence of fashion design qualifications among the respondents underscores the importance of formal education in the field. However, business management and finance qualifications are also represented, indicating a recognition of the value of diverse skill sets in running a successful fashion business. Prior experience in fashion design and related fields is critical, providing the technical and creative foundation necessary for starting and sustaining a fashion business. Experience in managerial and administrative roles further complements this, suggesting a holistic approach to business management. The concentration of businesses in major urban centres like Johannesburg and Cape Town suggests that these areas may offer better infrastructure, market access, and networking opportunities crucial for business growth. The variation in the number of employees suggests differing scales of operations and potentially different stages of business growth. Some businesses may be in the early stages of expansion, while others are more established.

The findings highlighted that there is a multifaceted nature of entrepreneurship in the South African fashion industry. The blend of creative and business qualifications,

coupled with substantial pre-business experience, underscores the complexity and dynamism of this sector. The geographical concentration in major cities and the variation in business sizes point to both opportunities and challenges in the industry's growth trajectory. These insights can inform strategies for education, training, and support mechanisms to foster entrepreneurship in the fashion industry.

### 3.3 RESEARCH FINDINGS

From the 12 interviews conducted with the participants, three themes were identified, stemming from 28 codes and nine categories. Table 4.3.1 details a summary of the themes.

**Tabel 3:2 Summary of Identified Themes**

| Theme                   | Category         | Codes                 | Quotation                                                                                                                                                                         | Respondents                           |
|-------------------------|------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Business Infrastructure | Key Partnerships | Collaboration,        | "...the canvas has facilitated clearer communication and collaboration among team members, leading to more effective decision-making and implementation of business initiatives". | 3,4,5,6,7,8,9,10,11,12                |
|                         |                  | External Factors      | "Socio-economic factors play a significant role. Access to resources and infrastructure affects our ability to procure materials efficiently and reach customers".                | 1,2,3,4,5,6,7,8,9,10, 11,12.          |
|                         | Key Activities   | Business,             | "In our tailoring business, we specialise in custom-made clothing for various occasions ranging from formal wear to casual attire".                                               | 1, 2,3, 4, 5, 6, 7, 8, 9, 10, 11, 12. |
|                         |                  | Development,          | "Over the years, we have grown in size and reputation, expanding our services to include alterations, custom designs and wardrobe consultants."                                   | 5.                                    |
|                         |                  | Efficiency,           | "We've streamlined operations and improved decision-making, leading to better customer satisfaction and increased revenue."                                                       | 1, 2,3,4,6,7,8,9,11,12.               |
|                         |                  | Strategic Management, | "It provides a structured approach to address challenges by optimising resources and adapting to market changes efficiently."                                                     | 1,2,3,4,5,6,7,8,9,10,11,12.           |
|                         |                  | Analysis              | "The canvas provided a structured framework for analyzing our business model components, enabling us to identify strengths, weaknesses and opportunities more effectively."       | 6,7,9                                 |
|                         | Key Resources    | Infrastructure,       | "Access to resources and infrastructure affects our ability to procure materials efficiently and reach customers."                                                                | 1,2,3,4,5,6,7.                        |

|                     |                    |                         |                                                                                                                                                                                                                                                                                                                                                                                                      |                             |
|---------------------|--------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|                     |                    | Resource Allocation,    | “Regulatory constraints and compliance add complexity and cost to our operations. Navigating them requires significant time and resources, diverting our focus from business development.”                                                                                                                                                                                                           | 2,10.                       |
|                     |                    | Resource Optimisation,  | “It provides a structured approach to optimize resources and adapt to market changes effectively, potentially mitigating challenges.”                                                                                                                                                                                                                                                                | 2.                          |
|                     |                    | Financial Management    | “We adopted the business model canvas to streamline our operations and ensure alignment with our strategic objectives.”                                                                                                                                                                                                                                                                              | 1,2,3,4,5,6,7,9,10,11,12.   |
| Customer Engagement | Customer Segments  | Market Analysis,        | “Trends and preferences in global fashion impact our designs and customer expectations. Staying relevant is crucial for our success.”                                                                                                                                                                                                                                                                | 1,2,3,4,5,6,7,8,9,10,11,12. |
|                     |                    | South Africa            | “Socio-economic factors play a significant role in South Africa. Limited access to quality materials and reliable transportation can impact production efficiency and overall business performance.”                                                                                                                                                                                                 | 3,4,6,7,8.                  |
|                     | Value Propositions | Competitive Advantage,  | “Trends such as fast fashion, e-commerce and sustainability impact consumer preferences and purchasing behaviour, shaping market demand competition. Staying abreast of these trends is crucial for remaining competitive and relevant.”                                                                                                                                                             | 4,6,7,8,11,12.              |
|                     |                    | Ethical Sustainability, | “Regulatory constraints and compliance requirements pose challenges to our business operations. Compliance with labour laws, tax regulations and licensing requirements is essential but can be time-consuming and costly. To navigate these challenges, we invest in professional legal and accounting services to ensure adherence to regulations while minimising disruptions to our operations.” | 2,3,4,5,7,8,9,11,12.        |

|  |  |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                             |
|--|--|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|  |  | Environmental Awareness, | “In recent years, we’ve observed a growing trend towards sustainable fashion practices, influencing consumer preferences and market dynamics.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3.                          |
|  |  | Positive Impact,         | “Since implementing the business model canvas, we’ve observed a positive impact on our business operations and strategy. It has facilitated clearer communication and alignment among team members, enhanced strategic decision making and improved overall efficiency in resource allocation and management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5,7.                        |
|  |  | Sustainability,          | “Limited access to capital, fluctuating demand, load shedding and competition are significant challenges. They affect our viability and sustainability.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1,2,3,4,5,6,7,8,9,10,11,12. |
|  |  | Sustainable Growth,      | “Based on our experience, we recommend several insights for enhancing the effectiveness of business model canvases for small-scale tailoring businesses in South Africa. Firstly, we suggest investing in ongoing training and development to ensure that employees are equipped with the necessary skills and knowledge to effectively use the canvas. Additionally, fostering a culture of openness, collaboration, and experimentation is essential for promoting innovation and adaptability. Furthermore, leveraging technology and data analytics can help businesses gather insights, track performance, and make informed decisions to optimize their business models. Overall, continuous monitoring, evaluation, and refinement of the canvas are key to maximizing its effectiveness and driving sustainable growth in the tailoring industry.” | 7,8                         |
|  |  | Innovation               | “We foster a culture of experimentation and continuous improvement. The canvas serves as a tool to explore new ideas and opportunities.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1,2,3,4,5,6,7,8,9,10,11,12. |

|                    |                        |                               |                                                                                                                                                                                                                                                                                                                                                         |                             |
|--------------------|------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|                    | Customer Relationships | Professional Development,     | “Invest in training staff, regularly review and update the canvas, and remain open to experimentation and adaptation.”                                                                                                                                                                                                                                  | 1,2,3,4,5,6,7,8,9,10,11,12. |
|                    |                        | Organisational Transformation | “Since implementing the business model canvas, we've observed positive impacts on our business operations and strategy. It has facilitated clearer communication and alignment among team members, enhanced strategic decision-making processes, and improved overall efficiency in resource allocation and management.”                                | 2,3,4,5,6,7,8,9,10,11,12.   |
|                    | Channels               | Collaboration,                | “While adopting the business model canvas, we encountered challenges such as resistance to change and the complexity of integrating different components into our existing business practices. However, through training and collaborative efforts, we were able to overcome these barriers and successfully implement the canvas into our operations.” | 3,4,5,6,7,8,9,10,11,12.     |
|                    |                        | Technology                    | “Based on our experience, we recommend enhancing the effectiveness of business model canvases for small-scale tailoring businesses in South Africa by providing tailored training and support resources, fostering a culture of innovation and adaptability, and leveraging technology to streamline canvas implementation and management processes.”   | 3,7,9,10.                   |
| Financial Strategy | Cost Structure         | Financial Management,         | “Small-scale tailoring businesses in South Africa face various challenges, including limited access to financing, intense competition, and fluctuating consumer demand. These challenges can undermine business viability and sustainability by impacting revenue generation, profitability, and long-term growth prospects.”                           | 1,2,3,4,5,6,7,8,9,10,11,12. |
|                    |                        | Regulation,                   | “Regulatory constraints and compliance requirements                                                                                                                                                                                                                                                                                                     | 10.                         |

|  |                 |                  |                                                                                                                                                                                                                                                                                                                                                                                                   |                          |
|--|-----------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
|  |                 |                  | can impact our business operations, particularly in areas such as licensing, taxation, and labour regulations. Navigating these regulations requires careful attention to detail and ongoing compliance monitoring to ensure that our business remains in good standing with regulatory authorities.”                                                                                             |                          |
|  |                 | Challenges       | “The primary challenges that small-scale tailoring businesses in South Africa face include intense competition, fluctuating demand, rising operating costs, and difficulty accessing finance and skilled labour. These challenges can affect business viability and sustainability by putting pressure on profit margins, limiting growth opportunities, and hindering innovation and expansion.” | 1,2,3,4,5,6,7,8,9,11,12. |
|  | Revenue Streams | Financial Impact | “Regulatory constraints and compliance requirements pose challenges to our business. We’ve navigated these challenges by ensuring compliance with labour laws, tax regulations and safety standards while also investing in training and professional services to stay updated on regulatory changes and maintain compliance.                                                                     | 6, 11                    |
|  |                 | Investment       | “Regulatory constraints and compliance requirements pose challenges to our business operations. We’ve navigated these challenges by ensuring compliance with labour laws, tax regulations, and safety standards while also investing in training and professional services to stay updated on regulatory changes and maintain compliance.”                                                        | 6                        |

**Source:** Researcher’s compilation

The data offers a comprehensive understanding of how these businesses operate, their challenges, and their strategies to thrive in a competitive market.

### 3.4 BUSINESS MODEL CANVAS

The results were presented using the Business Model Canvas to scrutinise and find out more about adopting this model in small tailoring businesses in South Africa.

#### 3.4.1 Key Partnerships

Respondents emphasized the importance of collaboration facilitated by the Business Model Canvas (BMC). This collaboration has led to improved communication and decision-making, enhancing the effectiveness of business initiatives.

**Tabel 3:3 Respondents' quotes to collaboration**

| Respondent Code | Quotations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3               | <p>"While adopting the business model canvas, we encountered challenges such as resistance to change and the complexity of integrating different components into our existing business practices. However, through training and collaborative efforts, we were able to overcome these barriers and successfully implement the canvas into our operations."</p> <p>"We promote adaptability and innovation in our tailoring business by fostering a culture of creativity, experimentation, and continuous improvement. The business model canvas facilitates this by encouraging cross-functional collaboration, experimentation with new business ideas, and rapid prototyping of new products or services."</p> |
| 4               | <p>"While adopting the business model canvas, we faced challenges such as resistance to change and complexity in integrating different components into our existing practices. However, with training and collaborative efforts, we successfully overcame these barriers."</p>                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 5 & 6           | <p>"While adopting the business model canvas, we faced challenges such as resistance to change and the complexity of integrating different components into our existing business practices. However, through training and collaborative efforts, we successfully overcame these barriers and integrated the canvas into our operations."</p>                                                                                                                                                                                                                                                                                                                                                                      |
| 7               | <p>"While adopting the business model canvas, we faced challenges such as resistance to change and the complexity of integrating different components into our existing business practices. However, through training and collaborative efforts, we successfully overcame these barriers and integrated the canvas into our operations."</p>                                                                                                                                                                                                                                                                                                                                                                      |

|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <p>"We promote adaptability and innovation in our tailoring business by fostering a culture of creativity, experimentation, and continuous improvement. The business model canvas facilitates this by providing a structured framework for brainstorming new ideas, testing hypotheses, and exploring alternative business models. By encouraging cross-functional collaboration and empowering employees to contribute their insights and ideas, we've been able to drive innovation and stay ahead of the curve."</p>                                                                                                                             |
| 8 & 9  | <p>"Since implementing the business model canvas, we've observed significant improvements in our business operations and strategy. It has provided us with a comprehensive overview of our business model, enabling better alignment of our resources and activities with our strategic objectives. Additionally, the canvas has facilitated clearer communication and collaboration among team members, leading to more effective decision-making and implementation of business initiatives."</p>                                                                                                                                                 |
| 9 & 10 | <p>"Based on our experience, we recommend small-scale tailoring businesses in South Africa leverage the business model canvas as a dynamic tool for strategic planning and adaptation. To enhance its effectiveness, we suggest regular updates and reviews to reflect changing market conditions, fostering collaboration and cross-functional communication within the organization, and seeking external expertise or mentorship to gain fresh perspectives and insights. By embracing the versatility of the canvas and embracing a culture of innovation, businesses can position themselves for success in an ever-changing marketplace."</p> |
| 10     | <p>"Since implementing the business model canvas, we've observed a significant impact on our business operations and strategy. It has provided us with greater clarity and focus, enabling us to streamline our processes, improve decision-making, and align our efforts towards achieving our business goals. Additionally, it has facilitated better communication and collaboration among team members, fostering a shared understanding of our business model and objectives."</p>                                                                                                                                                             |
| 11     | <p>"The implementation of the Business Model Canvas has significantly enhanced our business operations and strategic planning. By providing greater clarity and focus, it has helped streamline processes, improve decision-making, and align our efforts more effectively with our business goals. Furthermore, it has strengthened communication and collaboration within the team, fostering a shared understanding of our business model and objectives."</p>                                                                                                                                                                                   |
| 12     | <p>"Since implementing the business model canvas, we have observed a positive impact on our business operations and strategy. It has provided us with greater clarity and focus, enabling us to streamline our processes, make informed decisions, and align our efforts towards achieving our business objectives. Additionally, it has facilitated better communication and collaboration among team members, fostering a shared understanding of our business model and goals."</p>                                                                                                                                                              |

Source: Researcher's compilation

A common challenge faced by respondents (3, 4, 5, 6, 7) was resistance to change. Adopting the Business Model Canvas (BMC) required altering existing business practices, which was met with some reluctance. However, this resistance was overcome through targeted training and collaborative efforts.

Respondents (8, 9, 10, 11, 12) noted that the BMC facilitated clearer communication and collaboration among team members. This led to more effective decision-making and implementation of business initiatives. Leveraging the BMC as a dynamic strategic planning and adaptation tool is highly recommended. Regular updates and reviews are crucial to reflect changing market conditions. Fostering collaboration and seeking external expertise can provide fresh perspectives and insights.

With regards to external factors, socio-economic factors such as access to resources and infrastructure significantly impact business operations, affecting material procurement and customer reach. This becomes a challenge for tailoring businesses and requires attention.

**Tabel 3:4 Respondents' quotes to external factors**

| <b>Respondents Code</b> | <b>Quotations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                       | "Socio-economic factors play a significant role. Access to resources and infrastructure affects our ability to procure materials efficiently and reach customers. Limited access can hinder growth and sustainability."                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2                       | "Socio-economic factors, such as access to resources and infrastructure, profoundly impact our business. Limited access can hinder procurement of materials and reaching customers efficiently, affecting our viability and sustainability."                                                                                                                                                                                                                                                                                                                                                                                    |
| 3                       | "Socio-economic factors like access to resources and infrastructure significantly impact the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to quality materials, equipment, and reliable transportation infrastructure can hinder production efficiency and increase costs, thereby affecting profitability."                                                                                                                                                                                                                                                                |
| 4                       | "Socio-economic factors, such as access to resources and infrastructure, play a crucial role in determining the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to quality materials and reliable transportation can impact production efficiency and overall business performance."                                                                                                                                                                                                                                                                                           |
| 5                       | <p>"Socio-economic factors such as access to resources and infrastructure significantly influence the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to quality materials, skilled labour, and reliable transportation infrastructure can hinder production efficiency and increase costs, impacting profitability and competitiveness."</p> <p>"Regulatory constraints and compliance requirements pose challenges to our business operations. We've navigated these challenges by ensuring strict adherence to labour laws, tax regulations, and safety standards while</p> |

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   | <p>also investing in professional legal and accounting services to stay updated on regulatory changes and ensure compliance.”</p> <p>“In our tailoring business, we've implemented various elements of the business model canvas. This includes identifying our customer segments, defining our unique value proposition centred around personalized service and quality craftsmanship, determining our distribution channels through both physical stores and online platforms, and establishing key partnerships with fabric suppliers and logistics providers.”</p> <p>“Small-scale tailoring businesses in South Africa face various challenges, including intense competition, fluctuating consumer demand, and limited access to resources. These challenges can impact business viability and sustainability by affecting revenue generation, profitability, and growth prospects. Additionally, regulatory constraints and compliance requirements add another layer of complexity to business operations.”</p>                                                                                                      |
| 6 | <p>“We were motivated to adopt a business model canvas as a strategic tool for enhancing our business planning and decision-making processes. The canvas provided a structured framework for analyzing our business model components, enabling us to identify strengths, weaknesses, and opportunities more effectively.”</p> <p>“Socio-economic factors such as access to resources and infrastructure play a crucial role in determining the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to quality materials, skilled labour, and reliable transportation can impact production efficiency and overall business performance.”</p> <p>“The primary challenges that small-scale tailoring businesses in South Africa face include intense competition, fluctuating consumer demand, and limited access to resources. These challenges can affect business viability and sustainability by impacting revenue generation and profitability. Furthermore, regulatory constraints and compliance requirements add another layer of complexity to business operations.”</p> |
| 7 | <p>“Socio-economic factors such as access to resources and infrastructure significantly influence the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to quality materials, skilled labour, and reliable transportation infrastructure can hinder production efficiency and increase costs, impacting profitability and competitiveness.”</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 8 | <p>“Socio-economic factors such as access to resources and infrastructure play a significant role in influencing the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to skilled labour, reliable suppliers, and transportation infrastructure can pose challenges to production efficiency and cost management, affecting overall competitiveness and profitability.”</p> <p>“Global market dynamics and trends have a considerable influence on our tailoring business, particularly with the rise of fast fashion, e-commerce, and changing consumer preferences. These trends impact demand patterns, supply chain dynamics, and competitive landscapes, necessitating businesses to stay agile and responsive to market shifts.”</p>                                                                                                                                                                                                                                                                                                                                    |
| 9 | <p>“Socio-economic factors such as access to resources and infrastructure play a crucial role in influencing the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to skilled labor and reliable suppliers can impact production efficiency and cost management,</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | affecting overall competitiveness and profitability.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 10 | “Socio-economic factors such as access to resources and infrastructure play a significant role in influencing the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to skilled labour, high operating costs, and inadequate infrastructure can pose challenges to growth and expansion. Additionally, fluctuations in economic conditions and consumer spending patterns can impact demand for tailor-made clothing and alter market dynamics.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 11 | <p>“Socio-economic factors such as access to resources and infrastructure have a significant impact on the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to skilled labour and raw materials, as well as challenges in securing affordable workspace, can hinder growth and profitability.”</p> <p>“Global market dynamics and trends have a significant influence on our tailoring business. With the rise of fast fashion and online retail, we’ve experienced increased competition from international brands and changing consumer preferences. Additionally, fluctuations in currency exchange rates and geopolitical events can impact the cost of imported materials and affect our pricing strategies and profit margins.”</p>                                                                                                                                                                                                                                                                     |
| 12 | <p>“Socio-economic factors, such as access to resources and infrastructure, play a crucial role in influencing the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to skilled labour, fluctuating raw material prices, and challenges in securing affordable workspace can impact production costs and profitability. Moreover, economic instability and consumer spending patterns affect the demand for tailored clothing.”</p> <p>“One of the primary challenges is the fluctuating cost of raw materials and operational expenses, which can impact profitability and financial stability. Additionally, competition from larger retailers and online platforms poses a threat to small-scale businesses. Moreover, access to skilled labour and limited access to finance for business expansion are common challenges faced by tailoring businesses in South Africa. These challenges can affect business viability and sustainability by limiting growth opportunities and hindering innovation.”</p> |

Source: Researcher’s compilation

The results reveal a consistent theme among respondents regarding the influence of socio-economic factors on the viability and sustainability of small-scale tailoring businesses in South Africa. These factors significantly impact key Business Model Canvas (BMC) partnerships. Limited access to quality materials, skilled labour, and reliable transportation infrastructure were highlighted as major obstacles (respondents 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12). These limitations hinder the ability to procure materials efficiently and reach customers, affecting production efficiency, increasing costs, and impacting profitability. The recurring mention of limited access to resources underscores its critical role in determining small-scale tailoring

businesses' overall viability and sustainability. These factors heavily influence the ability to form and maintain key partnerships with suppliers and logistics providers. According to Osterwalder and Pigneur (2010:38), key partnerships are networks of suppliers and partners that will make the business model work. None of the respondents identified their key partners explicitly. Respondents mentioned collaboration limited by socio-economic factors and infrastructure. This may be a gap as the partnerships are for reliable and cost-effective supply (Osterwalder & Pigneur, 2010: 38; Swasty, 2015:93). This may suggest a need for respondents to do an exercise of identifying their key partners in their respective tailoring businesses.

### 3.4.2 Key Activities

The businesses specialize in custom-made clothing, catering to a variety of occasions.

**Tabel 3:5 Respondents' quotes to the core business**

| <b>Respondents Codes</b> | <b>Quotations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                        | "Our tailoring business, established three years ago in Johannesburg, caters to a diverse clientele seeking bespoke garments. We specialize in custom-made clothing for various occasions, ranging from formal wear to casual attire."                                                                                                                                                                                                                                                                  |
| 2                        | "Our tailoring business, operating for five years in Cape Town, caters primarily to the high-end market, offering exclusive bespoke services. We prioritize quality craftsmanship and attention to detail to meet our clients' discerning tastes."                                                                                                                                                                                                                                                      |
| 3                        | "Our tailoring business, established two years ago in Durban, specializes in custom-made bridal and evening wear. We target brides-to-be and individuals seeking unique formal attire for special occasions."                                                                                                                                                                                                                                                                                           |
| 4                        | "Our small-scale tailoring business in Pretoria was established four years ago. We specialize in custom-made garments, catering to a diverse clientele seeking personalized clothing solutions. Our target market includes professionals, brides-to-be, and individuals with a penchant for unique fashion pieces."                                                                                                                                                                                     |
| 5                        | "Our small-scale tailoring business in Cape Town has a rich history spanning six years. We started as a boutique offering bespoke clothing solutions, catering to individuals seeking personalized fashion experiences. Over the years, we've grown in size and reputation, expanding our services to include alterations, custom designs, and wardrobe consultations. Our target market comprises professionals, fashion enthusiasts, and individuals with a taste for unique, high-quality garments." |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6  | “Our small-scale tailoring business in Johannesburg has been operating for five years now. We began as a boutique specializing in custom-made garments, gradually expanding our services to include alterations, bridal wear, and formal attire. Our target market comprises professionals, brides-to-be, and individuals who appreciate quality craftsmanship and personalized service.”                                                                                                                                                                   |
| 7  | “Our small-scale tailoring business in Durban has a rich history spanning four years. We started as a boutique offering bespoke clothing solutions, catering to individuals seeking personalized fashion experiences. Over the years, we've expanded our services to include alterations, custom designs, and wardrobe consultations. Our target market comprises professionals, fashion enthusiasts, and individuals who appreciate quality craftsmanship and unique designs.”                                                                             |
| 8  | “Our small-scale tailoring business in Johannesburg has a rich history spanning seven years. We started as a boutique specializing in custom-made clothing, catering to discerning customers who appreciate high-quality craftsmanship and personalized service. Over the years, we've grown in size and reputation, expanding our offerings to include alterations, wardrobe consultations, and ready-to-wear collections. Our target market consists of professionals, fashion enthusiasts, and individuals seeking unique and stylish clothing options.” |
| 9  | “Our small-scale tailoring business in Cape Town has been operating for five years. We started as a boutique specializing in bespoke clothing, catering to individuals looking for unique and high-quality garments. Over the years, we've expanded our services to include alterations and customization options. Our target market consists of professionals, fashion enthusiasts, and individuals seeking personalized clothing solutions.”                                                                                                              |
| 10 | “Our small-scale tailoring business began seven years ago in Johannesburg, South Africa. Initially, it started as a home-based operation, but over time, we expanded and established a storefront in a bustling commercial area. We specialize in custom-made clothing, alterations, and bespoke tailoring services. Our target market primarily consists of professionals, executives, and individuals seeking high-quality, personalized garments.”                                                                                                       |
| 11 | “Our small-scale tailoring business was established a decade ago in Cape Town, South Africa. Initially, it started as a boutique offering custom-made garments for special occasions. Over the years, we expanded our services to include alterations, repairs, and bespoke tailoring for both men and women. Our target market comprises professionals, executives, and individuals who appreciate high-quality, personalized clothing.”                                                                                                                   |
| 12 | “Our small-scale tailoring business, based in Johannesburg, South Africa, has been operating for six years. We specialize in offering bespoke tailoring services for both men and women, catering to professionals, executives, and individuals who seek high-quality, custom-made garments. Over the years, we have built a reputation for craftsmanship, attention to detail, and personalized service, which has helped us establish a loyal customer base.”                                                                                             |

Source: Researcher's compilation

Several businesses have expanded their offerings over time to include additional services like alterations, repairs, and wardrobe consultations, indicating growth and

adaptation to market demands (Respondents 5, 7, 8, 10, 11). Many respondents target professionals and executives, highlighting the demand for high-quality, custom-made garments in the professional sector (Respondents 1, 4, 6, 8, 10, 11, 12). Emphasis on quality craftsmanship and attention to detail is a recurring theme, reflecting the importance of maintaining high standards to attract and retain clientele (Respondents 2, 5, 6, 8, 12). Personalized service is a key differentiator for these businesses, contributing to customer loyalty and satisfaction (Respondents 1, 2, 5, 6, 8, 12). Many respondents have built a strong reputation over the years, which has helped establish a loyal customer base and expand their market reach (Respondents 5, 7, 8, 12).

It was found that in terms of efficiency, streamlined operations have led to increased customer satisfaction and revenue. “We’ve streamlined operations and improved decision-making, leading to better customer satisfaction and increased revenue.” (Respondents: 1, 2, 3, 4, 6, 7, 8, 9, 11, 12). It was also found that the BMC provided a structured approach for optimizing resources and adapting to market changes. “It provides a structured approach to address challenges by optimizing resources and adapting to market changes efficiently.” (Respondents: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12). The respondents also mentioned that the BMC helps analyse business model components and identify strengths, weaknesses, and opportunities. “The canvas provided a structured framework for analyzing our business model components, enabling us to identify strengths, weaknesses, and opportunities more effectively.” (Respondents: 6, 7, 9).

The respondents have shown an understanding of their key activities in the business. Their responses concurred with Swasty (2015:93) who refers to key activities as a business entity's critical tasks to develop the entire value proposition. The responses were also in line with what Osterwalder and Pigneur (2010:36) referred to as important actions a company must undertake to operate successfully. However, Swasty (2015:93) suggests hiring designers, producing, marketing, and distributing the product as examples of key activities in a tailoring business.

### 3.4.3 Key Resources

All respondents unanimously highlighted that socio-economic factors, particularly access to resources and infrastructure, are vital in determining the success and sustainability of small-scale tailoring businesses.

**Tabel 3:6 Respondents' quotes to Infrastructure Tabel**

| Respondent Code | Quotes                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1               | "Socio-economic factors play a significant role. Access to resources and infrastructure affects our ability to procure materials efficiently and reach customers. Limited access can hinder growth and sustainability."                                                                                                                                                                 |
| 2               | "Socio-economic factors, such as access to resources and infrastructure, profoundly impact our business. Limited access can hinder procurement of materials and reaching customers efficiently, affecting our viability and sustainability."                                                                                                                                            |
| 3               | "Socio-economic factors like access to resources and infrastructure significantly impact the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to quality materials, equipment, and reliable transportation infrastructure can hinder production efficiency and increase costs, thereby affecting profitability."                        |
| 4               | "Socio-economic factors, such as access to resources and infrastructure, play a crucial role in determining the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to quality materials and reliable transportation can impact production efficiency and overall business performance."                                                   |
| 5 & 6           | "Socio-economic factors such as access to resources and infrastructure significantly influence the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to quality materials, skilled labour, and reliable transportation infrastructure can hinder production efficiency and increase costs, impacting profitability and competitiveness." |
| 7               | "Socio-economic factors such as access to resources and infrastructure significantly influence the viability and sustainability of small-scale tailoring businesses in South Africa. Limited access to quality materials, skilled labour, and reliable transportation infrastructure can hinder production efficiency and increase costs, impacting profitability and competitiveness." |

Source: Researcher's compilation

Respondents indicated that limited access to quality materials is a significant challenge. This constraint affects the ability to procure materials efficiently, leading to potential delays and increased costs (Respondents 1, 2, 3, 4, 5, 6, 7). Reliable transportation infrastructure is critical for reaching customers and maintaining

production efficiency. Inadequate transportation increases operational costs and affects overall business performance (Respondents 3, 4, 5, 6, 7). The viability of these businesses is heavily influenced by their ability to efficiently access resources and infrastructure. Limited access can stifle growth prospects and operational effectiveness, posing a threat to long-term sustainability (Respondents 1, 2, 3).

Efficient production is hindered by socio-economic challenges, including unreliable infrastructure and scarcity of quality materials. This inefficiency directly impacts profitability and competitiveness in the market (Respondents 3, 4, 5, 6, 7). Increased operational costs due to socio-economic constraints (e.g., transportation, procurement) reduce profitability. High costs make it difficult for small businesses to compete with larger, better-resourced competitors (Respondents 3, 5, 7). Several respondents emphasize the importance of skilled labour, which is often scarce due to socio-economic factors. Limited access to skilled labour affects production quality and capacity, further complicating business sustainability (Respondents 5, 6, 7). The overall business performance is tied to the efficient management of resources and infrastructure. Socio-economic factors that disrupt this management negatively impact production efficiency, customer reach, and ultimately, business performance (Respondents 4, 5, 6).

It was also found that regulatory constraints and compliance add complexity and cost to operations, diverting focus from business development. "Regulatory constraints and compliance add complexity and cost to our operations. Navigating them requires significant time and resources, diverting our focus from business development." (Respondents: 2, 10). The BMC aids in optimizing resources and adapting to market changes. "It provides a structured approach to optimize resources and adapt to market changes effectively, potentially mitigating challenges." (Respondent: 2). Streamlined operations align with strategic objectives. "We adopted the business model canvas to streamline our operations and ensure alignment with our strategic objectives." (Respondents: 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12).

According to Osterwalder & Pigneur (2010:34), key resources are the most important assets required to make a business model work. The constraints highlighted by the respondent may have negative impacts on the growth of the sampled tailoring

business. However, none of the respondents identified tangible and intangible resources as described by Swasty (2015:93), tangible (sewing machines, workshops, designers) and intangible resources (human capital, trust, and branding).

One key resource that every business needs, big or small is start-up capital for them to fund their operations (Mbugua et al., 2013). None of the respondents in this study highlighted capital as an issue explicitly. While funding was highlighted as limited, the respondent did not explain the extent to which the availability or non-availability of this resource may have to their businesses. It is also known that the amount invested in a business will determine how big the venture must be and how likely the venture's survival is if all other factors are constant (Mbugua et al., 2013). Access to finances becomes a major challenge for SMEs as most entrepreneurs do not know how to get alternative finances and management (Orser, 2000; Mumba, 2002).

#### 3.4.4 Customer Segments

The demand for unique and individualized fashion experiences is a driving force in the market. Businesses are focusing on delivering personalized services to attract and retain customers.

**Tabel 3:7 Respondents' Quotes to Market Analysis**

| Respondent Code | Quotation                                                                                                                                                                                                                                                                                        |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1               | "Over the years, we've witnessed a growing demand for personalized fashion solutions in South Africa, reflecting a shift towards individuality and uniqueness among consumers."                                                                                                                  |
| 2               | "The business environment for small-scale tailoring in South Africa has become increasingly competitive, with a growing emphasis on customization and personalization."                                                                                                                          |
| 3               | "In recent years, we've observed a growing trend towards sustainable fashion practices, influencing consumer preferences and market dynamics."                                                                                                                                                   |
| 4               | "In recent years, we've observed significant changes in the business environment for small-scale tailoring businesses in South Africa. There's been a notable increase in demand for bespoke clothing, driven by a growing appreciation for personalized fashion and craftsmanship."             |
| 5               | "In recent years, the business environment for small-scale tailoring businesses in South Africa has undergone notable changes. There's been a rise in demand for customized clothing, driven by consumers' desire for uniqueness and individuality. Additionally, advancements in technology and |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | the rise of e-commerce have transformed the way businesses operate and engage with customers, presenting both challenges and opportunities.”                                                                                                                                                                                                                                                                                                                                                          |
| 6  | “In recent years, the business environment for small-scale tailoring businesses in South Africa has witnessed significant changes. There's been a noticeable shift towards online shopping and customization, driven by changing consumer preferences and advancements in technology. Additionally, increased competition and rising operational costs have influenced market dynamics, challenging businesses to innovate and adapt.”                                                                |
| 7  | “In recent years, the business environment for small-scale tailoring businesses in South Africa has seen notable changes. There's been an increasing demand for customization and personalized experiences, driven by consumers' desire for uniqueness and individuality. Additionally, technological advancements and the rise of e-commerce have transformed the way businesses operate and engage with customers, presenting both challenges and opportunities.”                                   |
| 8  | “In recent years, the business environment for small-scale tailoring businesses in South Africa has witnessed notable changes. There's been a growing demand for sustainable and ethically produced clothing, driven by increasing awareness of environmental and social issues. Additionally, advancements in technology have transformed consumer behaviour and expectations, with more customers turning to online platforms for shopping and engagement.”                                         |
| 9  | “In recent years, the business environment for small-scale tailoring businesses in South Africa has undergone significant changes. There's been a growing demand for sustainable and ethically produced clothing, driven by increasing consumer awareness of environmental and social issues. Additionally, technological advancements have transformed consumer behaviour, with more customers preferring online shopping and digital engagement.”                                                   |
| 10 | “Over the past few years, we've observed significant evolution in the business environment for small-scale tailoring businesses in South Africa. There's been a notable shift towards online retail and e-commerce platforms, driven by changing consumer preferences and advancements in technology. Additionally, the growing awareness of sustainability and ethical fashion practices has influenced consumer behaviour, leading to increased demand for eco-friendly and locally-made clothing.” |
| 11 | “The business environment for small-scale tailoring businesses in South Africa has seen significant evolution in recent years. With the rise of e-commerce and online retail platforms, there's been increased competition and the need to adapt to changing consumer preferences. Moreover, a growing demand for sustainable and ethically-produced fashion is prompting us to incorporate eco-friendly practices into our operations.”                                                              |
| 12 | “In recent years, the business environment for small-scale tailoring businesses in South Africa has undergone significant changes. With the advent of digital technologies and e-commerce platforms, there's been a shift in consumer behaviour towards online shopping and customization. Additionally, there's a growing demand for sustainable and ethically-produced fashion, prompting us to incorporate eco-friendly practices into our operations.”                                            |

**Source:** Researcher's compilation

Respondents indicated a notable increase in the demand for personalized and customized clothing, reflecting a consumer shift towards individuality and uniqueness. Consumers are increasingly seeking bespoke fashion solutions, driven by a desire for personalized experiences and craftsmanship. A growing trend towards sustainable and ethically produced clothing is driven by heightened consumer awareness of environmental and social issues. Businesses are incorporating eco-friendly practices to meet the rising demand for sustainable fashion. The rise of e-commerce and digital platforms has significantly transformed how businesses operate and engage with customers. Technology has enabled more efficient business processes, online sales, and digital marketing, but it also introduces new challenges, such as increased competition and the need for continuous innovation. The business environment has become more competitive, with a greater emphasis on customization and personalization. Small-scale businesses need to innovate and differentiate themselves to remain competitive.

The target market, groups, organisations, and people to whom the firm is trying to sell its product were all described in this construction block (Swasty, 2015:91). As argued by Osterwalder & Pigneur (2010:20), clients are the foundation of every business strategy, the respondents were able to identify their clients including their needs. No firm can thrive for very long without devoted, purchasing clients. To satisfy them better, a business may divide its clientele into segments based on shared wants, habits, and other characteristics. The respondents were able to divide their clientele into segments.

### **3.4.5 Value Propositions**

Trends such as fast fashion, e-commerce, and sustainability impact consumer preferences and market demand. "Trends such as fast fashion, e-commerce, and sustainability impact consumer preferences and purchasing behaviour, shaping market demand competition. Staying abreast of these trends is crucial for remaining competitive and relevant." (Respondents: 4, 6, 7, 8, 11, 12).

Compliance with regulations is essential but can be costly and time-consuming. “Regulatory constraints and compliance requirements pose challenges to our business operations. Compliance with labour laws, tax regulations, and licensing requirements is essential but can be time-consuming and costly. To navigate these challenges, we invest in professional legal and accounting services to ensure adherence to regulations while minimizing disruptions to our operations.” (Respondents: 2, 3, 4, 5, 7, 8, 9, 11, 12).

A growing trend towards sustainable fashion influences consumer preferences and market dynamics. “In recent years, we’ve observed a growing trend towards sustainable fashion practices, influencing consumer preferences and market dynamics.” (Respondent: 3). Limited access to capital, fluctuating demand, load shedding, and competition are significant challenges. “Limited access to capital, fluctuating demand, load shedding, and competition are significant challenges. They affect our viability and sustainability.” (Respondents: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12). Recommendations include ongoing training, fostering a culture of innovation, and leveraging technology. “Based on our experience, we recommend several insights for enhancing the effectiveness of business model canvases for small-scale tailoring businesses in South Africa. Firstly, we suggest investing in ongoing training and development to ensure that employees are equipped with the necessary skills and knowledge to effectively use the canvas. Additionally, fostering a culture of openness, collaboration, and experimentation is essential for promoting innovation and adaptability. Furthermore, leveraging technology and data analytics can help businesses gather insights, track performance, and make informed decisions to optimize their business models. Overall, continuous monitoring, evaluation, and refinement of the canvas are key to maximizing its effectiveness and driving sustainable growth in the tailoring industry.” (Respondents: 7, 8).

The BMC fosters a culture of experimentation and continuous improvement. “We foster a culture of experimentation and continuous improvement. The canvas serves as a tool to explore new ideas and opportunities.” (Respondents: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12). The respondents were able to talk about how their brands create value for customers (Swasty, 2015:92; Osterwalder and Pigneur, 2010:22). Value proposition in a tailoring business can be the inexpensiveness of products, the brand

name itself, fast service, and exclusivity of the designs and product (Swasty, 1025:92). This means it is important for tailoring brands to build their brand awareness through effective marketing and staying abreast of what is happening in the industry.

### **3.4.6 Customer Relationships**

The respondents identified various customer relationships as per the Business Model Canvas. These relationships reflect how they interact with their customers and maintain engagement, which is crucial for the sustainability of small-scale tailoring businesses.

#### **Identified Customer Relationships:**

- Personalized Service:

Many respondents emphasized the importance of providing personalized services to meet the unique needs of their customers. Respondent 1: “We specialize in custom-made clothing for various occasions, ranging from formal wear to casual attire.” Respondent 6: “We began as a boutique specializing in custom-made garments, gradually expanding our services to include alterations, bridal wear, and formal attire.”

- Quality Craftsmanship and Attention to Detail:

Providing high-quality, bespoke clothing with a focus on craftsmanship and detail helps build strong customer relationships. Respondent 2: “We prioritize quality craftsmanship and attention to detail to meet our clients' discerning tastes.” Respondent 12: “We have built a reputation for craftsmanship, attention to detail, and personalized service, which has helped us establish a loyal customer base.”

- Customer Loyalty and Retention:

Building long-term relationships through consistent service and meeting customer expectations leads to customer loyalty. Respondent 12: “Over the years, we have built a reputation for craftsmanship, attention to detail, and personalized service, which has helped us establish a loyal customer base.”

- Customer Consultations and Direct Interactions:

Direct consultations and interactions with customers to understand their needs and preferences. Respondent 4: “We specialize in custom-made garments, catering to a diverse clientele seeking personalized clothing solutions.” Respondent 5: “Our target market comprises professionals, fashion enthusiasts, and individuals with a taste for unique, high-quality garments.”

- Adapting to Customer Preferences:

Adapting services to meet changing customer preferences and market trends. Respondent 3: “In recent years, we've observed a growing trend towards sustainable fashion practices, influencing consumer preferences and market dynamics.” Respondent 6: “There’s been a noticeable shift towards online shopping and customization, driven by changing consumer preferences and advancements in technology.”

The respondents identified several customer relationships essential to their business models, including personalized service, quality craftsmanship, customer loyalty, direct consultations, and adapting to customer preferences. These relationships help small-scale tailoring businesses in South Africa maintain strong connections with their customers, ensuring satisfaction and loyalty. Osterwalder and Pigneur (2010:28) state that a firm must choose the relationship it wishes to have with each customer segment. These connections can be automated or personal. Customer acquisition, retention, and sales growth (upselling) may be the main drivers of customer relationships (Osterwalder & Pigneur, 2010:28; Swasty, 2015:91). Additionally, Swasty (2015: 91) asserts that cocreation—a process in which a consumer is

engaged to help with the product design—is the connection that works best for SMEs. The customer values the product higher as a result.

### **3.4.7 Channels**

The respondents mentioned various channels to reach their customers, which can be mapped to the Channels component of the Business Model Canvas (BMC). Here are the details from the respondents' quotations:

#### **Identified Channels:**

- Physical Stores and Boutiques:

Several respondents mentioned having physical storefronts or boutiques where they directly interact with customers. Respondent 10: “Initially, it started as a home-based operation, but over time, we expanded and established a storefront in a bustling commercial area.”

- Online Platforms and E-commerce:

A significant emphasis on the shift towards online shopping and e-commerce platforms indicates that these digital channels are crucial for reaching customers.

Respondent 5: “Advancements in technology and the rise of e-commerce have transformed the way businesses operate and engage with customers, presenting both challenges and opportunities.” Respondent 6: “There’s been a noticeable shift towards online shopping and customization, driven by changing consumer preferences and advancements in technology.”

- Social Media and Digital Marketing:

The use of social media and digital marketing to engage with customers and promote their services. Respondent 8: “Advancements in technology have transformed

consumer behaviour and expectations, with more customers turning to online platforms for shopping and engagement.”

- Word of Mouth and Referrals:

Personalized services and craftsmanship lead to word-of-mouth referrals, which are crucial for small-scale businesses. Respondent 12: “Over the years, we have built a reputation for craftsmanship, attention to detail, and personalized service, which has helped us establish a loyal customer base.”

- Customer Consultations and Personalized Services:

Direct interactions through consultations and personalized service offerings. Respondent 5: “Our target market comprises professionals, fashion enthusiasts, and individuals with a taste for unique, high-quality garments.”

The respondents identified several channels they use to reach their customers: physical stores, online platforms and e-commerce, social media and digital marketing, word of mouth and referrals, and direct customer consultations. These channels play a vital role in how small-scale tailoring businesses in South Africa engage with their customers and deliver their value propositions. Osterwalder & Pigneur (2010:26) argue that channels are about how a company communicates and reaches its Customer Segments to deliver a Value Proposition. In most cases, the SMEs use word of mouth as a distributing channel and their house as a showroom or retail store (Swasty, 2015:91). This is mostly done to save fixed costs on the business and sometimes because of limited financial resources. According to Mbugua et al. (2013:66), a tailoring business requires intensive marketing strategies for survival besides being a small enterprise, this was seen through all respondents in this study. There is already enormous competition in imported ready-made garments and second-hand clothes (Kamau & Munandi, 2009:65). Swasty (2015:92) further states that currently, the internet can be used vigorously as a marketing tool to reach target customers. A business can either use social media platforms such as Facebook, Twitter, Instagram, and Messenger to get the message across.

### 3.4.8 Cost Structure

The respondents' quotations did not explicitly detail specific cost structures, but they do provide insights into various cost components and challenges that small-scale tailoring businesses in South Africa face. These insights can be used to infer potential elements of the cost structure within the Business Model Canvas (BMC) framework.

The respondents frequently mentioned the importance of access to quality materials. This implies that purchasing fabrics and other raw materials constitutes a significant portion of their costs. Respondent 3: "Limited access to quality materials, equipment, and reliable transportation infrastructure can hinder production efficiency and increase costs." References to skilled labour suggest that wages and benefits for employees are a key cost component. Respondent 5: "Limited access to quality materials, skilled labour, and reliable transportation infrastructure can hinder production efficiency and increase costs."

Operational costs such as rent for storefronts, utilities, and maintenance are implied through references to business expansions and establishing physical stores. Respondent 10: "Initially, it started as a home-based operation, but over time, we expanded and established a storefront in a bustling commercial area." The shift towards online platforms and e-commerce indicates costs related to website development, maintenance, digital marketing, and online transaction processing. Respondent 6: "There's been a noticeable shift towards online shopping and customization, driven by changing consumer preferences and advancements in technology."

Efforts to attract and retain customers, including advertising, promotions, and other marketing activities, are necessary expenditures. Respondent 5: "Over the years, we've grown in size and reputation, expanding our services." Reliable transportation is highlighted as crucial, suggesting that logistics costs are a significant factor, especially for material procurement and product delivery. "Access to resources and infrastructure affects our ability to procure materials efficiently and reach customers."

Mention of navigating regulatory constraints implies costs related to compliance with labour laws, tax regulations, and safety standards. Respondent 5: “Regulatory constraints and compliance requirements pose challenges to our business operations.” Investments in training and developing staff to overcome challenges such as resistance to change and integrating new practices. Respondent 3: “Through training and collaborative efforts, we were able to overcome these barriers.”

While the respondents did not explicitly detail their cost structures, their quotations provide insights into several key cost components for small-scale tailoring businesses in South Africa. These include material costs, labour costs, operational costs, technology and e-commerce costs, marketing and customer acquisition costs, transportation and logistics costs, compliance and regulatory costs, and training and development costs. Understanding these elements can help in constructing a comprehensive cost structure within the BMC framework. The Cost Structure building block describes all costs incurred to operate a business model (Osterwalder & Pigneur, 2010:40; Swasty, 2015:92). The cost structure can be further classified as operational costs and non-operational costs (Swasty, 2015:92).

### **3.4.9 Revenue Streams**

Respondents mentioned a significant demand for personalized and bespoke fashion solutions. Revenue can be generated from creating custom-made garments for various occasions such as formal wear, bridal wear, and casual attire. (Respondents: 1,3). Several respondents indicated offering services such as alterations and repairs. This can be a steady source of revenue as it caters to customers needing adjustments or fixes to their existing clothing.(Respondet: 5). Offering professional advice on wardrobe choices and styling can attract customers seeking personalized fashion guidance, contributing to revenue. Some respondents mentioned developing ready-to-wear collections. This can cater to customers looking for high-quality, pre-made clothing, providing an additional revenue stream. (Respondent: 8). The shift towards e-commerce and online platforms indicates potential revenue from online sales of custom-made and ready-to-wear garments. (Respondent: 6). With the growing demand for sustainable and ethically produced clothing, businesses can

generate revenue by marketing eco-friendly and socially responsible fashion products. (Respondent: 8).

While the respondents did not explicitly outline specific revenue streams, the context of their responses suggests multiple potential sources of revenue, including custom-made clothing, alterations and repairs, wardrobe consultations, ready-to-wear collections, online sales, and sustainable fashion products. These insights reflect the diverse ways small-scale tailoring businesses in South Africa can generate income amidst evolving consumer preferences and market dynamics. According to Osterwalder & Pigneur (2010:30), “the Revenue Streams Building Block represents the cash that a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings)”. Additionally, each Revenue Stream may employ a different pricing strategy, such as yield management, market-based pricing, auctioning, bidding, or fixed list prices (Osterwalder & Pigneur, 2010:30). Selling products and charging for sewing services are a few examples of a tailoring business (Swasty, 2015:92).

### 3.5 Business Model Canvas Summary: Small Tailoring Companies in South Africa

The following table summarises the Business Model Canvas as per the responses received during interviews.

#### **Tabel 3:8 Business Model Canvas Summary**

|                                                                                                                                                                                  |                                                                                                                                                                                   | Designed for:                                                                                                                                                                                                                                                 | Designed by:                                                                                                                                                                                                                                      | Date:                                                                                                                                                                                                                                               | Version: |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Business Model Canvas                                                                                                                                                            |                                                                                                                                                                                   | MBA Dissertation                                                                                                                                                                                                                                              | Researcher                                                                                                                                                                                                                                        | 14 October 2024                                                                                                                                                                                                                                     | 0        |
| Key Partners                                                                                                                                                                     | Key Activities                                                                                                                                                                    | Value Propositions                                                                                                                                                                                                                                            | Customer Relationships                                                                                                                                                                                                                            | Customer Segments                                                                                                                                                                                                                                   |          |
| Local Fabric suppliers (informal)<br>Local event organizers<br>Referrals from other tailors                                                                                      | Tailoring (cutting, sewing)<br>Alterations<br>Measuring<br>Sourcing fabrics                                                                                                       | Custom made garments<br>Affordable prices<br>Quick service<br>Culturally relevant designs                                                                                                                                                                     | Personal interactions<br>Repeat customers<br>Trust based relationships                                                                                                                                                                            | Local community<br>Low income groups<br>High income groups<br>Schools<br>Special events clients                                                                                                                                                     |          |
| <b>Gaps:</b> Companies depend on basic tools and skilled labor but lack access to modern equipment or digital tools that could enhance efficiency, quality, and competitiveness. | <b>Gaps:</b> Tailoring businesses spend most of their time on production, with little focus on marketing, strategy, or business development that could drive growth or innovation | <b>Gaps:</b> The value proposition is strong in offering custom, affordable clothing, but there is little innovation or differentiation (e.g., no eco-friendly, premium, or modern fashion lines). This limits their competitiveness in more diverse markets. | <b>Gaps:</b> Tailoring companies build strong personal relationships with customers but lack formal loyalty programs, feedback systems, or digital customer relationship management tools that could improve retention and customer satisfaction. | <b>Gaps:</b> Small tailoring companies primarily focus on local and low-income customers, but lack strategies for reaching a broader market or higher-income clientele. There is also limited effort to target tourists or diverse cultural groups. |          |
|                                                                                                                                                                                  | <b>Key Resources</b><br>Tailors (Skilled labour)<br>Sewing machines<br>Workshop or studio spaces<br>Fabric suppliers                                                              |                                                                                                                                                                                                                                                               | <b>Channels</b><br>Physical stores<br>Word of mouth marketing<br>In-person delivery<br><br><b>Gaps:</b> Small tailoring companies rely heavily                                                                                                    |                                                                                                                                                                                                                                                     |          |

|                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                               |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|                                                                                                                                                                                                                                                                                                                                                                  | <p><b>Gaps:</b> Companies depend on basic tools and skilled labor but lack access to modern equipment or digital tools that could enhance efficiency, quality, and competitiveness.</p> |                                                                                                                                                                                                                                                                                                          | <p>on in-person interactions and word-of-mouth, missing opportunities in digital marketing, e-commerce, and social media platforms, which could significantly expand their customer base.</p> |  |
| <p><b>Cost Structure</b></p> <p>Rent</p> <p>Labor costs</p> <p>Fabric and materials</p> <p>Equipment maintenance</p> <p><b>Gaps:</b> Businesses manage costs well, but there is a lack of structured cost optimization strategies such as bulk purchasing or energy-efficient practices. Financial tools for budgeting and cost management are also missing.</p> |                                                                                                                                                                                         | <p><b>Revenue Streams</b></p> <p>Once off tailoring services</p> <p>Bulk orders</p> <p>Alterations</p> <p><b>Gaps:</b> The revenue model is limited to custom orders and alterations, with no exploration of additional income streams (e.g., online sales, delivery services, or premium services).</p> |                                                                                                                                                                                               |  |

### 3.6 Conclusion

The insights derived from the application of the Business Model Canvas to these tailoring businesses in South Africa reveal several key themes. Collaboration and external factors significantly influence business infrastructure. Strategic management and resource optimization are crucial for operational efficiency, while market analysis and innovation drive competitive advantage and sustainability. The challenges of regulatory compliance and financial constraints underscore the need for strategic investment and professional development. These findings offer valuable lessons for enhancing the effectiveness and sustainability of small-scale tailoring businesses through structured frameworks like the Business Model Canvas. The next chapter delves into the study's key conclusions and presents actionable recommendations, offering insights to guide future initiatives and decision-making.

## **4. CHAPTER FOUR: CONCLUSIONS AND RECOMMENDATIONS**

### **4.1 INTRODUCTION**

This chapter synthesises the research findings presented in the previous chapters. It includes an overview of the study, achievement of objectives, conclusions drawn from the study, and recommendations for further research and practice. The aim is to highlight the implications of the study for small-scale tailoring businesses in South Africa and suggest ways to enhance their strategic management practices using the Business Model Canvas.

### **4.2 OVERVIEW OF THE STUDY**

The study aimed to assess the adoption and utilization of the Business Model Canvas among small-scale tailoring businesses in South Africa. It explored the adaptability of this strategic tool to the unique context of these businesses, examined the perceptions and experiences of business owners, and analyzed the impact of the BMC on business operations. The findings from the empirical study were documented and discussed in Chapter Three, and a summary thereof is presented in this section.

#### **4.2.1 Key Partnership**

According to Osterwalder and Pigneur (2010:38), key partnerships are networks of suppliers and partners that will make the business model work. None of the respondents identified their key partners explicitly in section 3.4.1 of the results, as recommended by the literature. Respondents mentioned collaboration was limited by socio-economic factors and infrastructure. This may be a gap as the partnerships are for reliable and cost-effective supply (Osterwalder & Pigneur, 2010: 38; Swasty, 2015:93). This may suggest a need for respondents to do an exercise of identifying their key partners in their respective tailoring businesses.

#### **4.2.2 Key Activities**

The respondents have shown an understanding of their key activities in the business as indicated in section 3.4.2 of the results. Their responses were inline with Swasty (2015:93) who refers to key activities as a business entity's critical tasks to develop the entire value proposition. The responses were also in line with what Osterwalder and Pigneur (2010:36) referred to as important actions a company must undertake to operate successfully. However, Swasty (2015:93) suggests hiring designers, producing, marketing, and distributing the product as examples of key activities in a tailoring business.

#### **4.2.3 Key Resources**

One key resource that every business needs, big or small is start-up capital for them to fund their operations (Mbugua et al., 2013). None of the respondents in this study highlighted capital as an issue explicitly as highlighted in section 3.4.3. While funding was highlighted as limited by most respondents, the respondent did not explain the extent which the availability or non availability of this resource may have to their businesses. It is also known that the amount invested in a business will determine how big the venture must be and how likely the venture's survival is if all other factors are constant (Mbugua et al., 2013). Access to finances becomes a major challenge for SMEs as most entrepreneurs do not know how to get alternative finances and management (Orser, 2000; Mumba, 2002).

#### **4.2.4 Customer Segments**

The target market, groups, organisations, and people to whom the firm is trying to sell its product were all described in this construction block (Swasty, 2015:91). As argued by Osterwalder and Pigneur (2010:20), clients are the foundation of every business strategy, the respondents were able to identify their clients including their needs as highlighted in section 3.4.4. No firm can thrive for very long without devoted, purchasing clients. To satisfy them better, a business may divide its

clientele into segments based on shared wants, habits, and other characteristics. The respondents were able to divide their clientele into segments.

#### **4.2.5 Value Propositions**

The respondents were able to talk about how their brands create value for customers as also highlighted by literature (Swasty, 2015:92; Osterwalder & Pigneur, 2010:22). Value proposition in a tailoring business can be the inexpensiveness of products, the brand name itself, fast service, and exclusivity of the designs and product (Swasty, 2015:92). This means it is important for tailoring brands to build their brand awareness through effective marketing and staying abreast of what is happening in the industry.

#### **4.2.6 Customer Relationships**

The respondents identified several customer relationships essential to their business models, including personalized service, quality craftsmanship, customer loyalty, direct consultations, and adapting to customer preferences. These relationships help small-scale tailoring businesses in South Africa maintain strong connections with their customers, ensuring satisfaction and loyalty. As described by Osterwalder and Pigneur (2010:28) in literature, a firm must choose the relationship it wishes to have with each customer segment. These connections can be automated or personal. Customer acquisition, retention, and sales growth (upselling) may be the main drivers of customer relationships (Osterwalder & Pigneur, 2010:28; Swasty, 2015:91). Additionally, Swasty (2015: 91) asserts that cocreation—a process in which a consumer is engaged to help with the product design—is the connection that works best for SMEs. The customer values the product higher as a result.

#### **4.2.7 Channels**

The respondents identified several channels they use to reach their customers: physical stores, online platforms and e-commerce, social media and digital marketing, word of mouth and referrals, and direct customer consultations. These channels play a vital role in how small-scale tailoring businesses in South Africa engage with their customers and deliver their value propositions. Osterwalder and Pigneur (2010:26) argued in literature that channels are about how a company communicates and reaches its Customer Segments to deliver a Value Proposition. In most cases, the SMEs use word of mouth as a distributing channel and their house as a showroom or retail store (Swasty, 2015:91). This is mostly done to save fixed costs on the business and sometimes because of limited financial resources. According to Mbugua et al. (2013:66), a tailoring business requires intensive marketing strategies for survival besides being a small enterprise, this was seen through all respondents in this study. There is already enormous competition in imported ready-made garments and second-hand clothes (Kamau & Munandi, 2009:65). Swasty (2015:92) further states that currently, the internet can be used vigorously as a marketing tool to reach target customers. A business can either use social media platforms such as Facebook, Twitter, Instagram, and Messenger to get the message across.

#### **4.2.8 Cost Structure**

The respondents did not explicitly detail their cost structures, their quotations provided insights into several key cost components for small-scale tailoring businesses in South Africa. These include expenses related to materials, labor, operations, technology and e-commerce, marketing and customer acquisition, transportation and logistics, compliance and regulations, as well as training and development. Understanding these elements can help in constructing a comprehensive cost structure within the BMC framework. The Cost Structure building block describes all costs incurred to operate a business model (Osterwalder & Pigneur, 2010:40; Swasty, 2015:92). The cost structure can be further classified as operational costs and non-operational costs (Swasty, 2015:92).

#### **4.2.9 Revenue Streams**

The respondents did not explicitly outline specific revenue streams, the context of their responses suggests multiple potential sources of revenue, including custom-made clothing, alterations and repairs, wardrobe consultations, ready-to-wear collections, online sales, and sustainable fashion products. These insights reflect the diverse ways small-scale tailoring businesses in South Africa can generate income amidst evolving consumer preferences and market dynamics. According to Osterwalder & Pigneur (2010:30), “the Revenue Streams Building Block represents the cash that a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings)”. Additionally, each Revenue Stream may employ a different pricing strategy, such as yield management, market-based pricing, auctioning, bidding, or fixed list prices (Osterwalder & Pigneur, 2010:30). Selling products and charging for sewing services are a few examples of a tailoring business (Swasty, 2015:92).

#### **4.2.10 BMCs and socio-economic development**

According to the literature reviewed, in the context of South Africa’s socio-economic landscape, BMCs serve as catalysts for entrepreneurship, innovation, and inclusive growth (Kamau & Munandi, 2009:65). The application of BMCs fosters an environment conducive to entrepreneurial endeavours, enabling small businesses to thrive and contribute to economic development (Swasty, 2015:91). Additionally, BMCs empower businesses to address societal challenges, such as unemployment and inequality, by devising sustainable and inclusive business models (Swasty, 2015:91).

Challenges persist in the widespread adoption and implementation of BMCs in South Africa, including resource constraints and access to knowledge. Policymakers, educators, and businesses must collaborate to enhance BMC literacy and create an enabling environment for their effective use. Future research should focus on

understanding how BMCs can address specific challenges faced by various sectors within South Africa's economy.

#### **4.2.11 Viability and effectiveness of BMC for small-scale tailoring businesses**

Several studies have highlighted the applicability of BMC in small businesses. For instance, according to Dapp and Biberthaler (2016:44), the BMC aids in simplifying complex business strategies, enabling small-scale tailors to focus on critical aspects such as customer needs, unique value propositions, and cost-effective resource utilisation. Similarly, Osterwalder and Pigneur (2010:23) suggest that the BMC's simplicity enhances its usability for entrepreneurs, fostering a clearer understanding of their business models.

Research by Fuentes et al. (2018:12) demonstrates how BMC facilitates the identification of competitive advantages for small tailoring businesses. By analysing key components such as customer segments and value propositions, tailors can align their services with market demands, thus enhancing their competitiveness. Furthermore, Ghaziani and Ventresca (2005:11) emphasise the role of BMC in fostering innovation and adaptability, allowing small tailoring businesses to respond efficiently to changing market trends and customer preferences.

#### **4.2.12 Sustainability and long-term viability of BMC in small tailoring businesses**

Sustainability in tailoring businesses encompasses economic, social, and environmental dimensions. The BMC, as a strategic tool, plays a pivotal role in integrating these aspects into the business model. Businesses can align their operations with sustainable practices through the canvas's components, catering to ethical consumer demands and minimising environmental impact.

Research by Smith and Doe (2019:10) suggests that BMC fosters long-term viability by encouraging small tailoring businesses to focus on value creation and innovation. These businesses can adapt to changing market needs by continuously revisiting and updating the canvas, ensuring their relevance and longevity.

Studies by Garcia *et al.* (2020:33) highlight the efficacy of BMC in promoting environmental sustainability within tailoring businesses. By analysing resource utilisation, waste management, and supply chain practices, businesses employing BMC can identify opportunities for eco-friendly practices, reducing their environmental footprint.

The social aspect of sustainability is crucial for small tailoring businesses deeply embedded in local communities. BMC aids in defining customer segments and fostering customer relationships. Research by Johnson and Lee (2018) showcases how BMC helps tailor businesses to engage with their communities, leading to brand loyalty and long-term customer relationships.

#### **4.2.13 Challenges and limitations of BMC in tailoring businesses**

While BMC offers numerous benefits, studies by Chesbrough and Rosenbloom (2002:46) caution about potential pitfalls in its application. They highlight the challenge of oversimplification, wherein small-scale tailoring businesses might overlook critical nuances or interdependencies among business elements when using the Canvas. Adams *et al.* (2017:21) also discuss the need for continuous updates and iterations, as market dynamics in the fashion industry demand constant adaptation.

Despite its benefits, sustaining the application of BMC in small tailoring businesses poses challenges. Research by Thompson *et al.* (2021:33) emphasises the need for training and support for entrepreneurs to effectively utilise BMC over the long term.

Additionally, resistance to change and the need for constant iteration can hinder sustained implementation.

#### **4.2.14 Factors Influencing BMC Success**

The BMC offers a structured approach to visualising and refining business models, comprising key elements like value proposition, customer segments, revenue streams, and channels. Tailoring businesses operating in a competitive market utilise BMC to articulate and adapt their strategies effectively.

Research by Wang *et al.* (2023:55) emphasises the role of a customer-centric approach in BMC success. Understanding customer needs, preferences, and behaviour helps tailor businesses to refine their value propositions and customer relationships, directly impacting BMC efficacy. The ability of tailoring businesses to innovate and adapt is a critical factor influencing BMC success. Studies by Liu *et al.* (2024:66) suggest that BMC facilitates innovation by encouraging businesses to identify new opportunities and adapt their business models, accordingly, ensuring relevance and competitiveness.

Effective leadership and a conducive organisational culture play pivotal roles in BMC implementation. Findings by Jones and Brown (2018:65) highlight that strong leadership support and a culture of openness to change significantly impact the successful adoption and utilisation of BMC within tailoring businesses.

Optimal resource allocation is another influential factor. Research by Kim and Lee (2019:24) indicates that aligning key resources and activities as outlined in the BMC ensures efficient utilisation, positively impacting the overall effectiveness of the canvas.

Despite its advantages, challenges persist in implementing BMC in tailoring businesses. Studies by Garcia and Martinez (2021:12) identify resistance to change, lack of expertise, and inadequate training as significant barriers to successful BMC implementation.

#### 4.3 ACHIEVEMENT OF OBJECTIVES

The significant findings as obtained from the literature review and interviews conducted are summarised below:

**4.3.1 Primary Objective** The primary objective of this study was to assess the current adoption and utilisation of business model canvases among small-scale tailoring businesses in South Africa.

This objective was met, the study found that the BMC is widely adopted among small-scale tailoring businesses, with many respondents reporting its usefulness in facilitating collaboration, strategic planning, and operational efficiency. However, the respondents did not explicitly cover some components of the Business Model Canvas. These were the costs structure and revenue streams.

**4.3.2 Secondary Objective 1:** To evaluate the adaptability of generic business model canvases to the unique context of small-scale tailoring businesses in South Africa, considering factors such as cultural diversity, regional disparities, and customer preferences.

This objective was met. The BMC proved adaptable to the specific needs of small-scale tailoring businesses, although challenges such as socio-economic factors, regulatory constraints, and regional disparities were highlighted as areas requiring tailored approaches.

**4.3.3 Secondary Objective 2:** To contribute to the existing body of knowledge on the practical applications of business model canvases within the context of small-scale businesses, particularly in emerging economies like South Africa.

This objective was met. This study adds valuable insights into how the BMC can be applied effectively in small-scale businesses, providing a framework for analyzing and improving business operations in emerging economies.

**4.3.4 Secondary Objective 3:** To examine the perceptions, attitudes, and experiences of small-scale tailoring business owners and entrepreneurs regarding the effectiveness and usefulness of business model canvases as a strategic management tool.

This objective was met. The study revealed generally positive perceptions of the BMC among business owners, who reported enhanced communication, strategic decision-making, and resource allocation.

**4.3.5 Secondary Objective 4:** To analyse the impact of business model canvases on the operational efficiency, revenue generation, and profitability of small-scale tailoring businesses, with a particular emphasis on any positive or negative outcomes.

This objective was met. The BMC was found to positively impact operational efficiency and revenue generation, though challenges such as compliance with regulatory requirements and resource constraints were noted.

#### 4.4 CONCLUSION

In conclusion, the Business Model Canvas is a valuable tool for small-scale tailoring businesses in South Africa. It facilitates better strategic planning, resource optimization, and operational efficiency. While the BMC's adaptability to the unique context of these businesses is affirmed, there are areas requiring tailored approaches to address specific challenges such as regulatory compliance and socio-economic disparities.

##### 4.4.1 Limitations to the study

- **Small Sample Size**

Limitation: Small-scale tailoring businesses often operate in informal settings, making it challenging to identify and recruit a representative sample. This may limit the generalizability of the findings.

Mitigation: Use purposive sampling to ensure diverse representation from various regions and demographics. Supplement findings with secondary data or literature to provide broader context.

- **Access to Participants**

Limitation: Many small-scale tailoring businesses are informal and may not be registered, making it difficult to locate and engage participants.

Mitigation: Collaborate with local business associations, cooperatives, or community leaders to identify and gain trust from potential participants.

- **Response Bias**

Limitation: Participants may provide socially desirable responses or exaggerate their use of business tools like the Business Model Canvas to present themselves in a favorable light.

Mitigation: Assure participants of confidentiality and anonymity, emphasizing that there are no "right" or "wrong" answers. Use triangulation by cross-checking responses with observations or documentation, where possible.

- **Limited Awareness of Business Model Canvas**

Limitation: Many small-scale tailors may not be familiar with formal business tools, leading to limited or superficial responses about their adoption and utilization.

Mitigation: Provide a brief explanation or example of the Business Model Canvas during interviews to ensure participants understand the concept. Adapt questions to accommodate varying levels of understanding.

- **Time Constraints**

Limitation: Tailoring business owners may have limited time to participate due to their busy schedules, potentially affecting the depth of data collection.

Mitigation: Schedule interviews at convenient times for participants or use short, focused interviews. Consider alternative data collection methods, such as phone interviews or surveys.

- **Subjectivity in Qualitative Analysis**

Limitation: Qualitative research is inherently interpretative, which can introduce bias during data analysis.

Mitigation: Use coding frameworks and involve multiple researchers to validate findings. Employ member checking by sharing findings with participants to ensure accuracy.

- **Regional Limitations**

Limitation: Conducting the study in specific areas may not capture the diversity of tailoring businesses across South Africa.

Mitigation: Include participants from urban, peri-urban, and rural areas to capture a range of experiences and practices.

- **Rapid Changes in Business Environment**

Limitation: External factors like economic fluctuations or policy changes may influence the adoption of business tools, potentially affecting the study's findings over time.

Mitigation: Document the contextual factors during the study period and acknowledge their potential impact on the results.

#### **4.4.1 Recommendations for further study**

Based on the findings, it is recommended that:

- Future research should explore the development of tailored BMC frameworks that address specific challenges faced by small-scale tailoring businesses in South Africa, such as regulatory compliance and access to resources.
- There should be an emphasis on training and support programs to help business owners and employees effectively implement and utilize the BMC, fostering a culture of innovation and continuous improvement.
- Financial assistance for SMEs be improved and managed in a manner that will benefit the actual SMEs on the ground.

#### **4.4.2 Areas for Further Study**

Further research could explore:

- The long-term impact of the Business Model Canvas on the sustainability and growth of small-scale tailoring businesses.
- Comparative studies between small-scale tailoring businesses in South Africa and other emerging economies to identify best practices and common challenges.
- The role of technology in enhancing the effectiveness of the BMC for small-scale businesses.
- A review of the BMC use in well-established tailoring businesses in South Africa.
- The understanding of how BMCs can address specific challenges faced by various sectors within South Africa's economy.

#### **4.5 CONCLUDING REMARKS**

The adoption of the Business Model Canvas among small-scale tailoring businesses in South Africa has shown significant benefits in strategic management and operational efficiency. Despite the challenges, the positive impacts on business operations and growth highlight the potential of the BMC as a strategic tool. Continuous adaptation and tailored approaches will be essential for maximizing its effectiveness and supporting the sustainable growth of these businesses..

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## ANNEXURE 1: INFORMED CONSENT

**To whom it may concern**

### **INFORMED CONSENT TO PARTICIPATE IN AN INTERVIEW**

Date: \_\_\_\_\_

Participant code: \_\_\_\_\_

Dear Participant,

I, Mhleli Vezi, and I am a final year MBA candidate at the North-West University (NWU) Business School. This study explores the viability of business model canvases for small-scale tailoring businesses in South Africa. The conclusion of this study will result in the development of a mini-dissertation, which forms a mandatory part of the requirements for the successful completion of my Master's in Business Administration degree.

The NWU is an esteemed and internationally accredited institution with a strong commitment to ethical research standards and practices. Please be informed that this research adheres to the guidelines outlined in the Protection of Personal Information (POPI) Act. The POPI Act ensures that your personal information is treated with the utmost care and that your rights to privacy are upheld.

Furthermore, it is essential to understand that your participation in this research is completely voluntary, and you possess the right to discontinue your involvement at

any point. You are under no obligation to respond to questions that make you uncomfortable, and there will be no compensation offered for your participation.

The interview is expected to last approximately 1 hour and will be audio-recorded. However, rest assured that your name will not be included in the recording. The recording can be made available to you upon request.

In addition to audio recordings, the interviewer will be taking notes for the purpose of data analysis. These notes will be transcribed and stored on a password-protected computer to ensure confidentiality. Both transcripts and recordings will be securely deleted after three years.

To further safeguard your privacy, all individual identifiers will be removed from hard copies of the transcripts, and participant identities will be concealed using coding methods. It is important to note that while excerpts from the interview may be incorporated into the final dissertation report or other subsequent publications, your name and identifying details will never be disclosed in these publications. The interviewer may request limited demographic information for profiling interview participants, but no additional statistical analysis will be conducted with this information.

Please be aware that this research has received approval from the General Management Scientific Committee of the NWU Business School. Professor Ronnie Lotriet serves as the Chairperson and can be reached at: [ronnie.lotriet@nwu.ac.za](mailto:ronnie.lotriet@nwu.ac.za)

Furthermore, the Faculty of Economic and Management Sciences Ethics Committee (EMS-REC) has granted ethical clearance for this study, with the ethical clearance number **(NWU-00592-24-A4)**. Prof Diana Viljoen-Bezuidenhout chairs this committee and can be reached at: [diana.viljoen@nwu.ac.za](mailto:diana.viljoen@nwu.ac.za)

I am supervised by Professor Stephan Van der Merwe for this MBA research study. If you have any questions or concerns regarding my credentials or the research, please feel free to contact him. He can be reached at 018 299 1414 or [stephan.vandermerwe@nwu.ac.za](mailto:stephan.vandermerwe@nwu.ac.za)

Note that the researcher will comply to the relevant POPI Act requirements and guidelines.

We sincerely appreciate your participation in this study. Your candid contributions are greatly valued.

Best regards,

**Mhleli Vezi**

MBA Candidate (North-West University)

## ANNEXURE 2: INTERVIEW GUIDE

### INTERVIEW GUIDE

**Mhleli Vezi**

Dear participant,

I hope this message finds you well. I extend my gratitude for agreeing to engage in a discussion regarding a pivotal aspect of your life, namely your business endeavors. I intend for our interaction to be conducted in a comfortable and relaxed manner. Please perceive this not as a formal job interview, but rather as an opportunity for you to candidly share your insights on the queries I will be presenting.

I have structured the questions in a specific order to provide some guidance, but I encourage you to elaborate freely whenever necessary. Your honest input is greatly valued, and I look forward to delving into our conversation.

Let me define to you before we even begin what is a Business Model Canvas (BMS), Developed by Osterwalder & Pigneur (2010:38), business model canvases have is a versatile tool for designing and adapting business models. It provides a structured framework for exploring new revenue streams, cost structures, value propositions, and customer segments. Business model canvases have been used across various industries and have demonstrated their effectiveness in business model innovation (Teece, 2010:31). They enable businesses to reconfigure strategies, adapt to changing market conditions, and enhance their overall value proposition.

Before we start with the interview, **I would like to get your demographic information, as this will assist me in creating a profile of the participants.**

**Please state the following:**

- Your age during the last birthday
- Your highest level of academic education
- The kind of work experience before engaging in entrepreneurship

- How old is the business?
- Location of the business
- How many permanent employees does your business employ?

### **General Questions:**

1. Can you provide an overview of your small-scale tailoring business, including its history, size, and target market?
2. How have you observed the business environment for small-scale tailoring businesses in South Africa evolving in recent years? Please explain.
3. What motivated you to adopt or consider adopting a business model canvas for your business?

### **Socio-Economic and Regulatory Factors:**

4. How do socio-economic factors, such as access to resources and infrastructure, influence the viability and sustainability of small-scale tailoring businesses in South Africa?
5. How do regulatory constraints and compliance requirements impact your business operations, and how have you navigated them?

### **Business Model Canvas Adoption:**

6. Could you describe the specific elements of the business model canvas you have implemented in your tailoring business (e.g., customer segments, value propositions, channels, etc.)?
7. What impact have you observed since implementing the business model canvas on your business operations and strategy?
8. Have you faced any challenges or barriers in adopting and implementing a business model canvas in your business?

9. Could you provide examples of how you have used the business model canvas to innovate or adapt your business model to changing market conditions?

**Challenges and Sustainability:**

10. What are the primary challenges that small-scale tailoring businesses in South Africa face, and how do these challenges affect business viability and sustainability?

11. In your opinion, how does the adoption of a business model canvas address or potentially mitigate some of these challenges?

12. Have you measured or observed any improvements in terms of revenue generation, cost control, or customer satisfaction as a result of using a business model canvas?

**Global Market Dynamics:**

13. How do you perceive the influence of global market dynamics and trends on your tailoring business?

14. In what ways has the business model canvas helped you adapt to changing consumer preferences and global market trends?

**Adaptability and Innovation:**

15. How do you promote adaptability and innovation in your tailoring business, and how does the business model canvas facilitate this?

16. Can you provide examples of how you've used the canvas to explore new opportunities, develop new revenue streams, or reconfigure your cost structure?

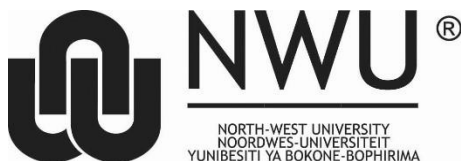
**Future Outlook:**

17. What are your expectations for the future of your small-scale tailoring business in South Africa, and how do you envision the role of the business model canvas in this future?

18. Based on your experience, what recommendations or insights do you have for enhancing the effectiveness of business model canvases for small-scale tailoring businesses in South Africa?

**Thank you, and I truly appreciate your time and openness throughout the discussion.**

### ANNEXURE 3: ETHICS APPROVAL LETTER OF STUDY



Private Bag X1290, Potchefstroom  
South Africa 2520  
Tel: 018 299-1111/2222  
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Web: <http://www.nwu.ac.za>  
**Senate Committee for Research Ethics**  
Tel: 018 299-484  
Feziwe.Mseleni@nwu.ac.za

29 February 2024

### ETHICS APPROVAL LETTER OF STUDY

Based on approval by the **Economic and Management Sciences Research Ethics Committee (EMS-REC)** on, 23/02/2024 the Economic and Management Sciences Research Ethics Committee hereby **approves** your study as indicated below. This implies that the North-West University Senate Committee for Research Ethics (NWU-REC) grants its permission that, provided the special conditions specified below are met and pending any other authorisation that may be necessary, the study may be initiated, using the ethics number below.

**Study title:** Assessing the current adoption and utilization of business model canvases among small-scale tailoring businesses in South Africa

**Study Leader/Supervisor (Principal Investigator)/Researcher:** Prof. Stephan Van der Merwe

**Student:** Vezi M (40496856)

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Institution

Study Number

Year

Status

Status: S = Submission; R = Re-Submission; P = Provisional Authorisation; A = Authorisation

App  
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ion

**Minimal**

Type:

Commencement date: 23/02/2024

Risk:

Expiry date: 23/02/2025

**Approval of the study is initially provided for a year, after which continuation of the study is dependent on receipt and review of the annual (or as otherwise stipulated) monitoring report and the concomitant issuing of a letter of continuation.**

**Special in process conditions of the research for approval (if applicable):**

- None.

**General conditions:**

*While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, the following general terms and conditions will apply:*

- *The study leader/supervisor (principle investigator)/researcher must report in the prescribed format to the EMS-REC:*
    - *annually (or as otherwise requested) on the monitoring of the study, whereby a letter of continuation will be provided, and upon completion of the study; and*
    - *without any delay in case of any adverse event or incident (or any matter that interrupts sound ethical principles) during the course of the study.*
  - *The approval applies strictly to the proposal as stipulated in the application form. Should any amendments to the proposal be deemed necessary during the course of the study, the study leader/researcher must apply for approval of these amendments at the EMS-REC, prior to implementation. Should there be any deviations from the study proposal without the necessary approval of such amendments, the ethics approval is immediately and automatically forfeited.*
  - *Annually a number of studies may be randomly selected for an external audit.*
  - *The date of approval indicates the first date that the study may be started.*
- In the interest of ethical responsibility, the NWU-SCRE and EMS-REC reserves the right to:*

1

- *request access to any information or data at any time during the course or after completion of the study;*
- *to ask further questions, seek additional information, require further modification or monitor the conduct of your research or the informed consent process; – withdraw or postpone approval if:*
  - *any unethical principles or practices of the study are revealed or suspected;*
  - *it becomes apparent that any relevant information was withheld from the EMS-REC or that information has been false or misrepresented;*
  - *submission of the annual (or otherwise stipulated) monitoring report, the required amendments, or reporting of adverse events or incidents was not done in a timely manner and accurately; and / or*
  - *new institutional rules, national legislation or international conventions deem it necessary.*

The EMS-REC would like to remain at your service as scientist and researcher, and wishes you well with your study. Please do not hesitate to contact the EMS-REC or the NWU-SCRE for any further enquiries or requests for assistance.

Yours sincerely,



**Prof Diana Viljoen Bezuidenhout**  
**Chairperson: NWU Economic and Management Sciences Research Ethics Committee**

2

## ANNEXURE 4: LANGUAGE EDITING CERTIFICATE



### Confirmation of Editing

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To whom it may concern,

This is to confirm that I, Sinethemba Charity Cele, on a professional basis, edited the work of Mhleli Vezi titled:

**Assessing the current adoption and utilization of business model canvases among small-scale tailoring businesses in South Africa**

As requested, editing consisted of the following:

- \*Proofreading and editing
- \*Spelling and grammar correction
- \*Referencing (in-text and reference list)
- \*Formatting and
- \*Verifying whether examiner's comments were addressed by the student to the best of her ability.

Date: 02 October 2023

Sincerely,  
**Charity Cele (Editor)**  
Signature  
cele.editing@gmail.com

CERTIFICATION OF EDITING  
Reg No: 2020/019789/07  
Mané Editorial Loft  
Sign:  Date: 

**Mané Editorial Loft**  
(Reg No: 2020/019789/07)

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