BRANDING IN SMALL AND MEDIUM ENTERPRISES IN KWAZULU-NATAL AS A MEANS OF ENSURING BUSINESS SURVIVAL

By

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DECLARATION

I declare that the masters, which I hereby submit for the degree Masters in Management Science (Marketing) at the Durban University of Technology, is my own work and has not been submitted by me for a degree at another university.

Abbigail Mhini Ncube

JUNE 2016
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ABSTRACT

Small to medium enterprises (SMEs) are known to be important for the development of economies in developing countries. This is so because SMEs create jobs therefore reducing unemployment and alleviating poverty. The South African government has done a lot to help SMEs grow and become established businesses. They offer, among other things, financial assistance and expert advice in the field of marketing, technology and venturing into foreign markets (SEDA, 2014).

However, it seems that it is difficult for SMEs to establish themselves in the different sectors such as the Manufacturing, Retail, Service, Financial and Agricultural sectors. They complain among other things, of financial constraints and the global economic crisis (NCR report 2011). Olawale and Garwe (2010) go on to say that, SMEs in South Africa have a high failure rate compared to other countries and only about 7% of new SMEs become fully established firms. The reason for this might be the inability of those firms to utilise marketing and in particular branding to market their firms. Branding is the process of stamping a product, which the marketer offers with some identifying name, mark or a combination of both (Sawant 2012). Thus branding creates individuality in the product or service offered facilitating it to be distinguished and recognised in the market from competitors. For this reason different aspects of branding especially brand dimensions will be explored to identify shortcoming of SMEs branding practices to assist them survive the dynamic business environment.

The study involved SMEs in KwaZulu Natal in the manufacturing, retail, agriculture and financial services sectors. To address the research problem a combination of quantitative and qualitative approaches were used.

Participants, more specifically those from the very small SME category, were selected and questionnaires were distributed to them. Those participants who responded to the questionnaire, in depth interviews were held with them. In both approaches a convenient samplings technique were used to select participants. The data will be analysed by using normal descriptive statistics and content analysis.
The problem under investigation in this study is that SMEs in KZN may lack the ability to harness branding in support of their business survival. SMEs are limited financially when it comes to creating a brand. Randall (2000) says that companies face a number of challenges when it comes to creating a brand such as mature markets, brand proliferation, consumer revolt, management failure, fragmentation of media and retailer power.

The contribution of the study is to help SMEs in KZN to understand branding and especially brand dimensions to assist them survive the dynamic business environment. The study found that SME owners have an understanding of brand creation and management. However, they agreed that more needs to be done when it comes to creating strong brands. SMEs express the brand dimension of sincerity and competence when branding their products. They face financial constraints, lack of creativity and competition as some of the challenges when it comes to creating brands.
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<th>Full Form</th>
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<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>CCT</td>
<td>Consumer Culture Theory</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>DCC</td>
<td>Durban Chamber of Commerce</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GEM</td>
<td>Global Entrepreneurship Monitor</td>
</tr>
<tr>
<td>KZN</td>
<td>KwaZulu-Natal</td>
</tr>
<tr>
<td>ROI</td>
<td>Return on Investment</td>
</tr>
<tr>
<td>SEDA</td>
<td>Small Enterprise Development Agency</td>
</tr>
<tr>
<td>SME</td>
<td>Small to Medium Enterprise</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
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CHAPTER 1
INTRODUCTION AND ORIENTATION

1.1 BACKGROUND TO THE STUDY

Small to medium enterprises (SMEs) are known to be essential for the development of economies in developing countries. This is so because SMEs create jobs, therefore reducing unemployment and alleviating poverty (Cant and Wiid 2013). The South African government has done a great deal to help SMEs grow and become established businesses. They offer, among other things, financial assistance and expert advice in the field of marketing, technology and venturing into foreign markets (Small Enterprise Development Agency [SEDA] 2014).

However, it seems that it is difficult for SMEs to establish themselves in the different sectors such as the manufacturing, retail, financial services, and agricultural sectors. These sectors were regarded as part of the major industries that contribute to the growth of the South African economy (Cant, Erdis and Sephapo 2014). Among other things, the small companies complain of financial constraints and the global economic crisis (NCR Report 2011). Olawale and Garwe (2010) go on to indicate that SMEs in South Africa have a high failure rate compared to other countries, and only about 7% of new SMEs become fully established companies. The reason for this might be the inability of those companies to utilise marketing and, in particular, branding to market their companies.

Branding is the process of stamping a product, which the marketer offers with some identifying name, mark or a combination of both (Sawant 2012). Therefore, branding creates individuality in the product or service offering, facilitating it to be distinguished and recognised in the market from competitors’ products or services. Through branding, SMEs are able to create, nurture and innovate their market-based assets and eventually create profitability for themselves (Abimbola 2001). However, despite the advantages
that branding offers to SMEs, there is little literature available on branding and SMEs (Abimbola, Vallaster and Merrilees 2007). One of the reasons may be that branding is usually considered the domain of big business (Abimbola, Vallaster and Merrilees 2007) rather than that of smaller businesses. According to Abimbola, Vallaster and Merrilees (2007), branding in SMEs is seen as informal and involving a narrow range of promotional tools. This necessitates the need to explore branding in SMEs as a means to ensure their sustainability in the long term. For this reason, different aspects of branding, especially brand dimensions, will be explored to identify shortcomings of SME branding practices to assist them to survive the dynamic business environment.

SMEs are an important part in the development of any economy, especially in South Africa. Over the years, the government has supported the growth and establishment of SMEs (NCR Report 2011). These enterprises have received financial assistance and professional help from SEDA. SEDA is an agency of the South African Department of Trade and Industry. It was established in 2004 through the National Small Business Amendment Act. Its mandate is to implement government’s small business strategy, and its mission is to develop, support and promote small enterprises throughout the country. From an interview with the SEDA eThekwini branch, it helps over 100 SMEs in different aspects of their business including drawing up business plans and coming up with company logos (Ngcobo 2014).

1.2 DEFINITION OF SMALL TO MEDIUM ENTERPRISES

The definition of an SME according to Section 1 of the National Small Business Act is:

‘… a separate and distinct business entity, including co-operative enterprises and non-governmental organisations, managed by one or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sectors or subsector of the economy mentioned in Column of the Schedule …’ (NCR Report 2011).
SMEs in South Africa are defined in the National Small Business Act in terms of the number of employees employed, their annual turnover in South African Rands, and their gross assets, excluding fixed property. SMEs are often categorised into medium size to micro size. Table 1.1 defines and differentiates SMEs according to the National Small Business Act.

Table 1.1: Broad definition of SMEs in the National Small Business Act

<table>
<thead>
<tr>
<th>Enterprise Size</th>
<th>Number of Employees</th>
<th>Annual Turnover (SA Rand)</th>
<th>Gross Assets, excluding Fixed Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>Fewer than 100 to 200 depending on industry</td>
<td>Less than R4 million to R50 million depending on industry</td>
<td>Less than R2 million to R18 million depending on industry</td>
</tr>
<tr>
<td>Small</td>
<td>Fewer than 50</td>
<td>Less than R2 million (m) to R25 m depending on industry</td>
<td>Less than R2 m to R4.5 m depending on industry</td>
</tr>
<tr>
<td>Very Small</td>
<td>Fewer than 10 to 20 depending on industry</td>
<td>Less than R200 000 to R500 000 depending on industry</td>
<td>Less than R150 000 to R500 000 depending on industry</td>
</tr>
<tr>
<td>Micro</td>
<td>Fewer than 5</td>
<td>Less than R150 000</td>
<td>Less than R100 000</td>
</tr>
</tbody>
</table>

Source: NCR Report (2011)

The SMEs that fall under the very small category will be used for purposes of this study because their needs in terms of understanding branding are greater compared to the other categories of SMEs.
1.3 BRANDING AND THE CREATION AND MANAGEMENT THEREOF

1.3.1 History of branding

Branding is a fundamental strategic process that involves all parts of the company in its delivery (Randall 2000). Chang and Chang (2012) bring out that branding is the use of brands to define products. It is about marketing, but not restricted to the marketing department. According to Kolter (2010), a brand is a name, term, sign, symbol or design, or a combination of these which identifies the products or services of one seller group and differentiate them from those of competitors. Branding therefore means the use of a name, term, symbol or design, or a combination of these to identify the product (Perrault 1996). Brands and branding are by no means new phenomena and have been in existence as far back as the Stone Age (Hamfr and Lindberg-Repo 2011). Thus, they are a source of competitive advantage and can facilitate the shift beyond a functional product flow to an emotional level, creating strong relationships between a brand and the consumer (Mann and Kaur 2013).

Branding has evolved over the years, and new principles have been added. Brands cover issues such as brand association, brand image, brand loyalty and brand personality, among other things. According to Aaker (1991), brand association comprises thoughts and ideas that a brand name evokes in the mind of the consumer. Kania (2001) adds that brand association helps the customer understand the brand, creates a reason for the customer to purchase, and helps the customer differentiate one brand from another. Brand image can be defined as the perception customers have about a brand (Jing 2014). Companies’ main goal of working strategically with a brand image is to ensure that customers hold strong and favourable associations of the brands in their minds (Heding, Knudtzen and Bjerre 2009; Jing 2014). According to Aaker (1996), brand personality can be defined as the set of human characteristics associated with a brand, and it is measured by five personality traits, namely, sincerity, competence, excitement, sophistication, and ruggedness.
1.3.2 Brand creation and management

According to Black and Raggio (2011), brand creation involves the introduction of a brand that is new to the company and the market. They go on to add that brand creation offers benefits such as choosing the brand position that complements an existing brand portfolio while addressing the needs of potential customers. Uggla (2014) and Hatch (2011) agree that brand management is a brand strategy that revolves around creating brand identity, brand building through media advertising, capitalising on the established brand equity through brand extension and include buying and licensing brand reputation from the market. SMEs must therefore know about brand creation and brand management so that they can help the business to survive in this competitive environment.

Brand assets include awareness, image, reputation and perceived brand personalities. These assets will produce brand strength that will ultimately lead to brand value (Leonard and Katsanis 2013). Brand personality is a set of human characteristics associated with the brand (Aaker 1991). SMEs need to understand the mechanism of identity distinction that customers use the brand for and be able to translate them into brand personality that delivers value and relevance for the consumer (Heding 2007).

1.3.3 Brand dimensions

Shimp (2000) identifies what Aakers (1996) calls the dimensions of a brand. These are sincerity, excitement, competence, sophistication, and ruggedness. Sincerity relates to brands which are down to earth, wholesome, cheerful and honest (Shimp 2010). The excitement dimension relates to brands which are up to date, imaginative, spirited and daring. The competence dimension relates to brands which are intelligent and reliable. The sophisticated dimension relates to brands which are charming and focus on the upper class and target the luxury market. The ruggedness dimension relates to brands which are thought of as tough and target outdoor consumers. By understanding these
dimensions of brands, SMEs may be better able to manage their branding activities within their businesses.

1.3.4 Brand awareness, image and knowledge

According to O'Guinn (2009), brand awareness is an indicator of a consumer's knowledge about a brand, the strength of the brand’s presence in the consumer's mind and how easily that knowledge can be retrieved from memory. Malik (2013) further highlights that brand awareness is the probability that consumers are familiar with the availability and accessibility of a company’s products and services. Hussein (2012) adds that brand awareness consists of brand recognition and brand recall. According to Sulkunen (2012), brand image is how customers perceive a brand. Gisip (2013) reveals that a retailer with a favourable image improves a store’s brand, and retailer image helps fuel attitudes towards store brands. Brand knowledge is the information that the consumer has in his mind about a brand (Reed 2010). Keller (1998) considers both brand awareness and brand image to be the components of brand knowledge. SMEs’ budgets should prioritise constant market monitoring to be at the leading edge of consumer development and have to create the optimal brand communication in order to create a strong brand (Heding 2007).

1.3.5 Challenges in brand creation

According to Agosthni (2014), SMEs tend to use the scarce resources at their disposal for operational activities rather than for strategic development processes. In other words, SMEs are limited financially when it comes to creating a brand. Randall (2000) sheds light that companies face a number of challenges when it comes to creating a brand, such as mature markets, brand proliferation, consumer revolt, management failure, fragmentation of media, and retailer power. Aaker (1996) concurs with Randall (2000) and adds that the pressure to invest elsewhere (the sin of company and greed), short-term pressures and pressures to compete on price challenge the creation of brands.
1.3.6 The link between branding and sustainable business

Different authors (Kolter 2003; Aaker 1996; Heding 2007) generally agree that there is a direct link between branding and sustainable businesses. Successful brands can deliver superior levels of profit over the long run, and a strong brand can deliver market leadership, a stable or sustainable competitive advantage, international reach, a platform from which to expand activities and long-term profits (Hussein 2012). Shimp (2007) adds that through branding, a company enjoys a revenue premium over corresponding private labelled items to the degree that it can charge higher prices and generate greater sales volumes and eventually profit.

1.4 STATEMENT OF THE PROBLEM

The problem under investigation in this study is that SMEs in KwaZulu-Natal (KZN) may lack the ability to harness branding in support of their business survival. SMEs are limited financially when it comes to creating a brand. As already indicated, companies face a number of challenges when it comes to creating a brand, such as mature markets, brand proliferation, consumer revolt, management failure, fragmentation of media, and retailer power (Randall 2000).

1.5 OBJECTIVES OF THE STUDY

Based on the problem statement, the study aims to determine the state of branding in SMEs in KwaZulu-Natal. The particular objectives of the study are as follows:

1. To explore the understanding of SME owners of brand creation and management
2. To determine ways in which SMEs in KZN express the brand dimensions of sincerity, excitement, competence, sophistication, and ruggedness
3. To determine how SMEs create brand awareness, image and knowledge
4. To investigate challenges SMEs face when it comes to brand creation
1.6 RESEARCH DESIGN

A research design is a procedural plan that is adopted by the researcher to answer questions validly, objectively, accurately and economically (Kumar 2005). For this study, a mixed methods design was used. According to Creswell (2009), mixed method research is an approach to inquiry that combines or associates both qualitative and quantitative forms of research. It is especially useful when either the quantitative or qualitative approach by itself is inadequate to best understand a research problem (Creswell 2009).

A sequential explanatory strategy was used. This strategy is characterised by the collection and analysis of quantitative data first followed by the collection and analysis of qualitative data that build on the results of the initial quantitative results (Creswell 2009).

1.6.1 Methodology

A mixed method approach was adopted for this study. According to Creswell (2009), a mixed method research is an approach to inquiry that combines both quantitative and qualitative research methods. This methodology helps to understand how people feel and why they feel that way. This is so because mixed method research is more than simply collecting and analysing both types of data but also involves the use of both approaches in tandem so that the overall strength of the study is greater than either qualitative or quantitative research alone.

The quantitative method provides a general view of what SMEs think about branding, and it will help in achieving the following first three objectives of the research:

- to explore the understanding of SME owners of brand creation and management
• to examine ways in which SMEs in KwaZulu-Natal express the brand dimension of sincerity, excitement, competence, sophistication, and ruggedness

The qualitative methods will examine why SMEs feel the way they do. This method will help in approving the last two objectives, which are the following:

• to investigate challenges SMEs face when it comes to brand creation

• to explore the views of SMEs in KwaZulu-Natal in using branding as a way of ensuring business survival

1.6.2 Sampling

A sample population is the subgroup of the population that the researcher is interested in (Kumar 2011: 193). It is used to save time as well as financial and human resources. The total population is KZN, and the sample size is the central business district (CBD), which is Durban. The different sectors are manufacturing, hospitality, agriculture, mining, financial services, and retail. For the quantitative research, 300 questionnaires will be sent to the different sectors, which constitute a census. The latest version of the DCC catalogue (Durban Chamber of Commerce 2014) was used to identify the 300 SMEs participating. A different sampling approach for the qualitative part of the study will not be used. Instead, those who indicated in the questionnaires that they are willing to participate in an interview were approached.
1.6.3 Data collection

1.6.3.1 Questionnaires

Questionnaires were sent to different companies in the various sectors. Questionnaires have the advantages of being convenient and the ease with which respondents are able to complete them. SurveyMonkey and a hand delivery method were used to distribute the questionnaire. The researcher piloted the questionnaire to improve the reliability and validity of the study. The questionnaire was pilot tested among 10 companies in order to identify and remove any ambiguity and superfluous questions and to ensure that the questionnaire was aligned with the aim and objective of the study.

1.6.3.2 Interviews

Interviews were conducted with a SEDA representative and those companies that responded to the questionnaires. The in-depth interviews were carried out at the companies’ physical location after the questionnaire phase was captured. Interviews have the advantage that great detail and insight can be gained due to the one-on-one focus with the participant, as more time is spent with the participant. The interviewer developed a relationship of trust with the participant and thereby encouraged more detailed and revealing information (Wild 2009).

1.7 DATA ANALYSIS

1.7.1 Quantitative method

The Statistical Package for the Social Sciences (SPSS) version 23 was used to conduct descriptive statistics. The mean, standard deviation and frequency tabulations were determined. A Cronbach’s alpha was also calculated.
1.7.2 Qualitative method

The activity involved in qualitative data analysis consists of an ongoing process of continual reflection about the data, asking analytical questions, writing memos and making interpretations (Creswell 2009). The process includes interpreting the meaning of themes, interrelating themes, coding the data, reading through the data, organising and preparing the data analysis and raw data. The rigour of the study is used as a model of trustworthiness in qualitative research. This model considers four aspects of trustworthiness, namely, truth value, applicability, consistency, and neutrality, which are discussed in detail in Chapter 3.

1.7.3 Validity and reliability

Validity is the concept of appropriateness and accuracy of the procedures applied to the research process, while the concept of reliability involves the consistency and stability of the research tools (Kumar 2011). Validity refers to how well the data measures what it is supposed to measure (Creswell 2009). The aspect of validity was addressed by having the questionnaire evaluated by an expert in the field of marketing, an academic and a statistician. Reliability refers to the extent to which the measurement process is free from random errors. The reliability issue was addressed by measuring inter-item consistency using a Cronbach’s alpha.

1.8 SCOPE OF THE STUDY

The delimitation of the study is branding, particularly brand creation, brand knowledge, brand image and brand dimensions, and not brand loyalty, for example, because of the nature of the business of SMEs. The nature of the business makes it difficult, as SMEs do not always build long-term relationships with clients. The research was limited to SMEs in Durban CBD because most headquarters are located in Durban and not in other towns and cities in KZN. Additionally, the researcher lives in Durban, and it would
be convenient for her to travel to SMEs in Durban, which will alleviate financial and time constraints related to this study.

1.9 ORGANISATION OF THE DISSERTATION

Chapter 2: Literature review

This chapter looks at the literature on sustainability, consumer culture and business survival and how it affects branding in SMEs. It also covers brand image, brand knowledge and brand dimensions such as sincerity, excitement, competence, sophistication, and ruggedness.

Chapter 3: Research methodology

This chapter contains the research methodology used to address the objectives, target population, sampling method, measuring instruments and data analysis. Delimitations and limitations, validity and reliability of the research are discussed in this chapter.

Chapter 4: Findings and results

Analysis and results of both quantitative and qualitative data are discussed in this chapter.

Chapter 5: Conclusions and recommendations

This chapter concludes the research with a detailed discussion of the implications of the findings in this study and provides recommendations.
1.10 LIMITATIONS

This study was limited to SMEs in the CBD of KZN and did not cover rural areas and other parts in KZN. One of the major limitations of the study was the researcher’s inability to obtain the desired sample size. There was a poor response rate on the quantitative side of the research, as most SME owners indicated that they did not do any branding and hence did not see the need to participate in the research.

1.11 CONCLUSION

Within this chapter, a background of the study was given on branding, brand management and some of the challenges faced relating to branding. Small companies fail within two years of operation, and as a result, this research was undertaken to provide solutions. The objectives of the study were clearly stated, and a summary of the research methods was briefly discussed. Issues of research design, data collection and data analysis were also covered. This chapter then discussed the delimitations and the conclusion of the chapter.

The next chapter focuses on literature and outlines further what scholars have researched when it comes to consumer culture, sustainability, and business survival.
CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

The previous chapter gave an introduction and background to this study. This chapter elaborates on the theoretical background of the study. The study aims to explore branding in small companies to ensure business survival. As highlighted, small companies have a 7% chance of surviving and becoming established companies. Hence, this study offers one of the marketing principles, in particular, branding, as a tool to help small companies survive and develop into established companies. The first part of this chapter outlines what scholars have researched in the past on consumer culture theory, business survival, and sustainability. The chapter further provides insight into branding, its evolution, brand management and creation, brand knowledge, image and awareness and finally brand personality dimensions.

2.2 CONSUMER CULTURE THEORY, BUSINESS SURVIVAL, AND SUSTAINABILITY

Big and established companies have been successful over the years, as they have studied the consumer and came up with strategies to survive and be sustainable in the ever-changing business environment (Latip and Smyrnios 2012). SMEs need to know the internal and external environments in which they operate. These environments are dynamic, and for SMEs to grow and be well established, they need to know consumer culture theories, tactics for business survival and theories on sustainability and how these can help them brand their companies (Cant, Erdis and Sephapo 2014). Consumer culture theories consider the behaviour of consumers when it comes to purchasing products and services and the role social groups play in purchasing decisions (Leib 2010). Consumer culture theories cast branding in a different light by examining branding from the customer’s point of view. As a result, SMEs should brand
their products and services with iconic symbols that yield a positive influence on society and play an ideological role (Cova and Cova 2014: 1091).

Business survival covers factors that include policy measures directed at SME sectors, macroeconomic factors, industry factors and the companies’ specific factors (Lightlem 2005). Also, business survival refers to the need for business plans and incorporation of the consumer’s voice in SMEs’ decision-making in order to survive (Englis, Ratinho and Englis 2010). Sustainability is about how SMEs can develop means to meet present needs without compromising the ability of future generations (Young and Dhanda 2013).

2.2.1 Small and medium enterprises

Small and medium enterprises play a pivotal social and economic role in South Africa. They create employment and contribute about 50% to the country’s gross domestic product (GDP) (Young, Schaffers and Bruwer 2012: 11321). However, despite its relevance and importance, SMEs have a failure rate of between 50% and 95%, and about 75% of new SMEs fail to be established companies; this being the highest rate in the world (Neneh 2012). Bosman (2008 cited in Neneh and Vanzyl (2012: 8328) established that the rate for establishing new businesses in South Africa is 2.2% and 2.3% for established business owner-manager. When compared to other Global Entrepreneurship Monitor (GEM)-sampled countries, South Africa was ranked 41 out of 43 countries in the survival rate for established business owner-manager companies, signifying a high failure rate among start-ups (Neneh 2012: 3365).

The National Small Business Act of South Africa of 1996, as amended in 2003, defines SMEs “as a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more, which includes its branches or subsidiaries, if any, and is predominantly carried out in any sector or subsector of the economy” (South Africa 2003).
2.2.2 Consumer culture theory

Consumer culture theory (CCT) has different definitions and has evolved through the years (Leib 2010). Arnould and Thompson (2005) are some of the gurus when it comes to CCT. They came up with a CCT conference report which is the basis for most of CCT research. The report covers issues from the clear definition of CCT, what CCT is and what it is not and conclude the report with four research programmes in CCT within which a number of researchers have made theoretical and methodological contributions (Joy and Li 2012). Arnould and Thompson (2005) define CCT as a family of theoretical perspectives that address the dynamic relationships between consumer actions, the market, and cultural meanings.

Arnould and Thompson (2005) further point out that CCT does not view culture as a fairly homogenous system that uses similar systems that explore how meanings may be different for different cultural groups that are influenced by their socio and historic backgrounds in the context of globalisation and a market that is based on capitalism (Arnould and Thompson 2005). Lastly, they highlight that CCT has advanced consumer behaviour knowledge by illuminating socio-cultural processes and structures related to (1) consumer identity projects, (2) market culture, (3) socio-historic patterning of consumption, and (4) mass-mediated market ideologies and consumer interpretive strategies (Arnould and Thompson 2005: 871).

Authors such as Cova and Cova (2014) and Leib (2010) quote and identify gaps from the aforementioned report. Leib (2012) posits that CCT theorists are more concerned with the consumption of goods and services rather than on their purchasing activities, understanding customer experiences and meaning-making processes.
2.2.2.1 Consumer culture theory defined

According to Leib (2010), CCT is a form of brand theory that focuses on the role of culture in the consumption and purchasing of goods and services. Dominici, Basile and Palumbo (2013) adds that CCT is an approach that focuses on consumption by a social group to build practices and identity with other social groups. Zahradka (2012) understands consumer culture as the relationship between consumers and material objects and services from consumption right through to their disposal. CCT focuses on the experiential and socio-cultural dimensions of consumption that are not accessible through experiments, surveys or database modelling (Sherry 1991).

Holt (2002) defines CCT as the ideological infrastructure that supports what and how people consume and set the ground rules for marketers’ branding activities. This definition is most appropriate for this research, as it might assist SMEs in branding activities. In this definition, it is clear that CCT is there to help SMEs know what and how people consume products and services, and CCT will help SMEs set rules for their branding activities. These rules will help develop effective branding activities as SMEs address the dynamic relationships between consumer actions, the marketplace and cultural meanings (Arnould and Thompson 2005).

2.2.2.2 Consumer culture and marketing

SMEs need to study consumer culture as it explains how and why consumers buy certain products and services. Business can succeed by growing and retaining customers. According to Van Thompson (2012), consumer culture is focused on the selling of consumer goods and spending by consumers. SMEs need to know that consumers buy products and services to build a certain lifestyle and to attain happiness and satisfaction. Therefore, SMEs can take advantage of CCT in relation to marketing by emphasising the lifestyle benefits of their products and encouraging customers to view their products as a key to happiness, fulfilment or a more meaningful life (Van Thompson 2012).
SMEs’ marketing mainly comprises direct marketing strategies that involve personal selling (Van Thompson 2012). In addition to direct marketing, SMEs can take advantage of CCT by offering an opportunity for consumers to bond during purchases or shopping (Van Thompson 2012). Companies now operate in a consumeristic society where most people learn to associate buying things with achieving some goal and by providing ready-made goals and fun events. By applying the foregoing actions, companies can draw customers and increase revenue (Van Thompson 2012). Consumer culture therefore may assist SME owners to create brands and manage brand, since they have studied what consumers go through when making buying decisions, thus also assist in building a brand image, knowledge and brand dimension that appeals to consumers.

According to Dominic et al (2013), consumers are not merely passive to stimuli from the external environment but to an active system which helps to create their own universe by symbolic-cultural exchanges. SMEs need to involve customers when developing new products and services. Dominici et al (2013) go on to introduce social groups that influence the purchasing decisions customers make. SMEs need to know that consumers are influenced by their social groups. At times they purchase to satisfy their social needs; hence, SMEs should study social group trends and evolutions. Leib (2010) adds that CCT helps companies to understand customer experiences and meaning-making processes rather than perceptions of utility.

Cova and Cova (2014) assert that CCT casts branding in a different light by examining it from the customer’s viewpoint. They suggest that there is a paradigm shift from old rules of consumer behaviour to the new ones. Branding from the customer’s point of view is conceptualised as a web of communal relationships in which companies are suspended and the agency they are capable of. SMEs should brand their products with symbols that yield positive influence on society and play an ideological role. The authors advise that brands should be iconic and become iconic when they offer a compelling myth, a story that can help accentuate the tension people feel between their own lives and society’s predominant ideology. Iconic brands are that small fraction of brands that
could carry symbolism powerful enough to yield influence on society and play an ideological role (Cova and Cova 2014).

2.2.3 Business survival and how its influenced by branding

Chrisman, Bauerschmidt and Hofer (1998:23 cited in Neneh and Vanzyl (2012) defined survival “as the means the business continues to operate as a self-sustaining activity, is effectual in achieving profitability, effective in attracting resources and is tailored property of the environment”. Rojot (2005 cited in Amroune et al. 2014) holds the view that companies survive only if they are effective in handling the demand of interest groups, on which they depend for resources and support. Business survival is important because for a business to succeed, it has to survive first (Amroune et al. 2014). According to Lightlem (2011), for SMEs to survive, “a clear, positively motivated business intention and action on the part of the small business owners to achieve the desired outcome is needed. Englis, Ratinho and Englis (2010) concluded in their research that SMEs need to have a business plan and incorporate the voice of the consumer in their decision-making in order to survive.

SMEs need to shift their focus from looking inside the organisation to looking externally to the consumer in order for them to analyse the competitive environment and develop a clear understanding of ideas Englis et al (2010). Hove and Tarisai (2013: 66) agree with Englis et al (2010) that SMEs need to carry out a SWOT analysis and have updated business plans in order to survive.

Recent research by Aigbavboa, Tshikhudo and Thwala (2014) found that the most critical success factors for the survival of SMEs are good management skills; good cash flow management; having effective recruiting and a strong human resources system; the use of ICT and adaptation to changes in technology; having a niche market; and the use of social media. Current research by Chimucheka (2013) added the dimension of entrepreneurship education as being important for the establishment and survival of SMEs. Issacs et al. (2007 cited in Chimucheka (2013: 159) brought out that
entrepreneurship education is about raising people’s awareness of self-employment as a career opportunity, promoting the development of personal qualities that are relevant to entrepreneurship such as creativity, risk taking and responsibility, and providing technical and business skills that are needed in order to start a venture. Therefore, SMEs need entrepreneurship education to acquire entrepreneurship qualities and skills to enable them to survive in the dynamic business world (Issacs et al. 2007). Ladzani, Nieuwenhuizen and Nhlapo (2011) concur with Chimucheka (2013) that SMEs should have entrepreneurial personal characteristics that positively influence the survival of the business as a whole. It is by means of such qualities, especially being creative, that small companies will be able to brand their business and be able to differentiate themselves from competitors.

Cader and Leatherman (2011) and Olawale and Garwe (2010) carried out research on business survival and used different methods. Cader and Leatherman (2011) concluded that for SMEs to survive, they need to employ a high-quality labour force, professionals who embrace technology, and such professionals will help increase the competence of the company. Most SMEs, because of financial constraints, employ unqualified employees who are more affordable than qualified personnel. Qualified personnel will help SMEs draw up plans to survive during times of tight competition and economic downturns (Cader and Leatherman 2011). Mwobobia (2012) adds that for SMEs to survive management processes, a human resources function should be in place as well. As indicated earlier, branding is not only restricted to the marketing department but is a company concern; thus, having qualified employees will go a long way in creating strong brands.

Cader and Leatherman (2011) maintain that vertical integration and forward inter-industry linkages can help SMEs survive. Vertical integration includes an SME taking over its distribution channels or its supplier role. Backward inter-industry linkages may include building relationships with suppliers and forward inter-industry linkages will be building relations with distributors. These strategies would help SMEs survive and also be sustainable during difficult times (Cader and Leatherman 2011). Though SMEs may
come up with branding strategies, it is important to work on other aspects of the business in a holistic manner to ensure the success of SMEs. The other aspects may include brand management, creating a positive brand image and knowledge and brand dimensions that appeal to the consumers.

2.2.4 Sustainability of SME’s through branding

According to Savitz and Weber (2014), sustainability means operating a company in a way that causes the least harm to living creatures and does not deplete resources but rather restores and enriches the environment. Svensson and Wagner (2011) define sustainability as the effort a company takes in reducing the impact of its activities on the Earth’s life and ecosystems. Blaga (2013), on the other hand, defines sustainability as a holistic approach to management embedding best corporate governance practices, creating ethical organisations, enhancing a company’s social responsibilities by showing interest in diversity and inclusiveness, showing interest for community initiatives, financial responsibilities in allocating funds and distributing the risk, and environment conservation which leads to organisational excellence and long-term growth.

Sustainability development is the idea that it is important to meet present needs without compromising the ability of future generations to meet their own needs (Perreault 2010). Similarly, Sahd and Rudman (2011) define sustainability as Corporate Social Responsibility (CSR), which basically focuses on how society can benefit if a company takes a more responsible approach. However, Savitz and Weber (2014) argue that being responsible emphasises the benefit to social groups outside the business, whereas sustainability gives equal importance to the benefits enjoyed by a corporate itself. Bansal and DesJardine (2014) add that being sustainable is not the same as being responsible. They further submit that CSR does not require trade-offs and creates value for both business and society in the short term but does not necessarily sustain the viability of micro and macro system in the long run (Bansal and DesJardine 2014).
According to Kibert (2012), sustainability is using a resource no faster than other resources can replenish it. Sustainability refers to an organisation’s environmental and social aspects and includes an organisation’s considerations of its environmental, social, governance and economic impacts on people, the planet and profit (Hill and Seabrook 2013). Aguinis (2011 cited in Tollin, Christensen and Wilke (2014) defines corporate sustainability as context-specific organisational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social and environmental performance. Further, Bansal and DesJardine (2014) posit that business sustainability is the ability of the company to respond to its short-term financial needs without compromising their or others’ ability to meet their future needs. They go on to indicate that sustainable companies are those that manage inter-temporal trade-offs in strategic decision-making so that both the short term and long term are considered (Bansal and DesJardine 2014: 72). The definition by Blaga (2013) will be used in this research because it talks about the involvement of management and covers issues on social responsibility and is concerned about long-term profits. These issues are important when it comes to branding because without strong management involvement and availability of funds (profits), small companies will not be able to create strong brands.

2.2.4.1 Paradigm shift on sustainability

Previous research on sustainability has been on environmental issues such as saving natural resources (Savitz and Weber 2014). Then sustainability evolved into the business world where companies were encouraged to go green and help the environment (Porter and Derry 2012). Sustainability “has developed as a unified way of addressing a wide array of business concerns about the natural environment, workers’ rights, consumer protection and corporate governance as well as the impact of business behavior on broader social issues such as hunger, poverty, education, health care and human rights and the relationship of all these to profit” (Savitz and Weber 2014: 4). Blaga (2013) adds that the paradigm shift on sustainability involves companies changing their management philosophy, rethinking and reforming the structure and
composition of their boards of directors and rethinking the skills, knowledge and abilities required by the directors to guide the company towards sustainability.

Erekson, Loucks and Aldag (1994) point out that it could have been that companies, by being reactive to environmental issues, experienced financial losses, so they decided to be proactive. According to Young and Dhanda (2013), companies had to come up with sustainability strategies because of the increase in the price of fuel, which resulted in growing concerns over global warming and increased demand for environmentally friendly products. SMEs need to know that the goal of sustainability is to create long-term stakeholder value by taking advantage of opportunities and managing risks related to economic, environmental and social development (Carrol 2008). Sustainable SMEs would be those that create profit for their stakeholders while at the same time protecting the environment and improving the lives of those with whom they interact (Savitz and Weber 2014). Carrol (2008) puts the argument forward that those who are leaders in sustainability try to take advantage of the market’s demand for sustainability products and services while successfully reducing and avoiding sustainability costs and risks in the production of goods and services. Sustainability products are those products that can be recycled and reused, while sustainability costs are costs incurred when companies waste material and pollute the environment (Carrol 2008). SMEs must recognise that long-term economic growth is not possible unless that growth is socially and environmentally sustainable and not only limited to its profits (Hill and Seabrook 2013).

2.2.4.2 Sustainability and the triple bottom line

The idea of sustainability is expressed in the triple bottom line concept, which seeks to encapsulate for companies the three spheres of sustainability: economic, social and environmental (Carrol 2008). The economic bottom line refers to the company’s creation of material wealth, including financial income and assets. The emphasis is on profit. The social bottom line is about the quality of people’s lives and the equity between people, communities and nations. The emphasis is on people. The environmental bottom line is
about the protection and conservation of the natural environment. The emphasis is on the planet (Carrol 2008).

Lemonick (2009) identified misconceptions about sustainability, which are as follows:

1. Nobody knows what sustainability really means.
2. Sustainability is all about the environment.
3. Sustainability is a synonym for green.
4. It is all about recycling.
5. Sustainability is too expensive.
6. Sustainability means lowering our standards of living.
7. Consumer choices and grassroots activism, not government intervention, offer the fastest, most efficient way to sustainability.
8. New technology is always the answer.
9. Sustainability is ultimately a population problem.
10. Once you understand the concept, living sustainably is a breeze to figure out.

Lemonick (2009) further explains that the aforementioned misconceptions and myths serve as a barrier to companies pursuing sustainability development.

Young and Dhanda (2013) indicate that a triple bottom line is a form of reporting that states that the company’s responsibility extends to all stakeholders, not only to its shareholders. They frankly point out that without satisfied employees and a clean environment, a company is doomed to be unsustainable in the long run (Young and Dhanda 2013). Savitz and Weber (2014) first bring attention to the traditional bottom line where companies measure their success by looking at their financial performance. The authors then quote John Elkington, the triple bottom line guru, who said that companies need to measure their success by looking at the impact they have on the broader economy, the environment and the society in which they operate. Elkington (2009) urged that companies use financial resources together with environmental and social resources; thus, for companies to be sustainable, they have to measure,
document and report a positive return on investment (ROI) on all three bottom line elements as well as the benefits their stakeholders receive along the same three dimensions.

SMEs need to know that they operate in communities and are accountable not only for their own activities but also for the activities of their suppliers and customers (Savitz and Weber 2014). Blaga (2013) highlights that as the importance of sustainability grows, more companies voluntarily report their environmental, social and governance performance, thereby increasing investors' confidence and employee motivation. This in the long run builds positive brand image and awareness and hence SMEs owners may succeed in brand management.

2.2.4.3 Benefits of being a sustainable business

Respecting the benefits of sustainability for SMEs, Annandale (2013) highlights a number of benefits and indicates that adopting sustainability practices can help small companies become competitive. In addition, being sustainable will assist SMEs to improve growth, cut costs, advance their brand and reputation, and strengthen stakeholder relations (Annandale 2013; Sahd and Rudman 2011). Sahd and Rudman (2011) is in agreement with Annandale (2013) and postulate that being sustainable leads not only to the reduction in resource use, waste and emissions, and a reduction in operating expenses but also that SMEs get free media coverage by being involved in local communities. Annandale (2013) reveals that being sustainable will assist SMEs to better anticipate and respond to long-term trends and the effects of resource use and address stakeholder expectations.

Being sustainable will also help SMEs better understand the impact of systemic risk and resource constraints on company operations and will help again with competitive advantage (Annandale 2013). Sahd and Rudman (2011) add that understanding the business' wider environmental and social impact creates opportunities for SMEs to develop new products and services. The authors give a different dimension of being
sustainable, and one of them is that by investing in employees, sustainable SMEs will lead to the reduction of labour turnover, reducing recruitment costs and costs of retraining staff.

Being sustainable opens opportunities to work with big corporate companies who are under pressure from the public, legislators and regulators to be socially responsible, which may allow them to obtain grants from government if they maintain and promote working relationships with local authorities (Sahd and Rudman 2011). Young and Dhanda (2013) contend that being sustainable helps businesses to be more innovative, gain consumer loyalty and see an increase in profits.

Young and Dhanda (2013) identified three main benefits of being a sustainable company: (1) protecting the company, (2) running the company and (3) growing the company. The authors bring out that SMEs that are sustainable protect themselves by reducing risk of harm to customers, employees and the community; identifying emerging risks and managing failure and limiting regulatory interviews; retaining the explicit or implicit licence to operate, granted by government or by the communities at large; and differentiating their products and services.

According to Young and Dhanda (2013), SMEs that are sustainable run their companies by reducing costs and increasing revenue; improving productivity; eliminating needless waste; obtaining access to capital at lower costs; improving labour practices and adopting green technology; and aligning company values, philanthropy and company objectives. Finally, Young and Dhanda (2013) indicate that SMEs that are sustainable grow by opening new markets, launching new products and services, increasing the pace of innovation, improving customer satisfaction, forming new alliances with company partners and other stakeholders, and improving reputation and brand value.
2.3  BRANDING AND ITS POSSIBLE ROLE IN SME SURVIVAL

This section focuses on branding in SMEs, as this study aims to explore the state of branding in SMEs to ensure business survival. Given the high failure rate of SMEs, marketing and, in particular, branding, might help small businesses grow and be fully established. Focus will be placed on understanding the issues of brands, branding, brand evolution, brand management and creation, brand knowledge, and the brand dimensions. Branding is the practice of giving a distinctive identification to a product and through the use of promotion, establishing this identification in the marketplace (Adcock et al. 1998). It represents one of the core marketing practices that emphasise the continuity and connectedness of a company with its external environment, the focus being customers who form part of this environment (Abimbola 2001).

Through branding, SMEs can create, nurture and innovate their market-based assets and eventually create profitability for themselves (Abimbola 2001). However, despite the advantages that branding offers to SMEs, there is little literature available on branding and SMEs (Abimbola, Vallaster and Merrilees 2007). One of the reasons may be that branding is usually considered the domain of big business (Abimbola, Vallaster and Merrilees 2007) rather than that of smaller businesses. According to Abimbola, Vallaster and Merrilees (2007), branding in SMEs is seen as informal and involving a narrow range of promotional tools. This necessitates the need to explore branding in SMEs as a means to ensure their sustainability in the long term.

2.3.1 Definition of a brand and branding

Various definitions of a brand and the process of branding exist in literature. Some of these are outlined here to identify a definition most suited to this study. According to Kotler (1997), a brand is a seller’s promise to consistently deliver a specific set of features, benefits, and services to the buyers, while Pike (2013) argues that a brand is an identifiable product or service that has features that help a business differentiate itself from its competitors. Similarly, (Armstrong and Kotler 2011) state that a brand is a
name, term, sign, symbol or design, or a combination of these that identifies the maker
or seller of a product or service. Mi and Baharun (2013) go on to point out that a brand
represents reputation, status and the experience promised by the business, be it to
upper level, middle-income or lower-income customers in society. SMEs need to know
that a brand is a way of differentiating products or services and making the products
attractive to customers.

Because of its ethereal (delicate or exquisite) characteristics, different people find
different ways to make sense of a brand (Mi and Baharun 2013). At the same time,
Agostini, Filippini and Nosella (2015) adds that a brand is a complex symbol that
represents a variety of ideas and attributes that build up in the minds of consumers over
time. SMEs need to know that a brand not only helps identify and differentiate products
but also represents an important determinant both of the effectiveness and ability of the
business to link their internal and external environments successfully (Abimbola 2001).
Brands have a great impact on SMEs’ customer markets, product markets and financial
markets (Keller and Lehmann 2006). For the purpose of this study, the brand definition
by Abimbola (2001) will be used because the definition helps SMEs understand that for
their internal and external environments to function successfully, their brands need to be
developed and well maintained.

McCarthy and Perreault JR (1993) feel that branding is an area that most business
people ignore. They mention that branding means the use of a name, term, symbol or
design, or a combination of these in order to identify a product. It includes the use of
brand names, trademarks and all other means of product identification. Branding is the
practice of giving a distinctive identification to a product and through the use of
promotion, establishing this identification in the marketplace (Adcock et al. 1998). Lamb
Jr, Hair Jr and McDaniel (2004) add that branding has three main purposes, that is,
product identification, repeat sales, and new product sales. Thus, branding helps
customers identify SMEs’ products and moves customers to make repeat purchases of
SMEs’ products or services, hence making the sale of new products easier. SMEs need
to know that branding is not only about giving a name to a product or service but also involves bonding their products with the customer.

According to (Healey 2010), however, branding involves five components, which are positioning, storytelling, design, price, and customer relationship. Positioning means defining what the brand stands for in the mind of the customer by taking what the customer thinks into consideration. Storytelling involves reassuring customers of the role the brand plays in their great story. Design involves both the visual and non-visual aspects of the brand, while the price is vital in avoiding long-term consequences for brand image. Finally, customer relationship deals with making each customer feel special (Healey 2010).

The argument of Mi and Baharun (2013) is that branding encompasses the idea of putting emotional appeals in product offering, and it embodies a whole set of physical, social and psychological attributes and benefits of a product or service. On the other hand, Bresciani and Eppler (2010) state that branding helps with customer acquisition, retention and for building a favourable reputation.

Branding can also be defined as an activity by brand owners of associating the brand name with meanings, emotions, images and intentions that are important in the decision-making process of customers and stakeholders. The analysis of Pike (2013) is that branding is the process of adding value to products or services by promoting meaning. He further highlights that branding enhances facets which are embodied in brands and involves, among other things, the non-material, creative side of production that relies on signs and symbols to differentiate products from competitors and make them meaningful. Hence, branding attempts to create trust and goodwill through building positive associations in the brand and influencing purchasing decisions (Pike 2013).

Though there is little literature on SMEs and branding, Abimbola (2001: 99) brings out that branding represents one of the core marketing practices that emphasises the
continuity and connectedness of the business with its external environment. Keller and Lehmann (2006) add that branding has emerged as a top management priority due to the growing realisation that a brand is one of the most valuable intangible assets that a business has.

Walvis (2008: 186-188) proposed branding laws as follows:

- **Law 1:** The higher the distinctive relevance of branding efforts, the more likely the brand will be chosen. The brand’s core message and its proposition must be built around and distinguished within the range of ones that are important to customers in the specific environment the brand operates in. When measuring brand relevance, the focus is on brand image. SMEs compete in a dynamic market and in order for their brands to be chosen, they should engage in relevant distinct branding efforts by communicating the brand’s core message.

- **Law 2:** The motto of the law is creating and repeating relevant specificity (over time and across touch points) around one central band theme, using the richest and most engaging forms of media possible. The brand has to stick to the theme. After creating a theme, this has to be repeated using the most engaging forms of media possible. SMEs should avoid confusing customers by changing the theme especially when they have changed the media being used. There should be consistency.

- **Law 3:** The more engaging the branding environment that is created, the more likely the brand will be chosen. Brands that include motivated attention by making customers curious or tempting them to try, play, practise, learn, exercise, adapt, interact or socialise with them are more likely to win the battle of awareness and be chosen. SMEs should know that brands that are more engaging will be chosen. Their brands should make customers curious, tempt customers to play with the brand, and learn and interact with the brand so as to win the battle of awareness in the market and be chosen.
However, Walvis (2008) adds that the above-mentioned branding laws will apply if brand choice is based on long-term memory and not on short-term memory.

**2.3.2 Evolution of branding**

According to McCarthy and Perreault JR (1993), branding started during the Middle Ages when craft and merchant guilds were formed to control the quantity and quality of production. Kotler, Keller and Cunningham (2006 cited in Moore and Reid (2008: 421)) indicate that the earliest sign of branding in Europe was as a result of medieval guilds’ requirement that craftspeople put trademarks on their products to protect themselves and consumers from inferior quality. In the event that poor quality products which reflected unfavourably on other company products and discouraged future trade were provided, it was easy to track back the guilty producer (McCarthy and Perreault JR 1993: 272).

Branding has evolved through the years from ownership and reputation to brand image, symbolic values, fantasy and to relationship partner (Bastos and Levy 2012). Bastos and Levy (2012), in their recent research, explain the origins of branding and investigate the forces behind its evolution. They quote Moore and Reid (2008:29) who said that the “evolution of branding phenomenon could only have occurred at the end of the nineteenth century and into the twentieth century, due to media such as TV, radio, print advertising and e-marketing”. According to Moore and Reid (2008), brands and branding existed as long as it has been possible to trade artefacts of human existence. Moore and Reid (2008) concluded that branding has evolved from more utilitarian provision of information regarding origin and quality in order to reduce risk and uncertainty during earlier periods of civilisation to the addition of complex brand characteristics through time, which are related to image building and include status/power, inherent value and finally to the development of brand personality.
The basis of all branding activities is the desire to be someone of importance, to create a personal and social identity, to present oneself as both like other people and unique from others, and to create a good reputation (Bastos and Levy 2012). Branding helped identify ownership of animals and slaves centuries ago. Early literature discussed the importance of creating and keeping a positive reputation, not realising that they were discussing a version of branding, which in a way can affect the perception of the offering beyond its function. Cherington (1920 cited in Bastos and Levy (2012) saw branding as a rising phenomenon and referred to its uses as aggressive sales methods. Therefore, Bastos and Levy (2012) recognised the importance of advertising and the use of trademarks and labels as essential to branding.
Figure 2.1 shows the evolution of branding as discussed by Moore and Reed (2008). Branding started off as a utilitarian provision of information regarding origin and quality, then to the addition of complex brand characteristics through time, which are related to image building and has evolved presently to brand personality.

### 2.4 BRAND MANAGEMENT AND BRAND CREATION AS WAYS OF CREATING A SUSTAINABLE SME

Brand creation involves the introduction of a brand that is new to a business and the market (Damoiseau, Black and Raggio 2011). According to Jing, Pitsaphol and Shabbir (2014), brand management consists of three aspects, namely, brand salience, brand association and brand personality. Jing et al (2014) goes on to explain that brand salience is the customer’s perception of the brand, brand association is the image of the brand, and brand personality is the various characteristics of the brand.
According to M’zungu et al (2010), brand management consists of three stages, that is, adopting a brand-orientated mindset, developing internal branding capabilities and consistent delivery of the brand.

### 2.4.1 Brand-orientated mindset of SME owners

Brand orientation refers to the extent to which the company recognises the importance of brands as valuable assets and centres its marketing strategy and activities on developing the ability to build strong brands M’zungu et al (2010). M’zungu et al (2010) further point out that having a brand-orientated mindset entails management going beyond being marketing-orientated to focusing on customer satisfaction. It is important to be more deliberate and active in developing brands that are imbued with emotional and symbolic values. Moreover, within the brand-orientated mindset, a brand is regarded as a strategic resource and expresses the business’ identity, which customers can link to its competencies and development of sustainable competitive advantage.

### 2.4.2 Internal branding by SME owners

Developing internal branding refers to the need for internal organisation-wide brand buy-in M’zungu et al (2010). M’zungu et al (2010) also state that this means companies should hire the right people, train, motivate and lead them in a way that develops and sustains their commitment to the brand. Santos-Vijande et al. (2013) add that employees should be educated and trained so that they can support the brand identity, understand its meaning and implication perfectly. Hence, the objective of internal branding is for employees to develop symbolic ties with the brand and thus become brand ambassadors and not merely have a relationship based on a transactional exchange of work for income. Consistent brand delivery means that what the business says and does should be the same (M’zungu et al 2010). Any deviations will affect the business’ reputation and reduce its brand equity.
Santos-Vijande et al. (2013) shed light on a brand management system, which was previously presented by other authors (Kim-Lee 2007; Merrieles 2011; Wong 2011). A brand management system is defined as a set of systems or culture of a business to support brand-building activities (Lee 2008). Santos-Vijande et al. (2013) discovered a gap in the brand management system antecedents when it came to the implementation of the system. The antecedents were that previous research analysed the brand management system as a single construct, ignoring its potential internal structure, and it does not define a system as having marketing capability (Santos-Vijande et al. 2013). Santos-Vijande et al. (2013) agreed with other researchers on brand management, that brand management consists of three dimensions, namely, brand orientation, internal branding and strategic management of the brand activities. The authors highlight that it is important for managers to look at the four elements of strategic management, which are as follows:

- The development of a marketing strategy: The development of the marketing strategy should be coherent with the desired brand image.

- The planning of brand management goals: The planning of brand management goals should be both in the long and medium term.

- The evaluation of the evolution in the brand image and value in the market.

- Economic and human resources: Economic and human resources should be allocated effectively.

Baker (2003) explains that historically brand management solely focused on customers, based on the assumption that efficient production processes could be managed to guarantee the brand’s functional capability. Brand managers are responsible for planning and coordinating branding activities. In this competitive environment, there is a realisation that attention needs to the placed on customers and staff. Advertising plays a useful role in promoting a brand promise and enrobing a product or service with
emotional value, but it is the staff who deliver the promise and enhance the need for internal branding.

2.4.3 Brand creation of SME's

Spence and Hamzaoui Essoussi (2010) discuss brand creation for big companies and for small companies. In big companies, brands are created to fill a gap in the market and answer latent needs identified through market research. The creation of brands in small companies is intrinsic rather than extrinsic mainly because brands in SMEs are a continuation of the owner’s beliefs and values (Spence and Hamzaoui Essoussi 2010). Brand creation or building will be discussed in detail in the subsections that follow.

2.4.3.1 Brand creation/building defined

Brand creation can be defined as a process of analysing a brand’s strengths and weaknesses, learning what people like and figuring out ways of improving the brand (Healey 2010). However, Aaker (1996) offers guidelines in building strong brands. The guidelines include:

- Brand identity: SMEs should consider the perspectives of a brand as a person, as a company, as a symbol and as a product. SMEs should remember that image is how customers perceive the brand, and identity is how they aspire to be perceived.

- Value proposition: After establishing the brand identity, SMEs should consider emotional, functional and self-expressive benefits of the brand.

- Brand position: The brand position will provide clear guidance in implementing communication programmes.

- Execution: The communication programme should be executed and achieve brilliance and durability.
• Consistency over time: It is important to have a consistent identity, position and execution over time.

• Brand system: There should be systems in place that support brand identities and positions.

• Brand leverage: SMEs should extend brands and develop co-branding programmes if the brand identity will be used and reinforced.

• Tracking brand equity: This includes tracking brand awareness, perceived quality, brand loyalty and brand association.

• Brand responsibility: SMEs should place someone in charge who will create the brand identity, position and execute the company’s media and markets.

• Invest in brands: SMEs should continue to invest in brands even when financial goals are not being met.

These guidelines can further be broken down to suggest steps in creating a brand. Healey (2010) identifies these steps as the following:

• Research the current situation: This step involves diligent research into what clients lack and learning what was done before and why it has or has not succeeded. Research is therefore paramount for SMEs in order for them to provide a product and service that will satisfy customer needs.

• Imagine an ideal future: This is the innovation step where ideas and research are synthesised in order to come up with key insights about how the brand can transcend its specific customer needs to stand for something greater. Companies that make innovation a habit usually end up with strong brands. SMEs need to know that brands that appeal to higher needs on Maslow’s hierarchy of needs such as self-actualisation will be regarded more worthwhile than those found at the lower level of the hierarchy.
• Combine strategy and creativity: This involves the company employees, processes, technology, marketing, investment and all other areas to contribute in making a brand happen. Strategy alone would not work for small companies, but strategy must be accompanied by a creative identity that engages the customer’s sense appropriately and have enough publicity and advertising to arouse demands for the brand.

• Wait to let it catch on, then perform step 1: This step involves designing, redesigning, testing and retesting of the brand to check if it is effective and efficient in its offering (Healey 2010).

To create or build a brand, the company needs to ensure that it creates brand association in the minds of consumers with its own brand. This is done with the use of brand communication strategies. These aspects are discussed next.

2.4.3.2 Brand associations and its influence on a sustainable SME brand

Brand associations can be defined as the extent to which a brand name is linked in the mind of customers with various attributes of the brand and which further enhance the brand (Du Toit and Erdis 2013). They are what customers and non-customers hold in their mind about the brand and consist of things people relate to when they see, feel or think about the brand (Williams et al. 2014). SMEs should establish strong brand association so as to enhance their brands.
### 2.4.3.3 *Brand communications strategies SME’s may adopt*

(Randall 2001) describes brand communication strategies as advertising, internet, promotion, personal selling, public relations and other publicity tactics. The role of advertising being that of reminding existing customers of the benefits of the brand and encourage new users to try the product. Public relations is concerned with making sure that the company’s target audience receives the desired messages, and publicity is used to keep the company’s name before the public (Randall 2001). According to Vukasović and Strašek (2014), the Internet provides the opportunity for companies to reach a wider audience and create amassing value propositions while providing new tools for promotion, interaction and relationship building. Thus, the Internet empowers customers with more options and information to make informed decisions (Vukasović and Strašek 2014).

Recently literature has been focusing on the use of social media as a brand communicating strategy. Vukasović and Strašek (2014) state that social media, for example, Facebook, are social networking sites used as marketing tools in creating brand relationships and have changed communications, shifting the way people consume, produce and interact with information based on the explosive migration of the web. Vukasović and Strašek (2014) further explain that the existence of a huge growth of the customer base enables the marketer to explore social media networking sites as a new medium of promoting products and services, resulting in a reduction in clutter of the traditional medium of advertising.

Lam, Lee and Mizerski (2009) define word of mouth as a form of non-commercial advertising between the communicator and the receiver regarding a brand, product or a service. On the other hand, Williams *et al.* (2014) describe word of mouth as the means by which customers exchange information about products and services, and thus has a significant impact on consumer preference.
Kotler and Keller (2012: 293-294) suggested the following guidelines to assist SMEs create brands:

- creatively conduct low-cost marketing research;
- focus on building one or two strong brands based on one or two key associations;
- employ a well-integrated brand element;
- create a buzz and loyal brand community;
- leverage as much secondary associations as possible; and
- rely on word of mouth to establish position.

SMEs should conduct low-cost marketing research in order to come up with an effective brand. After carrying out the research, SMEs do well to build one or two strong brands and employ a well-integrated brand community. SMEs need to create a buzz in the community so as to create a brand loyal community, leverage as many secondary associations as possible and rely on word of mouth to establish their position.

### 2.5 BRAND IMAGE OF SME’S IN SOUTH AFRICA

Brand image is what exists in the mind of the consumer, and the information they have about the brand comes from experience, word of mouth and advertising (Randall 2000). Backhaus (2004) defines brand image as a unification of perceptions related to the product or non-product-related attributes and the functional or symbolic benefits that are encompassed in the brand association that resides in the consumer’s memory. The company image acts as a signal that summarise its past behaviour and which can be used to forecast future actions (Jing et al 2014). Concerning corporate brand image,
Martenson (2005) reveals that a corporate image is based on what people associate the business with and all the information about it that people hold.

Spence (2010) adds that image is an important resource to be exploited in attaining sustainable competitive advantage. According to Jing et al (2014), brand image is defined as the perception of consumers about the brand. Product-related attributes include the tangible part of the product and the functional benefits derived from using the product or service. Non-product-related attributes are those that represent the consumer’s mental imagery and inference about a product rather than what they think about the product and corresponds with what consumers seek in order to fulfil their social and personal needs (Jing et al 2014).

A general assumption in branding literature is that a favourable brand image will have a positive impact on a consumer’s behaviour and a favourable attitude towards the brand (Jing et al 2014; Lee 2014). When that has happened, companies can then charge a premium price because consumers are more loyal and have positive word of mouth.

Defining brand image, Lee, James and Kim (2014) indicate that it is the sum of a customer’s perceptions about a brand, generated by the interaction of the cognitive, affective and evaluative processes in the customer’s mind. The authors identified a gap when it comes to the clear definition of brand image. They emphasise that it is important for both researchers and practitioners to have the right definition of brand image so that they can better understand the formation of brand equity. The other reason to pursue a consistent definition is to enhance efforts to establish a brand position in customers. Positioning is the strategy that portrays an exclusive brand image to potential consumers so as to have an advantage over other competitors in the mind of customers (Lee, James and Kim 2014).

A brand is created through the use of all the marketing mix elements, and a positive brand image is formed by generating strong, favourable and unique associations to the brand in the mind of customers (Jobber 2007). SMEs should know that it is necessary to
check consumers’ perceptions and take action to encourage favourable perceptions. Evaluating a brand image needs to take into consideration customers’ levels of involvement with the category, especially those categories where customers are actively involved in spending time and effort seeking out and processing brand information. One way to sustain a brand’s uniqueness is through reviewing the brand in order to identify its emotional values, which users value above the brand’s functional use (Baker 2003).

According to Bravo (2012), brand image can be created through business, non-business communication, and brand familiarity when customers are exposed to positive publicity or word of mouth. SMEs need to communicate with their various stakeholders, through advertising or personal selling. Companies need to communicate what the business stands for and its commitment to different stakeholders (Bravo 2012). Randell (2014) focuses on the brand image construction process in his research. He mentions that the process includes the where (which is the location), when (time and activity) and with whom (social perspective). On the other hand, Latif (2014) shifts the attention to a model for building a strong image. The model is AASARC, which stands for Awareness of brand, Association of brand, Superiority of the brand, Affection of the brand, Resonance of the brand and Corporate social responsibility. This model is graphically presented in Figure 2.2. AASARC can be expounded on as follows:

- **Awareness of the brand:** Brand awareness is comprised of brand recognition and brand recall, which are important in sustaining brand equity. Awareness of the brand is the first stage in the model (Latif 2014).

- **Association of brand:** Brand association is used by marketers to differentiate position and extend brands in order to create positive attitudes and feelings towards the brand (Latif 2014). Brand associations are considered to be informational, communicate and interact with the customer’s aggregate cognitive evaluation of a target brand.

- **Superiority of the brand:** Brand superiority measures the customer’s total and joint cognitive evaluation of the brand compared to competitors. It is with the help
of uniqueness that brands hold superior power in the mind of customers and ascertain a huge contribution to increasing brand image.

- **Affection for the brand**: Emotions play a major role in customer reaction and occupy a vital position in customer behaviour. Emotional responses arbitrate the relationship between cognitive appraisals and behavioural intentions to a prearranged stimulus. Hence, the degree to which brands are competent to emotionally relate to customers will increase the likelihood that they will keep customers and positively impact the perceptions of the brand in the mind of the customer.

- **Brand resonance**: Brand resonance focuses on strong relationships between the brand and the customers as well as the extent to which the customer feels in sync with a specific brand. Kotler and Keller (2012) add that the brand resonance model views brand building as an ascending series of steps from top to bottom:
  1) Ensuring customers identify the brand and associate it with a specific product class
  2) Establishing the brand meaning in customers’ minds by strategically linking a host of tangible and intangible brand associations
  3) Eliciting the proper customer responses in terms of brand-related judgment and feelings
  4) Converting customers’ brand response to an intense, active loyalty

- **Corporate Social Responsibility**: Companies understand their impact on societal well-being and that higher ranking are given to companies that offer greater margins economically.
Figure 2.2: Conceptual model for the antecedents of brand image

Source: (Latif, Islam and Mohamad 2015)
2.6 BRAND KNOWLEDGE OF SME CUSTOMERS

According to Jing, Pitsaphol and Shabbir (2014), brand knowledge is the information the customers have about the product or service, in their memory. Alimen and Guldem Cerit (2010: 539) say that brand knowledge is defined by descriptive and evaluative brand-related information that is individualistic inference about a brand stored in consumer memory. Jing, Pitsaphol and Shabbir (2014) go on to say that brand knowledge can be divided into two components which are brand awareness and brand image. Brand awareness shows the relationship of the brand in the customers’ memory, and brand image is the opinion the customers have about the brand. Brand awareness further comprises brand recognition and brain recall (Jing, Pitsaphol and Shabbir 2014).

Du Plessis, Strydom and Jooste (2012) agree that brand awareness consists of brand recognition and brand recall. They explain that brand recognition happens when a customer is aware that the brand exists and considers an alternative when the brand they prefer is not available. Recognition leads to brand familiarity. Customers choose familiar brands rather than unfamiliar ones, as familiar brands are viewed as more reliable and have more acceptable quality than unfamiliar brands (Du Plessis, Strydom and Jooste 2012). Brand recall refers to the consumer’s ability to retrieve the brand from memory when provided with a cue such as the product category or the needs fulfilled by the product or the usage situation (Du Plessis, Strydom and Jooste 2012).

Kotler and Keller (2012) add that brand knowledge is all the thoughts, feelings, images, experiences and beliefs associated with the brand and dictates appropriate future directions for the brand. SMEs need to know that brand knowledge is based on constant communication with customers who need information on the products and services they offer. This knowledge, however, can be explicit or tactic (Alimen and Guldem Cerit 2010). Explicit knowledge is objective and asserted by many forms of media, while tactic knowledge is subjective and practical (Alimen and Guldem Cerit 2010). As customers’ knowledge about the brand increases, customers may bond with the brand in a more personal way. Brand personality will be the subject of the next section.
2.7 BRAND PERSONALITY DIMENSIONS APPLIED TO SME’S IN SOUTH AFRICA

Brand personality dimensions discussed in this study were developed by Aaker in 1997 in her research to measure brand personality. She identified five dimensions, which are sincerity, excitement, competence, sophistication, and ruggedness.

2.7.1 Definition of brand personality

According to Aaker (1997: 141), brand personality is defined “as a set of human characteristics associated with a brand”. Previous research has shown that brand personality helps a consumer express his or her self, ideal of self or a specific dimension of self (Aaker 1997). The symbolism and meaning making up brand personality are not necessarily inherent in brands but are usually intentionally and sometimes unintentionally added through corporate communication and customer reactions. Brand personality can also be defined as a set of meaning constructed by a customer to describe the inner characteristics of a brand (Aaker 1997).

Brand personality is formed based on direct and indirect contact with consumers (Schmidt 2005). According to Malär et al. (2012), the study of brand personality helps SMEs understand brand effects as well as the business’ performance. SMEs should know that the sources of brand personality can be characters related or unrelated to their products (Malär et al. 2012). Sources that are related to the product include the product’s packaging or price (Schmidt 2005). Toldos-Romero and Orozco-Gómez (2015) add that among the characteristics related to the product are the attributes, category of the product and the perceived socio-economic class of the product. Those characteristics unrelated to the product are the style of advertising, symbols, time in the market, country of origin, image of the company, endorsement of celebrities and the sponsorship of the product.
Aaker (1997) states that although brand personality refers to a set of human characteristics, it also includes demographics characteristics such as gender, class and age. The human characteristics are sometimes called the Big Five human personality dimensions, which are Agreeableness, Openness, Neuroticism, Extraversion and Conscientiousness. Toldos-Romero and Orozco-Gómez (2015) further mention that brand personality is formed by the consumer’s experience with the brand. Hence, it is a valuable factor in increasing brand engagement and brand attachment in the same way people relate and bond with other people.

2.7.2 Brand personality dimensions

In Aaker’s research on developing a framework of brand personality dimensions and a reliable, valid and generalisable scale to measure the dimensions, he found that consumers perceive brands to have five distinct personality dimensions, that is, sincerity, excitement, competence, sophistication, and ruggedness (Aaker 1997). Sincerity and competence dimensions are mostly formed by business-level sources and are characterised by utilitarian reasons. For example, the business’ moral values, business employees, product attributes, word of mouth and own experience are business-level source, and “that the brand is of good quality, I trust that brand and that brand cares about environmental protection” are examples of utilitarian reason.

Sophistication and ruggedness dimensions are largely formed by symbolic sources and social identity-related reasons, for example, brand name, advertising style and price (symbolic sources). When customers would like to impress their friends and they feel wealthier or tougher by using a particular product, this is a social identity-related reason (Maehle, Otnes and Supphellen 2011). The excitement dimension is formed by a blend of business-level and symbolic sources on the one hand and combining utilitarian and social identity-related reasons on the other, for example, business employees, endorser and brand logo (Maehle, Otnes and Supphellen 2011).
2.7.2.1  **Sincere brands**

Aaker (1997) compared sincerity brands to the human characteristic of agreeableness, which can be described as being warm and acceptable. Recent research by Maehle, *et al* (2011) indicates that sincere brands provide a positive service experience through personal selling and guarantees. Sincere brands are down to earth, honest, wholesome, family-orientated and cheerful (Aaker 1997). They are also strongly associated with family and childhood memories, have high quality that meets consumer expectations and are known to have high moral values and idealistic purposes. However, Maehle, *et al* (2011) further discuss those brands that consumers deem as insincere. Insincere brands are those that are involved in scandals or associated with unethical business practices, associated with health problems, do not meet consumer expectations, cheat customers and are too exclusive for average people.

2.7.2.2  **Competent brands**

According to Maehle and Supphellen (2011), competent brands are those that are of high quality in terms of features and function, are market leaders, their staff are highly qualified, the business has a long history and is known for being competent, and consumers have a positive experience when using the brand. Aaker (1997) points out that competent brands are reliable, intelligent and successful. In their findings, Maehle and Supphellen (2011) mention incompetent brands. These brands are copycat brands and fail to deliver when it comes to quality.

2.7.2.3  **Exciting brands**

Exciting brands are found in the car, beverage and clothing industries (Maehle and Supphellen 2011). Maehle and Supphellen (2011) defines exciting brands as those brands that offer exciting experiences, are used by exciting people, use exciting adverts, and brands with exciting aesthetics. By associating with these brands, consumers want to be perceived as exciting in the eyes of their reference group.
According to Aaker (1997), exciting brands are those brands that are daring, spirited, imaginative and up to date.

2.7.2.4 **Sophisticated brands**

Aaker (1997) describes sophisticated brands as those brands that are upper class and charming. In the findings of Maehle and Supphellen (2011), sophisticated brands are those brands that offer uniqueness and exclusivity, are used by celebrities, have a feminine nature and beauty association, and are used by consumers to impress their peers. Hence, sophistication is related to social and groups.

2.7.2.5 **Rugged brands**

These are outdoorsy and tough brands (Aaker 1997). Maehle and Supphellen (2011) add that they are brands with a masculine nature and tend to portray adventure. Rugged brands can also be described as athletic, active, strong, and tough. Ruggedness dimension is important because of social identity-related reasons.

2.7.3 **Critics of brand personality**

The brand personality theory by Aaker (1997) has recently been criticised by some researchers. Among them is Avis, Aitken and Ferguson (2012), who identified an incompatible distinction between seeing a brand as a humanlike entity and understanding the brand personality and relationship concepts as metaphors. They quote Ogilvy (1985), Duboff (1986) and Carr (1996), who said brand personality should be viewed as metaphors and thus not be restricted to human traits that are consistent (Avis, Aitken and Ferguson 2012). Clemenz, Brettel and Moeller (2012: 54) bring out that Aaker’s scale cannot be used outside of the United States, which inconveniences academics, since they now have to develop country-specific personality scales. Also, they indicate that there might be a construct validity problem because Aaker’s scale include items that do not describe specific personality traits, for example, it included age
and gender (Clemenz, Brettel and Moeller 2012). Despite these criticisms, this study chose to use the brand personality theory because it helps marketers to differentiate their products and services (Arorra 2009). Furthermore, according to Toldos-Romero and Orozco-Gómez (2015), brand personality can help create a set of unique and favourable associations in the customer’s mind and enhance brand equity. This is so because customers tend to make purchase decisions based on brand images that have been formed in their minds rather than from original characteristics of the product or service (Toldos-Romero and Orozco-Gómez 2015).

### 2.7.4 Benefits of brand personality for SME’s in South Africa

Managers have been helped by the research of Freling, Crosno and Henard (2011) to understand the relevance, potency and endurance of a particular brand personality and how this personality influences purchase intentions and behaviour. They came up with the brand personality appeal, which has three components, namely, favourable, originality, and clarity. Favourability is the extent to which consumers positively regard the brand personality. Originality is the extent to which consumers perceive the brand personality to be novel and distinct from other brands in the same category. Clarity is the extent to which a brand’s personality is apparent and recognisable to consumers. Brand personality appeal helps companies in a number of ways. One of these is that since SMEs may not advertise or do many promotions due to economic challenges, the greater the perceived brand personality appeal, the greater its ability to linger in a consumer’s mind until the next promotional cycle returns to reinforce the image (Freling, Crosno and Henard 2011).

Brand personality appeal will help managers in times of economic constraints to be able to determine which brands will suffer relatively less from reduced advertising support and the potential resistance marketers can face if they decide to reposition an existing brand personality using a new promotional comparison. Brand personality appeal offers a meaningful alternative to the traditional methods such as recall and pre-post persuasion measures that allow a sensitive measurement of the effects of marketing
strategies to discriminate among different adverts and promotions and to better understand the likely impact such efforts would have on the promoted brand’s personality appeal dimensions (Freling, Crosno and Henard 2011).

2.8 CHALLENGES FACED BY SME’s IN SOUTH AFRICA WHEN CREATING BRANDS

According to Aaker (1996), SMEs face challenges when creating brands. Randall (2000) agrees and cites the following challenges: mature markets, brand proliferation, management failure, short-termism, greed, neglect, weak marketing, media costs, retailer power, and fragmentation. In this section, mature markets, brand proliferation, and media fragmentation are discussed as challenges most applicable to SMEs:

- Mature markets pose a challenge because it is difficult to find growth in them. Randall (2000) highlights that most consumer markets are in their maturity stage and business-to-business markets should not feel complacent and should know that the demand for their product is derived from consumer markets.

- Randall (2000) describes brand proliferation as the crowding of the marketplace, resulting in few niche markets to be discovered and competitors being ready to jump on any wagon that seems to be rolling in more or less the same direction as themselves. On the other hand, Du Toit and Erdis (2013) add that the increase in the number of line and brand extensions has led to brand proliferation.

- Media fragmentation is a challenge because it becomes difficult to coordinate messages across different media such as internet, television and event sponsorship (Aaker 1996). Most companies are preoccupied with immediate profit at the expense of long-term opportunities.

According to Schultz (2002), the challenges of branding are managing the coherence of the corporate brand, overcoming turf and internal rivalry in managing the brand,
measuring success in corporate branding, and protecting the corporate brand’s reputation. Rowley (2004) further states that the challenge of branding is to develop a set of meaning or associations for the brand that resonates with a variety of different perspectives that customers might adopt in formulating a brand image.

2.9 BRANDING AS A MEANS TO BUILD SUSTAINABLE SME’S IN SOUTH AFRICA

As discussed earlier above, branding may be a means to build sustainable SMEs in South Africa. This maybe possible because as small companies differentiate themselves from competitor, build positive brand image and associations, effectively use brand management systems and brand personality dimensions to suit their customer needs, may help them be sustainable and survive in the business world. SMEs should know that branding encompasses the idea of putting emotional appeals in products or services and embodies a whole set of physical, social and psychological attitudes and benefits of a product or service. After the branding process, SME owners should have brand management tools in place which include having a brand oriented mindset, developing internal branding capabilities and being consistent in the delivery of brands.

Having a brand oriented mindset includes SME owners focusing on customer satisfaction and being more deliberate and active in developing brands that are imbued with emotional and symbolic values. While internal branding capabilities involves hiring the right people, training, motivating and leading them in a way that develops and sustains their commitment to the brand. Brand knowledge is the information customer’s have about a company’s products and services and is made up of two components which are brand awareness and brand image. SMEs should ensure that the brand image is favourable and customers can recognize and recall their products from memory. Hence brand knowledge is based on constant communication with customers who need information on the company’s product and services.

The brand personality dimension of sincerity and competence can be used by SMEs in assisting customers to bond with their products or services. This is in agreement with literature that highlight that brands that are sincere are mostly formed by company-level
sources and are characterised by utilitarian reasons, for example, the company’s moral values and company employees.

2.10 CONCLUSION

This chapter dealt with research done by different scholars in the field of management. Issues discussed related to consumer culture theory, business survival and sustainability, branding, evolution of branding, brand management, brand knowledge, and brand personality. It was noted that consumer culture theory addresses the relationships between consumer actions, the market and cultural meanings. It undergirds what and how people consume and set ground rules for marketers’ branding activities. For a business to survive both internal and external factors affecting the small business should be conducive for the day to day running of the business. This automatically leads to the sustainability of the business in the present and the future.

However, it has been argued that a brand is an intricate symbol that shows a variety of ideas and attributes. These build up on the mind of customers over a period of time to form relationships between the brand and the customers. There is contention on the evolution of branding; however, a more concise evolution of branding deals more with the utilitarian provision of information, origin and quality, and image building that leads to the development of brand personality. There are a number of challenges embedded in the field of branding which include brand proliferation and mature markets. Nevertheless, these setbacks are not impossible to deal with given the initiatives researchers have taken to curb some of the difficulties. Therefore, the purpose of this research is to explore branding in SMEs in order to ensure business survival. This research was undertaken to get the opinions and views of small company owners on branding and assist them in developing branding practices that will enable them to grow and be sustainable businesses.

The next chapter will focus on the research methodology used in this study.
CHAPTER 3
RESEARCH METHODOLOGY

3.1 INTRODUCTION

The purpose of this study is to explore the state of branding in SMEs in KwaZulu-Natal to ensure business survival. With the low survival rate of SMEs in South Africa, branding may help SMEs survive and be more established companies. The study involves SMEs in KZN in four sectors, which are manufacturing, retail, agriculture, and financial services. To address the research problem of this study both quantitative and qualitative research methods are used. Based on the problem outlined above, the study aims to determine the state of branding in SMEs in KZN in order to explore the understanding of SME owners of brand creation and management; determine ways in which SMEs in KZN express the brand dimensions of sincerity, excitement, competence, sophistication, and ruggedness; determine how SMEs create brand awareness, image and knowledge and investigate challenges SMEs face when it comes to brand creation.

The preceding chapter was a review of literature relevant to this study. This chapter gives an overview of the research approaches and methods used in this study. The chapter describes the research design, target population, sample size, sampling method, data collection methods and data analysis used in the study. Aspects related to validity and reliability are also discussed.

3.2 RESEARCH DESIGN

A research design is a procedural plan that is adopted to answer questions validly, objectively, accurately and economically (Kumar 2005). For this study, a mixed methods design is used. According to Creswell (2009), mixed method research is an approach to research that combines or associates both qualitative and quantitative data and then
draws interpretations in order to understand the research problem (Creswell 2015). It is useful when either the quantitative or qualitative approach by itself is inadequate to best understand a research problem (Creswell 2009). The mixed method methodology will help in understanding how people feel and why they feel that way. A sequential explanatory strategy is used, which is characterised by the collection and analysis of quantitative data first then followed by the collection and analysis of qualitative data that build on the results of the initial quantitative results (Creswell 2015). For the collection of quantitative data, a questionnaire will be used while interviews will be used to collect qualitative data. The questionnaire will be sent via Survey Monkey to respondents found in the DCC catalogue and those interested in being interviewed who indicate on the questionnaire. The interviews will try to bring clarity as to why SME owners feel the way they do thus help to contribute positively to existing literature.

3.2.1 Quantitative research

According to Struwig and Stead (2001), quantitative research is a form of conclusive research that involves a large representative sample and structured data collection procedures. Quantitative research is a method that quantifies data, measures and quantifies the research problem, uses a large sample and identifies prevalence, averages and patterns in data (Hennink, Hutter and Bailey 2011). The quantitative research method provides a broad sense of branding in SMEs in KZN. This is followed by qualitative research to delve deeper into matters that become evident from the quantitative survey.

3.2.2 Qualitative research

Bhattacharyya (2006) explains that qualitative research involves the use of unstructured exploratory techniques that are based on small samples in order to understand a problem further. The objective of qualitative research is to gain a detailed understanding of underlying reasons, beliefs and motivation (Gibbs 2013). To understand the views of owners of SMEs regarding branding, a small number of participants are used, and in-
depth interviews are undertaken. In-depth interviews help develop an understanding, identify and explain behaviour, beliefs or actions.
3.3 TARGET POPULATION AND SAMPLING

According to Aaker, Kumar and Day (1998), a population can be defined as a set of all objects that possess a common set of characteristics with respect to a marketing research problem. In this study, the target population is the SMEs in KZN in the manufacturing, financial services, agriculture, and retail sectors. There are more than 300 SMEs in KZN. The study focuses on SMEs employing between 10 and 20 employees. The reason is that these SMEs often lack funding and face difficulty when it comes to branding. Moreover, the study focuses on SMEs in KZN CBD, Durban, which are registered with SEDA, registered at the Connect Durban Business Fair directory (2015) and Durban Chamber of Commerce (DCC). SEDA is an agency of the Department of Small Business Development established through the National Small Business Amendment Act, Act 29 of 2004. Its mandate is to implement government’s small business strategy, and its mission is to develop, support and promote small enterprises in South Africa. DCC is a worldwide business chamber that is a united voice of businesses in Durban. This is so because it will be easy to track the progress of SMEs. The latest version of DCC directory is used to identify 300 SMEs that will possibly participate in the study.

Table 3.1: Summary of research design

<table>
<thead>
<tr>
<th></th>
<th>Quantitative method</th>
<th>Qualitative method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>SMES in KZN</td>
<td>Respondents from the questionnaire</td>
</tr>
<tr>
<td>Unit of analysis</td>
<td>Durban Central Business District</td>
<td>Durban Central Business District</td>
</tr>
<tr>
<td>Sample size</td>
<td>300</td>
<td>10</td>
</tr>
<tr>
<td>Sample method</td>
<td>Convenience sampling</td>
<td>Convenience sampling</td>
</tr>
<tr>
<td>Sample selection</td>
<td>Emails were sent to SMEs on the Durban</td>
<td>Those who completed the questionnaire were asked to</td>
</tr>
<tr>
<td>procedure</td>
<td>Chamber of Commerce catalogue and also via</td>
<td>respond via Survey Monkey if they were available for an</td>
</tr>
<tr>
<td></td>
<td>SEDA database.</td>
<td>interview.</td>
</tr>
</tbody>
</table>

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3.4 DATA COLLECTION METHOD

A mixed method approach was used for this study, where both quantitative and qualitative approaches were used. The reason for this was that the quantitative method would give a broader view of what SMEs thought branding was and the qualitative method would give us reasons why SMEs felt the way they did. Quantitative data will be collected first followed by qualitative methods. Quantitative data will be collected through the use of a questionnaire and interviews will be used to collect qualitative data. The questionnaire will be sent out first, via Survey Monkey, to respondents found in the DCC catalogue. Then interviews will be conducted with those who completed the questionnaire. The interviews will try to bring clarity as to why SME owners feel the way they do thus help to contribute positively to existing literature.

3.4.1 Quantitative data collection method: Questionnaire

A questionnaire is a tool through which people are asked to respond to the same set of questions in a predetermined order (Gray 2009). The questionnaire is used to collect quantitative data. Open questions, closed questions, and Likert scale are used where respondents are asked to indicate how strongly they agree or disagree with a series of statements. Open questions contain answers that are recorded in full and closed questions are ones in which the respondent is offered a set of predesigned answers such as yes or no (Gray 2009). The Likert scale is also another approach to asking closed questions, where respondents are asked to indicate how strongly they agree or disagree with a series of questions (Gray 2009).

Questionnaires have the advantages of being convenient, respondents’ anonymity is assured, data analysis is simple and questions can be coded quickly, and respondents can complete the questionnaire at a time and place that suits them (Gray 2009). However, questionnaires have the disadvantage of having a low response rate because respondents are unwilling and unable to provide information (Bhattacharyya 2006: 55).
Survey Monkey, an electronic software, was used to distribute the questionnaire. Emails are sent and a link included in the email. Respondents then click on the link and complete the survey. Other respondents are visited on their premises to physically complete the survey. Convenience sampling is used, and 300 emails are sent to SMEs on the SEDA and DCC lists. One hundred respondents are expected to respond.

3.4.1.1 Questionnaire development

The questionnaire was developed based on various sources found in literature, as revealed in Table 3.1. The initial questionnaire was developed and sent to SEDA to send to their clients, which was part of a pilot study. A pilot study is used to improve the reliability and validity of the questionnaire. The questionnaire was sent to 10 companies in order to identify and remove any ambiguity and superfluous questions and to ensure that the questionnaire is aligned with the aim and objectives of the study. On completion of the pilot study, the questionnaire was further refined and then sent to the respondents. A 5-point Likert scale was used so as to rank the order of agreement and disagreement with the statement, thus making it possible to compare respondents’ answers.
<table>
<thead>
<tr>
<th>Item</th>
<th>Source</th>
<th>Feedback from pilot study</th>
<th>Amended item for use in final questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel brand creation is the responsibility of the owner of the company</td>
<td>(Damoiseau, Black and Raggio 2011)</td>
<td>Remained unchanged</td>
<td>I feel brand creation is the responsibility of the owner of the company</td>
</tr>
<tr>
<td>I feel that the one responsible is doing a great job</td>
<td>Damoiseau, Black and Raggio (2011)</td>
<td>Respondent felt the question was ambiguous</td>
<td>I feel that the one responsible for branding at my company is doing a good job</td>
</tr>
<tr>
<td>I feel that there is a lot to be done for the creation of a brand of my company</td>
<td>Cant (2011)</td>
<td>Remained unchanged</td>
<td>I feel that there is a lot to be done for the creation of the brand of my company</td>
</tr>
<tr>
<td>I feel brand creation offers a number of benefits to the company</td>
<td>(Agostini, Filippini and Nosella 2015)</td>
<td>Remained unchanged</td>
<td>I feel brand creation offers a number of benefits to the company</td>
</tr>
<tr>
<td>SMEs can do brand creation</td>
<td>(Agostini, Filippini and Nosella 2015)</td>
<td>Remained unchanged</td>
<td>SMEs can do brand creation</td>
</tr>
<tr>
<td>Do you feel that brand management is vital for your business?</td>
<td>(Abimbola 2001)</td>
<td>Feedback indicated that the question was ambiguous</td>
<td>I feel that brand management is vital for our business</td>
</tr>
<tr>
<td>Do you feel that brands have personalities that identify with customers?</td>
<td>Aaker (1996)</td>
<td>Feedback indicated that the question was ambiguous</td>
<td>I feel that brands have personalities that customers identify with</td>
</tr>
<tr>
<td>It is importance to invest in creating brand awareness</td>
<td>(Agostini, Filippini and Nosella 2015)</td>
<td>Remained unchanged</td>
<td>Its importance to invest in creating brand awareness</td>
</tr>
<tr>
<td>It is important to create a good brand image</td>
<td>(Du Plesis, Strydom and Jooste 2012)</td>
<td>Remained unchanged</td>
<td>It is important to create a good brand image</td>
</tr>
<tr>
<td>Item</td>
<td>Source</td>
<td>Feedback from pilot study</td>
<td>Amended item for use in final questionnaire</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>------------------------------------------------------</td>
<td>---------------------------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td>Customers’ brand knowledge is important to the business</td>
<td>(Jing, Pitsaphol and Shabbir 2014)</td>
<td>Remained unchanged</td>
<td>Customers’ brand knowledge is important to the business</td>
</tr>
<tr>
<td>SMES are getting expert help in creating brand awareness</td>
<td>(Cant and Wiid 2013)</td>
<td>Remained unchanged</td>
<td>SMES are getting expert help in creating brand awareness</td>
</tr>
<tr>
<td>Do you allocate funds towards building a brand image?</td>
<td>(Baker 2003)</td>
<td>Feedback indicated that the question was ambiguous</td>
<td>Funds should be allocated towards building a brand image</td>
</tr>
<tr>
<td>I feel customers’ suggestions are valuable to the development of strong brands</td>
<td>Aaker (1996)</td>
<td>Remained unchanged</td>
<td>I feel customers’ suggestions are valuable to the development of strong brands</td>
</tr>
<tr>
<td>It is important to carry out field research on customers’ knowledge about your products</td>
<td>(Healey 2010)</td>
<td>Feedback indicated that the question was ambiguous</td>
<td>It is important to carry out field research on customers’ knowledge about our products and services</td>
</tr>
<tr>
<td>I believe brand image and brand awareness build brand knowledge</td>
<td>(Jing, Pitsaphol and Shabbir 2014)</td>
<td>Remained unchanged</td>
<td>I believe brand image and brand awareness build brand knowledge</td>
</tr>
<tr>
<td>I believe consumers relate brands to human personality</td>
<td>Aaker (1997)</td>
<td>Remained unchanged</td>
<td>I believe consumers relate brands to human personality</td>
</tr>
<tr>
<td>Brand personality is reflected in the characteristics to the brand in association in relation to the brand</td>
<td>Aaker (1997)</td>
<td>Remained unchanged</td>
<td>Brand personality is reflected in the characteristics to the brand in association in relation to the brand</td>
</tr>
<tr>
<td>I believe brand</td>
<td>(Malär et al.)</td>
<td>Feedback</td>
<td>The question was asked the</td>
</tr>
<tr>
<td>Item</td>
<td>Source</td>
<td>Feedback from pilot study</td>
<td>Amended item for use in final questionnaire</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-------------------------------------------------------</td>
<td>---------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>personality is a source of differentiation as well as a driver of loyalty</td>
<td>2012)</td>
<td>indicated that the question asked two things instead of one</td>
<td>same way but separated brand personality as a source of differentiation and as a driver of loyalty</td>
</tr>
<tr>
<td>Brand personality is reflected in the characteristics to the brand in symbolic value in relation to the brand</td>
<td>(Maehle, Otnes and Supphellen 2011)</td>
<td>Remained unchanged</td>
<td>Brand personality is reflected in the characteristics to the brand in symbolic value in relation to the brand</td>
</tr>
<tr>
<td>Brand personality is reflected in the characteristics to the brand in emotional attributes in relation to the brand</td>
<td>Aaker (1996)</td>
<td>Remained unchanged</td>
<td>Brand personality is reflected in the characteristics to the brand in emotional attributes in relation to the brand</td>
</tr>
<tr>
<td>I feel brand management protects customer base against competitors</td>
<td>(Jobber 2007)</td>
<td>Remained unchanged</td>
<td>I feel brand management protects customer base against competitors</td>
</tr>
<tr>
<td>I believe brand management helps in introducing new brands to the trade and customers</td>
<td>(Jing, Pitsaphol and Shabbir 2014)</td>
<td>Feedback indicated that the question was ambiguous</td>
<td>I believe brand management helps in introducing new brands to the market</td>
</tr>
<tr>
<td>Brand management helps in rewarding present customers for continuing to purchase your products</td>
<td>(Jing, Pitsaphol and Shabbir 2014)</td>
<td>Remained unchanged</td>
<td>Brand management helps in rewarding present customers for continuing to purchase your products</td>
</tr>
<tr>
<td>Brand management</td>
<td>(Mitchell,</td>
<td>Remained</td>
<td>Brand management</td>
</tr>
<tr>
<td>Item</td>
<td>Source</td>
<td>Feedback from pilot study</td>
<td>Amended item for use in final questionnaire</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>---------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>enhances brand image</td>
<td>Hutchinson and Quinn 2013; Jing, Pitsaphol and Shabbir 2014)</td>
<td>unchanged</td>
<td>enhances brand image</td>
</tr>
<tr>
<td>Brand management helps facilitate the process of continually expanding the list of names and addresses in our database</td>
<td>(M’zungu, Merrilees and Miller 2010)</td>
<td>Remained unchanged</td>
<td>Brand management helps facilitate the process of continually expanding the list of names and addresses in our database</td>
</tr>
<tr>
<td>Does your brand score high in: Sincerity (brands that are down to earth, honest and cheerful)</td>
<td>Aaker (1996)</td>
<td>Feedback indicated that the question was ambiguous</td>
<td>Down to earth, honest, cheerful, happy, friendly</td>
</tr>
<tr>
<td>Excitement (brands that are daring, up to date and spirited)</td>
<td>Aaker (1996)</td>
<td>Feedback indicated that the question was ambiguous</td>
<td>Daring, trendy, provocative, independent, spirited, young, outgoing</td>
</tr>
<tr>
<td>Competence (brands that are reliable, intelligent and successful)</td>
<td>Aaker (1996)</td>
<td>Feedback indicated that the question was ambiguous</td>
<td>Reliable, efficient, trustworthy, hardworking, careful, intelligent, technical, corporate, serious, successful, a leader, confident</td>
</tr>
<tr>
<td>Sophisticated (brands that are charming)</td>
<td>Aaker (1996)</td>
<td>Feedback indicated that the question was ambiguous</td>
<td>Charming, feminine</td>
</tr>
<tr>
<td>Rugged (brands that)</td>
<td>Aaker (1996)</td>
<td>Feedback</td>
<td>Outdoorsy, masculine, active,</td>
</tr>
<tr>
<td>Item</td>
<td>Source</td>
<td>Feedback from pilot study</td>
<td>Amended item for use in final questionnaire</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td>---------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>are tough and outdoorsy)?</td>
<td></td>
<td>indicated that the question was ambiguous</td>
<td>Western, athletic, tough, strong</td>
</tr>
</tbody>
</table>

### 3.4.2 Interviews

An interview is a face-to-face interaction with a respondent and is used to collect qualitative data. Semi-structured interviews are used because they allow for probing of views and opinions where it is desirable for respondents to expand on their answers (Gray 2009). The advantage of an interview is that it gives detailed information. Nonetheless, a disadvantage is that interviews may be time-consuming (Kumar 2014).

In-depth interviews were carried out at the company’s physical location, and the respondents were asked the same preset questions in their particular order. The respondents were assured of confidentiality and rapport was built between the interviewer and the respondents. The interviewer also developed a relationship of trust with the respondent, therefore encouraging more detailed and revealing information to be shared.

Field notes were taken, since the respondents refused to be recorded. Field notes are contemporaneous notes taken in the research setting as the interview progresses and keywords, phrases and actions are recorded (Gibbs 2013).

Interviews are held with those who have completed the questionnaire and those small companies that are willing to be interviewed. A total of 10 interviews will be conducted, using convenience sampling.

### 3.5 DATA ANALYSIS
Data analysis is a report on how the researcher managed, organised and analysed data in preparation for reporting findings and then how the researcher went on to analyse and interpret the findings. For quantitative data, SPSS version 23 was used to analyse the data, and content analysis was used for qualitative data.

3.5.1 Quantitative data: Descriptive and inferential statistics

Nominal data and ordinal data were used in the analysis of quantitative data. Nominal data constitutes a name or a value, whereas ordinal data comprises an ordering of ranking of values. The data was then coded with numerical figures on Microsoft Excel before being exported to SPSS version 23. For nominal data, the codes were 1 and 2. One (1) represented yes, while two (2) stood for no. For ordinal data, one (1) represented strongly disagree, two (2) meant disagree, three (3) stood for neither agree nor disagree, four (4) represented agree, and five (5) meant strongly agree.

Descriptive statistics were used to describe the basic features of a study through the use of graphs (Gray 2009). Bar graphs and pie charts were used. Inferential statistics are used to draw interpretations from a sample being studied to a large population that the sample is drawn from (Gray 2009).

3.5.2 Qualitative data: Content analysis

Qualitative analysis is a demanding and rational process through which data is given meaning (Gray 2009). Content analysis is the examination of qualitative data by systematically identifying special characteristics (Gray 2009). It is an objective analysis of message characteristics including the careful examination of human interactions. Content analysis is a technique for examining the content or information contained in written documents. In conducting content analysis, the system includes counting how often certain words or themes appear, then graphs may be used to analyse the findings (Neuman 2006: 44). The data was analysed using Creswell’s guidelines for qualitative data analysis. The process starts with organising and preparing the data, which involves
the transcription of interviews and arranging the data into different types of sources of information. The researcher then needs to read through all the data to get a general sense of the information and to reflect on the overall meaning. The process of analysis of Tesch (1990) was used, which consisted of eight steps:

1. Get a sense of the whole.
2. Pick one document and think about the substance and write thoughts or create memos.
3. Continue step two for several participants and start to cluster similar topics together arrayed as major topics, unique topics, and leftovers.
4. Use this list to go back to the data and use the preliminary scheme to see if new categories and codes emerge.
5. Find the most descriptive wording for the topics and turn them into categories. Find ways to reduce the list of categories by grouping topics that are related to one another.
6. Make a final decision on the abbreviation for each category and alphabetise the codes.
7. Assemble the data material belonging to each category in one place and perform a preliminary.
8. Recode if necessary.

From the coding, themes and descriptions emerged from which interrelating themes/descriptions are identified. These were then interpreted and validated for accuracy.

3.6 VALIDITY AND RELIABILITY

Validity is defined as an indication of accuracy in terms of the extent to which a research conclusion corresponds with reality (White 2013). Reliability is the extent to which a measure or process is consistent, dependable, precise or stable (Picardi 2014).
3.6.1 Quantitative research validity and reliability

Validity can be defined as the means through which an instrument must measure what it is intended to measure (Gray 2009). There are four types of validity: face validity, content validity, criterion-related validity and construct validity. However, for this study, face, content and criterion-related validity are discussed. Each of these types of validity is further discussed as follows:

- **Face validity:** Face validity can be defined as whether the items on the test appear to test what they claim to measure (Struwig and Stead 2001). It is the judgment by the respondents as to whether the questions measure the construct (Neuman 2006). If this is not so, the respondents may question the purpose of completing the questionnaire (Kumar 2014). In this research, face validity was addressed by pilot testing the questionnaire. Ten respondents completed the questionnaire, and a representative from SEDA was asked to comment on the questionnaire; the feedback was positive.

- **Content validity:** Content validity refers to the extent to which the questions reflect the theoretical content domain of the construct being measured (Struwig and Stead 2001). It is associated with validating the content of a test (Gray 2009). To address content validity, experts on the topic were approached to comment on the questionnaire; the response was positive (Kumar 2014).

- **Criterion-related validity:** Criterion-related validity examines the relationship between two or more tests that may appear to be similar (Struwig and Stead 2001).

Stability reliability was used in this study and is concerned with whether the measuring instrument is able to yield consistent numerical results each time it is applied. This was ensured by developing an unambiguous theoretical definition of each construct and
making sure that each measure indicates only one specific concept (De VOS et al. 2007: 163).

3.6.2 Qualitative research validity and reliability

Validity can be defined as the means through which an instrument must measure what it is intended to measure (Gray 2009: 375). In the case of semi-structured interviews, the issue of validity is addressed by ensuring that the question content concentrates on the research objectives, prompting respondents to expand on their initial response, constructing interviewing schedules that contain questions drawn from literature review, and building rapport and trust with the respondents, thus encouraging the respondents to express themselves (Gray 2009: 375).

3.6.2.1 Types of reliability

There are three types of reliability, namely, quixotic, diachronic, and synchronic. In this study, quixotic reliability and synchronic are applied. These two types of reliability are discussed below.

- Quixotic reliability: Quixotic reliability refers to any observational method that continually provides one with the same findings (Struwig and Stead 2001: 134). To ensure quixotic reliability, the field notes are kept at an institution and are made available for other researchers to consult.

- Synchronic reliability: Synchronic reliability refers to the extent to which observations from different sources are similar within a given time (Struwig and Stead 2001: 134). In this study, synchronic reliability was addressed by conducting interviews only in the morning.
3.6.2.2 Types of validity

There are five types of validity: descriptive, interpretative, theoretical, researcher effects, and generalisability or applicability. In this study descriptive, interpretative and theoretical validity are applied and discussed. The following is a description of the three types of validity:

- Descriptive validity: Descriptive validity refers to whether the information provided is factually accurate and comprehensive or whether it has been omitted or distorted (Struwig and Stead 2001). This validity was addressed by sending the questions relating to the study to experts in the field and getting their comments.

- Interpretative validity: Interpretative validity refers to whether the respondents’ meaning and perspectives are accurately recorded (Struwig and Stead 2001). This type of validity was ensured by eliciting comments from the respondents on the findings, as this is important in maximising the interpretative validity of the findings. Respondents were asked to review the notes for accuracy to see if they would like to add anything (Gray 2009).

- Theoretical validity: Theoretical validity refers to whether there is common agreement between the researcher and the participants about the concepts or theory used to the phenomena that have been described (Struwig and Stead 2001). This was addressed by asking a representative at SEDA to comment on the questions.

The rigour of the study was evaluated using the model of trustworthiness in qualitative research of Guba (1981: 80). His model considers four aspects of trustworthiness, being truth value, applicability, consistency, and neutrality.
Table 3.3: Strategies and criteria with which to establish trustworthiness

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credibility</td>
<td>Authority of the researcher</td>
</tr>
<tr>
<td></td>
<td>Member checking</td>
</tr>
<tr>
<td>Transferability</td>
<td>Dense description</td>
</tr>
<tr>
<td>Dependability</td>
<td>Code-recode procedure</td>
</tr>
<tr>
<td>Confirmability</td>
<td>Reflexivity through a reflective diary</td>
</tr>
</tbody>
</table>

Source: Guba (1981: 80)

Table 3.2 illustrates the strategies to be used in this study as credibility, transferability, dependability and confirmability. Strategies that were used to achieve truth value and the credibility of the study included adequate submersion of the researcher into the research setting to enable recurrent patterns to be identified and verified. Therefore, extended time was spent with respondents who allowed the researcher to check perspectives, and it was also spent to allow the respondents to become accustomed to the researcher. Another strategy that was used in this instance was member checking, where the researcher, throughout the interview, summarised what the participant had said to ensure it was correctly understood (Krefting 1991: 14).

A close description of the participants in the research, as well as the research context, was important in ensuring transferability. To ensure dependability, a procedure of code-recode was followed where the researcher, after coding a segment of the data and waiting for at least two weeks, returned to recode the same data and compare the results. For conformability, the researcher used a reflective analysis by keeping a reflective diary during and after each interview to ensure that the researcher was aware of her influence on the data (Krefting 1991).
3.7 CONCLUSION

A mixed method approach is used in this study, as the study explores how SME owners in KZN view and practise branding. The mixed method approach is useful when either the quantitative or qualitative approach is not adequate alone to best understand the research problem.

In summary, this chapter provided details on the research design, target population, sample size and methods, data collection methods, and analysis of both quantitative data and qualitative data. Lastly, the issues of validity and reliability were discussed.

The chapter that follows will present the research findings.
CHAPTER 4
FINDINGS AND RESULTS

4.1 INTRODUCTION

The foregoing chapter dealt with the research methodology outlining the mixed method approach employed in the study. In this chapter, the findings of both the quantitative and qualitative data collection processes are presented. The purpose of the study is to explore the state of branding in SMEs in KZN to ensure the businesses survive. The objectives of the study are presented in Table 4.1.

Table 4.1: Research objectives in relation to quantitative and qualitative objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Quantitative research</th>
<th>Qualitative research</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To explore the understanding of SME owners of brand creation and management</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>2. To determine ways in which SMEs in KZN express the brand dimension of sincerity, excitement, competence, sophistication, and ruggedness</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3. To determine how SMEs create brand awareness, image and knowledge</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>4. To investigate challenges SMEs face when it comes to brand creation</td>
<td></td>
<td>√</td>
</tr>
</tbody>
</table>

Table 4.1 shows that research objectives one, two and three are addressed through quantitative research, while research objectives four is addressed through qualitative research. This chapter will first discuss the findings of quantitative data followed by the findings of qualitative data. Under the quantitative data, the following will be discussed: firmagraphics, quantitative data, descriptive statistics, validity and reliability of the
quantitative data. Under qualitative data, the following will be discussed: data from interviews, discussion of themes, trustworthiness, and conclusions. The quantitative and qualitative data results are in percentages, where n=44 in quantitative data.

4.2 FIRMAGRAPHERICS

This section describes the respondents in terms of SME ownership, sector represented, number of employees working for the SME, number of years the SME has been in operation, the SME’s annual turnover in Rands, and whether they are involved in foreign trade or not. A questionnaire was used as a measuring instrument for the survey and was sent out as an email to 450 SMEs in KZN (consisting of the 300 SME’s listed with SEDA as well as the 150 from the Durban Chamber of Commerce), and a total of 44 SMEs responded. The questionnaire was sent using SurveyMonkey, and the findings and results will be discussed. It is worth bearing in mind that questionnaires pose a disadvantage of low response rates due to the resistance to completing questionnaires (De VOS et al. 2007: 166). To overcome this challenge, reminders were sent out to the respondents, and they were contacted telephonically to check if they had received the email. Any questions they had were addressed, and the response rate increased. To increase the response rate, other questionnaires were hand-delivered to small companies in the CDB that were willing to participate in the interview.

Previous research on SMEs faced similar above-mentioned challenges where in one case, 57 questionnaires were sent, and only 36 completed questionnaires were received – representing a 63% response rate (Aigbavboa, Tshikhudo and Thwala 2014: 352). However, research by Lekhanya (2013) achieved a 100% (175 respondents) response rate, perhaps because the questionnaires were hand-delivered as opposed to being emailed; a large area was covered and was personally administered, and certain instructions were provided throughout the questionnaire (Lekhanya 2013: 1566).
4.2.1 SME ownership in Durban, South Africa

The respondents were asked to indicate whether they were the owners of the SMEs or non-owners so as to establish from the beginning who was participating in the research. This was important because the research wanted to gather the opinions of the owners of the small companies regarding their view on branding matters. If there is a need for any positive progress in small companies, it is the views and opinions of the owners that are needed. SME owners are also needed in order for any positive implementation to take place because they have the authority and responsibility to do so.

Figure 4.1: Percentage of respondents who owned the SMEs and those who were managers

Figure 4.1 illustrates the percentage of respondents who own the SMEs. Respondents were asked to indicate whether they were owners and if not, to specify. Data collected showed that those who indicated that they were not owners held senior positions such as manager in the company. Sixty per cent (28) of the respondents are owners of the companies, while 40% (16) hold senior positions. This means that the SME owners’
view dominates the findings. For the purpose of this study, SME owner’s’ view is significant and has an influence on the branding of the SME. This is so because it is the owners of the companies that can affect any positive changes in the business.

4.2.2 Sectors represented by the respondents

The respondents were asked to indicate which sector they represented under four main sectors, which were agriculture, manufacturing, retail, and financial services. These sectors were regarded as part of the major industries that contribute to the growth of the South African economy (Cant, Erdis and Sephapo 2014). However, respondents were asked to indicate ‘other’ if the sector they belong to did not fall in the four sectors given.

Figure 4.2: Percentage of the sector represented by the respondents

![Pie chart showing sector representation]

Agriculture: 40.9%
Manufacturing: 22.7%
Retail: 18.2%
Financial Services: 15.9%
Other (please specify): 2.3%

Figure 4.2 indicates the different sectors represented by the respondents. A total of 2.3% (1) of the respondents come from the agricultural sector, 22.7% (10) from the manufacturing sector, 18.2% (8) from the retail sector, 15.9% (7) from the financial services sector, and 40.9% (18) of the respondents come from other sectors. The
others sectors were tourism, car hire, marketing and branding, and fashion design. This shows that many of the SMEs are found in industries that are not known to contribute largely to the South African economy. This may mean that the focus by government on primary industries may have to include the other sectors as well as they are dominating the business world.

4.2.3 Number of employees

Respondents were asked to indicate the number of employees working for their company. This was done so as to establish the characteristics of the respondents. As discussed in Chapter 1, SMEs in South Africa can be classified according to the number of employees working for them; small companies employ 1-49 employees (Cant, Erdis and Sephapo 2014).

Figure 4.3: Percentage of employees working for SMEs

![Pie chart showing the percentage of employees working for SMEs: 45.5% Less than 5, 11.4% More than 5 Less than 20, 36.4% More than 20 Less than 50, and 6.8% More than 50.]
Figure 4.3 portrays the number of employees working for SMEs. Respondents were asked to indicate the number of employees working at their company. They indicated, on the scale provided, the number of employees. A total of 45.5% (21) of the respondents indicated that they employ less than five employees, 36.4% (15) employs more than five employees but less than 20 employees, 6.8% (3) employs more than 20 employees but less than 50 employees, whereas 11.4% (5) employs more than 50 employees. This highlights that the right group responded to the survey, as this study targeted SMEs that fall under the very small category because they have limited financial means to brand their businesses as compared to other larger SMEs. As a result, this research should find cost-effective ways of branding in SMEs.

4.2.4 Number of years in operation

The respondents were asked to indicate the number of years their SMEs have been in operation. This was done so as to verify what literature brought out about the classification of SMEs according to the number of years in existence and the time it takes for SMEs to be fully established, operational companies. Literature reveals that typically when a new SME has been in operation for zero to 42 months and beyond 42 months, it has become fully operational (Olawale and Garwe 2010). However, some pieces of literature state that SMEs fail within two years of operation (Cant and Wiid 2013).
The percentage of years the SMEs have been in operation is depicted in Figure 4.4. Respondents were asked to indicate the number of years they have been in business. A scale was presented to them, and 40.9% (18) of the respondents reveal that they have been operating for less than five years, 18.2% (8) for between six and 10 years, 9.1% (4) for between 11 and 15 years, while 31.8% (14) of the respondents have been operating for more than 15 years. This means the majority of the respondents are SMEs that are at risk of failure and are at the survival stage and branding maybe used to assist them to develop and become established companies.

4.2.5 Annual turnover in Rands

The respondents were asked to indicate their annual turnover in Rands. This was done to establish the financial characteristics of SMEs as described by the National Small
Business Act, which stipulates that SMEs’ turnover in Rands is less than 4 million Rands.

**Figure 4.5: Percentage of SMEs’ annual turnover in Rands**

![Pie chart showing percentage of SMEs' annual turnover in Rands]

In Figure 4.5, the percentage of SMEs’ annual turnover in Rands is shown. Respondents were asked to indicate their annual turnover in Rands as indicated on the scale provided. A total of 36.4% (16) of the respondents indicated that their annual turnover in Rands is less than R500 000, 11.4% (5) highlighted that it is between R500 001 and R1 000 000, 31.8% (14) revealed that it is between R1 000 001 and R5 000 000, while 20.5% (9) of the respondents stated that their annual turnover is more than R5 000 001. The majority of the respondents have an annual turnover of less that R500 000. These SME owners face a lot of financial constraints in developing branding strategies, hence this study offers cheaper options for them to brand their businesses effectively.
4.2.6 Domestic vs. Foreign trade

The respondents were asked to indicate whether they were involved in any foreign trade. Exploring foreign markets is one of the strategies of growth and survival suggested for SMEs (Aigbavboa, Tshikhudo and Thwala 2014).

Figure 4.6: Percentage of SMEs involved in foreign trade

Figure 4.6 shows the percentage of SMEs involved in foreign trade. Respondents were asked to indicate whether they were involved in foreign trade. A total of 27.3% (12) of the respondents highlighted that they were involved in foreign trade, while on the other hand, 72.7% (32) of the respondents were not involved in foreign trade.

Most SME's in the study are managed by the owners, employee small staff, have been in operation for less than 5 years, have an annual turnover of less than R500 000 and focus on local trade. These respondents were the actual target of the study as the study focused on this category of SMEs. With the challenges they face and a high failure rate, this study offers branding options that are cost effective.
4.3 QUANTITATIVE DATA: OBJECTIVES 1, 2 AND 3

This section outlines the data from the quantitative data collection. First, the Cronbach’s alpha reliability is reported on followed by the data related to each of the respective research objectives.

4.3.1 Cronbach’s alpha reliability test

The success of any research is dependent upon the research’s reliability and validity. This study used the Cronbach’s coefficient alpha to measure the reliability of the questionnaire. The overall percentage was 0.967, which suggests that the result of the study is acceptable.

Table 4.2: Reliability statistics for the entire questionnaire

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.967</td>
<td>75</td>
</tr>
</tbody>
</table>

According to Welman, Kruger and Mitchell (2005), an internal consistency method can be employed to determine the reliability of a measuring instrument. This method uses the Cronbach’s alpha coefficient as the degree of an instrument’s internal consistency (Welman, Kruger and Mitchell 2005). A Cronbach’s alpha coefficient of 0.7 or higher is considered acceptable (Andrew, Pederson and McEvoy 2011).

The following Cronbach’s alpha scores were obtained from the various sections that made up the questionnaire. From Table 4.2, a score of 0.967 was obtained. An overall reliability score of 0.967 exceeds the recommended value of 0.7 and is therefore deemed acceptable. This indicates a high (overall) degree of acceptable, consistent scoring for the research. Research objective 1 scored a level of 0.927, which is also
consistent with the required level of acceptable results and therefore meets the required standard. Research objective 2 scored a level of 0.959, whereas research objective 3 scored a level of 0.889, which are both consistent with the required level of acceptable results.

**Table 4.3: Reliability test for research objectives 1, 2 and 3**

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Objective Statement of Variables</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>To explore the understanding of SME owners of brand creation and management</td>
<td>.927</td>
</tr>
<tr>
<td>2</td>
<td>To determine ways in which SMEs in KZN express the brand dimension of sincerity, excitement, competence, sophistication, and ruggedness</td>
<td>.959</td>
</tr>
<tr>
<td>3</td>
<td>To determine how SMEs create brand awareness, image and knowledge</td>
<td>.889</td>
</tr>
</tbody>
</table>

As indicated in Table 4.3, the first objective of this study was to explore the understanding of SME owners of brand creation and management. The understanding of SME owners of brand creation will be presented first, and then the understanding of SME owners of brand management will be presented last. Brand creation involves the introduction of a brand that is new to a company or the market (Damoiseau, Black and Raggio 2011: 269). Brand management involves the design and implementation and activities to build, measure and manage brand equity (Keller 2006).

### 4.3.2 Research objective 1: Brand creation

Brand creation involves the introduction of a new brand to the company or the market. Respondents were asked four questions pertaining to brand creation. To get the opinions and attitude of SME owners when it comes to branding, the following statements, in the form of questions, were made:

1. I feel brand creation is the responsibility of the owner of the company.
2. I feel that the one responsible is doing a good job.
3. I feel that there is a lot to be done for the creation of the brand of my company.
4. I feel brand creation offers a number of benefits to the company.
5. SMEs can do brand creation.

Table 4.4: Descriptive statistics for research objective 1: Brand creation

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel brand creation is the responsibility of the owner of the company</td>
<td>44</td>
<td>4.02</td>
<td>1.131</td>
</tr>
<tr>
<td>I feel that the one responsible is doing a good job</td>
<td>44</td>
<td>3.68</td>
<td>.959</td>
</tr>
<tr>
<td>I feel that there is a lot to be done for the creation of the brand of my company</td>
<td>44</td>
<td>3.57</td>
<td>1.043</td>
</tr>
<tr>
<td>I feel brand creation offers a number of benefits to the company</td>
<td>44</td>
<td>4.41</td>
<td>.948</td>
</tr>
<tr>
<td>SMEs can do brand creation</td>
<td>44</td>
<td>4.27</td>
<td>.899</td>
</tr>
</tbody>
</table>

Figure 4.7: Understanding of SME owners of brand creation

Table 4.4 and Figure 4.7 show the understanding of SME owners of brand creation. Respondents were asked five questions relating to their opinion when it comes to brand creation.
creation. Of the respondents asked, 45.5% (20) agree and strongly agree that brand creation was the responsibility of the owner of the company. A total of 38.6% (17) of the respondents agree that the one responsible for creating the brand was doing a good job. Further, 38.6 per cent (17) of the respondents agree that a lot had to be done when it came to brand creation. Also, 59.1% (26) of the respondents strongly agree that brand creation offers a number of benefits to the company. Finally, 47.7% (21) of the respondents strongly agree that it was possible for SMEs to do brand creation on their own.

4.3.3 Research objective 1: Understanding of SME owners of brand management

Brand management involves the design, implementation and activities to build, measure and manage brand equity. It is also the process of creating, coordinating and monitoring interactions between the company and its stakeholders to ensure that there is consistency between the company’s vision and the stakeholders belief about the brand (Berthon, Ewing and Napoli 2008: 29-30). The respondents were asked the following questions:

1. I feel that brand management is vital for our business.
2. I believe brand management protects the customer base against competitors.
3. I believe brand management helps in introducing new brands to the market.
4. Brand management helps in rewarding present customers for continuing to purchase our products.
5. Brand management enhances brand image.
6. Brand management helps facilitate the process of continual expansion of the list of names and addresses in our database.
7. We have a brand management system that supports brand-building activities.
8. As a company, we have a brand-orientated mind-set that focuses on customer satisfaction.
9. As a company, we have a brand-orientated mind-set that focuses on developing brands that are imbued with emotional and symbolic values.
10. Most people I work with buy-in to the company’s brand.

Table 4.5: Descriptive statistics for research objective 1: Brand management

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel that brand management is vital for our business</td>
<td>44</td>
<td>4.34</td>
<td>.888</td>
</tr>
<tr>
<td>I believe brand management protects the customer base against competitors</td>
<td>44</td>
<td>3.82</td>
<td>.971</td>
</tr>
<tr>
<td>I believe brand management helps in introducing new brands to the market</td>
<td>44</td>
<td>4.00</td>
<td>.971</td>
</tr>
<tr>
<td>Brand management helps in rewarding present customers for continuing to purchase our products</td>
<td>44</td>
<td>3.70</td>
<td>.951</td>
</tr>
<tr>
<td>Brand management enhances brand image</td>
<td>44</td>
<td>4.14</td>
<td>1.025</td>
</tr>
<tr>
<td>Brand management helps facilitate the process of continual expansion of the list of names and addresses in our database</td>
<td>44</td>
<td>3.75</td>
<td>.930</td>
</tr>
<tr>
<td>We have a brand management system that supports brand-building activities</td>
<td>44</td>
<td>3.23</td>
<td>1.217</td>
</tr>
<tr>
<td>As a company, we have a brand-orientated mindset that focuses on customer satisfaction</td>
<td>44</td>
<td>3.84</td>
<td>1.140</td>
</tr>
<tr>
<td>As a company, we have a brand-orientated mindset that focuses on developing brands that are imbued with emotional and symbolic values</td>
<td>44</td>
<td>3.43</td>
<td>1.043</td>
</tr>
<tr>
<td>Most people I work with buy-in to the company's brand</td>
<td>44</td>
<td>3.59</td>
<td>.972</td>
</tr>
</tbody>
</table>
Table 4.5 and Figure 4.8 show the understanding of SME owners of brand management. Respondents were asked 10 questions respecting brand management. A total of 52.8% (23) of the respondents strongly agree that they feel that brand management is vital for their business. In addition, 36.4% (16) of the respondents agree that brand management protects the customer base against competitors, while 29.5% (13) neither agree nor disagree. Fifty per cent (22) of the respondents agree that brand management helps in introducing new brands to the market. Furthermore, 40.9% (18) of the respondents agree that brand management helps in rewarding present customers for continuing to purchase their products.

It also came to light that 50% (22) of the respondents agree that brand management enhances brand image. Moreover, 38.6% (17) of the respondents agree that brand management helps facilitate the process of continual expansion of the list of names and addresses on their database. When it came to the question of SMEs having a brand management system that supports brand-building activities, 25% (11) disagrees, another 25% (11) neither agrees nor disagrees, and still another 25% (11) agrees. Additionally, 40.9% (18) of the respondents agree that they have a brand-orientated mindset that focuses on customer satisfaction. In contrast, 36.4% (16) of the
respondents neither agrees nor disagrees that their company has a brand-orientated mindset that focuses on developing brands that are imbued with emotional and symbolic values. Furthermore, 40.9% (18) of the respondents agree that most of the people they work with buy into the company brand.

Therefore the findings show that SME owners have a general understanding of brand creation and brand management. The findings show that more needs to be done in creation and management of brands.

4.3.4 Research objective 2: Ways in which SMEs in KZN express the brand dimension of sincerity

Sincere brands are those brands that are down to earth, honest, cheerful, happy, and friendly and pertain to aspects of warmth and acceptance. These are brands encountered in everyday life and consumers trust them and may end up being brand loyal. Most of these brands are found in the beverages, food and supermarket product categories (Maehle, Otnes and Supphellen 2011: 295). The respondents were asked the following questions:

I feel my/our brand is…..

1. Down to earth
2. Honest
3. Cheerful
4. Happy
5. Friendly
Table 4.6: Descriptive statistics for research objective 2: Sincerity

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Down to earth</td>
<td>40</td>
<td>3.97</td>
<td>.862</td>
</tr>
<tr>
<td>Honest</td>
<td>40</td>
<td>4.20</td>
<td>.723</td>
</tr>
<tr>
<td>Cheerful</td>
<td>40</td>
<td>3.85</td>
<td>.864</td>
</tr>
<tr>
<td>Happy</td>
<td>40</td>
<td>3.80</td>
<td>.791</td>
</tr>
<tr>
<td>Friendly</td>
<td>40</td>
<td>4.08</td>
<td>.730</td>
</tr>
</tbody>
</table>

Figure 4.9: Ways in which SMEs express the brand dimension of sincerity

Table 4.6 and Figure 4.9 illustrate ways in which SMEs express the brand dimension of sincerity. It was found that 31.8% (14) of the respondents agree that their brands are down to earth. Also, 40.9% (18) of the respondents agree that their brands are honest. On the other hand, 40.9% (18) of the respondents neither agree nor disagree that their brands are cheerful. Furthermore, 43.2% (19) of the respondents agree that their brands are friendly, whereas 38.6% (17) of the respondents neither agree nor disagree that their brands are happy.
4.3.5 Research objective 2: Ways in which SMEs in KZN express the brand dimension of excitement

Exciting brands are those that are daring, trendy, provocative, independent, spirited, young, and outgoing; hence, they are associated with sociability, energy and activity (Maehle, Otnes and Supphellen 2011). To see how SMEs view their own brands, the following statement on the construct of exciting brands was made to respondents in order to elicit a response:

I feel my brand is. …

1. Daring
2. Trendy
3. Provocative
4. Independent
5. Spirited
6. Young
7. Outgoing

Table 4.7: Descriptive statistics for research objective 2: Excitement

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daring</td>
<td>40</td>
<td>3.33</td>
<td>.944</td>
</tr>
<tr>
<td>Trendy</td>
<td>40</td>
<td>3.48</td>
<td>.905</td>
</tr>
<tr>
<td>Provocative</td>
<td>40</td>
<td>2.93</td>
<td>1.207</td>
</tr>
<tr>
<td>Independent</td>
<td>40</td>
<td>4.02</td>
<td>.832</td>
</tr>
<tr>
<td>Spirited</td>
<td>40</td>
<td>3.75</td>
<td>.870</td>
</tr>
<tr>
<td>Young</td>
<td>40</td>
<td>3.68</td>
<td>.944</td>
</tr>
<tr>
<td>Outgoing</td>
<td>40</td>
<td>3.72</td>
<td>.847</td>
</tr>
</tbody>
</table>
Table 4.7 and Figure 4.10 reveal ways in which SMEs express the brand dimension of excitement. Fifty per cent (22) of the respondents neither agree nor disagree that their brands are daring. Moreover, 45.5% (20) of the respondents neither agree nor disagree that their brands are trendy, and 36.4% (16) of them neither agree nor disagree that their brands are provocative. Furthermore, 31.8% (14) of the respondents strongly agree that their brands are independent, while 47.7% (21) of them neither agree nor disagree that their brands are spirited. Additionally, 38.6% (17) of the respondents neither agree nor disagree that their brands are young. Also, 34.1% (15) of the respondents neither agree nor disagree that their brands are outgoing, whereas the same percentage agrees.

4.3.6 Research objective 2: Ways in which SMEs in KZN express the brand dimension of competence

Competent brands are those brands that encompass concepts as such responsibility, dependability and security. These brands are reliable, confident and hardworking, among other things (Maehle, Otnes and Supphellen 2011: 294-295). To get an idea how SMEs think of their own brands, the following statement on the constructs of competent brands was made to get a response from the respondents:
I feel that my brand is….

1. Reliable
2. Trustworthy
3. Efficient
4. Hardworking
5. Careful
6. Intelligent
7. Technical
8. Corporate
9. Successful
10. Serious
11. A leader
12. Confident

Table 4.8: Descriptive statistics for research objective 2: Competence

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliable</td>
<td>40</td>
<td>4.17</td>
<td>.712</td>
</tr>
<tr>
<td>Efficient</td>
<td>40</td>
<td>4.10</td>
<td>.778</td>
</tr>
<tr>
<td>Trustworthy</td>
<td>40</td>
<td>4.17</td>
<td>.747</td>
</tr>
<tr>
<td>Hardworking</td>
<td>40</td>
<td>4.17</td>
<td>.781</td>
</tr>
<tr>
<td>Careful</td>
<td>40</td>
<td>3.93</td>
<td>.764</td>
</tr>
<tr>
<td>Intelligent</td>
<td>40</td>
<td>3.93</td>
<td>.859</td>
</tr>
<tr>
<td>Technical</td>
<td>40</td>
<td>3.73</td>
<td>.960</td>
</tr>
<tr>
<td>Corporate</td>
<td>40</td>
<td>3.60</td>
<td>.928</td>
</tr>
<tr>
<td>Successful</td>
<td>40</td>
<td>3.85</td>
<td>.834</td>
</tr>
<tr>
<td>Serious</td>
<td>40</td>
<td>3.93</td>
<td>.859</td>
</tr>
<tr>
<td>A leader</td>
<td>40</td>
<td>3.90</td>
<td>.841</td>
</tr>
<tr>
<td>Confident</td>
<td>40</td>
<td>4.02</td>
<td>.800</td>
</tr>
</tbody>
</table>
Table 4.8 and Figure 4.11 highlight ways in which SMEs express the brand dimension of competence. It is clear that 43.2% (19) of the respondents agree that their brands are reliable, while 36.4% (16) agree that their brands are efficient. Additionally, 38.6% (17) of the respondents agree that their brands are trustworthy, whereas 36.4% (16) strongly agree that their brands are hardworking. Also, it was discovered that 38.6% (17) of the respondents agree that their brands are careful, while 32.8% (14) of them agree that their brands are intelligent. On the other hand, 29.5% (13) of the respondents neither agree nor disagree that their brands are technical, whereas the same percentage agrees.

Figure 4.11 further reveal that 36.4% (16) of the respondents agree that their brands are corporate, and 31.8% (15) agree that their brands are successful. It was noteworthy that 34.1% (14) of the respondents agree that their brands are serious. On the other hand, 36.4% (16) of the respondents neither agree nor disagree that their brands are leaders. It also came to light that 40.9% (18) of the respondents agree that their brands are confident.
4.3.7 Research objective 2: Ways in which SMEs in KZN express the brand dimension of sophistication

Sophisticated brands are those brands that are from the high end of a consumer market and are exclusive and expensive. These brands are used by celebrities and are aimed at women because of their feminine nature (Maehle, Otnes and Supphellen 2011). To understand how SMEs perceive their own brand, this statement on the construct of sophisticated brands was made to the respondents in order to elicit a response:

I feel that my brand is…

1. Charming
2. Feminine

Table 4.9: Descriptive statistics for research objective 2: Sophistication

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charming</td>
<td>40</td>
<td>3.60</td>
<td>.900</td>
</tr>
<tr>
<td>Feminine</td>
<td>40</td>
<td>3.20</td>
<td>.911</td>
</tr>
</tbody>
</table>
Table 4.9 and Figure 4.12 demonstrate ways in which SMEs express the brand dimension of sophistication. It was found that 40.9% (18) of the respondents neither agree nor disagree that their brands are charming, and 54.5% (24) of them neither agree nor disagree that their brands are feminine.

4.3.8 Research objective 2: Ways in which SMEs in KZN express the brand dimension of ruggedness

Rugged brands are associated with a masculine nature, which is mainly tough, strong and active (Aaker 1997). To comprehend how SMEs regard their own brands, the statement on the constructs of rugged brands that follows was made to the respondents:

I feel that my brand is...

1. Outdoorsy
2. Masculine
3. Active
4. Western
5. Athletic
6. Tough
7. Strong

Table 4.10: Descriptive statistics for research objective 2: Ruggedness

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outdoorsy</td>
<td>40</td>
<td>3.15</td>
<td>1.051</td>
</tr>
<tr>
<td>Masculine</td>
<td>40</td>
<td>3.18</td>
<td>.844</td>
</tr>
<tr>
<td>Active</td>
<td>40</td>
<td>3.68</td>
<td>.829</td>
</tr>
<tr>
<td>Western</td>
<td>40</td>
<td>3.20</td>
<td>.758</td>
</tr>
<tr>
<td>Athletic</td>
<td>40</td>
<td>3.02</td>
<td>1.050</td>
</tr>
<tr>
<td>Tough</td>
<td>40</td>
<td>3.33</td>
<td>1.047</td>
</tr>
<tr>
<td>Strong</td>
<td>40</td>
<td>6.63</td>
<td>.838</td>
</tr>
</tbody>
</table>

Figure 4.13: Ways in which SMEs express the brand dimension of ruggedness

Table 4.10 and Figure 4.13 bring out ways in which SMEs express the brand dimension of ruggedness. The figure shows that 59.1% (23) of the respondents neither agree nor
disagree that their brands are outdoorsy, and 43.2% (26) of them neither agree nor disagree that their brands are masculine. A further 43.2% (19) of the respondents neither agree nor disagree that their brands are active, while 63.6% (28) of them neither agree nor disagree that their brands are Western. It was also discovered that 47.7% (21) of the respondents neither agree nor disagree that their brands are athletic, whereas 45.5% (20) of them neither agree nor disagree that their brands are tough. Additionally, 47.7% (21) of the respondents neither agree nor disagree that their brands are strong.

Therefore, the findings show that SME owners express the brand dimension of sincerity and competence more than the brand dimension of excitement, sophistication and ruggedness. SME owners express the brand dimension of sincerity by being down to earth, honest and friendly and the brand dimension of competence by being reliable, efficient, trustworthy, hardworking, careful, intelligent, successful, serious and confident.

4.3.9 Research objective 3: How SMEs create brand awareness, image and knowledge

Brand knowledge is the information customers have about the product or service in their memory, and it comprises brand awareness and brand image. Brand image is what exists in the mind of the consumer, and the information they have about the brand comes from experience, word of mouth and advertising through brand images (Randall 2000). Brand awareness is the probability that consumers are familiar with the availability and accessibility of a company’s products and services and consists of brand recall and brand recognition (Du Plesis, Strydom and Jooste 2012). The respondents were asked the following questions:

1. It is important for SMEs to invest in creating brand awareness
2. It is good to create a good brand image
3. Customers’ knowledge is important to the business
4. SMEs are getting expert help in creating brand awareness
5. Funds should be allocated towards building a brand image
6. I feel customers’ suggestions are valuable in the development of strong brands
7. It is important to carry out field research on customers’ knowledge about our products and services
8. I believe brand image builds brand knowledge
9. I believe brand awareness builds brand knowledge
10. I believe that a favourable brand image will have a positive impact on consumer behaviour
11. I believe the company should take action to encourage favourable image perceptions
12. I believe brand image is created when customers are exposed to positive publicity
13. I believe brand image is created by advertising

Table 4.11: Descriptive statistics for research objective 3: Brand awareness, image and knowledge

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is important for SMEs to invest in creating brand awareness</td>
<td>44</td>
<td>4.20</td>
<td>.930</td>
</tr>
<tr>
<td>It is good to create a good brand image</td>
<td>44</td>
<td>4.52</td>
<td>.821</td>
</tr>
<tr>
<td>Customers’ knowledge is important to the business</td>
<td>44</td>
<td>4.25</td>
<td>.892</td>
</tr>
<tr>
<td>SMEs are getting expert help in creating brand awareness</td>
<td>44</td>
<td>3.05</td>
<td>1.120</td>
</tr>
<tr>
<td>Funds should be allocated towards building a brand image</td>
<td>44</td>
<td>4.11</td>
<td>.841</td>
</tr>
<tr>
<td>I feel customers’ suggestions are valuable in the development of strong brands</td>
<td>44</td>
<td>4.11</td>
<td>.895</td>
</tr>
<tr>
<td>It is important to carry out field research on customers’ knowledge about our products and services</td>
<td>44</td>
<td>4.05</td>
<td>.939</td>
</tr>
<tr>
<td>I believe brand image builds brand knowledge</td>
<td>44</td>
<td>4.09</td>
<td>.910</td>
</tr>
<tr>
<td>I believe brand awareness builds brand knowledge</td>
<td>44</td>
<td>4.14</td>
<td>.824</td>
</tr>
</tbody>
</table>
I believe that a favourable brand image will have a positive impact on consumer behaviour

<table>
<thead>
<tr>
<th>I believe the company should take action to encourage favourable image perceptions</th>
<th>40</th>
<th>4.32</th>
<th>.730</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe brand image is created when customers are exposed to positive publicity</td>
<td>40</td>
<td>4.23</td>
<td>.768</td>
</tr>
<tr>
<td>I believe brand image is created by advertising</td>
<td>40</td>
<td>4.15</td>
<td>.802</td>
</tr>
</tbody>
</table>

Table 4.11 and Figure 4.13 indicate how SMEs create brand awareness, image and knowledge. The figure shows that 47.7% (21) of the respondents agree that it is important for SMEs to invest in creating brand awareness, and 45.5% (20) of them agree that brand awareness builds brand knowledge. Further, 65.9% (29) of the respondents strongly agree that it is important to create a good brand image. On the other hand, 31.8% (14) of the respondents neither agree nor disagree that they are getting expert help in creating brand awareness. It was worth noting that 50% (22) of the respondents agree that funds should be allocated towards building a brand image.
Furthermore, 40.9% (18) of the respondents agree that customers’ suggestions are valuable in the development of brands, while 45.5% (20) of them agree that it is important to carry out field research on customers’ knowledge about their products and services. Moreover, 43.2% (19) of the respondents believe that brand image builds brand knowledge. It was also indicated that 45.5% (20) of the respondents believe that brand awareness builds brand knowledge. In addition, 38.6% (17) of the respondents strongly agree that the company should take action to encourage favourable image perception, and 43.2% (19) of the respondents strongly agree that a favourable brand image will have a positive impact on consumer behavior. Additionally, 38.6% (17) of the respondents agree that brand image is created when customers are exposed to positive publicity. It was also highlighted by 36.4% (16) of the respondents that they strongly agree that brand image is created by advertising.

Therefore the findings show that SME owners create brand awareness, image and knowledge by investing in their brands, allocating funds to develop brands, incorporating customers suggestions in developing strong brands, carrying out field research on customer knowledge about products and services, taking action to encourage favourable brand image perceptions, exposing customers to positive publicity and advertising.

4.4 QUALITATIVE DATA: OBJECTIVE 4

A total of 10 interviews were conducted at the company’s premises. Out of the 10 respondents, three also completed the questionnaire. The interviews were performed using the convenience sampling technique, where respondents who were available and willing were interviewed. Each interview lasted for about 30 minutes, and respondents refused to be recorded, thus field notes were taken. In some instances, the researcher had to explain in the respondent’s own language so as to explain the research questions and get relevant responses.
4.4.1 Trustworthiness

Rigour of the study will be used as a model of trustworthiness. Four aspects of rigour will be considered, which are trustworthiness, applicability, consistency, and neutrality.

Table 4.13: Strategies and criteria with which to establish trustworthiness

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credibility</td>
<td>Authority of the researcher</td>
</tr>
<tr>
<td></td>
<td>Member checking</td>
</tr>
<tr>
<td>Transferability</td>
<td>Dense description</td>
</tr>
<tr>
<td>Dependability</td>
<td>Code-recode procedure</td>
</tr>
<tr>
<td>Confirmability</td>
<td>Reflexivity</td>
</tr>
</tbody>
</table>

Source: Guba (1981)

Strategies that were used to achieve truth value and the credibility of the study included adequate submersion of the researcher into the research setting to enable recurrent patterns to be identified and verified. Therefore, extended time was spent with respondents who allowed the researcher to check perspectives, and this allowed the respondents to become accustomed to the researcher. Another strategy that was used in this instance was member checking, where the researcher, throughout the interview, summarised what the participant had said to ensure it was correctly understood (Krefting 1991).

A close description of the participants in the research, as well as the research context, was important in ensuring transferability. To ensure dependability, a procedure of code-recode was followed, where the researcher – after coding a segment of the data and waiting for at least two weeks – returned to recode the same data and compare the results. For conformability, the researcher used a reflective analysis by means of keeping a reflective diary during and after each interview to ensure that the researcher was aware of her influence on the data (Krefting 1991).
<table>
<thead>
<tr>
<th>Respondent</th>
<th>Marketing activities</th>
<th>Definition of branding</th>
<th>Challenges in creating brands</th>
<th>Does branding ensure business survival?</th>
</tr>
</thead>
<tbody>
<tr>
<td>This respondent was from the motor services industry, and I got their contact via SEDA. They employee a total of five employees including the owner and have been operating for nine months.</td>
<td>Designed a logo, made an outdoor signage, flyers, website for people to see and be informed about our existence. However, the above is not enough because SMEs tend to have financial and managerial constraints, causing limitations to what good a business can achieve.</td>
<td>I think branding is assigning values like effectiveness, honesty, transparency, friendliness, and integrity to the logo (the sign that stands out for your business), promising your customers to be consistent with the above values.</td>
<td>Financial constraints, customer complaints, inability to acquire expert opinion, inability to maintain consistency.</td>
<td>Yes, because as soon as customers attach value to your brand, especially quality work, efficiency, transparency and good customer service through word of mouth or another way, customers would be piling up for your service.</td>
</tr>
<tr>
<td>This respondent completed the survey via SurveyMonkey and responded to Simple and sound business flyers which are research-based, intelligent with</td>
<td>Branding is the translation of your business purpose into an easily recognisable</td>
<td>The fit, if the brand is appropriate to the business,</td>
<td>No, branding does not ensure business survival. Branding will</td>
<td></td>
</tr>
<tr>
<td>Respondent</td>
<td>Marketing activities</td>
<td>Definition of branding</td>
<td>Challenges in creating brands</td>
<td>Does branding ensure business survival?</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------</td>
<td>------------------------</td>
<td>-------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>my invitation of having an interview with him. He is the owner of the company and works alone. He is in the employee training sector.</td>
<td>enough colour to catch the eye. Word of mouth, which is an important form of advertising, and use brochures. Advertise on DCC website and catalogue. I use reliable infrastructure, reliable communication and respond to emails in time.</td>
<td>sign, visual and text-based package. “Successful managers communicate successfully”. A brand name should not only be catchy but also linked to reliability. There are fly-by-night SMEs that exploit workers and think that lifestyle is important than business. SMEs rely on buddies to get business.</td>
<td>sustainability vs. appeal.</td>
<td>ensure business survival only if SMEs give good business. Customers’ positive experience counts more than the brand.</td>
</tr>
<tr>
<td>This respondent was from the agricultural sector. He completed the survey via SurveyMonkey and did the interview as well. He is the owner of</td>
<td>We get instructions from the buyers via email, and we follow the requirements.</td>
<td>Something that will identify my company, a symbol, for the company to be easily recognised. If I am doing well, that sign is doing well. Hence, a</td>
<td>Will the customers like it or not? Lack of money to pay the service provider. Ignorance of the benefits</td>
<td>Yes, it ensures business survival. Well-known brands can be bought when they are going under, thus survive. Compared to</td>
</tr>
<tr>
<td>Respondent</td>
<td>Marketing activities</td>
<td>Definition of branding</td>
<td>Challenges in creating brands</td>
<td>Does branding ensure business survival?</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------</td>
<td>------------------------</td>
<td>-------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>the company, and his employees are seasonal.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This respondent was from the insurance sector. He is the owner of the company and has no employees.</td>
<td>Networking, using social networks. Word of mouth and referral.</td>
<td>Branding is a logo, name or a slogan.</td>
<td>To appeal to the customer, how to relate or associate with the customers.</td>
<td>Yes, without branding we would not have clients coming in to do business with us. Brands must speak.</td>
</tr>
<tr>
<td>This respondent is from the funeral services sector. They employ five employees including the owner.</td>
<td>We outsource our branding and marketing. We advertise on the local radio stations.</td>
<td>Branding is the use of brochures and banners.</td>
<td>Not sure.</td>
<td>I believe so because if you brand correctly and market the company correctly.</td>
</tr>
<tr>
<td>This respondent is We do not have</td>
<td>Branding is the</td>
<td>How to be</td>
<td>Yes, because</td>
<td></td>
</tr>
</tbody>
</table>

---

**Definition of branding:**
- Brand can be a good brand or bad brand.

**Challenges in creating brands:**
- The existence of a complex market.
- Those companies not branded or known.

**Does branding ensure business survival?**
- Consumers are brand loyal and aware and will not buy unknown brands. Branding helps an SME move from being a nobody to being a someone. SMEs ignore branding.
- Yes, without branding we would not have clients coming in to do business with us. Brands must speak.
- I believe so because if you brand correctly and market the company correctly.
<table>
<thead>
<tr>
<th>Respondent</th>
<th>Marketing activities</th>
<th>Definition of branding</th>
<th>Challenges in creating brands</th>
<th>Does branding ensure business survival?</th>
</tr>
</thead>
<tbody>
<tr>
<td>from the financial services sector. She is the manager. They employ five employees.</td>
<td>any marketing activities.</td>
<td>company’s logo.</td>
<td>unique among many brands.</td>
<td>people (customers) recognise a good product and a good product results in a repeat purchase.</td>
</tr>
<tr>
<td>This respondent is from the financial services sector and works alone.</td>
<td>Advertise in the local newspaper.</td>
<td>Branding helps the company to be known.</td>
<td>It is expensive.</td>
<td>Yes, because it is easier to survive if you are known.</td>
</tr>
<tr>
<td>This respondent is from the manufacturing sector. Six people work for him.</td>
<td>Marketing pamphlets, distribute flyers, signage, and banners on the company’s door. Use of social media (Facebook and WhatsApp), a picture of the business, registration number, advertise in the local newspaper, use billboards and</td>
<td>Branding can be your name or your company name.</td>
<td>One has to be financially strong. Getting the right information to create a brand and work on the strengths the company has. Coming up with ideas different from the competitors.</td>
<td>Yes, if done the right way.</td>
</tr>
<tr>
<td>Respondent</td>
<td>Marketing activities</td>
<td>Definition of branding</td>
<td>Challenges in creating brands</td>
<td>Does branding ensure business survival?</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------</td>
<td>------------------------</td>
<td>-------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>This respondent is from the insurance sector and employs three people.</td>
<td>Distribute flyers, advertise on the company’s website and word of mouth.</td>
<td>It depends; it can be a logo, image or the colour.</td>
<td>Competition.</td>
<td>Yes, branding helps customers build trust.</td>
</tr>
<tr>
<td>This respondent is a non-profit organisation and employs 40 employees.</td>
<td>Word of mouth and attending functions happening in the communities that may assist us in certain areas, as in career days.</td>
<td>Having your logo featured strongly.</td>
<td>Being unique.</td>
<td>Yes, if you are building a reputable brand people either want to associate with it or keep coming back to it. Also, branding can drive new business.</td>
</tr>
</tbody>
</table>

4.4.2 Discussion of themes which were picked up in the interviews

4.4.2.1 Theme 1: Marketing activities

Nine out of the 10 respondents said they have some marketing activities that they undertake. One respondent said she does not engage in any marketing activities because she relies on the logo of the business to communicate all to the customer. Most of the respondents use flyers to market their business. They said they design the flyers and hire someone to distribute them at different street corners in town. They added that they do not know how successful the use of these flyers is, since they do not
have a system in place to measure the effectiveness of flyers. Respondent 2, who is in the agricultural sector, said that he signed an agreement with one meat processing company to supply them with pork; therefore, his marketing is only based on this agreement.

The respondents cited word of mouth as what they use the most. Most advertise at the Durban Chamber of Commerce, others use flyers, advertise in the local newspapers, and build a database of customers they update if any promotions arise. One of the respondents, due to the nature of his business, said that his marketing activity is based on a one-on-one interaction with the buyer, so they produce the products the customer wants. Attending the Durban Business Fair Exhibition was one other marketing activity SMEs said they utilise. Other SMEs use social networks together with apps to market their business, for example, Facebook and WhatsApp, while others outsource their marketing to branding companies and advertise on local radio stations. One respondent said she does not have any marketing activities she employs.

### 4.4.2.2 Theme 2: Branding

The respondents were asked to give their own definition of branding. Most of the respondents needed help in defining branding because they said they did not know what it is. Most of the respondents associated branding with the name of the company, the colours used and the logo.

One of the respondents highlighted that a brand name should not be just catchy but should be linked to being reliable in its offering. He went on to talk about fly-by-night SMEs and that some SME owners are more concerned about upgrading their lifestyle rather than the business itself, while others even exploit workers. SMEs rely on buddies to get business. Most SMEs define branding as something that will help customers identify their company, be it a symbol, colour or words that are easily recognisable. One respondent indicated that she was not sure what branding was, but she highlighted that she outsources her branding. While another said branding is not a priority for SMEs and
is only viewed as a concept involving only a logo, the product and technology they are selling (Spence and Hamzaoui Essoussi 2010).

4.4.2.3 Theme 3: Challenges faced when creating a brand

All the respondents said they were facing challenges when creating a brand. Most cited the financial constraint as the main challenge they face when they need to create a brand. They said they need money to create a logo, put up billboards and advertise on different media. Most SMEs approach advertising agents and web designers to help them create a brand from scratch and also advertise their companies on billboards. This means SME owners have to pay these experts, and at times, their expertise is expensive. SMEs said they operate on tight budgets and hence have little funds to channel towards branding activities.

Another point raised was the inability of small companies to maintain consistency in the delivery of their products or services. This may mean that small companies tend to say one thing while doing another, which negatively affects the creation of brands. Another challenge raised when creating brands is the issue of sustainability vs. appeal, the question being: Is the brand appropriate for the company? The existence of a complex market in which small companies operate was also identified as a challenge when creating brands. This leads to the next challenge, which is creating an appeal, how to associate with customers and how to be unique and differentiate from competitors.

4.4.2.4 Theme 4: Branding ensuring business survival

Most of the respondents said that they felt that branding ensures business survival. They said that if they branded their companies, customers would be able to identify them and do repeat business with them. One of the respondents went on to say that even in times when a small company goes under, it can get assistance because it was well branded. The same respondent goes on to say that customers have become brand loyal and aware such that they will not buy unbranded products or services; hence, it
will be in the companies’ favour to brand themselves in order to survive. Lastly, this respondent says that branding helps SMEs to move from being a ‘nobody to being someone in the business environment’.

Another point that came up was that branding does help SMEs to survive, but only if it is done the right way. This suggests that if small companies brand the wrong way, such branding will not ensure business survival. This gave rise to the purpose of this study, which is the state of branding in SMEs in KZN to ensure business survival. Another point that came up was that branding cannot be limited to just the logo and colours, but it needs to extend to relationships built with customers and giving customers a positive experience each time they encounter the brand.

Therefore, the findings show that SME owners face a number of challenges in creating brands which include; financial constraints, existence of a complex market, being consistent in the delivery of products and services, how to be unique and different from competitors.

4.5 CONCLUSION

This chapter outlined the findings and analysis of both quantitative data and qualitative data. Findings and analysis of quantitative data were presented first, where findings on the firmagraphics were displayed, followed by descriptive statistics of the quantitative data. Quantitative data addressed research objectives 1, 2 and 3. The findings were that SME owners have an understanding of brand creation and brand management; they express the brand dimension of sincerity by being friendly and honest. They express the brand dimension of competence by being reliable, efficient, trustworthy, hardworking, careful, intelligent, corporate, and confident.

SMEs also keep a database of their customers, involve customers in the development of brands and generally have a company buy-in into what the brand believes in. Most SMEs believed that they should take action to encourage favourable image perception
and that brand image is created by advertising. However, SMEs lack in having brand management systems that support brand-building activities and having a brand-orientated mindset that focuses on customer satisfaction.

Findings and analysis of qualitative data were presented starting off with the data from the interviews and themes identified. Qualitative data addressed research objective 4 and 5. The findings were that SMEs face financial challenges when it comes to creating brands. The challenges were competition from other SMEs, getting the right information to create a brand, coming up with ideas different from competitors, working on the strength the company has to appeal to customers, financial constraints, and ignorance of the benefits of branding by SME owners. Most SME owners concurred that branding can be used as a way of ensuring business survival.

The next chapter will present the conclusions and recommendations of the study.
CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The penultimate chapter dealt with the findings and analysis of both the quantitative data and qualitative data. This final chapter will focus on the conclusions of the research and whether the research objectives of the study have been answered. The purpose of this study was to explore the state of branding in SMEs in KZN to ensure business survival. Most SMEs fail within three years of operation, and this research proposed branding as a way to help SMEs survive and grow to be well-established companies. This is important because previous research has highlighted the importance of SMEs in the economic development of African countries through the creation of jobs and eventually the eradication of poverty.

This chapter summarises the findings of each research objective and provides overall conclusions, recommendations, delimitations, and suggestions for further study.

5.2 RESEARCH OBJECTIVE 1: THE UNDERSTANDING OF SME OWNERS OF BRAND CREATION AND MANAGEMENT

The data indicates that 48% of the respondents strongly agreed that the owner is the one responsible for the creation of a brand. Thirty-eight per cent agreed that the owner was doing a great job when it came to brand creation, but they also indicated that there was a need for more work to be done when it came to the creation of the brand. Additionally, 58% of the respondents agreed that brand creation offers a number of benefits to their business, while 46% agreed that branding can help SMEs to survive. This means that SME owners in KZN are taking the leading role in branding their businesses and acknowledge that more needs to be done when it comes to brand creation. Organisations such as SEDA and Durban Chamber of Commerce can assist...
SME owners by offering them brand creation guidelines ad tips and offer expertise in brand creation and branding in general. These organisations can partner with local University and other academia in order to get quality service.

Most SME owners (90%) in KZN strongly agreed that brand management was vital for their business. This means they are aware of the importance of brand management and may consider further training on how to manage their brands. The SME owners also acknowledged the benefits of brand management in the development of their businesses but seem to lack brand management systems and a brand-orientated mindset that focus on developing brands that are imbued with emotional and symbolic values (M'zungu, Merrilees and Miller 2010). This may mean that SMEs in KZN need training in setting up effective brand management systems so that they can reap all the benefits brand creation and management could offer.

5.3 RESEARCH OBJECTIVE 2: WAYS IN WHICH SMEs IN KWAZULU-NATAL EXPRESS THE BRAND DIMENSION OF SINCERITY, EXCITEMENT, COMPETENCE, SOPHISTICATION, AND RUGGEDNESS

It was revealed by the data in this study that most SMEs in KZN use the brand dimension of sincerity and competence and less of excitement, sophistication, and ruggedness. This is in agreement with literature that highlight that brands that are sincere are mostly formed by company-level sources and are characterised by utilitarian reasons, for example, the company’s moral values and company employees. Sophisticated and rugged brands are formed by symbolic sources and social identity-related reasons, for example, brand name, advertising style and price, which are lacking in KZN SMEs (Maehle, Otnes and Supphellen 2011).
5.4 RESEARCH OBJECTIVE 3: HOW SMEs CREATE BRAND AWARENESS, IMAGE AND KNOWLEDGE

The data in this study shows that most SMEs in KZN create brand awareness and image by investing resources into building awareness and image. They also advertise and take action in encouraging favourable perception by exposing customers to positive publicity. This means that SME owners in KZN are deliberate in their plans and willing to build positive brand images (Jing, Pitsaphol and Shabbir 2014). Most SMEs (31.8%) indicated that they were not getting expert help in creating brand awareness. This may mean that they need help from government agencies such as SEDA, in order to find ways of creating awareness. SMEs also value customers’ suggestions in developing strong brands and carry out field research on customer knowledge about their products and services (Kotler and Keller 2012). This means SMEs in KZN involve customers in creating brand awareness, image and knowledge.

5.5 RESEARCH OBJECTIVE 4: CHALLENGES SMEs FACE WHEN IT COMES TO BRAND CREATION

From the data in the study, it was brought out that 80% of the respondents indicated that the main challenge they face when branding their businesses was lack of financial capital. They said that it is expensive to come up with banners, websites, and billboards. Thirty per cent said that they face the challenge of not knowing what the customer would like and if the brand is appropriate to the business. They went on to add that they are worried if the brand created will be sustainable as well as appealing. They are also afraid that by putting a certain colour, it might not be attractive to the customer.

The other challenge highlighted was that SMEs were ignorant of the benefits branding has to offer them (Agostini, Filippini and Nosella 2015). It was discovered that 50% of the respondents cited the existence of complex markets as a challenge when it came to creating brands, getting the right information to create a brand and working on the company’s advantages (strengths), and coming up with ideas different from competitors.
Creativity was identified as one of the most challenging intellectual skills lacking in SMEs. They fail to put their mission and vision on paper. This means that solutions to these challenges have to be sought after so that SMEs can overcome these challenges.

Table 4.14 Summary of research objectives and results

<table>
<thead>
<tr>
<th>Objective</th>
<th>Number</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>To explore the understanding of SME owners of brand creation and management</td>
<td>1</td>
<td>SME owners have a fair understanding of brand creation and management but highlight that more needs to be done for them to develop strong brands</td>
</tr>
<tr>
<td>To determine ways in which SMEs in KZN express the brand dimension of sincerity, excitement, competence, sophistication and ruggedness</td>
<td>2</td>
<td>SMEs express the brand dimension of sincerity by being down to earth, honest, friendly and happy brands. They express the brand dimension of competence by being reliable, efficient, trustworthy, careful, intelligent, successful, serious and confident brands.</td>
</tr>
<tr>
<td>To determine how SMEs create brand awareness, image and knowledge</td>
<td>3</td>
<td>SMEs create brand awareness, image and knowledge by investing and allocating funds to brands, carrying out filed research on customer knowledge about their products and services, exposing customers to positive public publicity and advertising.</td>
</tr>
<tr>
<td>To investigate challenges SMEs face when it comes to brand creation</td>
<td>4</td>
<td>SMEs face the following challenges when creating brands: financial constraints, lack of creativity, being unique, access to expert opinion, inability to maintain consistency, competition and the existence of a complex market</td>
</tr>
</tbody>
</table>

5.7 OVERALL CONCLUSIONS

Brands with a strong personality can be used as guidelines for product development and planning of marketing campaigns. If a brand is perceived as a sincere brand, then a
family friendly version of the product or service can be developed (Maehle, Otnes and Supphellen 2011). Previous research has shown that the brand personality theory can help marketers develop programmes and plan marketing campaigns. Also, at times, SMEs may not advertise or run many promotions due to economic challenges; therefore, the greater the perceived brand personality appeal, the greater its ability to linger in a consumer’s mind until the next promotional cycle returns to reinforce the image (Freling, Crosno and Henard 2011). Brand personality appeal will help managers in times of economic constraints to be able to determine which brands will suffer relatively less from reduced advertising support and the potential resistance marketers can face if they decide to reposition an existing brand personality using a new promotional comparison.

The overall conclusions are thus as follows:

- SME owners’ understanding of brand creation and brand management is on a positive spectrum, but more needs to be done to assist them on the journey. Findings indicated that SME owners lacked creativity and innovativeness when developing brands and did not have efficient brand management systems in place.
- SMEs express the brand dimension of sincerity and competence in communicating their brands. They communicate their brands as down to earth, friendly, and reliable.
- SMEs create brand image, brand awareness and knowledge by advertising, word of mouth, use of flyers, use of social media, apps, and attending exhibitions.
- SMEs view branding as a way of ensuring business survival – as long as branding is done in the right way. However, other SME owners highlighted that they are unaware of the benefits of branding and hence ignore it.
The conclusion of this study therefore may be that the state of branding in SMEs in KZN to ensure business survival is on a positive spectrum; however, much assistance should be given to them to better equip them for this journey.
5.8 RECOMMENDATIONS

Based on the findings and analysis of this study, the following are recommended to assist small companies on their journey:

- When creating a brand, SME owners should be creative and innovative so that they can create their own demand for their products and services. This may assist them in fighting competition and increase their chance of survival.

- SMEs should come up with a clear and distinct company vision, mission and values so that they are consistent in their marketing communication. This consistency may help them in developing sincere and competent brands that customers can bond with.

- SMEs should carry out research on customer perceptions and be deliberate in taking action that will encourage favourable brand image perceptions.

- SMEs should also be involved in CSR activities, as this will help them get positive leverage in both their internal and external business environments.

- SMEs should have a brand management system in place that will support all their branding endeavours. SMEs should conceive and develop the internal management of their brands to facilitate the creation and maintenance of strong brands in the long term and constitute a distinct concept from both the specific brand-building activities and the company's culture. Brand management system consists of three underlying dimensions: brand orientation, internal branding, and strategic brand management. These dimensions work as a system because only their comprehensive implementation, rather than their consideration in isolation, can sustain the company's ability to develop successful brands.

- Institutions such as SEDA and DCC should play a critical role in creating awareness to small companies about branding, its evolution, benefits, concepts and offer tailor-made solutions to small companies. These solutions should focus
on both internal and external stakeholders, and progress reports should be kept and evaluated regularly.

### 5.10 FUTURE RESEARCH

This study has identified several challenges that SMEs face when creating brands. Future studies should, however, try to offer solutions to these problems in an attempt to help small companies to overcome them. By overcoming such challenges, SMEs would be in a better position to brand themselves successfully and hence grow into established companies. Also, this study indicated that most small companies distribute flyers as a way of marketing their business. Future studies should therefore investigate how effective this method is as a marketing tool. Finally, future research should also investigate if outsourcing of the marketing function is of value to small companies.
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