

The Role of Branding in SME Start-Ups Based in KwaZulu-Natal

By

Katherine (Katie) Philippa Leisegang



RESE8419 – Research Methodology

Research Report submitted in partial fulfilment of the requirements for the degree of
Honours in Strategic Brand Communication at Vega School of Brand Leadership

Supervisor: Alec Bozas

2020

Word Count: 11 967

Declaration

I hereby declare that the research report submitted for the Honours in Strategic Brand Communication degree to the Vega School of Brand Leadership, a brand of The Independent Institute of Education (IIE), is my own work and has not previously been submitted to another university or higher education institution for a postgraduate qualification.

A solid black rectangular box used to redact the signature of the student.

12/12/2020

Signed

Date

Acknowledgements

I would like to express my deepest thanks to my supervisor, Alec Bozas. I am grateful and more fortunate than I can put into words to have had the opportunity to have been supervised by Alec during the creation of this research report. During the months prior to my completion of this research, Alec encouraged me and guided me, for which I am truly appreciative.

I would like to thank my research participants for being so willing to assist in my research and for completing the data sets quickly and accurately. This would not have been possible without them.

I thank my friends and members of my family for keeping me motivated during times of frustration and confusion, and for never giving up on me.

Abstract

In the study of branding and the success of Small and Medium Enterprises (hereafter: SMEs), there exists limited research that considers the relationship between the two concepts. This is particularly in regard to South African research. Carvalho's (2007) seminal article has shown that branding plays an important role in the success of SMEs. For this research, the qualifying criteria for participation was narrowed down to those entrepreneurs from KwaZulu-Natal. This quantitative research investigated the degree to which SMEs use branding and how it has impacted their businesses.

This research went on to analyse the role that branding has when determining the level of success of an SME start-up based in KwaZulu-Natal. The importance of this research is on account of the fact that SMEs are a major contributor to South Africa's economic development. The research examined whether branding does have an impact on the success of SME start-ups in KwaZulu-Natal, based on the responses from entrepreneurs who participated in the research. This research adopted a quantitative approach and the data was collected by means of the distribution of email questionnaires. This questionnaire contained demographic list questions and Likert scale questions so as to extract data that was of relevance. Thereafter, the data underwent a descriptive analysis in the form of frequency distribution for the purpose of uncovering trends that arose in the participants' responses.

The findings ultimately determined that branding does hold a large role in the success of an SME start-up. This research aimed to contribute to the success and development of SME start-ups by triggering South African entrepreneurs, particularly those operating in KwaZulu-Natal, to evaluate and improve their branding for the benefit of their SME start-up's performance.

Contents Page

Cover Page	i
Declaration	ii
Acknowledgements	iii
Abstract	iv
List of Tables	viii
List of Figures.....	viii
 Chapter One: Overview of the Research	 1
1.1 Introduction	1
1.2 Background	1
1.3 Rationale	1
1.4 Problem Statement	2
1.5 Purpose Statement.....	2
1.6 Research Question	2
1.7 Objectives and Aim.....	2
1.8 Conclusion	3
 Chapter Two: Literature Review.....	 4
2.1 Introduction	4
2.2 Conceptual and Theoretical Framework.....	4
2.3 The Performance of SMEs in South Africa	7
2.4 Branding in South African SMEs	10
2.5 The Role of SMEs in Economic Development in South Africa	11
2.6 Conclusion	13
 Chapter Three: Research Methodology	 15
3.1 Introduction	15
3.2 Research Paradigm.....	15
3.3 Research Approach and Design.....	15
3.4 Population and Sampling.....	16
3.5 Research Tool: Pilot Study, Validity and Reliability.....	17
3.5.1 Questionnaire Development.....	17

3.5.2 Pilot Study	17
3.5.3 Validity	18
3.5.4 Reliability	18
3.6 Data Collection	18
3.6.1 Data Collection Methods	18
3.6.2 Application of Collection Methods	19
3.7 Data Analysis.....	20
3.7.1 Data Analysis Methods.....	20
3.7.2 Application of Analysis Methods.....	21
3.8 Anticipated Contribution	22
3.9 Ethical Considerations	23
3.10 Limitations	24
3.11 Conclusion	25
 Chapter Four: Discussion of the Findings	26
4.1 Introduction	26
4.2 Responses to List Questions	26
4.3 Responses to Likert Scale Questions.....	29
4.4 Objective One: Findings	33
4.5 Objective Two: Findings	34
4.6 Objective Three: Findings.....	34
4.7 Objective Four: Findings.....	34
4.8 Objective Five: Findings	35
4.9 Conclusion	35
 Chapter Five: Conclusions and Recommendations	36
5.1 Introduction	36
5.2 Objective One	36
5.2.1 Findings from Literature	36
5.2.2 Findings from Research	36
5.2.3 Conclusion.....	37
5.2.4 Recommendations	37
5.3 Objective Two	37
5.3.1 Findings from Literature	37

5.3.2 Findings from Research	38
5.3.3 Conclusion.....	38
5.3.4 Recommendations	38
5.4 Objective Three	38
5.4.1 Findings from Literature	39
5.4.2 Findings from Research	39
5.4.3 Conclusion.....	39
5.4.4 Recommendations	39
5.5 Objective Four	40
5.5.1 Findings from Literature	40
5.5.2 Findings from Research	40
5.5.3 Conclusion.....	40
5.5.4 Recommendations	41
5.6 Objective Five	41
5.6.1 Findings from Literature	41
5.6.2 Findings from Research	41
5.6.3 Conclusion.....	42
5.6.4 Recommendations	42
5.7 Suggestions for Further Research.....	42
5.8 Concluding Remarks	43
References.....	45
Appendix A: Summary Document Table	50
Appendix B: Ethical Clearance Form	51
Appendix C: Participant Consent Form.....	53
Appendix D: Research Data: Questionnaire	56

List of Figures

Figure 2.1: The Number of SMEs vs The SA Business Cycle	8
Figure 4.1: Financial Growth of Respondents' SMEs	27
Figure 4.2: Employee Growth of Respondents' SMEs	28
Figure 4.3: The Forms of Branding Used by SMEs	29

List of Tables

Table 2.1: Revised Schedule 1 of the National Definition of Small Enterprise Development in South Africa	6
Table 2.2: Yearly Change of the Key Indicators of Growth of SMEs	9
Table 4.1: <i>I believe that my SME is successful</i>	30
Table 4.2: <i>I believe that my SME could be more successful</i>	30
Table 4.3: <i>I understand what branding is</i>	31
Table 4.4: <i>My SME makes use of a distinct brand</i>	31
Table 4.5: <i>I would like to improve my SME's brand</i>	32
Table 4.6: <i>Branding is essential for the success of an SME</i>	32
Table 4.7: <i>My product/service would succeed without branding</i>	33

Chapter One: Overview of the Research

1.1 Introduction

This mini dissertation investigated the use of branding in SME start-ups and how branding may be effective in benefiting South African SMEs' growth, thereby contributing to the economic growth and development of the country as a whole. There are generous incentives to SMEs in order to support them, so that South Africa's economic growth can be supported (Small Business Institute, 2016). In spite of this assessment, SMEs are not guaranteed the means and resources that are required for them to remain sustainable for extended periods of time. This research stresses that branding may be a way by which to counter the high failure rates of SMEs in South Africa through improving visibility, retaining clients and attracting new customers. It ought to be emphasised at this stage, that an SME start-up is an enterprise that has been in operation for ≤ 5 years (Schroter, 2018).

1.2 Background

The value of SMEs to the growth of the South African economy has been a frequent topic of research. This can be substantiated in considering that SMEs contribute to 66% of formal jobs, 20% of the GDP and 6% of corporate taxes in South Africa (Writer, 2019). An online news publication – Top Performing Companies (2017) – has explained that SMEs are essential in ensuring the economic stability or growth of a country, for a number of reasons. These reasons include the following: (1) the capital cost of a job created in the SME sector is lower than in the larger business sector, (2) SMEs authorise more competitive markets, (3) SMEs are able to modify their strategy in line with changing trends in the market faster than their larger counterparts, (4) they are more likely to use local resources and (5) they provide opportunities for aspiring entrepreneurs, especially those who are unemployed. On the basis of this, it was important for this research to examine the impact that branding has on South African SMEs and in particular, SME start-ups.

1.3 Rationale

According to Adeniran and Johnston (2012), the failure rate of SME start-ups in South Africa has reached an astounding statistic of between 70% and 80%. The research

sought to determine whether start-ups that used branding were more successful than those that did not. Determining this will demonstrate to SMEs that they need to use branding to greater effect as it contributes to their survival, prosperity and sustainability, encouraging both job creation and economic development. SME start-ups will benefit from the findings of this research that focused on branding cultivating success. It was important that this research was conducted as the findings have demonstrated that SMEs that rely on branding tend to be successful. As such, other SMEs can learn from this research that branding has a role in SMEs' success

1.4 Problem Statement

There are a number of factors that contribute to the performance of SMEs and branding is one such key factor (Carvalho, 2007). In the five years preceding 2014, over 400 000 small businesses closed in South Africa (Fatoki, 2014). This research assessed and determined whether the presence or absence of branding is an element that is likely to affect an entrepreneur's attempt at a successful SME start-up.

1.5 Purpose Statement

The purpose of this research was to determine whether branding is an element that impacts the level of success of an entrepreneur's SME start-up. There appears to be a lack of research based on the role of branding in SME start-ups, with the exception being Carvalho's 2007 paper. On account of the fact that Carvalho's research is a seminal article and is based on SMEs in South Africa, this research has revisited theories and ideas of the aforementioned. This research was conducted with the intention of determining the relationship between the success of entrepreneurs' SME start-ups and the branding of these start-ups.

1.6 Research Question

What is the role of branding in SME start-ups in KwaZulu-Natal and what impact does this branding have on the level of success of SMEs?

1.7 Objectives and Aim

The objectives selected for this research were to determine:

Objective One: The way(s) in which South African SMEs measure success

Objective Two: The forms of branding that South African SME start-ups utilise

Objective Three: Whether South African entrepreneurs with SME start-ups consider branding to be essential for the success of their SME

Objective Four: The relationship between the frequency of branding and the success of an SME

Objective Five: The way(s) in which South African SME start-ups may be able to improve their branding

An observational study conducted in the Northern areas of KwaZulu-Natal determined that many entrepreneurs were not branding in an effective manner. It is for this reason that this research predicted that branding is essential for the success of an SME start-up. Yet, based on this research, it appears as if entrepreneurs are not branding their SMEs in an effective manner. The research's aim was to determine whether this prediction was accurate.

1.8 Conclusion

Chapter One has provided an introduction to this research. There are four chapters to follow. Chapter Two is a comprehensive review of the existing literature on branding in SMEs. In Chapter Three, the discussion surrounds the research design itself and the particulars of the way in which the research was conducted. The remaining chapters focus on the actual research that was conducted. The research findings are delivered in Chapter Four, while Chapter Five administers an interpretation of these findings. Thereafter, Chapter Five summarises the entirety of the research and offers recommendations for future research on the topic.

Chapter Two: Literature Review

2.1 Introduction

The paper that piqued an interest in the broader field of study of entrepreneurship was Ricardo Carvalho's paper: 'The Role of Branding in SME Start-Ups' (2007). Carvalho's seminal article inspired aspects of this research. This research incorporated themes and theories taken from Carvalho's research as they are fundamental to the research that was conducted. In turn, this holds potential to inspire the future study of the effects of branding within South African SME start-ups.

This literature review expands on the respective conceptual and theoretical frameworks that are relevant to the objectives that were presented in Chapter One. This literature review also provides evidence of the performance of SMEs in South Africa, which leads into a discussion regarding branding in South African SMEs. Thereafter, an evaluation of the importance of entrepreneurship and the role that SMEs play in the economic growth and development of South Africa follows. This was applied to KwaZulu-Natal in the primary research process.

2.2 Conceptual and Theoretical Framework

A conceptual framework is a component of research that considers the relationship between the main variables within a study, with these variables being specific concepts within that field of study (Adom, Hussein and Adu Agyem, 2018). Whereas, a theoretical framework provides a foundation for research to be conducted (Adom et al., 2018).

The key terms that are significant in administering a total understanding of this research are as follows.

- **Branding:** a 'brand' is used in order to differentiate a product or service from others that satisfy the same need. A 'brand' is that which allows a consumer to develop a sense of loyalty to a particular product or service, thereby, lacking some level of desire to compare that brand to another brand that provides the same product or service (Carvalho, 2007).

- **Entrepreneurship:** ‘entrepreneurship’ is the process of innovation wherein an individual (an ‘entrepreneur’) recognises an opportunity to fill a gap in the market – whether this gap pertains to goods, services and raw materials – and then chooses to act on this for the purpose of disrupting the current market and developing a fresh source of revenue (Hashim, Tajuddin and Zainol, 2015).
- **Small and Medium Enterprise (SME):** ‘SME’ (small and medium enterprise) is a classification of enterprise which has varying characteristics that are used to categorise them from country-to-country. In South Africa and for the purpose of this research, an enterprise is classified as an SME if it has an annual turnover of no more than R220 million (De Wet, 2019). The maximum turnover also varies from sector to sector, as illustrated on page 6.

Table 2.1: Revised Schedule 1 of the National Definition of Small Enterprise Development in South Africa (Department of Small Business Development, 2019: 2)

SECTOR	SIZE	MAXIMUM TURNOVER
Agriculture	Medium	R35 million
	Small	R17 million
	Micro	R7 million
Mining and quarrying	Medium	R210 million
	Small	R50 million
	Micro	R15 million
Manufacturing	Medium	R170 million
	Small	R50 million
	Micro	R10 million
Electricity, gas, water	Medium	R180 million
	Small	R60 million
	Micro	R10 million
Construction	Medium	R170 million
	Small	R75 million
	Micro	R10 million
Retail, motor trade, repair	Medium	R80 million
	Small	R25 million
	Micro	R7.5 million
Wholesale	Medium	R220 million
	Small	R80 million
	Micro	R20 million
Catering, accommodation, other	Medium	R40 million
	Small	R15 million
	Micro	R5 million
Transport, storage, communication	Medium	R140 million
	Small	R45 million
	Micro	R7.5 million
Finance and business services	Medium	R85 million
	Small	R35 million
	Micro	R7.5 million
Community, social, personal service	Medium	R70 million
	Small	R22 million
	Micro	R5 million

- **The Start-Up Phase:** a 'start-up' is an enterprise that is in its earliest stages of operation and an 'SME start-up' is an enterprise whose existence is a result of an entrepreneur's identification of an opportunity and desire to fill a gap in the market through innovation (Drucker, 2006). The start-up phase is likely without a complete business model and this phase ought to be taken advantage of in establishing and solidifying the business model of the SME start-up. The start-ups years are ≤ 5 years of operation (Schroter, 2018).
- **Economic Growth and Development:** 'economic growth' and 'economic development' are concepts that can be strengthened through the existence and success of SMEs. 'Economic growth' refers to a country's monetary growth in terms of national income and the resultant increase in GDP. On the other hand, 'economic development' refers to the way in which people are affected in terms of an improvement in quality of life, such as in the form of an increase in life-expectancy and increasing levels of literacy and education (Pettinger, 2018).

The dominant variables for this study are: success and branding. The way in which the relationship between these variables has been determined was through a quantitative approach via a descriptive analysis, as will be elaborated on in Chapter Three.

2.3 The Performance of SMEs in South Africa (Objective One, Objective Four)

The topic of SME success and failure is one that has been prioritised in the broader field of study of SMEs, especially since entrepreneurship is a major contributor to an economy (Choto, Tengeh and Iwu, 2014). The topic has been studied by a number of researchers, yet, the research conducted by Fatoki holds much information that is relevant to this research. Fatoki's 2014 paper is entitled: 'The Causes of the Failure of New Small and Medium Enterprises in South Africa', informing the reader that its basis is the investigation of the root of SME failure. Additionally, this investigation takes into consideration the resultant impacts of the high rate of unsuccessful SMEs in South Africa. The trend continues as confirmed by Mike Patterson, who is a past president of the Zululand Chamber of Commerce and Industries (ZCCI) (Majola, 2019).

SMEs have numerous economic and social benefits for a country, such as job creation and economic upliftment (Gopaul and Manley, 2015). This is a prime motivating factor to ensure the success of SME start-ups in South Africa. In the SME update for the first quarter (hereafter: Q1) of 2019, the Small Enterprise Development Agency (hereafter: Seda) published: 'It is estimated that about 80% of all new small businesses fail in the first year' (Seda, 2019a: 10). On the grounds that SMEs greatly benefit the economy, the 80% failure rate of new small enterprises is more than distressing. In addition to this concerning statistic, the long-term analysis shows that the number of SMEs in South Africa has decreased by more than half (Seda, 2019b). The SMEs that survive past the first year of operation may fail in the subsequent two, three or four years. Be that as it may, post-2014 has illustrated a rising number of SMEs. Seda's Q1 2019b update displays this information as follows.

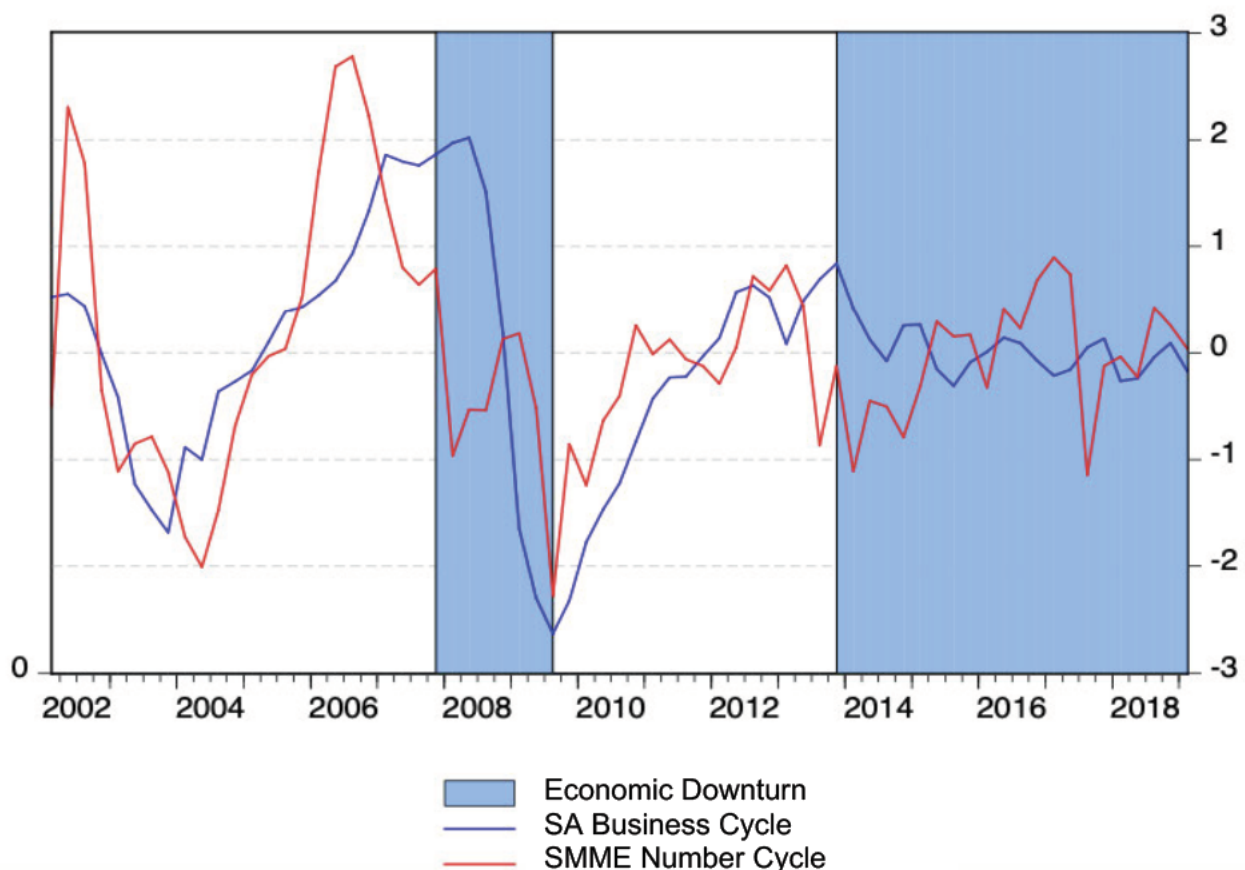


Figure 2.1: The Number of SMEs vs The SA Business Cycle (Seda, 2019b: 6)

In defining 'business failure', Pretorius (2009) cited in Fatoki (2014: 924) explains that: 'A venture fails when it involuntarily becomes unable to attract new debt or equity funding to reverse decline; consequently, it cannot continue to operate under the current ownership and management'. Chimucheka (2013) argues that an SME's performance is defined by changes in profits, growth in sales and employment. In this, it is implied that improved SME performance 'ensures higher profits, higher growth in sales and employment and wealth maximisation of the owners' (Chimucheka, 2013: 789). The statistics regarding these criteria are represented in the Seda update (2019b) and for the purpose of this literature review, have been adapted to include only relevant information. The statistics are as follows.

Table 2.2: Yearly Change of the Key Indicators of Growth of SMEs (Seda, 2019b: 1)

Key Indicators	2018 Q1	2019 Q1	Yearly Change (2018-2019)
Number of SMEs	2 443 164	2 550 540	+4.4%
Number of jobs provided	8 886 015	10 839 819	+22.0%
% contribution of SMEs to turnover of all enterprises	39.5%	38.2%	-1.3%

Despite SMEs having had an increased contribution to employment, there has been a decrease in turnover. According to Chimucheka's definition of performance, SMEs have not been performing successfully as per the fact that the statistics do not fulfil all of the criteria presented by the author.

Chimucheka's aforementioned definition of success was a critical aspect of the findings and conclusions of the primary research. In an effort to explore this information further, this research was interested in conducting primary research regarding the profits, growth in sales and employment within the SME start-ups that were researched. Thus, the ability to delve into the role of branding when it comes to these criteria was acquired.

2.4 Branding in South African SMEs

(Objective Two, Objective Three, Objective Four, Objective Five)

Raghavan (2018) states that branding is the greatest need of every SME, though it appears to be one of the most challenging variables that SMEs are faced with. Carvalho (2007) reports that SMEs are at a major disadvantage, particularly on account of their size. In comparison to larger brands, SMEs possess less market share and their customers tend to be less loyal. Furthermore, the paper says that it is common for SMEs to exhibit little or no presence of brand identity. Rufaidah (2016) supports this stance by explaining that, with a strong brand comes a strong brand positioning in the market. Brand positioning is a crucial component of branding given that, when a smaller brand positions itself alongside larger competitors, these smaller brands generate a larger space in the market for SMEs to enter into (Rufaidah, 2016). The absence of branding is understood to be on the basis of financial issues. However, SMEs often emphasise sales in their start-up phase, as opposed to building their brand and establishing a brand identity with the use of their available starting capital.

Rufaida's research (2016) shows that, if an entrepreneur concentrates on building their SME's brand during the start-up phase, consumers will become familiar with the brand. Consumers will develop an increased likelihood to cultivate a familiarity and loyalty towards the brand and the SME will, thus, have a better chance at being prosperous. As stated by Alsaaty and Sawyer (2019), entrepreneurial start-up branding 'will enable entrepreneurs to entice investors, secure funding, and attain venture growth' (2019: 71). Alternatively, when an entrepreneur puts their finances into sales, that entrepreneur is relying on their product or service alone, without establishing a customer base. This research examined and compared the focus on sales in the SME start-up phase versus the focus on branding in the SME start-up phase.

Carvalho (2007) states that branding is key when communicating an SME start-up and that it is essential to establish a brand identity. In presenting his findings, Carvalho (2007) reveals that: (1) 100% of the respondents had both a name and a logo for their SME, (2) 60% of respondents made use of posters, banners etc. and (3) 70% of respondents believed that their brand was being communicated in a positive manner. Although Carvalho delivers these results in a qualitative manner (through the use of written communication), the results have been adapted to suit the quantitative

approach that was taken up in this research. The central consensus appears to be that the entrepreneurs had been relying heavily on word-of-mouth and on networking and as such, failed to focus on branding, to their detriment (Carvalho, 2007). This is in reference to the lack of branding forms that pertain to consistency, font, logo, slogan and colours. The primary research explored additional forms of branding that are underused, as will be discussed further.

While Carvalho's respondents may have utilised a basic level of branding (ie. a logo), the entrepreneurs relied on others to 'spread the word' as opposed to adopting an active role in their own brand communication. In this, a mere 30% of respondents invested in paid online advertising (Carvalho, 2007). Thereafter, Carvalho (2007) presents the leading prohibitors and enablers in the start-up phase of SME brands. It appears that, as has been repeated within numerous research documents, financial constraints are the dominant prohibitor. As previously stated and stated by Carvalho (2007), entrepreneurs are seemingly putting money into their sales in lieu of their branding.

In Carvalho's study of SME branding, the findings communicated a number of helpful answers. The respondents did not appear to possess a total understanding of branding, nor did they demonstrate what the research at hand considers to be sufficient branding. The quantitative approach that this research employed will contribute to, and build on, Carvalho's research in a positive manner. This is on account of the fact that quantitative research provides objective findings and conclusions and helps to determine the extent of the problem of failing to brand a business and its vehicles, services or products appropriately.

2.5 The Role of SMEs in Economic Development in South Africa

(Objective One, Objective Three, Objective Four)

A number of academic sources have considered the role of entrepreneurs and SMEs in economic growth and development. It has been previously researched, proposed and concluded that SMEs lead to economic growth and development. Choto, Tengeh and Iwu (2014) claim that entrepreneurs and entrepreneurial activities are vital in any country but particularly in developing countries. Fatoki (2014) expands on this idea by stating that the failure of the majority of SMEs results in a lack of job creation, a

growing divide in income distribution and an overall lack of economic stimulation. SMEs promote a surplus of economic benefits, namely:

- Employment generation and resultant poverty reduction
- A competitive and efficient market
- Productivity and growth

(Ayandibu and Houghton, 2017)

The statistics in Table 2.2 reveal that, from Q1 of 2018 to Q1 of 2019, the number of SMEs in South Africa increased by 4.4% and the number of jobs provided by SMEs increased by 22.0%. These percentages substantiate the above benefits of employment generation and a competitive market. Even so, it is discernible that there is an element of productivity and growth that is lacking, which is displayed through the decrease of 1.3% in turnover. On account of the quantitative approach that this research adopted, the aforementioned percentages were useful in view of percentages and numerical charts being tools for data collection and analysis.

In the Q1 update in 2019, it is stated that SMEs make up 66% of total employment in South Africa's economy (Seda, 2019b). Despite this seemingly impressive statistic, the number of new SMEs has declined by 10% over the past 10 years (Seda, 2019b). The common belief is that the primary contributing factor is a lack of finances that are available for business upkeep (Ayandibu and Houghton, 2017). Having said that, this research took the stance that, although the factor may be a lack of finances, a brand's available starting capital should be utilised for the purpose of brand development. This is given that branding holds substantial potential to offer a high return on investment. Furthermore, Kaya and Marangoz (2014) maintain the viewpoint that, in the event that a country is home to a considerable portion of successful entrepreneurial activities, this not only generates a brand reputation for SMEs but for that country as a whole.

Ayandibu and Houghton (2017) discuss challenges that SMEs may face, with these challenges negatively impacting economic growth and development if not overcome. The authors divide the challenges into:

- Internal factors: (1) financial constraint and (2) management
- External factors: (1) economic factors, (2) market and (3) infrastructure

In addition to these, Kongolo (2010) addresses challenges in the level of support given to smaller businesses. Kongolo mentions the following challenges:

- Lack of recognition by larger enterprises
- Low production capacity
- Lack of interest in SMEs
- Lack of support for the roles that small businesses can play in economic development

Raghavan (2018) supports this seminal source in addressing the barriers that SMEs are faced with and further considers this in relation to SME brand orientation and brand distinctiveness. It is in this that the aforementioned authors state that a large portion of SMEs do not have access to the resources required to achieve sufficient branding (Raghavan, 2018). This research has related the financial aspects to branding and the way in which the expense of increasing branding may have a positive implication for each of the other challenges. This communicated that SME entrepreneurs must consider that there is a return on investment with regard to their enterprises' branding. This further considered each of these challenging factors and the ways in which KwaZulu-Natal-based entrepreneurs with SME start-ups may be able to combat these challenges with the assistance of branding.

2.6 Conclusion

The purpose of this review was to present a gap in the study of the role of branding in South African SME start-ups based in KwaZulu-Natal. The theories and ideas included in this literature review have sourced information and inspiration from Carvalho's 2007 paper. Be that as it may, this research issued a unique perspective than that provided by Carvalho's research. This is in that Carvalho adopted a qualitative research design, whereas this research process was of a quantitative nature. Other research has not been disregarded and will, in fact, continue to be included to further the theories of Carvalho and to support the findings that were drawn from primary research. This literature review has posed secondary claims encompassing the performance of SMEs in South Africa, the branding of South African SMEs and the role of SMEs in economic development in South Africa. In doing so, this literature review provided a base on which to build primary research methodologies in the upcoming chapters. Chapter

Three presents the research methodology that was selected for the purpose of extracting information that would provide the most accurate findings for the research.

Chapter Three: Research Methodology

3.1 Introduction

The purpose of this chapter is to introduce the methodology for this research. This chapter lays the foundation for gaining a deeper understanding of the topic. This is in that the research methodology was fashioned to extract information that would provide a means by which to address the research question, objectives and aim. The research plan, which includes the research paradigm, design, participants and data collection and analysis methods, is the primary component of this chapter. Further, this chapter will discuss the anticipated contributions, ethical considerations and limitations that are associated with this research.

3.2 Research Paradigm

This research employed a positivist paradigm. A positivist paradigm adopts techniques that cumulate evidence that supports an objective outcome to a research problem (Maree, 2019). In essence, positivism emphasises the facts discerned by data that is gathered via rational and logical means, such as questionnaires. This research sought an objective finding to the research question. Bearing in mind the desire for evidence to be gathered to prove (or disprove) the aim of the research, the assumed positivist paradigm is best suited to elicit an objective outcome (Kivunja and Kuyini, 2017). This is relevant to its nature that sought factual evidence, which corresponds with the objective nature of this research. Thus, the paradigm applies directly to the research design that this research maintained.

3.3 Research Approach and Design

The research was conducted through a quantitative approach. The rationale for the selection of a quantitative approach is that quantitative research is reliable in the production of a factual conclusion by way of numerical data (Kotzé, 2011). This is for the reason that, unlike the subjective and exploratory nature of qualitative research, quantitative research delivers objective findings which are governed by means of testing an existing hypothesis or research aim (Kotzé, 2011). This approach permitted the research to prove the outcome that the research aimed to prove, with the use of authentic and reliable data that is, as stated, conveyed in an objective fashion. This is

a more appropriate approach to research such as this in that this research strived to provide a factual answer to a research question. This mini dissertation aimed to demonstrate that SME start-ups that use branding tend to be more successful. This single research aim answered a single research question and provided clarity, rather than it giving rise to a number of additional questions.

The quantitative approach to research relies on the analysis between two or more variables in order to determine the relationship between them (Allen, 2017). The variables in this research were success (in reference to SMEs) and branding. This involves establishing a relationship between variables and proceeding to derive a quantitative presentation of the findings for the purpose of interpreting this relationship (Maree, 2019). The frequency of presence of branding of SME start-ups in KwaZulu-Natal was measured against the level of success of those SMEs.

3.4 Population and Sampling

The research sample is the subgroup of individuals who participate in the research process, whereas the population is the broader group of people to whom the results of the research are relevant (Statistics Solutions, 2020). The population for this research was:

- All entrepreneurs who own SME start-ups based in KwaZulu-Natal

The established sample for this research was:

- A select group of 30-40 entrepreneurs who own SME start-ups based in KwaZulu-Natal

Ultimately, the participants were required to meet the following criteria:

- Entrepreneur
- Own an SME ≤5 Years Old
- Based in KwaZulu-Natal

The data was collected from entrepreneurs who are based in KwaZulu-Natal who own SME start-ups. This research aimed to acquire a sample size of 30-40 participants. It is necessary to note that, although 30-40 participants is not an acceptable number for being generalised to a larger population, this sample size is acceptable for an objective quantitative study (Maree, 2019). The initial intention was to canvas a far greater

number of entrepreneurs. That was not possible due to prevailing social distancing regulations and for this reason, the sample size was smaller than the desired 50 participants. Unfortunately, this suggests that the research does not hold the ability to be generalised across the entirety of the province or the nation (Rahman, 2017). Notwithstanding this, the research creates a foundation upon which future research centering branding in SME start-ups may be built and provides entrepreneurs with information that may be able to assist them in the future.

The data was collected by means of non-probability sampling. Non-probability sampling is a method of tactfully sourcing members of the population who meet the criteria of the desired participant (Maree, 2019), in this case: entrepreneurs who are owners of South African SME start-ups based in KwaZulu-Natal. The non-probability methods that were assigned to the research were quota sampling and snowball sampling. The first form of non-probability sampling implemented was quota sampling, which identifies a category of people who are positioned in the subgroup of interest (Maree, 2019). The second form of non-probability sampling was snowball sampling, which is based on participants that have already been recruited to recommend other individuals who fit the outlined criteria of the ideal research participant (Maree, 2019). The selection of the non-probability sampling technique permitted the research findings to be deemed reliable in warranting a conclusion of increased specificity and in this, accuracy.

3.5 Research Tool: Pilot Study, Validity and Reliability

3.5.1 Questionnaire Development

The questionnaire was developed to elicit data concerning each of the five objectives, which were outlined in Chapter One. The questionnaire was constructed based on the objectives and was then revised, subsequent to the secondary literature being reviewed and was refined once the pilot study had been carried out.

3.5.2 Pilot Study

The finalised questionnaire was pilot tested on five SME entrepreneurs based in KwaZulu-Natal. In utilising individuals who met the characteristics required of the research participants in the pilot study, it was ensured that the questionnaire applied to entrepreneurs who met the specific participant criteria. The pilot study did not

indicate any evidence of leading, loaded and double-barreled questions (Middleton, 2019).

3.5.3 Validity

The five participants of the pilot study confirmed that the questions were relevant to the objectives, confirming the validity of the questionnaire to the sample. This provided face validity which, through a weak test of validity, did confirm that the questions/statements were relative to their respective objectives (Middleton, 2019).

3.5.4 Reliability

The research was conducted in a scientific and methodical manner and as such, it assured the reliability of the questionnaire. The data analysis was conducted objectively in order to ensure consistency, accurate assessment and to reduce the risk of researcher bias (Middleton, 2019). A Cronbach Alpha score of 0.7 indicated the reliability of the questionnaire (Price, Jhangiani and Chiang, 2014).

3.6 Data Collection

3.6.1 Data Collection Methods

This research used structured email questionnaires, which included closed ended questions in order to accommodate the quantitative design of the research. The questions were set out in both list questions and Likert scale questions. These were presented in two sets of data: Data Set 1 and Data Set 2. The data sets are attached as **Appendix D**. Although the data was collected via an email questionnaire, the original, planned collection method included face-to-face interactions in locations chosen by the participants. On account of the Coronavirus pandemic, the data collection method was adapted to accommodate this and to minimise the risk of the spread of the virus. To this end, the research was redesigned to be solely internet based.

The respondents were sourced primarily through social media platforms via the quota sampling approach. This was by way of reaching out to entrepreneurs with SME start-ups by composing public posts on Instagram and Facebook. The public posts requested for SME owners to respond if they were willing to participate. In addition, LinkedIn, Instagram and Facebook were made use of by contacting owners of SME

start-ups directly. This was through the medium of direct messaging entrepreneurs to invite them to participate in the research. These entrepreneurs were sourced from social media pages that promoted entrepreneurship and SMEs in KwaZulu-Natal. Subsequent to reaching out via social media, 10 participants were sourced through networking. This was carried out by requesting to be connected with the independent clients of larger businesses with whom relationships existed beforehand, illustrating the utilisation of snowball sampling. This led to consent forms (**Appendix C**) and questionnaires (**Appendix D**) being emailed to ±70 participants, with 30 of those entrepreneurs completing and returning those consent forms and questionnaires. In this, the sample reached its desired size of 30-40 participants.

3.6.2 Application of Collection Methods

The data collection process occurred over a period of two weeks and the completion time of the questionnaire was approximately 30 minutes. This generous timeframe aimed to bring about increased attention during the data collection, in consideration of the flexibility and lessening of time constraints provided to participants. Hence, the reliability and validity of the data collection within the research process were ensured. The targeted 30 respondents responded within the given timeframe. For this reason, there was no need to contact those individuals who had not returned their completed documents by the given date for the purpose of reminding them about the completion of the documents.

A consent form was emailed to the participants together with the online questionnaire. Within the consent form received by the participants, there was provided a description of the research being conducted and written information about the research process. The information explained that the participants' anonymity was ensured, that participation was voluntary and that the participants had a right to withdraw at any stage within the research process. The purpose that the participants' signing of the form held was gaining informed consent from the participants in order to commence with the data collection and data analysis in an ethical manner.

The research instrument was comprised of two sections: Data Set 1 (list questions) and Data Set 2 (5-point Likert scale questions). The first of the two data sets consisted of seven list questions and had the goal of obtaining the detailed demographics of the

participants and a background of their SMEs. This ensured that the collected data was relevant to addressing the research question and research objectives. The list questions were in the form of multiple-choice type questions, meaning that the questions each had three or more response categories (Maree, 2019). The second data set was made up of 15 Likert scale questions, with these scales eliciting the participating entrepreneurs' opinions of branding and of their SME start-ups and the success thereof. A Likert scale supplies an ordinal measure of a participant's perception of the statement provided in the questionnaire (Maree, 2019). The responses that the participants were able to select ranged from 'Strongly Agree' to 'Strongly Disagree', positioned on a 5-point scale. Although this research assumed a quantitative research design, a select portion of the Likert scales called for participants to elaborate on their answers with the assistance of open-ended questions. In the insertion of this component, the quantitative study was able to triangulate and accordingly, gain authentication of the participants' questionnaire responses. This was merely in an effort to assure that the participants' responses be justified, fostering easier analysis and more accurate findings.

3.7 Data Analysis

3.7.1 Data Analysis Methods

In a quantitative data analysis, there are three steps that are necessary to ensure an effective data analysis process. The three steps were implemented as follows.

- **Step 1: Data Preparation**

The data was reviewed to verify the accuracy and authenticity of the participants' completed questionnaires. The email responses from the participants were reviewed to confirm that each participant had not only completed a questionnaire, but the required informed consent form.

- **Step 2: Data Editing**

The data was recorded on a Microsoft Excel spreadsheet. This granted the data to be laid out in a structured format which was simple to view and understand.

- **Step 3: Data Coding**

The Microsoft Excel spreadsheet contained the data that was grouped into categories that were dictated by common answers between participants. This

grouping was to measure the frequency of each answer and resulted in the statistics relevant to the frequency being plotted onto graphs, charts and tables. (Allen, 2017)

A statistician was contacted and appointed to conduct statistical tests to confirm the validity and reliability of the findings, and to analyse the research findings. On completion of the research, the data was sent to the statistician for analysis. The total lack of response from the statistician resulted in only rudimentary statistics, a Cronbach Alpha and a test for reliability. As a result of being let down and with the submission deadline approaching, rudimentary statistics have been provided using percentages. In spite of the failure of the statistician to conduct an analysis (as had been arranged), the work was conducted in an objective, scientific manner and the findings have been tabulated in a typically quantitative manner.

For this reason, the data analysis method that was brought to bear was a descriptive analysis. A descriptive analysis is implemented for the purpose of understanding a set of observations and summarising these observations using pie charts, bar graphs and tables (Frost, 2018). This method of analysis is used to describe an outlined sample in incorporating findings into quantitative presentation data (Frost, 2018). The type of descriptive analysis that was incorporated was a frequency distribution, which is a means of quantitative analysis that represents the number of observations of an occurrence in numerical data (Young, 2020). This type of analysis is used to identify trends in the data that has been collected and visually depicts the frequency of each observation through the medium of a graph or table (Young, 2020). In the case of this mini dissertation, frequency distribution was incorporated into the analysis of the visual data by determining the number of times that each response to each question arose.

3.7.2 Application of Analysis Methods

The raw data sets were recorded on a Microsoft Excel spreadsheet so as to sanction a comparison between the participants' raw data. A spreadsheet is constructed on a computer application (such as Microsoft Excel) in order to organise, analyse and store sets of data in a tabular form (Actuarial Post, 2011). This is to issue a less time-consuming analysis process than it otherwise would have been, with the analysis becoming one of ease and simplicity (Actuarial Post, 2011). The responses from the

30 participants were organised in a tabular format and the spreadsheet was analysed through the calculation of the frequency of each answer to each question within a data set.

Subsequent to the data being recorded on a Microsoft Excel spreadsheet, it was translated into a selection of visual formats. The data was narrowed down by calculating percentages that represented the frequency of each question's responses, with the information being extracted from the raw data of every participant. The findings were then organised in the form of illustrative tables, pie charts and bar graphs (Kotzé, 2011). These formats of expressing the collected data were to depict the data at the hand of relevant percentages being translated into visual formats.

In their final forms, the plotted data sets allowed for a comparison between the background and characteristics of the 30 participants' SME start-ups and their opinions on their branding and success. The application of the descriptive analysis was with the intention to address the aim of this small-scale research by determining whether branding is essential to the success of an SME start-up.

3.8 Anticipated Contribution

The anticipated finding of this research was that branding is essential to the success of an SME (Raghavan, 2018). However, entrepreneurs are not branding their SMEs in an effective manner. This research aimed at discovering whether Raghavan's statement (2018) is viable. In the event that this aim is proven, this research will determine that insufficient branding is a contributor to the extremely high SME failure rates in South Africa. This anticipates a societal contribution on the grounds that South African entrepreneurs will acquire the information and tools to extend the branding of their SME start-ups, which will lead to heightened success.

Aside from this societal contribution, this mini dissertation anticipates numerous academic contributions. A prime constituent of this research is to relook at the concept of the role of branding in SME start-ups from a new perspective. In Chapter Two, it was explained that there is a deficit of literature addressing the particular topic of this research. This is with the exception of Carvalho's 2007 paper. Owing to the fact that there happens to be minimal research centered on branding and success in SME start-

ups, theoretical development is an anticipated contribution of this research. This is since this research intended to observe and fill the gap of knowledge in the overall study of the relationship between branding and SME start-ups' success in KwaZulu-Natal. Furthermore, due to the fact that Carvalho adopted a qualitative research design, this research took advantage of the opportunity to be the pioneering analysis of this topic by means of a quantitative research design. These anticipated academic contributions hold the potential to establish a base on which to build future research of the role of branding in South African SMEs.

3.9 Ethical Considerations

The central aspect of ethical research is 'informed consent' (Denzin and Lincoln, 2018). The purpose of this is for each research participant to be fully informed about what exactly the research entails. It was required that the consent form be completed and signed by every participant prior to the data collection process. A consent form is attached as **Appendix C** and it contains: the researcher's details, the purpose of the research, the data collection process and methods, how the data will be used and reported, the risks (if any) of taking part, the participants' right to confidentiality, the participants' right to the ownership of their data, the participants' right to additional information and the participants' right to withdraw at any stage in the research process (Fleming and Zegwaard, 2018).

In addition to obtaining a consent form from each research participant, there were a number of ethical considerations that it was necessary to be mindful of throughout the data collection and data analysis processes (Kotzé, 2011). Those to have maintained awareness of throughout the research process were:

- Objectivity: do not favour a participant or a set of data for any reason personally benefitting the researcher or the research itself.
- Integrity: maintain the promises made by you, the researcher, to the participants.
- Confidentiality: handle the participants' data as promised, in order to ensure confidentiality.
- Carefulness: be attentive and aware throughout data collection and analysis, so as to produce accurate findings.

- Openness: remain prepared for criticism by the research supervisor.
- Respect: respect intellectual property by recognising, referencing and acknowledging authors' academic works that are utilised throughout the research.
- Social Responsibility: provide the space for the research to promote the branding of SME start-ups for the purpose of assisting entrepreneurs with their enterprises' stability and growth.

(Denzin and Lincoln, 2018)

It was in accordance with these ethical considerations that this mini dissertation gained the ability to guarantee further validity and reliability throughout and following the research process. The aforementioned ethical considerations prompt an evaluation of a number of limitations that had been experienced with regards to this research.

3.10 Limitations

It has been mentioned that the lack of research surrounding the topic of this research provided an opportunity to contribute to academia. Regardless, the lack of prior research and a lack of data collected by researchers was a significant limitation to this research. The lack of information suggested a limited scope of the topic which implied that it was essential for this research to dedicate further effort to address the gaps in knowledge, of which there were a surplus. The limitation was tackled as per a number of additional hours of independent research. These additional hours of research were abided by and the impacts of the limitation were minimised. This is due to the substantial independent research for the purpose of sourcing primary and secondary materials that advanced the findings of the final research. In this, the limitation was counteracted.

In consideration of the Coronavirus pandemic, it was imperative for the data collection methods to accommodate the social distancing rules. The data collection method for this research was questionnaires conducted through the medium of email communications. This was a limitation for the reason that there was no means by which to oversee the data collection process and the respondents' completion of the data sets. Comparably to the former limitation, it was necessary to address this by way

of considering an extension of the original time frame in which to conduct primary research. The justification for this is the provision of a realistic timeframe in which the research participants acquired the ability to complete the data sets thoroughly and accurately.

The final limitation to be recognised in regard to this research is its quantitative research design. The closed ended questions that were posed within this quantitative research did not afford respondents to justify their responses to questions in the questionnaire. In this, the ability to ask respondents to elaborate on their answers to questions was yielded. This was a limitation on account of the ambiguity that could have resulted from a purely closed ended questionnaire. Along with this, there arose the limitation of the lack of a full statistical analysis of this research. The manner by which this limitation was addressed was to ensure that the two questionnaire data sets were comprised of questions that were of a detailed nature and elicited specific and relevant responses. This was with the aim of gathering information that was accurate and reliable and eliminated any ambiguity that emerged in consequence of a quantitative research design.

3.11 Conclusion

This chapter aimed to provide a synopsis of the research methodology used to answer the research question, meet the research objectives and to address the research aim. A consideration of the procedure, population and sample, data collection and data analysis methods revealed the specifics of how the research was conducted and who the research participants were. Chapter Four will present the findings of the research and a discussion thereof. Chapter Four demonstrates that the methodology described in Chapter Three was followed throughout the research process and will outline the means by which the methodology was applied in order to extract the information that was necessary to formulate accurate research findings.

Chapter Four: Discussion of the Findings

4.1 Introduction

In this chapter, the data collected from the quantitative email questionnaires is presented. This research adopted a descriptive analysis, which is a method that is designed to observe a small sample without the occurrence of generalisation or an excess of statistical formulae. The data is delivered using figures and tables, both of which illustrate the questionnaire findings in the form of percentages. The pie charts, bar chart and tables are interpreted and discussed in depth in order for a comprehension of and insight into the research findings. The findings were validated further by being aligned with claims from the secondary research. This chapter will present the participants' responses to the questionnaire and thereafter, this chapter will discuss these responses in relation to the research objectives.

4.2 Responses to List Questions

The participating entrepreneurs' SME start-ups were broken down into the particulars of the enterprises on the basis of: age of the SMEs in years, classification of the SMEs, economic sectors, the enterprises' monetary and employee growth and finally, the popularity of each form of branding among SME owners in KwaZulu-Natal.

The demographic questions were those pertaining to the ages of participants' SMEs, classifications of the SMEs and sectors into which the participants' SMEs fell. These were for the sole purpose of extracting data that would gain a background into and an understanding of the participating entrepreneurs' SMEs. Having said this, the findings of the research were identical across the demographic groupings and the differing demographics had no impact on the results. For this reason, a visual depiction of the demographic information has been excluded from Chapter Four.

Within the email questionnaire, the respondents were asked to provide the definitions of success that they apply to their enterprises. The common definition of success among the respondents appeared to be the growth of their enterprise in a general sense, though primarily pertaining to financial growth. This is supported by Chimucheka's (2013) definition of success. Chimucheka (2013) states that the

performance of an SME ought to be measured through changes in profits, sales and employment. As a result, Figure 4.1 and Figure 4.2 were constructed on the basis of financial and employee growth. This is to deliver an overall measure of 'success' as defined by the respondents.

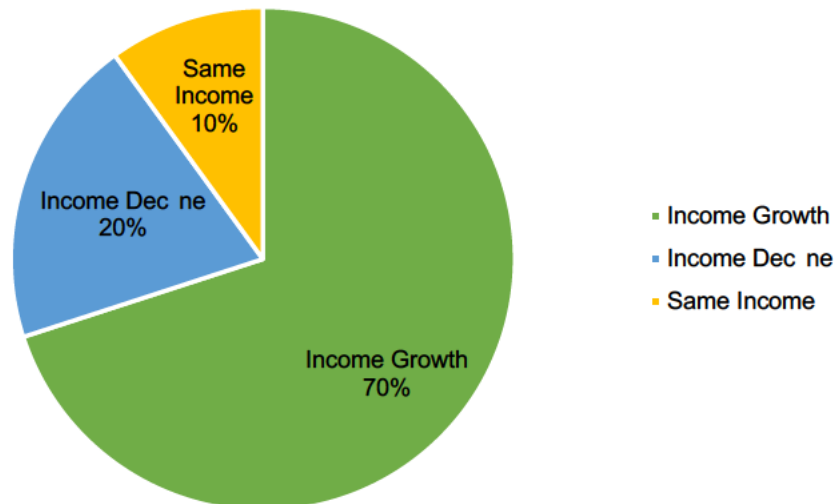


Figure 4.1: Financial Growth of Respondents' SMEs

Figure 4.1 presents the frequency distribution of the financial growth of the participating entrepreneurs' SME start-ups. This question requested for participants to reveal whether they had experienced financial growth from their previous year of operation to their current year of operation. Some 70% of participants disclosed that their SME had experienced financial growth while 20% experienced a decline in income and revenue and 10% of participants finances appeared to be identical to the previous financial year.

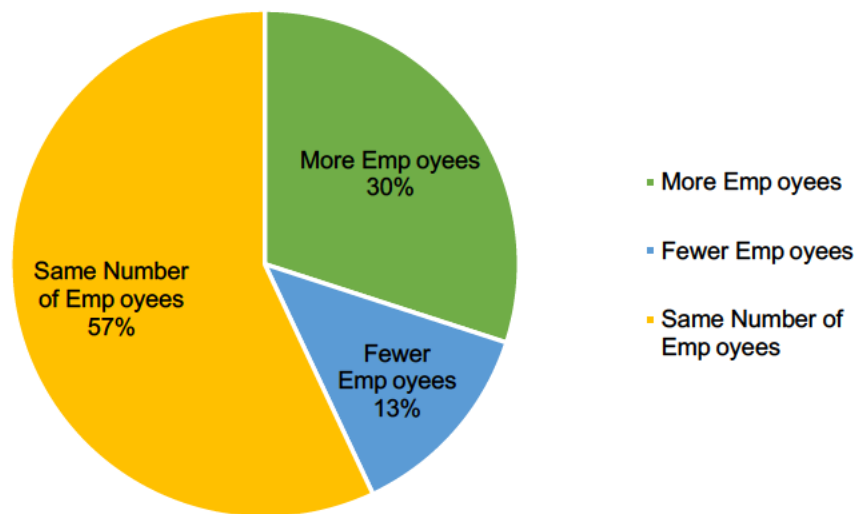


Figure 4.2: Employee Growth of Respondents' SMEs

Figure 4.2 portrays the frequency distribution of the employee growth of the participants' SME start-ups. It is shown that 30% of the entrepreneurs experienced employee growth during the current year of operation, 13% had fewer employees than the previous year and 57% of the participating SMEs' number of employees remained stagnant.

Figure 4.3 was developed for the purpose of addressing a leading objective of this research, which pertains to the forms of branding that are used in SMEs in KwaZulu-Natal.

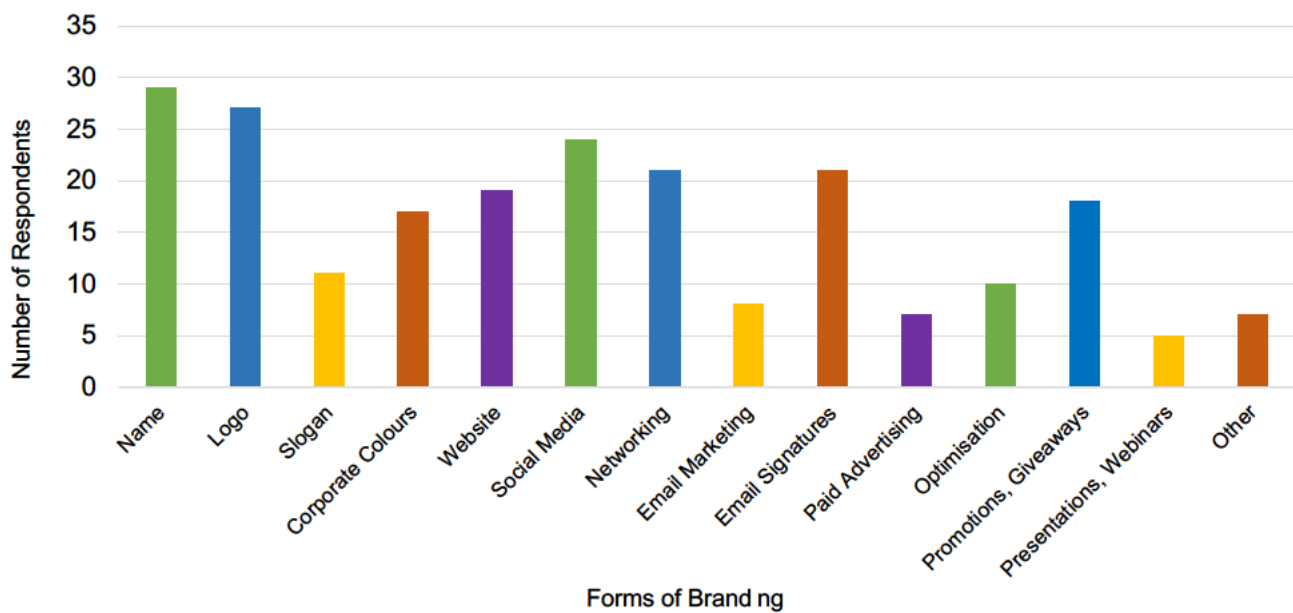


Figure 4.3: The Forms of Branding Used by SMEs

Figure 4.3 illustrates the frequency distribution of the forms of branding that participants revealed employing in their SME start-ups. The forms of branding with the highest frequency were a brand name, logo, social media, email signatures and networking. The least included forms of branding were presentations and webinars, paid advertising, email marketing, a slogan and search engine optimisation. Corporate colours, website use and promotions and giveaways were each used by more than 50% of the participants though were not used as frequently as alternative forms of branding.

4.3 Responses to Likert Scale Questions

The Likert scales within the questionnaire were designed to evoke information derived from the responding entrepreneurs' opinions of their SME start-ups' success, their SME start-ups' branding and their SME start-ups as a whole. The purpose of the analysis of opinion-based questionnaire data was for the research to gain an insight into the respondents' views. Although the questionnaire elicited answers to 15 Likert scales, only 7 of these were deemed relevant to the research objectives. It is on account of this that only 7 tables that exhibit responses are presented. The reader

should be cautioned about the percentage column as the small sample size could create a skewed impression if one fails to bear in mind that one person represents 3% of the participating population.

Table 4.1: *I believe that my SME is successful*

	Frequency	Percentage of Total
<i>Strongly Agree</i>	6	20%
<i>Agree</i>	18	60%
<i>Neutral</i>	5	17%
<i>Disagree</i>	1	3%
<i>Strongly Disagree</i>	0	0%

Table 4.1 outlines the frequency distribution of the participating entrepreneurs' opinions on the success of their SME start-ups. It is apparent that 80% of participants, to some extent, agreed that their SME was successful. On the other hand, only 3% of the participants (one participant) believed that their SME was not successful. This means that 17% of the participants displayed a neutral feeling towards the statement.

Table 4.2: *I believe that my SME could be more successful*

	Frequency	Percentage of Total
<i>Strongly Agree</i>	22	73%
<i>Agree</i>	8	27%
<i>Neutral</i>	0	0%
<i>Disagree</i>	0	0%
<i>Strongly Disagree</i>	0	0%

Table 4.2 illustrates the frequency distribution of participants' opinions on whether their SME could be more successful. Every participant (100% of the entrepreneurs) believed that they SME could be more successful.

Table 4.3: *I understand what branding is*

	Frequency	Percentage of Total
<i>Strongly Agree</i>	9	31%
<i>Agree</i>	18	62%
<i>Neutral</i>	1	3,5%
<i>Disagree</i>	1	3,5%
<i>Strongly Disagree</i>	0	0%

Note: 1 respondent did not answer this question

Table 4.3 illustrates the frequency distribution of participants' understanding of what branding entails. Some 93% of respondents expressed that they understood what branding is, whereas 7% of the participants displayed either neutrality or disagreement with the statement. Two of the respondents did not confirm that they knew what branding is. This is an indication that the research was worth undertaking as such people need to comprehend the value of branding in line with what authors have found that will contribute to their success.

Table 4.4: *My SME makes use of a distinct brand*

	Frequency	Percentage of Total
<i>Strongly Agree</i>	6	21%
<i>Agree</i>	13	45%
<i>Neutral</i>	8	27%
<i>Disagree</i>	2	7%
<i>Strongly Disagree</i>	0	0%

Note: 1 respondent did not answer this question

Table 4.4 presents the respondents' opinions on the distinctiveness of their own SME start-up's branding and the frequency distribution of each response category. The table shows that 66% of the entrepreneurs held the opinion that their enterprise's

brand was distinct, while 27% felt neutral towards the statement and a mere 7% of the respondents believed that their SME's brand was not distinct.

Table 4.5: *I would like to improve my SME's brand*

	Frequency	Percentage of Total
<i>Strongly Agree</i>	10	33%
<i>Agree</i>	14	47%
<i>Neutral</i>	6	20%
<i>Disagree</i>	0	0%
<i>Strongly Disagree</i>	0	0%

Note: 1 respondent did not answer this question

Table 4.5 displays the frequency distribution of whether the participating entrepreneurs would like to improve their respective SME's branding. This shows that 80% of the participating entrepreneurs wanted to improve the branding of their SMEs. The remaining 20% felt neutral towards the statement. Not one of the participants believed that their branding did not need to be improved.

Table 4.6: *Branding is essential for the success of an SME*

	Frequency	Percentage of Total
<i>Strongly Agree</i>	15	50%
<i>Agree</i>	12	40%
<i>Neutral</i>	3	10%
<i>Disagree</i>	0	0%
<i>Strongly Disagree</i>	0	0%

Table 4.6 presents the frequency distribution of participants' responses to the statement concerning whether branding is essential for the success of an SME. A considerable portion of the participants (some 90%) believed that branding is essential for the success of an SME. None of the respondents believed that branding is not

essential for an SME's success. Yet, as one can recognise from the table, three respondents were neutral. This indicates that they were not convinced of the need to integrate branding into their marketing, which is contrary to what authors such as Carvalho (2007) have stated.

Table 4.7: *My product/service would succeed without branding*

	Frequency	Percentage of Total
<i>Strongly Agree</i>	1	3%
<i>Agree</i>	4	14%
<i>Neutral</i>	9	31%
<i>Disagree</i>	9	31%
<i>Strongly Disagree</i>	6	21%

Table 4.7 presents the frequency distribution of entrepreneurs' opinions on whether their product or service would succeed without their SME utilising any branding. Some 52% of the participants believed that their SME would not succeed without branding, 31% were neutral towards the statement and 17% of the participants believed that their SME would succeed without any branding. This is interesting to compare against Table 4.6 for the reason that 0% of the respondents believe that an SME can succeed without branding and yet, Table 4.7 illustrates that 17% of the respondents believe that their own SME would succeed without branding. In this, some 48% of respondents did not disagree with the statement and it, therefore, appears as if entrepreneurs do not fully realise the extent to which their SME could benefit from proper branding.

4.4 Objective One: Findings

Objective One: To determine the way(s) in which South African SMEs measure success

The entrepreneurs who participated in this research based the success of their enterprises on growth, with this being associated with financial growth and extending into employee growth. This common definition aligns with that determined by Chimucheka (2013). On the grounds of the definition of success that was applied to this research, the majority of the participating entrepreneurs' SME start-ups were

successful on a financial basis. Despite this, the SME start-ups fell short when it came to employee growth.

4.5 Objective Two: Findings

Objective Two: To determine the forms of branding that South African SME start-ups utilise

The most common forms of branding among SME start-ups in KwaZulu-Natal were:

- Name: used by 97% of the respondents
- Logo: used by 90% of the respondents
- Social Media: used by 80% of the respondents
- Networking: used by 70% of the respondents
- Email Signatures: used by 70% of the respondents

The extensive use of branding was confirmed through Carvalho's (2007) secondary literature, although the forms of branding utilised by participants may have differed slightly. Based on this, SMEs ought to appreciate the benefits of branding.

4.6 Objective Three: Findings

Objective Three: To determine whether South African entrepreneurs with SME start-ups consider branding to be essential for the success of their SME

The majority of the responding entrepreneurs (some 90%) considered branding to be an important part of prompting their SME's success. This aligns with Raghavan's (2018) claim that branding is the greatest need of any SME. Moreover, Choto, Tengeh and Iwu (2014) asserted that entrepreneurship is one of the most important contributors to economic growth, particularly in a developing country.

4.7 Objective Four: Findings

Objective Four: To determine the relationship between the frequency of branding and the success of an SME

Some 100% of the respondents would like for their SME to be more successful and 80% of the respondents would like to improve the branding of their SME. This provides a high possibility of the success of an SME being dependent on the branding of that SME. It is important for SMEs to improve the branding that is employed, owing to the

fact that the success of SMEs leads to poverty reduction, competitive markets and an increase in productivity and growth (Ayandibu and Houghton, 2017).

4.8 Objective Five: Findings

Objective Five: To determine the way(s) in which South African SME start-ups may be able to improve their branding

The respondents' common opinion was that a greater number of forms of branding may be what is required for their SME to become increasingly successful. This can be applied to the fact that there are a number of forms of branding that are underused by the responding entrepreneurs. Consequently, it was evident that South African SMEs may be able to improve their brand simply by implementing a greater number of forms of branding. The research conducted by Carvalho (2007) outlined a number of ways by which to improve an SME's branding.

4.9 Conclusion

This chapter focused on delivering findings, interpretations and insights that manifested during the data analysis process of this research. The findings, interpretations and insights were able to explore the research problem and research objectives that were defined at the outset of this mini dissertation. The quantitative email questionnaires, and the contents thereof, allowed for the research to be triangulated. Thus, the research was enabled to be deemed credible and of a trustworthy nature, which is in order to support the findings provided by the data. The upcoming chapter unveils the conclusion to the research. Additionally, the upcoming chapter will explore suggestions and recommendations for future research and for the population and sample to whom the research is relevant.

Chapter Five: Conclusions and Recommendations

5.1 Introduction

The purpose of this research was to determine whether the incorporation of branding is an element that is likely to impact the level of success of an entrepreneur's SME start-up. This chapter includes a discussion and interpretation of the major findings of the research. This is approached by assessing the findings of both the literature and the research and then offering a conclusion and recommendations for each research objective. This chapter closes by issuing suggestions for future research and by summarising and concluding the research.

5.2 Objective One

To determine the way(s) in which South African SMEs measure success

5.2.1 Findings from Literature

Chimucheka stated that an SME's performance should be measured by changes in profits, growth in sales and growth in employment (2013). This is asserted by Chimucheka in that an improvement in an SME's performance 'ensures higher profits, higher growth in sales and employment and wealth maximisation of the owners' (Chimucheka, 2013:789). Furthermore, Choto, Tengeh and Iwu (2014) emphasised the positive economic effects that SMEs' success has on a country, such as job creation and market growth prompted by the entrance of SMEs into the market.

5.2.2 Findings from Research

The primary research found that the participants held a common definition of success, with this aligning with Chimucheka's aforementioned definition. The research participants based the success of their SME start-ups on growth that is associated with financial growth and employee growth. Some 70% of the participants achieved financial growth from their previous financial year to the current financial year. Though, only 30% of the participants experienced employee growth over the course of the current financial year. Most of the participants were successful on a financial basis but fell short when it came to employee growth.

5.2.3 Conclusion

The success of an SME start-up in South Africa (particularly in KwaZulu-Natal) is measured on the basis of growth, with this growth in reference to both financial and employee growth. The defined measure was sourced from the relevant literature. The primary research confirmed this measure in participants' common determinant of the success of their SME start-ups.

5.2.4 Recommendations

The financial growth among the participating entrepreneurs was high, although employee growth was found to be vastly stagnant. Due to high levels of monetary growth, those SME start-ups that are experiencing this type of growth are capable of employing more staff on account of added income. It is recommended that SMEs that are in a financial position to do so hire additional employees as a means by which to ensure that the enterprise meets both of the specified types of growth that are relevant to an SME's success, as per the agreed upon definition.

5.3 Objective Two

To determine the forms of branding that South African SME start-ups utilise

5.3.1 Findings from Literature

The seminal source by which this research was inspired presented percentages that revealed the common forms of branding that Carvalho's research participants made use of. Carvalho (2007) revealed that 100% of his participants made use of a brand name and logo and 60% made use of print advertisements. In addition, 70% of the participants in Carvalho's research believed that their brand was communicated in a positive manner. One of the findings of the seminal source was that entrepreneurs relied heavily on word-of-mouth and networking rather than participating in purposeful branding and investing in online paid advertising, which only 30% of the participants did (Carvalho, 2007). In the event that branding makes an SME's success more likely, it is essential that SMEs prioritise branding (Gopaul and Manley, 2015).

5.3.2 Findings from Research

There was not one form of branding that 100% of the respondents incorporated into their branding (including a brand name). Some 97% of participants made use of a brand name and 90% made use of a brand logo. The participants invested in some online media, with 80% making use of social media platforms. The lack of additional forms of online advertisements was surprising, for example: only 36% of participants had a brand website and only 27% invested in email marketing. The participants in this research appeared to focalise a limited number of forms of branding and in turn, many of the entrepreneurs disregarded a number of forms of branding that are available to them.

5.3.3 Conclusion

Entrepreneurs who are based in KwaZulu-Natal enforce a variety of forms of branding in their SME start-ups. The secondary sources and primary research found that most of the SME start-ups utilise basic forms of branding, such as a brand name and logo. A considerable portion of the SMEs did not incorporate paid forms of branding, such as paid advertisements and email marketing. This indicates that there is an unlimited assortment of forms of branding, though a number of these are underused.

5.3.4 Recommendations

SMEs are encouraged to evaluate their current forms of branding and to then consider whether their branding is substantial. As found by this research, SME start-ups must consider an expansion of branding by introducing new forms of branding, such as paid online advertisements. The recommendation that stems from this is for SMEs to conduct market research for the purpose of gaining a better understanding of their consumers and then fashioning a brand strategy that intends to reach consumers and a larger audience.

5.4 Objective Three

To determine whether South African entrepreneurs with SME start-ups consider branding to be essential for the success of their SME

5.4.1 Findings from Literature

Raghavan (2018) stipulated that branding is crucial for SMEs, yet it appears to be one of the more challenging aspects for entrepreneurs to implement. It is affirmed that SMEs are faced with a number of challenges that may affect the brand orientation and the distinctiveness of a given brand (Raghavan, 2018). Branding is a means by which to combat these challenges and barriers that SMEs face and are required to overcome to become successful (Kongolo, 2010). Alsaaty and Sawyer (2019) stated that it is vital that SMEs in South Africa succeed and that, to succeed, SMEs need to have a distinctive brand.

5.4.2 Findings from Research

The research found that 90% of the participants believed that branding is essential for the success of an SME, meaning that a mere 10% of the participants disagreed with this statement. Furthermore, some 52% of participants believed that their SME would not succeed without branding and 31% possessed neutral feelings towards the matter. This conveys that 17% of the participants were sure that their SME would succeed without any branding. This suggests that, although not every participant assumed branding to be the leading aspect in starting-up an SME, most of the research participants considered branding to be a significant contributor to their SME's success. In spite of the fact that respondents affirmed that branding is necessary, their responses indicate that they do not focus adequately on branding.

5.4.3 Conclusion

The incorporation of branding is considered to be a significant contributing factor to the success of an SME start-up. Even so, branding is not unanimously viewed as the most important contributing factor. Branding is encouraging SMEs to generate brand awareness, with the positive impact being the rising potential for customers' brand loyalty and repeat purchases. Hence, an SME start-up's success becomes more likely.

5.4.4 Recommendations

It is evident that SMEs aim to achieve increased success and acknowledge a relationship between success and branding. It is recommended to SME entrepreneurs that branding should be expanded on and new forms of branding should be introduced

into the SMEs' respective brand strategies. This will allow for an amplification of brand awareness among consumers by way of brand identity being communicated through various forms of branding. In view of this, the correlation between branding and success will become all the more apparent to entrepreneurs with SME start-ups.

5.5 Objective Four

To determine the relationship between the frequency of branding and the success of an SME

5.5.1 Findings from Literature

Carvalho (2007) expressed that, although it is essential for an SME start-up to establish a distinctive brand identity, it is common for SMEs to have a limited brand identity. A brand with a strong brand identity is expected to possess a dominant brand positioning in the market in which it operates (Rufaidah, 2016). In the event that an SME's brand is built at the outset of the start-up phase, consumers will become more familiar with the brand, which will effectuate loyalty and a greater likelihood for future prosperity (Rufaidah, 2016; Alsaaty and Sawyer, 2019). Alsaaty and Sawyer went on to report that entrepreneurial start-up branding 'will enable entrepreneurs to entice investors, secure funding, and attain venture growth' (2019:71).

5.5.2 Findings from Research

The research observed that most of the participants believed that, to some extent, their SME start-up was successful. Despite this, 100% of the participants agreed that their SME could be more successful. It was of interest that 80% of the participants expressed a desire to improve the branding of their SME. The former and latter mentioned percentages indicate a significant correlation between an SME's branding and its success in the minds of the research participants. This denotes that participants viewed branding as a factor that contributes considerably to heightened success. Nevertheless, they failed to employ branding to a greater extent in order to market their enterprises.

5.5.3 Conclusion

The application of branding in SME start-ups was found to be related to and associated with success. The secondary sources stressed the necessity for a prominent brand

positioning and identity while striving for success. This was validated by the findings of the primary research that depicted entrepreneurs' association of branding with success.

5.5.4 Recommendations

SME start-ups must acquire the ability to understand the extent of the relationship between branding and success. This is owing to the fact that, with a broader knowledge, justified branding decisions are capable of being formulated. It is recommended that SME start-ups gain insight into the market in which they operate. It is suggested that this knowledge may be obtained via consumer market research and by hiring market professionals to assist with evaluating the branding of that particular SME. On the basis of this, success is sure to be enhanced.

5.6 Objective Five

To determine the way(s) in which South African SME start-ups may be able to improve their branding

5.6.1 Findings from Literature

The absence of branding is often associated with the financial constraints of an SME (Carvalho, 2007; Rufaidah, 2016). Carvalho (2007) presented the enablers and prohibitors in the SME start-up phase and the research found that financial issues are SMEs' dominant prohibitor. Be that as it may, entrepreneurs often prioritise sales in the start-up phase of their SMEs rather than building a brand and establishing a brand identity. This was supported by Carvalho (2007) in the presumption that entrepreneurs should consider investing in branding with their initial start-up capital instead of highlighting their sales. This is for the purpose of generating consumers' familiarity with the brand (Rufaidah, 2016). This will influence brand awareness and promote future brand loyalty and repeat purchases.

5.6.2 Findings from Research

The research participants were requested to detail the ways in which they perceived that their SME start-ups' branding may be able to be improved upon. The most frequent answer from the participants was that, with the incorporation of new forms of

branding that they have not previously implemented, the improvement of SMEs' branding may be seen to. The research determined that there were multiple forms of branding that the participants had underused. The research found that forms of branding such as email marketing, paid advertisements and search engine optimisation were considerably disregarded. Some 27% of participants made use of email marketing, 23% made use of paid advertisements and a mere 17% of participants utilised presentations and webinars. As stated by the participants, a brand is capable of being improved by incorporating a vaster number of forms of branding and introducing new forms of branding.

5.6.3 Conclusion

Given that the research has established links between branding and success, South African SME start-ups are able to improve on their brand by means of introducing forms of branding that were previously not enforced. The research findings, supported by relevant literature, exhibited that a surplus of forms of branding are underused or even disregarded by SME entrepreneurs in KwaZulu-Natal. Without the aforementioned improvement in branding, this may elicit a lack of the frequency of branding that is necessary for the success of an SME start-up.

5.6.4 Recommendations

It is recommended that, in taking action to increase the presence and frequency of branding and introducing new forms of branding, SME start-ups invest in a brand building or communications strategy agency. This investment will enable the SMEs to more effectively introduce new branding on account of the fact that the hired agency consists of experts in the field of branding. Additionally, it is recommended that a supplemental investment should be in branding, with this occurring at the start-up phase.

5.7 Suggestions for Further Research

It is suggested that, as a means by which to obtain research that is capable of being generalised, a larger sample size be adopted in future research. The sample size applied to this research was relatively small, meaning that the findings of the research were not generalisable to a larger population. It would be of use to gain access to

generalised research of a similar nature. With this, fully-statistical quantitative research is suggested. This is for the reason that this research did not incorporate a statistical analysis but rather adopted a quantitative approach via the visual presentation and percentages that depicted the findings. Along with this, Carvalho's (2007) research, on which this research was based, is a seminal source of a qualitative nature. The quantitative approach that was selected for this research intended to provide substance to the seminal source on the basis of advancing understanding via contrasting research approaches and designs. Even so, since Carvalho's research is seminal, it is suggested that updated qualitative research would be beneficial to this field and topic of research. This is so as to inspire qualitative findings that hold greater relevance to modernised society. An additional suggestion is that mixed methodology research be conducted for the purpose of summarising both qualitative and quantitative findings into a single research paper.

5.8 Concluding Remarks

This research explored the role that branding has in KwaZulu-Natal-based SME start-ups. The purpose of this research was to discern whether branding in an SME is an element that impacts the level of success of that SME start-up. The secondary research, in the form of literature, and the primary research, conducted with the use of quantitative questionnaires, delivered findings that corresponded with those of the other. The similarity between the findings of the primary and secondary research authorised an accurate and justified conclusion to this research. It is discernable through the findings that there exists a widespread perception that the branding of SME start-ups is related to the performance of those SMEs. It is as per the aforementioned that conclusions and applicable recommendations were devised.

It must be noted that this was a small-scale study and that the sample was not representative of the population. As such, the findings cannot be generalised to the larger population with any degree of statistical confidence. In the event that entrepreneurs are to implement the recommendations made in this research, they are cautioned to monitor the process and to make adjustments should the anticipated benefits not become evident. In spite of the research having been compromised by the failure of the appointed statistician to deliver the data analysis, every effort was

made to provide a sound, methodical study and to use an arithmetical analysis to analyse the data in order to formulate conclusions and recommendations.

On the basis of the researched sample, the answer to the research question is that branding plays a monumental role in the success of an SME start-up, particularly those that are based in KwaZulu-Natal. Alongside this, the aim for this small-scale research was proven with the aid of the research findings. The concluding statement of this research, which aligns with the initial predicted conclusion, is that branding is essential for the success of an SME start-up. Yet, entrepreneurs in KwaZulu-Natal are not branding their SME start-ups in an effective manner.

References

- Actuarial Post. 2011. Spreadsheet Risk Management within UK Organisations. *Actuarial Post*, 2011. [Online]. Available at: <http://www.actuarialpost.co.uk/article/spreadsheet-risk-management-within-uk-organisations-351.htm> [Accessed 3 September 2020].
- Adeniran, T. and Johnston, K. 2012. Investigating the Dynamic Capabilities and Competitive Advantage of South African SMEs. *African Journal of Business Management*, 6(11): 4088-4099.
- Adom, D., Hussein, E.K. and Adu Agyem, J. 2018. Theoretical and Conceptual Framework: Mandatory Ingredients of a Quality Research. *International Journal of Scientific Research*, 7(1): 438-441.
- Allen, M. 2017. *Relationships Between Variables*. Thousand Oaks: SAGE Publications.
- Alsaaty, F.M. and Sawyer, G. 2019. Branding Entrepreneurial Start up Disruptive Innovation Ventures. *Journal of Small Business and Entrepreneurship Development*, 7(1): 71-81.
- Ayandibu, A.O. and Houghton, J. 2017. The Role of Small and Medium Scale Enterprise in Local Economic Development (LED). *Journal of Business and Retail Management Research*, 11(2): 133-139.
- Carvalho, R.P. 2007. The Role of Branding in SME Start-Ups. MBA dissertation. University of Pretoria.
- Chimucheka, T. 2013. Overview and Performance of the SMMEs Sector in South Africa. *Mediterranean Journal of Social Sciences*, 4(14): 783-795.

Choto, P., Tengeh, R. and Iwu, C. 2014. Daring to Survive or to Grow? The Growth Aspirations and Challenges of Survivalist Entrepreneurs in South Africa. *Environmental Economics*, 5(4): 93-101.

De Wet, P. 2019. The Definitions of Micro, Small, and Medium Businesses Have Just Been Radically Overhauled – Here's How. *Business Insider*, 15 March 2019. [Online]. Available at: <https://www.businessinsider.co.za/micro-small-and-medium-business-definition-update-by-sector-2019-3> [Accessed 2 May 2020].

Denzin, N.K. and Lincoln, Y.S. 2018. *The SAGE Handbook of Qualitative Research*. Los Angeles: Sage.

Department of Small Business Development. 2019. *Revised Schedule 1 of the National Definition of Small Enterprise Development in South Africa*. Pretoria: Department of Small Business Development: 2, table.

Drucker, P.F. 2006. *Innovation and Entrepreneurship*. New York: Harper Collins.

Fatoki, O. 2014. The Causes of the Failure of New Small and Medium Enterprises in South Africa. *Mediterranean Journal of Social Sciences*, 5(20): 922-927.

Fleming, J. and Zegwaard, K. 2018. Methodologies, Methods and Ethical Considerations for Conducting Research in Work-Integrated Learning. *International Journal of Work-Integrated Learning*, 19(3): 206-213.

Frost, J. 2018. Difference between Descriptive and Inferential Statistics. *Statistics By Jim*, 2018. [Online]. Available at: <https://statisticsbyjim.com/basics/descriptive-inferential-statistics/> [Accessed 3 September 2020].

Gopaul, M. and Manley, L.L. 2015. SME Perception of Government Assistance within South Africa. *Journal of Governance and Regulation*, 4(4): 306-314.

Hashim, S.F., Tajuddin, R.M. and Zainol, A.S. 2015. Creating Resilient SME Through Brand Identity (Case Study of Bumiputera Fashion Entrepreneurs in Malaysia). *International Academic Research Journal of Social Science*, 1(2): 264-282.

Kaya, F. and Marangoz, M. 2014. Brand Attitudes of Entrepreneurs as a Stakeholder Towards a City. *10th International Strategic Management Conference*. 485-493. February 2014. Turkey: Elsevier Ltd.

Kivunja, C. and Kuyini, A. 2017. Understanding and Applying Research Paradigms in Educational Contexts. *International Journal of Higher Education*, 6(5): 26-41.

Kongolo, M. 2010. Job Creation versus Job Shedding and the Role of SMEs in Economic Development. *African Journal of Business Management*, 4(11): 2288-2295.

Kotzé, S. 2011. Factors Influencing Management Knowledge in the Pre-Owned Motor Vehicle Enterprises of Matjhabeng. MTech dissertation. The Central University of Technology.

Majola, G. 2019. ZCCI is Pleased with the Partnerships. *Sunday Tribune*, 9 June 2019. [Online]. Available at: <https://www.pressreader.com/south-africa/sunday-tribune-south-africa/20190609/282888027189998> [Accessed 5 December 2020].

Maree, K. ed. 2019. *First Steps in Research*. Pretoria: Van Schaik.

Middleton, F. 2019. Reliability vs Validity: What's the Difference?. *Scribbr*, 3 July 2019. [Online]. Available at: <https://www.scribbr.com/methodology/reliability-vs-validity/> [Accessed 5 December 2020].

Pettinger, T. 2018. Difference Between Economic Growth and Economic Development, *Economics Help*, 23 September 2018. [Blog]. Available at: <https://www.economicshelp.org/blog/1187/development/economic-growth-and-development/> [Accessed 2 May 2020].

Pretorius, M. 2009. Defining Business Decline, Failure and Turnaround: a Content Analysis. *South African Journal of Entrepreneurship and Small Business Management*, 2(1): 1-16. Cited in: Fatoki, O. 2014. The Causes of the Failure of New Small and Medium Enterprises in South Africa. *Mediterranean Journal of Social Sciences*, 5(20): 922-927.

Price, P., Jhangiani, R. and Chiang, C. A. 2019. *Research Methods in Psychology*. Texarkana: Kwantlen Polytechnic University.

Raghavan, L. 2018. How Brand-Building Can Give SMEs the Competitive Edge. *Business Times*, 18 October 2018. [Online]. Available at: <https://economictimes.indiatimes.com/small-biz/marketing-branding/branding/how-brand-building-can-give-smes-the-competitive-edge/articleshow/66270482.cms> [Accessed 6 July 2020].

Rahman, M. 2017. The Advantages and Disadvantages of Using Qualitative and Quantitative Approaches and Methods in Language “Testing and Assessment” Research: A Literature Review. *Journal of Education and Learning*, 4(1): 102-112.

Rufaidah, P. 2016. Dynamic Capability in Branding Strategy Development. *International Journal of Economics and Management*, 10(1): 183-196.

Schroter, W. 2018. How Long Will It Take To Have a Successful Startup?. *Startups.com*, 16 October 2018. [Online]. Available at: <https://www.startups.com/library/expert-advice/how-long-will-it-take-for-my-startup-to-be-successful> [Accessed 6 December 2020].

Small Business Institute. 2018. Small Business Policy is Based on Wrong Assumptions, Study Shows. *Small Business Institute*, 3 August 2018. [Online]. Available at: <https://www.smallbusinessinstitute.co.za/2018/08/03/business-day-small-business-policy-is-based-on-wrong-assumptions-study-shows/> [Accessed 28 June 2020].

Statistics Solutions. 2020. What is the Difference Between Population and Sample?, *Statistics Solutions*, 2020. [Blog]. Available at: <https://www.statisticssolutions.com/what-is-the-difference-between-population-and-sample/> [Accessed 3 September 2020].

The Small Enterprise Development Agency. 2019a. *Imbadu Newsletter: Official Quarterly Publication: 1st Quarter 2019*. Pretoria: Seda National Office.

The Small Enterprise Development Agency. 2019b. *SMME Quarterly Update: 1st Quarter 2019*. Pretoria: Seda National Office.

Top Performing Companies. 2017. The Importance of SMMEs on the South African Economy. *Top Performing Companies*, 12 May 2017. [Online]. Available at: <https://topperforming.co.za/the-importance-of-smmes-on-the-south-african-economy/> [Accessed 28 June 2020].

Writer, S. 2019. The Brutal Impact of South Africa's Economy on Small Businesses. *Business Tech*, 18 November 2019. [Online]. Available at: <https://businesstech.co.za/news/banking/354939/the-brutal-impact-of-south-africas-economy-on-small-business/> [Accessed 28 June 2020].

Young, J. 2020. Frequency Distribution. *Investopedia*, 14 July 2020. [Online]. Available at: <https://www.investopedia.com/terms/f/frequencydistribution.asp> [Accessed 5 December 2020].

Appendix A: Summary Document Table

Research Purpose	Primary Research Question	Research Rat on a e	Sem na Authors/ Sources	L terature Rev ew – Conceptua Frameworks	Parad gm	Approach	Data Co ect on Method(s)	Eth cs	Key F nd ngs	Recommendat ons
To determ ne whether the presence or absence of brand ng s an e ement that s key y to affect an entrepreneur's attempt at a successfu SME.	What s the ro e of brand ng n SME start ups n KwaZu u Nata and what mpact does th s brand ng have of the eve of success of SMEs?	There are a number of stat st cs that ustrate a major ssue n the success of SMEs. Brand ng may pay a ro e n th s success or fa ure.	Carva ho, R.P. 2007. The ro e of brand ng n SME start ups. MBA thes s. Un vers ty of Pretor a.	Theme 1: The Performance of SMEs n South Afr ca Theme 2: Brand ng n South Afr can SMEs Theme 3: The Ro e of SMEs n Econom c Deve opment n South Afr ca	Pos t v sm	Quant tat ve	Em a quest onna res C osed ended quest ons	Object v ty	Many forms of brand ng are underused.	SMEs shou d h re more emp oyees. SMEs shou d conduct market research. New forms of brand ng shou d be ntroduced. SMEs shou d h re profess ona agenc es to ass st w th brand ng.
						Popu at on	L st quest ons and L kert sca e quest ons	Integr ty	Brand ng makes success more ke y.	
						Entrepreneurs w th SME start ups based n KwaZu u Nata		Conf dent a ty	SMEs are ab e to mprove the r brand ng.	
Research Prob em	Research Object ves		Key Concepts and Theor es		Samp ng	Data Ana ys s Method(s)	L m tat ons	Key Contr but on		
The fa ure rate of SME start ups n South Afr ca s between 70% and 80% (Aden ran and Johnston 2011).	To determ ne... How South Afr can SMEs measure success. The forms of brand ng that South Afr can SMEs ut se. The re at onsh p between the frequency of brand ng and the success of an SME. Whether South Afr can entrepreneurs cons der brand ng to be essent a . How South Afr can SMEs may be ab e to mprove the r brand ng.		Brand ng Entrepreneurs SMEs The Start Up Phase Econom c Growth and Deve opment		Non probab ty samp ng Quota and snowba samp ng methods 30 40 entrepreneurs who own SME start ups n KwaZu u Nata	Descr pt ve ana ys s method Graphs, charts and tab es	Lack of pr or research Coronav rus Pandem c Quant tat ve research des gn	Soc a contr but on through prov d ng entrepreneurs w th the nformat on needed to ach eve success. Academ c contr but on through an under stud ed top c be ng researched.		

Appendix B: Ethical Clearance Form



3 August 2020

Student name: Katherine (Katie) Leisegang

Student number: [REDACTED]

Campus: Vega School Durban

Re: Approval of Bachelor of Arts Honours in Strategic Brand Communication Proposal and Ethics Clearance

HONOURS ETHICAL CLEARANCE LETTER

Your research proposal and the ethical implications of your proposed research topic were reviewed by your supervisor and the campus research panel, a subcommittee of The Independent Institute of Education's Research and Postgraduate Studies Committee.

Your research proposal posed no significant ethical concerns and your supporting documents and instruments are in order to proceed. We hereby provide you with permission to proceed with your research.

In the event of you deciding to change your research methodology in any way, kindly consult your supervisor to ensure all ethical considerations are adhered to and pose no risk to any participant or party involved. A revised ethical clearance letter will be issued.

We wish you all the best with your research!

GENERAL CONDITIONS TO BE FULFILLED IN RELATION TO RESEARCH

Permission is granted to proceed with the above study subject to the conditions listed below being met and may be withdrawn should any of these conditions be flouted.

Please note: The panel has not considered the merits, accuracy or ethical soundness of the research. The only merits examined are the use of The IIE as a sample.

Permission is granted subject to the following conditions:

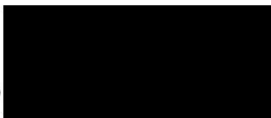
1. You will need to obtain informed consent in writing from all of the participants in his/ her sample if the study is not anonymous.
2. You may only use the data collected for research purposes and in no other way.
3. Photographs of human subjects may only be taken if relevant to the research, informed consent was obtained, and even with informed consent, the photographs may not be published on any online platforms.
4. You are responsible for supplying and utilising his/her own research resources, such as stationery, photocopies, transport, faxes and telephones and should not depend on the goodwill of the institutions and/or the offices visited for supplying such resources.
5. No names or identifying information of participants may be used within the research and the research must be voluntary. Minors may not be interviewed.
6. Please make it clear that the information will not be used punitively in any way and participants may in no way be counselled/advised based on this.
7. Research must be conducted in the public domain.

Supervisor: Alec Bozas

ARBoZas 03/08/2020

Signature: _____

Campus Postgraduate Co-ordinator (CPC): Carolanda du Toit

Signature  05/08/2020

Appendix C: Participant Consent Form



Explanatory Information Sheet

To whom it may concern,

My name is Katherine (Katie) Leisegang and I am a student at Vega School Durban. I am currently conducting research under the supervision of Alec Bozas about The Role of Branding in SME Start-Ups Based in KwaZulu-Natal. The aim of this research is to enhance our understanding of the relationship between the presence or absence of the branding of SMEs and the level of success of those SMEs that use branding.

I would like to invite you to participate in my study. In order to explain to you what your participation in my study will involve, I have formulated questions that I will try to fully answer so that you can make an informed decision about whether or not to participate. If you have any additional questions that you feel are not addressed or explained in this information sheet, please do not hesitate to ask me for more information. Once you have read and understood all the information contained in this sheet and are willing to participate, please complete and sign the consent form below.

What will I be doing if I participate in your study?

I would like to invite you to participate in this research because you are an entrepreneur who owns an SME that is based in KwaZulu-Natal. If you decide to participate in this research, I have provided you with the questionnaire that you will need to complete. The questionnaire will consist of two sets of data: the first regarding the specifics of your enterprise, and the second regarding your views on and use of branding within your enterprise. If you could please fill that questionnaire out and then email it back to me. You can decide whether or not to participate in this research. If you decide to participate, you can choose to withdraw at any time or to decide not to answer particular questions on the questionnaire.

Are there any risks/or discomforts involved in participating in this study?

Whether or not you decide to participate in this research, there will be no negative impact on you. There are no direct risks or benefits to you if you participate in this study. If you find at any stage that you are not comfortable with the questions, you may withdraw or refrain from participating.

Do I have to participate in the study?

- Your inclusion in this study is completely voluntary;
- If you do not wish to participate in this study, you have every right not to do so;
- Even if you agree to participate in this study, you may withdraw at any time without having to provide an explanation for your decision.

Will my identity be protected?

I promise to protect your identity. I will not use your name in any research summaries to come out of this research and I will also make sure that any other details are disguised so that nobody will be able to identify you. I would like to ask your permission to analyse your answers to the questions on the questionnaire, but only my supervisor, I and possibly a professional transcriber (who will sign a confidentiality agreement) will have access to these questionnaire analyses. Nobody else, including anybody at Vega School Durban, will have access to your answers to the questions on the questionnaire. I would like to use quotes when I discuss the findings of the research, but I will not use any recognisable information in these quotes that can be linked to you.

What will happen to the information that participants provide?

Once I have finished all interviews, I will write summaries to be included in my research report, which is a requirement to complete my Bachelor of Arts Honours in Strategic Brand Communication. You may ask me to send you a summary of the research if you are interested in the final outcome of the study.

What happens if I have more questions about the study?

Please feel free to contact me or my supervisor should you have any questions or concerns about this research, or if there is anything you need to know before you decide whether or not to participate.

You should not agree to participate unless you are completely comfortable with the procedures followed.

My contact details are as follows:

Katherine (Katie) Leisegang

[REDACTED]

The contact details of my supervisor are as follows:

Alec Bozas

[REDACTED]



Participant Consent Form

I, _____, agree to participate in the research conducted by Katherine (Katie) Leisegang about The Role of Branding in SME Start-Ups Based in KwaZulu-Natal.

This research has been explained to me and I understand what participation in this research will involve. I understand that:

1. I agree to answer a questionnaire for this research.
2. My anonymity will be ensured. My name and personal details will be kept private.
3. My participation in this research is voluntary and I have the right to withdraw from the research at any time. There will be no repercussions should I choose to withdraw from the research.
4. I may choose not to answer any of the questions that are asked during the research questionnaire.
5. I may be quoted directly when the research is published, but my identity will be protected.

Signature

Date

Appendix D: Research Data: Questionnaire



Research Instruments Data Set 1: Biographical Questions

When Did You Open Your Enterprise?

Less than 1 year ago	1 year to 2 years ago	2 years to 3 years ago	3 years to 4 years ago	4 years to 5 years ago	More than 5 years ago
----------------------	-----------------------	------------------------	------------------------	------------------------	-----------------------

Classification of Enterprise

(Note: the classification of each type of enterprise is determined by the sector in which that enterprise operates. If you are unsure what your enterprise is classified as, please refer to the table below this question)

Micro Enterprise	
Small Enterprise	
Medium Enterprise	

SECTOR	SIZE	MAXIMUM TURNOVER
Agriculture	Medium	R35 million
	Small	R17 million
	Micro	R7 million
Mining and quarrying	Medium	R210 million
	Small	R50 million
	Micro	R15 million
Manufacturing	Medium	R170 million
	Small	R50 million
	Micro	R10 million
Electricity, gas, water	Medium	R180 million
	Small	R60 million
	Micro	R10 million
Construction	Medium	R170 million
	Small	R75 million
	Micro	R10 million
Retail, motor trade, repair	Medium	R80 million
	Small	R25 million
	Micro	R7.5 million

Wholesale	Medium	R220 million
	Small	R80 million
	Micro	R20 million
Catering, accommodation, other	Medium	R40 million
	Small	R15 million
	Micro	R5 million
Transport, storage, communication	Medium	R140 million
	Small	R45 million
	Micro	R7.5 million
Finance and business services	Medium	R85 million
	Small	R35 million
	Micro	R7.5 million
Community, social, personal service	Medium	R70 million
	Small	R22 million
	Micro	R5 million

Sector of Enterprise

Agriculture	
Mining and Quarrying	
Manufacturing	
Electricity, Gas, Water	
Construction	
Retail, Motor Trade, Repair	
Wholesale	
Catering, Accommodation etc.	
Transport, Storage, Communication	
Finance and Business Services	
Community, Social, Personal Service	

Did you experience any growth in turnover from your earlier financial years to your most recent financial year?

Yes	
No	
The turnover remained the same	

How does your current number of employees compare to the number of employees when you launched your SME?

More employees	
Fewer employees	
Same number of employees	

Select all of the following branding forms and the ways of communicating your brand that your enterprise makes use of

Name	
Logo	
Slogan	
Corporate Colours	
Website	
Social Media Account(s)	
Networking	
Email Marketing	
Email Signatures	
Paid Advertisements (Radio, Newspaper, Billboard etc.)	
Search Engine Optimisation	
Promotions, Giveaways, Coupons etc.	
Presentations/Webinars	
Other (please specify)	

Please will you list the forms of branding and types of communication that you believe are most useful when attracting consumers

Research Instruments

Data Set 2: Likert Scales

The following section of this research questionnaire is in the form of a number of Likert scales. There are 15 statements hereunder, with five options ranging from 'Strongly Agree' to 'Strongly Disagree' (some of these statements will ask for an explanation of a previous statement). Please read the statements carefully and use any symbol to select the option that you believe best fits the statement in the case of you and your SME.

1 I believe that my SME is successful

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

2 I believe that my SME could be more successful

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

3 Please provide your definition of success

4 I understand what branding is

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

5 My SME makes use of a distinct brand

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

6 Please give an example of branding that your enterprise in particular makes use of

7 I would like to improve my SME's brand

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

8 Please explain the changes, if any, that you would like to make to your branding and why you wish to make these changes

9 Branding is essential for the success of an SME

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

10 My product/service would succeed without branding

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

11 Branding is just as important as the quality of my product/service

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

12 My budget has affected my ability to properly brand my SME

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

13 I possess the necessary resources to brand my SME

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

14 I believe that my SME contributes to South Africa's economic growth of the sector in which the SME operates

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
-------------------	-------	---------	----------	----------------------

15 Please will you elaborate on the branding that you use and the extent to which you apply this branding
