



The perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa

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Abstract

This study examined marketing communications in South African microenterprises. Large organisations normally engaged in marketing activities to support their growth and success. With microenterprises, a type of small business, touted as having a critical role to play in the development of South Africa's economy but failing to live up to that expectations the purpose of this study was to explore and gain a preliminary understanding of the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa.

Micro-entrepreneurs around Gauteng were identified as the population to be studied and from that population, micro-entrepreneurs who work with MEDO were identified as a sample. Using a questionnaire, data was collected from owners of microenterprises and analysed to arrive to findings outlined below:

An overwhelming majority of the owners of microenterprises have a positive perception towards marketing communications. They believe it can play a vital role in the growth and success of their businesses. However, it was interesting to note that again a majority of them did not understand the concept of marketing communications. What was also interesting was that they were prepared to learn more about the concept because they believe it can make a difference to their businesses.

Keywords

Microenterprises; Micro-entrepreneurs; Marketing; Marketing Communications

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Name: Sipho Mokgoatlheng

Signature:

Date: 07 November 2012

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He is the Almighty. He ought to be thanked and praised. In Him I believe, in Him I trust. This happened because He made it happen. With God, nothing is impossible.

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1 Chapter One – Introduction and Context of the Study

1.1 Introduction

According to a research report for South Africa by Trade and Industrial Policy Strategies (Tips) and the Department of Trade and Industry (2012), the promotion of small businesses remains critical to creating jobs and a more equitable economy. In the report it is stated that, in South Africa, between 1985 and 2005, 90% of all new jobs were created by small, micro and medium firms. Clearly, small businesses are very important to South Africa and, therefore, must be nurtured and encouraged to grow.

Within the small business environment, one finds the microenterprises sector. This study investigates microenterprises. A microenterprise is a business with five or fewer employees+ as prescribed in the National Small Business Act No. 102 of 1996 (Government Gazette of the Republic of South Africa, 2003). According to Sen (2011, p. 55) microenterprises play a significant role in the economic growth of most communities and economies in both developing and developed countries.

This study is grounded in this extensive sector which offers a diverse and vibrant setting for analysing entrepreneurial development. This study addresses issues marketing communications in microenterprises and is titled the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa+.

1.2 Rationale for this topic and motivation for this study

This research topic is of growing importance to South Africa at large since the microenterprises hold the future of the country's economic development. The topic was selected in order to contribute to the understanding of the marketing communications phenomenon within the microenterprises as they play a critical role and their promotion is therefore important. Also, the study is aimed at exposing managers of microenterprises to the concept of marketing communications if they are not yet exposed to it and to make them understand marketing communications and the benefits thereof. With all this, it is ultimately hoped they too can benefit their microenterprises through the use of marketing communications.

It is clear that as part of small business environment, microenterprises are a backbone of the economic growth and stability of South Africa. Therefore, every effort to promote their growth and survival adds up. This study is relevant in that it will add to the promotion of entrepreneurship and discussion of ways to assist microenterprises to grow and succeed. With limited research on marketing of microenterprises in South Africa, this study will also add to and advance the body of theory relating to microenterprises marketing in South Africa.

1.3 Background to the study

While there is sufficient research and evidence of other issues such as development, financing, training programmes and marketing in the small and medium-sized enterprises (SMEs) sector, less research has focused on microenterprises. Even more so, a lot less research that examines the marketing communications element of marketing in microenterprises, especially in South Africa, has been conducted. The assumptions and confusions surrounding awareness, perceptions, and the use of marketing communications strategies in microenterprises create interest to conduct research on this particular area. Therefore, this study will attempt to do that by focusing on the perceptions and understanding of the importance of marketing communications and the use thereof by microenterprise owners.

South Africa continues to suffer from a higher rate of unemployment and low economic growth rate than other developing countries. The creation of small businesses by entrepreneurs has been touted as a solution towards inequality, poverty and unemployment. Small Medium and Micro Enterprises (SMMEs) are regarded among others as key creators of employment and economic stability. According to Brink, Ligthelm and Cant (2003, p. 1) the essential contribution that SMEs can make to economic development is recognised globally including in South Africa. In one of their publications, StatsSA (2010) agreed with (Brink, Ligthelm & Cant, 2003) and stated that ~~all~~ over the world, it has been recognised that the small businesses sector plays an important, if not critical, role in the economic and social development of a country. This is also true for South Africa.+According to the South African Government (2011), ~~the~~ sum total of the estimated 2,8 million SMMEs contribute between 52% and 57% to the gross domestic product (GDP). It is also estimated that SMMEs contribute nearly 61% of employment.+ In South Africa and in many other developing countries, microenterprises play an important role and are critical to the livelihood and survival of millions of people.

Despite the above, according to the 2011 Global Entrepreneurship Monitor (GEM, 2011) report released in May, South Africa's small business landscape is not showing progressive changes. It has not realised enough start-ups nor are enough small businesses surviving and growing.

Walsh and Lipinski (2009, p. 570), also acknowledged the important role played by small businesses in the world economy. According to them, research investigating the competitive advantage of small businesses has consistently emphasised the importance of marketing as one of the key factors in business survival and growth. According to Kotler and Keller (2009, p. 288) modern marketing is not just about developing a good product, pricing it attractively and making it accessible. It is about promoting it as well. Therefore, organisations including microenterprises must communicate and promote their products and services to their stakeholders.

While microenterprises are important to economic development of South Africa, they have not been performing as well as they should. According to the Department of Trade and Industry's (Dti) 2008 Annual Review of Small Businesses in South Africa, microenterprises provide employment for 17%, while large enterprises make up the majority (44%) of employment. These businesses show little sign of enterprise growth. Dti (2008) further stated that research indicates that entrepreneurs do not always choose to increase employment in South Africa. They want to sustain their own livelihoods.

At the Annual Small Business Summit 2011 held under the auspices of the Dti, one of the recommendations made by Prof Nicholas Biekpe of the African Growth Institute and University of Cape Town was that, there is a need for a marketing policy to promote goods and services of SMMEs. Marketing has a role to play in helping to grow microenterprises. In a study by Smit (1999, p. 34) the author stated that many microenterprises have failed because they did not pay attention to the marketing of their business. She concluded that an owner of a small business should have a marketing orientation if the business is to succeed. Clearly, marketing is important to microenterprises. It must be remembered that marketing has several components to it and one of those is marketing communications which this study focuses on.

It is against this backdrop that the research problem and the purpose of this study are found. In the next section the two concepts namely microenterprises and marketing communications are briefly looked at before research problem is more clearly identified.

1.4 Theoretical concepts

1.4.1 Microenterprises

Abor and Quartey, (2010, p. 221) in South Africa, the most widely used framework in defining small business is within the National Small Business Act 102 of 1996. It defined microenterprise as %a business with five or fewer employees.+ This small business may be home-based, farm-based or street front business and can be either part-time or full-time business. Microenterprises are at the leading edge of the enterprise formation process and are found everywhere: rural, urban, as well as in suburban areas in both developed and developing countries. The turnover is less than the VAT registration limit (that is, R150 000 per year). These enterprises usually lack formality in terms of registration. They include, for example, spaza shops, minibus taxis and household industries.

1.4.2 Marketing communications

Marketing communications is defined by Delozier (1976) as %the continuing dialogue between buyers and sellers in the marketplace.+The role of marketing communications is to share the meaning of a company's total product offering with its customers in such a way as to attain their goals, and at the same time, move the company closer toward its own goals.

1.5 Research problem

According to Kotler & Keller (2009, p. 289) the elements of marketing communications can play a number of crucial roles in businesses. Since microenterprises are a type of business, this means marketing communications can play a role in microenterprises. However, for it to play a role, it is important that microenterprise owners must perceive it as having a role that can help to grow their enterprises. They must have a clear and precise understanding of the roles that marketing communications can play to contribute most strongly to business performance.

According to Potluri (2008, p. 59) organisations exist to attain certain mission for undefined period of time. In order to exist in the business environment . often competitive . for a long period of time, organisations must look for effective and efficient ways of engaging in business activities that will help them to achieve organisational objectives. At present, due to environmental dynamism and

competitiveness, the struggle for survival and succeeding in the business has become more difficult and challenging. In order to achieve organisational objectives and survive, it is suggested that organisations adopt a holistic marketing approach.

A holistic marketing approach requires both internal and external marketing which not deal with the interaction of the organisation with the customer in terms of an organisations marketing activities but also employees. One of the four P's of the marketing mix is promotion also known as marketing communications (Kotler 2003). Organisations have to communicate with their existing and potential customers about what they are doing. Marketing communications is very important and at the same time challenging. There are several elements within the marketing communications mix (Potluri, 2008, p. 60).

On the basis of the above, the research problem for this study is presented in a form of the following three questions. Do owners of microenterprises in South Africa perceive marketing communications as important towards helping to grow their businesses? Do owners of microenterprises in South Africa understand marketing communications and the role it plays in businesses? Do owners of microenterprises in South Africa use marketing communications to promote their products and services?

Based on the research problem, the following section outlines the research objectives of this study.

1.6 Objectives of this study

The principal aim of this study is to add to the discussion about and promotion of microenterprises to contribute to their survival and growth as they are important to the economic development of South Africa. Another key aim is to contribute to the literature on marketing communications in microenterprises in South Africa since little literature exist on such as the focus has been mainly on SMEs.

1.6.1 Primary objectives

With that in mind and on the basis of the above research problem moulded in the form of three questions, the primary objective of this research has been to explore and gain a preliminary understanding of the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa. This key

objective is broken down into three key sub-objectives namely to:

- Understand the perceptions of owners of microenterprises in relation to the importance of marketing communications in organisations
- Investigate if owners of microenterprises understand marketing communications and the role it can play in organisations
- Assess the extent to which marketing communications elements such as public relations, exhibitions, advertising etc. are used by owners of microenterprises

1.6.2 Secondary objective

The secondary objective of this study is to investigate literature on marketing communications in microenterprises in other countries. Also, this study is done with the aim of understanding contemporary views on marketing communications.

1.7 Research scope

Within the framework of SMMEs, there are small businesses, medium-sized businesses and microenterprises. This study will focus on the microenterprises which according to the National Small Business Act No. 102 of 1996 (Government Gazette of the Republic of South Africa, 2003) are small businesses employing fewer than five employees and has a total annual turnover of R 0.15 million. Sen (2011, p. 55) segregated microenterprises into survival microenterprises, which include low skilled, low cost as compared to entrepreneurial microenterprises, which comprises skilled labour, technical knowledge and greater use of capital. For the purpose of this study, the focus will be on entrepreneurial microenterprises in Gauteng and those that work closely with Micro Enterprises Development Organisation (MEDO).

1.8 Chapter outline

This study is presented in seven chapters with this introductory chapter setting the scene and providing the context. The seven chapters are preceded by an abstract that is a brief summary of the study.

Chapter one creates direction for the rest of the dissertation. It focused on the background, problem statement, the purpose of the study, rationale and the scope of this study.

Chapter two looks at literature review on microenterprises and marketing communications and presents arguments within academic literature to show the need for this research.

Chapter three is the shortest of all the chapters and it focuses on the precise purpose of this research study. In this chapter, research questions are posed since not much literature provides likely solutions to the research objectives.

In chapter four, the research methodology is discussed in full. It focuses on the research design, including the choice of the methodology and rationale thereof, research population, sample, data collection and analysis. Also, in this chapter, a justification for the research methodology used is provided.

Chapter five is the presentation of the results and brief analysis in terms of answering the research questions.

Chapter six is the interpretation and discussion of the results and issues in relation to the research questions will be identified. This will be findings linked to the cited literature and nothing new.

The seventh chapter is the concluding chapter and it will look at pulling the results together into a cohesive set of major findings. Managerial recommendations will be made and suggestions for further research if any.

2 Chapter Two – Literature Review

2.1 Introduction

According to Saunders and Lewis (2012, p. 33) it is important for a researcher to conduct literature review as it provides the base on which to ground one's research study. A researcher must only include significant literature that has been published on the topic he or she is researching. Therefore, the researcher made a decision in terms of what is important to their research and why it is important. The following literature review presents arguments within the academic environment to demonstrate the need for this study.

In light of the background to the study and, more importantly, the research problem and the research objectives, it is important to institute a reasonable sound literature foundation around which the research can be built. In this section, a near comprehensive review of published scholarly literature on related topics is presented.

There is quite a lot of literature that exists on marketing communications and most of it looks at SMEs and large organisations. Little of it focuses on microenterprises especially in South Africa. With that in mind, this section should not be regarded as a comprehensive review but should be seen as merely serving to highlight the importance of issues relevant to the study.

2.2 Background to microenterprises, its definition and South Africa's context

According to Wolcott, Kamal and Qureshi (2008, p. 617) small businesses play an important role in economies all over the world in creating jobs and contributing to the socio-economic development of their communities. These researchers stated that a microenterprise is the smallest type of small business but plays a critical role. These tiny business entities according to Wolcott, Kamal and Qureshi (2008, p. 617) contribute to industrialisation in at least two ways. First, they graduate to become larger companies; and second, owners of microenterprises can accrue capital to be passed onto the next generation to start bigger businesses.

According to Qureshi and Kamal (2011) the majority of businesses around the world especially in developing countries are microenterprises and they are the most vulnerable and are often managed by people with limited resources and skills. These

form of small businesses are faced with challenges of limited resources, skills and ability to grow. Microenterprises may be home-based, farm-based or street front businesses and can be either part-time or full-time businesses. They are at the leading edge of the enterprise formation process and are found everywhere: rural, urban, as well as in suburban areas in both developed and developing countries (Wolcott, Kamal & Qureshi, 2008, p. 617).

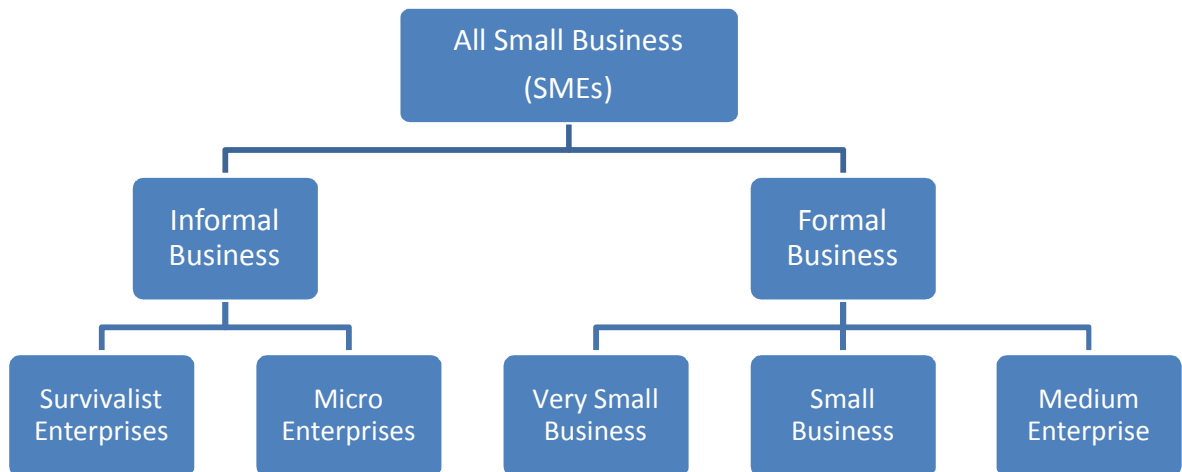
The issue of micro-entrepreneurship should be treated with the sincerity it deserves because for the micro-entrepreneurs the exercise of entrepreneurship is a matter of livelihood and survival. Most micro-entrepreneurs invest all their accumulated money in starting new microenterprises with the hope that they will succeed and this may leave them indebted at times (Wolcott, Kamal & Qureshi, 2008, p. 618).

Sen (2011, p.55) defined a microenterprise as a small business with usually five or fewer employees and requires less than \$35 000 to start and is too small to qualify for services offered by major commercial financial institutions.+Cardamone and Rentschler (2006, p. 347) offered the same definition in terms of the number of employees. Microenterprises are usually informally managed and found primarily in retail and service sectors. Sen (2011) further stated that microenterprises may be segregated into survival microenterprises, which include low skilled, low cost as compared to entrepreneurial microenterprises, which comprises skilled labour, technical knowledge and greater use of capital.+ Tustin (2001, p. 10) agreed with Sen (2011), and he categorised small business in South Africa in accordance with the Standard Industrial classification. However, in his classification Tustin (2001) differed slightly from Sen (2011) as he referred to informal businesses as consisting of survivalist enterprises and microenterprises as shown in figure 2.1.

According to Abor and Quartey, (2010, p. 221) in South Africa, the most widely used framework in defining small business is within the National Small Business Act 102 of 1996. It defines small businesses using the number of employees (the most common mode of definition) per enterprise size category combined with the annual turnover categories, as well as the gross assets excluding fixed property. The definitions for the various enterprise categories are given as follows:

- Survivalist enterprise: The income generated is less than the minimum income standard or the poverty line. This category is considered pre-entrepreneurial, and includes hawkers, vendors and subsistence farmers. (In practice, survivalist enterprises are often categorised as part of the micro-enterprise sector).

Figure 2.1: Classification of SMEs



Adapted from Economic growth prospects for SMEs in the Greater Johannesburg researchq UNISA: Bureau of market research. Research report no. 315 by Tustin, D.H. 2001, p. 10.

- Micro enterprise: The turnover is less than the VAT registration limit (that is, R150 000 per year). These enterprises usually lack formality in terms of registration. They include, for example, spaza shops, minibus taxis and household industries. They employ no more than five people.
- Very small enterprise: These are enterprises employing fewer than 10 paid employees, except mining, electricity, manufacturing and construction sectors, in which the figure is 20 employees. These enterprises operate in the formal market and have access to technology.
- Small enterprise: The upper limit is 50 employees. Small enterprises are generally more established than very small enterprises and exhibit more complex business practices.
- Medium enterprise: The maximum number of employees is 100, or 200 for the mining, electricity, manufacturing and construction sectors. These enterprises are often characterised by the decentralisation of power to an additional management layer.

The National Small Business Act's definitions of the different categories of business may be quantitatively summarised as set out in Table 2.1. Unlike with other types of small businesses, there seems to exist a global consensus when it comes to the definition of microenterprises in terms of number of employees . employs fewer than five employees. The same applies to South Africa as it was illustrated above. In most countries, microenterprises are recognised by the criterion of less than five employees.

2.3 The importance of microenterprises and the situation in South Africa

Microenterprises are strategic initiatives to promote economic development and alleviate poverty and social costs for communities in both developed and developing economies, as stated by (Sen (2011, p. 55). Sen (2011, p. 55) further stated that these enterprises assist in creating jobs and return on investment for entrepreneurs.

Table 2.1: Definitions of SMMEs given in the National Small Business Act

Enterprise Size	Number of Employees	Annual Turnover (in South African rand)	Gross Assets, Excluding Fixed Property
Medium	Fewer than 100 to 200, depending on industry	Less than R4 million to R50 million, depending on industry	Less than R2 million to R18 million, depending on industry
Small	Fewer than 50	Less than R2 million to R25 million, depending on industry	Less than R2 million to R4.5 million, depending on industry
Very Small	Fewer than 10 to 20, depending on industry	Less than R200 000 to R500 000, depending on industry	Less than R150 000 to R500 000, depending on Industry
Micro	Fewer than 5	Less than R150 000	Less than R100 000

Adapted from *SMES access to finance in South Africa . a supply side regulatory review*q Pretoria: Treasury Department by Falkena et al. 2002.

According to Kongolo (2010, p. 2289) an agreement exists between politicians, academicians and developmental economists as they are all of the view that enhancing small business development and promoting entrepreneurship would be a good strategy to contribute to and promote, economic development. Agreement by all these stakeholders is very uncommon.

According to Falkena, Abedian, von Blottnitz, Coovadia, Davel, Madungandaba, Masilela and Rees, (2002) microenterprises play a critical role in income generation in the lives of many South Africans. Nager, Swanepoel and Van der Merwe, (2008, p. 37)

agreed with Falkena *et al.* 2002) and stated that small business (including microenterprises) development should be an essential component of all reconstruction and development initiatives and this has the potential to economically empower the majority of South Africa's people.

Sen (2011, p. 61) argued that in communities with low-income, low levels of education and high unemployment rates, the creation of microenterprises is viewed as one route out of poverty. All these factors mentioned above are features of the South African economy and therefore the creation of microenterprises is a potential solution to this country's social ills. Sen (2011, p.61) further argued that the development of microenterprise policies could enable disadvantaged communities to reverse declining conditions by creating jobs and wealth.

According to the Dti (2008) in South Africa, many of these informal businesses and microenterprises are key to the livelihoods of millions of people. Microenterprises provide employment for 17%, while large enterprises make up the majority (44%) of employment. The majority of South Africa's SMMEs are microenterprises and survival enterprises, however these businesses show little sign of enterprise growth. Microenterprises contributed between eight and ten per cent to the total GDP in 2006.

Like all other businesses, microenterprises operate in a dynamic social and economic environment with internal and external factors that should ordinarily affect them and consequently impact their performance. The survival of these businesses remains a challenge because they are usually led by the one entrepreneur who trades his/her skills and products to earn a living.

Government initiatives to support microenterprises have been largely unsuccessful perhaps due to a lack of knowledge about the factors which affect microenterprises. As previously stated by Walsh and Lipinski (2009, p. 570), marketing communications, a component of marketing, is one of the factors that can impact on microenterprises. Walsh and Lipinski (2009, p. 570) stated that research investigating the competitive advantage of small businesses has consistently emphasised the importance of marketing as one of the key factors in business survival and growth. A concept that links microenterprises and marketing communications is that of stakeholder. Microenterprises need to perform marketing communications in order to promote their business to stakeholders. The next section briefly looks at the concept of stakeholder.

2.4 Organisational stakeholders and their importance

Why do organisations exist? According to Hooley, Saunders and Piercy (2004, p. 17), for commercial organisations, the simple answer to this question may be to earn returns on their investments especially for shareholders and owners. Given their nature and ownership, microenterprises fall under commercial organisations usually with owners being sole shareholders. They certainly are not non-commercial entities as most owners operate them for their survival. All businesses including microenterprises have stakeholders (Hooley *et al.* 2004, p. 17). A stakeholder is defined as, "any group or individual who can affect or is affected by the achievement of the organisation's objectives" (Freeman, 1984, p. 25).

Hooley *et al.* (2004) identified the primary stakeholders of commercial organisations including small business as employees, customers, owners, suppliers, communities and regulators. In the microenterprises environment, there are few stakeholders; namely, customers, suppliers, regulators (government) and perhaps employees if there are any that affect and are affected by a microenterprise.

Finney (2011, p. 314) postulated that the interactions and the outcomes of processes undertaken by stakeholders affect the organisation and vice versa holds too. Finney (2011) further stated that it is a commonly held belief that without engagement with and acceptance by stakeholders, it is unlikely that any organisational efforts to exist will be achieved. Therefore, it can be clearly justified that stakeholder engagement is necessary to gain support of stakeholders and, as a result, survival, growth and success of organisations. In order for them to survive and grow, microenterprises need the support of all their relevant stakeholders and therefore must engage them accordingly and this can be part of their marketing communications function.

Hooley *et al.* (2004, p. 21) argued that organisations with well-developed marketing resources that are properly deployed in the marketplace i.e. among the various stakeholders, can realise superior market performance. They cited an example of satisfied and motivated employees being able to significantly contribute to the creation of satisfied and loyal customers and subsequently increased sales volume and market share. Reputational assets such as well-known and respected brands . which is normally a result of good marketing communications . also affect market performance directly.

Hooley *et al.* (2004, p. 22) stated that marketing can contribute to satisfying the needs of employees - by providing for financial security and job satisfaction; by servicing customers better they are most likely assured to secure future orders, thus outplaying competition and thereby likely to survive into the future; and heightened success through partnerships and alliances can serve to bond commercial and supplying organisations together, creating more stability and predictability in the supply and distribution chain. Following this, it can be concluded that, certainly marketing, under which the marketing communications component is included, can contribute in satisfying the needs of various stakeholders.

With their limited stakeholders, microenterprises are not excluded from this, as they too, have stakeholders albeit small in numbers. Those stakeholders, be it two or three employees and certainly customers and suppliers have a role to play in the microenterprise's survival into the future. Owners of microenterprises just have to identify who their stakeholders are and ensure meaningful engagement with them through marketing communications and that will contribute to their satisfaction and support of the business entity.

2.5 The definition, importance and context of marketing in microenterprises

In a contemporary environment wherein businesses including microenterprises operate, implementing marketing interventions has become both a necessity and a challenge. It is a necessity because of the increased competition and the rapid market differentiation. Likewise, for any other business, marketing is one of the most significant micro competitive factors for microenterprises.

There are several varied definitions of marketing given in standard textbooks. Herewith below are some examples:

Marketing is the management process for identifying, anticipating and satisfying customer requirements profitably+ according to the United Kingdom's Chartered Institute of Marketing, (Brassington and Pettitt, 2003, p. 4).

According to Brassington and Pettitt, (2003, p. 4) the American Association of Marketing defined marketing as %be process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.+

McDaniel, Lamb and Hair (2006, p. 6) stated that the American Marketing Association defined marketing as an organizational function and set of processes for creating, communicating and delivering value to customers and for managing relationships in ways that benefit the organization and its stakeholders.

According to Simpson, Padmore, Taylor, Frecknall-Hughes (2006, p. 362) these definitions suggest a strategic and operational approach to marketing that has been interpreted in terms of the activities that larger organizations undertake when doing marketing. However, no definition of marketing for small and medium sized enterprises (SMEs) can be readily found in the literature and those attempts at definition or discussion often link marketing with entrepreneurial behavior.

While all definitions are relevant especially the last two definitions, for the purpose of this study the American Marketing Association's definition was adopted as it is the most recent and it encompasses the concept of stakeholder.

Kotler and Keller (2009, p. 24) argued that business financial success often depends on its marketing ability. Demand for a business goods and services allows business to make a profit and marketing is there to create such a demand. They further argued that businesses that are at risk are those that do not engage in marketing - those that do not monitor their customers, competitors and value offerings. This also applies to microenterprises as they face competition from other microenterprises. They all scrambling for the same customers who can be influenced through various marketing activities including, but not limited, to pricing and marketing communications.

Marketing issues and implementation of marketing decisions are not exclusive to large-firm settings. Small and emerging firms face marketing issues critical for their survival and growth, (Romano & Ratnatunga, 1995, p. 9). According to Simpson and Taylor (2002, p. 370) sales and marketing is often the most dominant problem encountered by small business operators and yet has been acknowledged to be the most important of all business activities for the survival and growth of small businesses.

Simpson *et al.*, (2006, p. 362) are of the view that, the development of marketing theory in small business environment has been somewhat limited. Practitioners rely on the classical marketing models used in big businesses for application to smaller businesses. They further stated that it is generally accepted that the basic principles of marketing are universally applicable to large and small businesses.

In their study, the role and relevance of marketing in SMEs: towards a new model, Simpson, and Taylor (2002, p. 372) presented the following argument: The role of marketing within an organisation can be viewed as an internal focus on the use of marketing by the organisation. So that, if marketing plays a big role in the organisation, then marketing would be expected to be included in all business plans, and to be used as a way of generating strategies and planning the future of the organisation. Marketing would be expected to take up a significant amount of the time spent by senior managers both in planning and implementing marketing activities. It would also be expected that the organisation would have a marketing orientation with the trappings of a marketing department with sufficient staff, resources and a reasonable budget. Marketing strategies and plans would be developed, monitored and evaluated in a systematic way by organisations where marketing plays a major role within the organisation.

The relevance of marketing examines the need for marketing by the organisation when operating within the company's particular business environment. The focus of attention here is on the external need for marketing so that the company can remain competitive within its business environment. For example, in a highly competitive industry, or a very dynamic industry, a company would need a major marketing effort in order to compete and maintain market share. A company not doing this would soon lose market share or be overtaken by changes in the market, which were not anticipated. However, in a less competitive and stable industry marketing would be less relevant to the future of the organisation. This is especially true if the organisation has little or no ambition or ability to grow. It may be that these limitations are artificially imposed, but so long as the market remains stable then the relevance of marketing may be regarded as minor.+

With the above in mind and the background information on the South African microenterprises especially their importance to the country's economy, it is clear that there is a need for marketing the microenterprises if they are to grow and play a more meaningful role in the development of the economy. It is understandable that microenterprises will not be able to undertake full-scale marketing activities due to financial constraints but they could make small incremental changes in their approach to the marketplace.

Jocumsen (2004, p. 659) posited that if small businesses including microenterprises are to survive, they have to recognise and understand competitive pressures, technological change and volatile market conditions. This view is shared by Parrott,

Roomi, and Holliman (2010, p. 198) who believed that small businesses' ability to fully understand their marketplace and become truly competitive relies on them developing a deeper and systematic understanding of their current marketing decision making processes through a planned and thorough adoption of more robust and more strategically-focused procedures. O'Dwyer, Gilmore and Carson (2009, p. 46), however mentioned that, despite the above being the truth, marketing in small businesses is hindered by constraints such as poor cash flow, lack of marketing expertise, business size, tactical customer-related problems, and strategic customer-related problems.

Martin (2009, p. 392) mentioned that small business face opportunities and concerns that large businesses do not and as such they may benefit from marketing which considers the particularities of the small business context. In their study, researchers, Zontanos and Anderson (2004, p. 231) noted that what seems to distinguish marketing for larger businesses from small businesses marketing is the active role of the owner. They argued that it is generally accepted that the characteristics of the small firm influence its marketing practice, (p. 230). They also noted that a small firm's marketing advantage, in contrast to a large firm, is precisely these close relationships between the entrepreneur and customers.

Van Scheers (2011, p. 5049) is of the opinion that marketing of a small business determines in the long-term whether it will succeed or fail. Smit 1999 in Van Scheers (2011, p. 5049) said that small businesses failed because they did not pay attention to the marketing side of business.

While researchers like Hogarth-Scott, Watson, and Wilson, (1996) in their earlier studies questioned whether small businesses needed to practice marketing to survive and grow, Walsh and Lipinski (2009, p. 571) on the other hand said that evidence has shown that although marketing activities in SMEs may be different, marketing is still critical to small firms' success. Marketing contributes positively to small business success and the ability to think strategically. Marketing is relevant for small and large businesses. Microenterprise owners need to understand and use marketing. Clearly, marketing departments exert influence in small businesses, especially in the ones that succeed.

Walsh and Lipinski (2009, p. 570) mentioned that despite the acceptance of the importance of the marketing in SMEs, the precise marketing activities that contribute

most strongly to business performance must be identified for small businesses. Marketing strategies that will ensure microenterprises get optimum performance need to be identified, developed and implemented in a planned manner. The following section examines marketing communications mix as part of small businesses marketing activities.

While it seems agreeable that small businesses also need marketing to grow their business and ensure survival, it is not without criticism. According to Martin (2009, p. 391) there is some criticism levelled against the traditional marketing theory and its application in the small business environment. Among the critics are Morris, Schindehutte and LaForge (2002, p. 2) who argued that the American Marketing Association's endorsed definition of marketing, ignores issues central to entrepreneurship: innovation, risk-taking, and proactiveness. Martins (2009) also argued that marketing scholars and practitioners have long depended on the same basic elements for success. The elements of successful corporate marketing have traditionally boiled down to the familiar four P's: price, promotion, product, and placement.

Some scholars have set about to find a solution to this clear lack of entrepreneurial focus in the marketing discipline. Hill and Wright (2000, p. 43) for instance noted that a paradigmatic shift would allow for the full expression of the entrepreneurial personality in the management and marketing activities of the SME. They argued that marketing and entrepreneurship could be connected more completely, creating a new, entrepreneurial paradigm of marketing.

Zontanos and Anderson (2004, p. 230) argued that, it is generally accepted that the characteristics of the small firm influence its marketing practice. The two authors further noted that: what seems to distinguish formal marketing from entrepreneurial marketing is the active role of the entrepreneur, and networks appear to be the link between the phenomena. Reijonen (2008, p. 617) agreed with Zontanos and Anderson (2004) and stated that it is widely recognised that small businesses are not just miniatures of large organisations. One distinguishing factor is the importance of the owner's influence on business activities. The owner seems to be omnipresent in every activity of a small firm. Consequently, when examining small or microenterprises, for example the owner, manager's motives and attitudes should be taken into account.

While the important differences between large and small business ventures and a call

for greater presence of entrepreneurial elements in marketing theory are acknowledged, for the purposes of this study, it seemed appropriate to take the traditional four Ps route. Marketing scholars and practitioners have long depended on the same basic elements for success. However, this was not done blindly, the important differences at the heart of experience were noted. The following section explored one of the four Ps of marketing mix namely, promotion, as marketing communications is referred to as indicated by Kotler (2003).

2.6 Theoretical background of marketing communications

Gabrielli and Balboni (2010, p. 276) maintained that in keeping with the broader marketing theory, the marketing communications theory also suggests a strategic and operational approach to communication that has been interpreted in terms of the integrated activities that large organisations undertake when communicating. The consequence is that most academic research debating the impact of marketing communications (sometimes referred to as Integrated Marketing Communications - IMC) theory in marketing communications practice is concentrated on quantitative analysis or case studies limited to larger organisations. Only a small amount of empirical research on integrated marketing communications practice within SMEs can be readily found in literature.

According to Kotler (2003, p. 16) the marketing mix consists of four variables: product, price, promotion and place, which a business must be able to manipulate in order to achieve its marketing objectives. These four variables are collectively known as the four Ps of marketing. Within the ambit of promotion, lies marketing communications consisting of several elements namely, sales promotion; advertising; personal selling; public relations; direct mail; telemarketing; internet marketing; sponsorship; word-of-mouth; exhibitions and events. Collectively these elements are referred to as marketing communications mix.

Gabrielli & Balboni (2010, p. 276) stated that marketing communications represent the voice by which companies can establish a dialogue with customers and other stakeholders, about their product/service offerings and/or other company issues. They further stated that the importance of marketing communications has grown in recent years for several reasons. The emergence of IT and audience fragmentation have fundamentally changed the marketing communications environment. The multiplication of ways to reach consumers, through traditional and non-traditional media, have forced

organisations to move away from a mass communications model and to cope with an increasing number of marketing communications options.

Marketing communications is defined as all strategies, tactics, and activities involved in getting the desired marketing messages to intended target markets, regardless of the media used (MarcommWise, 2006). Kotler and Keller (2009, p. 288) on the other hand defined marketing communications as the means by which firms attempt to inform, persuade and remind consumers . directly or indirectly - about the products and brands they sell.+

Kotler and Keller (2009, p. 288) further stated that marketing communications contributes to brand equity by creating brand image and can also help to drive sales. However, there can be challenges. According to Gabrielli and Balboni, (2010, p. 276) if information from different media channels all become part of messages about a company and its product and service for consumers, the company can convey different and conflicting messages if not managed well. Conflicting messages from different sources can create confused company images in the consumers' mind and also does not augur well for the company's reputation. Therefore, the need for systematic integration and coordination of all the messages and communication channels is not merely a theoretic concern, but has become a fundamental issue for organisations particularly for marketers.

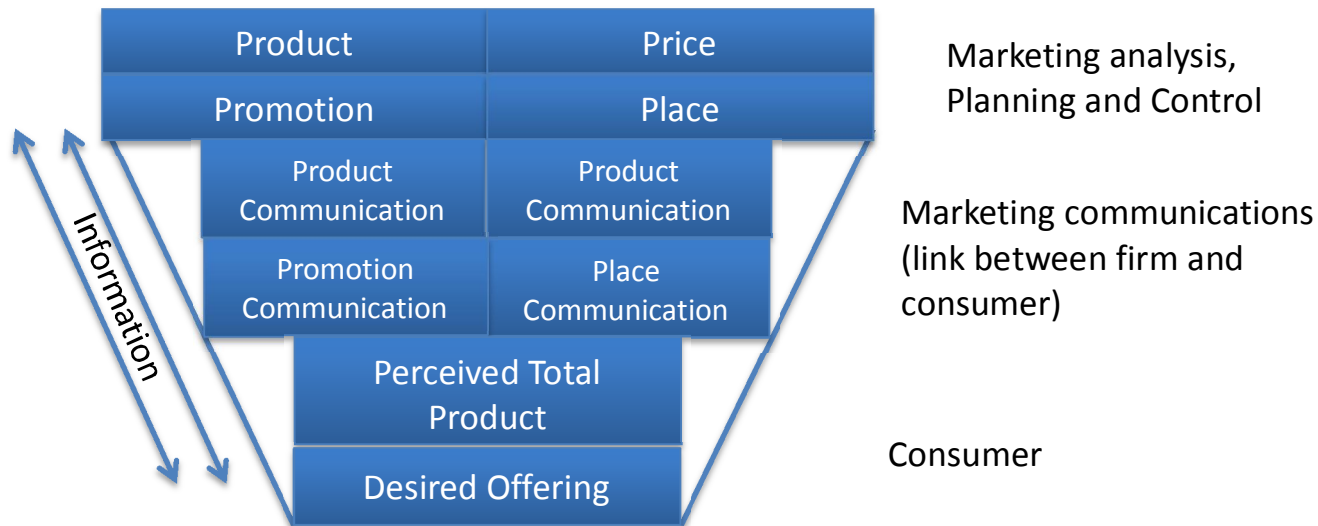
The integrated marketing communications theory, which will be dealt with in detail below was established with the aim of addressing, describing and explaining marketing communications elements that had not been captured by traditional accounts of mass marketing communications. The integration of marketing communications is the result of aligning activities, procedures, messages, and goals in order to communicate with consistency and continuity within and across formal organisational boundaries (Gabrielli & Balboni, (2010, p. 276).

In one of the classical textbooks on the subject of marketing communications, Delozier (1976) defined marketing communications as the continuing dialogue between buyers and sellers in the marketplace.+ The author further provided the relationship between marketing and marketing communications as summarised in figure 2.2.

Delozier (1976) argued that for marketing to be effective, it depended significantly on communications effectiveness because any marketplace is energised by information

flows. The information available on the product offering (and the buyer's reaction to this) influences the buyer's perception of the product. As Delozier (1976) demonstrated, all elements of the marketing mix must be effectively communicated through relevant channels of information.

Figure 2.2: The relationship between marketing and marketing communications



Adapted from 'The marketing communications process. McGraw Hill by Delozier, M.W. (1976).

The role of marketing communications is to share the meaning of a company's total product offering with its customers in such a way as to attain their goals, and at the same time, move the company closer toward its own goals according (Delozier, 1976).

Potluri (2008, p. 60) agreed with Dolezier (1976) and maintained that marketing communications mix elements provide information and consultation that are important components to add value to a product or service. Customers need information about the features of the product or service, its price and how they can access it, to make informed purchase decision. Customers who are able to get the necessary information about the product timely and adequately may feel that they are buying a quality product or service. This means having good and effective communication channels adds value to the product or service of the company as customers have confidence on their purchase. As Kotler (2003, p. 16) stated, 'winning businesses will be those that can meet customer needs economically and communicate effectively.'

Spotts and Weinberger (2010, p. 592) argued that the importance of marketing communications for organisations has become almost self-evident over the past decade. The connection of branding to corporate reputation and company value has

spread to most organisations to the extent that there is no longer much debate about whether a strong brand is important. Elements of marketing communications mix contribute to building brand equity by creating awareness, linking the brand image with the right associations, eliciting positive brand responses and facilitating a stronger consumer-brand connection (Kotler & Keller, 2009, p. 289).

In general, there are various marketing communications mix elements available to organisations including microenterprises and they are advertising, public relations, personnel selling, sales promotion and word-of-mouth. As it is indicated in the next section there are also various channels through which these elements can be delivered to stakeholders.

2.7 Theoretical models of communications and communications channels

According to Danaher and Rossiter (2011, p. 8) there is no single theoretical model that covers all of the issues (media channel attributes; media relative effectiveness; and sender and receiver perceptions of media communication channels) but there are relevant theoretical frameworks relevant to each of these separate issues, respectively. They are uses and gratification theory (Katz, Haas & Gurevitch, 1973), integrated marketing communications theory (Kitchen & Schultz, 1999) and communication theory (Lasswell, 1948). For the purpose of this study, integrated marketing communications theory was examined briefly.

As indicated earlier, a natural theoretical framework for this study is integrated marketing communications. Wickham and Hall (2006, p. 95) provided a working definition of the integrated marketing communications concept by stating that the basic premise of the integrated marketing communications approach is that, through the coordination of marketing communications efforts, the firm can reach diverse audiences with a consistent message, thus resulting in optimal market coverage and greater impact on the target market for the least amount of investment.

Eagle, Kitchen & Bulmer (2007) conceptualised integrated marketing communications as comprising coordination of communications disciplines; a way to organise the business; a way to develop and direct brand strategy; a way to deliver unified messages; coordination of advertising and PR programmes; and a strategic brand business process. Pitta, Weisgal and Lynagh (2006, p. 156) also emphasised that integrated marketing communications is a powerful tool in reaching target audiences

with persuasive messages. Throughout its lifetime, marketers have been able to select the correct combination of promotion mix elements to be effective in a specific competitive situation. Marketers may choose to employ any combination of advertising, personal selling, word of mouth, publicity, sales promotion or any other tool that gains attention, awareness and creates an image. Moreover, there are variations of the main promotion mix elements to help refine the promotional effort. One of the great strengths of integrated marketing communications is its flexibility (Pitta et al., 2006, p. 156) argued. A finely crafted integrated marketing communications effort can influence target audiences that would otherwise be unreachable.

Danaher and Rossiter (2011, p. 8) posited that integrated marketing communications synthesises elements of the communication mix so that the strengths of one channel are used to offset the weaknesses of others; that is, synergy between different communication channels is created to put forward a single unified position. It begins with the customer and looks for the most appropriate and effective combination of channels through which persuasive programs can be used to build relationships with customers and other stakeholders. According to Danaher and Rossiter (2011, p. 8) the concept of synergy in marketing communications refers to the coordination of messages for delivering more impact. This impact is a result of the consumer receiving a consistent message from a variety of advertising channels. In order to provide such a consistent message, firms need to understand how consumers perceive the breadth of available communication channels.

An important trend in integrated marketing communications according to Danaher and Rossiter (2011, p. 9) is the movement away from assuming that media exposure equates to advertising effectiveness, to considering the role of media engagement and persuasion on effectiveness. Hence, we measure effectiveness in terms of engagement with the medium conveying the offer and the effect of the offer, in that medium, on persuasion.

As stated earlier, marketing communications can be delivered in many ways, ranging from non-personal mass advertising and media relations on television, radio, magazines, and newspapers, to the more personalised media of catalogs, direct mail (personally and generically addressed) and word-of-mouth. More recently there is e-mail and text messaging (SMS), and finally there are exhibitions, personal selling, direct-marketing channels of door-to-door visits and telemarketing.

Danaher and Rossiter (2011, p. 6) mentioned that organisations in the new millennium face a wide and diverse choice of media channels through which to send marketing communications to customers and other stakeholders. These include most recently and significantly the Internet channels, banner ads, e-mail and blogs, and also mobile phone communications, such as text messaging and cell phone TV. The Internet and e-mail have become an everyday part of the workplace and home lives of millions of people around the globe. Text messaging via cell phones is also increasing. With that in mind, Danaher and Rossiter (2011, p. 7) argued that with the rapid and widespread uptake of new electronic media channels, traditional communications channels like television, mail, telemarketing, and door-to-door sales calls are expected to decline, at least to some extent.

Based on their findings, Danaher and Rossiter (2011, p. 34) concluded that marketing communications is more effective when senders transmit their message via channels that have attributes that receivers prefer. According to them, senders need to be cognisant of receivers' preferences and adjust their channel choices accordingly.

2.8 Marketing communications in small businesses

As mentioned previously, marketing communications in small business especially microenterprises has received limited research attention and Gabrielli and Balboni, (2010, p. 278) concur with the others who shared the same view. This is a reflection of the treatment of marketing theory in SMEs. They further argued that in practice, the approach SMEs have towards marketing, including marketing communications programmes, is likely to be more haphazard, informal, unstructured, spontaneous and reactive and conform to the industry environment than in large businesses context.

Longenecker, Moore and Petty (2003) developed a marketing communications theory for small businesses that is almost identical to larger firm theory found in mainstream literature. There are only a few potential differentiators that derive from the marketing constraints of small firms, such as limited resources, specialist expertise of the owner-managers and limited impact on the marketplace. The first differentiator regards the importance of personal communication activities. In fact, special emphasis is given to personal communications and personal contact networks when businesses have a limited number of customers and the product or service offered has a high value for the customer. Personal communications by small firms frequently means communication by the owner himself or herself. The second element is related to limited resources.

Small firms are limited in their marketing programmes by budget constraints. As a result of budget and market limitations, marketing communications by small businesses often needs to be especially focused.

With the above in mind, Gabrielli and Balboni, (2010, p. 278) argued that even if SMEs often use marketing communications differently to large enterprises, these differences appear insufficient to deserve separate theoretical treatment. This implicit assumption can also be found in analysing the development of integrated marketing communications theories.+

In their paper presented at ANZMAC 2002 Conference Luxton, Hodge and Reid (2002, p. 1724) revealed that marketing communications has been offered as a panacea to the improvement of the management of business performance to small business. The relevance of marketing communications in small businesses including microenterprises is unquestionable. As outlined earlier, businesses (microenterprises) have a need to communicate with their stakeholders.

Potluri (2008, p. 60) emphasised the point of business communicating with stakeholders and stated that organisations including microenterprises have to communicate with their existing and potential customers about what they are doing. However, Potluri (2008) also maintains that businesses still have a poor understanding of the role of effective marketing communications in attracting and maintaining prospective and present customers.

While Potluri (2008) had maintained his argument about organisations not understanding the role of marketing communications, Mumel, Hocevar and Snoj (2007, p. 83) had earlier said that certain small businesses are aware that marketing communications is an important resource of their business performance. In communicating with their environment, they use different marketing communications activities and tools. Therefore, there are other organisations that understand the role of marketing communications.

Palmer (2005) in Thrassou & Demetris Vrontis (2007, p. 191) stated that small service firms, despite having an informal approach to marketing [including marketing communications], spend more time communicating and engaging with their customers than larger firms.+ Owners are usually the ones that perform this task. Odwyer, Gilmore and Carson (2009, p. 46) on the other hand mentioned that competitive

advantage is very important for small businesses and may emanate from innate communication activities, such as interacting and participating in social, business and trade activities.

Mirchevska and Mirchevski (2007, p. 41) argued that successful small businesses in contemporary conditions should create their market position through permanent communication with the consumers in the transaction process, but also within the process of sharing and delivering all the information necessary. That way, the implementation of marketing as a business concept has great significance in small businesses development from the aspect of discovering the needs and demands of the consumers.

Clearly, marketing in small and medium enterprises is a contentious issue among both academics and practitioners. The assumption has been that the principles of marketing are applicable to both large and small organisations. Certainly, to some extent that holds true but in some instances it does not. While some authors such as (Gabrielli and Balboni, 2010) have argued that traditional marketing theory can be adopted and adapted for small business, there is a need for researchers to focus on developing marketing theory including marketing communications theory.

Marketing communications differ in the number and methods of activities involved. The integration of these different activities means that they should be designed and evaluated as a whole. Different techniques and tools can complement each other in the achievement of a company's marketing communications objectives. This integrative thinking differs from traditional classification of communication activities, decomposed and specialised in, for example, above-the-line and below-the-line. It is important for marketers to understand the collective contribution of all communication, which depends not only on the main effect of each activity but also on the interaction effects among communication activities,+(Gabrielli and Balboni, 2010, p. 277).

2.9 Marketing communications elements and the use thereof in small businesses

According to Kotler and Keller (2009, p. 288) marketing communications can either be directed to the masses i.e. general public or it can be personalised i.e. directed to individuals. Advertising, sales promotion, events and experiences, public relations and publicity are all classified under mass communications whereas on the other hand

personal communications includes direct marketing, personal selling and online marketing. By employing these elements, companies are able to inform, persuade and remind consumers directly or indirectly about the products and services they sell (Kotler & Keller, 2009, p. 288). Typically, organisations will use a combination of strategies.

Kotler and Keller (2009, p. 288) further argued that marketing communications . by creating brand image . could drive sales and even affect shareholder value. This goes to say by engaging in marketing communications activities resulting in exposure could influence the success of one's organisations.

Rowley (1998, p. 386) opined that as part of the four Ps of the marketing mix, promotion (marketing communications) has a role to play in the success of a business. Kotler and Keller (2009, p. 288) share this view and they stated that marketing communications play crucial roles in an increasingly tough communication environment. According to Rowley (1998, p. 386), the objectives of any marketing communications strategy will be drawn from an appropriate mixture of the following roles of marketing communications:

- Increase sales;
- Maintain or improve market share;
- Create or improve brand recognition;
- Create a favourable climate for future sales;
- Inform and educate the market;
- Create a competitive advantage, relative to the competitor's products or market position;
- Improve promotional efficiency.

Centeno and Hart (2012, p. 251) echoed Kotler and Keller's (2009) point about mass and personal communications and they stated that brand communication activities (marketing communications elements) may be related to interactional marketing, transactional marketing and add e-marketing as a third separate activity.

According to Centeno and Hart (2012, p. 251) these three alternatives of marketing communications have the following characteristics:

- Interactional marketing communications makes reference to a direct marketing approach involving interactive relationship activities: that is, face-to-face activities

between individuals or organisations and the client. Sales people who interact with customers at a close and personal level seeking mutual benefit frequently implement these activities. Further, it has been posed that such relationships are based on trust, commitment, and mutual cooperation. Some of the brand activities within interactional marketing may include personal selling activities in different contexts such as customer and trade shows, retail spaces, sales promotions such as trial and product demonstrations, and word-of-mouth.

- Transactional marketing has been referred to as the 'traditional' approach to marketing, whereby the organisation manages the marketing mix as a means to attract a large target of the population, making the contact impersonal with discontinuous customer contact, while focusing on product features and quality. The purpose of the transaction is basically economic and the organisation's intention is to attract customers for a profit. The emphasis of communication is, importantly, not a dialogue, but rather 'to' the customer. It is a broadcasted monologue of the organisation through mass media vehicles to effectively reach a large target market. Some criticisms have been raised on the premise that in such a paradigm, clients are viewed as passive receivers of stimulus offered by the firm. Some of the brand activities within transactional marketing may include traditional advertising, public relations events, publicity and sales promotions such as sampling, price discounts and sponsorship of special events.
- E-marketing, which Coviello, Milley and Marcolin (2001, p. 26) defined as 'using the Internet and other interactive technologies to create and mediate dialogue between the firm and identified customers' is the final activity. Technology has facilitated the conversations between organisations and large numbers of customers, turning interactivity into a key issue in today's marketing practices. Several studies have suggested that brand management requires consideration of different issues when a brand goes online. For luxury brands, some difficulties have been found in substituting their websites for the real 'pleasure experience' of consumers when visiting their retail outlets.

Centeno and Hart (2012 p. 251) argued that when comparing all three types of marketing paradigms, small business brands do little of transactional marketing activities and tend to conduct more interactional and e-marketing activities as their scope of business is anything but large and is not suitable for mass 'traditional' brand activities. At the same time, the financial investments required for an advertising

campaign may go beyond their financial resources and know-how to interact with media companies and negotiate rates, time, and space slots in media vehicles for their advertisements. Hence, it may be important to consider some of the particular characteristics and context of small businesses, which may explain how they communicate their brands in the marketplace.

According to Kotler and Keller (2009, p. 297) each element of marketing communications has got its own unique characteristics and ways of working which determines their effectiveness and efficiency.

- Advertising . it reaches geographically dispersed buyers and it can build a long-term image for a product. It can trigger quick sales
- Sales promotion . sales promotions can be used for short-run effects such as highlighting products offers and boosting declining sales
- Public relations and publicity . this element usually helps with the reputation of the overall organisation not just specific products
- Events and experiences . they are usually live and engage the customer and other stakeholders in process
- Direct and interactive marketing . usually customised to a particular individual with the aim of soliciting a response from them
- Word-of-mouth . it's the most informal of all the elements and can be delivered by anyone who has a vested interest in an organisation
- Personal selling . as the term suggest this element aims to generate sales by committing customers to buy products and services

Another element that Kotler and Keller (2009) did not mention is online marketing. Often referred to as new media, this element uses Internet platforms to do what advertising, public relations, word-of-mouth etc. aim to do. It is more interactive.

All these elements of marketing communications mix have their own unique contributions towards the organisation. Kotler and Keller (2009, p. 298) advised that in developing the marketing communications mix, organisations must consider the type of product market, consumersq readiness to make a purchase and product life-cycle stage. They further stated that even though advertising is used less than sales calls in business markets, it can play a crucial role in introducing the organisation and its products and services thus generating sales leads.

Kotler and Keller (2009, p. 298) opined that advertising and publicity are effective and most important during the awareness-building phase while on the other hand sales promotion and personal selling are effective when attempting to close a sale. They further stated that when introducing a product or a service, advertising, events and experiences and publicity would serve one well. Personal selling will help one gain distribution while sales promotion and direct marketing can help induce trial.

With the above in mind, there are also channels with which these elements of marketing communications are executed. According to Danaher and Rossiter (2011, p. 6) marketing managers in the new millennium face a wide and diverse choice of media channels through which to send marketing communications to customers. These include, most recently and significantly, the Internet channels, banner ads, e-mail and blogs, and also mobile phone communications, such as text messaging and cell phone television.

According to Danaher and Rossiter (2011, p. 34) marketing communications is more effective when senders transmit their message via channels that have attributes that receivers prefer. Senders need to be cognisant of the receivers preferences and adjust their channel choices accordingly.

Even when small businesses favour several marketing communications approaches, the manner in which they carry them out may show differences when compared to larger organisations due to some key characteristics, (Centeno & Hart, 2012, p. 252) argued. They cited the following instances as having potential impact in the way by which brand communication activities are developed in small businesses:

- Owners take a life-long responsibility in the firm
- Owners may have certain entrepreneurial abilities which may be associated with some innovative characteristics
- Small businesses have also been described as having fewer resources, which may include not only financial, but also marketing knowledge
- Small businesses have a short-term focus with flat and informal organisational structures, which may be suitable for a more dynamic and innovative response to the market

Centeno & Hart (2012, p. 252) emphasised that small businesses turned to different brand communication activities to effectively relate to different groups of customers at

different times and on various situations. They stated that small businesses were found to communicate differently and at different times with particular types of customers.

In their study, Centeno & Hart (2012, p. 252) findings suggested that small businesses work on a large array of brand communication activities. More than 30 different brand activities were found. Further they found that small businesses turn to different brand communication activities to effectively relate to different groups of customers at different times and on various situations. While sales activities remain important for small businesses, their findings further supported the argument that small businesses do more than just sales activities. A further finding was that word-of-mouth was perhaps one of the most important brand communication activities for promoting brands and is perhaps one of the simplest ways of communication, yet one of the most powerful. Within the context of small businesses, such communication becomes relevant to brand growth (p. 257).

Datta, Chowdhury and Chakraborty (2005, p. 69) suggested that word-of-mouth was experienced by small businesses as a form of interpersonal communication among consumers concerning their personal experiences with a firm or a product. Within the context of small businesses, such communication becomes relevant to brand growth. This activity requires consumers to trust the brand, as they become the personal spokesperson of the brand. The brand, then, becomes familiar, trusted and credible when someone who already has a certain level of trustworthiness and credible. This at times is referred to as endorsement.

According to Centeno and Hart (2012, p. 252) importantly, word-of-mouth takes place based on two premises. First, as the brand delivers its promise, so it can be trusted. Second, the level of newness attracts attention to consumers who recommend the brand among their social network, delivering a personal trusting communication through word-of-mouth.

In their conclusions section, Centeno and Hart (2012, p. 259) said that according to most brand owners or managers, publicity offered many advantages to increase brand knowledge and brand awareness at no cost as compared to advertising. They also suggested that newness of the products is a key point when finding vehicles for publicity. Newness meant newsworthiness to many print magazines and newspapers. Thus, product novelty should be a predetermined factor based on the relevance perceived by clients and customers.

Centeno and Hart (2012, p. 256) further stated that owners of small businesses were personally heavily involved in the marketing communications of their businesses. The brand owners were involved in presentations or lectures to potential clients. Moreover, personal selling appeared to be one of the key brand activities for all brands. Brand owners or managers seemed to be the main driving force for selling and sales administration. They oversee sales activities on a daily basis and are on top of historical and current sales figures. This finding supports existing literature on the active role and crucial importance of SME owners when managing their firms. The majority of brand owners were involved in many of the brand activities. As the findings suggest, brand owners are not only the key driver of personal sales, but also the main spokesperson of many brand communication activities, including public relations and advertising.

According to Centeno and Hart (2012, p. 260) many small businesses make marketing communications decisions for immediate impact on the market. They tend to be more pragmatic and seek results on their efforts, especially when they are seeking a sales figure. Such sales perspective may help them conduct marketing communications and implement a programme to raise awareness and knowledge about the brand. Many brand owners suggested that when they conducted interviews on radio or TV; they would notice a quick response by telephone or e-mail. Other brand owners mentioned that when an editorial page or interview was published in a newspaper or magazine, they would receive responses from customers and businesses interested in the brand.

With the above literature in mind, it can be argued that marketing communications can add value and play a role to grow microenterprises in South Africa. There is a variety of marketing communications elements available to microenterprises to help them communicate with their stakeholders in their efforts to build brands for their entities. The owners of microenterprises have a key role to play in personally engaging in marketing communications activities.

2.10 Conclusion

Microenterprises play an important role in the economic upliftment of South Africa. Developing such entities in South Africa is recognised as an overall strategy for economic development. The development of these enterprises is a powerful and attractive means of providing a grassroots approach to economic development, thus contribution towards the eradication of poverty and inequality.

Marketing is a powerful tool that owners of microenterprises can employ to grow their businesses. If properly used, it can play an essential role in the development of microenterprises as it is one of the determining factors in the growth of such entities. However, the overall observation is that most micro-entrepreneurs take a passive role in marketing.

Marketing communications is one of the powerful elements of the four Ps of the marketing mix. Marketing communications has got several elements within it. Some are paid for e.g. advertising and some take an internal effort and resources but are free e.g. media relations (publicity). Often the excuse by owners of microenterprises is that they have financial constraints that prevent them from engaging in marketing communication. However, an opinion editorial in a newspaper or trade publication is free. Therefore, owners of microenterprises must explore all elements of the marketing communications mix to the benefit of their entities.

3 Chapter Three – Research Questions

3.1 Introduction

The previous chapter dealt with theory and literature on which this research is based. This chapter focuses on defining the research questions and as much as the questions might sound simple it was not a simple process. The research questions needed to talk to the research topic as well as the problem. The research questions outlined below are the ones that this research study will address.

3.2 Research questions

Since the topic is new and under researched and relate specifically to South Africa context, three research questions were derived. Zikmund (2003, p. 98) defines a research question as the researcher's translation of the business problem into a specific need for inquiry. Saunders and Lewis (2012, p. 19) add by stating that a good research question is the one that provides a clear link to the relevant literature and promises new insights into the chosen topic.

This study intends to answer the following three questions derived from the research problem which was also defined using three questions. The questions defining the research problem and this research questions are linked.

Q1: To what extent do owners of microenterprises in South Africa perceive marketing communications as important towards helping to grow their businesses?

Q2: What is the understanding levels of marketing communications and the role it plays in businesses by owners of microenterprises in South Africa?

Q3: Do owners of microenterprises in South Africa use marketing communications to promote their products and services, if yes which elements do they use and what is the frequency of their use?

These three research questions will contribute to helping to achieve the primary objective which is to explore and gain a preliminary understanding of the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa. This key objective is broken down into three key sub-

objectives namely:

- Understand the perceptions of owners of microenterprises in relation to the importance of marketing communications in organisations
- Investigate if owners of microenterprises understand marketing communications and the role it can play in organisations
- Assess the extent to which marketing communications elements such as public relations, exhibitions, advertising etc. are used by owners of microenterprises

By addressing these questions and research objectives it is hoped that the research problem will ultimately be addressed.

3.3 Conclusion

In this chapter the research questions to be addressed are clearly stated. Because the research questions are more specific, they will assist the researcher design a study that will produce a pertinent set of information. The research questions will be used in designing the questionnaire that will be explained in the next chapter.

4 Chapter Four – Research Methodology

4.1 Introduction

According to Thomas (2003, p. 1) a clearly defined research methodology and design that is appropriate to the research questions of this study was crucial. It helped with the production of a successful overall research project.

This section describes the research methodology that was used to address the research problem and the objectives of this study. This section looked at the research methodology and then focused on various elements of the research design including proposed unit of analysis, population, sampling method and size, data gathering process and analysis approach.

Juvan, Bartol and Boh (2005, p. 485) stated that data and methodology are inextricably interdependent. It is for that reason that a methodology that was used for this particular research problem took into account the nature of data that was collected in the resolution of the problem. It is commonly accepted that the nature of the research problem must dictate the research methodology to be followed to collect the data.

4.2 Research approach

Zikmund (2003, p. 109) argued that the purpose of a study and not the technique, determines whether a study is explorative, descriptive or causal. When a researcher has limited knowledge of the problem, which was the case with this study, Zikmund (2003, p. 110) recommended that exploratory research be undertaken. Exploratory studies are undertaken to obtain a better understanding of a phenomenon. Zikmund (2003) stated three interrelated purposes of undertaking exploratory research as: (1) diagnosing the situation; (2) discovering new ideas; and (3) screening alternatives. This research study is leaning more to diagnosing the situation. It was exploratory in that it is preliminary and not conclusive. It provided adequate understanding for future conclusive studies that answer questions of fact. Having said that, it has an element of descriptive research in it but is not key to the study.

Exploratory research was undertaken because this study wanted to gain insights and to understand certain phenomena around the research problem. According to Zikmund (2003, p. 62) the definition of the nature of the problem would be inadequate if

exploratory research is not conducted. There was no previous understanding of the problem and no literature exist in the South African context in relation to the problem. Panneerselvam (2004, p. 6) views exploratory research as initial research that analyses the data and explores the possibility of obtaining as many relationships as possible between different variables without knowing their end applications. This research laid the foundation for formulation of different hypotheses of the research problem. It laid the ground for the future researchers who are going undertake more conclusive studies.

According to Zikmund (2003, p. 111) some cases of exploratory research exists to provide orientation for management by providing them with information on issues that they have little knowledge and experience on. This study was conducted to achieve same.

This study employed both qualitative and quantitative elements of research. It blended exploratory and descriptive research. It used qualitative exploratory research because it tried to answer the research questions meaning, that there is little or no existing literature on the topic undertaken. It attempted to answer the research questions firstly by seeking to understand perceptions on the importance of marketing communications by owners of microenterprises in South Africa and, secondly, by investigating the understanding of marketing communications by owners of microenterprises in South Africa. Therefore, the questions were phrased in such a manner that respondents provided qualitative answers of their understanding of the concept. The other primary objective of this research study was to assess the extent to which marketing communications elements such as public relations, exhibitions, advertising etc. are used by owners of microenterprises in South Africa. Through addressing this research objective, both qualitative and quantitative responses were solicited, thus there were both qualitative and quantitative aspects to the study.

Thomas (2003, p. 1) stated that qualitative and quantitative approaches are often the two most recognised research approaches. The simplest way to distinguish between the two is to say that the qualitative approach involves researching kinds of characteristics of people and events without comparing events in terms of measurements. Whereas on the other hand, quantitative methods focus on measurements of characteristics displayed by people and events the researcher is studying.

In this study a questionnaire (see appendix A) was used to solicit both qualitative and quantitative data but was mostly skewed towards qualitative data. It did not involve rigorous mathematical analysis. It was more on interpretations to enable the researcher to gain insights about the owners of microenterprises in South Africa and how they relate to marketing communications in their business environment. Qualitative research was employed to provide insights and understanding of (1) the extent to which owners of microenterprises in South Africa perceive marketing communications as important towards helping to grow their businesses; (2) the level of understanding by owners of microenterprises in South Africa of marketing communications and the role it plays in businesses; and (3) how owners of microenterprises in South Africa use marketing communications to promote their products and services.

4.3 Research design

According to Zikmund (2003, p. 53) ~~the~~ research design is a master plan specifying the methods and procedures for collecting and analysing the needed information. He further stated that it is a blue print outlining how the research project will be actualised. The following section outlines how data was collected and analysed and the project was actualised.

4.3.1 Scope and unit of analysis

Dolma (2010, p. 169) defined the term unit of analysis as ~~the~~ the entity that is being analysed in a scientific research. He stated that determining the unit of analysis of the research is central in any research undertaking. With that background, the unit of analysis for this study was owners of microenterprises as they are usually responsible for all management functions within the enterprises. Owners of microenterprise are units of analysis and this study aimed to understand marketing communications within the context of their businesses in Gauteng and particularly those that work with MEDO.

4.3.2 Study population

According to the Dti (2011) there are approximately 5 579 767 microenterprises in South Africa. The population for this study would have been all these enterprises but due to logistical considerations, it was difficult to determine the population size. Therefore, accessible population was used and the findings are limited to that population. The accessible population for this study is therefore, certain

microenterprises in Gauteng as the bulk of the microenterprises are in this province. Zikmund (2003, p. 369) referred to population or universe as any complete group of people, companies, hospitals, stores, college students, or the like that share some set of characteristics. The target population for this study was fairly a large number and therefore the researcher made decisions to sample the population. Due to time constraints, a sample from the population was necessary. The researcher thought the chosen sample was representative. The sample assisted with gathering of vital information quickly.

4.3.3 Selecting a sample and sample size

Mouton (2009, p. 136) emphasized that the key concept in sampling is representativeness. The sample from which generalisations are made must represent the population from which it is drawn. Otherwise there is no reason to believe that the population has the same properties as those of the sample. Therefore, when doing sampling, the researchers want the sample to be as representative of the target population as possible.

Given the population of microenterprises in Gauteng, this study drew a sample that was used to obtain required data to be analysed and draw certain conclusions in relation to the defined problem and the research objectives. A sample according to Saunders and Lewis (2012, p. 132) is a subgroup of the whole population.

Using non-probability sampling, explained by Saunders and Lewis (2012, p. 134) as a variety of sampling technique for selecting a sample when you do not have a complete list of the population, the study drew a purposive sample. According to Saunders & Lewis, (2012, p. 138) purposive sampling is a type of non-probability sampling in which the researcher uses his or her own judgement to select a sample based on own reasons or requirements. A purposive sample was used because the researcher did not have access to all other microenterprises across Gauteng but had access to microenterprises that work with MEDO. In addition, the owners of microenterprises that work with MEDO have been previously exposed to the concept of marketing. Most importantly, this study wanted to understand what is happening so that logical generalisation can be made. Therefore, using purposive sampling was crucial to address specific objectives of this research study.

Sample size is one of the most important parts of good research. The larger the sample size, the more accurate your data will be. According to Cooper and Schindler (2008, p. 409) the acceptable sample size is 5% of the total population. However, as a rule of thumb, the sample size of at least 30 units is usually considered as adequately large sample. Therefore, this study had aimed at generating a sample of at least 30 units to arrive at decent findings and conclusions. However, some of the respondents did not complete the entire questionnaire thus rendering them spoilt and consequently ending up with about 22 valid responses.

4.3.4 Collecting data

The study used both primary and secondary data. Firstly, the study used secondary data, which Zikmund (2003, p. 63) referred to as data previously collected for some other particular project. With it, the study investigated the literature that has been compiled for some purpose other than this study. According to Zikmund (2003, p. 63) literature review, which he defined as a survey of published articles and books discussing theories and past empirical studies about the topic, is almost universal in academic research. In this study, the researcher reviewed the most recent existing literature i.e. peer reviewed articles which were authored in year 2000 and post 2000. In certain extreme but necessary instances, peer-reviewed articles and books published before the year 2000 were reviewed. The reviewed literature was integrated and arguments were formed based on what other researchers and authors had previously understood on particular topics.

Once the sampling was concluded, primary data which Zikmund (2003, p. 63) referred to as first hand data collected for the purposes of the job at hand, was collected from the unit of analysis i.e. microenterprises owners. Primary data collected addressed the three research objectives namely: understanding the perceptions of owners of microenterprises in relation to the importance of marketing communications in organisations; investigating if owners of microenterprises understand marketing communications and the role it can play in organisations and; assessing the extent to which marketing communications elements such as public relations, exhibitions, advertising etc. are used by owners of microenterprises.

In efforts to generate primary data, this study employed survey which Saunders and Lewis (2012, p. 115); Zikmund, 2003, p. 175) described as research technique or strategy which involves structured collection of data from a sample of people using

questionnaires, structured observations and structured interviews. The study employed self-administered questionnaires as a research instrument to collect primary data. A questionnaire comprising four parts was designed. An initial questionnaire was piloted to a small sample (N=3) to assess its validity in terms of answering the research objectives it aimed to address. The questionnaire seemed valid as no refinements were made and it addressed the research questions.

The questionnaire consisted of 20 questions, including an option for other comments. Questions followed the form of both close-ended questions also called controlled or fixed response questions (Irwin, 2004, p. 11) and open-ended questions, which allowed the respondents to answer the question in their own words.

The first part included instructions to guide the respondent toward successfully understanding and completing the questionnaire. Also, this section included information assuring respondents confidentially of the data they provided as well as assurance to make results of the study available at their request but also at the GIBS library.

The second part comprised open and closed-ended questions addressing the following two research objectives:

- To understand the perceptions of owners of microenterprises in relation to the importance of marketing communications in organisations;
- To investigate if owners of microenterprises understand marketing communications and the role it can play in organisations
- To assess the extent to which marketing communications elements such as public relations, exhibitions, advertising etc. are used by owners of microenterprises.

The final part included questions referring to the demographic profile of the participants such as designation; gender; number of people employed; length of existence; products/services offered; location of operations.

A questionnaire was useful in that, several questions were designed to gain a larger view of the topic across different micro-entrepreneurs by providing participants with simple questions with a choice of options. It was one of the researcher's goals to put together a questionnaire that people could answer easily, quickly, and without hassles.

A letter (see appendix B) was drafted and sent to management at MEDO to request them to allow their members i.e. microenterprise owners to participate in the survey. With the agreement obtained from management at MEDO, the questionnaire was handed out at a session for microenterprises owners organised by MEDO. At that session, owners of microenterprises made time and provided required data as per the questions contained in the questionnaire. Management and session leaders at MEDO were requested to encourage owners to participate in the research survey. The data collected was then taken for analysis by the researcher.

4.3.5 Data presentation

As this study was more qualitative than quantitative, qualitative data was presented in table format. The descriptive statistical results will be presented and summarised in this section. The questionnaire was designed to correlate with the research questions and the results will be presented as such. Only data directly relevant to the research questions will be presented. Quantitative data will be presented in table format using frequencies and percentages.

4.3.6 Analysing data collected

Analysis is the application of reasoning to understand and interpret the data that have been collected, (Zikmund, 2003, p. 73). He further stated that all forms of data analysis attempt to portray consistency in the data so that the results can be studied and interpreted in a brief and meaningful manner. As with quantitative data analysis, qualitative analysis is required to bring order and understanding.

Since the questionnaire will obtain both qualitative data and quantitative data, content analysis and basic descriptive analysis such as calculating averages, frequency distributions and percentage distributions will be used to analyse data.

The study firstly reviewed existing scholarly journals post year 2005 on the subject of marketing communications in microenterprises and based on the outcomes the analysis of primary data obtained compared South Africa's microenterprises with microenterprises from other countries.

The data collected in part two of the questionnaire was narrative text and also obtained quantitative. Therefore, content analysis method and the descriptive analysis were

employed to analyse the data. Zikmund (2003, p. 473) described descriptive analysis as the transformation of raw data into a form that will make it easy to understand and interpret. It involves rearranging, ordering and manipulating data to provide descriptive information. Content analysis involves systematic analysis of data. It studies the message and measures the extent of emphasis. It is more sophisticated than simply counting the items as it requires some systematic analysis to secure relevant data, (Zikmund, 2003, p. 248).

4.4 Validity and reliability

A valid measurement is described by Delport (2002, p. 166) as doing what it intended to do, measuring what it is supposed to measure and producing scores whose differences reflect the true differences of the variable being measured rather than random errors. Reliability refers to the extent to which independent application of the same instrument consistently yields the same or similar results under comparable conditions (Delport, 2002, p. 168). In selecting the respondents, the researcher relied on MEDO to provide subjects that were representative of the population. The respondents were told to be as honest as possible and not try to impress the researcher in their responses.

In terms of reliability, the questionnaire was designed in such a manner that it will draw consistent finding. However, it must be taken into consideration that, this study dealt with human beings and human beings by nature are developmental i.e. they develop constantly. Therefore, the very same respondents could have learnt more about marketing communications and thus have a different view when the same questionnaire is administered the next time.

A pilot study was conducted to ensure reliability and validity of the research process.

5 Chapter Five – Research Findings

5.1 Introduction

This chapter bridges the gap between theory and practice. In this chapter, the research findings garnered while conducting specific research on the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa are illustrated in detail.

The data collection instrument used in this study was a questionnaire. The respondents to the questionnaire are some owners of microenterprises who undertake learning programmes with MEDO. The findings will provide the foundation for the interpretation of the data, which will in turn be analysed within the context of the existing literature pertinent to the topic albeit limited due to not much research done on marketing of small businesses.

The questionnaire was designed to correlate with the research questions and the results will be presented as such. Only data directly relevant to the research questions will be presented.

Part one of the questionnaire was giving general information and part delved into the research objectives, namely:

- To understand the perceptions of owners of microenterprises in relation to the importance of marketing communications in organisations
- To investigate if owners of microenterprises understand marketing communications and the role it can play in organisations
- To assess the extent to which marketing communications elements such as public relations, exhibitions, advertising etc. are used by owners of microenterprises

Part three looked at the general details of the owner and the business. As previously stated a sample size of 30 was earmarked. From the sample of 30 potential respondents, 22 responded positively giving us a 73 per cent response rate. Four (4) other responses were declared spoilt (13,5 per cent) as the questionnaire was not fully completed. Four (4) potential respondents did not bother responding making it 13,5 per cent non-response rate. Below are the results related to the perceptions, understanding

and the use of marketing communications in microenterprises and are based on the responses from the 22 respondents.

5.2 Research results

Even though questions in part three of the questionnaire are secondary to the study, for the background purposes and information sharing those findings are presented first and then followed by the main findings which support the three primary research objectives and questions.

5.2.1 Part Three: background data

Gender and Ownership

Of the 22 respondents, 13 of them are male owners making 59.1 per cent male ownership. Seven are female owned translating into 31.8 per cent female ownership. This left 9.1 per cent (two respondents) to mix ownership i.e. co-ownership between males and females.

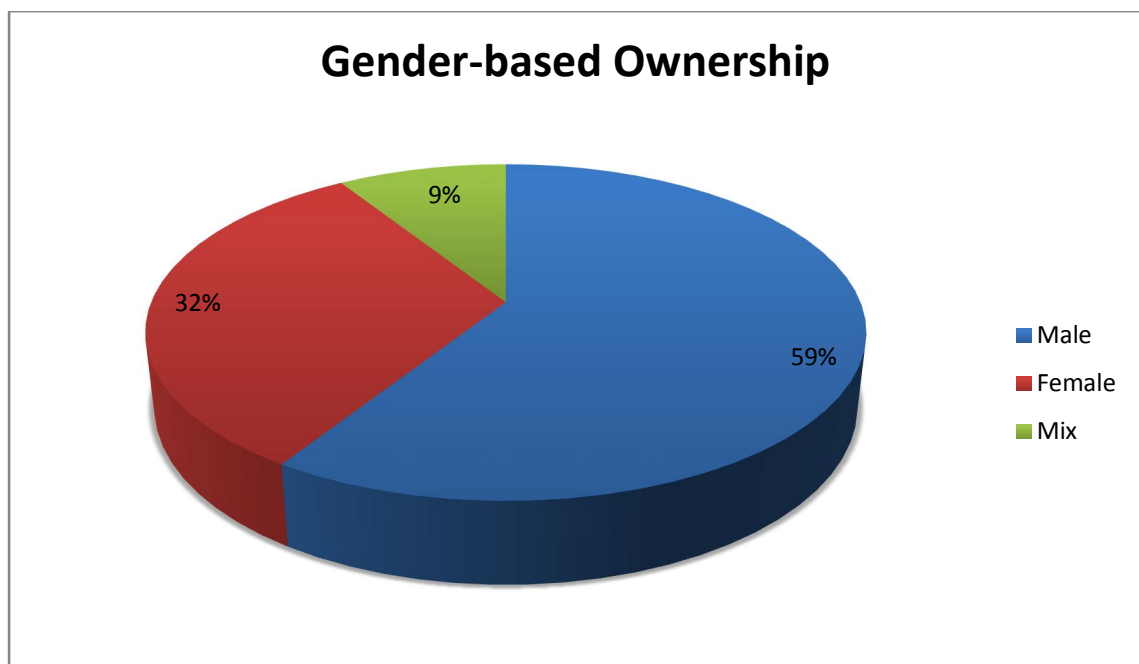


Figure 5.1 Percentages of ownership in terms of gender

Number of people employed

The number of employees for different enterprises ranged between 1 and 12. Where the respondent indicated 0 employees it was taken that it is one employee i.e.

themselves. Between the 22 respondents they employed 90 people including themselves. Clearly these entities have got a critical role to play in efforts to reduce unemployment in South Africa. The more they are helped to grow, the better for the country as a whole.

Age of business

Seven of the 22 (31.8 per cent) respondents enterprises have been in existence for a period of under two years whereas 10 of them (45.4 per cent) have been in existence for a period of between two and five years. Five of the businesses have been in existence for five years and above translating into 22.8 per cent.

Type of business

The respondents owned various businesses ranging from healthcare; interior decorating; perfumes and body lotions; fast foods; electronic document management; stationary and printing; purified water and juices; DSTV services; clothing, fashion and accessories; advertising space; branding and website management; Internet & computer services; distribution of agricultural products; and sales of corporate wear.

In the next section the focus is on both quantitative and qualitative data that is arranged in three themes namely (1) perceptions of marketing communications; (2) understanding of marketing communications; and (3) use of marketing communications elements. These themes are informed by the research questions which were informed by the research objectives. Quantitative data using frequencies, percentages, and charts is also integrated and presented. Qualitative data is also presented as it played a key role on this study.

5.2.2 Theme One: Respondents' perceptions of marketing communications

Questions relating to theme one . perceptions of marketing communications took the bulk of the questionnaire. Overall, six questions namely two, five, six, seven, eight and eleven were related to the perceptions of microenterprises owners towards the concept of marketing communications.

Question two asked the respondent if they thought it was important for small businesses like them to promote their products and services to customers and why.

Twenty-two i.e. all (100 per cent) respondents said yes to the question. See figure 5.2. Even three out of the four respondents whose responses were declared spoilt answered affirmatively. One respondent from the spoilt responses said no. It looks like he/she had no interest as the hand was not even legible. It would have been good to know why.



Figure 5.2 Number of respondents who thought it was important to promote business

Below are some of the reasons advanced for the answers provided:

- Exposure to market/Market presence
- Maintain existing customers
- Product/Entity/Brand awareness/Product knowledge in the market
- Gain market share/Grow the business/Grow and retain market share
- No marketing no profits
- Sell products/Increase sales
- Reach out to target markets/Promote services to target markets
- Grow business even for exporting
- Get into market share with big businesses

The second question that gauged the perceptions of the micro-entrepreneurs towards marketing communications was question five which asked the respondents if they thought methods used to promote their business did what they intended them to do. The question required a yes or no answer thus obtained quantitative data.

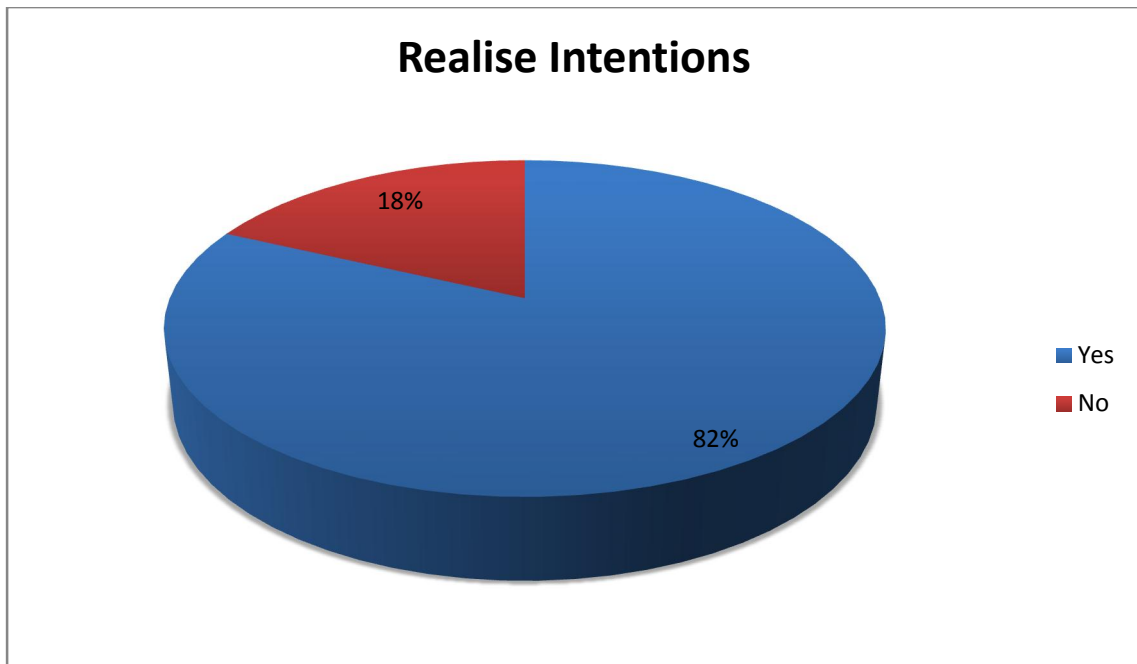


Figure 5.3 Percentages of respondents agreeing/disagreeing that methods achieved their aims

As per table 5.1, 18 of the 22 respondents answered yes whereas four said no. This translates into 81.8 per cent of the respondents agreeing that the methods used for promoting their business and services do what they intend them to do as outlined in figure 5.3. Only 18.2 thought they did not achieve that.

Question six which asked the respondents if they thought promoting their business could contribute to the success of their business. The respondents could answer yes or no and as per figure 5.3 all respondents responded positively by stating yes. According to figure 5.4, 100 per cent of the respondents agreed that by promoting their business they could achieve some success for the business.

Table 5.1 Frequencies of respondents agreeing/disagreeing that methods achieved their aims

	Frequency
Yes	18
No	4
Total	22

If respondents said yes to question six, questions seven then asked them how. This question solicited some qualitative data and below are some of the responses on how owners think promotion could lead to the success of their business:

- More customers and clients/get new clients and maintain existing ones

- Selling/extra sales/profit/traffic in your business
- Knowledge of company and services provided/awareness for business
- Exposure
- Gain market share
- Potential for deals/meet targets
- Grow the business/grow the brand

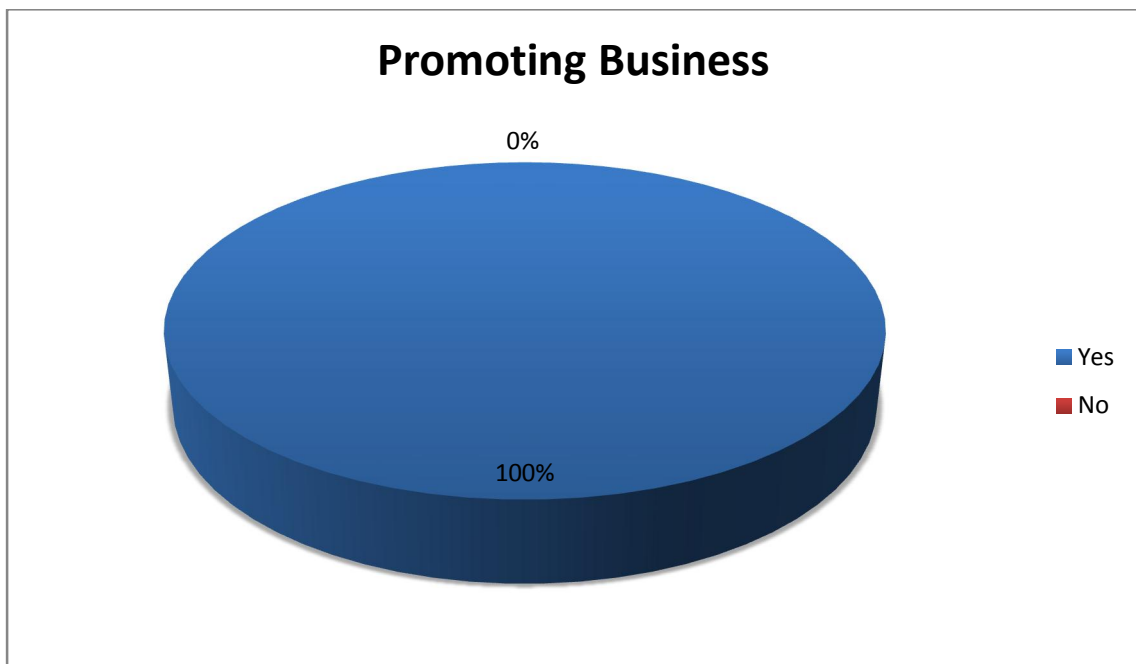


Figure 5.4 Percentage of respondents believing in promoting business

Question eight required the respondents to rate on a scale 1 to 5 the importance of promoting their business to customers. Nineteen of the 22 respondents thought it was very important to promote their businesses to customers, which translates to 86.5 per cent of all respondents as outlined in table 5.2. Other respondents were insignificant 4.5 per cent. Table 5.2 below provides frequencies and percentages.

The sixth and final question that related to the owners perceptions of marketing communications was question 11 which asked the respondents what benefits can be realised by using marketing. This was more of a qualitative question and below are the various responses as given by the respondents:

- The growth of the business/it grows faster
- Maximum customer base
- Can achieve a lot
- Business will grow and bring more business

- Top of mind recognition to target market
- Increased sales and mentorship
- Respect, trust and market share
- Increased brand awareness and sales
- Success in moving products to customers
- More leads/orders/Profits
- Exposure
- Attract new customers
- Expansion into new locations

Table 5.2 Rating the importance of promoting own business to customers

Rating	Frequency	Percentage
Less important		
Somewhat important	1	4.5
Neutral	1	4.5
Important	1	4.5
Very important	19	86.5
Total	22	100

5.2.3 Theme Two: Respondents' understanding of marketing communications

In terms of measuring the understanding of marketing communications by owners of microenterprises three questions namely one, nine and ten were asked.

The first question of part two was "have you heard of the concept marketing communications or business promotion+related to understanding of the concept. The question required a yes or no answer making it a quantitative question. Eighteen of the 22 respondents affirmed hearing of the concept of marketing communications making it 81.8 per cent of the total respondents and 60 per cent of the total potential respondents. Four respondents of the 22 had said they had not heard of the concept making it 18.2 per cent.

If the four spoilt responses could be taken into consideration as they had concluded the question as well and all four had said they have heard of the concept that would have taken the number of total responses to 22 of 30 resulting in 73.3 per cent respondents who have heard of the concept of marketing communications. See the table 5.3.

Table 5.3 number of respondents who have heard or not heard of marketing communications

	Frequency	Percentage
Yes	18	60
No	4	13
Unknown	8	27
Total	30	100
Yes + Spoilt Yes	22	73

Question nine directly asked the respondents what they understood by the concept of marketing. This question solicited qualitative data and the answers from respondents include the following:

- About clients and branding
- Is the backbone of the business
- Mouthpiece of the business
- It's about engaging customers regarding promotions and discounts/ Continued engagement with new and existing customers
- It's about service for your target market
- Face-to-face promotion with target market
- One respondent said they were not sure/another respondent said truthfully they do not understand
- Communicating the product using marketing tools
- Selling your products to bigger mass
- Exploring what we are dealing with
- Communicating messages about your products/offerings to the target market
- It's about making the customers believe in buying your products
- It's a link between the company and the customers
- Enhancing the brand to help sell
- It's about spreading the word
- Advertising your business and products to be on top of customers' minds/letting people know about your products using platforms such as radio
- It's taking the product to the market, making sure they understand it and how it benefits them

Question ten probed the understanding of marketing communications further by asking respondents if they knew any elements of marketing communications and what their role was. Their responses included the following:

- SMSs and Flyers . generate more clients and grow business
- Magazines and Newspapers . play a big role in a business
- Branding . visually helps business look professional
- Radio, Posters, Website, Business Cards . Advertise your business
- 1-on-1 promotions and presentations
- Word-of-mouth . promote business
- Language, lifestyle and behaviour
- Advertising, Public Relations, Branding and Sales Promotion
- Direct Mail, Online and Advertising
- Telemarketing and Direct Marketing
- Sales - generate revenue and grow the business; social media . spreads the word about the business; website . avails information to consumers and advertising
- Mouth communication and display
- Banners, boards and mobile advertising

5.2.4 Theme Three: The extent to which respondents use various marketing communications elements

Four questions namely three, four, twelve and thirteen focused on addressing the use of marketing communications elements by the respondents.

Question three asked the respondents if their businesses engaged in any method of promoting their products and services to customers. The question required a yes or no answer (quantitative) as well a reason (qualitative) for the answer. Of the 22 respondents, 21 respondents said their business used some form of promoting their products and services to customers while only one respondent responded negatively.

Table 5.4 and figure 5.5 outline the frequencies and percentages respectively of the responses affirming or negating the use of any methods in attempts to promote products and services to customers.

Table 5.4 Frequencies of respondents who affirmed or negated methods of promotion

	Frequency
Yes	21
No	1
Total	22

According to figure 5.5, 95 per cent of the respondents said their business used some form of promotion for their products and services while only five per cent said they did not.

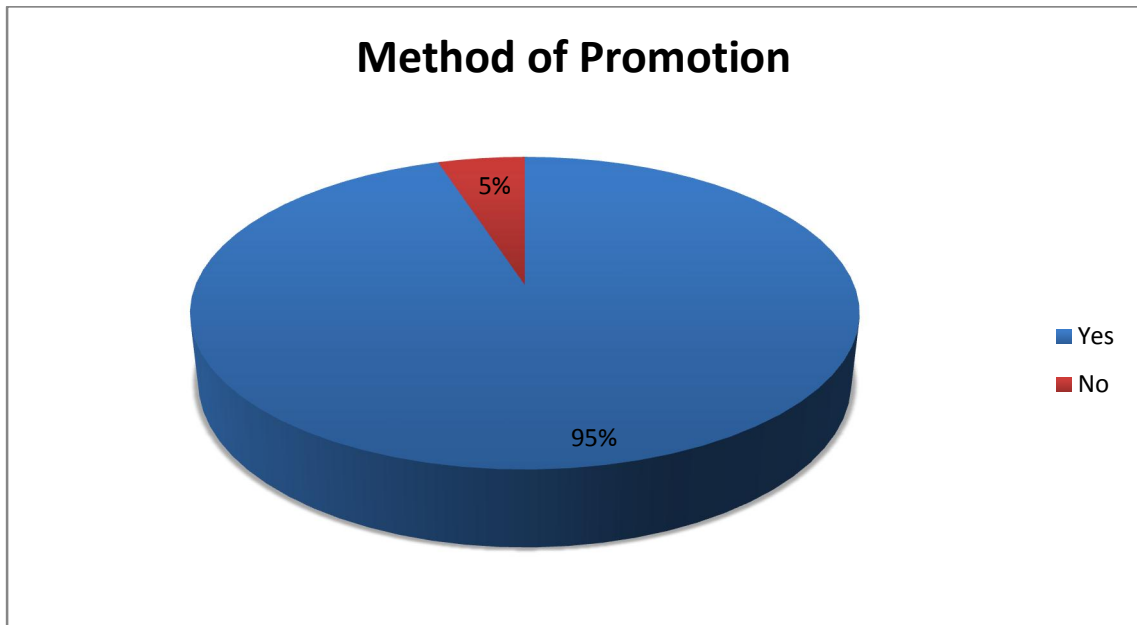


Figure 5.5 Percentages of respondents whom their business promoted products and services

Some of the reasons advanced for engaging any methods to promote products and services or for not engaging in such activities included the following:

- Poor advertising reach
- Increase people's knowledge about products
- Get new customers and maintain existing ones
- Because they like our products
- To get more business/clients/to attract new clients and consistency
- To get people aware of my business/ build customer awareness
- More exposure of business means more sales
- Raise awareness of company and products we are selling
- To build larger customer base
- To build credibility
- I will not grow or make profits if I don't promote or sell
- To gain recognition

Question four asked the respondents if they had answered yes to question three, which method was used and who was responsible for it. This question again yielded qualitative data and the following are the responses:

- Flyers and owner responsible for handing them out
- Mobile advertising/Advertising and pamphlets
- Social media and the owner responsible
- Personal selling and owner responsible for that
- Word-of-mouth and the owner is responsible
- Online and mouth-to-mouth and the PRO is responsible
- Calendars and flyers and it is outsourced
- Sampling products to customers and employees do it
- Internet marketing and Face-to-Face marketing and the owner is responsible
- Digital marketing and the PRO is responsible
- Street Poles Signage and the owner is responsible
- Radio
- Advertise on Alex-FM, Website, Design own posters, flyers and banners
- Exhibitions, Social media and Website
- SMSs and owner is responsible
- Cards and Sales Speech and the owner is responsible
- Facebook

Question twelve requested the respondents to provide elements of marketing communications that were used in their business. Just to mention upfront, there is a slight difference between questions four and twelve and it is explained in the next chapter, which discusses the results. Below are the answers from the respondents for question twelve and they yielded qualitative data:

- Cellphone and cards
- Branding
- Radio/website/word-of-mouth/testimonials/banners/flyers
- Flyers/exhibitions/radio/website
- Radio/branding
- Street Poles Signage
- Advertising/word-of-mouth/website/personal selling
- Word-of-mouth
- Online/direct sales/mouth-to-mouth
- Face-to-face sales

- Relationship building
- Networking marketing
- T-shirts and media
- Business cards
- Social media/TV/magazines
- Facebook/pamphlets

Question thirteen asked the respondents how often (never/sometimes/often) they used advertising, public relations, word-of-mouth, personal selling, direct marketing, social media, websites, exhibitions/events and sponsorship to promote their business. The following figures illustrate the frequency of each of the elements as indicated by various respondents.

As indicated on figure 5.6, of the 22 respondents, 11 said they used advertising often to promote their business, eight said they never used advertising to promote their business and three said they sometimes used it.

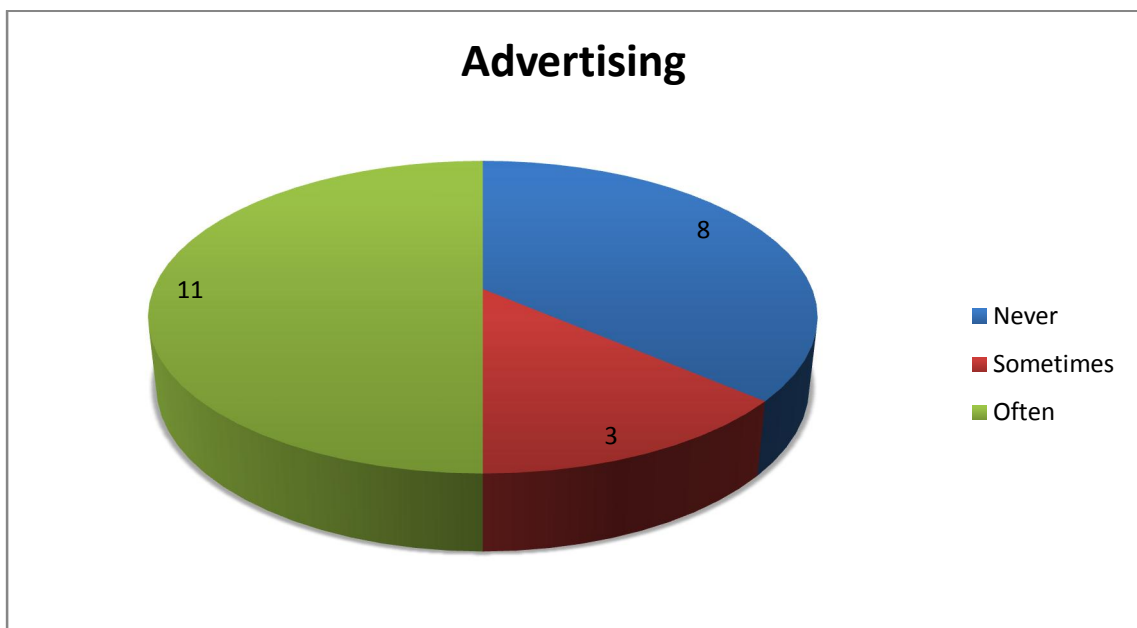


Figure 5.6 Frequency of using advertising to promote business

As indicated on figure 5.7, of the 22 respondents, five said they used public relations often to promote their business, nine said they never used public relations to promote their business and eight said they sometimes used it.

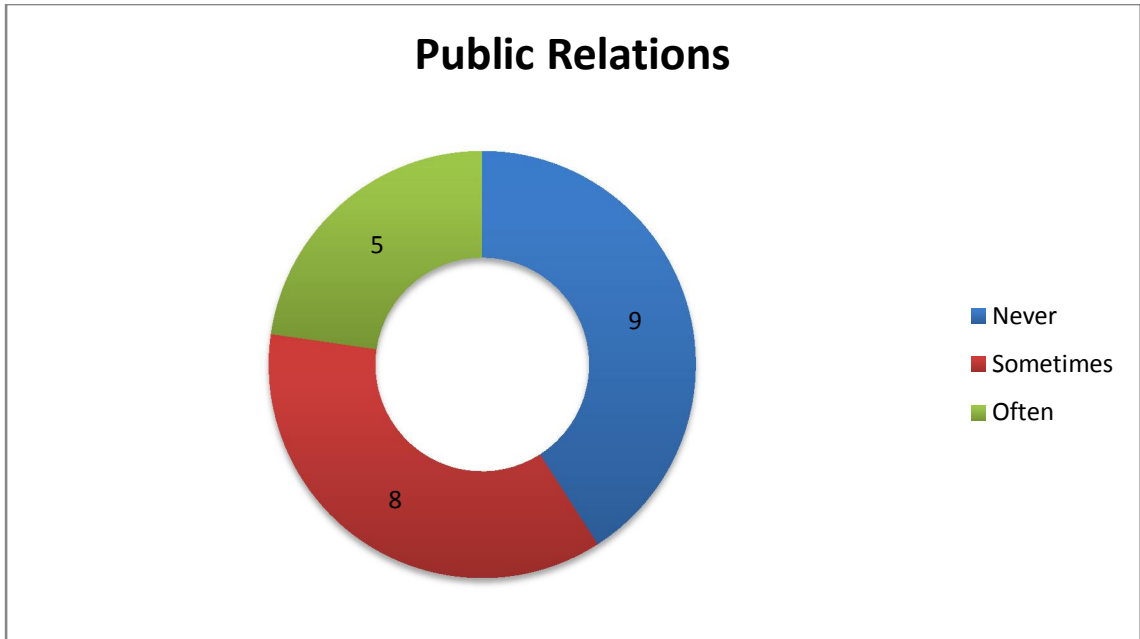


Figure 5.7 Frequency of using public relations to promote business

As indicated on figure 5.8, of the 22 respondents, 19 said they used word-of-mouth often to promote their business, two said they never used word-of-mouth to promote their business and one said they sometimes used it..

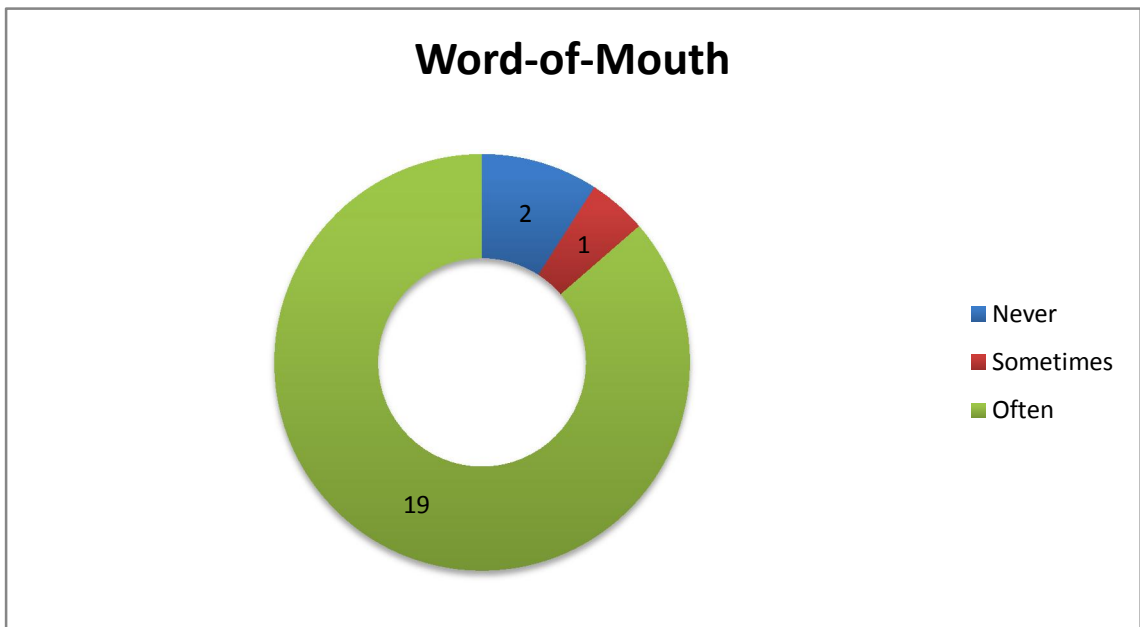


Figure 5.8 Frequency of using word-of-mouth to promote business

As indicated on figure 5.9, of the 22 respondents, 16 said they used personal selling often to promote their business, four said they never used personal selling to promote their business and two said they sometimes used it.

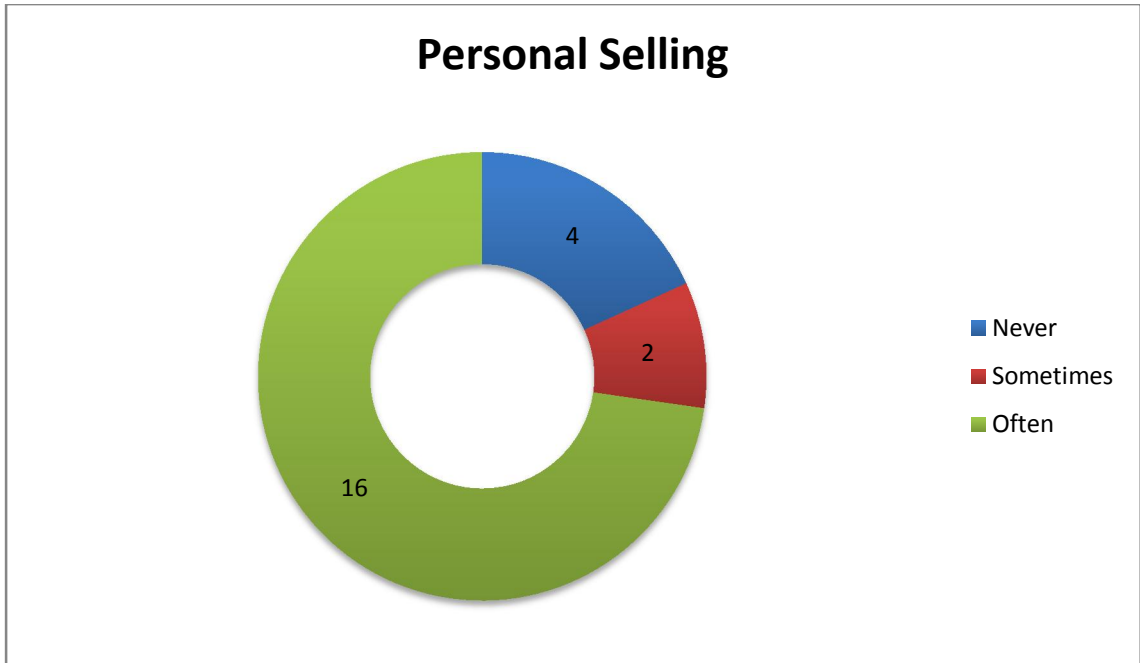


Figure 5.9 Frequency of using personal selling to promote business

As indicated on figure 5.10, of the 22 respondents, eight said they used direct marketing often to promote their business, eight said they never used direct marketing to promote their business and six said they sometimes used it.

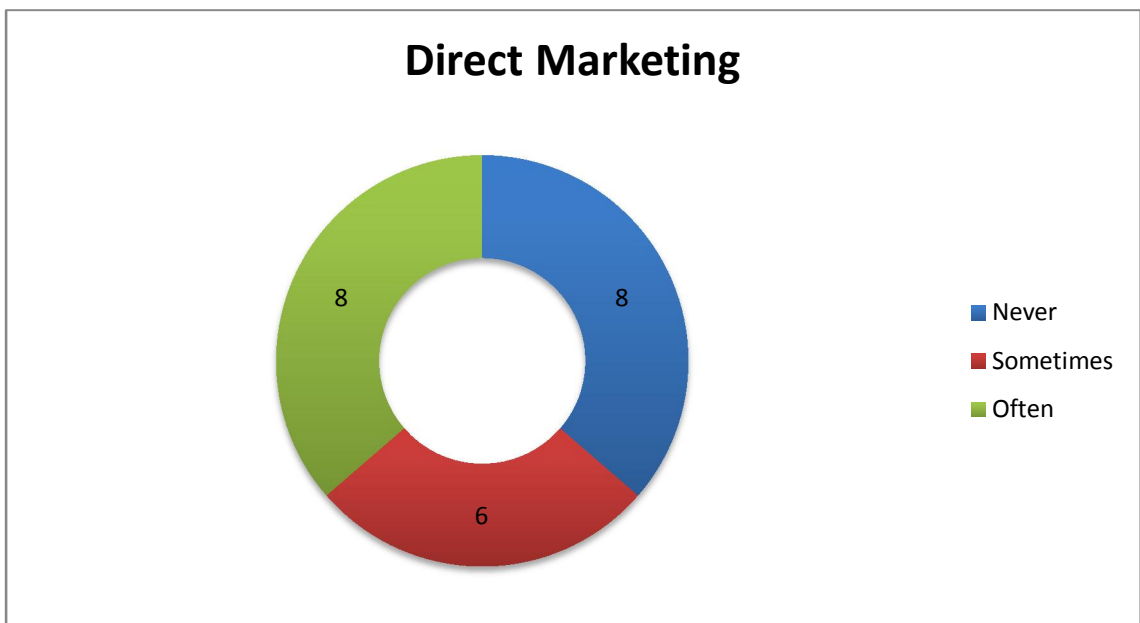


Figure 5.10 Frequency of using direct marketing to promote business

As indicated on figure 5.11, of the 22 respondents, nine said they used social media often to promote their business, nine said they never used social media to promote their business and four said they sometimes used it.

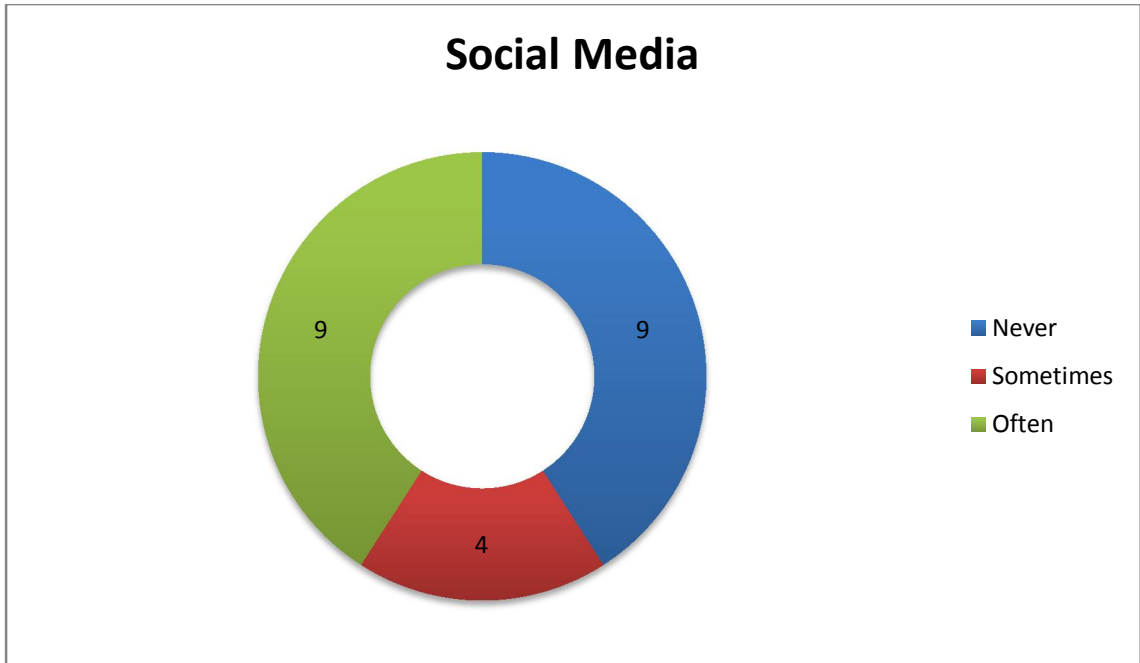


Figure 5.11 Frequency of using social media to promote business

As indicated on figure 5.12, of the 22 respondents, ten said they used a website often to promote their business, ten said they never used website to promote their business and two said they sometimes used it.

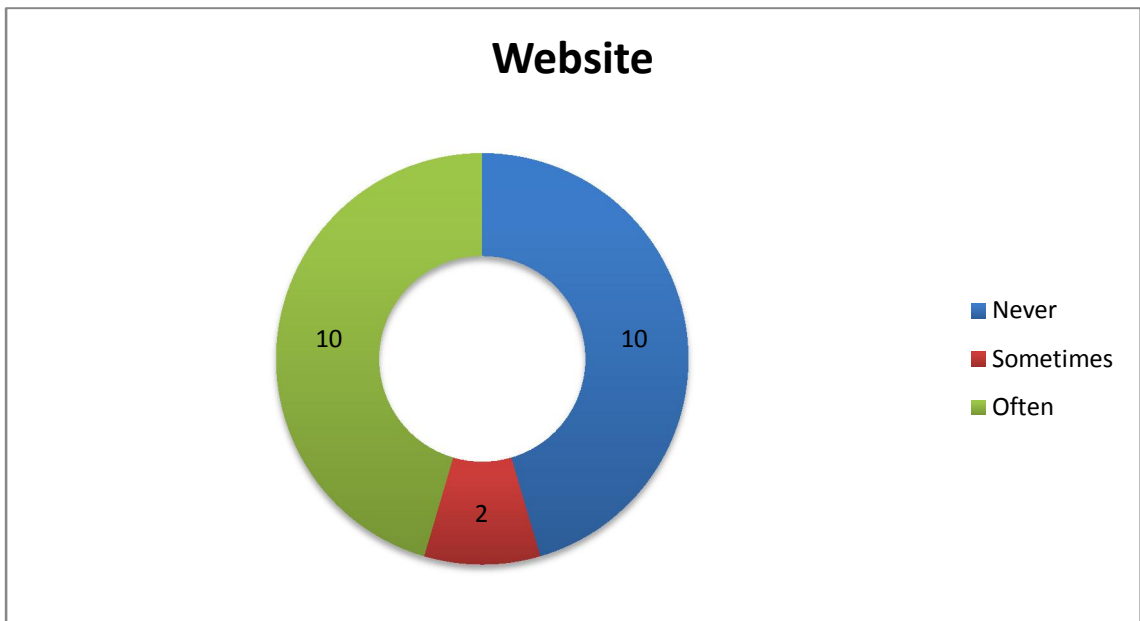


Figure 5.12 Frequency of using website to promote business

As indicated on figure 5.13, of the 22 respondents, five said they used exhibitions and events often to promote their business, eleven said they never used exhibitions and events to promote their business and seven said they sometimes used it.

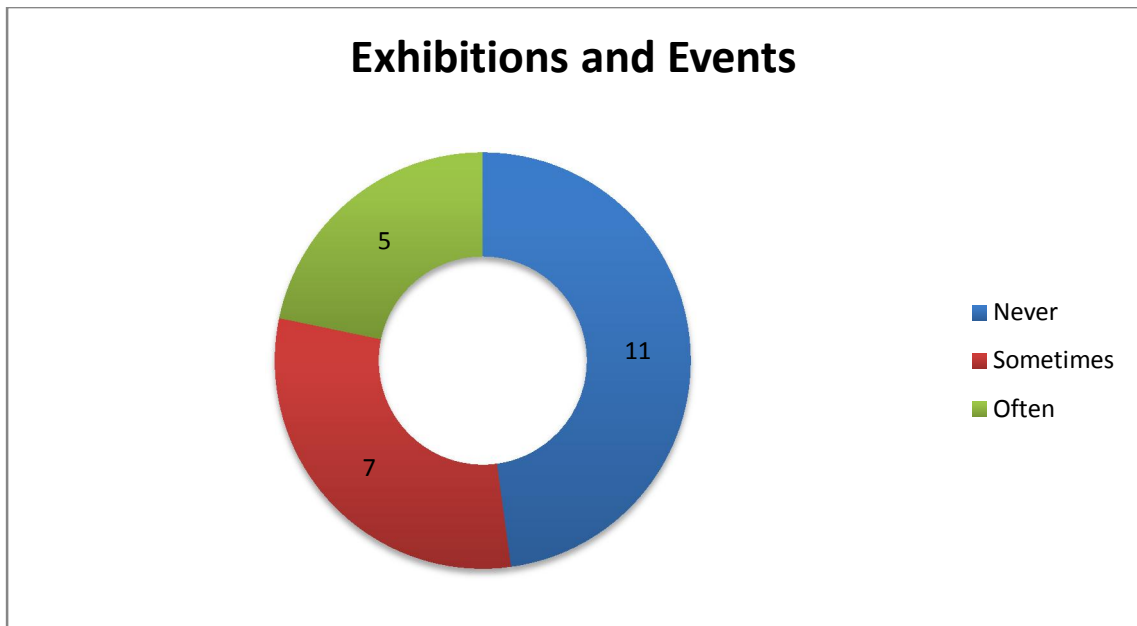


Figure 5.13 Frequency of using exhibitions and events to promote business

As indicated on figure 5.14, of the 22 respondents, five said they used sponsorships often to promote their business, thirteen said they never used sponsorships to promote their business and four said they sometimes used it.

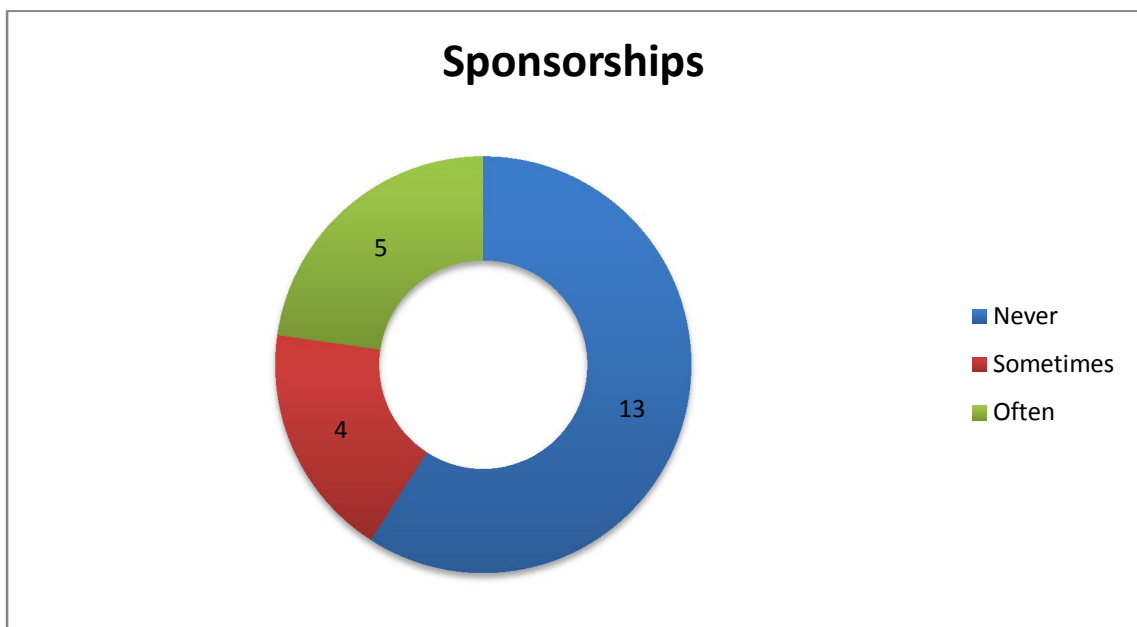


Figure 5.14 Frequency of using sponsorships to promote business

5.3 Conclusion

This study primarily sought to explore and gain the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa. That is achieved by answering the following three primary research questions:

Q1: To what extent do owners of microenterprises in South Africa perceive marketing communications as important towards helping to grow their businesses?

Q2: What is the understanding levels of marketing communications by microenterprises owners and the role it plays in businesses in South Africa?

Q3: Do owners of microenterprises in South Africa use marketing communications to promote their products and services, if yes which elements do they use and what is the frequency of their use?

These results indicate that the research questions that this study intended to answer have been answered and thus the research objectives were realised. A detailed discussion of how the research questions were answered and the research objectives addressed are in the next chapter, Discussion of Results.

6 Chapter Six – Interpretation and Discussion of Research Results

6.1 Introduction

This chapter seeks to explore the results presented in the previous chapter in more detail and thus provide findings that help in answering the research questions. It looks to interpret the results within a broader perspective and link the findings thereof to the literature cited in chapter two. Also, in this chapter issues that were identified during interpretation will be discussed.

This chapter synthesises the research results in order for them to answer the primary research questions that this study set out to answer at the beginning. The research questions are:

- Q1: To what extent do owners of microenterprises in South Africa perceive marketing communications as important towards helping to grow their businesses?
- Q2: What are the understanding levels of marketing communications and the role it plays in businesses by owners of microenterprises in South Africa?
- Q3: Do owners of microenterprises in South Africa use marketing communications to promote their products and services, if yes which elements do they use and what is the frequency of their use?

By answering these research questions the study will help to achieve the objective which is to explore and gain a preliminary understanding of the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa.

Each research question is addressed based on the research results and a link to the literature, thereafter a broader interpretation of the results in relation to the research problem will follow. However, it must be brought upfront as previously stated that there is little literature on marketing communications in small businesses especially microenterprises. Therefore at times, some questions were based on the researcher's thinking ability to link the questions to the research problem and thus not necessarily base them on literature. With that in mind, in most cases interpretation will be provided and linked to the research questions and not literature.

Lastly, this chapter illustrates that the research questions have been answered and consequently the research objective addressed.

6.2 Findings and issues to research questions 1: To what extent do owners of microenterprises in South Africa perceive marketing communications as important towards helping to grow their businesses?

Six of the thirteen questions related to the theme of micro-entrepreneurs' perceptions of marketing communications. Generally, perceptions of marketing communications by business . large and small . is a positive one though some individuals have reservations. As previously stated, Spotts and Weinberger (2010, p. 592) argued that the importance of marketing communications for organisations has become almost self-evident over the past decade. The connection of branding to corporate reputation and company value has spread to most organisations to the extent that there is no longer much debate about whether a strong brand is important. Elements of marketing communications mix contribute to building brand equity by creating awareness, linking the brand image with the right associations, eliciting positive brand responses and facilitating a stronger consumer-brand connection (Kotler & Keller, 2009, p. 289). From this literature it is clear that marketing communications is perceived as critical to the success of a business.

Question two asked the respondents about the importance of promoting their small business to customers. All 22 respondents answered yes and this agrees with the above literature in terms of the perception towards marketing communications. Considering the other four spoilt responses, one of the respondents had said no but they did not provide reason/s for their answer. It would have been useful to know why he/she thought it was not important to promote their small business. There are people who believe marketing and marketing communications are of no use to business. Overall, the responses towards this question echo a positive skew in terms of micro-entrepreneurs' perceptions towards marketing communications.

The reasons advanced by the respondents indicate some positive link between marketing communications activities and growing the business. For instance, they advanced reasons like grow market share, play with big businesses, grow to export, increase sales+ etc. All these talk to growth, which is what is needed of small businesses if they are to make a meaningful contribution to the economic growth of this

country. Other reasons have got to do with exactly what marketing communications is meant to do i.e. brand awareness and exposure.

Question five asked the respondents if the methods they use to promote their small businesses did what they were supposed to do effectively. This is another question determining the perception of the respondents towards marketing communications. It gauges if they think marketing communications is effective or ineffective . which in a way can determine their perceptions towards the concept. 82 per cent of the respondent thought they were effective which is a good number. If the activities are thought to be effective and yielding the required results, whichever ones they are using it means they are most likely to continue using them and even speak well of them (word-of-mouth there).

As previously noted in chapter two, Danaher and Rossiter (2011, p. 34) stated that marketing communications is more effective when senders transmit their message via channels that have attributes that receivers prefer. Senders need to be cognisant of receivers preferences and adjust their channel choices accordingly. Perhaps to do justice to this question it was also meant to be asked to receivers of marketing communications activities from the micro-entrepreneurs. Nevertheless, the majority of the respondents think that their marketing communications activities achieve what they intended them to achieve.

Also, Kotler and Keller (2009, p.297) mentioned that each element of marketing communications has got its own unique characteristics and ways of working which determines their effectiveness and efficiency. Most respondents felt that the various marketing communications activities that they used were effective and efficient in their own right. This is consistent with what Kotler and Keller (2009) are saying above.

Perhaps the questionnaire should have been included a question that asked the respondents why. It would have been interesting to hear from the four respondents who said the marketing communications activities did not achieve what they wanted them to achieve.

Having said the above, it can be safely concluded that most respondents felt that marketing communications activities were effective. This again skews positively for the micro-entrepreneurs perception towards marketing communications.

Another question that related to perception was question six and it asked micro-entrepreneurs if they thought promoting their business could contribute to the success of their businesses and all 22 again said yes. The responses to this question linked well with responses from question two, which asked about the importance of promoting small business. There are no discrepancies between the two questions as in both questions 100 percent affirmation was obtained.

The above finding is in line with what Kotler and Keller (2009, p. 288) had argued when they stated that marketing communications by creating brand image could drive sales and even affect shareholder value. Once more, Kotler and Keller (2009, p. 24) had argued that business financial success often depends on its marketing ability. Demand for a business's goods and services allows business to make a profit and marketing is there to create such a demand. They further argued that businesses that are at risk are those that do not engage in marketing; those that do not monitor their customers, competitors and value offerings.

The respondents linked engaging in marketing communications activities with the success of their organisations. This is evidence that the owners of small businesses particularly microenterprises believe in the positive role that marketing communications activities can play in ensuring the success of their business. They attach some significance to the positive role that marketing communications can play in contributing to the growth of organisations.

Some of the successes that could be achieved by engaging in marketing communications activities included growing the business, growing the brand, gaining market share, etc. This goes to show that owners of microenterprises are ambitious young people who would like nothing but success for their small businesses. They believe marketing communications can assist them to realise such success. The mention of these successes was in relation to question seven which asked the respondents if they thought marketing communications could contribute to the success of their businesses, and how could it do so.

An interesting trend that seemed to be appearing from respondents' responses for reasons for question two and the how for question seven is that most of them talk about sales. They are all about selling. This is consistent with what Centeno & Hart (2012, p. 252) said earlier in their findings. They stated that sales activities remain important for small businesses, however small business engage in other marketing

activities over and above sales activities. If owners of small businesses concern themselves with sales it clearly indicates their ambition to be successful. An increase in sales is equivalent to an increase in revenues and if costs are managed prudently there is opportunity for high profits and subsequently growth.

Question eight, which also related directly to micro-entrepreneurs perceptions towards marketing communications, asked the respondents to rate the importance of promoting their business to customers. The ratings ranged from less important, somewhat important, neutral, important and very important. 19 of the 22 respondents said it was very important while no respondent said it was less important. But the other three respondents were equally shared between the three ratings. It is interesting because this question is closely related to the other two questions where 100 percent responses positively affirmed the importance of marketing communications. In this instance, while 86 percent is still a high percentage what happened to the other 14 percent who initially believed that it was important to promote their small business. Perhaps they believed it was important and not very important initially hence on this question they are able to stipulate that it is important but not very important. As for the respondent who said neutral and previously had said it is important, it is not comprehensible for the researcher.

Another phenomenon, which needs to be factored in, is the understanding of the concept of marketing communications, which will be discussed next. As it shall be seen, it is possible that some of the respondents did not understand the concept as some admitted. Therefore, their previous responses were just ticks on the yes and it happened that it went well with those answers of respondents who understood what marketing communications was. Otherwise another reason can be that respondents were completing the questionnaire in a rush just wanting to finish and thus did not give enough thought to their responses.

As much as it looked like repetition of other questions, question eleven related to the other questions seeking to gauge the perceptions of owners of microenterprises towards marketing communications. It sought to do so by asking respondents what their business could achieve by using marketing communications. Responses to this question ranged from %brand awareness, increased sales, attracting new customers, expansion, exposure, market share+ etc. These, and other answers were consistent with the answers solicited earlier.

The perception around the importance of marketing communications was highlighted by Spotts and Weinberger (2010, p. 592) when they argued that the importance of marketing communications for organisations has become almost self-evident over the past decade. The connection of branding to corporate reputation and company value has spread to most organisations to an extent that there is no longer much debate about whether a strong brand is important. Based on this literature and from the findings, which are consistent with the literature, it is clear that marketing communications is crucial to organisations especially microenterprises if they are hoping to grow and contribute greatly to the economic development of South Africa.

Most of the respondents seemed to have a positive perception towards marketing communications. However, if microenterprises are to become the beacons of hope for the development of South Africa's economy, all owners of microenterprises must start embracing the concept of marketing communications. While most are paid-for others such as public relations and publicity are not paid-for and are more credible than others such as advertising which serve almost the same purpose.

Centeno & Hart (2012, p. 259) found in their study that most brand owner/managers said publicity offered many advantages to increase brand knowledge and brand awareness at no cost as compared to advertising. They also suggested that newness of their products is a key point when finding vehicles for publicity. Newness meant newsworthiness to many print magazines and newspapers. Thus, product novelty should be a predetermined factor based on the relevance perceived by clients and customers. The difference is that one (advertising) is paid for hence one can decide what gets published about their organisation whereas on the other hand publicity (editorial) is not paid for but the organisation is not in control as to when material gets published but may be in control of what gets published about them especially if they are proactive with the journalists and reporters. Therefore, micro-entrepreneurs must embrace marketing communications and take advantage of the value-adds that go with having marketing communications activities. If it has to succeed, they need to plan it properly and engage outside help.

6.3 Findings and issues to research questions 2: What is the understanding levels of marketing communications and the role it plays in businesses by owners of microenterprises in South Africa?

Three of the thirteen questions from the questionnaire looked into the respondents' understanding of the marketing communications concept. Understanding the concept of marketing communications would entail things like the definitions, the characteristics, uses, knowledge of the elements.

Question one asked the respondents if they had heard of the concept of marketing communications. How this would relate to understanding the concept is that if one hears of the concept then it means they understand the concept. If one does not understand the concept it is difficult for them to hear of it. Hearing about the concept does not necessarily mean hearing people talk about the concept in passing, it means being exposed to the concept, its definitions, characteristics, uses, advantages and disadvantages etc.

This question solicited quantitative data and eighteen of the 22 respondents said they had been exposed to the concept of marketing communications which augurs well to the understanding of the concept. Translated into percentages almost 82 per cent respondents have heard of the concept. Even the four spoilt responses had all said they have heard of the concept as they had concluded the question as well and all four had said they have heard of the concept.

While this statistic sounds good, as it is stated previously that marketing communications can play a vital role in contributing to the growth of microenterprises, there is a need to ensure that all micro-entrepreneurs are exposed to the concept of marketing communications so that they understand it and know how it can benefit them in growing their small businesses to ultimately make a significant contribution to the development of South Africa's economy. Therefore, efforts must be made to ensure that the 18 per cent of micro-entrepreneurs who had not heard or been exposed to marketing communications are exposed to it and realise advantages of using it.

Most respondents had indicated their desires to grow their small businesses and as indicated by Kotler and Keller (2009, p. 288) marketing communications by creating brand image could drive sales and even affect shareholder value. They further argued that business financial success often depends on its marketing ability. Demand for a business goods and services allows business to make a profit and marketing is there to create such a demand. What Kotler and Keller stated is related to growing the business. Therefore, by engaging in marketing communications, micro-entrepreneurs achieve brand awareness and this could lead to increased demands of the products

and services thus resulting in increased sales. Increase in sales will result in the owners of small businesses achieving their goal of growth and other goals that they have for their businesses.

Question nine directly asked the micro-entrepreneurs of their understanding of marketing communications. This question could be tested against things like the definitions of the concept, the use of the concept, the characteristics of the concept and the advantages and disadvantages of the concept.

A myriad of responses was received and included the following:

- *About clients and branding*
- Is the backbone of the business
- *Mouthpiece of the business*
- *It's about engaging customers regarding promotions and discounts/ Continued engagement with new and existing customers*
- It's about service for your target market
- *Face-to-face promoting with target market*
- One respondent said they were not sure/another respondent said truthfully they do not understand
- *Communicating the product using marketing tools*
- *Selling your products to bigger mass*
- Exploring what we are dealing with
- *Communicating messages about your products/offerings to the target market*
- *It's about making the customers believe in buying your products*
- *It's a link between the company and the customers*
- *Enhancing the brand to help sell*
- *It's about spreading the word*
- *Advertising your business and products to be on top of customers' minds/letting people know about your products using platforms such as radio*
- *It's taking the product to the market, making sure they understand it and how it benefits them*

Looking at what Gabrielli & Balboni (2010, p. 276) had earlier said about marketing communications, it represents the voice by which companies can establish a dialogue with customers and other stakeholders, about their product/service offerings and/or other company issues, the definition by (MarcommWise, 2006) "Marketing

communications is all strategies, tactics, and activities involved in getting the desired marketing messages to intended target markets, regardless of the media use+ and what Potluri (2008, p. 60) said when he maintained that marketing communications mix elements provide information and consultation that are important components to add value to a product or service. All the responses *italised* above fit within one of these extracts from the three sets authors.

In relation to question one, which had 18 respondents having heard of marketing communications, the respondents understanding of the concept was more or less in tandem with their exposure. The fact that they had been exposed to the concept could mean they understood the concept and also the fact that they understood the concept could mean they have heard of the concept. However, as agreed that marketing communications is crucial to the growth of microenterprises and the fact that some respondentsq (even though not many . about three or four) understanding of the concept below expectation is concerning. In tandem with the importance of this concept to the growth of microenterprises, it is equally important that all the micro-entrepreneurs are conversant with the concept. At their stage, they are not in position to hire external service providers to assist them thus it is important for them to acquaint themselves with the concept. There are organisations such as MEDO, which are dedicated to ensuring that micro-entrepreneurs are equipped with business management skills required to not only run a successful business but to grow it too. Among other things they teach micro-entrepreneurs marketing communications skills. Therefore, entrepreneurs must take advantage of such services.

Question ten, which also sought to gauge the respondents understanding of marketing communications, asked them which elements of marketing communications they knew and what role did that play. In the literature section, different elements of marketing communications were looked at.

Kotler and Keller (2009, p. 297) mentioned the below as the elements of marketing communications and the responses are gauged against that:

- Advertising . it reaches geographically dispersed buyers and it can build long-term image for a product. It can trigger quick sales
- Sales promotion . sales promotions can be used for short-run effects such as highlighting products offers and boosting declining sales
- Public relations and publicity . this element usually helps with the reputation of the

overall organization not just specific products

- Events and experiences . they are usually live and engage the customer of the stakeholder in process
- Direct and interactive marketing . usually customized to a particular individual with the aim of soliciting a response from them
- Word-of-mouth . it's the most informal of all the elements and can be delivered by anyone who has vested interest in an organisation
- Personal selling . as the term suggest this element aims to generate sales by committing customers to buy products and services

Danaher and Rossiter (2011, p. 34) mentioned that the latest marketing communications element is online marketing, often referred to as new media. It uses Internet platforms to do what advertising, public relations, word-of-mouth etc. aim to do. It is more interactive.

Within the marketing communications elements, there are platforms or channels on which these activities are undertaken. As per the literature by Danaher and Rossiter (2011, p. 6) marketing managers in the new millennium face a wide and diverse choice of media channels through which to send marketing communications to customers. These include most recently and significantly, the Internet channels, banner ads, e-mail and blogs, and also mobile phone communications, such as text messaging (SMS) and cell phone TV.

With this in mind, the responses ranged between the elements of marketing communications and channels used to execute those elements. There was a good mix of elements such as advertising, public relations, sales promotions, direct mail, word-of-mouth and sales and channels such as radio, television, posters, flyers, business cards, websites, banners, boards, newspapers and magazines. From this finding it is clear that the majority of the respondents could not differentiate between the elements and channels. They just viewed them as one and the same thing. The understanding of this difference is eluding most micro-entrepreneurs, therefore, there is a need to educate them of these differences if they are to understand marketing communications and thus be able to execute it with near perfection.

Overall, on the understanding of marketing communications by micro-entrepreneurs, there is some lack of understanding of the concept and work must be done to ensure

that more microenterprises owners understand the concept. As previously mentioned there are organisations such as MEDO who can assist with such. Also, if owners attach importance to marketing communications and believe it can contribute to the success of their business like they said in response to questions two and six, they must invest in acquiring such skills as various higher education and private institutes offer qualifications in marketing communications.

6.4 Findings and issues to research questions 3: What is the extent to which owners of microenterprises in South Africa use marketing communications to promote their products and services, if yes which elements do they use and what is the frequency of their use?

Four of the thirteen questions from the questionnaire looked into the respondents use of the marketing communications elements. The questions sought to understand if owners of microenterprises in South Africa used marketing communications to promote their products and services to customers.

Question three asked the respondents if their business engaged in any method of promoting their products and services to customers and why they did or did not. Of the 22 respondents, 21 respondents said their business used some form of promoting their products and services to customers while only one respondent responded negatively. These responses are in tandem with the responses to questions two and six. Not only do they perceive marketing communications as important and having the ability to contribute to the success of their business, an overwhelming majority said they used marketing communications to promote their products and services to customers. This statistic like statistics for questions two and six is encouraging in that it means micro-entrepreneurs do view marketing communications as an important phenomenon that can aid their businesses to grow and succeed and thus implement it. However, as previously mentioned there is a need for 100 per cent conversion.

Some literature indicated that small businesses globally used marketing communications. Centeno and Hart (2012, p. 252) in their findings suggest that small businesses work on a large array of brand communication activities. More than 30 different brand activities were found. Further they found that small businesses turn to different brand communication activities to effectively relate to different groups of customers at different times and on various situations. Therefore, the findings from this study are consistent with the existing literature.

Some of the reasons advanced included

- Raise awareness of company and products we are selling
- To build credibility
- To gain recognition
- More exposure of business means more sales
- To attract new clients and consistency

In their literature, Centeno & Hart (2012) outlined some reasons why small businesses engaged in marketing communications. Centeno & Hart (2012, p. 260) stated that many small businesses make marketing communications decisions for immediate impact on the market. Sales perspective may help them conduct marketing communications and implement a programme to raise awareness and knowledge about the brand. Many brand owners suggested that they attended interviews on radio or TV; they would notice a quick response by telephone or e-mail. Other brand owners mentioned that when an editorial page or interview was published in a newspaper or magazine, they would receive responses from customers and businesses interested in the brand.

If the respondents answered yes to question three, question four asked them which method did they use to promote their products and services and who was responsible for that in the business. Again the confusion between marketing communications elements and channels through which marketing communications elements is executed persisted. Respondents could not differentiate the two and provided a mix of the two. This question required methods or channels and not elements. This also talks to the understanding of the concept. It is important to note that all the questions around perceptions, understanding and use are all related and interdependent. Hence at times it felt like the questions were repeated. Some responses include the following:

- Flyers and social media
- Mobile advertising/Advertising and pamphlets
- Street poles signage
- Word-of-mouth
- Personal selling
- Exhibitions

In terms of who was responsible for that activity, most respondents responses were consistent with the existing literature. Centeno & Hart (2012, p. 256) stated that owners of small businesses were heavily involved in the marketing communications of their

businesses. The brand owners were involved in presentations or lectures to potential clients. Brand owner/managers seemed to be the main driving force for selling and sales administration. They oversee sales activities on a daily basis and are on top of historical and current sales figures. The majority of brand owners were involved in many of the brand activities. As the findings suggest, brand owners are not only the key driver of personal sales, but also the main spokesperson of many brand communication activities, including public relations and advertising. The respondents mentioned themselves as being responsible for the marketing communications activities. Two of them mentioned Public Relations Officers as being responsible for such activities. Others did not mention as to who was responsible for marketing communications activities in their businesses.

Question twelve asked the respondents to provide elements of marketing communications that they used in their business. The respondents mentioned various channels and elements, which simply meant the respondents' confusion between the two concepts continued. As indicated earlier, this confusion informs the fact that there is a need to educate the owners of microenterprises about the concept of marketing communications. The literature of Kotler and Keller (2009) indicates several elements of marketing communications. They are advertising, sales promotion, public relations and publicity, events and experiences, direct and interactive marketing, word-of-mouth, personal selling and online marketing. All these elements have got different uses and hope to achieve different results. Among the respondents' answers were the following: cell phone and cards; radio, website, word-of-mouth, testimonials, banners and flyers; flyers, exhibitions, radio and website; street poles signage; advertising, word-of-mouth, website and personal selling. This is a mix of elements and channels.

Question thirteen asked the respondents to rate the frequency of using different marketing communications elements to promote their business. The respondents were asked to rate the following marketing communications elements: advertising, public relations, word-of-mouth, personal selling, direct marketing, social media, websites, exhibitions/events and sponsorship on whether they often used them, sometimes used them or never used them.

The responses indicated that word-of-mouth and personal selling were the two widely used marketing communications elements with frequencies of 19 and 16 respectively. This finding was consistent with a finding by Centeno and Hart (2012, p. 252) wherein they said that word-of-mouth was perhaps one of the most important brand

communications activities for promoting brands and is perhaps one of the simplest ways of communication, yet one of the most powerful. Within the context of small businesses, such communication becomes relevant to brand growth. They further stated that personal selling appeared to be one of the key brand activities for all brands (p. 256).

The respondents' answers also revealed that exhibitions/events and sponsorships were the least used marketing communications elements with both amassing 11 and 13 % respectively thus receiving the highest number of % responses.

Responses to questions three, four, twelve and thirteen indicate that owners of microenterprises used various marketing communications elements and channels even though there is confusion among respondents regarding the difference between elements and channels. In most instances owners themselves were responsible for ensuring that marketing communications activities took place. The responses assisted in answering the research question which sought to understand the extent to which owners of microenterprises in South Africa use marketing communications to promote their products and services, which elements do they use and the frequency of their use.

The most cited challenge for marketing communications was costs associated with engaging in marketing communications activities. The respondents did not have budgets for executing different marketing communications activities and if they did have budgets it was limited. This challenge is a challenge even for large organisations, therefore owners of microenterprises must find a way around this challenge. As previously indicated some activities do not involve costs, they require owners to make efforts. Another challenge referred to is the measurement of the some elements. As a practitioner involved in marketing communications, one of the criticisms levelled against marketing communications is lack of proper measurements that directly link some of the results with the concept.

6.5 Findings and issues to background information

Questions sixteen to twenty were for background purposes and did not directly relate to the three research questions but are important so that we know the profile of microenterprises.

Question sixteen wanted to find out about the ownership of microenterprises with regard to gender. Of the 22 respondents, 13 of them were male owners making 59.1 per cent male ownership. Seven are female owned translating into 31.8 per cent female ownership. This left 9.1 per cent (two respondents) to mix ownership i.e. co-ownership between males and females. There is a relatively good split between male and female ownership. Having said that, it would be good to have a 50/50 split. Therefore, women must be encouraged to start businesses of their own. The Department of Trade and Industry is available to assist aspiring entrepreneurs to start their own businesses.

In question seventeen, the respondents were asked about the number employees in their businesses. The number of employees for different enterprises ranged between 1 and 12. Where the respondent indicated 0 employees it was taken that it is one employee i.e. themselves. Between the 22 respondents they employed 90 people including themselves. Clearly these entities have got a critical role to play in efforts to reduce unemployment in South Africa. The more they are helped to grow, the better for the country as a whole. However, if we look at the definition of microenterprises which according to National Small Business Act 102 of 1996 microenterprise is categorised as an enterprise with a turnover less than the VAT registration limit (that is, R150 000 per year) and these enterprises usually lack formality in terms of registration. They include, for example, spaza shops, minibus taxis and household industries. They employ no more than five people. Therefore, a question is whether do we disregard some of the owners as not falling under owners of microenterprises as they employ more than five employees.

Question eighteen asked about the period of existence of the businesses. Seven of the 22 (31.8 per cent) respondents enterprises have been in existence for a period of under two years whereas 10 of them (45.4 per cent) have been in existence for a period of between two and five years. Five of the businesses have been in existence for five years and above translating into 22.8 per cent. There is a good mix of businesses that were new and that have been in existence for some time. According to the 2011 Global Entrepreneurship Monitor (GEM, 2011) report released in May, South Africa's small business landscape is not showing progressive changes. It has not realised enough start-ups nor are enough small businesses surviving and growing. So it is encouraging to see that some microenterprises are as old as five years and beyond. It is hoped that microenterprises that are five years and below five years will

engage in marketing communications activities to get help that will contribute to their growth and survival.

Question nineteen sought to understand the industries in which microenterprises operated. The respondents owned various businesses ranging from healthcare; interior decorating; perfumes and body lotions; fast foods; electronic document management; stationary and printing; sales purified water and juices; DSTV services; clothing, fashion and accessories; advertising space; branding and website management; Internet & computer services; distribution of agricultural products; and sales of corporate wear. This finding is consistent with the literature that stated that most microenterprises are in retail and services sectors. According to Cardamone and Rentschler (2006, p. 347) microenterprises are usually informally managed and found primarily in retail and service activities.

Micro-entrepreneurs should be encouraged to start businesses in sectors such as manufacturing, agriculture, services etc. These are sectors that are labour intensive and could mean creation of employment opportunities for the unemployed, especially if the micro-entrepreneurs are successful in growing their small businesses.

6.6 Did the results answer the research questions?

This study sought to explore and gain a preliminary understanding of the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa. That was achieved by answering the following primary research questions:

- Q1: To what extent do owners of microenterprises in South Africa perceive marketing communications as important towards helping to grow their businesses?
- Q2: What is the understanding levels of marketing communications and the role it plays in businesses by owners of microenterprises in South Africa?
- Q3: Do owners of microenterprises in South Africa use marketing communications to promote their products and services, if yes which elements do they use and what is the frequency of their use?

It is believed that the research questions were answered and thus the study realised its objective. While the researcher had predetermined picture of the situation, the study was not meant to confirm what the researcher had thought. Therefore, whether the

responses were affirmative or negative in responding to questions which were asked does not matter. What matters is that a preliminary understanding of the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa was gained. Even though some, one or two, of the responses were not clear as the respondents did not have a clue in terms of understanding marketing communications, the fact that the researcher was able to gain an understanding of perceptions, understanding and use of marketing communications by owners of microenterprises in South Africa, which it is hoped that readers gained by reading through this report, it means this study achieved what it intended to achieve. Some of the questions asked were directly linked to the concept i.e. it was not questions linked to the main research question thus seeking interpretation. They were direct, for instance ~~what~~ what is do you understand by marketing communications?+ Answers to this question would solicit responses that would immediately tell one that respondents understood the concept or not.

6.7 Conclusion

As indicated above, the research results answered the research questions. However, there was clearly some confusion when it came to marketing communications elements and marketing communications channels. The former referred to activities and the latter referred to platforms on which the former can be executed.

There was also one or two respondents who did not understand the concept of marketing communications at all. It would have been helpful to have qualifying questions that filtered the respondents. But also, it was important that all owners participated as they were exposed to the concept of marketing communications. One respondent commented that they would like to learn more about the concept which is an achievement for this study because someone who did not know about the concept is keen to learn about it. If they learn more about the concept, they are likely to implement it and it could contribute to growing their business which could consequently contribute

7 Chapter Seven – Conclusions and Recommendations

7.1 Introduction

This chapter pulls the study together by providing highlights of the main findings in relation to the research objectives. It also concludes the study.

Conclusions are drawn based on the research objectives and findings. Recommendations flowing from the research findings and helping to resolve the research problem are discussed.

Lastly, suggestions for further research and managerial implications are discussed.

7.2 Summary of research objectives and key findings

This study titled "The perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa" aimed to answer three principal questions, namely:

- Q1: To what extent do owners of microenterprises in South Africa perceive marketing communications as important towards helping to grow their businesses?
- Q2: What is the understanding levels of marketing communications and the role it plays in businesses by owners of microenterprises in South Africa?
- Q3: Do owners of microenterprises in South Africa use marketing communications to promote their products and services, if yes which elements do they use and what is the frequency of their use?

It was important to undertake this study and answer these questions because of the growing importance of microenterprises in the development of South Africa's economy. According to the Department of Trade and Industry between 1985 and 2005, 90% of all new jobs were created by small, micro and medium firms. Having said that, the 2011 Global Entrepreneurship Monitor report revealed that South Africa's small business landscape is not showing progressive changes. Therefore, it was important that solutions are sought to ensure that this important entities are helped to grow.

One of the key findings of this study was that owners of microenterprises perceived marketing communications as a key ingredient to the success of their businesses.

Micro-entrepreneurs believe that engaging in marketing communications activities will help to grow their businesses. This view is shared by many people in business though there is a few who often question the importance of marketing in the business. The micro-entrepreneurs however mentioned that while they believe in the importance of marketing communications in their businesses, the challenge that they often face is that, it is costly and they often do not have budget to execute marketing communications. This challenge is not unique to microenterprises, even large organisations battle with budgets for marketing communications. Organisations try to balance between paid-for and not paid-for marketing communications interventions.

The second finding of this study was that, while most micro-entrepreneurs have a positive perception towards marketing communications, they also battle with the understanding of the concept. Micro-entrepreneurs often confused marketing communications elements and channels for one and the same thing. However, most of them understood what marketing communications can do for their businesses. Generally their understanding of the concept is limited and some of them revealed that and mentioned a need to learn more about the concept.

The principal aim of this study was to add to the discussion about the promotion of microenterprises in South Africa and to contribute to the theory of marketing communications in microenterprises in South Africa since little literature exist on such as the focus has been on SMEs.

These findings have helped to add to the existing body of literature on marketing communications especially in South Africa by confirming that business people . large and small . generally have positive outlook towards marketing communications interventions even microenterprise owners in South Africa. It has also confirmed that marketing communications play a critical role in contributing towards the growth and success of businesses. It is also hoped that it will contribute to the discussion regarding the promotion of microenterprises in South Africa.

7.3 Conclusions and recommendations

As South Africa continues to suffer from a higher rate unemployment and low economic growth rate, the creation of small businesses such as microenterprises cannot be over emphasised. Microenterprises are still touted as a solution. They are regarded among others as the key creators of employment and economic stability. In South Africa and in many other developing countries microenterprises are critical to the livelihood and survival of millions of people. However, if those microenterprises are to play a critical role of helping to develop South Africa's economy, they need to grow. One of the critical success factors for the growth of microenterprises is to make use of marketing communications interventions.

This study only looked at a handful of microenterprise owners and surely there are many of them out there who either perceive marketing communications as key to growing their businesses or for that matter who do not believe that. In addition, there are certainly many other microenterprise owners who do not understand marketing communications.

With the above in mind and following the findings of this study, the following recommendations are advanced:

- Microenterprise owners throughout South Africa must learn more about marketing communications and the role it can play in helping their businesses to grow. There are institutions that offer short courses on marketing communications. They must understand the different elements of marketing communications mix including those such as publicity, word-of-mouth and online marketing that they can tap into with no direct cost implications.
- With the learning comes the understanding and with understanding comes the use. Micro-entrepreneurs must use marketing communications interventions to promote their businesses. As much as they as small businesses, they face competition from other small businesses, therefore, it is important for them to promote their businesses.
- Microenterprise owners who have been exposed to marketing communications must first teach their employees if they have about the importance of promoting their businesses. Also, they must influence and encourage fellow micro-

entrepreneurs to learn about marketing communications and most importantly to use marketing communications interventions.

- Various stakeholders such as government, academics, big corporates and entrepreneurs should encourage discussions about the promotion of microenterprises.
- Micro-entrepreneurs should look into other sectors such as manufacturing, agriculture other than retail and services to start businesses in such. This recommendation is made because sectors such as manufacturing and agriculture are labour intensive and if microenterprises in these sectors are grown, they would help with the creation of employment thus absorption of many unemployed people in South Africa.
- It is also recommended that more women be encouraged to start their own businesses. One of the research findings shows ownership of microenterprises is still skewed towards men. By starting microenterprises, women will be self-sustainable and independent thus achieve equality.

7.4 Managerial implications

Managers/owners of microenterprises must understand that marketing communications is an important phenomenon that can assist them to grow their business and must take it seriously. Their businesses should be marketing driven.

In the interest of growing microenterprises in South Africa, academics in the area of entrepreneurship and marketing should consider coupling entrepreneurship programmes with marketing communications courses and making it compulsory for students.

In addition, government should also through the SETAs make informal marketing communications management programmes available for owners of microenterprises.

7.5 Limitations and future research opportunities

Like any other research study, this study has got its own limitations and more so on the generalisability of the data since it employs qualitative measures and non-probability sampling.

The researcher tried to get literature that is as recent as possible but nevertheless there is always a possibility that some material might be omitted. This is a limitation in that there might be some recent views that are not included in this study.

This study focused on microenterprises only in Gauteng and going to be limited to those who work through MEDO. Therefore, there are a whole lot of microenterprises in Gauteng let alone in South Africa that were omitted and hence it becomes difficult to generalise the findings of this study across the country or even in Gauteng. In addition, as a result of using non-probability sampling the results of this study will not be generalisable.

The sample size of $n = 30$ although deemed large might be small given the large number of the population of microenterprises in Gauteng. Some of the respondents did not understand the concept of marketing communications hence they should have not participated.

This study was conducted in the South African context and therefore, the findings thereof cannot be generalised to other countries.

Lastly, the study used content analysis as data analysis method to interpret the findings and content analysis is subjective, it poses a thread of presenting findings inclined to the views of the researcher.

Since this study had an explorative angle to it and usually explorative research serves to open an array of doors for future research, it is highly recommended that in future, a comprehensive research study be conducted on this topic across South Africa.

Perhaps another future research avenue that academics can explore is the role marketing communications can play to help grow microenterprises.

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Appendices

Appendix A

Voluntary Questionnaire for Microenterprises Owners

A study on the perceptions, the understanding of the importance and the use of marketing communications by microenterprises in South Africa+

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Gordon Institutes of Business Science (GIBS)

Part One: General Information and Guidelines to Complete the Questionnaire

Context

Businesses exist because they have products or services to offer to customers. However, in order for customers to obtain the products and services from the businesses, they need to be aware of the existence of such businesses and the products and services they offer. Businesses have at their disposal various methods of making the customers aware of their existence and the products and services they offer.

Notes to the respondent

- We need your help to understand your views and use of marketing communications. This will allow us to make recommendations and hopefully help you in the future.
- Although we would like you to help us, so that we in turn can help you, you do not have to take part in this survey
- If you do not want to take part, just do not complete it.
- What you say in this questionnaire will remain private and confidential. No one will be able to trace your opinions back to you as a person or to your business.

How to complete the questionnaire

1. Please answer the questions as truthfully as you can. Also, please be sure to read and follow the directions for each part. If you do not follow the directions, it will make it harder for us to do our project.
2. We are only asking you about things that you and your fellow business owners should feel comfortable telling us about. If you don't feel comfortable answering a question, you can indicate that you do not want to answer it. For those questions that you do answer, your responses will be kept confidential.
3. Where appropriate, you can mark each response by making a tick, a cross or encircling an appropriate response with a PEN not pencil.
4. Certain questions need you to write up statements and make comments, please do so to your full understanding of what is required.

Availability of results

The results of this study will be published and be available from GIBS. Should you need the results but not able to access GIBS, you can request the results from the researcher on the above contact details. The researcher will make softcopy of the results available to you on email.

Part Two: Perceptions and Understanding of Marketing Communications

1: Have you heard of the concept of marketing communications or business promotion?

Yes **No**

2: Do you think it is important for small businesses like yours to promote their products and services? Why?

Yes **No**

Reason _____

3: Does your business engage in any method of promoting its products and services to customers? Why

Yes **No**

Reason _____

4: If yes to 3, what method is used to do so and who is responsible for that in the business?

5: Does the methods you use to promote your business effectively do what you intend them to do?

Yes **No**

6: Do you think promoting your business can contribute to the success of your business?

Yes **No**

7: If yes to 6 how?

8: In a scale of 1 to 5, 1 being least important and 5 being most important, how would you rate the importance of promoting your business to customers?

1 - Less important

2 - Somewhat important

3 - Neutral

4 - Important

5 - Very important

9: What do you understand by the concept of marketing communications?

10: Which elements of marketing communications do you know and what is their role in businesses?

11: By using marketing communications what can your business achieve?

12: What elements of marketing communications do you use in your business?

13: Which of the following do you use to promote your business?

- Advertising
- Public Relations
- Word-of-Mouth
- Personal Selling
- Direct Marketing
- Social media
- Website
- Exhibitions and Events
- Sponsorships
- If any, which?

14: How often do you use the above to promote your business?

Advertising	Never	Sometimes	Often
Public Relations	Never	Sometimes	Often
Word-of-Mouth	Never	Sometimes	Often
Personal Selling	Never	Sometimes	Often
Direct Marketing	Never	Sometimes	Often
Social media	Never	Sometimes	Often
Website	Never	Sometimes	Often
Exhibitions and Events	Never	Sometimes	Often
Sponsorships	Never	Sometimes	Often
Sales Promotion	Never	Sometimes	Often

15: Are there any challenges towards using marketing communications to promote your business?

Part three: General Particulars of the Owner and the Business

16: Owner of business: **Female** **Male**

17: How many people are employed by the business?

18: How long has the business been in existence?

19: What products and services does the business offer?

20: Where does the business operate from i.e. location?

Ps. Once again thanks for participating in this survey. Your contribution is invaluable. Many thanks for your time and good luck with your businesses



Appendix B

27 July 2012

Re: Request to Collect Research Data from MEDO's Stakeholders

Dear Judi

As you may be aware, I am currently doing my Masters Business Administration at the Gordon Institute of Business Science (GIBS). As part of my studies I have to complete a mini dissertation.

To this end, I kindly request your assistance by giving me access to your stakeholders (owners of microenterprises) so that I can request them to provide me with data for my research project.

The primary objective of this research is to gain a preliminary understanding of the perceptions and understanding of the importance and the use of marketing communications by microenterprises in South Africa. This will be determined with the aid of a series of questions which have been developed to solicit respondents' opinions on marketing communications.

All information provided will only be used for the purpose of this research project and will be treated in complete confidentiality.

I would like to thank you in advance for your cooperation.

Yours sincerely,

Sipho Mokgoatheng