Upscaling a small natural, black hair care venture specialising in unlocking dreadlocks into a national business

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A business venture project submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

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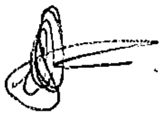
Protocol number:

DECLARATION

I, Precious Ntokozo Bhengu, declare that this business venture project is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.



Precious Ntokozo Bhengu

Signed at Fourways

On the 17th day of March 2025

DEDICATION

This is dedicated to my reasons for working as hard as I do – my children, Amahle and Amile Dube.

ACKNOWLEDGEMENTS

I wish to express my gratitude to God Almighty for blessing me with the means to study and the perseverance to complete this dissertation. My parents and siblings for the continuous encouragement and unwavering support even through my adult years. Thank you to my husband, Mfanafuthi Dube, for putting up with my hours away and walking this challenging journey with me. I would also like to thank my daughter, Amahle Dube, who had to understand at a very young age that her mother was also a student. Her mere existence has encouraged me to want to be an excellent role model for her.

To my supervisor, Dr McEdward Murimbika, a great deal of thanks for your invaluable feedback and guidance. I would also like to thank my classmates and Mr Melusi Mthembu from the Faculty for allowing me to inherit him as a brother during the MBA journey. A great thank you to the owners of the business that I used as a basis for my study; your entrepreneurial spirit and selflessness is inspiring. Finally, thank you to the participants of the study who allowed me to interview them and those who completed my surveys. To you all, I extend my heartfelt gratitude and thanks.

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ABSTRACT

The aim of this study was to develop an upscaling strategy for Gauteng-based start-up venture, Luv Your Locks (LUL). To achieve that, a survey of potential customers was contact electronically across all the South African nine provinces. From analysis of the survey data, it was recommended that LUL needed to adopt a market development strategy, one of the four marketing strategies recommended by Ansoff. More specifically, it was recommended that LUL expand the selling of its unique product, the dreadlock detangler into the national market. To be able to implement the proposed strategy, LUL will need to put some basics into place, especially formalisation of business functions and allowing professionals to run those functions. In addition, LUL will need additional funding of at least R300,000, which the business is recommended to raise as both debt and equity in order to manage financing risk. The proportions of debt to equity are discussed in the business plan of this report.

While all efforts have been made to ensure that the recommendations made in this study are valid and credible, some limitations still existed. These included the fact that the sample size was too small to be representative of the target population, the cross-sectional nature of the study which meant that the study could not establish trends in the observed market facts and the methodological bias which rose from the electronic nature of the survey. Despite of these limitations, the results of this study can assist LUL to upscale into a fully-fledging national business.

Keywords: Venture, Upscaling, Natural Black Hair, Luv Your Locks

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CHAPTER 1:INTRODUCTION

1.1 Introduction

In this first chapter, the research study is introduced. Firstly, the chapter outlines the background of the study. It then spells out the research aims and objectives which will guide this study. Thereafter, the profile of the business venture, Love Ur Locks (LUL), which is the subject of this study is introduced. The introduction moves on to clarify the business opportunity for LUL, the market segment and the industry within which the business currently operates.

1.2 Research background

This Applied Research Project focuses on up-scaling an existing start up business, Love Ur Locks (referred to as LUL). LUL is a micro enterprise specialising in natural African black hair care. The author explores potential growth strategies for LUL to transform it from a two-people start-up into a fully-fledged national business with formal structures in place from administration, marketing, distribution, and finance systems. In line with Ansoff's matrix, the venture up-scaling strategies explored include product development, market development, product patenting and expanding distribution channels through retail systems and digital platform (Johnson, Scholes, & Whittington, 2017). The report analyses the performs a strategic analysis of the micro business' strategies with a view of identifying strategies that can be preserved, improved, or eliminated in addition to new strategic dimensions to be introduced as part of this venture up-scaling research project.

1.3 Problem statement

South Africa's unemployment has been rising over the past decade and is currently just over 30%, while youth unemployment is even higher (Stats SA, 2023). Globally, small, medium, and micro enterprises (SMMEs) contribute between 60% and 70% of employment (World Bank, 2019). In South Africa, employment contribution of SMMEs is still below global average and contribute around 28% of total national employment (Small Business Institute, 2019). Nonetheless, this is significant. What these statistics reveal is that SMMEs are critical economic drivers and that they can help to deal with South Africa's perennial unemployment problems. A study by Fatoki (2014) found that between 70% and 80% of SMMEs fail in their first 24 months of operation. Research firm, TGS South Africa (2019) reported that 99% of South African SMEs fail, implying that only once percent of SMMEs survive and progress to become established business. The reasons for such failure are diverse but Bushe (2019) found that failure to scale up is one of those reasons. This underlies the need to help businesses to scale up. In the context of LUL, the business has been operating since 2014, some three years before the current study. While LUL is past the 24 months failure period, it is still an individually-owned business. The owners have been struggling to expand LUL into a fully-fledged business and that has prompted the researcher to conduct the current study to help LUL's owners expand their business. The next section outlines the specific research aims and objectives of this project.

1.4 Research aims and objectives

1.4.1 Research aim

The aim of this study is to design a strategy for upscaling LUL so that the business grows from a two-people-run business into a national one.

1.4.2 Research objectives

The following research objectives must be achieved in order to meet the aim above

- To critically evaluate literature on natural black hair care, entrepreneurship, and upscaling;
- To critically evaluate the potential strategies available for LUL to upscale; and
- To design the upscaling strategy for LUL.
- To develop a business plan for LUL in line with the proposed upscaling strategy.

1.5 Love Ur Locks: Business overview

LUL is a family-run macro small business specialising in natural black hair care. Black hair in this context refers to the native African black people's hair (Onnie Rogers, Versey, & Cielto, 2022). In simple terms, natural hair is one in its unmodified state (Brown, 2014). Blackshear and Kilmon (2021:1574) defined natural hair as hair has not been chemically altered or straightened through pressing comb or blown by dryers. Often, natural hair and natural hair styles are often seen as being nappy and for black hair, natural hair means afros, nappy hair, and the coiled, and kinky hair (Summers, Davis, & Kosovac, 2022). Dreadlock also form part of the natural hair class under the coiled hair sub-category (Asbeck, Riley-Prescott, Glaser, & Tosti, 2022).

Lucy and her husband, Josh (names changed for privacy purpose) started LUL when they relocated from overseas to South Africa in 2014. Lucy was particularly frustrated by the lack of specialist products for black hair care in the country. The couple started mixing their own ingredients to form their own black hair care products. In the process, they accidentally developed LUL's flagship product: a dreadlocks detangler. Other follow-on products were conditioners, leave-in conditioners, heat protectants, shampoos, and castor oils.

Lucy and Josh opened a salon where they exclusively used LUL's products and later, in 2016, registered the business after seeing the potential of their products. Currently, LUL couriers its orders throughout Gauteng to natural black hair customers and, recently, orders have started increasing from Cape Town. The business has also partnered with Rowland (name changed again) to expand into the Caucasian hair market. The products are currently marketed to adults although they are also safe for children.

1.6 Context of the study

In this section, the researcher discusses the context if the upscaling study. The context covers the discussion of the nature of the business opportunity, the potential market, and the industry in which LUL seeks to compete.

1.6.1 The opportunity

Hair grooming is an integral part of personal appearance (Brown, 2014) and most people; both men and women, put a lot of effort into their hair care (Matjila, 2020). One of the main problems facing Black people wearing dreadlocks is that if they decide to change their hair style, they will need to cut their dreadlocks since there is no way of detangling them (Barrett, 2021). Even without dreadlocks, black hair (Afro hair style included) generally tangles due to its hard and dry nature so that it always requires some means to detangle (Banks , 2023). Another problem is that there are limited reliable black hair care products suitable for natural, black hair care that are designed, tested, and proven through successful use by people with natural black hair (Mintel, 2015). Most of the products on the market are in the relaxer category (Mintel, 2015). With the flagship detangler and a wide range of other subsidiary products under its belt, LUL has what it takes to become a national black hair care giant.

Love Ur Locks' distinctive competence is its innovation ability to formulate a conditioner which detangles dreadlocks. According to Kotler, Amstrong, Saunders, and Wong (2016) successful businesses have a distinctive value proposition to their target market. Value proposition is defined as as a set of benefits it promises to deliver to its consumers as part of satisfying such consumers' needs (Kotler & Armstrong, 2016). The value proposition and the unmet need that will be serviced is the ability to detangle dreadlocks and kinked black hair styles without having to cut them. This is the value proposition which will be pursued as part of LUL's business upscaling strategy.

Currently, the business carries out various activities pertaining to natural, black hair with the revenue streams being salon-based hair treatment as well as selling of hair care products through channels such as the brick-and-mortar salon and via social media networks such as Facebook and Instagram. Customer relationships are managed through face-to-face interactions and social media. In this project, the author explores ways to upscale LUL's business.

1.6.2 The market

Black hair care market is divided into two segments, namely dry and wet (Fernandes, Medronho, Alves, & Rasteiro, 2023). Dry hair refers to weaves and wigs among others (Banks I. , 2000). Wet on the other hand, refers to hair upon which softening and moistening hair care substances have been used (Fernandes, Medronho, Alves, & Rasteiro, 2023). Such substances include shampoos and conditioners. Hair styles such as two straw sets, strand twists, flat twists, and flexi rods look best when done on wet hair (see Figure 1).

Figure 1: Wet hair styles

Source: Stephenson (n.d.)

Dreadlocks are in the dry hair category; placing LUL's detangler into the dry hair care market. The rest of the LUL's products such as shampoos, conditioners fall within the wet segment. Moreover, broadly defined, LUL's market is the hair care market. However, in this project the author narrows the market twofold. LUL focuses on the natural black hair care market which is a subset of the black hair care market. Currently LUL is serving the adult segment of the natural black hair care market selling its detangler and other follow-on products – conditioners, leave-in conditioners, heat protectants, shampoos, and castor oils (see Figure 2 below).

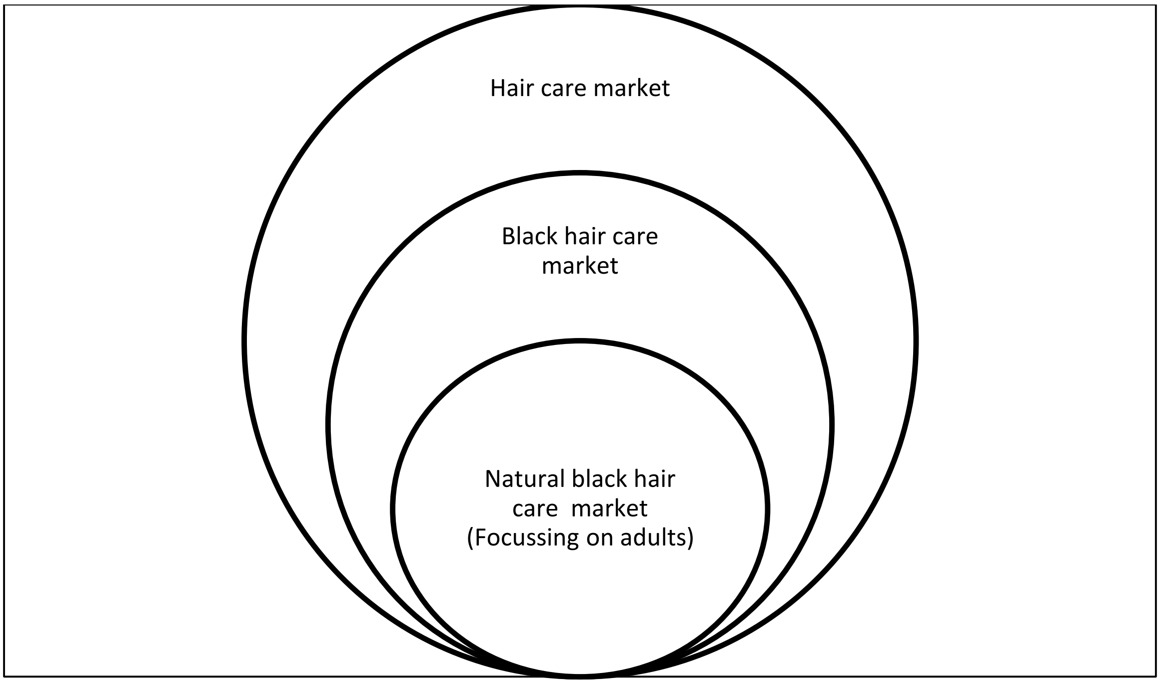

Figure 2: Love Ur Locks' Market Niche

Source: Author's own illustration

This study uses LUL's current market segment as a basis for evaluating potential upscaling strategies.

1.6.3 The industry

In terms of product offering LUL operates in the hair care industry – a multi-billion-rand industry (Goyal & Jerold, 2023). This is a broad industry dominated by large retail players (Euromonitor, 2017). Nevertheless, LUL's activities span across the entire value chain – from manufacturing to distribution. LUL manufactures its products: the detangler, conditioners, leave-in conditioners, heat protectants, shampoos, and castor oils. Moreover, it acts as a distributor and retailer of its products through its front shop salons. The salon marketplace is very congested by opportunistic businesses, LUL of which is one (Euromonitor, 2017). LUL's competitive advantage, however, lies mainly in the natural hair care industry due to the unique nature of the company's products and ingredients.

1.7 Outline of the study

This study is divided into six sections, excluding this introduction. The sections are as follows:

Chapter 2 – the chapter reviews literature available on the research phenomenon in order to develop a theoretical foundation for the current study.

Chapter 3 – Chapter three discusses the research methodology designed and research choices made by the author in order to achieve the aim and objectives of the study.

Chapter 4 – this chapter includes the presentation, discussion, and interpretation of research results.

Chapter 5 – in Chapter five, conclusions are drawn from the results presented after which recommendations are made to LUL's owners on how to upscale their business.

Business Plan – the business plan crystalises the upscaling strategy chose and provides LUL's owners with ways of implementing the suggested upscaling strategy.

1.8 Conclusion

This chapter started out by outlining the background of the study. It then outlined the research aims and objectives which would guide this study. The aim of the study has been identified as designing an upscaling strategy for LUL in its hair market. Thereafter, the profile of LUL has been introduced. It was clear that LUL is currently family-owned micro-enterprise. This introductory chapter moved on to clarify the business opportunity for LUL, the market segment and the industry within which the business currently operates. Currently, LUL sells its products in the both the dry and wet hair care market. The next chapter reviews available literature.

CHAPTER 2:LITERATURE REVIEW

2.1. Introduction

Saunders, Lewis, and Thornhill (2016) explain that literature review is important for at least two reasons. First, reviewing lierature assists the researcher to identify researcj gaps thereby locating one's study within existing body of knowledge. Second, literature review can be used to clarify concepts and theories which can be used as frameworks for understsing phenomena. The nature of the current study is such that literature is mainly reviewed to clarify concepts relating to venture upscalling to provide a basis for the proposed venture upscalling strategy. This chapter reviews literature relevant to the current research project. It begins by reviewing theories on alternative entrepreneurial processes followed by a brief review of historical perspective of entrepreneurship. Secondly, the researcher reviews ideas that underpin the phenomenon of black beauty both from historical and contemporary perspectives. That together with health perspectives of natural black hair is aimed at understanding the foundation of LUL's business opportunity. This review is taken further by analysing the potential market of LUL's detangler and other subordinate product lines mentioned above. The last two sections review literature relating to the South African market and alternative sources of finance available to LUL should there be persuasive evidence to upscale the business nationally. From the above review, conclusions are drawn to understand evident patterns in literature as it relates to the proposed research topic.

2.2. Alternative entrepreneurship processes

According to Lobaton (2023), to understand how to upscale an existing business, there is need to understand the entrepreneurial process followed by the micro-business' founders. There are several theories that explain entrepreneurial processes. In this study, the theories reviewed are causation, effectuation, and bricolage (Servantie & Rispal, 2020). The objective of the review in this section is to assess and evaluate the entrepreneurial process followed by LUL's owners. That way, the study can then contextualise the proposed upscaling strategy to the relevant entrepreneurship processes.

2.2.1. Causation

The term causation is used to refer to the traditional perspective on entrepreneurship (Scuotto, Cicellin, & Consiglio, 2023). Under this approach, an entrepreneur embarks on an intentional journey of identifying and evaluating opportunities, creates a plan and then deliberately acquire resources to exploit the identified opportunities (Servantie & Rispal, 2020). It is after the creation of the product that the entrepreneur markets the it to potential customers. The product is refined through customer feedback over time. However, Poornima and Rajini (2021) pointed out that the dynamic nature of the market environment makes it difficult to have enough entrepreneurs who can readily identify opportunities to exploit. Arguably this does not fit with how LUL was started. There was no deliberate plan to form the business. Josh and Lucy started LUL to exploit an opportunity they accidentally stumbled on. The current upscaling is a way of formalising and upscaling the exploitation of such an opportunity.

2.2.2. Effectuation

Effectuation is described as "a logic of entrepreneurial expertise, a dynamic and interactive process of creating new artefacts in the world" (Hensel & Visser, 2020). Fisher (2012:1024-25) captured effectuation well which the author summarised as an entrepreneurial process where the entrepreneur starts *with the means to* describe how entrepreneurs make important decisions by focusing on the resources under their control – asking who am I?; what do I know?" and whom do I know to uncover opportunities. Thus, such a process does not focus on a predefined end goal. The entrepreneur then sets the goal of what they can do after interaction with key stakeholders such as potential customers and financiers. The process can then start over again if the environment changes so that the entrepreneur constantly renew their products, creates new firms, where necessary, and enter new markets (Tyl, 2022).

Again, this theory cannot explain how LUL was started or is currently being run. The beginning of LUL was an opportunity followed by harnessing of resources to exploit the opportunity not the other way round. In other words, the founders of LUL did not start off by asking potential customers whether the detangler and other products were necessary. They simply created the products, and they hoped that the market could accept them.

2.2.3. Bricolage

Another entrepreneurial theory that has gained attention recently is bricolage (Tyl, 2022). Bricolage as a theory involves using available resources to address problems or capitalize on opportunities in entrepreneurship (Busch, 2021). The bricolage process best describes how LUL was formed. When Lucy was frustrated by the lack of black hair care products on the market for her hair, she started mixing several ingredients to form her own products. Accidentally, she developed the detangler and later on started to experiment until the full range of natural black hair care products were formed including the detangler, conditioners, leave-in conditioners, heat protectants, shampoos, and castor oils. Since then, the products have been gaining market acceptance. The next question which arises is: How can one upscale such an accidental business? That can be answered by reviewing literature on venture upscaling (next section).

2.3. Entrepreneurial ventures and upscaling

this section reviews literature on entrepreneurial ventures and venture upscaling.

2.3.1. Invention and entrepreneurship

Jean-Baptist Say, a French economist, is often credited with inventing the term entrepreneur in 1800 (Linares, 2023)Linares, 2023. He defined entrepreneurs as those who transfer economic resources from a dimension of lower productivity into an area of higher productivity and more significant return (Linares, 2023). Therefore, an entrepreneur can be seen as a person who brings together economic factors of productions and organise them to produce goods/services that satisfy a particular market's need (Mohr & Associates, 2020). According to Linares (2023), the uniqueness of entrepreneurs sometimes enables them to exploit innovations and inventions in ways that inventors might fail to do.

Interestingly, Åstebro and Simons (2010), after noting the differences between inventors and entrepreneurs, questioned the use of blanket policies that encourage all inventors to invest in their inventions as entrepreneurs. Persuasive their argument as it might seem, it should not be interpreted as meaning that all inventors can never be entrepreneurs. Rather, it points to the care needed when viewing the entrepreneurship-inventor phenomenon. To illustrate that, one can consider Trevis Baylis' story Linares (2023). In 1991, Baylis invented a clockwork radio after being inspired by the need to broadcast information relating to HIV/AIDS to poor and impacted communities who did not have access to electricity nor batteries. He featured on many televisions and radio shows however struggled to convince people about the extent of the commercial viability of his product until he teamed up and was assisted by an entrepreneur, Christopher Staines, who successfully commercialised the product and scaled up the business (Burns, 2001).

Linares (2023) classified entrepreneurs into two. In one class there are entrepreneurs who exploit their abilities to innovatively exploit other people's inventions to create products/services of superior economic value (Åstebro & Kenneth, 2010). The other class of entrepreneurs follow through their ideas from conception to selling the resultant product to consumers. In either case, there are several ways of upscaling the emerging business. These are discussed next.

The later type of entrepreneurs defines LUL's owners. They invented a product which they followed through with commercialisation. However, and as has been noted earlier, several years have passed before LUL can scale up into a fully-fledged business. This may point to the potential inability of the owners to scale up their business, supporting Linares' (2023) views that some inventors may find it challenging to fully commercialise their inventions. In such a case LUL's owners may fit into the definition of inventors, but not into that of entrepreneurs. To turn inventions into a commercial business, (D'Este, Mahdi, Neely, & Rentocchinia, 2021) argued that inventors who are do not have entrepreneurial abilities will need to consider at least two options: (1) partner with entrepreneurs who are in the industry of the invention, or (2) invest in entrepreneurial knowledge which allows them to turn their inventions into a commercial business. Interviews conducted for this study revealed that LUL's owners preferred the second option. Therefore, the upscaling strategies discussed in this study will take that into account.

2.3.2. Alternative strategies for upscaling a business: Ansoff's Matrix

Linares (2023) suggested that entrepreneurs can be innovative and create value by exploiting existing markets or by creating new demand. In agreement to that proposition is Ansoff who identifies four growth paths in his growth vector matrix: product development, market penetration, market development and diversification (Johnson, Scholes, & Whittington, 2017). The Ansoff's Matrix is shown below.

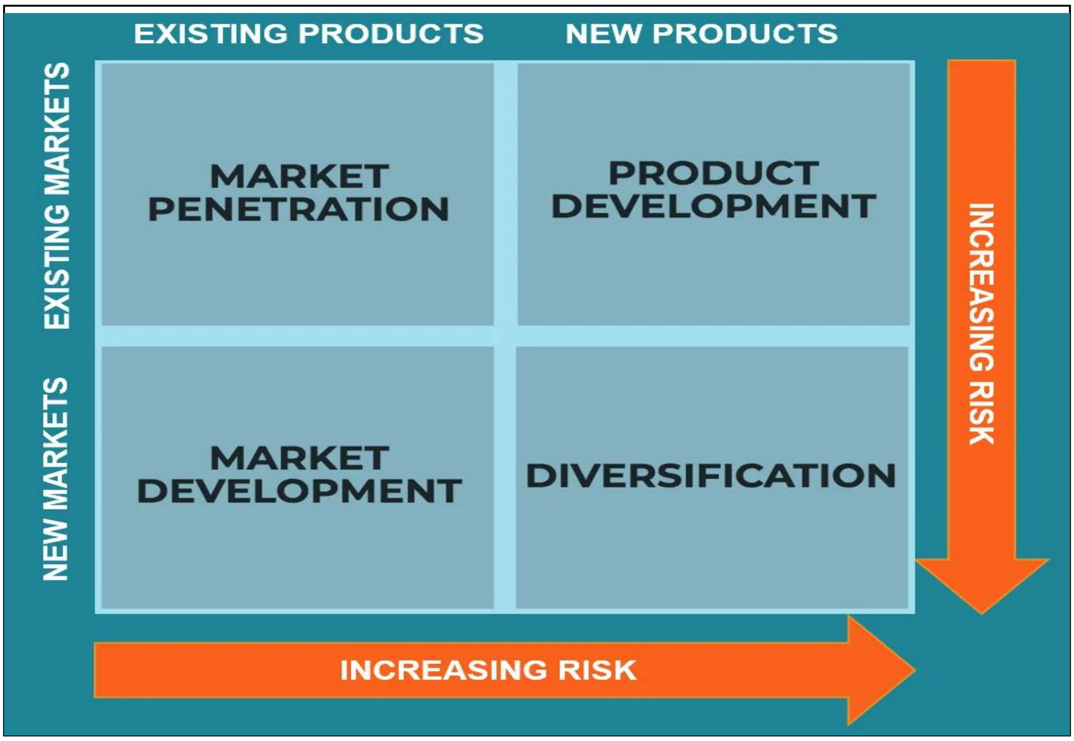

Figure 3: The Ansoff's Matrix

Source: Adapted from Kotler, Amstrong, Saunders and Wong (2016, p.71).

The Ansoff's Matrix classifies venture upscaling strategies based in two factors, namely (1) whether the strategy involves new or existing markets, and (2) whether the strategy involves new or existing products. Risk increases for entrepreneurs who seek to pursue upscaling strategies in either new markets or with new products. This means that such entrepreneurs will need to have some knowledge of enterprise risk management. The remainder of this section analyses each of the four potential strategies and assess their suitability for LUL.

a) Product development

The first potential upscaling strategy is product development. It involves coming up with new products or new product features which are then introduced to the existing market (Kotler, Amstrong, Saunders, & Wong, 2016). This strategy is useful for an already established business which seeks to utilise its current reputation to upscale customers. For LUL, the strategy is irrelevant since the product is already there, the detangler and it is not the intention of this study to recommend development of new products (See Chapter 5).

b) Diversification

Diversification refers to a strategy within which the business combines both product development and market development strategies (Kotler & Armstrong, Principles of Marketing, 2016). In this strategy, the business develops new products which are then sold to new markets. Clearly, this is not the ideal strategy for LUL, since, as indicated above, LUL does not need to develop a new product. Rather LUL needs to sell its existing product.

c) Market penetration

Market penetration refers to a strategy where the business sells the existing product to more customers in the existing market (Kotler & Armstrong, 2016). For LUL, this would mean selling existing products to more customers in Gauteng and Western Cape. However, as we shall see later in Chapter 5, LUL needs a strategy for selling more of the existing products in new national markets. Therefore, LUL needs more than just market penetration.

d) Market development

Market development refers to a marketing strategy in which the firm seeks to sell the existing product in new markets (Kotler, Amstrong, Saunders, & Wong, 2016). This is the strategy which is ideal for LUL. LUL seeks to sell more of the detangler, an existing product, to more customers in the national market (new market). It should be noted that market development will be relatively risk for LUL given that the business will seek to enter new markets.

e) Current and proposed upscaling strategy

Currently, the owners of LUL are following the market penetration and market development strategies. With regards to market penetration, LUL markets its products to existing and potential customers through the brick-and-mortar salon, word-of-mouth and limited social media marketing on Facebook and Instagram. However, geographically, LUL's target market is still limited to the Gauteng and Western Cape (specifically, Cape Town) provinces.

From the interviews with LUL owners, the author observed their limited abilities to capture the true value of their innovation. For example, Josh noted that he was concerned that "this natural black hair phenomenon was a phase that could soon pass," hence the decision to move into the Caucasian hair care market. The current research, therefore, aimed to shed light to LUL's owners so that they could see and appreciate the market potential of their products, particularly the detangler, and unpack ways on how to upscale LUL. The upscaling, therefore, proposes a strategy of market development

2.4. Scaling-up: Insights

Dennis (2015) defined scalability as an entity's ability to grow while maintaining or improving customer numbers, quality, or core value proposition of the organisation. In the same work, Dennis (2015:275) noted that scalability improves an entity's dependability, availability, - capability, marketability, and affordability. Scaling up a business is therefore aimed at increasing revenue per revenue stream and diversifying revenue streams. For LUL, this implies increasing product range through product development and developing new markets.

Bocken, Fil and Prabhu (2016) concurred with Ansoff that scalability strategies encompass market penetration, market development, product development, and diversification before they noted the differences in importance of each of these strategies as the business grows. At the scaling up stage, diversification becomes less important, and the focus is on market penetration, product development and increasing income generated to sustain the business (Bocken, Fil, & Prabhu, 2016). However, the aim at each stage of development should be the same: increasing revenue per revenue stream and diversifying revenue streams, bearing in mind that the more value created and delivered to the customer, the higher the firm's contribution to the sustainability targets of scaling up (Tauscher & Abdelkafi, 2018). Market development is especially relevant to LUL. There is need to develop new national markets.

While larger organisations, with their established cultures and wide recognition can easily scale up their operations, scaling up is a difficult task for microbusinesses such as LUL. Wynn, Turner, Bani, and Duckworth (2016) argued that while scaling may prove challenging, microbusinesses can use technology to help them scale up efficiently and reduce many of the challenges that come with scaling up a business (Wynn, Turner, Bani, & Duckworth, 2016). The proposed strategy will seek to leverage the power of technology to scale up LUL, while the underlying scaling strategy will be market development. In other words, it is recommended that LUL uses technology to, particularly digital and social media to develop new markets. More specifically, it is recommended that LUL use technology digital technologies to create additional distribution channels in addition to the current brick-and-mortar salons.

According to Palomares-Aguirre, Barnett, Layrisse, and Husted Bryan (2018), technology alone is not enough to achieve scale up of a business through market development. Important functions such as effective staffing, efficient communications and creating strategic alliances (where necessary) are also important factors (Palomares-Aguirre, Barnett, Layrisse, & Husted Bryan, 2018). This means LUL’s owners will need to learn viewing their business from a strategic perspective, where all these business functions are given equal import, rather than their current operational view which emphasises production and selling activities.

Strategies for scaling up a business should also consider whether the business model is compatible with scaling up. For example, Dennis (2015) noted that some microbusinesses may have succeeded on the basis of aspects of the organisation that cannot be feasibly scaled up so that it will be better to take a more conservative growth strategy. Some business models need community engagement and government collaboration to be scaled up rather than depending on market forces (Palomares-Aguirre, Barnett, Layrisse, & Husted Bryan, 2018). However, this does not clearly relate to LUL since such models work best with social impact businesses. Choosing the best scaling up strategy requires strong leadership and a match between scaling-up strategies and the mission, values, and business model of the company (Wynn, Turner, Bani, & Duckworth, 2016).

For clarity, this report proposes that LUL scale up through market development. To achieve this, it is recommended that the business embraces information and communication technologies (ICTs) to reduce the cost of market development. In addition, it is recommended that LUL's owners also adopt a strategic perspective of their business to ensure that all the aspects of the business are reconfigured to support the market development strategy. Currently, there is overly emphasis on production and selling activities.

2.5. Relevance of black hair

In order to appreciate the contemporary perspectives of the role of natural hair in Black beauty and the entrepreneurial opportunities presented, it is important to first understand the historical construction of black hair politics, values, and the subsequent 'revolution' towards natural hair (Rowe, 2015). Such background is important to any potential investor who would need to understand the historical framework that pillars the business' unique selling proposition of a natural black hair business such as LUL and understanding the subsequent foundation of LUL's sustainability. LUL's flagship product is the detangler which detangles dreadlocks. To better understand how such a product can create potential for LUL, it is essential to first discuss the role of black hair in Black Culture. This section deals with that fact.

2.5.1. Historical constructs of black beauty and hair politics

Throughout history, black hair has had connotative meaning (Matjila, 2020). Natural hair carried significant spiritual, socio-cultural and aesthetic messages in African societies (Bankhead & Johnson, 2014). For instance, Bankhead and Johnson (2014) explained how traditional Africans such as the Mende and Mandingo of the 15th century would use different forms of hairstyles to convey messages such as marriage, social rank, and age.

However, such symbolism was eroded and almost pushed to extinction during the slavery and colonial eras (Rowe, 2015). During that period anything African was demonised and that forced black people (particularly women) to adopt Eurocentric ideal of beauty (Jeffries & Jeffries, 2014). Black hair in its natural state could be seen as undesirable (Bell, 2008). Women moved to the straightened and chemically-treated hair in their quest to conform to the said Eurocentric ideals of beauty (Golafshani, 2003).

Nevertheless, black hair symbolism thrived. For instance, during slavery, those who worked indoors were pressured to project what was deemed to be a neat image and imitated the hairstyles of their masters including wearing wigs, reserving hair status as a symbol of social class, level of employment and social status among other symbolisms (Powe, 2009).

However, with the rising re-enlightenment of blacks and their growing demand for socio-political recognition, natural black hair re-emerged as a resemblance of Africanism (Golafshani, 2003). That takes us to recent history (1960s and 70s), during which time Afro or natural look was popularised by Black Power Movement figures such as Angela Davis in the US (Jere-Malanda, 2008). At the time, Afro looks "became a reflection of political and cultural progressiveness as well as self-esteem, among black people" (Jere-Malanda, 2008, p. 14). The slogans and hairstyles (Afro and dreadlocks) of the time became symbols of resistance, self-definition and self-determination (Bell, 2008). It should be acknowledged that such reconstruction was necessary to help black people reconnect to their identity after centuries of repression of black hair from something that used to represent ideals of Afrocentric values to a symbol of inferiority in societies (Bankhead & Johnson, 2014). Again, we should note that though the movement started in the US, it had a world-wide impact on other parts of the world; with figures such as Nelson Mandela and Kwame Nkrumah embracing their natural black hair.

Recently, there has been a sustained move by black people back to their natural look (Healy, 2011); and hair, being the most visible part of black identity after body, has been the subject of that move (Thomas, 2013). What is important with the current natural hair movement is that black people have grown self-acceptance of who they are, giving them an opportunity to break away from many years of pretentious and imitative life in societies (Bankhead & Johnson, 2014). A study by Johnson and Bankhead (2014) found that by 2010, 26% of African American women had done away with chemical relaxers for the hair, opting for their natural hair. In the same study, the number grew to 36% in 2011. Overall, 77% of Black-Americans wore natural hair (Healy, 2011). Given the influence, a country such as America has in shaping world trends, observers contented that the storm would soon sweep across Africa and of course South Africa (Healy, 2011). Indeed, that is happening, with famous South African celebrities such as AKA[1], Lootlove[2] and Nandi[3], among a host other, are leading the way; setting the stage has for a future of natural black hair and dreadlocks.

All the literature evaluated seems to crystallise the fact that perception of black beauty and black hair comes from a place of deep-rooted discrimination and discomfort. These are the emotive historical and social facts which can be positioned to positively position the heritage of LUL.

2.5.2. Contemporary trends in natural, black hair care

Having combed through the historical discourse of black beauty and black hair above; this section focuses on the contemporary state of natural black hair and hair care. Globalisation and media play a significant role in shaping contemporary social culture from which ideal representations and descriptive identities are drawn (Matjila, 2020) and this presents business opportunities.

On YouTube there are thousands of video blogs (vlogs) through which millions of black women ‘meet’ to discuss views and tips about the grooming of natural, black hair (Rowe, 2015). These vlogs act as a widely used virtual dialogue platform for black women to re-articulate beauty and share tips on natural black hair care and review

[1] South African rapper

[2] Lootlove is a famous South African TV personality

[3] Nandi Mngoma is a South African TV personality, dancer, and singer

natural hair care products (Brown, 2014). The vlogs feature average women who would previously not have been considered as mainstream commenting on hair care products which has contributed towards reconstructing beauty and black hair politics (Brown, 2014). These vlogs and other channels for dialogue are an anchoring part of what has been coined as the natural hair movement (Bankhead & Johnson, 2014). The theory suggests that these modern vlogs are widespread and present an opportunity for free advertising, commercialising and influence of global proportions and presents the prospect, for start-ups like LUL, of being part of an exciting revolution (Rowe, 2015).

Figure 4: Online advertising for Miss Jessie's hair care line (Miss Jessie's, 2018)

There are vlogs dedicated to natural hair in South Africa such as Natural Sisters (Mapufa, 2017). NaturalHair.co.za is a website which is active in the natural hair movement in Africa (Mortlock, 2017). It connects the ambassadors, business and natural hair community; promoting vlog conversations about natural hair care, creating entrepreneurial opportunities that empower, and share information on natural hair care events such as the Annual Hair Care Event hosted by Clicks in Johannesburg and Cape Town in 2016 and 2017 (Naturalhair.co.za, 2017). It also profiles natural hair care products, including some of the competitors which will be profiled in the competitor analysis of the project (Naturalhair.co.za, 2017). This website and vlog is supported by #ClicksCurls (Naturalhair.co.za, 2017).

The South African retailer, Clicks, has embraced the natural hair movement and emerged as the champion in comparison to other local retailers (Hartzenberg, 2017) In addition to stocking international hair care products designed for the natural black hair, Clicks has also stocked local products which do not include big international names only, but also small local manufacturers such as Afro Botanics and My Natural Hair (Naturalhair.co.za, 2017). The retailer launched #ClicksCurls, which is an expo aimed to celebrate the natural hair movement and showcases some of the relevant brands in stock, including those which are produced by locals and the first event took place in Johannesburg in March 2017 and in September in Cape Town (Hartzenberg, 2017).

Other media influence has been in the form of various media texts such as advertising, documentaries such as *Good Hair* by Chris Rock in 2009 and social media (Stilson, 2009). *Good Hair* is a comedic documentary which explores black hair salons, manufacturing plants which make chemicals that alter hair in various ways, wig and weave outlets (Stilson, 2009). Jeffries & Jeffries (2014) claimed that the number of black women who wear natural black hair has increased significantly since the release of the documentary. The entertainment industry has also inspired a cultural appropriation which has seen other races adopt dreadlocks, afros and the black notion of beauty (Brown, 2014).

Perceptions of black beauty and acceptance of black, natural hair has evolved significantly (Thomas, 2013). Natural, black hair goes beyond the surface of being a 'natural' aspect of the body that requires grooming to a linguistic, cultural, and personal form of expression (Jere-Malanda, 2008). There are products which cater for natural, black hair which are mostly international (Technavio, 2016).

2.5.3. The health aspects

There is evidently a rich historical and social paradigm around natural black hair but other consumers who are unconcerned about that could be attracted by health reasons. The world is becoming more conscious about health and wellness as evidenced by the increase in sales of organic products in general (Salam, Aryiku, & Dadzie, 2013). In the 2009 documentary, *Good Hair,* Chris Rock alludes to the fact that relaxing children's hair may cause lung and brain damage therefore trying to look less ethnic and creating a less consuming grooming ritual posed adverse health risk (Stilson, 2009). Chemical treatment of black hair such as relaxing, wearing weaves and tight braids causes traction alopecia which is most noticeable with a receding hairline (Salam, Aryiku, & Dadzie, 2013).

There are health hazards associated with hair extensions and weaves (The Occupational Safety and Health Administration, 2011). For example, The Occupational Safety and Health Administration warned salon and hair boutiques from using products that expose workers to formaldehyde, a chemical they proved to cause health hazards (The Occupational Safety and Health Administration, 2011).

2.5.4. Case for upscaling LUL

While the case for upscaling LUL will be presented later, the foregoing discussion shows that there is great potential in LUL's chosen market, the natural black hair. The opportunity is anchored on historical and contemporary factors seeking to elevate natural black hair as the preferred hairstyle, for black people. The emerging health implications of wearing natural black hair is also another factor why there is great potential in LUL's market.

2.6. Retailing in South Africa

One of the proposed strategies for LUL is to formulate a deliberate plan to retail its products nationally. Currently LUL focuses on supplying its salons and retail its products incidentally. If that strategy is to be adopted, an understanding of the South African retailing industry is crucial. This section reviews that industry.

South African retail industry is a huge, powerful, and overwhelming force which is estimated at over R1.5 trillion in 2016 (PWC, 2012). The market is dominated by larger brands such as Shoprite; Pick 'n Pay, Spar and Massmart which account for almost 80% of total formal retail market (PWC, 2012). Perhaps to confirm the lack in credible data on emerging segments such as the natural black hair, PWC (2015) found that informal retail continues to lead the way in sub-Sahara Africa. An example given by PWC (2015) is that of South Africa and Angola where informal trading through informal "markets, kiosks, table-top sellers and street hawkers" (p.10) accounted for 90% of retail sales. Overall, retail sales grew by 3.1% in 2016 ahead of 2.7% registered in 2017 (Reynolds, 2016) and this is expected to strengthen at the back of 3.4% increase in consumers' disposable income (Deloitte, 2017).

In the hair care retailing industry, "international FMCG companies are also strengthening their foothold, with French beauty group L'Oréal recently announcing a partnership with CFAO to locally manufacture and distribute its products" (PWC, 2015, p. 37). However, these big brands are still providing generic products that have little appeal to South Africa's emerging black middle class whose pride is in using local brands that promise to use natural ingredients in their product formulations (Euromonitor, 2017). This creates a niche for businesses such as LUL.

2.7. Funding Alternatives

According to Busch (2021), finance is one of the most critical resources required to scale a business. Scaling up a business venture demands significant financial and other resources, making it essential to evaluate various funding options to ensure sustainability and profitability. This section reviews multiple funding strategies and assesses their applicability to LUL, with the goal of recommending the most viable financing model.

Key considerations in selecting an appropriate funding strategy include whether finance should be raised internally or externally (Kaplan, 2020), whether to opt for debt or equity, and which specific financial instruments or institutions would be the best fit. In this section, literature on funding strategies is reviewed in the context of LUL's specific needs to determine the most appropriate approach.

2.7.1. Internal Sources of Finance

One option for LUL is to rely on internally generated funds from its operations. The primary advantage of this method is that the shareholding of Lucy and Josh will remain intact, allowing them to maintain full control over decision-making. Additionally, financing growth from retained earnings eliminates the need for interest payments or external shareholder dividends.

However, financial management theory suggests that equity (internal) finance is the most expensive form of capital due to the high risk borne by shareholders (McGuigan, Kretlow, Moyer, & Rao, 2015). Moreover, relying solely on internally generated funds could slow LUL's growth, as the company would need to accumulate sufficient profits before scaling up (Kaplan, 2020). Given LUL's current financial position, it is unlikely to generate sufficient funds internally to meet the recommended scaling-up timeline.

An alternative internal funding source is additional capital contributions from the owners. However, Lucy and Josh have indicated that they do not have sufficient personal savings to finance the required expansion. Even if they did, increasing personal financial exposure would heighten their risk, potentially impacting their personal financial stability if LUL underperforms.

2.7.2. External Sources of Finance

Since LUL requires significant capital for scaling up, external financing will likely be necessary. The ideal external funding source should offer long-term stability to support investment in infrastructure, research and development, and expansion. The following external funding options are evaluated:

a) Family and Friends Financing

If LUL has family members or close associates who are financially capable and willing to invest, this could be a viable funding route. Successful family-run businesses such as Johnson & Johnson demonstrate the potential of this approach (Johnson & Johnson, n.d.). The main advantage of this option is that it may come with flexible repayment terms or even be interest-free. However, mixing business with personal relationships can create conflicts and should be approached cautiously.

b) Supplier Credit and Trade Financing

LUL could negotiate extended credit terms with suppliers, allowing it to defer payments while maintaining stock levels (Isenberg & Lawton, 2014). This approach is cost-effective, as it typically does not involve high-interest costs. However, it requires strong relationships with suppliers and may not provide enough capital to support major scaling initiatives.

Another possibility is securing advance payments from customers. By offering discounts or incentives for pre-orders, LUL could generate upfront cash flow to fund expansion. This strategy, however, requires strong brand credibility and customer trust.

2.7.3. Angel Investors

Angel investors, as defined by Kaplan (2020), constitute high-net-worth individuals who furnish capital to nascent commercial enterprises in consideration of equity stakes.[1] These individuals frequently contribute not solely financial resources, but also specialised industrial knowledge and mentorship.[2] Within the South African investment landscape, potential angel investors encompass entities such as the SA Angel Investor Network (SAIN), a collective of affluent individuals engaged in the provision of funding to promising start-up ventures.[3] Further potential investors include AngelHub Ventures, a South African investment firm with a focus on innovative and scalable businesses, and Knife Capital, an early-stage investor recognised for the provision of funding to high-growth businesses across diverse sectors.[4] Whilst the acquisition of angel investment has the potential to expedite the growth trajectory of LUL, this process is invariably accompanied by equity dilution. Furthermore, investors may stipulate the acquisition of substantial decision-making authority, which could consequently impinge upon the control exercised by Lucy and Josh over the operational and strategic direction of the business.

2.7.4. Bank Loans and Debt Financing

Bank loans present a structured methodology for financing, characterised by explicitly delineated repayment schedules. A salient advantage of debt financing resides in the preservation of LUL's ownership structure, as banks do not acquire equity stakes. However, the procurement of a loan necessitates the provision of collateral, such as business assets or personal property, which introduces a potential risk in the event of repayment difficulties (Lasher, 2015). Suitable bank loan products for LUL encompass the Standard Bank SME Loan, which offers bespoke business loans to small and medium-sized enterprises (SMEs) with adaptable repayment conditions. Additionally, the FNB Business Growth Loan provides capital for business expansion, featuring competitive interest rates. The Industrial Development Corporation (IDC) SME Finance further constitutes a relevant source of funding, concentrating on the financing of high-potential SMEs within South Africa. In consideration of the inherent challenges associated with securing bank loans for SMEs, LUL would be required to furnish audited financial statements and a robust business plan to enhance its probability of loan approval.

2.7.5. Government Grants and Support Programs

The Republic of South Africa presents a diverse array of government-backed funding mechanisms designed to support enterprises owned by black individuals, particularly within the small and medium-sized enterprise (SME) sector. These programmes extend either grants or loans with reduced interest rates, thereby mitigating the financial burden borne by expanding commercial entities. Potential government funding sources include the National Empowerment Fund (NEF), which provides support to black-owned businesses through both financial provision and mentorship. The Black Business Supplier Development Programme (BBSDP) offers cost-sharing grants to enterprises owned by black individuals. Khula Enterprise Finance extends loan guarantees to SMEs which may encounter difficulties in securing conventional financing. The Incubation Support Programme (ISP) assists nascent commercial ventures through mentorship, financial provision, and general business support. Government grants typically necessitate meticulous application processes and stringent adherence to eligibility criteria. Nevertheless, they represent a significant opportunity for LUL to access funding without incurring substantial repayment costs.

2.7.6. Venture Capital

Venture capital (VC) firms engage in investment within enterprises exhibiting high-growth potential, in exchange for equity stakes. In contradistinction to angel investors, VCs typically deploy larger capital sums and anticipate accelerated business expansion. Key VC firms operating within the South African investment milieu include 4Di Capital, which invests in technology-driven businesses characterised by robust scalability. Edge Growth specialises in SME funding and growth strategy formulation. Secha Capital concentrates on early-stage consumer and manufacturing enterprises. Whilst VC funding has the potential to furnish LUL with substantial growth capital, it may concomitantly result in a diminution of decision-making autonomy. Investors typically anticipate significant returns and may impose rigorous performance benchmarks.

2.7.7. Summary

The selection of an appropriate funding strategy is of paramount importance to LUL's scalability and long-term sustainability. A blended financing model, incorporating multiple funding sources, is recommended to mitigate risk exposure and ensure a consistent capital inflow. The most viable options encompass: Government Grants and Subsidies, to leverage non-repayable capital and alleviate financial strain; Debt Financing (Bank Loans), to secure structured growth capital while preserving ownership control; Supplier and Customer Credit, to optimise cash flow without incurring substantial borrowing costs; and Angel Investment or Venture Capital, if rapid expansion is pursued, albeit with careful consideration of equity dilution. By strategically amalgamating these funding sources, LUL can achieve efficient scaling while effectively managing financial risk and retaining business control.

2.8. Summary of literature review

Of the three entrepreneurship theories, it can be argued that LUL was born through bricolage. After LUL’s owners identified the lack of detangler and essential natural black hair care products, they assessed to see if there was an opportunity after which they started LUL. As a result, LUL is an opportunity driven business, as opposed to another macro start up that are mainly necessity-driven. In fact, the hair or salon sector is dominated by small necessity and informal businesses. Literature points to four phases in the development of the natural black hair phenomenon. First, there is the pre-slavery and pre-colonial period of Africa where hair was seen as a simple that represented ideas such as marital and religious status. During this stage, hair was symbolic and a source of pride for black Africans, particularly women. The second phase is the colonial era where the Eurocentric ideals of beauty were furthered at the expense of African pride. At this time, women started using artificial hair either willingly to imitate their colonial and slave masters or through pressure from such masters. Then came the Black Power movement of the 1960s and 70s where blacks returned to their natural hair to send a political message of self-determination and self-pride. Commentators argue that we are in the fourth phase of the natural black hair revolution where women have come to accept who they are wearing their natural hair just to express their natural beauty. Some in this final phase wear their natural black hair as part of their wider belief that natural is healthy. In addition, there is debate on scaling up that revolves around issues such as the purpose of scaling up, answering questions on scalability of the business model as well as choosing an appropriate scaling strategy. For LUL, the proposed strategy is market penetration. This will involve expanding the current market to national markets through expansion of national distribution channels. The strategy will be evaluated in Chapter 4. Lastly, this literature review could not come up with a definite and ideal source of finance for the proposed expansion. However, government grants, debtors and creditors' finance should be on the cards for scaling up a start-up such as LUL.

3. RESEARCH METHODOLOGY

3.1. Introduction

This study seeks to develop a venture up-scaling strategy of a macro start-up specialising in hair care products. The focus is on developing LUL's market as well as establishing a formal administrative structure and devising a funding model. In order to develop the venture up-scaling proposal, this study collected data from current and potential customers to evaluate the market. This chapter is divided into several methodological methods, including sections on research methods, information needs and sources, data collection and analysis as well as aspects of research quality: validity and reliability.

3.2. Information needs and sources

information needed for this study was market perceptions about LUL's products as well as information that helped the author to judge the feasibility of the upscaling strategy. Such data gathered, together with the method of data collection used are summarised below:

Table 1: Data Collection

Method of data collection	Source	Data collected
Survey	• Survey data	• Problems faced with currently used hair care products • Features of their ideal product • Whether they have knowledge of LUL's products • Demographics (age, gender, etc.) • Income levels

Interview	• Interview with LUL's owners	• Interviews were conducted to solicit data

The data which was collected focused on several factors which would help to evaluate LUL's potential and assist with upscaling the business. For instance, the data on whether potential customers faced any challenges would evaluate if customers would find LUL's detangler useful. In the same vein, data on demographics would help to segment and target LUL's offering. Given that the up-scaling strategy proposed in this study was to expand LUL nationally, it would not have been possible to travel to all provinces to survey potential customers. That is why this study used a survey to collect data.

3.3. Research methodology

This research employed a parallel mixed-method research methodology (Saunders, Lewis, & Thornhill, 2016). This is a research methodology that mixes both quantitative and qualitative research methods (Cameron, 2015). Qualitative and qualitative data was collected from LUL's potential customers as indicated in Table 1 above (LUL's owners, current and potential customers). The advantage of using the mixed-method paradigm in this study was that the method balanced subjectivity prevalent in qualitative data with the objectivity inherent in quantitative data (Saunders, Lewis, & Thornhill, 2016).

3.4. Population and Sampling

3.4.1. Population

Leedy and Ormrod (2015) explain that a population is a complete set upon which the researcher seeks to base their study. Since the aim of this research was to up-scale LUL into a national business in South Africa, the population was located in South Africa. The author studied black people of African decency in South Africa from which LUL's customers were to be drawn. Since this study proposed to expand LUL nationally, these potential customers were drawn from across all the nine provinces in

South Africa. To be conservative, the author assumed that these were about 50% of black South Africans, translating to 24 million people (Statistics South Africa, 2017). From this, it was assumed that the actual population consisted of 54% of South African Black population who would wear natural black hair, based on Johnson and Bankhead (2014). Thus, the target population was about 13 million people (Statistics South Africa, 2020).

3.4.2. Samples and sampling method

A sample is defined by Kothari (2014) as a subset of a population which is drawn is such a way that it is so representative that the conclusions drawn based on the sample can be extrapolated to the population.

3.1.1.1. Sample of customers

This research used probability or random sampling technique. A random sampling technique is one in which the sample is selected in such a way that every population unit has an equal chance of being selected into the sample (Saunders, Lewis, & Thornhill, 2016). The sampling procedure was as follows:

- The link to an online questionnaire was distributed through emails and social media platforms such as Facebook, Instagram, and Twitter.
- That meant anyone who could see the link could complete the questionnaire
- Race and the hair type were used as a discriminating factor. In other words, only responses from black people who were or had, at some point, worn natural hair were considered to be valid.
- The target sample size was 1000 and to achieve that, the researcher reduced the number of questions to 10, by condensing some of the issues asked into a single question.

Even so, the sample of 1,000 was significantly smaller than the population of about 13 million, meaning that results presented in this study were conservative and should be treated as such. However, the random nature of the sample means that the result of the study can inform LUL's owners of the potential value of the scaling strategies advanced in this study.

3.1.1.2. Sample for interviews

For interview data, a census of LUL's owners was conducted. That means both owners of LUL were interviewed to collect qualitative data (See Appendix C for the interview transcripts). There were two owners of LUL and they were both interviewed.

3.5. Research instrument and data collection

A research instrument is defined as a tool that is used by the research when collecting research data (Kothari, 2014). This research used primary data. A survey of potential customers was done by means of electronic distribution of a survey questionnaire which assisted in expanding the geographical coverage of potential customers in addition to the researcher's contacts. The sample was therefore expanded, and results could be made more dependable and reliable. This method is low cost especially when the population is large and is widely spread geographically. It was free from the bias of the interviewer; the respondents had sufficient time to provide well thought out answers. The research instrument had the following sections:

- **Demographics** – this section collected data on the demographics of respondents
- **Upscaling** – this section collected data relevant for the evaluation of LUL's upscaling.

3.6. Data collection

Data was collected through interviews with LUL's owners and through survey with LUL's customers – current and potential customers.

3.1.2. Survey data collection

A survey was developed online through Survey Monkey. The link with the survey questionnaire was send to potential customers through emails and social media. After the cut-off period, the data was then analysed from the online survey platform.

The survey aimed to uncover the preferences, habits, and motivations behind people's natural hair care choices. To achieve this, a structured questionnaire was designed and shared with a group of participants selected based on their relevance to the topic and their willingness to share their personal experiences.

The survey started with general questions to capture basic demographic information such as gender, age, and employment status. This information was important for understanding the context of each respondent’s perspective and providing a clearer picture of the diversity within the group.

It then moved on to more specific questions about hair care. One of the key questions asked was whether participants had worn their natural hair in the past six months. Those who had were encouraged to explain their reasons for doing so. The responses were varied and personal. Some spoke of damage to their hairline caused by plaiting, while others mentioned the influence of cultural movements like the “Black is Beautiful” campaign. Many were simply fed up with the discomfort and damage caused by relaxers, especially for those with sensitive scalps. One participant even shared their experience transitioning back to natural hair after years of wearing dreadlocks, using a specific detangling product to make the process easier.

The survey also looked at how much people spend on their hair each month, with spending grouped into categories like R0–R100, R101–R200, and higher. Interestingly, some respondents pointed out that their chosen products lasted a long time, meaning their actual spending was relatively low. Others mentioned that they mostly took care of their hair themselves, washing it at home rather than relying on salons.

Participants were also asked about the types of hair care products and services they used. Responses ranged from hair relaxers to cleaning products, with some mentioning specific conditioners they used at salons. The answers helped paint a fuller picture of both the financial and practical aspects of natural hair care.

In essence, the survey provided an in-depth look into not just the numbers and spending habits but also the personal stories behind people’s choices. It captured a mix of emotions, from frustration with damaging products to a sense of pride and empowerment in embracing natural hair. By combining facts with personal insights, the survey offered a rich and nuanced understanding of natural hair care practices.

3.1.3. Interview data collection

This study collected data through interviews with the owners of LUL, a hair care and salon business based in Pretoria, South Africa. The interviews were conducted using a semi-structured approach to allow for a comprehensive understanding of the business's background, growth strategies, operational challenges, and market positioning. These interviews provided rich qualitative data about the motivations, decisions, and experiences that shaped the business.

3.1.3.1. Conducting the Interviews

The interviews were conducted with the founder and other key stakeholders of LUL. These sessions took place in a conversational format, creating a relaxed environment where the respondents could share their insights and experiences freely. The semi-structured nature of the interviews meant that, while a set of guiding questions was used, there was flexibility to explore emergent themes and topics in greater depth.

Questions covered a range of topics, beginning with how the business was established. The founder shared her personal motivation for starting LUL, which stemmed from her dissatisfaction with existing hair care options and salon experiences. The discussions also explored her initial steps in experimenting with hair products and the organic growth that followed as demand for her products increased.

3.1.3.2. Data Collected

Through these interviews, a variety of data points were gathered. These included:

1. **Business Origins and Background** – Insights into the founder's journey, including her lack of prior business experience and how she overcame challenges to grow LUL organically.

2. **Product and Service Offerings** – Information on the critical product lines for LUL's growth, particularly the detangler, which has become a flagship product due to its customized, pain-free treatments that cater to the needs of Black women.

3. **Competitive Landscape** – Perceptions of major competitors, including Candy & Co, Jabu Stone, AfroBotanics, and Native Child. The founder's reflections highlighted the uniqueness of LUL's service offerings compared to competitors.

4. **Growth Strategies** – Details about LUL's preference for organic growth over external financing. For instance, the business has avoided retail distribution due to concerns about intellectual property risks and prefers franchising as a model for expansion.

5. **Market and Customer Insights** – Data on LUL's target demographic, which includes middle- to high-income women who seek professional and customized hair care solutions.

3.7. Data analysis and interpretation

The two data sets, from interviews and from surveys, were analysed as follows and separately.

3.1.4. Analysis of Survey Data

The survey data analysis adopted both quantitative and qualitative approaches to extract meaningful insights from the responses. The survey, distributed to a diverse group of participants, aimed to capture varying perspectives relevant to the research themes.

Data Cleaning and Preparation – The initial step involved a thorough review of the responses to ensure data quality and completeness. Missing responses were addressed through imputation techniques or exclusion, while any inconsistencies were corrected based on predefined criteria. The data was subsequently structured and coded for statistical and thematic analysis.

Quantitative Analysis – Descriptive statistics were used to summarise the dataset, presenting averages, proportions, and variances where applicable. To explore relationships between variables, inferential techniques like correlation and regression analysis were applied. Charts and graphs, such as histograms and scatter plots, were used to visually communicate trends and patterns within the dataset.

Qualitative Insights – Open-ended survey questions were analysed using content analysis. This approach involved systematic interpretation and analysis of the content of textual, visual, or audio data (Kothari, 2019). It is widely used in social sciences, communication studies, and other disciplines to identify patterns, themes, and meanings within a given set of data. The goal of content analysis is to draw conclusions about the underlying messages, intentions, or cultural trends represented in the content (Saunders, Lewis, & Thornhill, 2016). These qualitative insights were instrumental in complementing the statistical findings and provided a richer understanding of participants' attitudes and behaviours.

3.1.5. Analysis of Interview Data

The interview data was analysed using a content analysis approach, ensuring systematic and rigorous extraction of themes and insights from the rich, qualitative data gathered through participant interviews.

Transcription and Familiarisation – Interviews were transcribed verbatim, allowing for a detailed examination of participant responses. The researcher then familiarised themselves with the transcripts by reading and re-reading the content, identifying recurring words, phrases, and ideas.

Content Analysis Framework – A structured content analysis methodology was employed to extract and interpret meaning from the text.

1. **Coding and Categorisation –** Key phrases and ideas were systematically coded, with codes assigned to sections of the text based on relevance to the research objectives.

2. **Theme Identification –** Codes were grouped into broader categories and themes that encapsulated recurring patterns and significant insights. These themes reflected the shared experiences and perspectives of the participants while also capturing unique, individual viewpoints.

3. **Frequency Analysis –** The frequency of certain themes or ideas was considered to identify their relative importance and prevalence within the dataset.

4. **Interpretative Analysis –** The identified themes were contextualised to uncover deeper meanings and connections, offering insight into the motivations, challenges, and strategies articulated by the participants.

The dual analysis of survey and interview data, using quantitative methods and content analysis respectively, ensured that the findings were robust, comprehensive, and well-rounded. The integration of both methods allowed for a detailed exploration of the research questions, yielding actionable insights and contributing to the overall validity and depth of the study.

3.8. Limitations of the study

The sample used was too small to be an ideal representative of the target population. As a result, the conclusion made in this study based on the collected data should be treated with caution. However, such results can provide the necessary foundation for upscaling LUL.

The study also had methodological bias. Because the questionnaire was administered electronically, it meant that only those potential customers who had online access facilities could complete it. However, some of LUL's customers may not be on such online platforms.

The cross-sectional nature of the study also presented some limitations. In other words, the study captured the state of the market at the point of the study. It could not capture trends within that market over time, as that would require a longitudinal study. Future studies may seek to provide better information by adopting a longitudinal design.

3.9. Validity and reliability

Reliability and validity are notions of research quality, and these can be conceptualised as meaning rigor and trustworthiness of a research (Golafshani, 2003). The definition of validity and reliability differs depending on whether the concepts are discussed in qualitative or quantitative research. Perhaps the following best sums up the concepts:

> "While the terms Reliability and Validity are essential criterion for quality in quantitative paradigms, in qualitative paradigms the terms Credibility, Neutrality or Confirmability, Consistency or Dependability and Applicability or Transferability are to be the essential criteria for quality" (Golafshani, 2003, p. 601).

To ensure both reliability and validity of the study, the researcher used triangulation (Golafshani, 2003). Olsen (2004, p.3) defined triangulation in research as "the mixing of data or methods so that diverse viewpoints or standpoints cast light upon a topic." In this research, the researcher employed both methodological and data triangulations (Olsen, 2004). Each of these concepts is briefed below.

3.9.1. Methodological triangulation

This refers to the use of several research methods (Kothari, 2019). A survey of the research subjects was conducted through questionnaires to understand how respondents viewed LUL's products. In addition, the researcher also conducted desktop research to substantiate some of the data collected through the surveys.

Data triangulation

Data triangulation refers to the use of multiple data types (Olsen, 2004). Such multiple data types can help to add rigor to research. Johnston, Lara, Mario, and Pantelides (n.d., p.125) noted that "… since … [research] methods [have their] limitations, there are advantages to using two or more research methods to triangulate findings and cross-check results for consistency." In this study, the researcher used both primary and secondary data. In addition, the researcher collected both qualitative and quantitative data to answer research questions.

3.9.2. External validity

Research are mainly useful if their results can be applied to solve problems similar to those present during research (Kirk, 2015). External validity is a question of whether research can be generalised and applied by others in similar circumstances. The sample size in this study was very small due to practical limitations of time and resources within which the current study was conducted. As a result, though results from this research are intended to be applied to grow LUL nationally, it is difficult to generalise the findings from the study to explain the national potential market for other businesses similar to LUL. Even if that was possible, it would be difficult to generalise trends in the South African dreadlock market (LUL's key market) given the scarcity of candid data on the subject.

3.9.3. Internal validity

Internal validity refers to the degree to which a researcher's conclusions are supported by the data studied (Kirk, 2015). In this respect, the question to ask when determining internal validity of a research is: to what extent does the author's conclusion pertaining to the dependent variable is attributable to the independent variable and no other competing variables?

With survey set of data, there was a risk that summarising responses into quantitative data would distort the actual responses and perceptions of customers. For instance, talking of 75% of 4 actual respondents clearly distorts the fact that limited response had already limited the validity of conclusion based on such responses. Again, some of the quantitative data used was historical in nature. As a result, it was tempting to formulate an upscaling strategy for LUL based on what worked in the past even though the past rarely repeats itself.

3.9.4. Reliability

Reliability of any research is a question of how dependable research methodology, results and conclusions are (Leedy & Ormrod, 2015). To achieve that dependability, the researcher is forced to consult data sources that are trustworthy (Blumberg, Cooper, & Schindler, 2014). The instrument used to collect data collected data which was specific to LUL. Therefore, it was not possible to use reliability testing methods such as the Cronbach's alpha coefficient. However, given that only data which came from people who had once worn natural black hair, the subject of this study, was considered valid, that enhanced the reliability of the results of this study.

3.10. Ethical issues

Privacy issues were the first to come to mind in research of this nature. Would LUL entrust the researcher with its internal information from which it derives its competitive advantage? Or would other participants feel that their privacy is ensured in this research? The researcher discussed with and assured LUL's owners that no part of the research will contain any information that directly identified them, their business(s) and their intellectual property (see questionnaire covering letter).

The second ethical issue pertained to the issues regarding ensuring data legitimacy. The researcher did not offer any incentive whatsoever that could influence responses from participants. Lastly, in any research, plagiarism is an issue (the so-called academic theft). To avoid that, the researcher referenced all data and information sourced from the work of others. To ensure that this is maintained, the researcher used Turnitin to see if there were any indications of plagiarism and reference accordingly.

3.11. Conclusion

This chapter has discussed the research methodology which was developed to achieve research objectives. This study adopted a mixed method research methodology, characterised by the collection of both quantitative and qualitative data. The chapter has revealed that data was analysed through both quantitative and qualitative methodologies. The next Chapter presents and discusses the results of the study.

4. RESULTS, DATA ANALYSIS AND DISCUSSION

4.1. Introduction

Results of the survey and interviews are presented in this chapter. The chapter will start by discussing the response rate which in the survey. Thereafter, the gender statistics will be presented and discussed. Thereafter, analysis of the survey questions will then be presented and discussed. Finally, the chapter will present and discuss findings from interviews.

4.2. Response rate

The survey was successfully conducted via Survey monkey – an online platform for creating free surveys. The target sample was 1,000 respondents and 494 valid responses were received, meaning that the response rate was 49.4%. Saunders, Lewis, and Thornhill (2016) explained that a response rate of at least 35% is considered to be reasonable. Therefore, the response rathe of 49.4% in this study can be viewed as being more than that recommended level. The distribution of the sample was as follows:

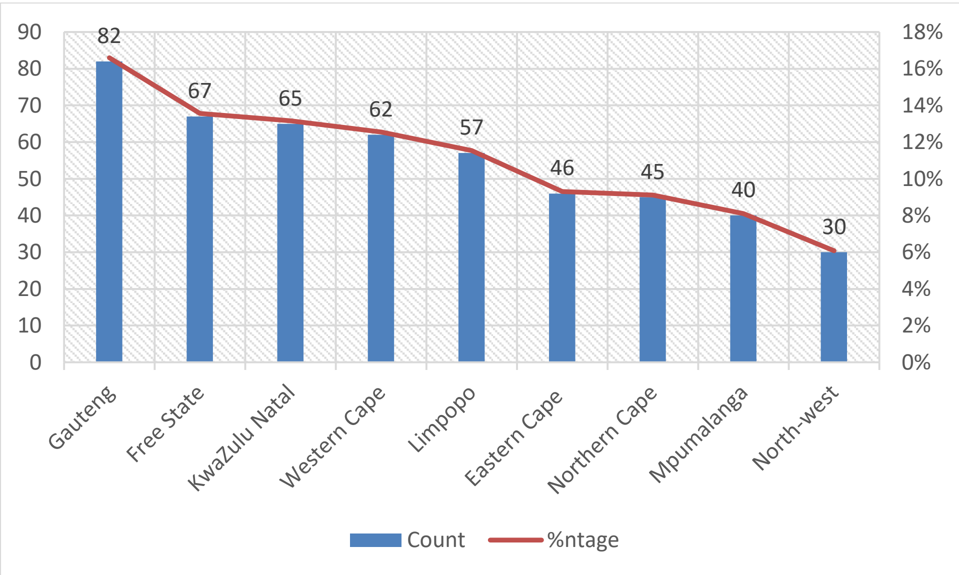

Figure 5: Sample Distribution

The responses above exclude responses which could not meet the control variable of race. It can be seen, the highest number of respondents were in Gauteng, 82 or 17%

of respondents. This is in line with data from Statistics SA (2020) which indicates that Gauteng is the most populous provinces in the country. That is attributed to the provinces' role as the country's economic hub. While the reliability of this study is questionable, given that only those with access to online facilities could be surveyed, the general pattern can be used to assess LUL's market potential in each of the country's nine provinces.

4.3. Gender

The figure below shows the gender statistics. Data on gender was necessary to better understand and position LUL's products within the proposed scaling up strategy.

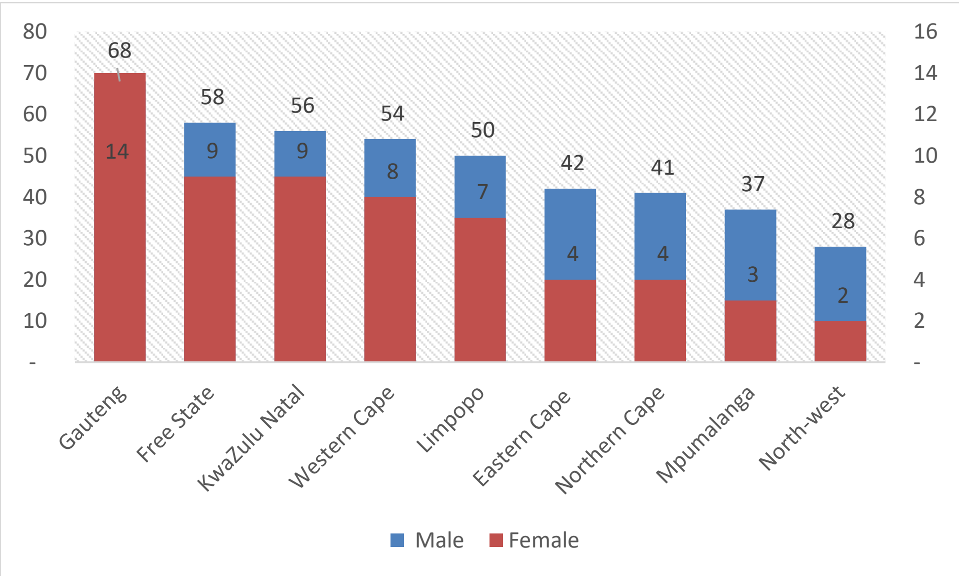

Figure 6: Gender statistics

Figure 7: Respondents' gender

Again, the sample distribution followed the pattern already observed above, namely that most of the people were in the Gauteng province. In addition, the results above show that LUL's major potential market consists of females. In all provinces, without exception, there were more females than males in the number of respondents. Though the gender gap was wider, the results, more or less, auger well with South African demographics trends where there are more women (52%) and less males (48%) (Statistics South Africa, 2020). This fact needs to be considered when positioning LUL and its products in the South African hair care market.

4.4. Age

The other factor about the respondents which was necessary to understand was age. This would help to position LUL's products. The pie chart below shows the age distribution of participants.

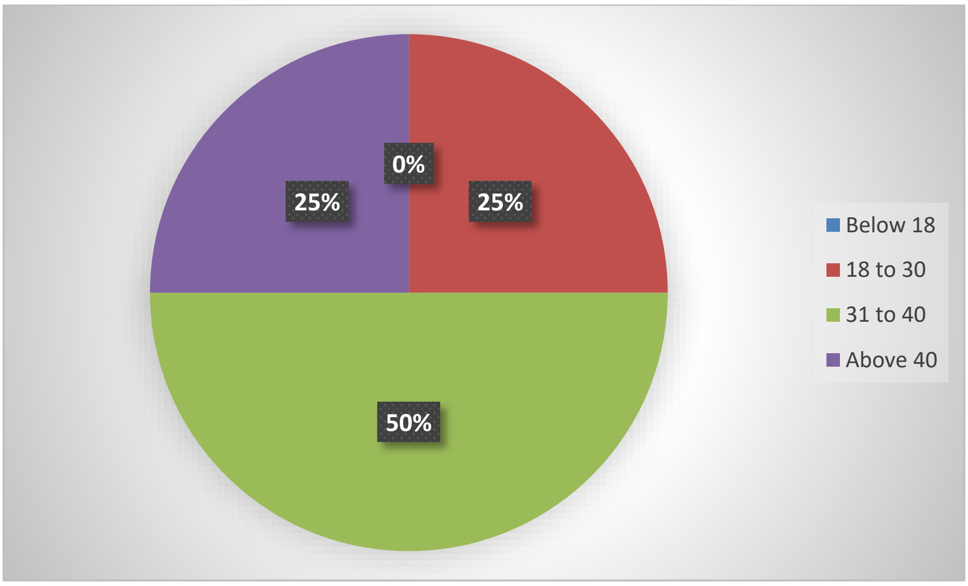

Figure 8: Age Distribution

It is clear that LUL's potential market is middle-aged, aged between 31 and 40 years. When the youth is added (18 to 30 years), 75% of respondents will fall between 18 and 40 years. In general, LUL's potential customers are young and middle-aged. These should be LUL's target market.

4.5. Reason for wearing natural black hair

It has been discussed in Chapter 2 that there are several reasons leading people to wearing natural black hair. To corroborate literature, respondents were also asked about their reasons for wearing or at least recommending someone to wear natural black hair. The question was: *If you currently don't wear natural black hair, why would you decide to or recommend someone to wear natural hair?*

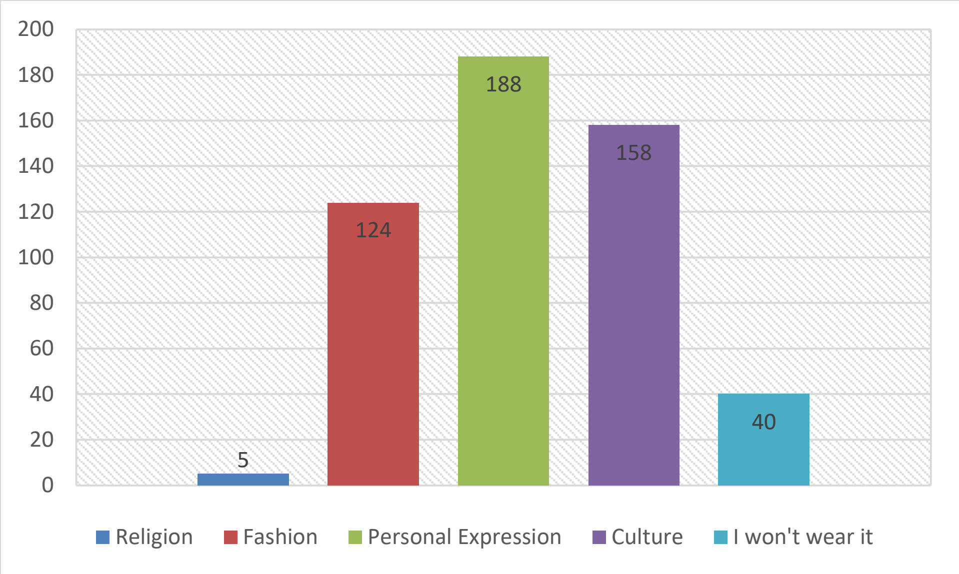

Figure 9: Reasons for wearing natural Black hair

Confirming a study by Banks (2000), expression of personal identity came at the top of the reasons why people wear black hair (37%). Culture and fashion took up the second and third positions, respectively. Together personal expression, culture and fashion consisted of just over 90% of the reasons why people wear natureal black hair. Religion came last with only 1% respondent of the respondents, confirming the unique nature of the South African market. In some countries, such as Jamaica, culture and religion are some of the top reasons why people would wear natural hair, particularly dreadlocks. Based on that and after extrapolating the results to target population, it can be concluded that LUL's customers constitute 91% of people with black hair. Given that the potential customers' population has been estimated at 13 million people, it follows that LUL's potential customers are to the tune of 11.83 million people (91% x 13 million people).

4.6. Income segmentation of customers

In order to recommend the positioning and targeting strategies, part of the broader up-scaling strategy, it was necessary to understand the current spending patterns of the potential customers. The following pie chart presents the proportions of the sample and their monthly spending patterns.

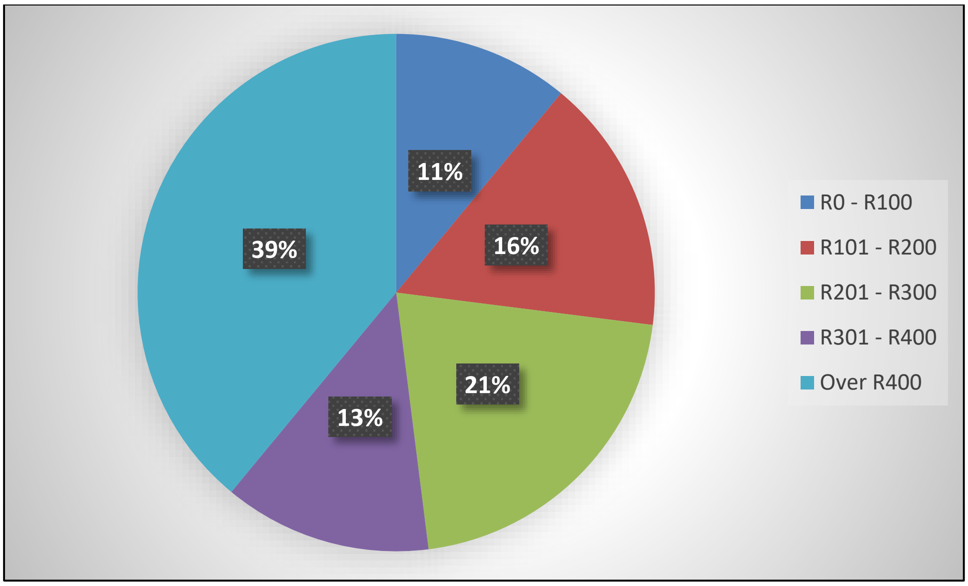

Figure 10: Monthly Spending on Hair Care

Currently LUL targets the middle to high income group. In this survey, that group was represented by people who spend over R200 per month on their hair. Results from the survey showed that 73% of the total respondents fell into that category. The highest group was the upper income group (spending over R400 per month on hair) which and constituted 39% of the surveyed respondents. Again, 21% of the respondents fell within the middle-income bracket, spending between R201 and R300 while those who spent between R301 and R400 made up 13% of the surveyed respondents. The remainder (27%) spent between R0 and R200 (lower income group).

4.7. Knowledge of LUL

In order to decide on the marketing strategy which would accompany the proposed upscaling strategy, it was necessary to understand the current market presents of LUL's products. The results are presented in the following figure.

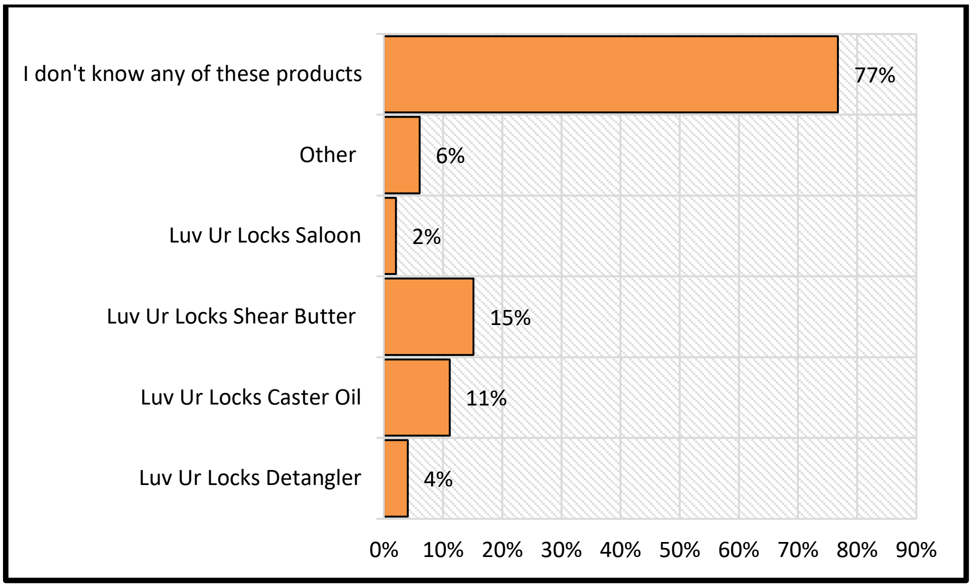

Figure 11: Knowledge of LUL's Products

Only 99% respondents answered question 3 on LUL's products – yielding a turn out ration of 248% (Figure 7 below). Of those 99 respondents, only 23% knew at least one of LUL's products. Again, supporting the need for extensive marketing is the fact that only 4% of such respondents knew about the detangler – LUL's flagship product. Despite the need for extensive investment, the strategy of using LUL's salons as a distribution channel seem an uphill task with only 2% of the population knowing about such salons. Love Ur Lock shear butter and castor oil were the most popular at 15% and 11%, respectively. About 6% of respondents knew about other remaining products.

4.8. Customers' spending on hair care products

Another question asked during the survey was: *Specify the major hair care products you buy on a monthly basis*. The results are presented in the following figure.

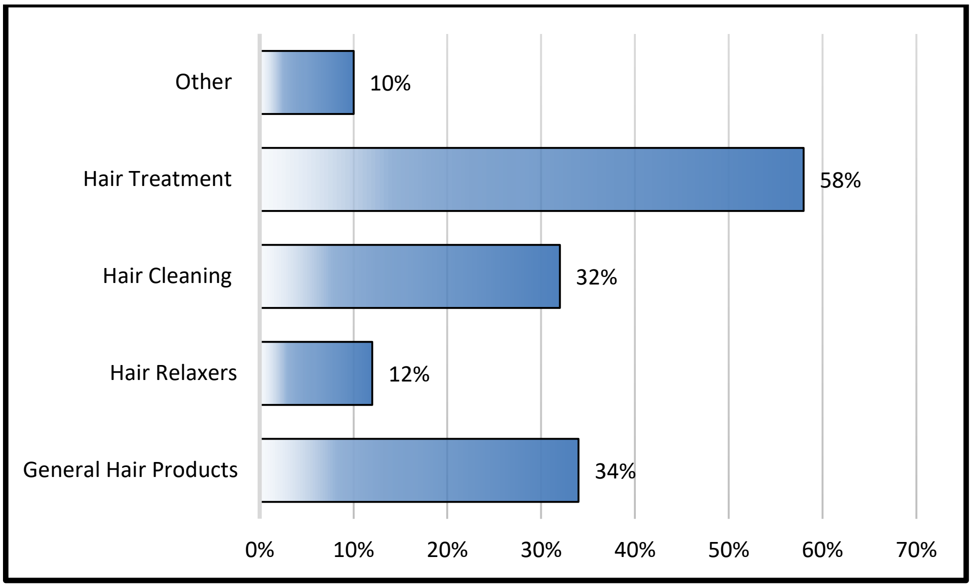

Figure 12: Customers' spending on hair care products

LUL's detangler falls within the hair treatment and cleaning category of hair products. Encouragingly, 58% of respondents indicated that they spend their money on hair treatment every month; with a further 32% spending money on hair cleaning. To confirm results from a study by Durham (2011) which noted that the hair relaxers market for blacks was dwindling, only 12% of the respondents indicated that they spend their money on such relaxers. This is even just 2% above the global average of 10% (Americas, 2016). Hair cleaning and general hair care made up 32% and 34% of the respondents respectively. Only 10% of respondents spend money on other hair care products and services. Since a person could choose more than one product or service, results do not add up to 100%.

4.9. Other important market charateristics

4.9.1. Regularity of visting a salon

In this market, majority of the people visit a salon once per month (59%). Though it is not clear when this is, it is normal to assume that majority of such visits are at the end of each month. This implies that any upscalling strategy that include expansion of LUL's salons should make provision of dealing with such day-of-month pressure, particularly during month-end. Respondents who visited the salon 2 and 3 times per month made up 29% and 11% respectively. Only 4% said they visited a salon more than 3 times.

4.9.2. Reason for visiting salon

Only 6% of the respondents indicated that they visit the salon to maintain their dreadlocks a figure slightly lower than 7% of respondents who had had dreadlocks in the previous 6 months prior to this research. The 1% difference could be represented by the do-it-yourself or other reasons. Encouragignly, hair cleaning made up 49% of reasons why respondents visited a salon while 41% cited other reasons for visiting a salon. Again, hair relaxing fared very lowly, at 18% of respondents.

4.9.3. Attitude towards dreadlocks

LUL's detangler is mainly used in dreadlocks, even though it can be used with any tangled hair. It was therefore, important to solicit respondents' attitudes towards dreadlocks. The results of the study were as follows:

Table 2: Attitude towards dreadlocks

Respondents	**Percentage**
Yes, I had dreadlocks in the past six months, and I would love such a product	7%
Yes, I had dreadlocks in the past six months, and I would NOT love such a product	0%
No, I never had dreadlocks in the past six months and would love such a product	**57%**
No, I never had dreadlocks in the past six months and would NOT love such a product	36%

Almost 60% (57%) of respondents noted that though they never had dreadlocks in 6 moths that preceeded this research, they would love to have a detangler. This support the argument made above that though the detangler was initially developed to detangle dreadlocks, it also has a market in the general natural hair category since black hair, by nature, tangles. The falling affinity for relaxers further supports that.

Almost 40% (36%) of the respondents noted that they never had dreadlocks and would not love a product that detangles their hair. In hindsight, the author notes that this question could have been understood. Respondents seem to have thought that the detangler could only be used for dreadlocks. This is a manifestation one of the problems associated with qualitative research – misinterpretation of question.

The survey found that only 14% of the respondents could not recommend the detangler to kids.

4.9.4. Price range for the detangler

Many of the respondents indicated that they can pay a price between R100 and R200 for the detangler. 33% of respondents said they were willing to pay between R101 and R150 while 30% said they were willing to pay between R151 and R200. Using statistical inferences, the researcher concluded that the median price for the detangler is R125.

4.9.5. Easiness of getting a hair car product

Majority of the people surveyed (56%) indicated that they, at one point, had found it difficult to get an ideal product for hair treatment. Hair cleaning and treatment yielded 28% and 51% respectively. This means that out of all the respondents, 79% are potential customers for LUL’s detangler. That translates to 10.27 million people. This is slightly lower than the 11.8 million people who chose personal expression, culture and fashion as their reasons for wearing natiural hair care.

4.10. Analysis of interview data

4.1.1. Business Origins and Background

LUL’s founder started the business out of personal dissatisfaction with existing hair care services. As stated by the founder, *“I wasn’t satisfied with the hair care available as well as my experiences at the salons I visited. I started experimenting with making products and doing my own hair at home.”* This aligns with the opportunity recognition theory (Shane & Venkataraman, 2000), which suggests that entrepreneurs identify gaps in the market through personal experiences.

Despite having no prior business experience, the founder successfully grew LUL by responding to customer needs. She stated, *"We allowed our business to grow organically as the demands were coming in."* This approach aligns with effectuation theory (Sarasvathy, 2001), which argues that entrepreneurs leverage available resources and adapt to evolving market conditions. The business plan supports this organic growth model but recommends a more structured administrative framework to sustain long-term expansion.

4.1.2. Product and Service Offerings

LUL's product range has evolved based on customer demand, with the detangler emerging as its flagship product. The founder explained, *"The detangler is our most critical product for future growth. The treatments are pain-free, which is a big factor for most Black women."* Survey results confirm this trend, as 58% of respondents indicated they regularly spend money on hair treatment.

LUL has also diversified into eczema treatment, reflecting its responsiveness to niche market needs. The founder noted, *"We then started having many clients who were suffering from eczema, and that's how we started the eczema range."* The business plan recommends further R&D to formalise product innovation and expand LUL's market offerings.

4.1.3. Competitive Landscape

LUL operates in a competitive market alongside brands such as Candy & Co., Jabu Stone, AfroBotanics, and Native Child. The founder acknowledged, *"I've heard of brands that cater primarily for natural hair but haven't heard of a salon that offers what we offer in the way we offer it."* This differentiation is crucial for LUL's market positioning, as Porter's (1985) framework suggests that businesses must either compete on cost or differentiation.

The business plan highlights the need for LUL to capitalise on its niche by enhancing brand awareness. Survey results show that only 23% of respondents were aware of at least one LUL product, and only 4% knew about the detangler. This suggests a need for a more aggressive marketing strategy to increase brand recognition and customer acquisition.

4.1.4. Growth Strategies

LUL has consistently prioritised organic growth over external financing. The founder stated, *“Investors of any kind will dictate how you run your business and will share the spoils. We would rather grow slowly and organically.”* This aligns with pecking order theory (Myers & Majluf, 1984), which suggests that firms prefer internal financing to avoid dilution of control.

LUL has also deliberately avoided retail distribution due to concerns about imitation. The founder explained, *“Retailers can track how well your product is doing and then replicate it at a cheaper price.”* While this caution is understandable, the business plan proposes a phased retail entry through boutique collaborations to mitigate competitive risks.

Franchising has emerged as LUL’s preferred expansion model. *“We are also franchising in order to cut down the costs of opening up more brick and mortar,”* the founder stated. The business plan forecasts the opening of franchise salons nationwide within the next five years, with an anticipated market share increase from 0.03% to 0.06%.

4.1.5. Market and Customer Insights

Survey results indicate that LUL’s target market consists primarily of middle- to high-income women who seek professional and customised hair care solutions. The study found that 73% of respondents spent over R200 per month on hair care, with 39% falling into the upper-income bracket, spending over R400.

Furthermore, 91% of respondents identified personal identity, culture, and fashion as the primary reasons for wearing natural Black hair. This supports the business plan’s recommendation for a differentiation strategy that focuses on quality and premium pricing.

Customer awareness remains a challenge, as only 2% of respondents were aware of LUL's salons. Expanding digital marketing efforts, as proposed in the business plan, will be crucial in increasing brand visibility and customer reach.

4.11. Conclusions

Results of the survey have been presented in this chapter. Result started by discussing the response rate which was just below 50% of the target population. Thereafter, the gender statistics were presented and discussed. It was clear that almost 90% of the sample consisted of females. From the results, it was clear that wearing natural black hair was mainly driven by the need for personal expression, people's cultures and the fact that wearing such hair is becoming fashionable. The potential market for LUL consist of middle to high income group, majority of whom are willing to pay at least R200 for the detangler. In addition, majority of customers indicated that they would visit a salon once every month, with hair cleaning being the major reason for such visits. Majority of respondents also indicated that they had, at some point, struggled to get a hair care product and could recommend a product which detangles one's dreadlocks rather than cutting it when one wants to change hairstyles. The next section concludes on these results and makes recommendations on how to up-scale LUL.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions

Results of the survey have been presented in this chapter. Result started by discussing the response rate which was just below 50% of the target population. Thereafter, the gender statistics were presented and discussed. It was clear that almost 90% of the sample consisted of females. This should be the key target customers for LUL. From the results, it was clear that wearing natural black hair was mainly driven by the need for personal expression, people's cultures and the fact that wearing such hair is becoming fashionable. The potential market for LUL consist of middle to high income group, majority of whom are willing to pay at least R200 for the detangler. In addition, majority of customers indicated that they would visit a salon once every month, with hair cleaning being the major reason for such visits. Majority of respondents also indicated that they had, at some point, struggled to get a hair care product and could recommend a product which detangles one's dreadlocks rather than cutting it when one wants to change hairstyles. The market is estimated at between 10.27 million and 11.8 million people. Currently, majority of potential customers are not aware of LUL and its products despite expressing their willingness to accept such a product. However, a few of those potential customers were sceptical about using the detangler on kids

5.2. Recommendations

- A strategy of market development is recommended. Within this strategy, LUL is recommended to grow nationally through distribution partnerships with existing retailers.
- Again, marketing should be at the top of LUL's priority, to support whichever growth avenue chosen. Digital technology and media – social media, blogs, and eventually an e-commerce website need to be part of the proposed marketing strategy to develop LUL's market
- Instead of serving the Caucasian market with other products, it is recommended that LUL focuses on the natural black hair which a vast potential. More specifically, LUL should focus on distributing the detangler nationally.

- LUL should now seek to establish business functions such as finance and human resources and let professionals run those functions in order to decentralise decision-making and free the time of LUL's to allow them to deal with strategic aspects of the business.

5.3. Limitations of results

The previous section has analysed the results from the survey of potential customers. Such results should be viewed in light of some limitations discussed here. The response rate for this study was just below 50%. Resultantly, the sample was significantly lower than the target population. In light of that, results from the potential customers' survey need to be interpreted with caution. Secondly, though LUL's owners made all their efforts to give the researcher as much information as possible, they were not, and understandably so, prepared, at this time, to give full detail about some of their operations such as production facilities and financial results. These could have provided better perspective to the researcher and hence informed methodology to be selected. This section discusses the potential risks and unintended consequences of this study.

5.1.1. Risks

There is potential limitation related to limited sample representation. That is because the study relied on online survey respondents, which excluded individuals without internet access or those unfamiliar with SurveyMonkey. This digital divide might have skewed results, leading to overrepresentation of urban and affluent populations while underrepresenting rural or low-income groups.

In addition, there was potential for the misinterpretation of Data. For example, respondents might have misunderstood the survey questions (as noted in the section about the detangler for non-dreadlocked hair), which could compromise the validity of conclusions. That confusion about whether the detangler is exclusively for dreadlocks could mislead product positioning. Overgeneralisation was also possible in this study. thus, extrapolating survey findings to an entire population assumed homogeneity across diverse regions and demographics, which might not accurately reflect localised preferences or behaviours.

Brand reputation risk was also possible. For example, if LUL scales up based on inaccurate or partial data and fails to meet market expectations, customer dissatisfaction could harm its reputation, especially if products or services do not align with local preferences. Finally, there was also risk of privacy and data protection issues. That is because using online platforms for surveys might expose LUL to privacy-related risks if respondents' data is not securely handled, potentially leading to legal challenges or loss of consumer trust.

5.1.1.1. Unintended Consequences

Market misalignment was also a possible unintended consequence for this study. The study indicates a middle-to-high income target group, but a significant portion of respondents also expressed difficulties in accessing affordable products. Ignoring this segment could alienate a potentially profitable customer base. In addition, the study can support the reinforcement of stereotypes. Overemphasis on cultural and fashion-related reasons for natural hair care might inadvertently downplay other motivations, such as health or convenience, thereby failing to capture the full complexity of consumer behaviour.

Operational challenges could also be some unintended consequences. Expanding salon services without considering logistical demands, such as increased month-end traffic, could strain resources and result in poor customer experiences. Also, the declining preference for hair relaxers indicates a shift in consumer behaviour. If LUL focuses too narrowly on detanglers without diversifying into other natural hair care solutions, it risks missing opportunities in adjacent markets.

5.1.1.2. Mitigation Strategies

- **These risks and unintended consequences could be mitigated by the following strategies. Improve Sampling Diversity**: Use offline surveys or hybrid methods to reach underserved demographics.

- **Clarify Survey Questions**: Conduct pilot tests for survey instruments to minimize misinterpretation.
- **Segment the Market**: Develop differentiated strategies for middle/high-income groups and those with limited spending power.
- **Strengthen Data Security**: Ensure compliance with data protection laws to mitigate legal and reputational risks.
- **Dynamic Product Portfolio**: Monitor trends and adjust offerings to meet evolving consumer preferences.

5.4. Conclusion

This section has concluded the study and has presented a set of recommendations. Limitations of the study have also been discussed and these include sample size and the fact that the researcher did not have complete insider information since LUL's founders feared losing their intellectual property to outsiders. The next section presents a business plan for LUL based on the recommended market development strategy.

6. BUSINESS PLAN

6.1. Executive Summary

This study seeks to develop a venture up-scaling strategy of a macro start-up specialising in hair care products. The focus is on developing a market development strategy as well as establishing a formal administrative structure and funding model. This section discusses, in brief, the major findings and recommendations. Firstly, Luv Ur Locks' (LUL) mission has been identified as "aspiring to become a leading brand that inspires black people's identity through provision of black hair care and beauty products." The business seeks to achieve that through developing market and product expansion strategies, R&D process, as well as establishing a formal administrative structure and funding model. The geographical focus will be expanding across South Africa in the next 5 years offering its detangler product, other ancillary products, and franchising some of its salons. It is recommended here that LUL follow a differentiated generic strategy hinged on providing quality products at a premium price. The focus should be on medium to high income customers, particularly young and mid-aged women .

A market size of R2billions has been forecast and a growth rate of 7% in the first two years (while the business sets up the required infrastructure). After that, it is forecast that the business will grow by around 10%. It is further forecast that LUL will target a market share of 0.03% for the first two years of operations before increasing that to 0.06%. Revenue is forecast to grow by 7% within the first two years of the forecast period (while LUL sets out the platform for growth) before picking up to 10% in line with current market trends relating to natural black hair (Euromonitor, 2017). In 2022 revenue is forecast to be R914 000. Total assets are forecast to grow to R1 157 000 by 2022 while equity is forecast to reach R670 000 during the same period. Profit margin is forecast to average 35% throughout the forecast period while gearing will fall from 31% to around 20% within the same period to 2022. Return on capital employed is forecast to average 30% in line with retail trends in South Africa, for instance see Shoprite Ltd (2017). Asset turnover is forecast to remain flat at around 1.27 times.

LUL requires R300 000 funding to implement the strategy outlined in this research. It is suggested that R250 000 comes from debt while the remainder comes from the owners. If the business implements the strategy suggested in this research, it is forecast that the value of the business will be R1.243 million in present value terms by the end of the forecast. That strategy should be implemented starting from 2022.

6.2. Business Background

6.2.1. Vision

Luv Ur Locks (LUL) aspires to be a leading brand that inspires black people's identity through provision of black hair care and beauty products and services.

6.2.2. Mission

LUL's mission is to become a leading manufacturer and distributor of black hair care and beauty products and services across South Africa.

6.2.3. Values

The following values will help us achieve our mission and realise our vision:

- ***Customer-centric*** – our success is hinged on how satisfied our customers are and the enthusiasm they maintain for buying our products. We keep on striving to be the best in the eyes of our customers.
- ***Providing a fair deal to our employees*** – our employees form an integral part of achieving our strategies. We therefore seek to create an environment that motivates our employees to achieve their maximum potential. Our belief is that as our employees will be working to achieve our goals, they should simultaneously be working towards achieving their personal goals as well.
- ***Innovation*** – to be a leading brand means setting on trends rather than following them. We therefore seek to define trends in our chosen market through cutting edge innovation in all our processes.

- ***Environmentally friendly*** – the future state of our environment is shaped by the actions we take today. We constantly work to leave an environmental legacy that future generations will be proud of. We'll reflect that in all our operations
- ***Maximise shareholder returns*** – the best respect we will give LUL's shareholders is to give them sustainable returns.

6.2.4. Current state of business

LUL is a family-run micro-business situated in South Africa with annual revenue of about R600 000 (the owners were not quite sure as they did not keep proper records). The business currently serves the black and Caucasian population through the provision of hair care products and services. Currently, LUL is establishing itself in Gauteng with orders starting to come from other provinces especially the Eastern Cape. Marketing is mainly through social media and word-of-mouth channels.

6.2.5. Strategy and sources of competitive advantage

LUL's competitive advantage is built around two pillars: ability to provide high quality innovative products and excellent personal customer service. To support that LUL follows a differentiation strategy (Porter, 2008), selling differentiated products and services. From a marketing strategy, LUL will follow a market development strategy, seeking to expand into the national market.

6.2.6. Customer acceptance

The growth in LUL's customers since its inception signals that customer have accepted its products and services. LUL's task is now to maintain that trust going forward. The major product that has gained traction is the dreadlocks detangler.

6.2.7. Business details

Table 3: LUL's business details

Contact information	*Anonymous as per business owners request
Document control	This business plan in private and confidential and should be treated as such.
Contact information	*Anonymous as per business owners request

6.2.8. Legal structure

LUL is currently run as a family-owned trading business with the co-founders as owner-managers. However, to achieve the strategies expounded in this business plan, LUL will be required at some point to change into a private company.

6.3. Strategic Analysis

6.3.1. The opportunity and potential size of market

Data on natural black hair in Africa and South Africa at large is still scarce (Health24, 2014). Globally, the black hair care market was estimated at $684 million by Mintel in 2012, with a projection of $761 million by end of 2017 (Americas, 2016). A Mintel report recorded an increase in sales of products which claimed to have natural and moisturising elements (Americas, 2016). It was reported that in 2013, 67% of black women and 77% of black consumers kept their natural hair in the USA alone (Americas, 2016). Mintel then subsequently reported in 2015, a fall of 18.6% of relaxer sales and conversely, an increase of 18.3% increase in shampoo, 9.8% increase in conditioner and this was attributed to an upward trend of the number of black people who preferred natural hair (Parke, 2016).

In Africa, South Africa and Nigeria top the list of black hair care markets (Parke, 2016). Black hair care was estimated, in South Africa alone at R9.7billion in 2011 (Durham, 2011). In a CNN report, it was stated that the biggest growth in black hair care in Africa was in 2014 in Nigeria where black people spent more than $440 million with the sales of conditioners an increase of 11% from the 2013 level (Parke, 2016). Similarly South

Africa was reported to have increased the amount spent on haircare by 7% between 2013 to 2014; and in Kenya consumers were reported to have spent more than $100 million on hair care, with salon sales up 8% (Parke, 2016).

More than 40% of women with natural black hair in South Africa complained that they struggle to find suitable products to detangle or care for their hair (Euromonitor, 2017) though traditional brands such as LUL are beginning to listen and exploit that market niche. These are people with hair styles such as afro and dreadlocks that are suitable for natural hair (Bankhead & Johnson, 2014). The same Euromonitor International report also notes that natural black hair care products that are based on natural ingredients are still scarce (Euromonitor, 2017). Most of the suppliers for such products are local small holder businesses such as Nalane ea Africa, Afrilove and Nilotiqa (Seuoe, 2017), in addition to Afro Botanics and My Natural Hair mentioned above. Products from these players are still at the experimental and budding stages and their effectiveness is still to be tested (Seuoe, 2017). Worse still, there isn't any known product, currently that detangles dreadlocks and coiled hair without having to cut it.

The recent media issues about African children hair, mostly from private and former Model C schools point to real issues on managing African child's hair (Agence France-Presse, 2016). That gives the opportunity for LUL to develop African children's hair care product range. However, as already noted, LUL's focus is on market development rather than product development or diversification. Data on hair care market in African is still scarce because most of the natural black hair customers are still in the informal market and little market research has been done to capture that (Health24, 2014). However, Euromonitor International (2017) estimated the market to be around $1.1 billion in South Africa, Nigeria, and Cameroon alone.

Despite problems with measuring the market, the success of small start-ups such as those mentioned above and LUL gives persuasive evidence of the existence of a market hungry for African natural hair care products. This is the market which LUL seeks to exploit.

6.3.2. SWOT Analysis

Table 4: SWOT Analysis

STRENGTH	OPPORTUNITIES
• Unique and reputable products • Growing base of satisfied customers	• Growing trends towards natural black hair • Government's efforts to support SMEs
WEAKNESSES	**THREATS**
• Low band awareness • Lack of finance • Inexperienced owner-managers	• Fragmented market • Risk that larger market players can enter the market

Strength

LUL's key strength lies in its unique products. For instance, of all the surveyed customers never heard of a product that detangles one's hair and dreadlocks. In addition, about 80% of all interviewed customers indicated that they were satisfied by both LUL's products and its services in the salon. Such a growing base of satisfied customers has been helping LUL's owners market the business, LUL's owners accounted.

Weaknesses

Though LUL has high quality and unique products, the results of the research showed that only 23% of surveyed potential customers knew about at least one of LUL's products. Of great concern was that only 4% of the surveyed sample knew about LUL's flagship product, the detangler. Given that 57% of such potential customers indicated that they never head of a product that can detangle their hair but would be willingness to buy such a product, it is clear that LUL needs an aggressive marketing strategy to drive growth and reach all such customers. Another weakness for LUL is lack of finance as conceded by the owners. Given that the owners were very sceptical about admitting any new investor into the business for fear of losing control and ownership, it is suggested that the owners use government funding opportunities.

Lastly, LUL's owners are inexperienced in running the business. They have never run any other business before starting LUL. This has been shown in several of their responses during the interview. For instance their contrasting views on technology, a lack of strategic understanding of their business (such as understanding of their competition) and their continued need to run every aspect of the business speak volume on their lack of strategic insight and understanding of the general workings of businesses. The researcher intends to suggest that they attend a management course which will hopefully open their eyes.

Opportunities

As already indicated above, there is a growing trend towards natural black hair. This movement is likely to last for some time given that it is driven by factors internal to people rather than other factors that can easily fade away. For instance, this research found that 38% of the people who were surveyed wear natural black hair simply to 'fully express their identity'. Another opportunity is government's push towards supporting Small to Medium Enterprises in its quest to rejuvenate the economy. For instance, the government is pushing to drive down cost of mobile data. That will be very important for LUL whose owners believe in online marketing.

Threats

Porter's five forces analysis above has shown that the natural black hair market is fragmented. It is made up of small and informal players making it difficult to make a detailed analysis. Competition is very high. LUL's partly counter that through pursuing a differentiation strategy for both its salons and its products. Nevertheless, it is still held that the market is lucrative (Euromonitor, 2017).

It has already been noted that bigger players like Clicks are seeing the potential of the natural black hair care market and are starting to make inroads into the market. Given the relatively complacence of LUL's owners when it comes to pursuing aggressive growth strategies, if such market leaders finally capture LUL's market segment, it will be difficult for LUL to survive the fight.

6.3.3. Industry and Competitor Analysis

This section uses Porter's Five Forces framework (Porter, 2008) to analyse the African hair care industry and market. The framework analyses an industry based on the threat of substitute products or services, competitive rivalry, threat of new entrants, bargaining power of suppliers and bargaining power of customers.

a) Threats of new entrants

The strength of threats of new entrants depends mainly on the strength of barriers to entry into the market (Porter, 2008). These, Porter notes, include capital requirement and economies of scale enjoyed by incumbent firms. The time needed to develop a new product is quite considerable. For instance, Nolitiqa mentioned above spent about two years to develop its product range (Seuoe, 2017). This is a considerable time that most start-ups cannot cope with before earning revenue (BPP Learning Media, 2014). It should, however, be noted that entering the market itself after developing products is easier due to relaxed regulatory provisions since there is currently not much control of the quality of the products in this industry (Parke, 2016).

However, as already discussed, the fragmented nature of the African natural hair care market means that a lot of marketing is needed to break the market, especially if LUL is to expand nationally. Notably, majority of users of hair products already use branded products from the big beauty and cosmetic firms such as Dark and Lovely which spend millions in marketing and distribution (Euromonitor, 2017). It will be difficult for LUL to leapfrog from the current word-of-mouth and social media marketing approaches to a fully-fledged national campaign. Again, LUL's ability to finance its expanded national distribution network will only depend on the availability of finance from lenders. However, should LUL be able to get through these set-up hurdles, it will benefit from the first mover advantage and can build a strong brand.

b) Threats of substitute

The first set of potential substitutes is the mainstream hair care products from household brands such as Dark and Lovely from L'Oréal (Euromonitor, 2017). These are from large companies with very significant marketing budget. It will be difficult for LUL to compete with them directly. To avoid direct competition, LUL will focus on its niche of detangler and sell other products as supporting ones. The strategy is that if LUL wins customer trust through its detangler and a few other product lines, it can then expand its product offering to other products that will compete directly with well-established brands. Another unique selling proposition for LUL is its salons that exclusively use LUL's products which major brands do not have. These salons will be used by LUL to interact directly with customers and gain first hand insight from them.

The second set of substitute threats are smaller brands from emerging natural ingredients-based products. Some of these such as Nalane ea Africa and premium options, AfroBotanics and Nilotiqa Hair Care serve the same customers as LUL's products (Seuoe, 2017). Again, LUL's detangler stands out since none of these smaller players has yet developed a competitive product. In addition, since these are smaller businesses like LUL, they face relatively similar challenges to LUL hence there is fairer competition compared to that which exists between, LUL and bigger players mentioned above. Overall, and broadly speaking there are many competing natural hair care products (Euromonitor, 2017) but less for the detangler product.

c) Bargaining power of customers

Because of multiplicity of substitutes noted above, customers have a large variety to choose from giving them high bargaining power. Again, with the exception of the detangler product, some customers are already loyal to bigger brands. However, most of these customers are willing to experiment with smaller brands since they feel that the market offers mainly one-size-fits-all products which do not appeal directly to their specific needs (Euromonitor, 2017). The researcher believes that should LUL succeed in marketing the detangler; LUL will have created a grounding that makes selling all the other products relatively easier, reducing the

d) Bargaining power of suppliers

Due to the current experimental nature of products aimed at the natural black hair, there are no set ingredients for each formulation. While small brands such as Nalane ea Africa and Nolitiqa Hair Care use African plant oils and butter, Purpul uses generic hair care products to formulate their own products (Seuoe, 2017). The same is true for LUL which uses a range of traditional herbal ingredients to formulate its own detangler and other ranges. Due to that, the bargaining power of suppliers is still relatively low. Some of these suppliers are not even aware that their products are used to formulate competing products (Euromonitor, 2017).

e) Competitive rivalry

The natural black hair care industry is still fragmented. Though players like Dark n Lovely are increasingly penetrating the market, they are still inclined towards the relaxer segment (Euromonitor, 2017). In addition, since there is no known detangler for dreadlocks and other black hair styles that detangle hair, competitors for LUL's detangler are still virtually non-existent. Smaller players are thriving on finding and serving a niche market, the same strategy LUL is adopting.

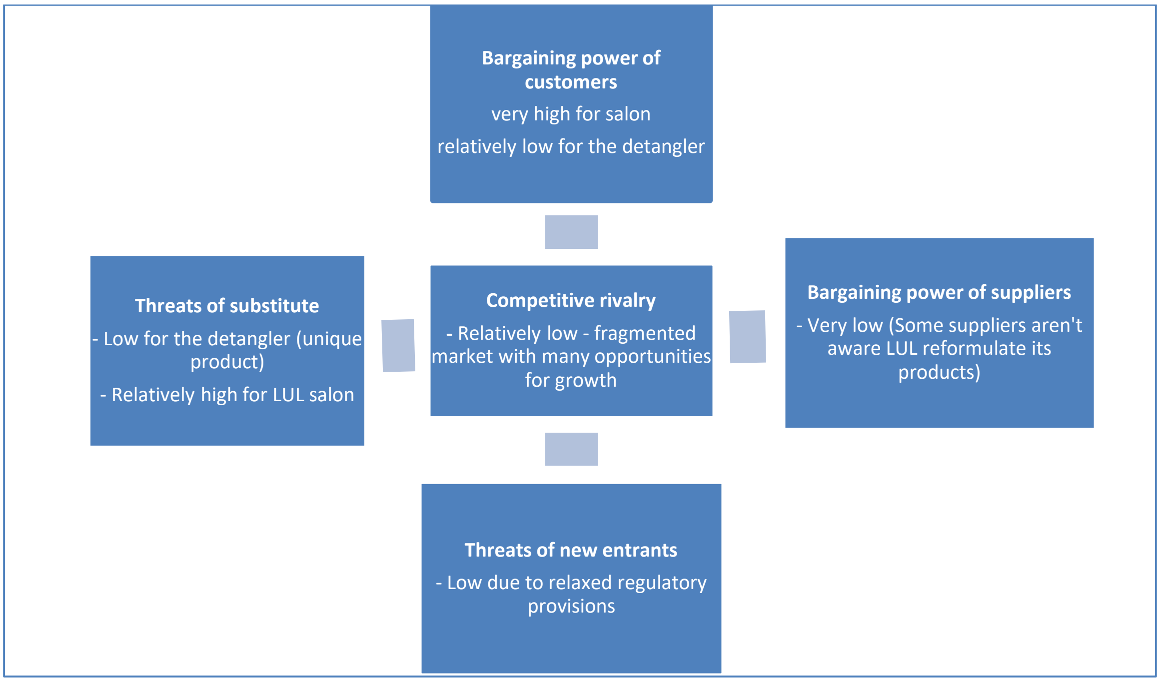

Figure 13: Summary of Five Forces Analysis (Author's Illustration)

6.5. Proposed upscaling strategy

The proposed upscaling strategy is to grow LUL through market development nationally. This will involve selling exiting products in new markets according to the Ansoff's Matrix already discussed above. It has already been recommended in Chapter 5 that LUL needs to push sales of the detangler. Therefore, the existing product being suggested here is the detangler. The plan for accomplishing this is included in the marketing plan.

6.6. Marketing Plan

6.6.1. Market Segmentation

LUL targets the natural black hair care market. The owners narrow this market to 'an established woman who has a job, children and doesn't necessarily want to do her own hair'. Targeting the women segment was partly confirmed by research which found out that only 8% of potential customers were males. The proposed market segment is therefore as follows:

Table 5: Market Segmentation

Gender	Race	Age	Income Level
Female	Black	Young and middle-aged	Middle- and high income

6.6.2. Marketing Mix

Product

LUL focuses on the detangler as its flagship product. This is supported by other follow-on products: conditioners, leave-in conditioners, heat protectants, shampoos, and castor oils. In other words, in addition to detangling hair, LUL's customers will still need those other products to change their hair style after detangling their locks. LUL will sell the detangler as the flagship product and the rest as supporting products. Since LUL focuses on the differentiation strategy, quality will be the main differentiator followed by innovation. Branding of products is also suggested so that it adds to the 'unique' aspect of LUL's products LUL also focuses on its salons to drive growth of the business. Moving forward, salons will be divided into two: corporate salons (owned by LUL) and franchisees' salons. These products are listed in the table below.

Table 6: Product Mix

<table>
<tr><th>Product/Service</th><th colspan="2">Description</th></tr>
<tr><td>Detangler</td><td colspan="2">This is LUL's flagship product</td></tr>
<tr><td rowspan="2">Salons Services</td><td>Corporate salons</td><td rowspan="2">These will be aimed at providing distribution channels to the detangler.</td></tr>
<tr><td>Franchisees' salons</td></tr>
<tr><td>Online sales</td><td colspan="2">As already discussed, it is recommended that LUL sell some of the detangler online through an established business to consumer platform.</td></tr>
</table>

Price

Potential customers were willing to pay between at least R201 and R300. That gives median price of R250. The price is for a one litre bottle. However, given the increased price transparency brought about by the internet through price comparisons websites such as www.pricecheck.co.za, customers can now easily compare prices. It is, therefore, strongly suggested that the pricing model adopted is seen as fair by customers to avoid risking reputational damages.

Promotion

As discussed above, currently LUL uses social media and word-of-mouth to promote its business. There is a plan to widen that online presence to blogging. While that was effective when the business was still small, it can no longer be relied upon to promote a business that is vying to create a franchise chain. It is suggested that the business start exploring channels such as national television and print newspapers and radio.

Though the business has once used radio and trade magazines, there is now need for the business to have a deliberate plan rather using such channels when it is convenient for the owners.

Placing

Currently LUL sells its products online (social media to be specific) and in their brick-and-mortar salons. It is suggested that the online channel be expanded into an E-Business to benefit from all the added features of the internet. Customers are increasingly looking for convenient ways of shopping from the comfort of their home 24/7. The internet is a great place to achieve that through features such as online payment without any need to ask for one's bank account, for instance.

The brick-and-mortar salons provide the much-needed physical presence that is missing online. However, considering LUL's current financial constraints, it is difficult to achieve the much-needed growth organically. Again, though the owners are contemplating the idea of franchising such salons, their success depend on a number of factors such as experience in running a franchise chain and an aggressive marketing strategy to compete with other franchise opportunities out there. Both of these are missing in LUL's case. It is suggested that LUL establish a marketing department which will help deal with part of that. However, it might be a difficult task to convince the owners of the need to decentralise some of the business functions to ensure flexibility and benefit from external experience. LUL currently has one salon in Pretoria. This will be kept. Part of the growth strategy, as reiterated above is to franchise LUL's salons. It is therefore assumed that by 2027 LUL will have opened at least one franchise salon in each of the 9 provinces.

6.6.3. Forecast Market Size, Growth and Market Share

It has been indicated above that LUL's potential market consists of around 13 million potential customers. No concrete data on the actual size of this market but it is estimated to worth between R2billions to R10billion in South Africa alone. Market analysis above has shown a growth rate of between 7% and 11% of the natural black hair market in countries such as the USA, Nigeria, and Cameroon. For the purpose of this research the researcher has taken a more conservative approach and assumes a market size of R2billions and a growth rate of 7% of the market, and that of LUL, in the first two years while the business set up the required infrastructure. After that, it is assumed that the business will grow by around 10% after which it will fall to 5% after 2027. It is further assumed that LUL will target a market share of 0.03% for the first two years of operations before increasing that to 0.06%.

The author takes a conservative view to growing salons. It is assumed here that LUL will only open its next salons in 2024 – one franchise and one corporate. In 2023, the author believes that the business needs to focus on marketing to build brand awareness and penetrate the product market. That will increase the value of the franchise brand and bring the much-needed funds to grow corporate salons.

6.7. Production and Operations

6.7.1. Physical location

Production facilities are currently located in Pretoria, and they will remain there for the time being. However, the author is of the idea that moving to downtown Johannesburg will be cheaper for rental. There are many abandoned buildings in such area and from the author's enquiry, rentals are very cheap. That will help control rental costs which owners noted as one of the key costs.

6.7.2. Production process

LUL's owners expressly noted that they could not share in detail; how they produce their products neither did they allow the author to observe the production.

6.7.3. Quality control plans

Given that LUL produces a health & beauty product, the author suggests that LUL build in its process, quality control procedures to minimise the identified litigation risks above. The objective of such process should be to control the quality of inputs. Such focus will reduce costs associated with reworking and wastages which can easily significant. As Bpp (2014) put is, it is always easier to control costs before production rather that during and after the production process.

6.7.4. Staffing plans

The author suggests the following staff:

Table 7: Staffing plans

Employee	Purpose	Suggested Number
Production Manager	Responsible for managing the production process. Deals with such tasks as production organisation, planning, control and monitoring. Will also be responsible for the overall staffing plan.	1
Quality Controller	Controls the quality of material, process (in liaison with the production manager) and control of finished goods. Preferably, this should be a person who understands LUL's products. It is suggested that LUL's owners should take up this process while finding a better replacement through either training current staff or bringing new blood from outside.	1
General Manufacturing Staff	These run the machines. No special skills will be needed since LUL can easily train such employees.	Depends on production demand

6.7.5. Sources of key materials

LUL's owners were not comfortable with elaborating on the key material they use in their detangler. However, they did say that some of their products are made from reformulations of other hair care products in the market. As a result, it is difficult to say which the products' key materials are. It is even more difficult also to assess the risks relating to materials such as possible shortages.

6.7.6. Machinery and equipment

Again, this is difficult to say without knowing in detail what the production process entail.

6.8. Research and Development

6.8.1. Objective

The ultimate objective should be to produce the best natural hair care products in the country. The following specific objectives should guide the business' R&D strategy:

- Be at the forefront of manufacturing natural black hair care products
- Create a culture that fosters innovation

The following diagram can help LUL formulate a working R & D strategy.

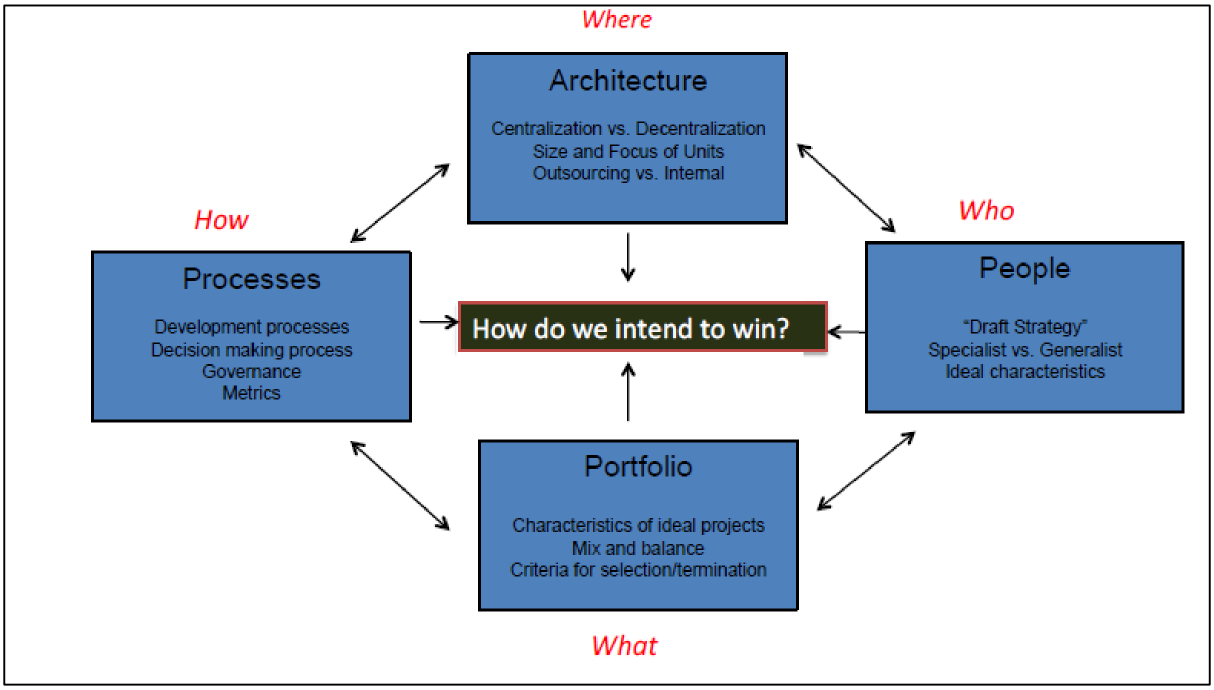

Figure 14: R & D Strategy

Adapted from Pisano and Figgie (2012)

Architecture

Given the fact that LUL's owners still need to closely monitor the intellectual property of their products, it is suggested that the business take an internal centralised strategy to R&D. This will allow LUL's owners to monitor every initiative by their employees. Again, this arrangement will ensure that there is effective communication between the R&D department and other business units. However, this forgoes the benefits of having home-grown solutions and initiatives that ensure prompt responses to changing demand patterns.

People

It is doubtful if LUL's owners will eventually trust other people to bring in their initiatives. The author is of the belief that the more personnel from outside the organisation, the more innovative it becomes since each person will be bringing a different perspective.

Portfolio

It is suggested that since the detangler is the main product, it is allocated the higher budget than other areas. In fact, it is recommended within the first phase of the up-scaling strategy, LUL should focus over 90% of its budget and resources on the detangler as that can speed-up the scaling process.

Processes

This answers questions about, say, the role of senior managers. Should senator managers focus on reviewing ideas from R&D staff, or they become immersed in the task of actively researching themselves. It is suggested that LUL's owners need to focus of review and trial of research solutions rather than carrying on activities themselves. The main reason

6.9. Management, control, and organisation

6.9.1. Proposed organisational chart

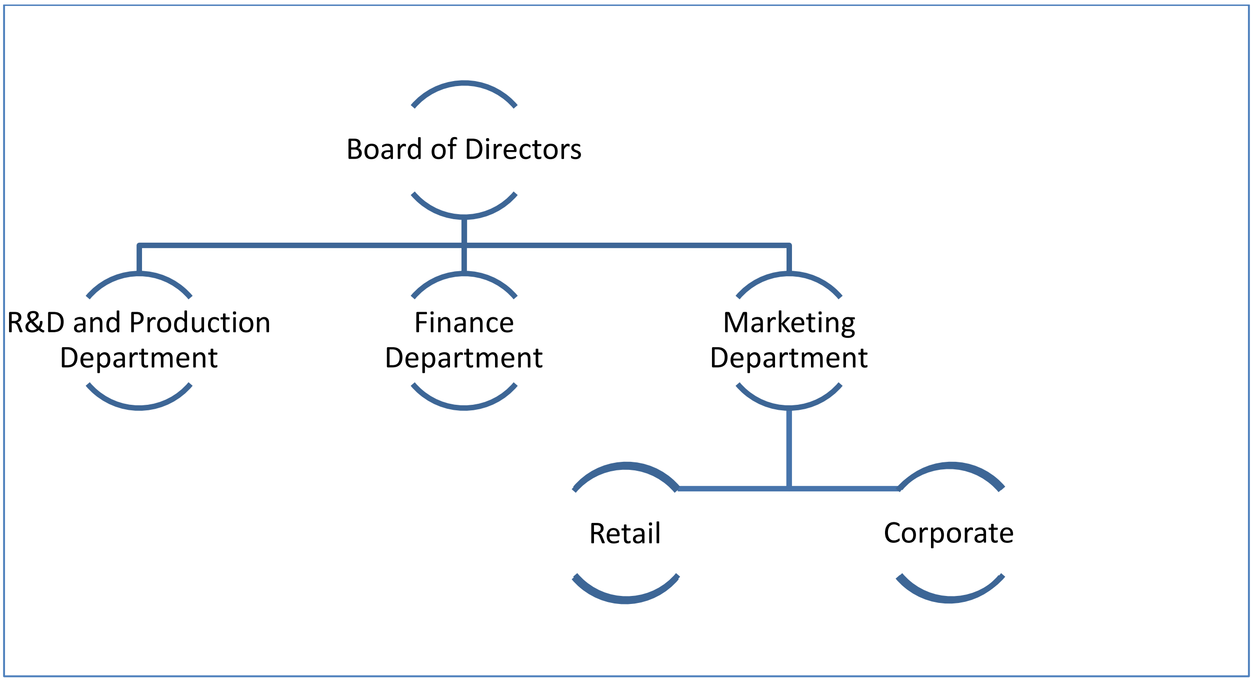

Figure 15: Organisation Chart (Researcher's own proposal)

6.9.2. Recruitment, training, and development

The proposed growth strategy is centred on two key resources: Information technology and skilled human resources. For the salons, it is suggested that LUL recruit relatively less skilled personnel. These will be trained extensively as is the case currently. This human resource policy will have two key benefits. Firstly, it will ensure that employees are loyal to LUL. Secondly, it will save costs in the long term when the employees become efficient. The other positions shown in Figure 5 above will need to be filled by competent professionals from the job market.

6.10. Financial forecast

This section presents the forecast financial statements for the next 5 years.

6.9.1. Assumptions

The following financial forecasts are based on a number of assumptions. The significant assumptions are discussed below:

Revenue assumptions

It has already been estimated that the hare care market is worth between R2billion and R10billion. To be conservative, the author assumes that the market is only worth R2billion. Given the activity the author saw at LUL's salon, it is prudent to assume that LUL currently owns about 0.03% of that market. That translates to revenue of R600 000. Revenue will grow by 7%, forecast market growth as discussed above.

Expenses assumptions

Total expenses are assumed to be around 65% of total sales, resulting in a profit margin of around 35%. That is achievable given the fact that LUL sells premium products and services and the customers have expressed their willingness to pay a premium for that.

Assets

Currently, the author estimates that LUL's physical assets, including manufacturing machinery, are worth around R560 000. Intellectual property will be made up of franchise stores. Current assets are also assumed to be currently standing at 20% of sales, given that LUL sells on cash and does not give any credit. Additional cash flows will be 10% of sales from 2023 onwards.

Liabilities assumptions

Currently, it is assumed that LUL has no long-term liabilities. This is based on the results of the interview where the owners expressed their dislike of external funding. However, as already discussed above, LUL will have to borrow R20,000 (20,000 short-term and 230,000 long-term).

6.9.2. Forecast Income statement

Table 8: Forecast Income statement

Period	2022	2023	2024	2025	2026	2027	Total
Growth Rate	-	7%	7%	10%	10%	10%	
	R'000						
Sales	**600**	**642**	**732**	**805**	**886**	**974**	**4,639**
- Retail	500	535	572	630	693	762	3,692
- Other	100	107	159	175	193	212	947
Expenses	**391**	**418**	**448**	**492**	**542**	**596**	**2,887**
Materials	195	209	223	246	270	297	1,440
Salaries and Wages	98	105	112	123	136	149	724
Rentals	58	62	66	73	80	88	428
Other (Including Tax)	40	43	46	50	55	61	295
Profit/(Loss)	**209**	**224**	**284**	**313**	**344**	**378**	**1,752**
Profit Margin	35%	35%	39%	39%	39%	39%	38%

6.9.3. Forecast Statement of financial position

Table 9: Forecast Statement of financial position

Period	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
	R'000					
Total Assets	**809**	**1,142**	**1,335**	**1,656**	**2,009**	**2,396**
Tangible Assets	560	829	931	1,210	1,405	1,677
Intangible Assets	129	128	146	108	177	195
Cash and Cash Equivalent	120	184	257	338	426	524
Equity	**509**	**783**	**1,067**	**1,380**	**1,724**	**2,102**
Equity Shares	300	350	350	350	350	350
Retained Earnings	209	433	717	1,030	1,374	1,752
Liabilities	**300**	**359**	**268**	**276**	**285**	**294**
Long-term	250	250	250	250	250	250
Short-term	50	109	18	26	35	44
Total	**809**	**1,142**	**1,335**	**1,656**	**2,008**	**2,396**

It is assumed that the company will need to raise R300 000 in debt to support the proposed strategy. 250 000 will need to be raised as long-term debt while the other

R50 000 will be raised as short-term debt using ways such as bank overdraft and trade payables. The remainder will be contributed by owners as additional capital. The raised funds will be utilised to revamp and capacitate manufacturing facilities so that it is ready for the forecast growth. Current liabilities will alternate over time depending on funding needs.

6.9.4. Forecast cash flow statement

Table 10: Forecast cash flow statement

Period	**2,022**	**2,023**	**2,024**	**2,025**	**2,026**	**2,027**
Cash Flow from Operations	167	179	227	250	275	303
Cash Flow from Investing Activities	(347)	(54)	121	80	143	212
Cash Flow from Financing Activities	300	59	(91)	8	9	9
Cash and Cash Equivalent	**120**	**184**	**257**	**338**	**426**	**524**

Working capital changes looks at the forecast changes in current assets excluding cash. The shortfall of R250 000 is forecast in 2017 and it is recommended that this is funded through long-term liabilities. And additional R50 000 will also need to be raised to fund working capital expansion as a result of forecast growth.

6.9.5. Discounted cash flows

Table 11: Discounted cash flows

Period	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028 and beyond**
	R'000						
Cash Flows	209	224	284	313	344	378	1,589
Cost of Capital	1.00	0.77	0.59	0.46	0.35	0.27	0.21
Present Value	209	172	168	142	120	102	329
Net Present Value	1,243						

This NPV calculation is based on a 30% cost of capital. This is based on the fact that LUL is a risky investment. Based on that, LUL's future cash flows for the next 5 years are forecast to be valued at an NPV of R1.243 million.

6.9.6. Exit routes for investors

The discussion above showed that LUL's owners will be the only investors. Therefore, it is not necessary to design an exit strategy yet even though the owners may need to think about in for the long-term.

6.10. Risk Analysis & Risk Management Strategies

6.10.1. Risks

Finance

The obvious risk is that LUL may fail to secure funding. If that happens, LUL will still grow but the pace will be lower than anticipated in this research. That brings into light an additional risk that should any of the current players expand first, LUL will not be able to benefit from first mover advantage. That will make it difficult for LUL to establish itself as a national brand of choice.

Management capacity

The other risk which investors will be concerned about is the fact that LUL's owners had never run any other business previously. As a result, it will be an uphill task for LUL to convince such investors to invest in a business run by inexperienced managers. However, as indicated above, it will still be possible to secure government funding through government initiatives reiterated above.

Counterfeit

Perhaps the worst that can happen is that other mischievous players will end up counterfeiting LUL's products. Given the current enforcement of Copyright law in South Africa, it is unlikely that LUL will be able to combat that. A good example is the struggles the government in the arts industry where piracy has ripped off musicians and film actors and actresses (Molia & Ovide, 2016).

SABS approval and Patenting LUL's products

For LUL to continue creating further legitimate products that appeal to national customers, it will need to be approved by relevant authorities in South Africa. This means applications to the SABS, South Africa's standards regulating authorities. Should that fail it will be difficult for LUL to convince customers to adopt the product as well as lure providers of finance. This can be mitigated by seeking qualified partners to help develop LUL's products. However, since LUL still need to engage in R&D to perfect its products and produce new products, resultant new products can increase LUL's value which in turn will make it attractive to providers of finance.

Legal risks

Even if the detangler is patented to prevent competitors from stealing the idea, LUL still faces regulatory risks. Should any customers suffer harm as a result of using LUL's products or should any of LUL's products fail to meet its promises, LUL could be sued and suffer financial loss. To manage that, LUL might need to consider engaging the services of legal professionals specialising in its area of business, something that will draw further resources.

Retail logistics to get product nationwide

LUL has little knowledge and experience on the logistics needed to take the product to every customer's door step nation-wide. Should LUL continue expanding its salons and use them as a distribution channel? Appealing as this might seem, the investment needed is substantial. On the other hand, LUL can decide to use established distribution channels (e.g. Take A Lot). However, will these partners meet LUL's promise in terms of delivery speed? All these are questions that LUL should answer before making the final decision.

6.10.2. Risk management strategies

Table 12: Risk management strategies

Risk	**Risk management strategy(s)**
Retail logistics to get product nationwide	Partner with logistics companies
Legal risks	Employ a quality management specialist Take up insurance
SABS approval and Patenting LUL's products	Employ a quality management specialist
Counterfeit	Create a base of loyal customers
Finance	Grow organically, though that will be slower than needed
Management capacity	Employ a professional manager in the sort-term Owners to acquire management skills through training

6.11. Conclusion

Luv Ur Locks (LUL) aspires to be a leading brand that inspires black people's identity through provision of black hair care and beauty products. The business seeks to achieve that through developing market and product expansion strategies, R&D process, as well as establishing a formal administrative structure and funding model.

The geographical focus will be expanding across South in the next 5 years offering its detangler product, other ancillary products, and franchising some of its salons. LUL will follow a differentiated strategy hinged on providing quality products at a premium price. The focus is on medium to high income customers focusing on young and middle-aged customers.

A market size of R2billions and a growth rate of 7% in the first two years while the business set up the required infrastructure. After that, it is assumed that the business will grow by around 10%. It is further assumed that LUL will target a market share of 0.03% for the first two years of operations before increasing that to 0.06%. Revenue will grow by 7% within the first two years of the forecast period (while LUL sets out the platform for growth) before picking up to 10% in line with current market trends relating to natural black hair. In 2027 revenue is forecast to be R974 000. Total assets are forecast to grow to R2.4 million by 2027 while equity is forecast to reach R2.1 million during the same period. Profit margin is forecast to start at 35% the forecast period while gearing (Debt to Total Assets) will fall from 37% to around 12% within the same period to 2022. Return on capital employed is forecast to average 30% in line with retail trends in South Africa, for instance (Shoprite, 2017). Asset turnover remained flat at 1.27 times. LUL requires R300 000 to implement the strategy outlined in this research. It is suggested that R250 000 come from debt while the remainder comes from the owners. If the business implements the strategy suggested in this research, it is forecast that the value of the business will be R1.243 million in present value terms by the end of the forecast period. That strategy should be implemented during the 2022.

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APPENDICES

A. Interview with LUL's Owners

Question	Response Explanation (Where applicable)
1. Briefly explain how you started LUL	The founder, Letitia, wanted to take good care of her hair and she wasn't satisfied with the hair care available as well as her experiences at the salons she visited. She therefore started experimenting with making products and doing her own hair at home. People started wanted the products which led to other ladies coming to her home. The business grew and they were forced to find business space. In as much as they are professional, customers must feel as if they are at home as opposed to the "next….next" salon culture. The business was officially registered in 2016.
2. Can you briefly describe your business background (i.e. business experience you had before starting LUL)	No previous business experience.

3. Which one of LUL's product ranges is the most critical for LUL's future growth?	Mainly the detangler as a product. The salon offers customized service according to each respective customer's needs. The treatments are pain free which is a big factor for most black women. Customers are educated so coming to the salon becomes a treat. This doesn't impact our share of wallet as even if a customer is based outside of Gauteng and coming into the salon, they are still using our products and therefore we are still getting that financial gain. The dreadlock market caters for about 30% of our income. It's a market that has been previously abused as they didn't know better. There is so much we offer to the dreadlock market.
4. Please list all the major competitors for your business.	Candy & Co who don't necessarily cater mainly for African hair; however they give a very good hair experience irrespective of race. When clients started moving from them to LUL, we realized they don't cater for natural hair. Jabu Stone caters mainly for dreadlocks. I've heard of brands that cater primarily for natural hair but haven't heard of a salon that offers what we offer in the way we offer it hence the clientele is stretching outside of Pretoria (where the business is based). Maybe we haven't really looked at our competition closely. {I had to tell them about AfroBotanics and Native Child who they had no clue about}.

	Our target is that you get the product and get the treatment under the banner of 'WOW' if the salon includes Caucasian segment and will be branded 'LUL' if it specifically for African market.
5. What are growth strategies you have for LUL?	We were given very good advice from a businessman from Botswana. He said, "never run a business. Let the business run itself. Don't hire office space if there is no customer etc.". We therefore allowed our business to grow organically as the demands were coming in. The founder had just had a baby when she started the business and was experiencing post portem hair loss issues. She then developed a range which catered to address the hairline issue. Other customers then started wanting and buying that product. We then started having many clients who were suffering from eczema and that's how we started the eczema range for clients who have it on the scalp and suffer hair loss as a subsequent. With some eczema, the hair falls out in patches. It is a hair range but some of the products can be used on the skin. The salon only uses LUL products and only sells LUL products for the Black market. The Group expanded into the Caucasian market through a partnership so the Caucasian market is treated and sold non-LUL products which are bought and stocked from trusted suppliers. The LUL products are manufactured by us – literally. The reason we haven't taken LUL to retail space is because retailers can track how well your product is doing and others can then replicate your product at a cheaper price

	and give it to your market. We would have a bigger market if we were in retail but the risk is too high. In retail you pay for space and competitors can buy bigger space and over shadow you. We are also franchising in order to cut down the costs of opening up more brick and mortar. We would rather than as opposed to being in someone else's shelf. We have a database of everybody who has ever bought our products so we know where the demand is especially considering the franchising model we envision.	
6. What is your preferred source of finance to fund LUL's growth? Discuss your reasons	A. Equity B. Debt	None
7. Explain your funding preference above.		Investors of any kind will dictate how you run your business and will share the spoils. We would rather grow slowly and organically
8. Would you trust someone to manage LUL's operations while	We still manufacture our own product and very guarded when it comes to our IP. We have also allowed our business to grow organically and that has worked well. We don't	

you focus on the business' strategic management? Why or why not?	have a strong enough conviction at the moment to allow other people to manage our operations. We would be involved in training the stylists that would work at the franchised salons.	
9. Which market segment does LUL serve?	A. Low income B. Middle income C. High income D. Customers at all income levels	The LUL customer is an established woman who has a job, children and doesn't necessarily want to do her own hair.
10. List all your current marketing channels and discuss which one(s) is/are the most effective to LUL.	We've never printed a poster. Our business and brand has been built online, which is a powerful platform and reaches customers in all geographical areas. We have used Facebook, Instagram, Twitter. We've also used whatsapp and word of mouth. We've also been featured on Destiny Magazine and have been on radio. We don't have a website as they are archaic and we didn't have the manpower to run a website. We're planning to be more aggressive on blogs.	

11. What would you say is the major challenge for growing LUL nationally?	A. Your skills B. Finance C. Selling and distribution logistics D. Insufficient national market E. Other (Specify)	The brand is relatively well known. The major challenge is perhaps the finance as we believe in organic growth and not keen on being financed.
12. On average, how much do you sell per month?	A. Below R10,000 B. R10,000-R20,000 C. R20,000-30,000 D. Above R30,000 (specify)	Can't specify
13. List your major expenses and your strategies to control such costs.	Rental costs which we are mitigating by sharing the space with our partners. Cost of the stylists but we ensure that they are well trained so as to provide quality service which will yield return on investment.	

Question	Response Explanation (Where applicable) The founder, [Lucy], wanted to take good care of her hair and she wasn’t satisfied with the hair care available as well as her experiences at the salons she visited. She therefore started experimenting with making products and doing her own hair at home. People started wanted the products which led to other ladies coming to her home. The business grew and they were forced to find business space. In as much as they are professional, customers must feel as if they are at home as opposed to the “next….next” salon culture. The business was officially registered in 2016.
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4. Please list all the major competitors for your business.	Candy & Co who don't necessarily cater mainly for African hair; however they give a very good hair experience irrespective of race. When clients started moving from them to LUL, we realized they don't cater for natural hair. Jabu Stone caters mainly for dreadlocks. I've heard of brands that cater primarily for natural hair but haven't heard of a salon that offers what we offer in the way we offer it hence the clientele is stretching outside of Pretoria (where the business is based). Maybe we haven't really looked at our competition closely. {I had to tell them about AfroBotanics and Native Child who they had no clue about}.

	Our target is that you get the product and get the treatment under the banner of 'WOW' if the salon includes Caucasian segment and will be branded 'LUL' if it specifically for African market.
5. What are growth strategies you have for LUL?	We were given very good advice from a businessman from Botswana. He said, "never run a business. Let the business run itself. Don't hire office space if there is no customer etc". We therefore allowed our business to grow organically as the demands were coming in. The founder had just had a baby when she started the business and was experiencing post portem hair loss issues. She then developed a range which catered to address the hairline issue. Other customers then started wanting and buying that product. We then started having many clients who were suffering from eczema and that's how we started the eczema range for clients who have it on the scalp and suffer hair loss as a subsequent. With some eczema, the hair falls out in patches. It is a hair range but some of the products can be used on the skin. The salon only uses LUL products and only sells LUL products for the Black market. The Group expanded into the Caucasian market through a partnership so the Caucasian market is treated and sold non-LUL products which are bought and stocked from trusted suppliers. The LUL products are manufactured by us – literally. The reason we haven't taken LUL to retail space is because retailers can track how well your product is doing and others can then replicate your product at a cheaper price

	and give it to your market. We would have a bigger market if we were in retail but the risk is too high. In retail you pay for space and competitors can buy bigger space and over shadow you. We are also franchising in order to cut down the costs of opening up more brick and mortar. We would rather than as opposed to being in someone else's shelf. We have a database of everybody who has ever bought our products so we know where the demand is especially considering the franchising model we envision.	
6. What is your preferred source of finance to fund LUL's growth? Discuss your reasons	7. Equity 8. Debt	None
7. Explain your funding preference above.		Investors of any kind will dictate how you run your business and will share the spoils. We would rather grow slowly and organically
8. Would you trust someone to manage LUL's operations while	We still manufacture our own product and very guarded when it comes to our IP. We have also allowed our business to grow organically and that has worked well. We don't	

you focus on the business' strategic management? Why or why not?	have a strong enough conviction at the moment to allow other people to manage our operations. We would be involved in training the stylists that would work at the franchised salons.	
9. Which market segment does LUL serve?	A. Low income B. Middle income C. High income D. Customers at all income levels	The LUL customer is an established woman who has a job, children and doesn't necessarily want to do her own hair.
10. List all your current marketing channels and discuss which one(s) is/are the most effective to LUL.	We've never printed a poster. Our business and brand has been built online, which is a powerful platform and reaches customers in all geographical areas. We have used Facebook, Instagram, Twitter. We've also used WhatsApp and word of mouth. We've also been featured on Destiny Magazine and have been on radio. We don't have a website as they are archaic and we didn't have the manpower to run a website. We're planning to be more aggressive on blogs.	

11. What would you say is the major challenge for growing LUL nationally?	A. Your skills B. Finance C. Selling and distribution logistics D. Insufficient national market E. Other (Specify)	The brand is relatively well known. The major challenge is perhaps the finance as we believe in organic growth and not keen on being financed.
12. On average, how much do you sell per month?	A. Below R10,000 B. R10,000-R20,000 C. R20,000-30,000 D. Above R30,000 (specify)	Can't specify
13. List your major expenses and your strategies to control such costs.	Rental costs which we are mitigating by sharing the space with our partners. Cost of the stylists but we ensure that they are well trained so as to provide quality service which will yield return on investment.	

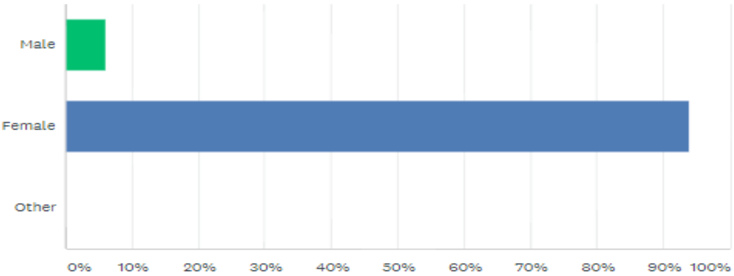
B. Results of Survey of Potential Customers

Q1

Customize Export

What is your gender?

Answered: 100 Skipped: 0



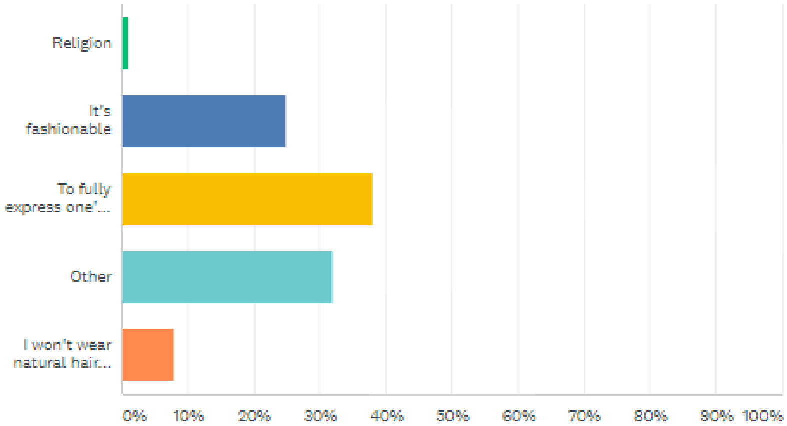
ANSWER CHOICES	RESPONSES	
Male	6.00%	6
Female	94.00%	94
Other	0.00%	0
TOTAL		100

Q2

Customize Export

If you don't currently have natural hair, why would you decide or recommend someone to wear natural hair?

Answered: 100 Skipped: 0



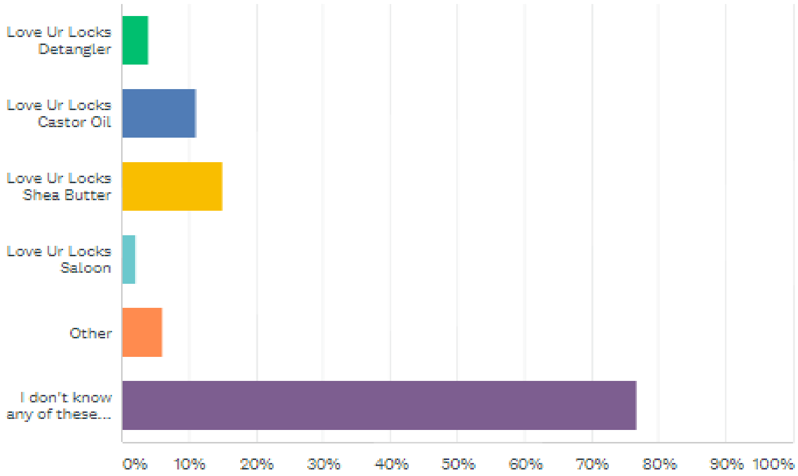
ANSWER CHOICES	RESPONSES	
Religion	1.00%	1
It's fashionable	25.00%	25
To fully express one's identity	38.00%	38
Other	32.00%	32
I won't wear natural hair any time soon	8.00%	8
Total Respondents: 100		

Q3

Customize Export

Select ALL products you know from the following hair care products?

Answered: 99 Skipped: 1



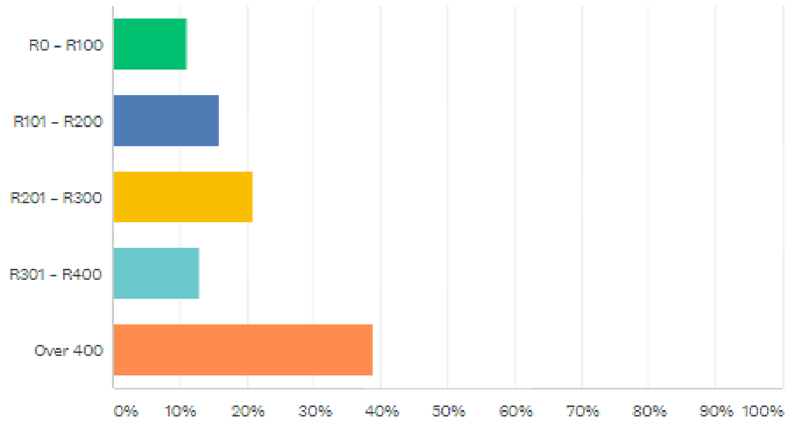
ANSWER CHOICES	RESPONSES	
Love Ur Locks Detangler	4.04%	4
Love Ur Locks Castor Oil	11.11%	11
Love Ur Locks Shea Butter	15.15%	15
Love Ur Locks Saloon	2.02%	2
Other	6.06%	6
I don't know any of these products	76.77%	76
Total Respondents: 99		

Q4

Customize Export

On average, how much do you spend on hair per month?

Answered: 100 Skipped: 0



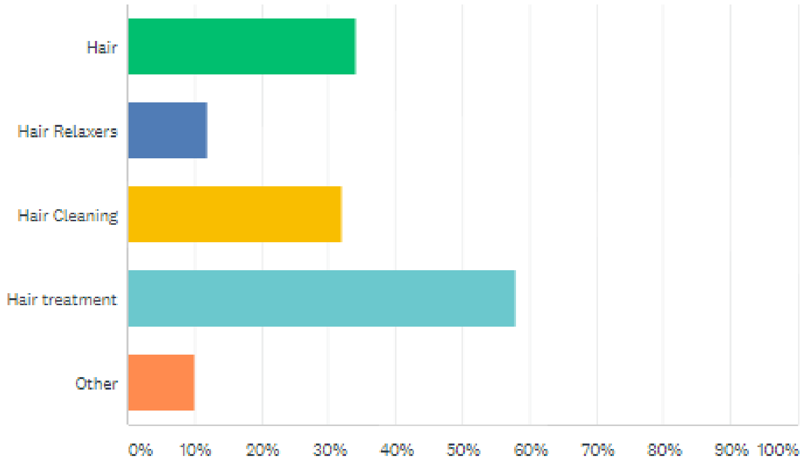
ANSWER CHOICES	RESPONSES	
R0 - R100	11.00%	11
R101 - R200	16.00%	16
R201 - R300	21.00%	21
R301 - R400	13.00%	13
Over 400	39.00%	39
TOTAL		100

Q5

Customize Export

Specify major hair care products that you buy.

Answered: 100 Skipped: 0



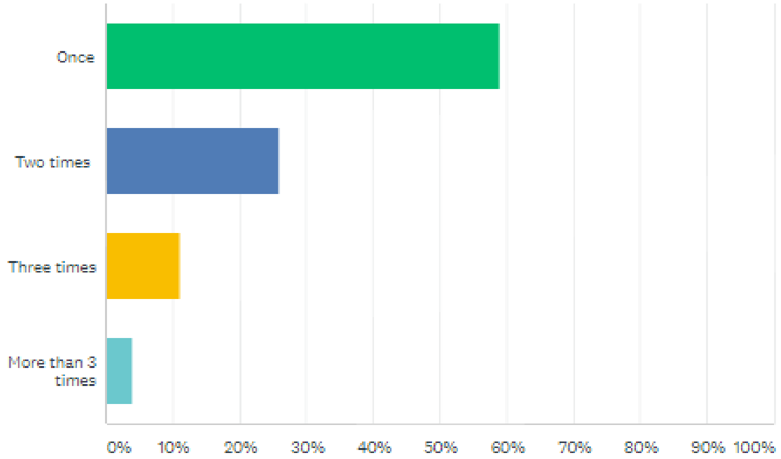
ANSWER CHOICES	RESPONSES	
Hair	34.00%	34
Hair Relaxers	12.00%	12
Hair Cleaning	32.00%	32
Hair treatment	58.00%	58
Other	10.00%	10
Total Respondents: 100		

Q6

Customize Export

How often do you visit a salon per month?

Answered: 100   Skipped: 0



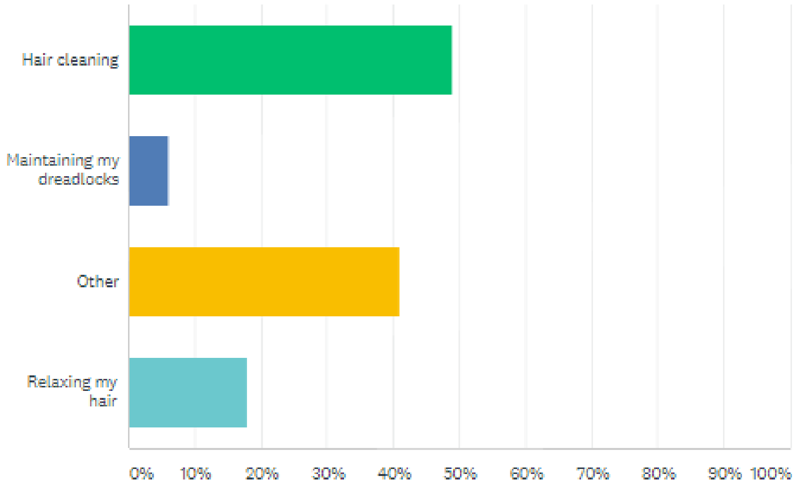
ANSWER CHOICES	RESPONSES	
Once	59.00%	59
Two times	26.00%	26
Three times	11.00%	11
More than 3 times	4.00%	4
Total Respondents: 100		

Q7

Customize Export

Which services do you visit the saloon for from the options given?

Answered: 100   Skipped: 0



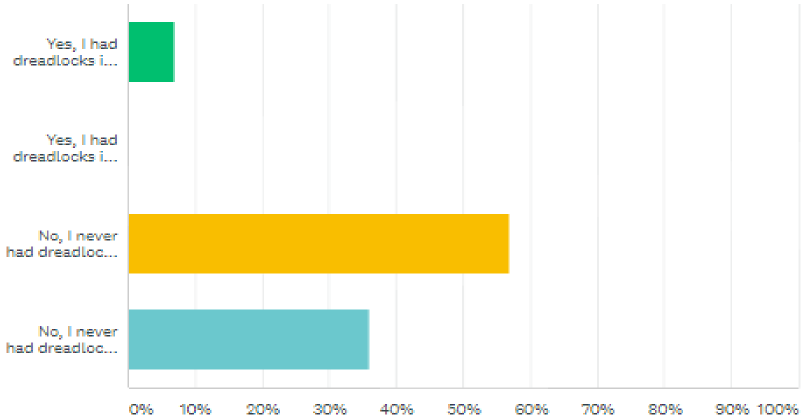
ANSWER CHOICES	RESPONSES	
Hair cleaning	49.00%	49
Maintaining my dreadlocks	6.00%	6
Other	41.00%	41
Relaxing my hair	18.00%	18
Total Respondents: 100		

Q8

Customize Export

Had you ever had dreadlocks in the past 6 months? If yes, would you like to have a product that detangles your dreadlocks should you feel you want to change your hairstyle instead of cutting your hair?

Answered: 100 Skipped: 0



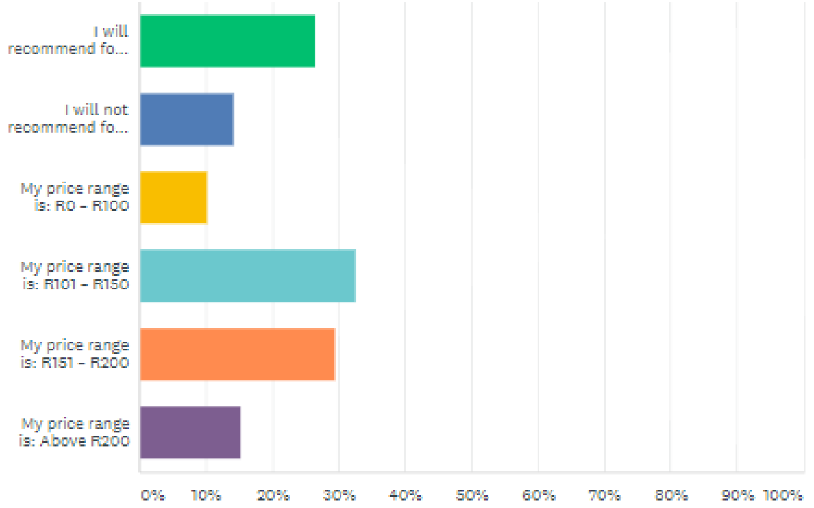
ANSWER CHOICES	RESPONSES	
Yes, I had dreadlocks in the past six months and I would love such a product	7.00%	7
Yes, I had dreadlocks in the past six months and I would NOT love such a product	0.00%	0
No, I never had dreadlocks in the past six months and I would love such a product	57.00%	57
No, I never had dreadlocks in the past six months and I would NOT love such a product	36.00%	36
TOTAL		100

Q9

Customize Export

If you would love the product in 8 above, what price range would you be willing to pay? Say whether you can recommend it for kids' hair.

Answered: 98 Skipped: 2



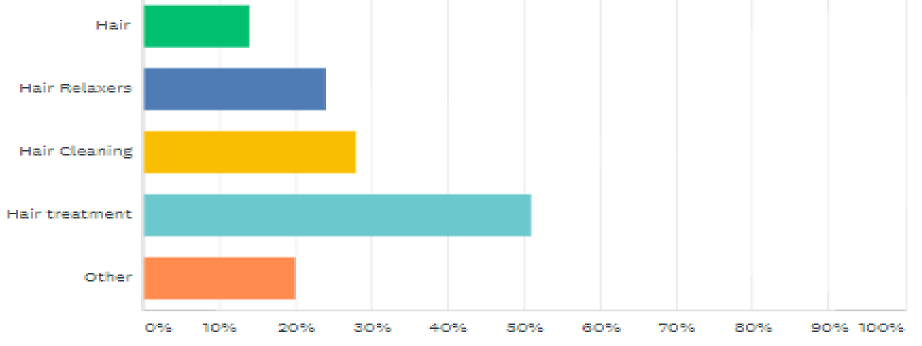
ANSWER CHOICES	RESPONSES	
I will recommend for kids	26.53%	26
I will not recommend for kids	14.29%	14
My price range is: R0 – R100	10.20%	10
My price range is: R101 – R150	32.65%	32
My price range is: R151 – R200	29.59%	29
My price range is: Above R200	15.31%	15
Total Respondents: 98		

Q10

Customize Export

Have you ever struggled to find an ideal product for your hair? Select from the given options

Answered: 100 Skipped: 0



ANSWER CHOICES	RESPONSES	
Hair	14.00%	14
Hair Relaxers	24.00%	24
Hair Cleaning	28.00%	28
Hair treatment	51.00%	51
Other	20.00%	20
Total Respondents: 100		

C. Interview of Current Customers (Sample)

Question	Response	Explanation (Where applicable)
CHAPTER 1. What is your gender?	4. Male 5. Female X 6. Other	
1. What is your age?	• Below 18 • 18-30 • 30-40 X • Above 40 X	
2. What is your employment status?	• Employed X • Unemployed	
3. Did you ever wear natural hair in the past 6 months?	• Yes X • No	4.
• If yes, why did you decide to go natural?		Due to hairline issues from plaiting. Media. Black is beautiful movement. Was tired of relaxing, sensitive scalp which gets worse with relaxers Had dreadlocks for a very long time and decided to go back to hair.Untangled them with the LUL detangler
• On average, how much do you spend on hair per month?	A. R0 – R100 B. R101 – R200 C. R201 – R300 D. R301 – R400 X E. Over 400 X	5. Products lasts for a very long time so can't really say. Washes her own hair.
6. Specify major hair care products/services that	A. Hair Relaxers X B. Hair Cleaning X	Conditioner as washes hair at the salon

D. Survey Cover letter (Central Machigan University, 2010)

Date:

Dear Participant:

My name is Precious Ntokozo Bhengu and I am a graduate student at Wits Business School. For my final project, I am examining possible ways to upscale an existing business**.**

As part of the project, I am researching for aspects relating to natural black hair and have chosen you as a respondent. I am inviting you to participate in this research study by completing the attached surveys.

The following questionnaire will require approximately 20 minutes completing. There is no compensation for responding nor is there any known risk. In order to ensure that all information will remain confidential, please *do not* include your name. Copies of the project will be provided to my Wits Business School supervisor. If you choose to participate in this project, please answer all questions as honestly as possible and return the completed questionnaires promptly by e-mail. Participation is strictly voluntary and you may refuse to participate at any time.

Thank you for taking the time to assist me in my educational endeavours.

If you would like a summary copy of this study please complete and detach the Request for Information Form and return it to me in a separate envelope. Completion and return of the questionnaire will indicate your willingness to participate in this study. If you require additional information or have questions, please contact me at the number listed below.

If you are not satisfied with the manner in which this study is being conducted, you may report (anonymously if you so choose) any complaints to the Wits Business School**.**

Sincerely,

Precious Ntokozo Bhengu

ntokozob.mba2017@gmail.com

Supervisor's Name: Dr McEdward Murimbika

Supervisor's Email: mcedward.murimbika@wits.ac.za

Detach here

****

Request for Information

Please send a copy of the study results to the address listed below.

Name: Precious Ntokozo Bhengu

Address: ntokozob.mba2017@gmail.com

Please do not return this form with your survey. Return to: **Precious Ntokozo Bhengu**

E. Editor's Certificate

LANGUAGE EDITING CERTIFICATE

This is to certify that the Master's Thesis titled:

Upscaling a small natural, black hair care venture specialising in unlocking dreadlocks into a national business

Authored by **Precious Ntokozo Bhengu**, has undergone thorough language editing and proofreading.

I confirm that the thesis has been reviewed for:

(a) Grammar
(b) Punctuation
(c) Spelling
(d) Sentence structure and clarity
(e) Consistency in terminology and language style,
(f) Cohesiveness and flow of ideas

The content of the thesis has not been altered beyond language editing.

This certificate is issued for submission of the above-mentioned thesis as a part of the requirement for the Master's Degree at the

University of the Witwatersrand.

Editor: Peisai Meja (BCompt, *Cum Laude* (UNISA), PGCE (UNISA), CFAIcba (SA)

MPk

Date: 10 October 2024

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