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An exploratory study into sustainability strategies adopted by Spaza Shops in the face of challenges

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Title

An exploratory study into sustainability strategies adopted by Spaza Shops in the face of challenges.

Student name

Busisiwe Nkantsu

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfillment of the requirements for the degree of Master of Commerce

Johannesburg, 2023

ABSTRACT

This study was carried out to determine sustainability strategies used by the spaza shops in the townships of Diepsloot, Cosmo City, and Alexandra. The spaza shop market is saturated and most spaza shops fail because of external and internal challenges. A fight for survival is paramount for such businesses and there is a great need for effective sustainable strategies. With very few studies on the success stories of these informal retailers, it is unclear how spaza businesses remain viable in the face of obstacles caused by both internal and external factors. Other studies have examined the sustainability issues affecting spaza retailers, but the goal of this study is to discover the strategies they use to stand out in a sector that is already saturated with competitors. This study was qualitative and exploratory in nature. To get more insightful data, spaza shops that have been operating for more than two years were chosen using a purposive sampling technique. Thirteen spaza shop operators participated in semi-structured interviews to gather information. The findings highlight the following strategies as crucial to the sustainability of the spaza shops: capitalising on business resources: marketing stratagems; selling selected products; having a competitive advantage; and partnerships with other businesses. The neighborhood crime watch associations that the business community established have been instrumental in reducing crime in the townships, which has allowed operators of spaza stores to increase operating hours. The spaza shops reported a reduction in loss of resources due to burglary and theft. The researcher recommends that business management and entrepreneurial support be acquired by spaza shop operators, the government should outsource skills development training for these retailers, and more partnership initiatives should be encouraged to promote sustainability.

DECLARATION

I, Busisiwe Nkantsu, declare that this research report is my work except as indicated in the references and acknowledgments. It is submitted in partial fulfilment of the requirements for the degree of Master of Management (ENVC) at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

(Busisiwe Nkantsu)

Signed at Bryanston

On the 8th day of November 2023

DEDICATION

This degree is dedicated to the one who understands the why of it all. To Him who sustained and kept me from stumbling and giving up when it was hard. My Lord and Saviour Jesus Christ may this be acceptable worship to You, for it was an impossible battle, but You overcame for me. Thank You.

ACKNOWLEDGEMENTS

It is with relief that I have come to this point, as this study has taken a rather lengthy period to complete. I received a lot of support from the following people whom I want to acknowledge for their contribution:

My family kept on encouraging me to continue despite all the challenges.

My Husband will probably never read this dedication or this research paper.

Thandokazi Maseti who made me feel like I was worth this degree.

My supervisor, Sikhumbuzo Maisela, who encouraged me and constantly assured me that the dream was achievable.

My editor Dr Mthobisi Ndaba

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INTRODUCTION

1.1 Introduction

This study aims to investigate sustainability strategies for spaza shops in Alexandra, Cosmo City, and Diepsloot and to determine the support measures required to help these establishments. Spaza shops in these townships are vital sources of income for many of the unemployed and those who are employed but own spaza shops to diversify their sources of income. This chapter outlines the context in which the study took place, the aims of the study, an overview of the research methods, and a chapter outline.

1.2 Context of the study

Over the past three decades, there has been a change in the economic landscape of the Township and a constant transformation of all stakeholders involved (Dlamini, 2015). Before 1994, the retail landscape in South African townships was predominantly informal businesses (affectionately known as 'spaza shops') offering domiciliary supplies to low-income earners (Ligthelm & Risenga, 2006; Ligthelm, 2008). Basardien, Parker, Bayat, Friedrich and Appoles (2014) say these are small informal grocery shops or convenience stores. They first appeared in the mid-1970s and got their name from a vernacular township slang term that means 'impersonation.' The Zulu verb 'isiphazamisa' also means annoyance or obstacle, which could refer to how these stores were perceived by privileged members of society and larger retail establishments or those who lived nearby and were bothered by foot traffic and noise (Madubela, 2021).

Basardien et al. (2014) attributed these changes to political and economic influences. One of these is increased migration to and from South African townships. The migration out of the townships was driven by the growing middle-class group that emerged after the political changes of 1994. Ligthelm and Risenga (2006) further revealed that irrespective of township residents' class advancement, many whose economic standing improved after 1994 chose to remain in townships instead of moving to the suburbs. This increased disparities in customer preferences and influenced how the population shopped (Ligthelm, 2008). It also became a significant attraction for formal businesses that saw opportunities for potential growth in market share, customer satisfaction, and profitability for their companies (Tustin & Strydom, 2006).

These political and economic changes came with significant growth in retail infrastructure and amenities in townships, with an affiliated development of retail choices (Dlamini, 2015). This included the mushrooming of malls and formal shopping centres in response to customers' changing needs, which Ngwenya and Zikhali (2018) described as "the evolution of African shoppers." Companies such as Shoprite and Mr Price entered the township market to compete with

well-known stores immerse themselves in the market and compete on equal footing with spaza shops. According to Madubela (2021), they have built containers that operate as spaza shops in some townships. Pick n' Pay also saw an opportunity to profit from the multibillion-rand informal economy and established a strategy in 2016 to franchise spaza outlets. This helps ensure the sustainability of these businesses by providing much-needed financial and business support. Pick n' Pay will benefit from this arrangement because they will be the sole suppliers of these spaza stores (Madubela, 2021).

These formal businesses have merged with the informal economy, altering the landscape of the township economy –enterprises and markets based in the townships (Udimal & Biyase, 2021). This economy is dominated by retail, i.e., spaza shops, fast food outlets, bakeries, shebeens, and hawkers (Scheba & Turok, 2020). Most of these enterprises are informal and operate within many industries, offering goods and services that meet township communities' various social and economic needs. The significance of this economy has gained political traction with Gauteng Province repositioning the Gauteng Enterprise Propeller (GEP), which is a funding vehicle for small businesses in the province, to be able to support these informal businesses (Mazwai, 2020). In addition, the Gauteng Provincial Office outlined the Gauteng Township Economic Revitalisation Strategy to effectively channel resources to revitalize the economy and provide possibilities for small township enterprises. The government is constantly investigating and examining issues that small businesses in townships confront to develop interventions to assist these businesses. However, more suitable conditions need to be provided for local businesses to thrive and develop into formidable businesses (Turok & Scheba, 2019).

Gaining a better understanding of the challenges affecting the growth and sustainability of informal businesses in townships and rural regions is critical for the state to re-evaluate its policy frameworks and make the required modifications (Mampheu, 2019). This could also aid state interventions in evaluating which elements demand immediate attention and which require upgrading to achieve their long-term goal of economic integration. As a result, establishing a forceful link between policy, execution, and outcome will considerably improve the results required for small-business growth (Mazwai, 2020). After all, the former premier of Gauteng, David Makhura, described the efforts of small businesses as "critical" for the country's economic growth (Gauteng Province: Economic Development, 2014).

Consequently, strengthening small-business trading capacities through empowerment initiatives will help to alleviate most socioeconomic inequalities in townships, particularly through their contributions. Despite the establishment and implementation of the Gauteng Township Economic

Revitalisation Strategy and the progress made since its initiation, according to the government's admission, the township economy remains on the periphery of the mainstream economy, with high levels of poverty, unemployment, and inequality (Gauteng Province: Economic Development, 2014). Spaza shops and other informal businesses are currently less supported than the formalised SMMEs (Wegerif, 2020). When policymakers develop growth and sustainability plans, informal businesses are often excluded because they need to be regulated, despite their immense contribution to curbing poverty and unemployment. The government must address issues around funding distribution as most township enterprises cannot access Small, Medium, and Micro Enterprise (SMME) funding, partly because the laws governing legal lending need to recognise informal businesses.

Mukwarami (2017) stated that the government of South Africa formulated supportive programmes and created structures to ensure that small-business enterprises are as productive as possible concerning their potential contribution to the overall economy. For example, the Ministry of Business Development ran the Informal Traders Upliftment Project (ITUP) to provide skills and infrastructure for 1000 owners of spaza shops and other informal businesses throughout the country (Ramsuraj, 2020). However, these efforts need to be reflected, as they are not scratching the surface. For example, as Du Toit (2020) estimated, the spaza shop market has over 100,000 stores around the country.

1.3 Problem Statement

In a country with vast socioeconomic challenges and regulatory problems, the informal retail industry still needs to grow in growth and sustainability because of all the barriers it presents (Monyebodi, 2021). The state's remedies have reflected this sector's ongoing undervaluation and destruction, which is detrimental to traders, suppliers, and clients (Wegerif, 2020). As it has been explained, despite the initiatives of the government to provide support to the owners of small grocery shops, the prospects for the survival and sustainability of a significant proportion of spaza shops appear uncertain. This is despite many efforts by industry players to highlight the important role informal businesses play in the economy. However, the literature indicates that despite socioeconomic difficulties, spaza shops continue to proliferate all over the country (Du Toit, 2020). This demonstrates their resilience and their potential capacity to reduce poverty. Therefore, this study seeks to understand how spaza shops thrive despite the township economy's challenges.

Though existing studies such as work conducted by Mukwarami and Tengeh (2017) and Masibane et al. (2020) played an integral role in unearthing the issues of viability and sustainability of

informal retailers, namely spaza shops, few have elucidated the phenomenon of alleged actions taken by successful informal retailers to cope with increasing challenges. Existing literature, such as the work of Kgaphola, Tawodzera, and Tengeh (2019), Hare and Walwyn (2019), and Masibane, Godfrey and Robertson (2020) pay special attention to the issues inhibiting the growth and sustainability of spaza shops. However, more about coping strategies, practices, and systems need to be understood. These spaza shops were implemented to ensure their survival.

This study seeks to discover existing strategies adopted by competitive spaza shops. Much of the literature speaks to the reasons for the high failure rate. However, there needs to be more literature explaining how these capital-stricken informal businesses have survived in the face of tough competition from formal retail and the challenges imposed by the volatile social and economic environment.

Basardien et al. (2014) indicated that spaza shops that managed to achieve growth and sustainability cooperate and purchase goods in bulk as they gain market share through price manipulation. Findings of a study of success stories of rural youth-owned spaza stores in Limpopo, conducted by Kativhu (2022), support the argument by Basardien et al. (2014). Furthermore, they indicate that other methods make up these sustainability strategies besides bulk purchases. However, Kativhu (2022) indicates that more research is needed on this topic to discover practices used by successful spaza shops. There is currently not enough research done on this specific topic of sustainability strategies of spaza shops. The inadequate research work on this subject is concerning as understanding the sustainability strategies in this industry will help grow the industry of spaza shops by giving insight into best practices that will improve sustainability. This research work will give insight into the challenges and sustainability factors in this industry and no such work has been done in these three Townships. Therefore, this study explores strategies spaza shop operators employ to ensure growth and sustainability in the face of challenges.

1.3.1 Research Questions

Primary Research Questions

- What strategies are employed by spaza shop operators to ensure growth and sustainability in the face of challenges?

Secondary Research Questions

- What resources are spaza shop operators leveraging to sustain their businesses in this competitive market?

- What are the biggest threats to the sustainability of spaza shops?

1.3.2 Research objectives

This study seeks to explore the coping and sustainability strategies applied by the informal retailers in Alexandra, Diepsloot, and Cosmo City. To achieve this aim, this study has the following objectives:

- To discover strategies employed by spaza shop operators to ensure growth and sustainability in the face of challenges.
- To find out what resources spaza shop operators leverage to sustain their businesses in this competitive market.
- To ascertain threats to the sustainability of spaza shops.

1.4 Significance of the Study

This study contributes to the growing body of literature that seeks to understand the township economy in South Africa by looking mainly at township spaza shops. It also generated valuable insights from township spaza shop owners from which lessons can be drawn about sustainable entrepreneurial strategies in this sector and implemented by other spaza shop owners. The findings of this study can provide valuable insights for policymakers and developers of programs aimed at supporting informal business owners in South Africa.

1.5 Delimitations of the Study

The study covers informal spaza shop operators who have been in operation for more than two years. These businesses are not registered and have no official records in the government database. This is because the failure rate of these establishments is said to be more than 75% within the first year of their commencement (Fatoki & Odeyemi, 2010). The participants are operators of neighborhood-based independent spaza shops operating within three South African townships, i.e., Diepsloot, Cosmo City, and Alexandra. As part of the qualitative research methodology adopted for this study, interviews were conducted with participants during data collection.

1.6 Definition of Terms

The informal economy can be cooperatively described as unregistered small businesses operated from the street or established on residential sites (Adeola, Egibe & Muritala, 2019).

The township economy refers to businesses and markets based in the townships (Madubela, 2021).

SMMEs are defined as small, medium, and micro businesses (SMMEs) by the National Strategy for Small Business Development. These are independently owned enterprises that are not a part of any major chain stores(Gauteng Province: Economic Development, 2014).

Sustainability comprises balancing the economy, the environment, and equity factors.

Spaza shops: These are defined as businesses operating in a section of an occupied residential home or any other structure on a stand zoned or used for residential purposes and where people permanently live (Mollenkamp, 2021).

Informal Retailers: Unregistered or unlicensed retailers who engage in business without reporting it to tax authorities are considered to engage in informal retailing (Adeola et al., 2019).

1.7 Assumptions

The assumptions of this research are as follows:

- Respondents could understand the interview questions well enough to provide accurate and insightful answers.
- Participants will have extensive information on how to run spaza businesses.
- Participants will be able to articulate their experiences and have extensive knowledge of business practices adopted by their respective spaza shops.
- Both spaza shop owners and non-owner operators will be able to provide insightful information about the business strategies.

CHAPTER 2: LITERATURE REVIEW

Introduction

Spaza shops are an essential part of the informal economy in developing nations, and they substantially impact employment and income generation for people experiencing poverty. While this is true, there are several other factors to consider that derail and inhibit the sustainability of these micro-businesses into fully-fledged, profitable, and sustainable enterprises. In this chapter, the researcher explores the literature on the informal sector and its significance in South Africa. The researcher starts by looking at the position of informal retailers in total retail and examining factors that are driving spaza-shop sustainability or barriers thereof.

The researcher profiles the spaza shop and defines sustainability before delving deeper into the barriers of sustainability, drawing information from different sources as from these inhibitors. One can ascertain solutions and strategic plans for sustainable businesses in this market. This chapter will conclude with the drivers of sustainability as recommended by various scholars. Considering these elements, gaps in knowledge and practice are identified and pointed out. This study will fill this knowledge gap in the context of South Africa.

2.1. Background Discussion

The development of formal retail stores in townships, amongst other things, has contributed to the unsustainability of most spaza shops in townships (Dlamini, 2015). Mukwarami and Tengeh (2017) agreed with Dlamini (2015) but added that there are other factors affecting the sustainability of spaza shops, such as the operators' lack of business skills, lack of access to credit and financial support, crime, and lack of bargaining power with suppliers. In addition, some factors that speak to the sustainability or lack thereof of spaza stores include the reasons the business was established in the first place.

Berner, Gomez and Knorringa (2008) investigated business sustainability factors in their study. They concluded that the most effective and profitable enterprises in the informal sector took advantage of favourable opportunities with built-in sustainability plans. In essence, they claimed that enterprises with limited sustainability tend to have started to get out of poverty and unemployment. Furthermore, their data suggest that survival rather than expansion drives unsuccessful entrepreneurs. Thus, survivalist businesses primarily serve as a safety net to prevent further impoverishment.

Mollenkamp (2021) established that sustainability entails balancing the economy, environment, and equity factors. Since most spaza shops were founded primarily to escape poverty rather than as an investment portfolio, they are challenging to sustain in the face of environmental and economic changes. Ruzek (2015) explained that' economic sustainability emphasises preserving the natural resources that provide the physical inputs for economic output. The term 'environmental sustainability' places more focus on the need to preserve life-sustaining ecosystems, and 'social sustainability' (equity factors) emphasises how economic systems affect people. This category includes initiatives to end hunger and poverty as well as efforts to reduce inequality.
According to Ruzek (2015), the term 'sustainability' was first used 'officially' in a study conducted by the World Commission on Environment and Progress in 1987, which defined it as development that meets present demands without harming future generations' ability to meet their own needs.

Oakes (2022) noted that the ability to support or maintain processes constantly across time is what sustainability is all about, as this concept aims to stop the depletion of natural or physical resources so that they will be accessible for a long time in commercial and policy contexts. In commercial settings, sustainability has effects that go beyond the environment (Mollenkamp, 2021). Mollenkamp (2021) found that in the business world, sustainability ideals are more concerned with the impact that corporations have on society and the environment, with the goal of sustainable practice being to have a positive impact in at least one of those areas.

In a previous study, Sitharam and Hoque (2016) elaborated on the elements of the commercial environment, stating that they include both internal and external environmental factors and may impact a company's performance and viability. The internal environment consists of aspects of the business environment that the company can primarily manage (Leboea, 2017). They include needing more technological abilities, inadequate financial literacy, and lack of business management expertise.

The external factors are aspects that are outside of business control. Businesses can have sustainability and growth when they have these conditions in place. The researcher will use Oakes's (2022) definition of sustainability when addressing the research topic because the study aims to identify sustainability practices that have maintained spaza shops in townships for as long as they have under challenging circumstances.

2.2 The Expanding Informal Economy

In this section, the researcher reviews the literature on the informal economy, looking at factors that motivate and propel development in this sector. This economy has been ascribed a plethora of titles over the years, including 'shadow economy', 'underground economy', and 'black economy' (Losby, Else, Kingslow, Edgcomb & Malm, 2002). It is a sector of the economy that is not regulated and does not contribute to taxes (Ruzek, 2014). According to Monyebodi (2021), the uncontrolled, non-formal sector of the market economy generates goods and services for sale or other forms of compensation. Similarly, Ligthelm (2013) suggested that the informal economy can be cooperatively described as unregistered small businesses operated from the street or established on residential sites like spaza shops, whilst formal businesses are often operated from sites or areas that are demarcated for business by local governments.

According to Moloi (2014), Keith Hart a British economic anthropologist was the first to put the informal economy notion into academic literature at the beginning of the 1970s. However, Bangasser (2000) dates it back to the post-World War II reestablishments of Europe and Japan in the 1950s and 1960s. Bangasser (2000) noted that rapid population growth and sizeable rural-to-urban migration in European and Japanese countries resulted in urban unemployment. As a result, the expansion of a potential labour force became much higher than urban employment growth in the context of limited economic development. According to Huang, Xue and Wang (2020), this type of economic setup, where the formal economy fails to absorb the demand for employment from the labour force, provides a breeding ground for the informal economic sector to grow.

Gërxhani (2004) stated that the informal economy is best understood when considered from three determining criteria, i.e., political, economic, and social criteria. Regarding the political criterion, this economy is described as illegal operating outside of government regulations. The economic criterion considers the informal economy as the sum of all income-generating activities, excluding those that involve contractual and legally regulated employment. According to Monyebodi (2021), it disregards all labour laws and regulations. Finally, the social criterion speaks to the social standing of individuals who run informal businesses (Gërxhani, 2004).

Ruzek (2014) suggests that the social standing of informal business owners may differ by the country's level of development, arguing that in developed countries, informal businesses can be started by any individual in society. In contrast, in developing economies, this sector is dominated by the poor, driven by poverty and survival skills. On the contrary, Adams (2009) argues that with the increased level of education of people who enter the informal sector, its reputation has shifted

from being seen as a safety net for those unable to find jobs in the formal sector. In a study of the informal sector conducted in 23 African countries, Adams (2009) found that there was a growing number of workers who see the informal sector as a desirable destination offering options to individuals looking to start their businesses rather than just a pit stops on the way to finding a job in the formal wage economy.

Adams' (2009) findings show that Sub-Saharan Africa's informal sector is rapidly growing and has supplanted traditional industries like mining, manufacturing, trade, and banking as a source of employment in certain places. Moreover, Adam (2009) indicates that the sector's size accounted for 42% of the gross domestic product on average, compelling governments to recognise its presence and significance for the welfare of those who work in it. In countries like Nigeria, Kenya, and Senegal, examples of this expansion of the informal sector can be observed on the streets and in small home-based companies. These companies offer food and small items for sale, traditional healers offer medical care, clothing is tailored, furniture is made, and cars are repaired.

Findings from a study in Nigeria and South Africa by Etim and Daramola (2020) suggest that factors that contribute to the growth of the informal sector are much more than the issues of poverty and survival suggested by Ruzek (2014). Etim and Daramola (2020) found that unemployment, wealth inequality among citizens, high tax burdens, an overburdened bureaucracy, inflationary tendencies, weak corruption control, lack of social protection, and survival inclinations were all contributing factors to the growth of the informal economy in these countries. The following section zooms in on the South African context of the informal economy in which participants of this study operate.

2.3 The Informal Economy in South African

The rise of informal economic activity in South Africa, particularly among Africans, cannot be explained without considering the apartheid era, where black people were denied access to the white-owned formal economy. Ligthelm and Risenga (2006) and Basardien et al. (2014) described the apartheid era as when oppressive and discriminatory policies governed and created a dual economic system characterised by the austere marginalisation of black people. The economic and political conditions under apartheid created a platform for the growth of the informal economy as the labour force that the regime could not absorb started their businesses in the townships to meet the demands of customers and create employment (Ligthelm, 2013).

South Africa is no exception to Gërxhani's (2004) theory that survivalist activities often drive the informal economy in developing countries. In apartheid, South Africa, most informal businesses

were started as a vehicle for survival in an economy that did not have enough supply to meet the actual demand for formal employment. As Moloi (2014) argued, African people's participation in marginal, tiny informal trading operations became a way of survival for those who could not enter the white formal sector and those who wished to augment their income from white employers. As a result, the informal economy grew despite the former regime's restrictions and laws, which made it difficult for informal businesses to succeed (Devey, Skinner & Valodia, 2006). However, as Adams (2009) maintained, people looking for supplementary income and those seeking to diversify their portfolios have had an impact on the expansion of this industry more recently as the desire for wealth creation and having multiple sources of income has grown significantly.

After reviewing the literature on the informal economy and its history in South Africa, it should be made clear that for this study, the researcher did not concentrate on all the informal businesses in townships but rather on the grocery retail sector, specifically spaza stores, as this is the researcher's primary interest. This is because, of all the businesses in the township, spaza stores are the most common, and they continue to be the business of choice for survivalists, investors, and first-time entrepreneurs due to the low entrance hurdles (Ligthelm, 2008).

Adams (2009) and Etim and Daramola (2020) contribute to the literature on factors that have led to the upsurge of the informal sector and have sparked curiosity about whether the same factors significantly impact the expansion and sustainability of spaza shops.

2.4 Spaza shops profile

To understand the growth and sustainability factors of spaza shops, it is essential first to understand the elements of these retail establishments and what they encompass. In profiling spaza outlets, Chebelyon-Dalizu, Garbowitz, Hause and Thomas (2010) explained that each spaza store is distinctive because it has undergone various experiences that have shaped it. Chebelyon-Dalizu et al. (2010) noticed that smaller shops sell snacks like candy, chocolates, fruit, scones, and chips, and larger stores provide daily necessities and resemble mini-marts. The ones resembling chain stores and liquor stores make the most money and attract consumers. Spaza shops can be in established neighbourhoods serving the middle class and informal settlements catering to the impoverished (Park, 2020). This study focuses on all types of spaza shops in the study sites that meet the 2-year criterion, regardless of size.

Due to supply-chain deficiencies, prices of goods sold at spaza shops can be marked up by 30% to 50% from wholesale pricing (Gastrow, 2019). Customers usually have a budget prepared before a deal because they know the high prices. Overall, customer purchasing habits are significantly

influenced by the brands and pricing of the goods at spaza shops. The primary reason spaza shops are unable to offer competitive prices is the method through which they procure their goods. Makhita (2017), for example, discovered that spaza retailers continue to source their inventory from wholesalers rather than going straight to the manufacturers for lower rates. According to Kgaphola et al. (2019), bulk purchasing can solve this sector's problem with stocking because manufacturers may be more willing to service spaza shops if they have a significant order. However, they will need help getting the manufacturers' attention because of the number of goods they purchase. Most manufacturers have a minimum requirement for purchasing products directly from them. This is one of the problems spaza shops deal with. Additional problems are shown in Table 2 below, along with their causes and effects on spaza stores.

In their study, Chebelyon-Dalizu et al. (2010) found that every problem spaza shops face has a fundamental cause and that if these root causes could be addressed, half the battle would be won. They observed that if more resources were devoted to educating and training spaza shop operators, these businesses would be formidable outlets because business knowledge would motivate them to seek out methods for improving their businesses and the ability to manage their finances better. These are internal issues that, if resolved, would undoubtedly alter the character of spaza shops (Chebelyon-Dalizu et al. 2010). They concluded that the key to resolving internal problems is education and training. This suggests that for spaza shops to be viable, both internal and external problems must be addressed. The following sections cover the literature on internal and external factors that affect the sustainability of spaza shops.

Challenge	Root Causes	The consequence of Spaza Shop
Business Knowledge	Lack of educational opportunities •Expensive skills training programmes	• Apprehensive about changing shop strategy • Lack the knowledge to improve shop practices • Lose money needlessly
Networking/ Purchasing Power	• Low bargaining power as a single spaza shop • Receive no discounts from suppliers	Charge higher prices
Distribution System	High crime rate • Transient nature of spaza shops • Poor market visibility	Lose time and money • More vulnerable to crime • Inferior access to goods

Crime	Banks nervous about providing loans to informal settlers • High loan costs	Deters owners from investing and expanding their spaza shops
Health	Inadequate access to health facilities • No backups if owners fall ill	Must spend time away from their shop • Shop inconsistently maintained

Table 2.1 Challenges spaza shops face (Chebelyon-Dalizu et al., 2010)

2.5 The Sustainability of Spaza Shops in a Volatile Environment

According to Kgaphola et al. (2019), the sustainability of spaza shops has reportedly always been a concern, with the majority going down within the first few years of existence. The literature suggests that a significant portion of spaza shop sustainability concerns is related to both external and internal factors (Moloi, 2014; Leboea, 2017; Mukwarami & Tengeh, 2017; Hare & Walwyn, 2019; Kgaphola et al., 2019; Masibane et al., 2020). External factors are those that spaza shop operators have no control over, such as competition, financial support, and crime, while internal factors are those they can manage, such as entrepreneurial skills (Leboea, 2017). In examining elements that impact small businesses' survival, Morrison, Breen, and Ali (2003) discovered that the human element one of the internal factors was viewed as the critical factor in determining whether a business succeeds or fails. Business management and entrepreneurship abilities are essential for those starting their businesses. The lack of these internal factors can damage their small businesses' success. Masibane et al. (2020) found that there is also a need for spaza shop operators to work together to share sustainability strategies.

In a study examining barriers to spaza shop sustainability, Moloi (2014) found that most participants cited business skills training as the most critical area in which they needed assistance. As depicted in Figure 2.1. below, which shows results in the support needs for spaza shops, financial support came in second, and crime was mentioned as a concern and a barrier to growth in participants' businesses. The following sections discuss the sustainability issues facing spaza shops: competition, lack of skills, finance, and crime. This is important because this study seeks to examine how spaza shop operators are affected by these and how if at all, they overcome some of these obstacles.

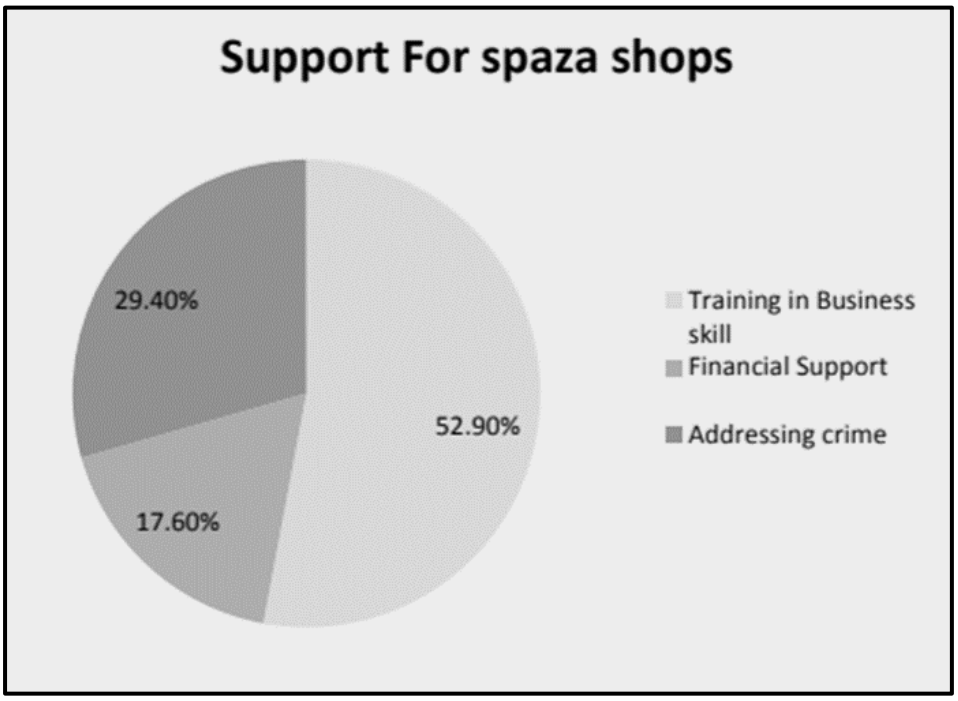


Figure 2.1 Support for spaza shops Source: (Moloi, 2014)

2.5.1. Competition

The spaza shop industry still faces considerable competition from formal and informal retailers. According to Moloi (2014) and Kenosi (2020), the majority of spaza shop operators' competitors are other informal retailers, with Moloi claiming that 80% of spaza shop competitors are other spaza shops. Kenosi (2020) added that other local businesses provided a barrier to continued expansion due to market saturation. For this reason, spaza shop owners were driven to identify a niche to gain a competitive advantage (Kenosi, 2020).

Notwithstanding Moloi's (2014) findings about the main rivals of spaza shops, there is a significant body of literature that suggests that formal retailers continue to have a substantial impact on the closure of spaza shop operations in the townships (Ligthelm, 2008; 2010; Dlamini, 2015 & Du Toit, 2020). The concern over how formal retailers and supermarkets may affect formerly disadvantaged urban societies in developing nations is growing (Ligthelm & Risenga, 2006). For example, in post-apartheid South Africa, large-scale grocery chains and corporate investors have flooded the township market primarily served by spaza shops to expand their market share (Charman, Bacq & Brown, 2019). According to Dlamini (2015), the construction of malls in South African townships is a consequence of efforts by major retail chains to establish and expand their market share while boosting their profits. The creation of jobs and an improvement in the standard of goods and services provided in these once-underprivileged regions of society are attributed to these improvements (Dlamini, 2015).

While acknowledging the beneficial effects these changes have had on customers' social welfare, Dlamini (2015) was also cognizant of the adverse effects caused by the shopping centres. As the literature suggests, formal retailers like Pick n' Pay, Shoprite Group, and other major retail chains in the food retail sector have harmed local informal retailers more than they have assisted them (Apps, 2004; Mathenjwa, 2010; Du Plooy, De Jager, Van Zyl & Mokgabudi, 2012; Liedeman, Charman, Piper & Petersen, 2013; Van der Heijden & Vink, 2013; Du Toit, 2020). According to Van der Heijden and Vink, (2013), the activity of spaza shops declined by about 20% because of the increase in formal shopping. However, studying the effects of shopping malls on small, informal businesses, Ligthelm (2010) found that retailers with a range of niche product offerings and a rural location have a higher chance of surviving rivals, whether they are formal or informal. Kativhu (2022) echoed these findings, arguing that rural spaza shops could be sustained despite the competition, citing the competitors' proximity as a factor increasing these rural spaza shops' chances of survival.

2.5.2 Skills Support

Hare and Walwyn (2019) state that skill development is critical to corporate success. Adams, de Silva, and Razmara (2013) argued that different environments, including classrooms, workshops, and the workplace, are used to develop skills. Adams et al. (2013) suggested that employers train their employees on-site and off-site through training programs offered by governmental, commercial, and non-profit educational and training institutions and by companies. This training may be completed to meet work requirements, improve abilities, prepare for new technologies, or learn how to create a new product offering (Leboea, 2017). However, the literature on skills development in the informal economy argues that this sector needs more formal training opportunities (Hare & Walwyn, 2019). The challenge is not unique to the South African informal economy, it is also evident in other countries, such as Tanzania and Nigeria, where the low level of education severely constrains the informal micro and small businesses, and the lack of managerial, marketing and production skills (Msuya, 2019). Working for another employer to gain job-specific skills, either formally or through an apprenticeship, before leaving to start one's own business is the most popular method of empowerment (Masibane et al., 2020).

The development of skills is particularly crucial in nations like India, where it was discovered that the informal sector dominated the country's economic activity. In a study that involved 49 street vendors, Pilz, Uma and Venkatram (2015) found that informal learning was an essential type of vocational education and training in India's informal businesses. Pilz et al. (2015) ascertained that spaza shop operators need to gain skills in conventional vocational education and training (VET) settings. For them, the chance to learn in family companies or unofficial employment is essential. In contrast to other studies, Pilz et al. (2015) findings demonstrate that street vendors have a broad range of specialised knowledge, skills, and expertise that they use to run their businesses profitably. These abilities cover more than just making and selling food. However, in South Africa, much like its counterparts –Tanzania and Nigeria, the challenge of skills development still needs much attention if this sector is to grow in revenues and become sustainable. Developing skills for the informal economy is critical for South Africa's economic development and the fight against poverty (Hare & Walwyn, 2019).

To identify the impediments to sustainability that spaza shop operators faced, Moloi (2014) asked spaza shop owners what they believed would be the best method to support them. Interestingly, they named skills to support their top requirement, contrary to the widespread perception that they

require financial support. Masibane et al. (2020) and Mukwarami and Tengeh (2017) echoed Moloi's findings, as did Ligthelm and Risenga (2006), who found that the majority of spaza shop owners lacked business skills and were either illiterate or had a low educational background. Mramba, Apiola, Kolog and Sutinen (2016). also found that informal micro traders have low business education across all industries. In addition, Mramba et al. (2016) found that spaza shops cannot develop competitive business strategies, such as reasonable selling prices and profit margins, because they need more business acumen.

For this reason, they can also not develop innovative business plans that would set them apart from their rivals. Instead, Masibane et al. (2020) suggested that individual entrepreneurs could benefit from business skills training provided by the local government in collaboration with non-profit groups. Such measures would convey the impression that the government cares about local economic development, which would help these businesses become sustainable.

Other researchers discussed how formal retail could help teach and develop small businesses in the township and improve their public relations (Ngwenya & Zikhali, 2018; Adeola, Egibe, & Muritala, 2019). Ngwenya and Zikhali (2018) reiterated that traditional retail should partner up with the government as part of their corporate social responsibility efforts to support the training of small entrepreneurs in townships to ensure that they are sustainable. Some traditional retail stores, such as Pick n' Pay and Shoprite, have been visible in the townships, even entering the market of spaza shops. However, in a study conducted by Madubela (2021), spaza shops complained that the work done by these companies is still that of competing with rather than uplifting small businesses. Madubela (2021) added that the idea that Shoprite is now penetrating the market with containers is driven by greed as they want to steal the market where they operate (Madubela, 2021). According to Madubela (2021), Pick n' Pay has attempted franchising spaza shops. The researcher added that this was at its initiation stage, but their efforts to upscale spaza shops and arm their franchisees with the much-needed skills are to be commended, even though this only reaches a fraction of spaza shop operators. Krige (1985) noted that the relationship between the formal and informal sectors has always been exploitive, whereas the formal always comes out with more benefits. However, the researcher further ascertained that if development and upskilling of this sector were to be developed in appropriate directions, it could create far more jobs to ease the pressure from the formal sector, enhance living conditions, and promote political stability.

Individuals working in the informal sector must be able to execute various tasks, and only some can afford to take extended leaves of absence from their jobs to attend training (Chebelyon-Dalizu et al., 2010). Msuya (2019) identified several challenges in skills development activities in South Africa. These include:

- The training offered by the public sector is theoretical.
- There are insufficient opportunities for practice.
- Programs offered are biased towards white-collar jobs.
- The courses must be more flexible and standardised to meet the multi-skilling needs of the highly diverse informal sector.
- Technical training is primarily focused on full-time students more than existing business owners in the informal sector.
- There is more focus on pre-service training than in-service training.

The government and other interested parties must address the hurdles of skill development to reach the status of India's street vendor business acumen if the informal sector is to advance and acquire sustainability strategies. Policies and initiatives aimed at increasing this investment must take precedence. The following section looks at the challenge of financial support.

2.5.3 Financial Support

According to Kenosi (2020), the lack of working capital can seriously affect a company's future. Sufficient working capital is critical to every business' financial health (Moloi, 2014). Many enterprises decide to submit funding requests to external sources to generate enough working cash to support their sustainability plans (Hare, 2017). A loan can bridge the gap between customer orders and supplier payments, enabling the company to meet its financial responsibilities. It can also cover short-term funding needs while giving the business the money it needs to thrive (Zikhali, 2018). According to Agupusi (2007), securing financial support, whether it is from a formal or informal institution, is essential for sustainability plans. When businesses have access to funding, they can take advantage of new opportunities (Farisani, 2022). However, as Kubone (2019) stated, township spaza shops need help to obtain financing, increasing their susceptibility and economic exclusion. Kubone (2019) added that this challenge is a significant barrier while establishing new businesses and in later phases when the business requires fresh cash infusions to support expansion.

According to Mukwarami (2017), typical barriers to small enterprises acquiring finance include insufficient collateral on the part of the spaza shop owner, a lack of credit history, and the inability to prepare a financial institution-acceptable business plan. Ngwenya and Zikhali (2018) agreed with Mukwarami (2017), citing spaza shops' inability to handle financial records as another reason. In addition, spaza establishments also need more understanding regarding government efforts that assist funding and development (Kubone, 2019). However, according to Mukwarami and Tengeh (2017), the issue is not that small business owners were unaware of government programs, but that they were not available.

The provision of development funds is one of the main strategies the South African government uses to promote the expansion and sustainability of small enterprises (Gauteng Province: Economic Development, 2014). This is because the SME sector helps to create jobs and serves as a catalyst for economic expansion. In Gauteng, the vehicle dedicated to economic development in the province, the Gauteng Department of Economic Development, has funding opportunities for spaza shops. However, according to Hare (2017), most spaza shop operators are despondent as they believe these financing programs must be designed for them. Hare (2017) specified that the government should be more deliberate in assisting spaza shop operators with financial and skills support since most township enterprises still need SMME funding. In addition, the regulations governing formal lending do not recognise informal businesses and lack statistics.

Most township spaza shops complain that neither the government nor other financial institutions support them (Kenosi, 2020). In agreement with Kenosi (2020), Mahajan (2014) and The Landscape Report (2019) both noted that spaza shop operators used their funds to establish their businesses, refinance them, and even make up for any operational deficiencies. According to a study conducted in Deipsloot by Mahajan (2014), family and friends serve as the critical source of credit in townships. In contrast, banks serve as the primary source of credit in metropolitan areas. Despite several attempts by the government and commercial institutions to solve the financial problem for the informal sector, proprietors of spaza stores still need to be more pessimistic about these efforts (Kubone, 2019). The corpus of data from several studies, as described in this subsection, demonstrates that there need to be more effective efforts to reach these informal shops. No inclusive financial systems exist, so low-income people must rely on their limited resources to invest in education, start enterprises, and other initiatives (Ngwenya & Zikhali, 2018). These restrictions could contribute to the continued existence of slower corporate sustainability. This

needs to be revised, considering that funding is a crucial component of sustainability efforts for small enterprises.

2.5.4 Crime as a Barrier

This section looks at the literature that points to crime as another barrier to the sustainability of spaza shops. A variety of crimes may impact businesses. While some crimes are noticeably worse than others, the fact remains that every crime has a negative immediate and long-term impact on any business (Moloi, 2014). A study conducted by the Presidency (2008) on over 300 respondents found that owners of small businesses were highly concerned about crime, feeling unsafe and worried about the impact it would have on their enterprises. They were also gloomy about any chance of relief, with two-thirds of them not predicting any drop in crime and more than a third anticipating an increase. This necessitates that small business owners exercise extreme caution in monitoring and managing the various forms of crime in a nation with such high crime rates (Fatoki, 2016). According to Yesufu (2021), the loss of goods or money caused by crime results in a direct cost to the firm and indirect expenses (costs related to security, break-in repairs, insurance, temporary business closure, and lost productivity). The likelihood of crime harming these businesses increases as they expand (Hare & Walwyn, 2019).

According to Tengeh and Mukwarami (2017), crime impacts the long-term sustainability of spaza shops since they are frequently targeted by robbers and thieves who equate them with having cash on hand. They argued that burglary is the most common crime that most owners face, but they are also subject to robbery. In an earlier national study, Ligthelm (2005) discovered that high crime rates, such as robbery and burglary, were the second most severe constraint encountered by spaza shops. The researcher added that there is a pressing need for spaza operators to pay close attention to safety measures. This is important because, following a criminal incident, many small business owners are reluctant to make significant investments in their business expansion (Makhita, 2017).

According to Mukwarami and Tengeh (2017), installing burglar doors may help to deter criminals to some extent. However, one of the best ways to help deter criminals is to join neighbourhood policing forums. This was also suggested by Moloi (2014). These forums ensure that members of the community work together to combat and prevent crime. Although cashless operations using bank machines could help, spaza shops are still primarily cash-based companies (Mukwarami, 2017). Presidency (2008) reported that over 80% of the informal businesses in the township reported having been terrorised by crime, as depicted in Figure 2.2 below. The statistic had not

changed much in 2014 as Moloi reported over 70% of spaza shops having been victims of crime at some point. Crime remains a challenge in most communities, and its effect on the sustainability of businesses is evident.

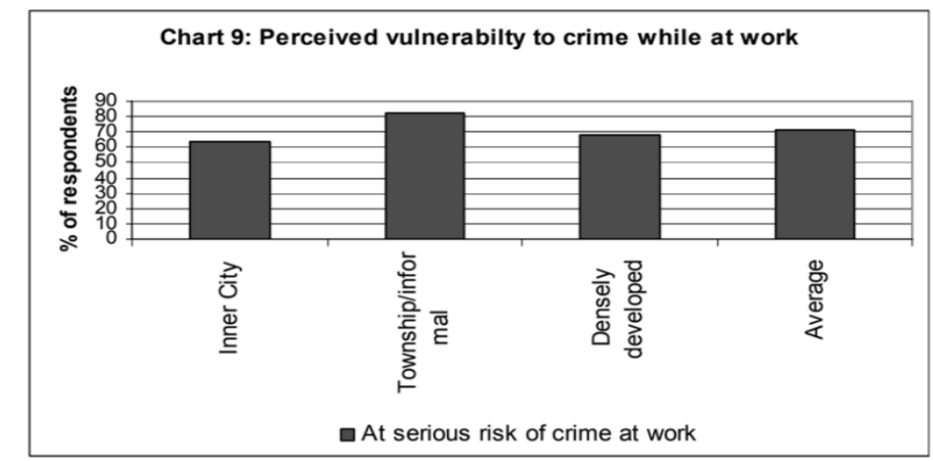


Figure 2.2: The impact of crime on small businesses in South Africa (Presidency, 2008)

2.5.6 Strategies for Sustainability

This section examines the literature on strategies spaza shops employ to ensure sustainability. This literature suggests that bargaining power is an essential strategy, and using competition, which ensures that bargaining power is formed, marketing plans and making sure that the company determines its competitive advantage are other strategies that have been identified in the literature as ways to ensure sustainable enterprises in the informal retail sector.

2.5.7 Bargaining power

According to Kativhu, Iwara and Mwale (2021), getting competitive prices for the goods and services informal traders sell is one of the critical elements affecting the spaza shops sector. Therefore, the strategy for purchasing stock and selecting service providers must be carefully considered, as it might determine whether the organisation floats or sinks. Makhitha (2017) surveyed 104 of these shops to ascertain the supplier selection criteria that small retailers in South Africa use to assess their suppliers.

Makhitha (2017) indicated that most independent retailers continue to purchase their goods from wholesalers despite having the option of buying directly from the manufacturers. Therefore, Makhitha (2017) concluded that spaza shops should establish buying associations representing them when purchasing and negotiating prices to increase their bargaining power. This gives them

bargaining power, which Chebelyon-Dalizu et al. (2010) described as the pressure that customers and consumers can apply to enterprises to persuade them to offer better products, better customer service, and lower costs.

Spaza retailers need more coordinated distribution network channels to buy bulk (Ravhugoni & Ngobese, 2010). According to Moloi (2014) and Dlamini (2015), one of the factors affecting sustainability in the spaza business is a need for more bargaining power, which causes their pricing to be uncompetitive compared to their rivals. Even though bargaining power is often regarded as a positive element preventing dominant suppliers from raising prices at the expense of customers, it has become clear that, in some situations, it may generate serious competition concerns. Ravhugoni and Ngobese (2010) highlighted concerns about the grocery retail market in South Africa, where the complainants contend that the bargaining power of larger retail outlets prevented the entry of small and medium-sized businesses into the grocery retail market. Additionally, they argued that increased bargaining power by large corporations forced spaza shops out of the retail grocery business. Therefore, the idea is to encourage spaza shops to develop initiatives to encourage and ensure that they can get bargaining power (Gastrow, 2018). As discussed in the next section, this can be assured by initiating coopetition, another sustainability strategy.

2.5.8 Coopetition' as a Strategy for Sustainability

Ray Noorda, the former CEO of Novell Inc., coined the term 'coopetition' in 1992 to describe the collaboration with companies that manufacture or offer complementary or related products (Baierl, Anokhin & Grichnik, 2016). Hare (2017) observed that competition, defined as contemporaneous collaboration and competition among competing business owners forming a strategic alliance that benefits the parties involved, is one of the elements helpful in running a sustainable spaza shop. Hare (2017) added that a challenge to sustainability was the need for more awareness among spaza shops of the significance of using this coopetition approach in their operations. Hare and Walwyn (2019) stated that spaza shops need to work together to establish forums that can help them purchase their stock in bulk and attain bargaining power. According to Liedeman et al. (2013), implementing coopetition methods by spaza shops makes them more sustainable despite the mounting problems. However, according to Phalatsi (2020), coopetition is a myth that only exists on paper.

Despite Phalatsi's (2020) views on coopetition, earlier research by Mukwarami (2017) and Hare and Walwyn (2019) suggests that competition has played an essential role in the development of sustainable spaza shops. Kativhu (2022) also found that in rural Limpopo, competition was one of the strategies used by some spaza shops. This has even inspired the Gauteng MEC for Finance and Economic Affairs to ask spaza store owners to negotiate higher discounts with wholesalers and have items transported to the intended location (Mukwarami, 2017). This has been promoted as a way for spaza shops to get better prices and save money. Therefore, to thrive in a highly competitive climate, small businesses must establish and maintain relationships with their suppliers, just like big corporations do. Makhitha (2017) stated that independent shops in long-term relationships with other rivals reported higher profits and market shares and relationship marketing should be encouraged because it improves independent retailers' performance.

2.5.9 Competitive advantage

Wroe Alderson is credited as this idea's forerunner by Kenosi (2020) and is said to be one of the first people to recognise that businesses should seek for distinctive qualities to set themselves apart from rivals in the eyes of consumers. According to Bednarz, Bieliński, Nikodemska-Wołowik and Otukoya (2017), competitive advantage gives a company a better position and enables it to be perceived differently from its rivals. Porter (1985) noted that competitive advantage might be based on either cost or the ability to distinguish the business from competitors in the same industry. For example, enterprises might use price reductions to attract more clients (Porter, 1985). Dlamini (2015) found evidence of the implementation of price reduction as most spaza shops used this tactic when other rivals entered the township market.

Nevertheless, it becomes a temporary solution when this strategy is driven by something other than the spaza shop's capacity to stock at a low cost. Kativhu (2022), who researched youth-owned spaza shop success tactics, concurred with Dlamini (2015) that this tactic was helpful in the short term but harmed profitability. As a result, resilience was not possible with the approach; only temporary survival was possible. Frederiksen (2018) stated that for a business to gain from the price reduction approach, it must combine it with other strategies and ensure it is done on selected items within a set timeframe.

Figure 2.3 below was used by Bednarz et al. (2017) to illustrate the benefits of businesses investing in competitive advantage techniques. Likewise, Caldieraro and Cunha (2022) lauded competitive

advantage strategies for their capacity to provide businesses with superior skills and resources, which in turn placed the business in a position to have better client value and comparatively lower costs, which resulted in consumer satisfaction, loyalty, profitability, and an increase in market share.

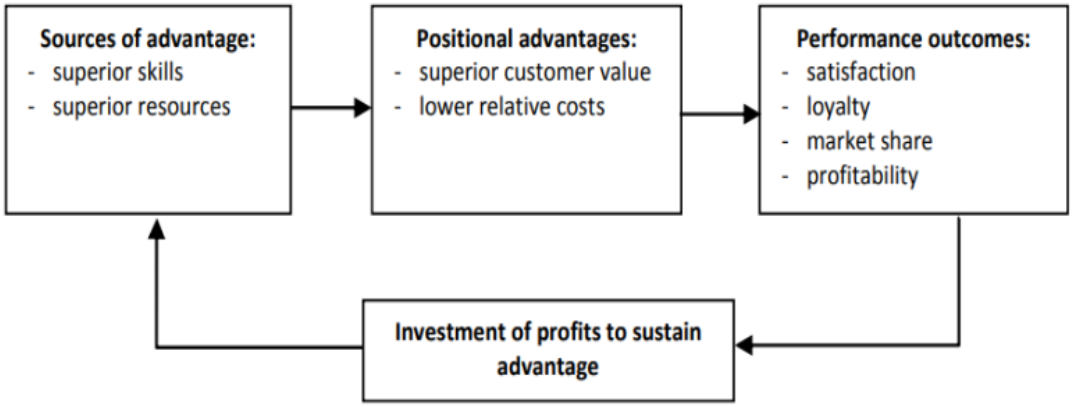


Figure 2.3 Elements of competitive advantage (Bednarz et al., 2017)

Dholakia, Dholakia and Chattopadhyay (2018), who conducted a study in India, described small retailers' tactics for being competitive in the market as based on innovation and constant adaptability. Examples were broadening product lines and lowering prices, improving visuals, creative thinking in adding services like home delivery, and even employing technology to enhance supply chain operations. However, due to contextual factors, Dholakia et al. (2018) may not necessarily apply to the South African market. This emphasises how context influences the many corporate methods used to maintain competitiveness. Kenosi (2020) found that competitive advantage became a survival strategy for spaza shops in Gauteng in the face of an increase in competitors. Makhitha (2017) stated that businesses with unique customer offerings have staying power in complex markets. Given the market saturation, the importance of cultivating this strategy in the spaza shop market has mounted (Kativhu et al., 2021).

2.5.10 Product Diversification

Lamb, Kunene and Dyili (2019) noted that spaza shops that did not adopt product diversification do not compete successfully in this saturated market. On the other hand, product diversification was one of the techniques used by spaza shop owners in a Limpopo village for sustainability (Kativhu (2022). Similarly, in a study on spaza shops, Mukwarami, Tengeh, and Iwu (2018) found

that most businesses had learned the importance of diversification. Kativhu (2022) maintained that this was a powerful marketing strategy utilised by spaza shops to expand their clientele and enhance the range of goods they offered. Hare (2019) and Kgaphola et al. (2019) emphasised the benefits of this strategy, noting that business owners have a higher probability of making sales if they stock a variety of products in their facility since clients can buy other goods when one is out of stock.

2.5.11 Marketing Plans

Spaza shops' involvement in market research is crucial (Kativhu, 2022). Market research can be conducted through observations of customer needs and conversations with customers. Thus, owners would understand customer needs and stock accordingly (Frederiksen, 2018). Furthermore, the results of a market study can help a company determine how to position itself effectively and develop winning marketing plans that will draw in customers.

According to Kativhu (2022), the main strength of successful spaza shops is their ability to market their businesses and good customer service. Mukwarami et al. (2018) found that customer relationships often drive spaza shops' marketing strategies. Masibane et al. (2020) stated that strategies such as credit lines are extended by spaza shop operators to foster closer ties with the locals they serve and increase client loyalty. Phalatsi and Chipunza (2019) substantiated this by adding that offering credit may also be a great marketing tactic to boost sales and profit margins by increasing the number of transactions.

When used effectively, sustainability strategies can be a potent instrument for fostering business expansion. Companies using a mix of these tactics experience rapid growth (Dlamini, 2015; Frederiksen, 2018). Coopetition techniques can increase spaza shop owners' negotiating power, while a competitive edge will set the company apart from rivals, and a strong brand differentiation strategy will enable a company to be more targeted in its marketing efforts and communicate directly to the most relevant audiences. In the case of Kativhu (2022), Limpopo spaza shops used these techniques to achieve sustainability. This study examines sustainable business practices in other regions to ascertain the current working strategies spaza shops use to respond to the challenges posed by their surroundings.

2.6 Theoretical framework

Wernerfelt (1984) introduced the resource-based theory (RBT), which served as the conceptual basis for this study. The researcher employed this theoretical framework to identify internal resource capacities that could guarantee business survival and sustainable competitive advantage. This theory was used to investigate resources spaza shops leveraged to obtain sustainability in their businesses. According to Wernerfelt (1984), these assets can be physical, like real estate, money, or a specific location, or intangible, like human resources. Human resources include knowledge and awareness, skills and expertise, customer service, reputation and status, entrepreneurial orientation, network dispositions, and inspiration that enables the development of specific capabilities for the success of spaza shops.

2.7 Conclusion of Literature Review

This chapter reviewed a wide range of literature about the informal sector and the factors influencing its sustainability. The main determinants of the sustainability of spaza shops in the township were identified in prior studies. There is a collection of literature that discusses the challenges encountered by these informal retailers. It is ascertained that the factors affecting the sustainability of spaza shops are both external and internal. The literature is flooded with suggestions for practical solutions to the socioeconomic problems spaza stores face. However, applying these solutions and the effects of such actions still need to be fully understood. Due to market saturation and internal and external obstacles, most spaza shops fail. For such organisations, sustainability is the priority, making a robust and long-term strategy a requirement.

Although there are established measures to support this sector, more work has been done because skill development and revitalisation plans still need to take off. Spaza establishments are thus left to utilise existing resources to survive. This study examines the sustainability strategies that spaza shop operators use to survive in a volatile environment. Even though several studies have examined the challenges and barriers to sustainability in this industry, more needs to be understood about the effective strategies adopted by sustainable spaza shops. The profile of a spaza shop and the difficulties these businesses face were described. Spaza stores' internal and external sustainability challenges were examined, along with solutions.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the approach used to collect the data presented in Chapter 5, a qualitative approach with an experimental research design. Elements of the research methods described in this chapter include the research type, the study site, the population, the unit of analysis, the sampling method and sample size, data collection strategies, data analysis, and study limitations.

3.2 Research Paradigm

Since the researcher was interested in the views of the spaza shop operators on what strategies they implemented to sustain their businesses, the study is qualitative. This paradigm helps identify factors that are not yet known (Bell, Bryman & Harley, 2018). In addition, the qualitative method allowed the researcher to explore informal retailers' experiences from their perspectives. Queirós, Faria and Almeida (2017) established that qualitative research comprehensively understands a given problem. Its objective is to harvest in-depth and explanatory data to understand the magnitude of the problem under analysis.

3.3 Research Design

Owing to the nature of this study, the researcher used an exploratory research design, which Stebbins (2001) describes as being used when a topic must be investigated in depth. Exploratory research is employed while attempting to comprehend an already-existing phenomenon and get fresh insight into it to define a more focused issue. This research design was pertinent for the researcher's inquiry into the sustainability strategies used by spaza shops. Phase one of this study's execution involved a secondary literature evaluation, while phase two used primary interview-based research.

3.4 Population and Sample

According to Welma and Kruger (2002), the research population comprises all the subjects, or participants who satisfy a given set of requirements. Singh and Masuku (2014) emphasised the significance of identifying the population from which the sample is collected to implement a sampling technique. For this study, the population consisted of spaza store operators in the townships of Cosmo City, Alexandra, and Diepsloot in the City of Johannesburg municipality,

which is the largest municipality in the Gauteng province and has a high prevalence of informal activities in this city. The researcher approached spaza shop operators during their operating hours since most of them start operating from 6 in the morning until 9 in the evening. After explaining to them the details of the research work being conducted, they consented to be interviewed. Given their location and the abundance of informal retailers within them, the selected townships are excellent study sites for an exploration of sustainable practices used by spaza businesses. Furthermore, they are not neighbouring one another and are dispersed around the Johannesburg municipality.

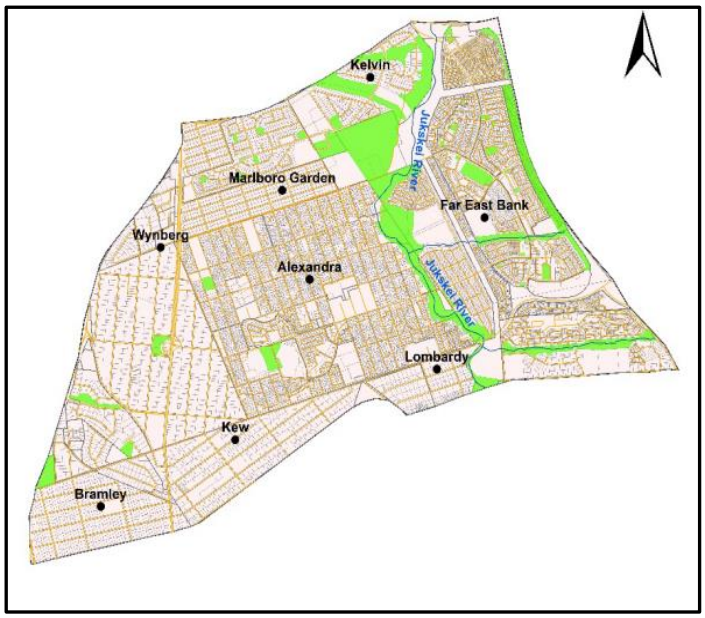


Figure 3.4.1 Map of Alexandra Township (Mawasha & Britz, 2021)

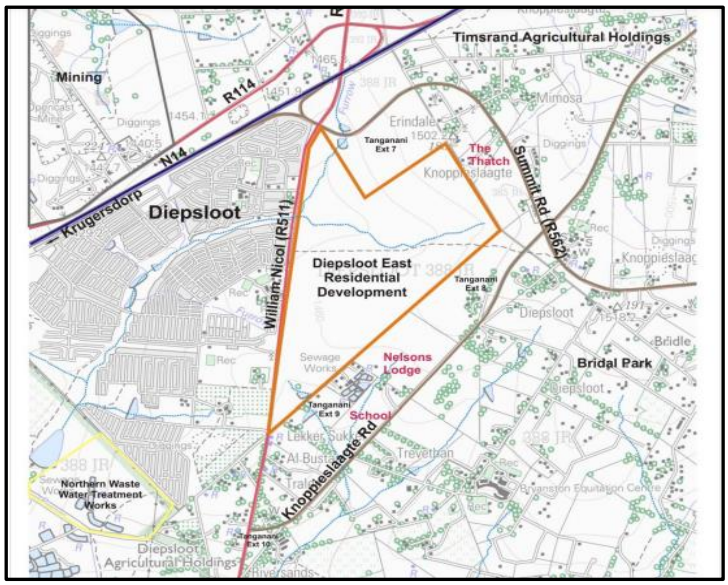


Figure 3.1.2 Map of Diepsloot (Martin & Otto, 2013)



Figure 3.4.3 Map of Cosmo City (Gopal, 2017)

3.4.1. Sampling Method

Purposive sampling was the most acceptable non-probability sampling approach for selecting spaza shops to be included in a sampling frame for this study. This was a heterogeneous purposive sampling technique, which ensured that many types and formats of spaza shops that competed for the same market were represented (Saunders, Mark & Lewis, 2018). Etikan and Bala (2017) ascertained that this sampling method is one where the researcher uses proficiency and judgment to select the sample that is most useful to the purpose of the research and enables the researcher to retrieve the best information possible. This sampling method allowed a more excellent range of viewpoints to be covered and different insights to be gained. It was also inexpensive, and the researcher purposefully selected individuals who were available and willing to provide the information based on their knowledge or experience. Etikan, Musa and Alkassim (2016) described this technique as non-random, needing no underlying theories. However, it has a drawback because the findings cannot be generalised and can be biased (Lopez & Whitehead, 2013).

The researcher adopted the purposive sampling strategy to find specific spaza shop operators who had been in business for more than two years. The researcher's premise was predicated on the notion that participants who have operated in the spaza industry for more than two years had more extensive data about their strategies than those newer to the industry. Furthermore, it is estimated that due to poor business acumen and other challenges, 65% to 75% of small businesses do not become established, failing within the first year of operation (Fatoki & Odeyemi, 2010), which is

why the researcher selected two years as the number of years considered as being sustainable for spaza shops.

3.4.2 Sample Size

Sample size refers to the study's overall number of units or participants (Yin, 2013). According to De Ruyter and Scholl (1998), a qualitative research study needs between 10 and 60 respondents. At the same time, the researcher conducted five interviews in Alexandra, four in Cosmo City, and four in Diepsloot. After conducting interviews with a total of 11 spaza shop operators and two employees, data saturation was attained. Data saturation refers to gathering data until no new themes and concepts arise from the interviews (Morse, 1995). With only three participants speaking English, most participants spoke Isizulu and Sesotho. The demographic profile of the participants is discussed below.

Demographics of sample					
Participant pseudonyms	**Position**	**Location**	**Business age(years)**	**Registration status**	**Products sold**
Mr. Nala	Owner	Alexandra	26	Not registered	Selected grocery items SA brands
Mrs Suzan Phiri	Owner	Alexandra	30	Registered	All grocery items SA brands
Sonto Tsotetsi	Owner	Alexandra	20	Registered	Selected grocery items SA brands
David Sibeko	Owner	Alexandra	13	Registered	All grocery items SA brands & Alcohol
Thabo Moloi	Owner	Alexandra	5	Not registered	All grocery items SA brands
Buhle Thomas	Employee	Diepsloot	8	Not registered	All grocery items SA brands
Vusi Cele	Employee	Diepsloot	16	Registered	All grocery items SA brands

Tom Nkasi	Owner	Diepsloot	11	Not registered	All grocery items SA brands
Ethel Ngwenya	Owner	Diepsloot	4	Not registered	All grocery items SA brands
Nozi Radebe	Owner	Cosmo City	3	Not registered	Selected grocery items SA Brands
Lovemore Ndlovu	Owner	Cosmo City	4	Not registered	Grocery items from various African countries
Thobe Mtuyedwa	Owner	Cosmo City	6	Registered	Zimbabwean Grocery list brands
James Mothe	Owner	Cosmo City	7	Registered	All grocery items SA brands

Table 3.1 Demographics of spaza shop sample

3.5 Research Instrument

The researcher employed semi-structured, one-on-one in-depth interviews as the primary data-gathering technique for this exploratory study. Morse (1995) hailed this approach for its capacity to assist in determining research priorities, gather background information on the subject, and provide in-depth insight into tactics, in this case, those employed by spaza shops to survive. Data was gathered from several respondents in three different townships, giving this research study a variety of viewpoints on the same subject. Since there was no database with a list of these spaza stores accessible, the researcher physically sought and evaluated the targeted spaza shops.

The semi-structured interview schedule (Appendix A) used in this research did not rely on predefined concepts and interview questions and allowed for investigating unanticipated themes and ideas. In addition, since the semi-structured questions used in this study were flexible, it was possible to record insightful remarks made during the interview, which were not answering specific questions posed under general comments. The development of interview questions mainly focused on asking open-ended questions to participants to prevent directing them along a specific path of thought and, more significantly, to obtain a detailed response that reflects the participants' perspectives on the topic (Saunders et al., 2018). According to Bryman and Bell (2011), open-

ended questions allow participants to respond freely to questions as they see fit, as opposed to closed-ended ones, which present participants with response options.

Moreover, the interview schedule included a mix of questions aimed at gathering data on business operators, the company's history, the competitive environment, the company's sustainability strategies, what informed these strategies, and how they were implemented (both failed and successful strategies). The interview schedule included follow-up questions to obtain more direct and unambiguous responses from the participants. When creating the questions, the researcher avoided what Bryman and Bell (2011) described as hazards in gathering relevant data to 34 obtain precise participant data. For example, the researcher avoided long, double-barrelled, leading questions and needed more clarity in inquiries.

3.6 Data Collection Procedure

The data was collected using an instrument used previously by Kenosi (2020), which made the instrument reliable. The researcher discovered during the interview sessions that spaza business operators replied better when the questions were conversational. The participants' consent was obtained before the interviews were recorded, and the researcher ensured their anonymity by using pseudonyms for spaza shop operators. The researcher recorded data using an audio recorder and occasionally using paper as well. Since most of the data was audio recorded, the researcher had the freedom to conduct interviews in person without worrying about getting all the details and was able to observe the mannerisms of the spaza business operators.

Participants consent (as attached in appendix C) to be audio recorded. However, the researcher discovered that occasionally they would reserve their responses and could only answer freely when the recorder was invisible to them. They were also informed (Appendix B) about the study's objectives so they may feel less concerned about the interviews and the eventual use of their data. Most of the interviews were conducted in the local vernacular (notably Sotho and Zulu), which were then translated into English during transcription. This was because some spaza operators could better express themselves in their native tongues. In this sense, the information gathered was accurate and true to their business operations.

The duration of the interviews was an average of 15 minutes. Data collection was done within five weeks. The face-to-face interviews in the participants' place of operation allowed the

researcher to observe the spaza shop operators in their natural settings. In addition, the interviews were conducted during the hours of operation because the operating hours for these spaza shops were from 5 a.m. until 9 p.m.

3.7 Data Quality Control Quality

criteria for qualitative research are credibility, transferability, dependability, and confirmability, as defined by Lincoln and Guba (1985). The researcher used the credibility and transferability criteria since this study aimed to ascertain best practices implemented by other spaza shop owners to sustain their businesses in the face of internal 35 and external challenges. Credibility establishes whether the research results represent authentic information drawn from the participants' original data and are a correct interpretation of the contributors' original sentiments (Korstjens & Moser, 2018). Furthermore, to ensure that the findings are transferable, the researcher provided a comprehensive description of the participants and the research process to enable the reader to assess whether the findings are transferable to their setting.

This is the transferability judgment (Amankwaa, 2016; Korstjens & Moser, 2018). Before the interviews, the researcher conducted a pilot study with three spaza store operators to test the interview questions. The insightful input the researcher received from these test interviews assisted in improving the final version of the interview. The researcher could see how the participants would respond to the line of questioning adopted for the study. The spaza shop owners were visited at their physical locations where they conducted business and were provided with the interview guidelines and a cover letter explaining the purpose of the study project. In addition, the letter protected the privacy and confidentiality of the information and their anonymity.

The participants primarily communicated in their native languages, namely IsiZulu and Sesotho. Communicating the interview questions in a language that spaza shop operators understood ensured that the data was reliable and authentic because participants were comfortable giving more informative responses and could confidently express themselves. The research interview questions had concepts foreign to the spaza shop operators as pre-determined in the pilot interviews. Conversing in their native languages enabled the researcher to translate the concepts and break them down into themes spaza operators could understand.

The term sustainability, as an example, was a concept that needed to be simplified and elaborated further so that the participants could give relevant and informative details of their staying power strategies. The researcher would ask questions, and once the participants responded, the researcher would often repeat the responses back to the participants for confirmation. These interviews were translated into English before transcription.

3.8 Data Analysis and Interpretation

Inductive thematic analysis an inductive thematic strategy was used to analyse all the data gathered from the 13 semi-structured interviews. Thomas (2006) defines the inductive approach as a systematic method for analysing qualitative data directed by pre-determined goals. Azungah (2018) suggests that the inductive approach's primary goal is to allow research findings to arise from frequent, dominant, or noteworthy themes inherent in raw data without the constraints imposed by organised approaches. Welman and Kruger (2001) define it as a method that carefully examines the content of the audio recordings to identify the frequency of themes and how they are portrayed. It involved gathering, analysing, and interpreting data, making connections, and expanding pre-existing theories once a more thorough understanding of the facts is attained (Saunders, Mark & Lewis, 2018).

Applying an inductive methodology allowed the researcher to let the ideas from the qualitative data analysis take the lead and show new themes and insights that may not have been discovered previously. The researcher meticulously examined the data to find repeating themes subjects, ideas, and meaning patterns (Braun & Clarke, 2006). When attempting to deduce something about people's thoughts, opinions, knowledge, experiences, or beliefs from qualitative data collection, such as interview transcripts, thematic analysis is an effective tool (Saunders et al., 2018). It offers users a great deal of freedom when it comes to understanding data, and it facilitates approaching enormous data sets by breaking them down into broad themes.

Data Analysis Process

Atlas TI, a qualitative data analysis software that analyses text data, was utilised to analyse the data obtained from the interviews. Researchers have previously used this program because of its reliability (Kenosi, 2020). Also, the information was entered into an Excel worksheet following each participant's answers to the interview questions. Next, the textual information was examined to identify themes and highlight various viewpoints. Then, following the thematic analysis

developed by Braun and Clarke (2006), data collected from interviews were transcribed, coded, categorised into themes, and new theories were drawn from the data. Finally, the researcher verified the themes emerging from the data using Microsoft Excel manual analysis to check for inaccuracies. The 37 researchers ultimately used Excel to finalise the conclusions of the results since it was simple to put data side by side to analyse differences and similarities in the concepts expressed by the spaza store operators.

Triangulation

The data in this study were analysed utilising multiple data analysis techniques for quality assurance. This concept is called 'triangulation of data analysis methodologies,' It is argued that this strategy improves the results' reliability (Terry, Hayfield, Clarke & Braun, 2017). Furthermore, it is reasonable to argue that the analysis and interpretation of the data is valuable content if the results obtained through a particular data analysis technique, such as thematic analysis, are consistent with the results obtained by analysing the same transcripts using a different technique (Farquhar, Michels, & Robson, 2020).

To strengthen the quality of this study, a combination of data and perceptual triangulation was used (Farquhar et al., 2020). In a qualitative study, the triangulation of data category employs qualitative data gathered from various sources, such as interviews with various informants at various times or observation of diverse settings or contexts (Patton, 1999). The points of view of participants at various levels or under varied circumstances functioned as the perceptual triangulation in this study, which was used to decode epistemic meanings.
Farquhar et al. (2020) mentioned that there is a triangulation category which is convergence, and it combines various data collection avenues. In this category, the evidence of triangulation can be proved when data includes but is not limited to interviews, media data, ethnographical observations, and minutes from meetings. In this study, the researcher adopted interviews and the observation of spaza shop operators in their natural operating settings to collect data.

Utilising triangulation conditions, the researcher ensured that data was obtained from a sample that presented diverse viewpoints due to differing years of operation, location in different townships, and the spaza shop products. As a result, each participant had a different viewpoint (different years of operation, management abilities, different backgrounds).

3.9 Limitations of the study

During the data collection process, there were a few issues that arose. First, although the researcher planned to conduct interviews before the spaza shops opened, this was not feasible because all the participants opened their stores between 5h00 and 6h00 in the morning and closed them at 9h00 in the evening. For this reason, it was impossible to have a sit-down discussion; thus, most operators answered the questions sometimes while providing service to clients. Even though they did not find this to be a distraction when 38 serving their customers, the researcher noticed that participants' train of thought would be occasionally broken, forcing the researcher to remind them of the conversation.

Although the study's objectives were explicit, there were a few instances where there needed more trust in its motives, particularly among people without South African identity documents. As a result, despite the researcher's assurances of confidentiality, some spaza business owners were reluctant to provide much about their financial situation. One situation presented a dilemma since the employee, who had only been working for the company for two months, could only respond to some of the researcher's inquiries. In two other instances, the operators were not business owners but had worked there for over two years and could respond to the interview questions. Despite considering the language issue and how it would be handled through an interpreter, the researcher underestimated the problem and needed a plan B for when the interpreter was unavailable.
The interviews ended up being brief with insufficient information, and the researcher had to arrange to interview other spaza shop operators who were available and met the criteria. The participants were permitted to record the interview, but the researcher noticed that their anxiety increased because they wanted to appear as polished and as possible tense. The researcher decided to hide the recorder to avoid further disturbances. The researcher needed to sit correctly with participants because of their operating hours. As a result, the researcher had to engage them in meaningful conversations rather than simply reading from a script, ensuring that all questions were still addressed. This meant that the interview questions had to be thoroughly understood by the researcher.

3.10 Conclusion

In this chapter, the researcher covered the research methods used to explore the tactics used by the spaza stores in Alexandra, Cosmo City, and Diepsloot. Since the researcher wanted to record and

summarise the opinions and experiences of the participants, the research was exploratory and qualitative. A purposive sampling methodology was adopted to choose the individuals who would make up the sample, and semi-structured interviews turned out to be effective methods for gathering the necessary data.

The inductive thematic approach was the data analysis technique employed in this study. Triangulation was used to strengthen the reliability of the data analysed, and the validity 39 and reliability of the research were assured. The chapter also covered the limitations the researcher faced while doing his study.

CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

This chapter presents research findings from the 11 spaza shop owners and 2 employees interviewed in Alexandra, Cosmo City, and Diepsloot. The researcher discovered several themes that emerged from the data, and this chapter will present the study results. The major themes were resources, sustainability strategies, and factors that threatened the sustainability of spaza shops.

What resources are spaza shop owners leveraging to sustain their businesses in this competitive market?

4.2 Resources

The results showed that spaza shop operators utilised tangible and intangible resources to sustain their businesses. Tangible resources were location, tangible assets (operation space and vehicles), equipment and machinery, neighbourhood watch, and human resources. In contrast, the intangible ones were skills, marketing resources, and relationships. The spaza shop operators described how their businesses utilised these resources to ensure sustainability.

Location

The participants stated that a suitable location was essential to running a sustainable business. The general view of the participants was that their location was good, and it worked for their businesses as it attracted many customers to their shops. Mr Nala specified, *"This location is good because it is safe here. We have patrollers at night to stop crime so that we can operate until very late."* Tom

Nkasi, even though he is from a different location, agreed with Mr. Nala when it comes to safety, stating, *"This is one of the busiest streets in Diepsloot, and it is close to the police station, so it is safe, and people come here at all hours of the day. So, we open early and close very late."*

Mr Nala and Tom Nkasi discussed the benefits of operating in a safe environment. A safe location means they can put in more hours in a day to sell their products, which assists in improving the business's profit margins and, in turn, sustains the spaza shops. Most participants agreed with Mr Nala regarding the safety issue in their locations, describing the peace and security they felt while operating their shops.

On the contrary, James Mothe agreed that his location was good as schools, churches, and parks surrounded him but complained about safety, stating, "*I have to close my business by 5 p.m. due to crime in this area."* Because of this, he cannot sell to customers late in the evening like his counterparts. Therefore, crime has impacted his businesses negatively regarding potential profits as he cannot compete on the same footing as his industry equals, and this can affect the spaza shop's sustainability in the long run.

Proximity to customers was another theme that participants agreed on. The customers had the convenience of shopping until very late at night, within a short distance from their residential area. Sonto, on the other hand, considered her location prime because of the traffic of drivers and walk-ins she attracted to her shop. *"As you can see, this is a prime location; many people are walking and driving. Our marketing items are loud; you cannot miss them,"* explained Sonto. Vusi described his location as one that 'works'. Vusi stated, *"This location works, it is visible, and we have been here for 16 years, so people know we are here."* He further described how his good location brought customers to his shop, which sustained the business in difficult conditions. Based on the data, it is evident that a good location is an essential resource for sustainability as it attracts customers who can spend money in the shop.

Operation Assets

Some of the themes from the data spoke to the significance of tangible assets such as operation space and vehicles as sustainability resources. Most participants described owning the operation space as a cost relief for their businesses. They explained that the rental expense would reduce their profit margins which can affect the sustainability of the spaza shops. Buhle Thomas described

how this operating expense relief assisted her business over the years: *"I think not paying rent for all these years and using our home electricity has helped my business."* Other participants spoke about the freedom and the relief of not dealing with the landlord.

Suzan Phiri stated, "*This is my space, and I can do whatever I like with it. I do not have to worry about dealing with the landlord and rental expenses."* The participants described the volatility of the spaza shop business, with other months yielding less than expectations. The idea that they did not have to worry about paying rent in such months is an advantage.

Most participants owned their operation space, while only 2 rented their spaza shops. On the contrary, the participants who rented their operating space described how this rental expense took away from their profit margins. Nozi Radebe described how rent reduced her profits, while Thobe Mtuyedwa felt that as much as the rent reduced her profits, the rental expense was affordable and did not significantly affect the business sustainability. She believed that a combination of other challenges and poor management of expenses could result in business failure.

The data also revealed that two participants owned cars, and they found this asset to be a good resource because it assisted them with buying stock, which can be costly. Both Sonto and David Sibeko stated that the only thing they had to pay for was petrol as they did not have to pay installments on their cars anymore. David Sibeko said, *"I had to buy a car when my business picked up because when deliveries are delayed from my liquor supplier, I can go pick it up myself."* Sonto owned a passenger vehicle, while David owned a van. Still, she agreed that the convenience of owning a car for running business errands made a significant difference as the stocking process could be done quicker instead of taking almost the whole day and taking time out of business operating hours.

On the other hand, participants who do not have cars have to depend on public transportation, and if they have the money, hire private transportation, which can be costly. The expense can mount up as stocking is often done regularly as the need arises. The public transportation also limits the spaza shop owners from purchasing sizeable quantities; as Ethel Ngwenya explained, *"I cannot purchase in bulk because I cannot afford to and also because I have to take taxis to go to the wholesale."* Because of this challenge, Ethel added that she ends up spending a lot of money on transport costs which impacts her profit margins and challenges the sustainability of her business.

Most participants who had no personal transportation also spoke about how this expense affected how they price their products as they had to add a higher markup, reducing price compatibility. If the prices are incompatible, their customers often complain and sometimes purchase the products from competitors, which is problematic for the sustainability of the spaza shop.

Equipment and Machinery

The participants mentioned several items which helped them achieve their daily goals. The results reported that airtime machines, bank card point of sale machines, Lotto machines and fridges are the main attractions for customers of spaza shops. All the participants had the airtime machine in their spaza shops because of the demand for the product. Suzan described how young and old customers purchase airtime and data daily, stating, *"You cannot live without an airtime machine these days; customers often come to purchase airtime and end up buying other products."* Participants echoed Suzan's view about the demand for the products and how they can bring new customers to the shops daily.

The participants described the importance of having a point-of-sale bank card machine. Spaza shop operators with these machines described how bank card customers would purchase more products than cash customers. The point-of-sale bank card machines also eliminated the issue of worrying about keeping enough change for customers.

Lovemore Ndlovu stated, *"I like it when customers bring cards because they often buy more stock, and I never have to worry about change."* Participants who used these card machines reported seeing a significant improvement in sales due to customers paying with their bank cards. Mr Nala reported having a point-of-sale bank card machine, but it was not yet connected, stating, *"We have a card machine which I bought for R1000, but it is still not connected. We know it will help us once it is, and the airtime machine is an excellent attraction."* Mr Nala added that he purchased the point-of-sale machine because his customers requested it.

Lovemore Ndlovu described how his point-of-sale bank card machine brought in more money, but Mr Nala, who has the same resource, is not enjoying the benefits of it because the machine still needs to be connected. This means that Mr Nala is losing Lovemore's money from this resource. The point-of-sale bank card machine is an essential resource for spaza shops. It improves the business's financial performance as customers no longer need cash to purchase their products, which is always good for sustainability.

Sonto reported having a Lotto machine, a significant resource for her spaza shop, as she claimed to have been on the verge of closing her spaza shop when she acquired the Lotto machine. "*I was about to close my shop because of market saturation, and this machine changed my life and gave my business a second chance*," stated Sonto. She added that the Lotto machine keeps her business sustainable, describing how the proceeds she receives from selling Lotto tickets give her more money than other grocery items.

All the participants had fridges in their spaza shops, and they commended this appliance for attracting customers as they could offer them cool drinks and keep products stored in a cool place fresh for longer. Mr Nala explained that their most significant investments in the 26 years they had been in operation were the two fridges they own. He said, *"These fridges came in handy, and we no longer have issues with products expiring because of incorrect storing place."* Most participants agreed that understanding how to store products is crucial as it also improves the quality of products sold to customers. They added that selling spoilt products could have been bad for business because the reputation of the spaza shop could be destroyed, and the business could lose customers, directly affecting the sustainability of the spaza shop.

Neighbourhood watch associations.

The crime watch associations came up consistently in the interviews as participants commended this initiative for being able to operate for longer hours than most businesses. The participants explained how forming and joining the neighbourhood watch associations benefited their businesses. They spoke about how since the initiation of these associations, they witnessed a reduction in criminal activities.

They spoke about how crime previously affected business sustainability because of theft and customers' inability to shop after sunset. To add to the advantage of operating for longer hours, they described how operating under safe conditions also created a good experience for the customers. Suzan Phiri reported, *"I open my spaza shop at 5 am and close it at 9 pm because I feel safe to do so, and my customers know that they can come through until late without the fear of being crime victims."*

Mr Nala also agreed with Suzan Phiri, echoing the benefits of creating a safe environment for customers stating,*" This location is good because it is safe here. We have patrollers at night to stop crime so that we can operate until very late."* He added that he, too, was part of the neighbourhood watch, and it gave him pride in what they have achieved; in addition, the longer operating hours afforded spaza shops more time to sell and increase their profits, impacting sustainability.

In areas where the neighbourhood watch associations were absent, James Mothe complained about crime and how it affected his business operating hours and profits. "*I have to close my business by 5 p.m. due to crime in this area,"* he said. This meant that he could not operate late like his counterparts. This has a bearing on the sustainability of his business because he cannot service customers in the evening, which brings in more money and provides convenience for customers.

Human Resources

The results of this study showed that human resources were a sustainability resource because of the benefits associated with it. Owners operate most spaza shops without assistance. This can be a challenge when the spaza shop operator must step out for stock purchases or to run other errands as they must close for that time if they do not have anyone who can stand in for them. The participants who had more than one individual operating in the spaza shop described how this resource relieved them and allowed operators to have leave days where they could do their personal stuff.

Sonto Tsotetsi had two employees working for her. She reported, *"My employees often take out the marketing posters; as you can see, they attract customers to my shop."* The employees were able to assist her in doing other tasks. Sonto added that she was busy, so having employees took off a load of having to be in the shop all the time. She was able to pursue other business ventures while her employees operated the spaza shop.

Skills as a resource for sustainability

The participants also recognised skills resources as a tool to maintain customers and be sustainable in a competitive market. The results showed that most participants had business skills but needed to be formally trained but learned on the job. "*My skills are based on trial and error; no one taught me*," reported Suzan Phiri. The sentiments around the skills set of participants were that most of them were self-taught, with Ethel Ngwenya adding, *"The years have taught me what I know in business, and it took time to get it right."* Thobe Mtuyedwa, on the other hand, explained how her short business courses helped her manage her business efficiently as she used this resource to

develop strategies that sustained her business. One of the main themes under resources that showed up in the results were business management skills which pertained to stock management and bookkeeping skills.

The participants emphasised the importance of proper stock management, as failure will leave one with stock that has passed the sell-by date. They also explained that being able to stock sufficiently improved the credibility of the spaza shop because empty shelves were a sign of poor management, which often turned customers off.

Nozi Radebe highlighted the importance of ensuring stock is managed, saying, *"Stocking and managing products coming in and out is what I do best, I don't want to be stuck with old products here."* Tom Nkasi agreed with Nozi on the importance of proper stock management, stating, "*We have learned to use the first-in-first-out approach when it comes to stock so that we are not stuck with products past the sell-by date because of poor management of stock*." Most participants explained that poor stock management would result in loss of stock products due to them getting spoilt. *'Stock is money'* was a phrase used by most participants, meaning profits were lost due to poor stock management.

Bookkeeping skills were another sub-theme that came from data. Participants reported doing bookkeeping daily, others weekly and finally, monthly to observe the performance of the spaza shop. The researcher discovered that while most participants admitted that bookkeeping and stock management skills were necessary for a sustainable business, not all spaza shop operators were confident in these skills, especially bookkeeping. For example, Vusi Cele said, *"I never operate with empty shelves, so stocking and managing products is what I do best, but my boss manages the books."* While most spaza shop operators were more confident in their stock management skills, others needed more confidence in bookkeeping.

Sonto Tsotetsi admitted not being around the business, often leaving her employees to manage the shop for her. She stated that to keep tap with what was happening in her spaza shop, she managed her books daily to see stock movement, which helped her pick up stock shrinkage and daily sales. Sonto described how her employees had to record products sold daily in a stock book that records the product specifications and the price. She then consolidates the sales at the end of each day to see if she made a loss or profit. Most participants stated that keeping a track record of the money trail is essential to ensure that the business does not lose money and only realises at the end of the

month that the shop has been running at a loss. These challenges are vital as changes can be made to correct errors. Participants saw this as a resource for sustainability.

Mr Nala agreed with the daily management of books, stating; *"We have to check and record financial activities daily because we offer a credit facility for our customers, so it is important to manage these books daily so that we can see where the money is."* Mr Nala could see who had paid and still owed him money and recorded changes in the books as they occurred. He believed that the sustainability of the business relied on his ability to manage the books and customers' credit facilities because failure to do so resulted in uncollected debts and a loss to the business.

Marketing resources

Marketing plays an integral part in any business, and the results of this study mentioned marketing resources as tools for sustainability. However, the interviews reported that only 3 participants intentionally adopted marketing tools to sustain their businesses. The rest of the participants reported that they had yet to make plans to market their shops. For example, Thabo Moloi stated, *"I do not do anything to market the spaza shops because it is visible to the customers, and they come to my shop."* Therefore, participants generally believed that spaza shops did not need marketing plans.

On the contrary, the 3 participants who used this resource to attract customers to their shops commended it for increasing sales and attracting new customers daily. Sonto Tsotetsi reported, *"My employees often take out the Lotto marketing items and posters to attract customers; as you can see, they are loud and visible from a distance."* Lovemore Ndlovu also used physical marketing material to attract customers. He had signage boards on poles directing customers to his store, and the large signage attached to the spaza shop is very descriptive as it shows the imported brands he sells in the shop. Thobe Mtuyedwa chose a different platform from the other participants; she uses internet resources, marketing her products on social media. *"I market my business on WhatsApp and Facebook because those platforms have a wider reach attracting customers from outside my area."* She added that this increased her customers, and she sees new customers daily who inform her that they saw her on Facebook.

Relationships

Participants reported themes around relationships as they recognised the importance of maintaining good relationships with all stakeholders of spaza shops. The sub-resources under the

theme of the relationship from data were relationships with customers, suppliers, and other businesses.

Customer relationships

All participants considered customer relationships as an essential resource for the business. For example, Suzan Phiri described her relationship with her customers as being excellent and friendly. She added that her customers were her business, and her love for them has sustained her spaza shop for 30 years. Treating customers respectfully and providing quality products were among the activities that spaza shop operators described to have done to keep them returning to their shops. Buhle Thomas explained, *"I treat my customers well to ensure they return."*
Mr Nala brought a new perspective to customer relationships which speaks to creating loyalty by building on trust which he achieved by creating a credit facility for his customers. He reported that their spaza shop offered credit facilities for their loyal customers who live near their spaza shop. As a result, the customers could take products on credit and pay at the end of the month. They found this to have strengthened their relationship with their customers, and the customers return to their shop to purchase their products because they know that customers can count on them during difficult times.

Supplier relationship

The results showed that only two participants showed to have relationships with their suppliers. David Sibeko spoke about the benefits of his relationship with his suppliers, stating; *"The relationship with one of my suppliers is good because I even get credit for alcohol, but not groceries."* David Sibeko found the relationship with his suppliers for liquor was beneficial to his spaza shop because he could get stock at discounted rates. However, he could not enjoy the same discounts for groceries because of the volumes his spaza shop ordered, as they were below the discount quantity for groceries.

Another participant who benefited from their relationship with the supplier was Lovemore Ndlovu, who stated that their suppliers are bulk purchasing companies who can negotiate better prices and absorb all the import costs, which has helped them reduce the cost of stocking. Because of this, they can offer their customers competitive prices. He added, "*My suppliers have a credit facility for my business, and they give us enough time to pay for the stock*." This has helped the spaza shop

to make money before paying back the suppliers, which is a significant benefit for sustaining a business.

The rest of the participants reported having no relationship with suppliers. Most of them stated that they often change suppliers as they are always looking for places to get better prices. This is one of the reasons why most of the participants cited having no relationship with their suppliers. For example, Suzan Phiri reported, "*I sometimes order from Pan and other times from Makro; it depends on sales and discounts*." The lack of relationship with suppliers means that the spaza shops cannot negotiate for better trading terms, and they also miss out on discounts.

Relationships with other businesses

Most participants reported having no relationships with other businesses. They mostly cited a lack of trust among business owners and jealousy as the main contributors to this issue. For example, David Sibeko observed, "We are self-absorbed; forging relationships with other businesses will never work because we cannot support each other."

Thobe Mtuyedwa found that her business struggled once she decided to partner with her Malayisha1 (transport importing goods) so that their stock could get to her without shortages and on time. She reported that she used to have stock shortages and late deliveries, which affected the performance and sustainability of her business until she offered Malayisha[1] a deal to get a percentage of the sales in exchange for discounts on transportation costs and on-time delivery. This worked as the relationship with Malayisha improved, and deliveries were on time. Sonto Tsotetsi also emphasised the importance of a relationship with other businesses citing, *"Partnering with Lotto saved my business.*" These relationships have sustained these spaza shops saving them from closing.

The researcher established that participants adopted various resources to sustain their businesses. Participants used tangible and intangible resources, including physical assets (buildings and vehicles), location, equipment and machinery, human resources, business management skills, marketing resources, and relationships.

[1] Malayisha is a term used to describe individuals transporting goods from Zimbabwe to South Africa

4.3 Sustainability Strategies

What strategies do spaza shop owners implement to keep their businesses afloat in a tumultuous environment?

During the interviews with spaza shop operators, a few themes emanated from data as strategies adopted by spaza shops for sustainability. The themes were marketing strategy, partnerships, credit facilities, selling selected products and having a competitive advantage.

Marketing strategy

Thobe Mtuyedwa, who sells Zimbabwean grocery brands, was the only participant who reported having had a marketing strategy plan for her spaza shop. She is also the only participant who reported having some form of formal business management training. This might explain why she thought about such a strategy. She understood the importance of having a strategic plan to sustain a business, stating; "*A good marketing plan will allow me to reach a wider market. We cannot only depend on people around our area to buy our products.*" Thobe spoke about how the marketing strategy guided her direction and assisted in sustaining her business. She explained that she had been promoting her products on social media and keeping a database of her regular customers. She sends them messages when new products are in stock and when she has promotions. *"I market my business on WhatsApp and Facebook because those platforms have a wider reach attracting customers from outside my area,"* alleged Thobe. She understood that marketing her products was necessary for creating awareness so that other Zimbabweans feeling nostalgic, could know where they could find these products in South Africa. She reported that this brought her new customers and increased her profits.

Even though Thobe highlighted the effectiveness of adopting a marketing strategy for her spaza shop, the rest of the participants did not speak much about having strategic plans, with others shutting it down entirely as Thabo Moloi stated that there was no need to market his spaza shop because the location of the shop is in a busy street where customers can see it. Some participants, like Sonto Tsotetsi and Lovemore Ndlovu, have ways of marketing their shops using the resources specified in the previous chapter; however, they need to be more strategic about that. The reach of customers shows the difference in approach between Thobe Mtuyedwa and the other participants. Thobe can increase her sales because of the broad market that her marketing strategy attracted. At the same time, the rest of the participants depended on customers within their proximity and those who saw their shops while driving by.

Partnership

Partnerships are a strategy for sustainability, and most participants agreed. They spoke about the benefits of having good partnership relationships with stakeholders to support the business. While participants raised this strategy as a good tool for sustainability, most of them admitted to not being in any partnership with other businesses. Buhle Thomas said, *"It would be ideal working together with other shops because this will allow us to support each other's businesses,"* but added that the lack of trust prohibited this from happening, which were the sentiments of David Sibeko in the previous section.

Sonto, as mentioned in the previous section, described how her business was on the verge of closing because of market saturation and inability to compete in the market but was rescued by a partnership with Lotto South Africa. This partnership was able to add R5000 to her proceeds when they first signed over ten years ago. She said*, "Lotto started by giving me R5000 a month which was a far cry from what I was making in this spaza shop at the time."* She added that Lotto South Africa also gave her a bonus at the end of the year based on the overall sales her spaza shop achieved for the year. She stated that the amount was substantially enough to keep her business running. This partnership has sustained her business, and she claimed that her proceeds from Lotto South Africa have doubled since the first year of their partnership.

Partnerships beneficial for spaza shop sustainability are not only those entered with big corporate companies such as Lotto, but Thobe Mtuyedwa also enjoyed a good partnership with a smaller business, as mentioned in the previous section under relationships with other businesses.

Credit facility

Creating a credit facility was reported by 3 of the participants as a valuable strategy to attract more clients. The participants described how their businesses improved since adopting this strategy. Mr Nala explained how he saw better sales since creating this facility for his customers, explaining that they purchased more than they would have when they paid upfront for the products. Mr Nala had a book that recorded all the transactions the customers made each time they came to purchase stock on credit.

He emphasised the importance of managing this book efficiently daily. He described how each customer had a credit limit they could not exceed. The limits were set based on the previous transactions from which Mr Nala created a customer affordability profile. *"Not being able to manage this book can cause us to run at a loss and eventually close shop*," he explained. He added that when the transactions are managed well and follow-ups are done on payments, he can profit from this strategy which helps sustain their spaza shop.

The previous section also mentioned how this strategy sustained customer loyalty as it strengthened the relationship between customers and spaza shop operators. However, participants who did not use this strategy complained about the dangers of no payments, as this can run their spaza shops to the ground. Mr Nala was aware of these bottlenecks, but his processes worked for his spaza shops because he vetted his customers before extending credit to them, choosing only customers close to them.

Tom Nkasi described how this strategy almost closed his spaza shop as he encountered problems with non-paying customers and did not know how to recover the money. He also stated that he lost many customers due to these issues as they opted to go to other spaza shops when they could only purchase other items if they had paid their debt. Mr Nala managed these dynamics and did not encounter customers who did not pay. He mentioned that others could be late by a day or two, but they understood that they were given demerits for late payments, and the penalty was that their credit facilities were reduced.

Selling Selected products

The results showed that participants reported having adopted the approach of selling limited products rather than diversifying and ending up with unsold stock. They stated that their customers knew which products to purchase from them, and they only offered products that were in demand and the ones that had better profit margins. Sonto Tsotetsi explained how after nearly losing her business, she had to change strategy as she could not compete on price with other competitors who could sell for lower margins. Therefore, she decided only to stock selected items with more profit margins to help sustain her business. She said, *"We mostly sell selected items that are sure to move fast off the shelves, such as tobacco, Lotto tickets, bread, airtime and drinks."*

Mr Nala also echoed Sonto's sentiments around selling selected items stating that the 26 years of experience has taught them only to sell products their customers buy. *"We used to have stock which stayed until it expired, and we started eliminating such products,"* explained Mr Nala. He added that the issue had nothing to do with poor stock management, but those products were not moving in their spaza shops.

Nozi Radebe, on the other hand, explained that she only sold selected items because it was what she could afford now, adding that given the opportunity, she would offer more diversity in her spaza shop. *"I do not have the money to purchase everything, but so far, I can sustain the business with the stock I sell here*," she stated.

Diversification

Most participants maintained that diversification was still a strategy of choice for grocery retail, with 10 participants reporting using this sustainability strategy. They believed it was important that their customers could purchase all their grocery needs from their spaza shops. They wanted to retain their customers from other competitors even if they could not meet their expectations. Suzan Phiri said, *"I do not want to sell an 'I do not have' in my shop."* She described how important it was that her customers were able to make one stop for all their grocery needs. She echoed the views of other participants who mentioned the inconvenience caused by moving from one spaza shop to another looking for products. "*Spaza shops were created for convenience*," they elaborated.

The participants stated that it was important that spaza shops managed the movement of the stock to prevent stock from expiring on the shelves. Tom Nkasi, in the previous section, explained using a first-in-first-out strategy to reduce the loss caused by products that expire on the shelf. The participants also emphasised the importance of knowing customers' needs and not stocking too many products which do not move fast.

Mr. Nala, in the previous section on 'selected items strategy', described how sometimes the problem is not connected to stock management but customers' slow response to the products as he experienced. It is, therefore, important to stock following stock demand to respond to the challenge of having expired stock on the shelves.

Competitive advantage

A competitive advantage sets the spaza shops apart from its competitors. This theme was mentioned by 5 participants who reported having used this strategy to sustain their businesses. They recommended this strategy to make them stand out and have a unique customer proposition. Their competitive advantage strategies included selling cooked meals and fruits, imported products, and legally selling alcohol in their spaza shops.

David Sibeko explained how selling alcohol in his spaza shop had improved the establishment's sales because of increased customer visitations. He added that he was the only spaza shop in his street selling alcohol. David further stated that operating with a license without the fear of being shut down by authorities was a bonus because he had previously operated without a license and ended up in trouble with authorities.

Participants commended this strategy for its ability to attract customers who come from other areas. Thabo Moloi said, *"When things started being tough for my business, I started selling cooked food and fruits in addition to the regular grocery items other spaza shops don't sell. This strategy proved effective as more customers came to our store, even from surrounding areas."* He added that since he started selling cooked food, his spaza shop has not struggled with making sales at the end of the day.

Thobe Mtuyedwa and Lovemore Ndlovu both sold imported grocery items, and they described how they did not have to worry about price wars as their products were different from the brands offered by those selling South African grocery items. "*We do not try to compete on pricing because our products are not from around here; as a matter of fact, we do not know anyone selling what we sell here in Cosmo City*," reported Lovemore. Lovemore sells grocery list items from various African countries outside of South Africa. However, it does not sell brands from Zimbabwe.
He added that his store offered an experience as customers who wanted to try new products came from all around the township. His spaza shop's target market was customers from these countries, but he mentioned that South Africans also enjoyed their products.

Thobe Mtuyedwa agreed with Lovemore Ndlovu regarding the advantages of selling imported products, as she sells grocery brands from Zimbabwe, as mentioned in the previous sections. However, Thobe added that to strengthen her competitive advantage, she had to do much marketing to attract customers to her shop.

Sonto Tsotetsi's Lotto machine in her store was reported in detail in the previous section, and this made her shop stand out from her counterparts as she also claimed to be the only spaza shop she knows in her area that has a Lotto machine. These spaza shops have used these tools to obtain a competitive advantage.

4.4 Threats to spaza sustainability

What are the biggest threats to the sustainability of spaza shops?

Lack of cooperatives and bargaining power struggles

For any retail shop to survive, it is essential to have a purchasing strategy that will give them good value to charge an excellent markup to make a profit. Purchasing bulk stock can be one way for spaza shop owners to receive good discounts for stock. The results of this study showed that one 1 participant reported having used purchasing forums to buy her stock, while 12 participants stated that they did not. Most participants agreed that cooperatives were an excellent strategy for the sustainability of spaza shops but admitted that the lack of trust among other spaza shop operators was the main reason they did not belong to any cooperative. "*Listen, if we could get a company that can buy in bulk for us, and negotiate better prices, that would help, but we are so self-absorbed. We do not have the right spirit to even form such a group*," stated Sonto Tsotetsi.

They also stated that they did not know of any of such associations. Mr Nala explained, “We do not know any association offering to assist with bulk purchasing. We also do not even have spaza shop associations around here.”
Thobe Mtuyedwa was the only participant who reported having used a company that buys in bulk, *“Because we order our products from a purchasing association, we get the advantage of getting better prices,”* stated Thobe. As a result, her shop benefitted from better stocking prices.

Business support and opportunities

The participants were asked about any business support they had received since they started their business; the researcher also wanted to find out if they knew of any opportunities available for the spaza shops that they could apply for. The participants reported that they had never received business support of any kind from the governing party, and they stated that they did not know of any opportunities available for them.

About 7 participants stated that skills development training would help them improve their businesses. Mr Nala stated, *"I would like to attend any workshop that can teach how to run a business. I wish there were more of these opportunities for spaza shop operators."* Many other participants showed interest in attending any business training as they believed that these would assist them in managing their spaza shops more efficiently.

While most spaza shop operators were more interested in business management training, two stated that financial support would be a much-needed investment. "*I believe any business needs some cash injection to grow, especially because we need to grow out of this place and be in a bigger space,"* explained Nozi Radebe.

Spaza shop operators also spoke about the lack of information that was available, especially about opportunities that are there for spaza shops. For example, Suzan said, *"I have not applied for any funding because I do not know how to and besides, what are the odds that they can fund my spaza shop?"* The lack of business skill support resulted from the results, with participants suggesting that the lack of formal training can affect their spaza shop's sustainability.

CHAPTER 5: DISCUSSION

5.1 Introduction

In this chapter, the researcher used the data analysis process discussed in Chapter 3 and interpretation to help the study draw logical findings and create valuable suggestions. The chapter discusses in detail the resources and strategies spaza shop owners employ to sustain their spaza shops. The chapter also outlines threats to these shops' sustainability efforts and how these threats may also offer answers to the problems they face.

Major Themes and sub-themes		
Resources	**Sustainability strategies**	**Threats to sustainability**
Location	Marketing	Lack of business support
Operating assets	Partnerships	Lack of cooperatives
Equipment and machinery	Credit facilities	Lack of bargaining power
Neighbourhood watch association.	Selling selected items	
Human resource	Diversification	
Business skills	Competitive advantage	
Relationships		

Table 5.1 Major Themes and sub-themes

5.2 Resources

In trying to ascertain the strategies that promote sustainability in spaza shops, the researcher used the resource-based theory (RBT) by Wernerfelt (1984), which suggests that the tools to support spaza shop businesses can be either physical, like real estate, money, or a specific location, or intangible, like human resources.

The resources that spaza shop owners are leveraging to sustain their businesses in this competitive market are location, operating assets, equipment and machinery, neighbourhood watch associations, human resources, management skills, and relationships.

Location of spaza shop

The researcher found that the spaza shop operators were able to capitalize on the location of their spaza shops. Choosing the right location was a great move as these shops were visible to customers from around their area of operation and those passing by. This resource is an effective tool for sustainability. Most of the time, the issues with the location in the townships surround crime, which Moloi (2014) noted. This research location had great reviews with spaza shops, as most of them enjoyed the traffic of customers and potential customers in their areas. The researcher found that the location's safety was a significant factor and added to the sustainability tools of spaza shops.

Yesufu (2021) states that a hazardous business location leads to the loss of goods or money caused by crime and is a direct cost to the firm. This research found little evidence of a crime in the areas of interest as only one spaza shop had issues. Most spaza shops enjoyed being in the right location with customers who could purchase products until late at night. The findings in this research contradict Presidency (2008), who claimed that 69% of informal businesses in the township were terrorised by crime in their businesses. The spaza shops in this study were able to serve more clients in a single day as they could work until late, and they credit this to the safety and traffic in their locations.

Operation Assets

This research found that most spaza shop operators owned the space they operated. This was an essential cost-saving resource as they did not have to worry about rental costs which can be a challenge for most businesses when their business could be doing better. The findings agreed with Dlamini (2015) because of cost savings on rental space, as most spaza shops in this study were owned by the operators. The observations of Du Toit (2020) on how spaza shops were now adopting the idea of operating from a spot that is not necessarily within the owners' yards were not evident in this research. In this study, the researcher found that the participants were all still operating within their yard, and those with extra room expanded their existing structure, which they saw as a wise business decision because it allowed consumers to walk in when shopping without having to ask the spaza shop operator pass the items.

Customers enjoyed their shopping experience in such a spaza as it gave them the feel of formal retail stores. Some of the spaza shops were the size of a mini market. Customer experience was enhanced through the walk-in experience of shoppers, which van Eyk et al. (2022) commended as

a strategy that can improve the profitability of spaza shops, as found in this study. In addition, Spaza shop operators took better care of their operating space as they realised the importance of maintaining their operation spaces in good condition for both customer experience and maintaining the building as a key resource so it could be kept in good condition for longer. Moreover, the study found that 2 of the spaza shop operators owned vehicles, which was s resource as they did not have to hire transportation for stocking. In addition, the convenience of running spaza shop errands quicker than using public transport is one that spaza shops found to be an advantage. As a result, these spaza shops were able to save on transportation costs.

Equipment and machinery

The spaza shops in this research understood their customers' needs and wants as they could provide services that were in demand. The spaza shops were able to give their customers the convenience of purchasing airtime and data with ease because of the machines they used. The spaza shop industry is still considered cash-based. According to Mukwarami (2017), it needs more technology, but this research found that spaza shops were using electronic point-of-sale machines, allowing them to make cashless transactions. Using these machines generated more sales for spaza shops as customers would purchase more products than had planned.

Leboea (2017) stated that needing more technological and customer service abilities might help the enterprise. The spaza shop operators in this research reported having moved towards investing in technology equipment to meet the needs of their customers. Leboea (2017) stated that a lack of investment in technology could harm the enterprise, and these spaza shops have realised that; hence they have started to invest in these resources. As much as spaza shop operators are improving regarding technology, the researcher noted that these businesses have a long way to go before they can catch up with formal corporate retail.

Neighbourhood watch association

In the researchers' examination of Atteridgeville, Moloi (2014) spoke extensively about the impacts of crime in the township area and suggested such neighbourhood watch associations as a solution. This research found that the suggestion of Moloi (2014) was implemented and proved to be an effective tool for sustainability. Out of the three townships, the researcher gathered data from, Alexandra and Diepsloot reported having neighbourhood watches, which were commended

for reducing crime in their commercial areas and enabling businesses to open early and close late. This initiative has unified the neighbourhood and boosted consumer support for local businesses.

Because of the initiations taken by spaza shop operators and other community members, the researcher found that crime was no longer a significant threat in areas where such associations are formed. While crime is an external challenge for businesses, as mentioned by Presidency (2008), this research found very little evidence of a crime as only one spaza shop operator was affected by it. Although Yesufu (2021) highlighted the devastation caused by crime in spaza shops, this study found that the efforts to fight against crime have benefited both community members and spaza shops. The only spaza shop that complained about crime had no neighbourhood associations around his area. Spaza shops in this study were able to turn a threat of sustainability into a strategy that works to maintain it by working together.

The findings of this study agree with Kativhu (2022), who stated that combining these strategies increase their potency, and spaza stores that reported using these tactics produced somewhat better results than their competitors. One strategy cannot be preferred over the other regarding these practices because different drivers dictate the approach spaza shops adopt. They are all reported to be practical tools.

Human Resource

According to Cheblyon-Dalizu et al. (2010), most spaza shops are run by a single operator, which can be a problem as the shop can be inconsistently maintained, adding that when the shop operator is sick, the shop is without an operator and therefore remains close. In this research study, the findings are that spaza shop owners have found that investing in human resources benefits the business. The findings showed that even though there are spaza shops run by single operators, as mentioned by Cheblyon-Dalizu et al. (2010), spaza shop owners have seen the benefits of hiring employees to support them. Because of the investments in human resources, spaza shops can now operate without interruptions. The researcher found that some of the spaza shops had permanent employees, such as in the case of Santo Tsotetsi, who had two employees under her. In contrast, others had part-time employees who only assisted when permanent spaza shop operators were not around.

Business skills

Business management skills are a crucial component of all enterprises, according to Mukwarami (2017), and when used correctly, they can be an effective sustainability strategy. This study found that spaza shop operators were aware of the importance of these skills for their businesses. They employed stock management skills and bookkeeping skills. The results of this study showed that when these business skills are employed in the spaza shops, they can improve the performance of the business and keep it sustainable. The findings agree with Morrison et al. (2003), who attributed business management skills as the critical factor of business sustainability because the spaza shop operators mentioned that failure to manage books and stock well would affect the sustainability of the business.

Fatoki and Odeyemi (2010) estimated that due to poor business management and other challenges, 65% to 75% of small businesses still need to become established, failing within the first year of operation. However, the results ascertained from the three townships showed that these spaza shops survived longer than Fatoki and Odeyemi (2010) because they could implement the basic business skills for their spaza shops.

Even though some spaza shop operators needed to be more confident in their bookkeeping skills, they needed more information to run their spaza shops. The researcher found that most of the processes spaza shop operators used can be improved through formal training. They are adequate to keep their businesses running, but with fine-tuning, spaza shops can run more efficiently.

Mramba et al. (2016) discovered that micro-informal traders across all industries have low business education. The results from Chapter 4 showed that most of the participants acquired their skills on the job. They learned business operations and what worked independently through trial and error. This aligned with India et al. (2015), who commended informal on-the-job training as a necessary form of vocational education and training in informal businesses. They developed pricing methods and operation processes that guarantee the organisation's sustainability with little to no formal business management training. This research study does not support the theory by Mramba et al. (2016) that these businesses needed more business skills because they needed formal business training. This study demonstrates that spaza shop owners have the requisite abilities and are confident in their ability to run sustainable enterprises even though most of them received no formal training.

Relationships

The researcher found that spaza shop operators valued their relationships with their customers. They saw building trust and customer loyalty as more critical than having relationships with suppliers and other businesses. The findings of this research are that most spaza shops need a relationship with their suppliers and opt to change suppliers whenever they want. This made it impossible for a supplier-customer relationship as there needed to be loyalty built. The finding also revealed that spaza shop operators have no business relationship with other spaza shops. Hare and Walwyn (2019) discussed the importance of a relationship between other spaza shops and suppliers; they gave it credit for creating sustainable businesses. There was no evidence of this in the results of this study.

The spaza shops capitalised on their customer relationships and invested their strategies in building these relationships. One of the strategies that spaza shops used to build loyalty with their customers was creating a credit facility for their regular customers which Masibane et al. (2020) credited for creating closer ties and loyalty. Spaza shop operators use this relationship with their customers as a sustainability strategy. The need for more relationships with other businesses and suppliers is a shortfall in the relationship strategy. Spaza shops can achieve more if they manage and invest in all relationships instead of focusing on one. A good relationship with the suppliers is an essential resource as it is the business, and when one can stock at reasonably low prices, they can receive better profit margins.

5.3 Sustainability Strategies

Given the threat to their livelihoods posed by the socioeconomic challenges in townships, spaza shop operators must strengthen their sustainable strategies. This research found that the strategies implemented by spaza shop operators to keep their businesses afloat in a tumultuous environment were marketing strategies, partnerships, giving customers credit, selling selected items, diversifying, and having a competitive advantage over others. The researcher also ascertained that some strategies spaza shops used were resources, such as forming a neighbourhood watch association, as discussed in subsection 5.1.

Marketing strategy

These spaza store operators knew they needed to develop selling techniques and distinctive selling propositions to draw more people into their businesses. This is aligned with the views of Frederiksen (2018), who stated that understanding customer needs and creating marketing strategies are essential tools for attracting customers. However, only a few spaza shops reported having marketing plans. Even though only three spaza shops indicated having marketing plans to promote their stores, the researcher found that most of the marketing actions were carried out by the other participants without labeling them. The giant posters and boards around their areas of operations were some of the tools that spaza shops used to attract customers. In addition, the researcher found that they employed promotional strategies to attract customers and used word of mouth to spread the news about their promotions. These are some of the activities that spaza shops use in their businesses.

The researcher found that even though most of the spaza shop operators reported having no marketing plans or strategy, they still had marketing activities in their business. Of the 3 participants who reported having marketing plans, Thobe Mtuyedwa was the only one with a solid marketing strategy and implementable plans. In addition, the researcher found she was the only one who reported receiving formal training from a short business course. The marketing plans followed by Thobe Mtuyedwa benefited her spaza shop as she was able to reach more customers and improve her performance.

The researcher found that most spaza shop operators saw no need to use this strategy in their businesses because they felt that their locations efficiently pulled customers to their stores. This contradicts Kativhu (2022), who found that rural Limpopo spaza shops found marketing an effective tool for a sustainable spaza shop. This was an oversight because they needed to understand the benefits of employing marketing strategies in their spaza shop. Even though most spaza shop operators were not the least interested in marketing strategies, the effects of this strategy on business performance are significant and it is a powerful tool for sustainability.

Partnership as a strategy of sustainability.

Due to various issues, partnering with other industry participants has only sometimes been simple in the spaza shop sector. According to Moloi (2014), trust concerns contributed to the spaza shop's inability to collaborate with other stakeholders. This research found that only a little has changed

since the study of Moloi (2014). Spaza shop operators are just as critical and apprehensive about partnership ideas then.

The spaza shop operators in this research recognised the importance of partnerships and their ability to sustain businesses, but only two spaza shop operators reported being in partnership with other businesses. Spaza shops in partnership relationships commended them for helping their businesses survive. The researcher found it more accessible for spaza shop operators to enter partnerships with players outside their spaza shop industry. One partnered with Lotto South Africa, while the other partnered with a business transporting the spaza shop's stock.

Trust among other businesses was one of the reasons for the lack of these relationships. However, the researcher found another reason was the need for more information about what is available for spaza shops. The lack of proactiveness in spaza shop operators significantly contributed to this. For example, Sonto Tsotetsi, who is in partnership with Lotto, reported that she was on the verge of shutting down and decided to take a chance and approach Lotto South Africa. Due to the assistance received through this relationship, Sonto had the support she needed to continue operating for an additional 8 years.

More information and encouragement are needed for spaza shops to think outside of their environment to enjoy such relationships. The finding of what partnerships are like in this study contradicts the finding of Madubela (2021), who stated that large cooperative enterprises tend to take advantage of spaza shops when they come into partnerships. Instead, this research found that these partnerships are good sustainability strategies.

Credit facility

Despite Ligthelm (2013) and Mukwarami (2017) asserting that the spaza shops are primarily known as strictly cash-based enterprises, the findings of this research reported that spaza shop operators had established credit facilities for their loyal customers. The spaza shop operator has used this strategy to attract more customers to their shops, and they have been used to increase sales. The searcher found that spaza shops in Alexandra, Diepsloot and Cosmo City used this tool as a marketing strategy. This aligns with the views of Phalatsi and Chipunza (2019), who found that spaza shops used credit lines as marketing tools. The spaza shop operators also commended this strategy for creating loyalty and close ties, which agrees with Masibane et al. (2019). However, the researcher found that some spaza shops needed to be more apprehensive about adopting this

strategy as they felt it was risky for business. In addition, the researcher discovered that the administration involved with credit facility extensions is extensive and needs spaza shops to be consistent in their methods and processes to manage this tool, as failure to do so can lead to spaza shop failures.

One of the participants who employed this practice observed an increase in consumer traffic as a result. They saw this as a different method to promote their business, and it proved profitable. Extending credit lines to customers is an effective sustainability strategy when managed efficiently. There are spaza shop operators like Mr Nala, whom the researcher noted to have managed this strategy well, which has worked to sustain their businesses.

Credit facility extensions exist not only between the spaza shops and their customers but also between suppliers and spaza shops. However, this research found more evidence of this relationship between spaza shop operators and their customers than with their suppliers. Only one spaza shop reported having a credit facility with their supplier. Spaza shops should do more to build relationships with their suppliers so that they can start conversations around credit facilities. The only spaza shop reported having this facility with their supplier sells imported brands. This has supported their business as they can sell the products before paying. They stated that they could negotiate this into their trading terms after years of being in a relationship with their suppliers. So, loyalty is significant in attaining credit facility lines even with suppliers. In this research, most spaza shops did not enjoy this strategy because they needed a relationship with their suppliers.

Selling selected items

Selling selected products was seen as an effective strategy for sustainability in this research. This strategy was adopted by both spaza shops that have been in operation for longer than two years and those that have been in operation for over 20 years. They found that selling selected items in demand and with significant profit margins worked better for their business sustainability than selling all the products for diversification while running at a loss. The strategy of selling selected items contradicts the findings of Mukwarami et al. (2018), who stated that spaza shops that did not diversify their product offering are not sustainable. Kativhu (2022) found that selected spaza shops used this strategy when they could not compete with their rivals, opting to sell products they could procure at a reasonable price. In this research, most spaza shops that adopted this strategy selected it by choice rather than because they could not compete, as suggested by Kativhu (2022).

Only one admitted having done so because they were still growing and could not afford to stock everything. So, the researcher will partially agree with Kativhus's findings. Regardless of the reason behind adopting this strategy, the researcher found that it was still an effective strategy for sustainability. This contradicts the views of Lamb et al. (2019), who stated that the lack of diversification results in unsustainable businesses.

Power in diversity

The researcher found that diversifying product offerings was one of the most popular sustainability strategies in this research, with nine spaza shops having adopted it. The results support the suggestions by Lamb et al. (2019) and Kativhu (2022), who spoke about the advantages of diversification for business sustainability. While this study agrees with Lamb et al. (2019) on their ideas of the importance of diversification, it disagrees with their idea that the lack thereof this strategy results in business failure, as spaza shops that adopted the selected strategy for sustainability were performing well with one having operated for the past 26 years.

This research found that the spaza shops that adopted the diversification strategy in this study were not only limited to small items but sold oversized size items as well. When asked about the movement of the immense items, the spaza shops admitted that they moved slowly compared to the small items. Based on this, it is apparent that customers still consider spaza shops as just convenient stores for small items rather than making large grocery purchases. However, according to the researcher's observation, spaza shops selling more product offerings were operating from big establishments, which allowed customers to come in and have a shopping experience like the traditional retail stores. As a result, these spaza shops gave their clients a superior shopping experience as recommended by van Eyk et al. (2022).

Competitive advantage

Having that one thing that differentiates one's company from rivals is one of the practices reportedly adopted by spaza shop operators, according to Kenosi (2020). The results in this study, as reported in Chapter 4, indicate that spaza shop operators understood the importance of having a competitive advantage for sustainability. Spaza shops that adopted this strategy in this research performed well, which supports the findings of Caldieraro and Cunha (2022), who asserted that a competitive advantage strategy allowed organisations to provide a higher level of performance.

The researcher found that at least five spaza shops in this study employed the competitive advantage strategy. By selling goods unavailable in other spaza shops, these spaza shops distinguished their brands. Chebelyon-Dalizu (2010) stated that businesses that sold products that made them stand out generated strong demand. The spaza shops that adopted this strategy saw strong demand, as stated by Chebelyon-Dalizu (2010). The idea of selling imported goods and Lotto tickets was stand-out as these spaza shops thought out of the box, which is the essence of competitive advantage. Bednarzet al. (2017), while agreeing with the scholars mentioned above, added that the competitive advantage also resulted in increased loyalty, customer satisfaction and profitability, which were the findings in this research.

5.4 Threats to sustainability

In the previous chapter, the researcher reported two significant threats to spaza sustainability, which spaza shop operators reported. The spaza shops in this research study found that a lack of cooperatives and bargaining power and the lack of business support from the government contributed to sustainability challenges.

Business support

In this study, spaza shop operators understood business support as training and funding from the government but should have mentioned the private sector support. Instead, the operators spoke more of their need for business training. Very little was said about financial support, as spaza shop operators felt the business training would be more effective in assisting them with sustainability strategies.

The research findings in this study exposed the gross lack of information that is available for spaza shops from the government side. To their admission, government plans have yet to be implemented on the ground, and this research found this to be true. The Gauteng Province: Economic Growth (2014) had plans to develop township businesses, including spaza shops. These plans were said to be financial and for skills support, but this research found that spaza shops needed more information about government initiatives. The idea that all the participants need to know opportunities, both financial and business training, available for them means that the platform that the government uses to reach out to this industry is not effective and should therefore be revisited.

Du Toit (2020) claimed that the spaza shop market continued to receive inadequate support due to the need for more documentation and registration in the spaza shop industry. The findings in this research contradict those of Du Toit (2020), as just under half of the spaza operators in this research were formally registered and had their documents on display. Furthermore, the researcher found that the six spaza shop operators who had registration papers had registered with the hopes that they could access available government support. Spaza shop operators have gone to great lengths with limited resources and need formal training and support from third parties to ensure their businesses are sustainable. With business support, they will do more than sustain their business.

Lack of Cooperatives and bargaining power

Liedeman et al. (2013) discussed the importance of implementing cooperation methods by spaza businesses for sustainability. Liedeman et al. (2013) said that when spaza shops come together, they can form a strong negotiating arm to assist them in their sustainability efforts. In this research, the lack of bargaining power was the greatest threat to spaza shop sustainability. Spaza shops remain minor players in the grocery retail market because of their size. The importance of working together to form associations that will strengthen their bargaining power has been a subject of previous scholars like Moloi (2014) and Hare (2019); this remains a challenge in 2023, as ascertained in this research.

Spaza shop operators need to be more responsive about working together on finances. Lack of trust was found in this research to be the main reason why spaza shops were not willing to work together when it comes to this. The researcher found that spaza shop operators were willing to work together to combat crime, which has been commended for enabling them to work longer hours without fear of being victims of crime. However, when it comes to anything directly involving business, they were quick to speak about the dangers of working together without considering the benefits.

The findings in this research contradict those of Kativhu (2022), who found that spaza shops owned by operators from other African countries had bargaining power privileges because they could work together by forming cooperatives. This research looked at all spaza shops in the townships, and the participants were a combination of South Africans and spaza shops from other African countries. There was no evidence of bargaining power cooperation among spaza shops in all three townships. The researcher found that the only spaza shop operator who mentioned anything about bargaining power did not belong to any cooperative but used a company that was

an agent importing goods to South Africa. The findings in this research concur with Phalatsi (2020), who stated that coopetition and bulk purchasing associations are a myth that only exists on paper.

While only two threats to spaza sustainability emerged from the data, the researcher noted that the lack of any of the strategies and resources mentioned in the previous sections 5.1 and 5.2, namely the lack of competitive advantage, partnerships, lack of marketing strategies, lack of business management skills and the lack of neighbourhood watch associations posed a threat to spaza shop sustainability. An effective response to these threats can be a turnaround strategy for these spazas. It can be used to strengthen spaza shops' sustainability efforts as the neighbourhood watch associations did for spaza shops.

5.5 Conclusion

The researcher found that for spaza shops to be sustainable, it is paramount that they use the resources available to them and come up with implementable strategies that will support their sustainability efforts. The researcher found that spaza shop operators adopted the concept of Wernerfelt (1984), who stated that businesses could use tangible and intangible resources to sustain their businesses. As detailed in this chapter, the spaza shop operators used a combination of these strategies; the ones that emerged in this research were operating assets and building vehicles, business skills, competitive advantage, and relationships, to name a few. Spaza shops all used these to support their efforts to run sustainable businesses.

CHAPTER 6: CONCLUSIONS & RECOMMENDATIONS

Introduction

This chapter provides a summary of the main findings of this study, and it also provides recommendations, followed by references.

6.1 Conclusions of the study

6.1.1 Findings Summary

The findings of this study provide insight into the varied strategies spaza shop operators employ. Many participants asserted to have used these strategies to sustain their businesses. However, the researcher found that the spaza shop operators who could use the resources available and adopted the sustainable strategies, as reported in Chapter 4, performed better than the ones who were content with just being able to run the spaza shop at no loss. In addition, the researcher found that some of the resources used by spaza shop operators also formed part of the sustainability strategies.

The research findings highlighted the following practices as being crucial to the sustainability of the spaza shops:

- The researcher found that even though intangible resources are considered essential in sustaining businesses, physical resources are as necessary. The potential sustainability of spaza shops begins with the location, as opening it in a busy area or street is one of the first points of departure when obtaining customers. The ability to make savings on the rental cost of a business is another factor that can be looked at in the spaza shop industry.

- The researcher found that even though a marketing strategy proved to be an integral strategy of sustainability, participants were not keen on engaging when it came to this strategy. They felt it could have contributed more to the sustainability of their spaza shops. The researcher found that the relationships with customers kept these spaza shops sustainable as they invested more in building customer loyalty than any other stakeholder.

- The credit facility, when managed right, is an effective strategy for sustainability, but when it needs to be better managed, it can bankrupt spaza shops.

- Both the strategy of selling selected products and diversification are practical sustainability tools.
- Having a competitive advantage that sets the spaza shop apart from its competitors creates loyalty and improves the performance of the spaza shop.
- Partnerships with corporate and other stakeholders can drastically improve spaza shop performance and give it a chance to be a sustainable business.
- An effective response to sustainability threats can be a turnaround strategy for these spazas. It can be used to strengthen spaza shops' sustainability efforts as the neighbourhood watch associations did for spaza shops.
- The neighbourhood crime watches associations that the business community established have been instrumental in reducing crime in the townships, allowing spaza store owners to increase operating hours. In contrast, crime is considered a threat to sustainability, and the efforts to combat it are effective strategies for sustainability.

Following this study, the 13 spaza shops have been determined to be sustainable, and explicit sustainability strategies have been laid out. While the primary questions of this research have been answered, the researcher noted that most of these spaza shops needed to learn about growth. They could sustain their businesses using these strategies, but most remained the same size for as long as they had been in operation. According to Berner, Gomez, and Knorringa (2023), the most efficient and successful businesses in the informal sector are those that take advantage of favourable conditions with built-in growth potential. Although these spaza establishments have adhered to sustainability standards, the growth of their businesses could have been better.

Recap of research questions

What resources are spaza shop owners leveraging to sustain their businesses in this competitive market?

In trying to ascertain what strategies are employed by spaza shop owners to ensure growth and sustainability in the face of challenges; this study found that spaza shop operators and owners use marketing strategies, partnerships, diversification, and competitive advantage and they opt to sell selected items in their shops rather than every grocery item available.

What resources are spaza shop owners leveraging to sustain their businesses in this competitive market?

This study found that spaza shop operators capitalised on their location, operating assets, equipment and machinery, neighbourhood watch associations, human resources, business skills and relationships to achieve sustainability in their shops.

What are the biggest threats to the sustainability of spaza shops?

The prominent threats to spaza shop sustainability were found to have been the lack of business support, lack of cooperatives and the lack of bargaining power.

6.2 Recommendations

The strategies adopted by spaza shop operators to sustain their businesses prove to be effective for the respective businesses. However, the researcher found that there needed to be more traditional business management skills, which are essential for the sustainability and profitability of spaza shops. The findings in Chapter 4 found that the participant who had formal business training could think outside the box and come up with profitable strategies for her business. Therefore, the researcher recommends that business management and entrepreneurial support be acquired to steer these retailers in the right direction.

Sustainability is one thing, but growth and wealth creation are on another level these establishments need to be encouraged to pursue. They already have the strategies for sustainable growth but need to expand their horizons to be free of environmental factors.

The government must consider outsourcing the skills development plans from independent 3rd parties or partnering up with learning institutions such as TVET colleges already present in the township of Alexandra, Cosmo City and Diepsloot.

Spaza shop operators need to be more receptive to working together to create business comradery because coopetition is an effective tool for business sustainability. The researcher recommends that the government facilitate this for spaza shops and motivate other entrepreneurs to create this market by being the point of contact that unites all spaza shop operators. These entrepreneurs can act as buying agents who negotiate the prices directly with manufacturers on behalf of their spaza shop clients. According to Du Toit, with an estimate of over 100,000 spaza shops in South Africa,

turning over 7 billion rands per annum, the manufacturers will be willing to pay attention to these associations. The entrepreneurs must be willing to do the groundwork of creating a profile by approaching and signing up spaza shops to use their platforms.

With many plans about encouraging big corporations to work with small and informal businesses, the government can also do more to facilitate the conversations and plans these corporations claim to be doing. Spaza shop operators must also do more to ensure they put themselves out there for possible collaboration with corporate South Africa.

Spaza shops are slowly but surely coming out of being categorised as informal businesses; they, therefore, need to act more formally and play in the formal stage. Spaza shop operators need to start taking more initiative to conduct their businesses in a formal economy. The researcher recommends that the spaza shop operators also start looking at opportunities available instead of waiting to be spoon-fed the information.

6.3 Suggestions for further research

Although sustainability for spaza store operators was established in this study, the rate of expansion for these businesses differed from one operation to another. In addition, the study discovered that while certain spaza stores have been in business for over 20 years, their operations remain relatively small. Thus, additional research must be done to comprehend the growth strategies of spaza stores and the rate at which these firms expand before they attain corporate maturity.

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APPENDIX A

Actual Research Instrument

Interview questions

The researcher introduced the topic and briefly explained the purpose of the interview before hand. The participants were informed about their rights to participate freely and the assurance of anonymity.

Opening discussion	Can you please tell me about your business When was it established? Is your business registered? If yes, why did you choose to do so if not why have you opted not to? • Is this your only store? • What do you sell? • Who are your customers? • How is the business doing financially?
Competitor identification	2. Who do you believe are your competitors? identification a) Why do you perceive them to be competitors b) How are their business different to yours?
Competitive strategies	Position fornext topic(Iwould liketo ask you about anothertopic, are you happy to move on?) 3. What do you believe brings customers to your store? Probes: • Do you try to price lower than your competitor? • What is it that you different to your competitors? (Product variety,quality,convenience, promotion and differentiation of services)

	• Do you try to sell everything or are there specific products and services that you are selling? (Targeted at specific customer base?)
Changes in the business	4. Can you tell me about the critical activities that you need to undertake to ensure that your business operates successfully? Probes: • What is your daily routine in operating your business? • What are your monthly and annual activities? • What are the critical things that if not done would jeopardise your ability to operate? 5. Have these processes stayed the same over time or have you changed them along the way? Probes: • What was it that probed the change? • Have you changed something that you do because of something that happened or something your competitors did? (Example: did this change when the mall came into the township?) 6. Do you keep yourself informed about the changes in the market? (New opportunities, changes in customer needs, government support initiatives?) Probes: • Do you often find out what other businesses in the market are doing? • Do you use this information to change how you operate?

Resource based view of the business	7. Physical resources: What are some of the physical things that you have as a business that have contributed to your business's survival? Probes: • Building machinery, vehicles, licenses or anything in a physical form? • What about your location? Would you say it contributes to your success? 8. Relationship/Social resources: Can you tell me about some of the relationships that you have in running the business? • How would you describe your relationships with your customers, competitors, suppliers and the community? (credit agreements, specials or promotions, cooperation in activities, bulk buying initiatives with the community, networks with any third parties?) • Do you leverage any relationship with institutional third parties such as government? • How would you describe the reputation of your store? 9. Human and intellectual resources; How is your business set up? • How many employees do you have? • How would you describe the relationship you have with your resources? (Culture and value system)

	• Are there any special skills, knowledge, experience or any training your employees need to run the business? 10. Financial resources: How do you finance the business? Probes: • How do you access the funds? • Is it easy or difficult to secure the funding? • Are you aware of any government funding offered in your region? 11. Other • Apart from everything that we have discussed, what are some of the things that you have done, invested in or own in the business that help you run the business successfully? • What do you think will help you grow your business even further?
Closing remarks	Is there anything else you would like to share related to how you have managed to stay operational and compete with your competition in the market that we have not discussed?
Next step	Confirm permission to make contact and for follow up interaction for clarification Conclude the interview with thanking the participant for their invaluable input.

APPENDIX B

Participant Information Sheet

Dear Sir / Madam

My name is Busi Nkantsu I am a master's student in Business Sciences at the University of the Witwatersrand, Johannesburg. My supervisor is Mr. Sikhumbuzo Maisela. I am conducting a research study about Spaza shops' sustainability strategies. The study title is "An Exploratory Study into Sustainability Strategies Adopted by Spaza Shops in the face of Challenges."

Participation in this study will involve one interview where I will be asking you questions about your (personal) experiences in the industry, questions about your business and your daily activities that aid you in growing your business and sustainability strategies employed by yourself to achieve that growth.

I am also hoping to understand your personal perceptions of your professional role in the business. By taking part in this research, you will assist in learning more about the sustainability strategies used by spaza shop owners in the face of constraints provided by growing formal retail and other environmental factors.

It is important to understand that what you say to me, as the researcher, is not misunderstood or misinterpreted in any way during the interview process. With that said, I would like to request your permission to use a voice recorder during our interview to aid me when writing up my report. Your identity will be protected by using "fake" or made-up names (if you prefer that), or pseudonyms (Participant A, Respondent B, et cetera). My supervisor and I are the only two people who will have access to the audio-recordings name never comes up, as you would have chosen a "made-up" name, if you wish.

Everything that you will say during the interview, or whatever you will mention afterwards, will be protected, and later transcribed in my final research report. All

recordings will be kept in my password-protected personal computer and a password-protected external drive. After transcribing the interview audio recordings word-for-word, the original recordings will be destroyed. The transcripts will be kept until my degree has been completed and will not be accessible to anyone else except my supervisor and me. The interview will be 20-30 minutes long, as it would serve the data collection process to have an in-depth interview.

If you decide to take part in the research study, it should be because you want to volunteer. You do not have to take part. You can stop being in the study at any time. You do not have to answer any questions if you do not want to. You will not get any direct benefits if you choose to join the research study. You will not lose any services, benefits, or rights you would normally have if you decided not to join. Taking part in the research study will not cost you anything. The risks for this research study are no more than what happens in everyday life.

This research study will be written up as a research report; the report will be available on the university library website. If you would like to receive a summary of this report, I will be happy to send it to you. If you have any questions during or afterward about this research study, feel free to contact me or my supervisor at the details listed below. If you have any concerns or complaints about the ethical procedures of this research study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), by telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za.

Yours sincerely,

Busi Nkantsu

Researcher:

Busi Nkantsu, 0615808x@students.wits.ac.za, 0839849351

Supervisor:

Mr Sikhumbuzo Maisela (Lecturer at the School of Business Sciences),

sikhumbuzo.maisela@wits.ac.za , (011) 7178308

APPENDIX C

Interview Consent Form

I, _____, consent to being interviewed by Busi Nkantsu for their study on an exploratory study into sustainability strategies adopted by Spaza Shops in the face of challenges

Please tick relevant boxes.

i.e., *I understand that:*

1. Participation in this study is voluntary.	
2. I may refrain from answering any questions that make me feel uncomfortable.	
3. I may withdraw my participation and/or responses from the study at any time.	
4. There are no benefits or life-threatening risks associated with participation.	
5. Although I may be quoted, all information provided will remain confidential.	
6. If I am quoted, a pseudonym (Participant A, Respondent B etc.) will be used.	
7. None of my identifiable information will be included in the research report.	
8. I am aware that the results of the study will be communicated in the form of a research report or journal article.	
9. The research may also be presented at a local/international conference and published in a journal and/or book chapter.	

Signed: _____

Date: _____

Audio Recording Consent Form

I, _____ give my consent for an interview with Busi Nkantsu and agree to be audio recorded for the purpose of their study.

Please tick the relevant boxes:

i.e., I understand that:

1. The audio-recordings and transcripts will not be seen or heard by anyone other than the researchers and/or their research assistants.	
2. The audio recordings and transcripts will be kept on a password protected computer/external drive.	
3. No identifying information will be used in the transcripts or the research report.	

Signed: _____

Date: _____