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Brand positioning strategy in growing and sustaining South African B2C SMES

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Brand positioning strategy in growing and sustaining South African B2C SMES

Zanele Hlatshwayo

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

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ABSTRACT

Small to Medium Enterprises (SMEs) have a vital role in both developing and developed economies. This is due to the SMEs' contribution towards employment and the significant impact these organisations have on the socio-economic development of any country. Specifically in South Africa, SMEs are considered to contribute more than 50% of the current jobs and also contribute between 50% and 60% towards the country's GDP. Although the figures reflect a positive trend, SMEs are faced with various challenges and a high failure rate. In South Africa, 40% of newly established businesses fail within the first year of business, while 60% fail in their second year and 90% are confirmed failures in the first 10 years of existence. South Africa is considered to be one of the countries with a high SME failure rate. There are various factors that contribute towards this alarming failure rate, including a lack of finance, and/or the lack of management skills. Studies have also shown that a lack of marketing skills and the implementation thereof all contribute towards high failure rates.

In terms of marketing, studies have indicated that SME theories and knowledge are under-developed. This is due to the fact that marketing studies and research have concentrated heavily on large corporations compelling SMEs to implement marketing from a large corporation perspective. This is not ideal due to the difference in the scope, the nature of the business and levels of resources. Academics have emphasised the greater need to further contribute towards SME marketing theory.

In response to that call, this study examines how brand positioning can be implemented as a marketing framework in growing and sustaining business-to-consumer (B2C) SMEs. The study entailed conducting a literature review on current marketing practices in the quest for recommending a brand positioning strategy relevant to B2C SMEs. This was followed by collecting data through face-to-face interviews with 15 SME B2C owners who represent 15 SME sectors. Following the interrogation of the data it was confirmed that SMEs indeed lack marketing skills. SME marketing practices and tools are not well structured, and marketing guidance is required. Following these findings, brand

positioning elements in the form of positioning by corporate identity, target user positioning, features and attribute positioning and competitive positioning, formed an SME brand positioning framework that was recommended to develop and sustain B2C SMEs.

DECLARATION

I, Zanele Alice Hlatshwayo, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

_____

ZANELE ALICE HLATSHWAYO

Signed at Johannesburg.

On the 30th day of March 2015.

DEDICATION

Honour, power and glory go to you my God. This dissertation is dedicated to my Father. Even though you may no longer be on this earth, your teachings and values guide me daily. I will eternally love you. I am my Father's legacy. This is also dedicated to my family. Your love and prayers sustained me throughout this process, I will be always grateful for your support.

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I would like to take this opportunity to sincerely thank the following people who assisted me and supported me during the process of completing my dissertation.

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CHAPTER 1. INTRODUCTION

South Africa has been rated the best country from 38 African countries according to the African Competitive Report (Schwab, 2010), that measured the degree of competitiveness of Africa's economies. Although this is the case, South Africa has inherent challenges that have been termed the triple burden: inequality, poverty and unemployment (Jauch & Kaapama, 2011). One of the major concerns of these three burdens has been the unemployment rate, which is above 25% (Statistics SA, 2014). There have been a multitude of ways in which the government has attempted to resolve this challenge, one being to provide resources and funding to qualifying citizens who desire to start their own businesses.

The establishment of small businesses however, has not yet depicted a positive picture, as 80% of small businesses fail within the first year of establishment (SAPA, 2014). Studies have cited different challenges for the failure of these businesses. (M. C. Cant & Wiid, 2013; Van Scheers, 2011) have identified reasons for the failure of South African SMEs, which include the lack of education and training, and lack of finance. South African SMEs also fail because of the absence of implementation of marketing activities in their business models (Van Scheers, 2011). Thus, this study aimed to further investigate how marketing from a brand positioning perspective can be implemented as a tool that can reduce or alleviate the high failure rate of SMEs in South Africa.

In contributing towards the SME marketing theory and improving the state of SMEs, the study aimed to assess the current brand positioning trends within the SME environment and thereafter, recommended future brand positioning strategies for continued growth and success of SMEs.

1.1 Purpose of the study

The purpose of the study was to identify SME marketing activities implemented by B2C SMEs and how these can be modified in defining an SME brand positioning framework that can contribute towards their growth and success. The development and growth of SMEs has been a prominent feature in the South African government since the 1994 elections. The government has prioritised small business establishment to alleviate unemployment (SAPA, 2014). The commitment by both corporate and government institutions has seen an increase in the number of small businesses that have been established. SME business development spreads out across South Africa, as depicted in below Figure 1:

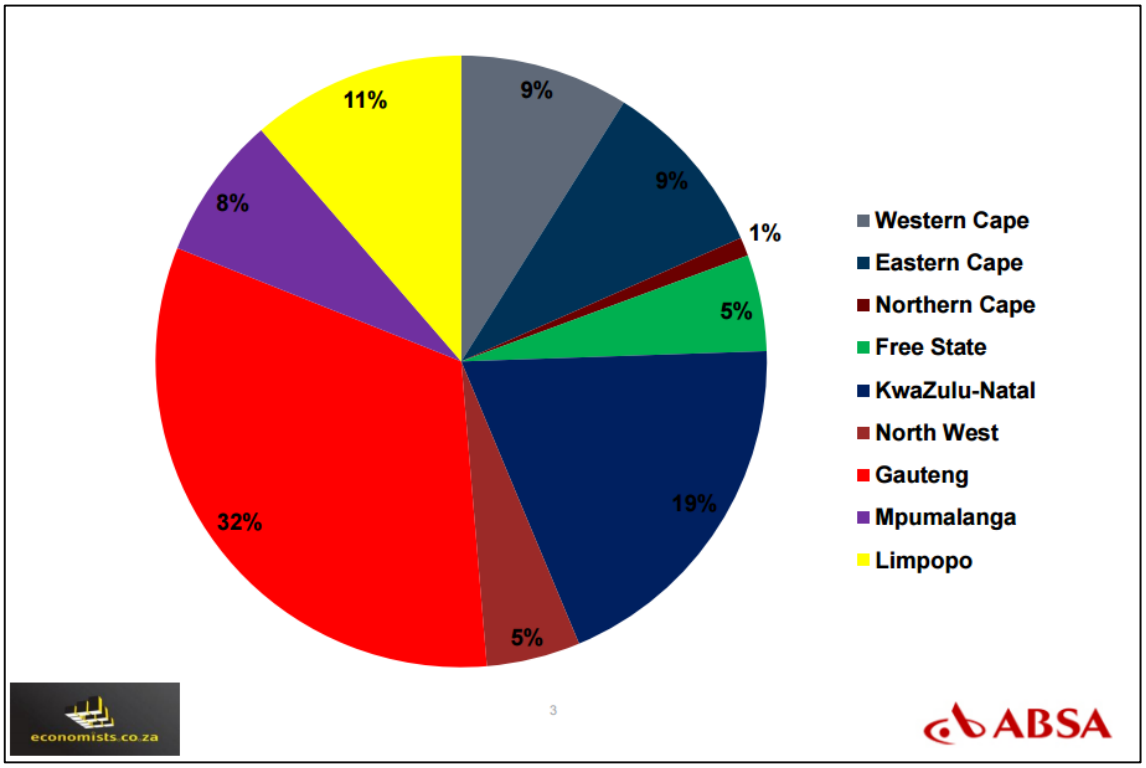


Figure 1: SMEs by province

(ABSA SME Index, 2012)

According to Schüssler (2012) (Figure 1), there are over 1.2 million self-employed business people in South Africa and 32% of these businesses are based in Gauteng.The number of businesses established has also contributed

to the employment rate. The informal sector has contributed towards 1.5 million jobs (Statistics South Africa, 2014). Although these are positive figures, the SME sector faces challenges in growth and sustainability. There are various reports that have been examined that reflect an undesirable state of South Africa's SMEs as presented in below Figure 2:

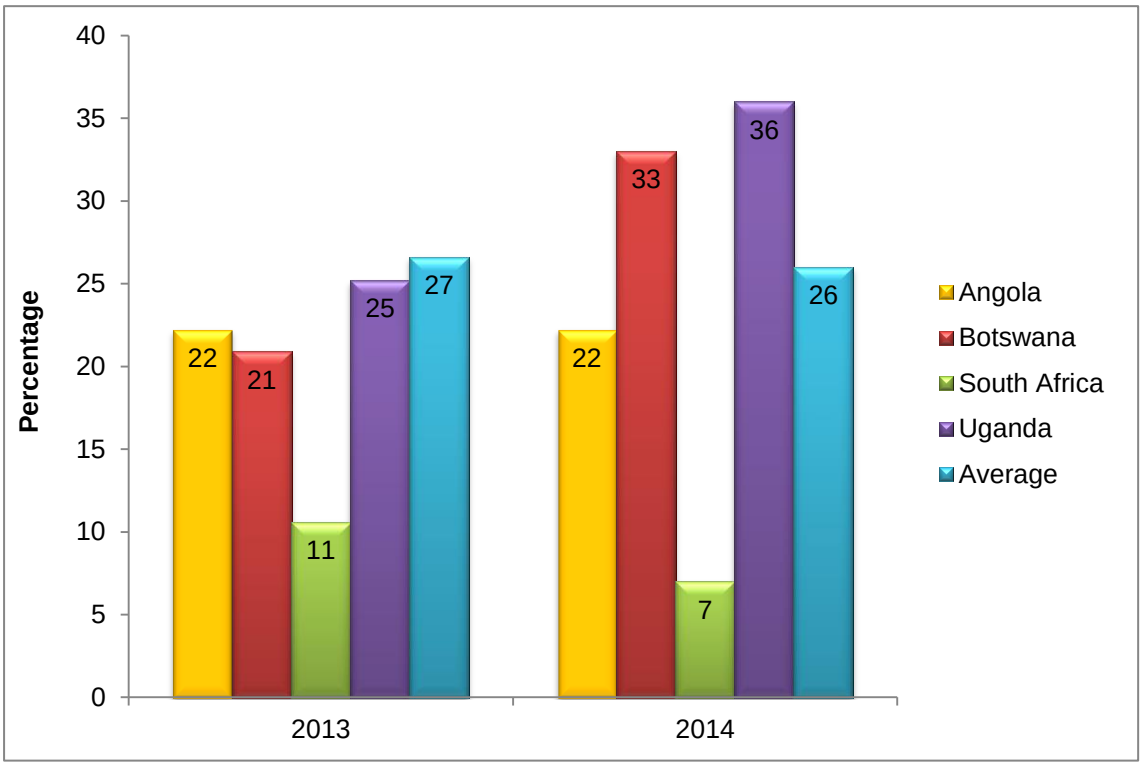


Figure 2: TEA rate early stages entrepreneurial activity

(GEM, 2014)

South Africa's early-stage entrepreneurial activity (TEA) rate is amongst the lowest in the world when compared to other countries in the annual global entrepreneurship monitor report (Monitor, 2014) (see Figure 2). South Africa's TEA rate decreased from 11% to 7% in 2014, an opposite trend to that of other African countries, and is the worst performing country on the continent. The report also indicated a decline of 34% in the number of South Africans who establish businesses. South Africa has also been labeled as one of the

countries that have a high SME failure rate. Schüssler (2012), indicated a similar negative trend, as 63% of the small businesses established in South Africa fail within the first two years of trading, which also contributes to the low TEA rate.

Academics have studied the concept of brand positioning extensively, and they agree that brand positioning is a marketing tool that is used to identify and occupy a particular space in the minds of the consumer (Hassan & Craft, 2012; Ries & Trout, 2001; Sengupta, 2005). Through brand positioning, businesses are able to re-affirm positive perceptions towards their brands and eliminate negative associations that customers might hold (Sengupta, 2005). Although there have been studies conducted relating to small businesses (Carson & Gilmore, 2000; Gilmore, Carson, & Grant, 2001; Hassan & Craft, 2012), there has been limited theory and research regarding brand positioning within the SME context. While marketing is applied within the context of SMEs, Gabrielli and Balnoni (2010) argue that marketing activities and marketing strategies are not well implemented and managed within the SME context. Eggers, Hansen, and Davis (2012) emphasise the importance of establishing a strong brand in the SME sector and that building a strong brand contributes towards building successful businesses.

Brand positioning is an important aspect of any business, as brands are a means of acquiring customers and building a strong reputation in the marketplace (Aaker, 2012; Kotler, 2012). Corporations deemed successful are not only producing positive results due to revenue generated, but also because they have established competitive brands both internally and externally (Baumgarth, Merrilees, & Urde, 2013).The notion of brand positioning has proven to be effective in large corporations, as in the case of Nike and Apple. Such brands are considered to be category leaders in their industries and such status is deemed as the peak success for a product (Ries and Trout (2001). The same effective brand positioning principles need to be applied in the SME context. Applying these principles will assist in ensuring that SMEs brands are well-defined and well-positioned in the minds of the consumers.

Conducting the study was essential to evaluate to what extent, and how marketing from a brand positioning perspective is currently being implemented by SMEs, and also to ascertain how brand positioning strategy can drive growth through the establishment of well-positioned brands. There is a greater need to shift the focus towards SMEs and to explore how transformation can take place by ensuring that such businesses do not fail within the first few years of trading.

From the theory reviewed, it has become evident that brand positioning from an SME perspective is an area of study that still needs to be explored to contribute towards the limited body of knowledge that currently exists. Therefore, the purpose of this study was to identify the marketing activities that are being implemented by SMEs, and thereafter to recommend vital brand positioning elements that can be implemented to grow and sustain such businesses. The study also assisted in defining the brand positioning framework that can be applied in an SME context. According to Klopper and North (2011), there are many brand positioning elements that can be implemented. However, for the purpose of the study, four elements were identified, namely: positioning by corporate identity: target user positioning: competitive positioning: and features and attribute positioning. The four elements were examined and formed a framework to facilitate the implementation of brand positioning in the SME environment as a response to the high failure rate.

1.2 Context of the study

The theory regarding brand positioning is a well-developed theory within the marketing discipline and has been investigated by a variety of marketing academics over the years. Brand positioning strategies have also been recommended and implemented in large corporations as delineated by Aaker (2012) and Merrilees, Rundle-Thiele, and Lye (2011). However, limited SME brand positioning theory exists and SMEs are compelled to implement brand positioning strategies relevant to large corporations, which is not an ideal solution (Baumgarth et al., 2013; Longenecker, Petty, Palich, & Hoy, 2011). Marketing challenges and SME theoretical frameworks are not new encounters and SMEs continue to struggle with marketing issues in the 21st century, thus

posing a threat of failure since SME brands are not well positioned in the minds of the consumer.

To attain the required information for the research, the study implemented a qualitative research methodology that aims to understand and describe the subject matter from the participants' viewpoints (Lichtman, 2012; Merriam, 2014). Implementing qualitative research methodology assisted to determine the current SME marketing practices and sought to identify brand positioning challenges within the SME context and also aimed to recommend a brand positioning strategy that is relevant to the SMEs. Considering brand positioning from the respondents' perspectives informed the contributions and recommendations made at the end of the research process, thereby ensuring that the recommendations made are truly relevant to the SME context. The SME concept has been defined in various forms and different countries have defined the concept in accordance to country dynamics affecting SMEs as in Table 1.

Table 1: Global SME definitions

Institution	Maximum # of Employees	Max. Revenues or Turnover ($)	Maximum Assets ($)
World Bank	300	15,000,000	15,000,000
MIF – IADB	100	3,000,000	(none)
African Development Bank	50	(none)	(none)
Asian Development Bank	No official definition. Uses only definitions of individual national governments.		
UNDP	200	(none)	(none)

Source: Gibson and Van Den Vaart, 2008

SMEs are most commonly defined according to three variables, namely the number of employees, annual turnover and assets, as indicated by Van der Vaart and van Donk (2008). According to the National Small Business Act SMEs are defined as follows:

> *"Small business enterprise organisation means any entity, whether or not incorporated or registered under any law consisting mainly of persons carrying on small business enterprise concerns in any economic sector and established for the purpose of promoting the interests of or representing small business enterprise concerns and includes any federation consisting wholly or partly such association and also any branch of such organisation" (*South Africa*, 1996; p.34)*

In the context of South Africa, SMEs are referred to as Small, Medium and Micro Enterprises (SMMEs). The terms SMME and SME are used interchangeably when describing small businesses. For the purpose of this particular study SMEs is used as a universal term. Similar to most businesses, SMEs experience different growth stages. There are five stages that a small business moves through, according to Lewis and Churchill (1987). These are existence, survival, success, take-off and maturity. The different stages emphasise the growth pattern that such businesses experience (definitions of the stages are further discussed in the literature review).

The research focused on businesses that are in the success stage. Such businesses are concerned to generate more revenue, grow the business, and position the business internally, in the competitive landscape, as well as amongst its customers (Lewis and Churchill (1987). Achieving such status requires the business to be financially viable, confident in implementing strategies that will allow the brand to remain relevant to the target market, as well as to be a significant role player within the competitive landscape.

As previously mentioned, brand positioning is regarded as a tool which is used to occupy a particular space in the minds of the consumer. There are different types of brand positioning strategies that exist and the study focused on the brand positioning elements applicable in the SME environment, which will be further discussed in the literature review

The theory presented has emphasised the importance of studying SMEs from a marketing perspective and its significance due to limited information, knowledge and theory available. The studies have further reflected a greater need for SME marketing principles to be examined. Cant and Wiid (2013); Marcati, Guido and

Peluso (2013); Van Scheers (2011) argue that there are many marketing challenges that SMEs are faced with, and these include lack of a well-defined brand, limited information about the target market, and competitiveness. All three studies agreed that the lack of marketing knowledge and its implementation has a negative impact on the success of SMEs. Fuchs and Diamantopoulos (2010), also emphasised the importance of further developing SME brand management theories.

Contributing towards SME brand management warrants informed decisions regarding SME brands and leads to a better positioned brand that remains relevant to both the target market and the competitive landscape. Due to the arguments that have been posed by previous studies, the knowledge gap for the study was identified as contributing towards the limited SME marketing theory from a brand management perspective. Brand positioning strategy needs to be relevant to SMEs and applicable to the SME context.

1.3 Problem statement

As previously discussed, SMEs are an important developmental component in the South African context, where these businesses contribute towards alleviating poverty, unemployment and inequality Jauch and Kaapama (2011). Although this is the case, SMEs confront operational and management challenges as well as marketing challenges (Aaker, 2012; Merrilees et al., 2011). Due to the lack of marketing theory relevant for SMEs, small businesses are forced to apply marketing practices from a large corporation perspective. This is not appropriate because SMEs do not have access to the same type of resources as large corporations do.

There have been studies that have examined the importance of marketing for SMEs and how marketing has a direct impact on the success of failure of the business (M. C. Cant & Wiid, 2013; Van Scheers, 2011). Even though the subject has been studied, limited studies are available that reflect marketing strategies relevant to SMEs. Thus, the pinnacle objective of the study is to be able to recommend a brand positioning strategy that is consistent with the four

brand positioning elements of corporate identity, target user, benefits and attributes, as well as competitive positioning. Before recommendations can be made, the current status of marketing implementation needs to be examined using the brand positioning theory as a guideline in order to define an SME brand positioning strategy. Based on the previous findings and studies, the main problem as well as the sub-problems was identified.

1.3.1 *Main problem*

To ensure the relevant brand positioning strategies are implemented in the future to confirm growth and success of SMEs, the current marketing practices from a brand positioning perspective need to be assessed. Practical recommendations regarding how brand positioning can be implemented cannot be attained prior to the assessment of the current environment. Therefore, the problem statement of the study was defined as follows:

Identify how marketing strategies are implemented by B2C SMEs and recommend B2C SME brand positioning strategy can contribute towards the growth and sustainability of SMEs.

1.3.2 *Sub-problems*

For the purpose of the study, the following sub-problems were defined:

Sub-problem 1: *Identify SME marketing practices in line with positioning by corporate identity, target user positioning, features and attribute positioning and competitive positioning.*

Sub-problem 2*: Recommend how brand positioning strategy based on the four elements can contribute towards the growth and sustainability of SMEs.*

1.4 Significance of the study

The main purpose of the study was to provide marketing strategy guidance to SMEs, specifically brand positioning strategy, and to determine how these businesses can develop, and grow sustainable and relevant brands in their competitive landscape. The study aimed to identify and determine marketing practices currently implemented, or the lack thereof, before making brand positioning recommendations for the SME industry. Before recommendations were made, it was imperative to analyse the current environment and establish SMEs' marketing practices in with regard to brand positioning. This allowed for a relevant brand positioning strategy to be outlined and recommended for B2C SMEs.

Assessing current SME marketing practices will also assist in determining how SME brands, products and services can be well marketed to sustain successful businesses that cater for the needs of the customers and building towards a competitive brand. Once that was accomplished, the study then recommended effective key brand positioning strategy through the four brand positioning elements such as positioning by positioning by corporate identity ; features and attributes positioning; target user positioning; and positioning by competitor. The pillars, amongst others, have been identified by(Ries & Trout, 2001; Sengupta, 2005; Temporal, 2011), as the pertinent brand positioning elements that can be implemented in positioning the brand in the minds of the customers. The study sought to provide guidance to existing B2C SMEs considered very small and small according to the Small Business Act, South Africa (1996). as defined in Figure 3:

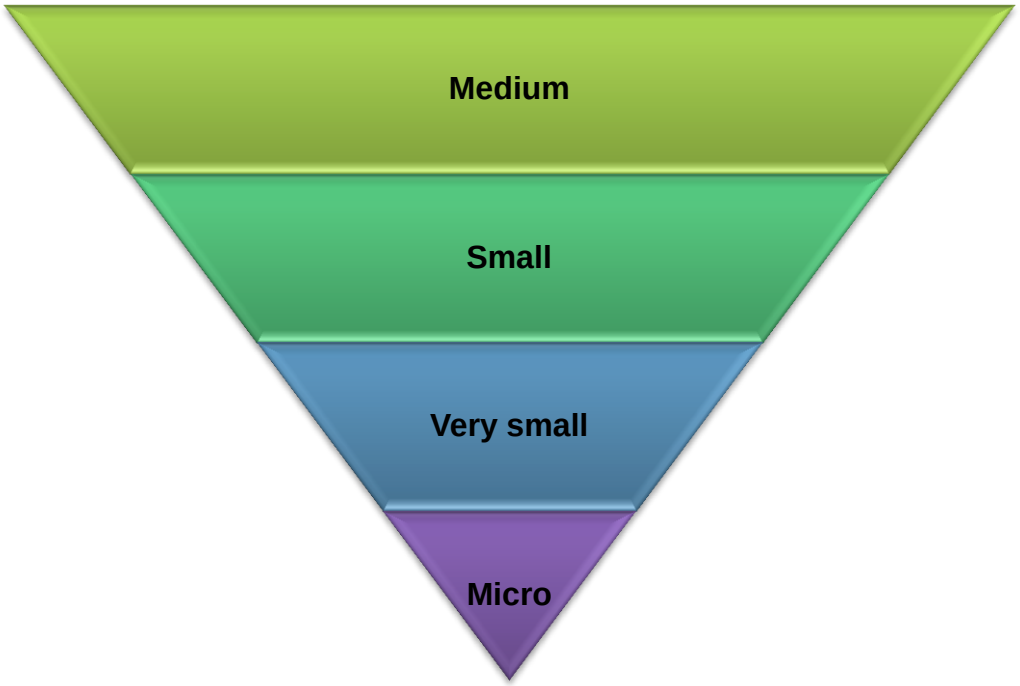


Figure 3: Business classifications

(South Africa, 1996)

Academics have delineated many reasons for the failure of SMEs and these include lack of managerial skills and unstable finances (Parry, Jones, Rowley, & Kupiec-Teahan, 2012; Van Scheers, 2011). In a study carried out in South Africa M. C. Cant and Wiid (2013), highlighted South African related problems such as corruption, crime and lack of technological skills as some of the crucial factors that hinder South African SME progress. Scholars have also indicated the lack of marketing knowledge as one of the main challenges that lead to SME failure. Parry et al. (2012), debated that SMEs do not consider marketing as an important component in the business model, as marketing is viewed as a costly exercise since SMEs do not have the time and the resources to carry out and implement marketing activities within their businesses. Parry et al (2012) further stipulated that aspects such as competitive landscape, identifying the relevant target market, and branding, are marketing components that are not regarded as significant in the SME context, due to the lack of knowledge regarding their implementation. The study sought to assist in providing guidance for SMEs to implement brand positioning in establishing their brands and ensuring that their brands are relevant and acknowledged by their customers,

as well as their competitive landscape, and it hoped to offer guidance to SME support structures.

According to Sandbacka, Nätti, and Tähtinen (2013), the SME brand theory and framework is underdeveloped. Sandbacka et al. (2013), pointed out that marketing activities in the SME context are poorly implemented as SMEs view large corporations as their benchmark in implementing marketing principles in their businesses. The process of doing so leads to failure as the nature of SMEs and large corporates are different and the type of marketing methods applied to a corporation are influenced by their large budgets and resources, to which SMEs do not have access. Thus, the study also contributes towards accepting the importance of brand positioning strategy and how its elements can be implemented in an SME environment. The data collected also assists business owners in being well-informed and structured regarding the marketing models and marketing initiatives they decide to embark on. This will help to contribute towards the alleviation of the declining status of SMEs in South Africa.

The research report aimed to provide guidance and theoretical support to individuals who own an SME and to how these owners can implement brand positioning in their current businesses. The study is not only relevant to SME owners in category three, according to Lewis and Churchill (1987), but it is also relevant to individuals who are in the process of establishing a small business and individuals who are running businesses in the earlier phases. It can assist these businesses to establish relevant brands and position themselves in such a way that they remain current, successful and sustainable.

In summary, the research report sought to assist individuals who are directly and indirectly involved with developing the SME industry and brands. The research also served to guide SME owners regarding how they can apply effective marketing strategies, specifically brand positioning strategy, to grow and sustain their businesses.

1.5 Delimitations of the study

The study did not provide answers to why SMEs businesses fail, but rather attempted to help SMEs apply branding positioning principles in growing and sustaining their businesses. The study examined Gauteng-based SMEs. Although this is not delimitation, it is imperative to note the advantages of conducting a Gauteng-based study. Thirty two percent of South Africa's SMEs are based in Gauteng Schüssler (2012) which is the highest percentage in terms of provincial distribution of SMEs in South Africa.

The Gauteng-based study allowed the researcher to gain insights and information about South Africa's economically prominent province since Gauteng is considered to be South Africa's business hub (Dimmer (2013).The research study did not focus on all types of SMEs, and was only based on B2C SMEs as opposed to business-to-business (B2B) enterprises.

The study was based on the success phase in accordance with the five stages of business growth propounded by Lewis and Churchill (1987). Only very small and small businesses and not micro and very small SMEs were considered for the study as defined by the Small Business Act, South Africa (1996). Such businesses have an opportunity to grow and may be able to afford marketing campaigns since their main goal is not to survive, but for growth and sustainability to take precedence in their day-to-day operations.

1.6 Definition of terms

The following terms were used in the research study:

A. **SMEs:** Businesses in any industry that are small in nature, that may be registered or unregistered which are established for economic reasons of the owner(s) South Africa (1996).

B. **Life stages**: According to Lewis and Churchill (1987), life stages are the different phases of growth that small businesses experience. The five stages include existence, survival, take-off, success and maturity.

C. **B2C businesses**: Businesses that sell products and services to the individual customer as opposed to selling to another business, according to Hoejmose, Brammer, and Millington (2012).

D. **B2B businesses**: Business transactions that occur between companies as opposed to involving a direct consumer (Hoejmose et al., 2012).

E. **Business classifications**: Categories defined by South Africa (1996), are the different business classifications which have been defined according to the size of the business, number of employees and the annual turnover. The categories include micro, very small, small and medium business classifications.

F. **Brand positioning**: The marketing strategy process of positioning the brand in the minds of the customers in such a way that it stands out when compared to competitor brands, according to Ries and Trout (2000); and Keller (2008).

G. **Positioning by corporate identity** : Holistic image of an organisation inclusive of the organisation's values, philosophies and strategy through the deliverance of its products and services and how these pillars of brand strategy are used to position the organisation both internally and externally in the market (Balmer & Greyser, 2003).

H. **Target user positioning**: A element that requires an organisation to focus its marketing tools and activities on satisfying the needs and wants of a particular market in order to establish long-term relationships through adequate research and understanding of the target market (Sengupta, 2005).

I. **Features and attribute positioning**: A brand positioning element that uses the brand features in promoting the brand to the desired target market (Klopper & North, 2011).

J. **Competitive positioning**: A process of identifying the differentiating factors of a brand when compared to the competitors and gaining significant market share in the competitive landscape (Klopper & North, 2011).

1.7 Assumptions

A number of challenges were experienced whilst conducting the study regarding the marketing process in the SME environment. Brands were not clearly defined due to the size of the business and restricted budget for branding and marketing purposes. In many instances, SMEs that were consulted during the proposal phase had since closed down and other business owners had to be interviewed. The assumptions listed below have been made regarding the research:

- SMEs' growth and success may be related to other factors such as change in management and injection of capital.
- A branding decision to some degree had taken place when the business was established in defining the organisation and its brand.
- Since the respondents who formed part of the study are the owners and the founders of the SMEs, the views expressed represent the holistic views of the organisation and its marketing process.
- Respondents recruited were owners of the business entities and were being truthful and honest during the interview participation.
- Factors outside the area of study did not influence respondents' responses.

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

SMEs are an important component in the economy of any country (Eniola & Ektebang, 2014; Lee, Kelley, Lee, & Lee, 2012; Radas & Božić, 2009). For SMEs to remain profitable and contribute towards the economy, these businesses need to be sustainable and grow beyond their limited capacity. For growth to be sustainable, systems and measures need to be put in place to reduce the current failure rate. One of the systems and procedures that need to be implemented is a marketing strategy that can contribute towards creating brands that are relevant to target markets and that are regarded as competitive.

Chapter 2 is concerned with the literature relevant to the study in addressing the research questions raised. In building the theory for the study, the first section of Chapter 2 analysed the current status of South African SMEs, their role in the society and how marketing has been implemented within the context of SMEs. The second section examines the brand positioning theory that formed the basis of the study in the quest to recommend a brand positioning strategy that is relevant to SMEs and how these businesses can implement growth and sustainability within B2C SMEs.

The final section of the literature review concludes the chapter and revisits the two research questions raised in terms of the information that was garnered from the literature review.

2.2 The state of B2C SMEs and their role in the society

As mentioned in Chapter 1, there are various definitions that have been used to define the term SME. For the purpose of this study, the South African definition, in accordance to the Small Business Act, has been adopted South Africa (1996). The South African Act has further defined four classifications that categorise businesses according to the number of employees, annual turnover,

as well as gross assets. However, the criteria are also dependent on the industry type. The four categories include: micro, very small, small and medium enterprises as per Table 2 below:

Table 2: SME classifications

Enterprise size	Number of employees	Annual turnover	Gross assets
Medium	Fewer than 100 to 200	Less that R4 million to R50 m	Less than R2m to R18m
Small	Fewer than 50	Less than R2m to R25m	Less than R2m to R4,5m
Very Small	Fewer than 10 – 20	Less than R200 000 to R500 000	Less than R150 000 to R 500 000
Micro	Fewer than 5	Less than R150 000	Less than R100 000

Source: (South Africa, 1996)

The research study was based on very small and small B2C businesses as these businesses have upgraded from a micro state, which is considered to be the lowest category with minimal access to resources. From Table 2, it is evident that businesses in the micro state cannot afford investment in marketing activities, as these businesses are still in the early phases of establishment, continue to successfully manage operational costs and are not at a position where they can break even (Mueller, Volery, & Von Siemens, 2012; Tell & Gabrielsson, 2013). The main purpose of these businesses is to gain a source of income in order to support themselves and their families (Mueller et al., 2012; Tell & Gabrielsson, 2013). Such businesses have not realised the potential of growing beyond their current state due to establishment challenges which are a

priority at this stage. It is not disputed that these business are able to improve if marketing activities were implemented. However, it is also important to have access to the financial investment for marketing activities to be carried out. Very small and small businesses have not only upgraded from the micro level, but are also generating sufficient revenue, and have realised the potential of the business and are typically exploring ideas for growth (Mueller et al., 2012; Tell & Gabrielsson, 2013).

Establishing profitable SMEs does not only contribute towards job creation but also contributes towards the economy of the country and the continent. (De Kok et al., 2011; Van Scheers, 2011) argued that more than 90% of African business consists of SMEs and these businesses contribute up to 50% of the African GDP and employment rate. This positive trend is also reflected in South Africa - SMEs contribute to over 50% of jobs (Smit and Watkins (2012) Bowler, Dawood, & Page, 2007) and contribute to between 50% and 61% of the country's GDP (Smit & Watkins, 2012). Small businesses also play a crucial role in the development of the country according to Kongolo (2010).

The South Africa government has recognised the valuable contribution made by SMEs' to the economy and established the Small Business Development Ministry in 2014 (SAPA, 2014)to focus on SMEs and to centralise the tools that may be used to develop SMEs. By analysing the impact of SMEs, the importance of focusing on SMEs and ways of growing the business cannot be over-emphasised (Eggers, Kraus, Hughes, Laraway, & Snycerski, 2013; Eggers, O'Dwyer, Kraus, Vallaster, & Güldenberg, 2013). Examining the behaviours of SMEs and devising tools that can assist in growing such businesses will also assist in ensuring that SMEs reach a level where they are self-sufficient and the level of poverty may be decreased. Thus, contributing towards SMEs can have a beneficial impact on the country's economy.

However, the results and the impact of SMEs are not sustainable due to their high failure rate (Bowler, Dawood, & Page, 2007), resulting in 40% of the new businesses established failing in the first year of establishment, 60% failing in their second year, and almost 90% failing in the first ten years of being established. Studies have cited a variety reasons for the failure of these

businesses. There is a shortage of managerial skills within the SME environment (Van Scheers, 2011), and this shortage has a direct impact on the development of new business (Nicholas, Ledwith, & Perks, 2011). Lack of access to financial investment has been emphasised as one of the major reasons for SME failure (Ardic, Mylenko, & Saltane, 2012; Love & Pería, 2014).

SMEs may attempt to be innovative and progressive, but such developments are usually hindered by the absence of financial investment and resources (Ardic et al., 2012; Love & Pería, 2014). A lack of marketing skills has also been emphasised as one of other factors that threaten the success of SMEs but it has not received sufficient attention and has resulted in research of other factors. Marketing is an important aspect in the business and studies have proven direct relationships between the success of SMEs and failure rates (Carson & Gilmore, 2000; Parry et al., 2012). Therefore, more studies should be conducted to determine how marketing and marketing principles may be implemented to grow and sustain SMEs.

Before the study was conducted, it was important to consider the structure and categories of South African SMEs. It was also important to analyse their current marketing practices and examine the challenges these businesses are confronted with when it comes to the marketing. Doing so enabled a clear outline of the level of marketing that is implemented on the basis of brand positioning, and how brand positioning activities relevant to SMEs can be understood and implemented to grow such businesses beyond their current state. The sections below examine the South African SME landscape, how the SME businesses are performing and the different stages of a life cycle that a typical SME goes through. Once that has been completed, the current marketing practices in relation to overall marketing strategies that were implemented, including the marketing challenges and brand positioning aspects that were implemented, are examined.

2.2.1 *SME landscape*

Contextualising SMEs in South Africa is a challenging task as there is no single body that is currently tracking the size of SMEs. No one knows exactly how many SMEs currently operate in South Africa and the estimates vary from 1.2 million to 3 million (Smorfitt, 2015). Although that may be the case it is not deniable that SMEs have a positive impact on the South African economy: SMEs contribute 61% towards employment (Mahembe, 2011). Studies have examined the impact of SMEs as well as the challenges faced by such businesses. All studies have arrived at different statistics, and for the purpose of this study the FinScope Survey (Grundling & Kaseke, 2010); ABSA SME INDEX (Schüssler, 2012) and the Global Entrepreneurship Report (Monitor, 2014) were examined to analyse the South African SME landscape. The FinScope survey was a national study that was conducted and was the first study conducted to determine the size and the profile of the SME landscape. The ABSA SME Index is a study conducted by ABSA bank with the objective of monitoring South Africa's SME growth and patterns. The Global Entrepreneurship Report Monitor Report assisted in ascertaining the South African entrepreneurship dynamics from a global scale perspective.

The South Africa FinScope Survey, which was conducted in 2010, was regarded as the pioneering study concerned with determining the South African small business dynamics and the sample drawn represented the South African population, making the study reliable (Grundling & Kaseke, 2010). The study was based on 1000 sample units across the nine provinces in South Africa. According to Grundling and Kaseke (2010) there were more than 5.9 million SMEs in South Africa at the time, which accounts for 23% of all SMEs in South Africa. This proves the validity of basing the study in Gauteng as most SMEs are based, and operate in Gauteng. The study further stipulated that 78% of the businesses surveyed offer retail services, whilst 23% provide services to their clients. Business types included plumbing, hospitality, tourism, hair dressing and construction, to name a few.

Of the SMEs surveyed, 41% were in the start-up phase and most of these businesses were not registered, whilst 37% were well established businesses that had been in operation for more than five years. Although there are fewer established businesses as opposed to businesses in the start-up phase, established businesses generate more revenue and have a potential to sustain themselves, as opposed to start-up phase businesses. Of these businesses, 63% claimed to be self-taught and did not have any formal business skills when they established their businesses. The acquisition of skills and training is dependent on previous employment. Most SME owners included did not have the relevant skills or training for running a business. This also meant that most SMEs did not have sufficient marketing skills and knowledge.

The results of the ABSA SME index reflected similar trends to that of the FinScope Survey (Schüssler, 2012). The study also reflected Gauteng as the province with the highest concentration of SME owners and 45% of the businesses surveyed belong to the wholesale and retail trade. The study also proved the importance of the B2C market and the prominent scale of such businesses. The study reflected a particularly high percentage of businesses that are in the establishment phase and have been in operation for less than a year. Of the total number of the businesses surveyed, 14% have been in operation for less than a year, the highest percentage when the years of establishment are considered. Only 3% have been in establishment for ten years; proving the importance of exploring solutions that can contribute towards the sustainability of such businesses.

A thorough understanding of the South African landscape should not only be based on South African studies, but it is also important to understand South African SME status from a global perspective. The Global Entrepreneurship Monitor report (Monitor, 2014), examines the South African entrepreneurial activities when compared to other countries.

The GEM report is the largest annual global report that studies 67 countries to determine the entrepreneurial activities across the world. One of the countries surveyed is South Africa. Fewer people in South Africa started a business in 2013 and the South African entrepreneurial activity rate has dropped to 7% in

2014 from 11%, which is below the average of 26% (Monitor, 2014). Increasing the entrepreneurial activity is vital to decreasing the unemployment rate in the country; thus more people need to establish sustainable businesses to curb the unemployment problem in the country. There are many factors that have contributed towards inactivity of entrepreneurship in South Africa, and these include poor health, a poor education system, corruption and crime (Monitor, 2014). These issues need to be examined and improved in order to create a thriving small business environment in South Africa.

South Africa has reflected a lower average of young people starting businesses when compared to other Sub-Saharan countries surveyed (Monitor, 2014). South Africa is ranked the worst in youth activity with an average of 40% of young people claiming to have the capacity to start a business, compared to the Sub-Saharan average of 69% (Monitor, 2014) . The report suggested that means of offering support to people who are motivated to start businesses need to be created. This will ensure that sustainable businesses are created as people who are motivated to start a business have a higher probability of sustaining a successful business.

The results of the FinScope Survey (2010), the ABSA SME Index (2012) and the Global Entrepreneurship Report, indicate the state of SMEs, the challenges faced by South African SMEs and the importance of defining solutions that can be implemented to improve the state of such businesses. Although the studies indicated the poor performance of SMEs both from a local and global perspective, the reports did not examine the level of marketing knowledge of SME owners. Conducting a study based on defining marketing solutions for such businesses will complement the above studies. Thus, the research report hopes to contribute towards SME solutions from a marketing perspective and to ascertain how a brand positioning strategy can be implemented to improve the conditions emphasised in the previous reports.

To succinctly comprehend the South African SME landscape, the South African SME definition, SME business types as well as SME classifications need to be examined. As previously mentioned, SMEs are defined as businesses that are small in nature that may or may not be registered in accordance with the South

Africa (1996). The Act further categorises SME by classifications; namely, micro, very small, small and medium. The research study focused on SMEs that have been in existence for more than three years, as such businesses have a larger annual turnover when compared to the two smaller categories and these businesses may have portioned their budgets to invest in marketing activities.

2.2.2 *SME life cycle*

Small businesses undergo various phases that determine the level of sustainability or failure of a particular business. According to Gupta, Guha, and Krishnaswami (2013), small business phases are characterised by the different challenges and milestones they move through in each of the phase. The growth and success of a business is influenced by both internal factors that a business can control, and external socio-economic factors that a business cannot control. Farouk and Saleh (2011) established models that describe the different phases that businesses move through, including the business life cycle (Lewis & Churchill, 1987), the five phases of growth (Gupta et al., 2013) and the industry life cycle (Farouk & Saleh, 2011). Of these three models, the most prominent model that is still applicable to today's environment remains Lewis and Churchill's model, as depicted in Figure 4 below:

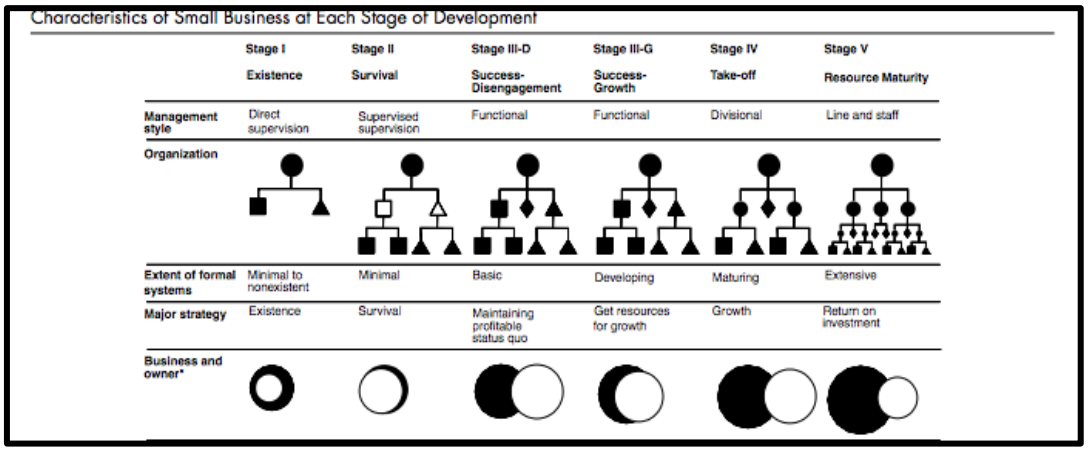


Figure 4: Churchill and Lewis small business cycle

(Lewis & Churchill, 1987)

Figure 4 elaborates each stage of the business cycle. There are five phases that a small business moves through, namely, existence, survival, success, take-off and resource maturity (Lewis and Churchill (1987) . The most challenging phase is the existence phase as a business owner is entering unfamiliar territory and has no guarantee that the business will succeed. The business is heavily reliant on the business owner for survival and the owner at this stage is responsible for the overall management of the business (Davis, Hampton, & Lansberg, 2013). One of the biggest challenges at this stage is acquiring customers who will consume the product since the business is not known in the market. Lewis and Churchill (1987), further indicated that the business' main objective at this stage is to remain operative since it is fairly new. The chances of failure are very high at this stage since the business is struggling to acquire customers and has limited resources to finance its operations. If the business is able to maintain existence, it will then move to the survival stage.

The main challenge at this stage is whether the business can operate beyond inception phase, as articulated by Davis et al. (2013). The business is also faced with maintaining sufficient customers. (Davis et al., 2013), also stated that businesses at this stage need to understand their market and decide whether they have enough cash to break even and to replace any assets required to run the business. At this stage, the business owner has few employees and is able to share the responsibilities of running the business with them, even if the business is still highly dependent on the owner (Lewis & Churchill, 1987). The business has to decide on whether it will exploit current revenue streams to expand the business or maintain consistent cash flow (Lewis & Churchill, 1987). If the decision is made to expand the business, the business moves towards the take-off stage.

The take-off stage requires the business to invest more capital in order to increase its capacity to manage high volumes of customers (Phillips, Tracey, & Karra, 2013). Although this is the most successful stage, businesses can rapidly fail if the revenue generated is not managed according to available finances and the expenses acquired due to the large volumes of customers. The fifth and

final stage is defined as resource maturity (Lewis & Churchill, 1987). The main business objective at this stage is diversification, as the business is required to tap into other markets and create other products to remain relevant and successful (Davis et al., 2013). The business owner is required to use previous learnings to tap into other markets and diversify the business. Maintaining innovation at this stage is pivotal for diversification. If the business does not diversify at this stage, the business can rapidly fail due to economic changes and the introduction of new competitors in the market (Davis et al., 2013). Thus, the business needs to examine other forms of generating profits to maintain growth.

Just like any other type of business, SMEs are volatile and need to develop further to remain successful and relevant. There are a number of ways that a business may evolve, including growth, acquiring more customers and diversification (Gupta et al. (2013). In addition, businesses can exploit marketing approaches to grow and sustain themselves and brand positioning is one method of doing this. This research study's main focus was based on businesses in the success phase. Although the literature suggests that such businesses are considered successful, these SMEs have not yet reached their full potential and due to the high failure rate, businesses in this phase may fail or downgrade to lower phases (Gupta et al. (2013). Therefore, studying the nature of such businesses and defining solutions can assist to ensure that SMEs in the success phase continue to grow beyond this phase. Positioning the brand in this phase can assist in growing the business by being well-positioned in the minds of the consumers. In return, this will enable the business to acquire more customers, be well-positioned in the competitive environment and establish a brand that is well-known amongst the customers - thus increasing the probability of the business' success and the relevance of the brand.

2.2.3 *Comparing Business-to-Consumer (B2C) vs. Business-to-Business*

There are two types of business that exist in terms of the nature of business (Hande, Ghosh, & Govil, 2015), namely B2B and B2C. As their names suggest, B2B is a type of a business where transactions of products and services occurs between businesses, whereas, in a B2C environment the buying, selling of products and services occurs between a business and a consumer. (Hande et al., 2015) suggested there are key differences between B2B and B2C business types as per table 3 below:

Table 3: Differences between B2B and B2C

	B2C	**B2B**
Business objective	Product driven	Relationship driven
Target market	Large target market	Small focus
Buying process	Single step	Multi step
Target market reason for purchase	Buying based on status, desire and price	Buying based on cost reduction and increase in productivity
Marketing cycle	Short: purchasing is immediate	Long: establish a relationship

Source: (Hoejmose et al., 2012)

B2C are established purely to sell a particular product whilst B2B are established to build relationships with another business before a purchasing decision can transpire (Hoejmose et al., 2012). The buying process in a B2C is a single-step process, since the consumer purchases a product for immediate consumption purposes and is typically a once-off transaction. The B2B purchasing process is a multi-step transaction. The B2B buying process is a long-term engagement and requires contracts to be in place before the purchasing decision may take place.

Agar (2013) argued that in a B2B environment, branding is necessary but not essential, since branding may assist a business to being considered by a potential customer, but not necessarily chosen. This is not to say that brands should not be well established in the B2B environment, since branding is an important aspect in any business. However, branding is not as prominent in a B2B environment as it is in a B2C environment. In a B2C environment, brands are an important aspect as brands are established to promote buying, loyalty and status. Brands need to be clearly communicated and positioned in a B2C environment (Agar, 2013; (Hoejmose et al., 2012). The establishment of the brand determines the volumes of customers in a B2C business. A well-communicated and positioned brand guarantees customers, as customers will relate to the product and have a desire to purchase the product.

The above outlines the major differences between B2C and B2B business types. Branding is a major component in a B2C environment, and from the literature reviewed, it is evident that B2C business types require investment in marketing activities to be made. This is due to the heavy reliance on marketing, advertising and media in promoting the products and services and ensuring the product is well positioned, both in the competitive market and in the minds of the target market. This constitutes the reason for conducting a B2C related study within the marketing discipline, to ensure that such business types grow and succeed beyond the high failure rate.

Branding is a major component in a B2C business and there are more B2C SMEs that are available due to the lower cost of establishment involved, and yet such businesses experience high failure rates. Understanding such business will assist in establishing a brand positioning strategy relevant for B2C business, which, in turn, may assist in growing such businesses and assist in creating a well-positioned brand.

2.3 Current SME marketing practices and challenges for SME marketing

To determine the implementation of SME marketing practices, it is important to examine how SMEs have been implementing marketing practices, and to ascertain the marketing challenges these businesses are confronted with when examining their brand position practices.

2.3.1 *Overall SME marketing practices*

It is imperative to examine marketing and how marketing activities are implemented in an SME context. What was mentioned by academics in the 20th century still echoes in the current studies: there is limited theory that currently exists regarding SME marketing and the implementation thereof (Siu & Kirby, 1998). Therefore, SMEs are bound to fail and often generate lower revenues due to the lack of marketing information and knowledge.

There are other factors that characterise the absence of marketing knowledge within the SME context. The implementation of marketing is highly dependent on the owner's marketing knowledge (Jones & Rowley, 2011). A lack of knowledge can be detrimental to the success of the business since marketing will be reactive in nature and reactive to the competition. The importance of a clearly defined marketing strategy cannot be over-emphasised, since there is a direct correlation between the success of a business and the marketing activities initiated and implemented by SMEs (Carson & Gilmore, 2000; Centeno, Hart, & Dinnie, 2013; Eggers et al., 2012).

Ruzzier, Ruzzier, and Hisrich (2013), emphasised the level of understanding of marketing by SMEs and marketing's contribution towards revenue and profitability. Marketing should be incorporated in the day-to-day SME activities and marketing should not be viewed in isolation, but rather as a principle that should guide all the aspects of the business since it promotes innovation and creativity (Ruzzier et al., 2013). Academics and researchers should focus their studies on the applicable marketing strategy that is relevant for SMEs and not

only focus on marketing implementation from a large corporation's point of view (Jones & Rowley, 2011). To ensure SME success, marketing should be relevant to the nature and the scope of the business (Ruzzier et al., 2013).

In implementing marketing management within the SME business model, SMEs need to ensure that their brands are monitored and well managed. Therefore, SMEs need to establish brands that reflect professionalism and quality of the product and services rendered (Carvalho, 2007). A brand is considered to be the most valuable asset both in the SME environment and large corporation (Eggers, O'Dwyer, et al., 2013; Kotler, 2012), since a good brand assists in distinguishing a product and services within the market place (Kotler, 2012). Even within the context of SMEs where limited resources exists, a good and well positioned brand can drive success within the SME sector. Having a well-established SME brand has a number of benefits including a distinct brand within the competitive landscape, a brand that is able to compete in an over-cluttered environment and also attract a particular target market (Ruzzier et al., 2013).

Marketing within the SME landscape is considered to be unconventional and innovative (Ruzzier et al., 2013. Marketing practices that are implemented from a large corporation perspective should not be directly implemented in SMEs due to the differences in the nature and scope of the business types (Tripathi & Siddiqui, 2012). Therefore, there is a need to establish marketing strategies that are relevant to the SME environment to contribute towards the sustainability of such businesses. One prominent method is establishing SME brands that are well managed and positioned to enhance the brand, making it an attractive brand that will attract significant customers and have an opportunity of competing within the market place.

2.3.2 *Marketing challenges*

Now that marketing practices have been discussed, it is also important to examine marketing challenges experienced by SMEs, especially in a South African context. Positioning is considered to be one of the crucial factors of

strategic marketing that SMEs need to understand and implement in their businesses (Kotler & Keller, 2006). Doing so will enable SMEs to understand who their target markets are, how to improve their product and remain relevant and competitive. Implementing marketing activities is a challenge for SMEs due to the high costs of establishing and running a business. Marketing can therefore be perceived as a costly exercise due to the limitation of funds available, and is not viewed as a priority (Kroon & Moolan, 2007). Due to these factors, SMEs are bound to experience marketing skills shortage and often fail to implement marketing in their businesses, posing a risk to the survival of the business in the future (Kroon & Moolan, 2007).

In South African studies conducted by (M. C. Cant & Wiid, 2013; Van Scheers, 2011), the studies' main objective was to emphasise South African marketing challenges and propose marketing skills that should be internalised by SME owners to improve their businesses. The study was based on the Department of Trade and Industry SME data base and a sample of a 1000 companies were randomly selected. These studies delineated a number of marketing challenges experienced by SMEs as represented in Figure 5:

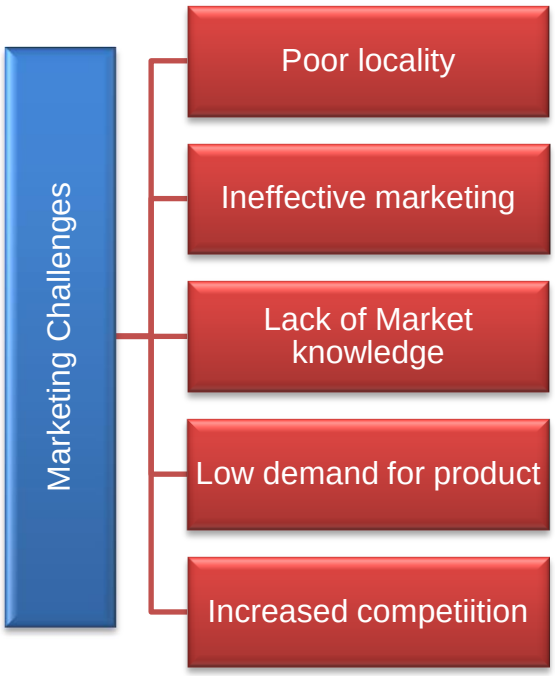


Figure 5: South African marketing challenges

(M. C. Cant & Wiid, 2013; Van Scheers, 2011)

Figure 5 is indicative of the challenges experienced by South African SMEs, as affirmed by the studies of (M. C. Cant & Wiid, 2013; Van Scheers, 2011). In the studies conducted, SMEs indicated that their businesses are not located in areas where they are visible to customers. Marketing activities that were implemented were not effective, and therefore there was no return on this investment. SMEs also lacked knowledge, thus the products supplied were not in high demand since they were not directly satisfying the needs of their potential customers.

Due to the competitive nature of a developing market, SMEs indicated that the pressure of remaining competitive and relevant in the market is relatively high. The SMEs studied had a high risk of failing since they were not equipped to anticipate the competition and be able to effectively respond to the market. Marketing training is vital to ensure that businesses implement effective marketing in their business models (Van Scheers, 2011). Four marketing solutions were proposed: marketing research, market strategy, analysis of the target market and implementation of a marketing mix. Although Van Scheers' (2011) study was able to identify marketing challenges faced by South African SMEs, both South African studies had limitations.

Both studies were quantitative in nature and did not have the advantage of probing for more information due to the restrictive nature of quantitative questionnaires. Marketing theory in an SME perspective requires probing to gain more profound insight and understanding of the subject matter. The study also randomly selected participants from one database, which consisted of different business types (micro, very small, small and medium), and businesses at different levels of development. Applying a blanket marketing approach for the businesses sampled may not have been effective since the businesses are at different stages of development.

The research studies also listed the four marketing solutions and did not exhaustively detail the solutions that should be applied within an SME context. Van Scheers (2011), argued that there is a lack of marketing knowledge amongst SMEs owners, therefore a framework was needed to outline the implementation of the four solutions as SME owners require guidance. The

studies also listed the solutions that should be implemented in the SME environment. These included training programmes, the formation of SME bodies and an increased role of the government (M. C. Cant & Wiid, 2013). The studies did not further elaborate on the solutions that should be implemented by SMEs.

Although it is imperative to emphasise marketing challenges experienced by SMEs, it is equally important to design solutions that are relevant to the SME market and solutions that will be relevant to the specific types of SMEs. When devising marketing solutions for SMEs, the nature of SMEs, as well as the development phases need to be considered since a blanket approach is not applicable to all business types. Large corporations do not apply the same marketing principles and the approach decided upon is determined by the nature and the scope of the business. Thus, this research study sought to ensure that the brand positioning solutions and recommendations made are relevant to B2C SME business types. Thorough investigation regarding brand positioning strategies and challenges experienced by B2C SMES were considered before recommendations were made.

2.3.3 *Brand Positioning practices within SME context*

Retrieving articles regarding SME brand positioning was a challenge as most research studies focused more on marketing as opposed to specifically brand positioning when examining SMEs. Although studies have also emphasised the importance of brand positioning in the SME environment (Spence & Hamzaoui Essoussi, 2010), limited information is available. More studies need to be conducted regarding SME brand positioning to contribute towards the very limited theory that currently exists. Thus, more studies need to be conducted to explore how brand positioning may be implemented in an SME context.

With a strong brand, an organisation is able to establish a positioning strategy suitable for the business since the strength of the brand has an impact on how well it may be positioned within the marketplace (these are orientated towards growing SME brands). In an SME environment, there seems to be an absence

of clear positioning of products, services and brand, and in most cases there is limited or no clear distinction between one brand and that of the competitors. Therefore, SME brands are positioned similarly, and this does not promote competition since these brands are typically selling the same product to the customers (Opoku, 2006). A lack of implementation is expected since SMEs do not possess valuable information and sufficient marketing skills to be able to effectively manage their positioning process.

From the limited brand positioning theory regarding SMEs and how they can effectively implement brand positioning, it is evident that more studies should be conducted to contribute towards the theory and develop brand positioning strategies that are relevant in the SME context that will further contribute towards the success and sustainability of SMEs. Therefore this study did not only hope to define key brand positioning strategies that can be implemented in an SME environment, but also sought to contribute towards the limited theory that currently exists.

2.4 Research Question 1

Before making recommendations on how SMEs can implement brand positioning strategy, the scope and nature of SME business need to be understood. In addition, SME marketing practice requirements need to be examined for a better understanding, and to be equipped to make recommendations that are applicable in an SME environment. Based on the literature reviewed, the gaps in the theory were identified below:

- **Nature and scope of the business**: SME failure rate is alarmingly high, solutions and structures need to be implemented to ensure that the failure rate is addressed (Van Scheers, 2011).
- **SME marketing practices:** There is limited theory regarding SME marketing theory and more studies need to be conducted to contribute towards the theory (Spence & Hamzaoui Essoussi, 2010).
- **SME marketing challenges:** There is a direct correlation between marketing and the failure of SMEs and studies have not further

elaborated how SMEs can implement marketing tools in growing their businesses (Cant & Wiid, 2013).

- **SME brand positioning strategies**: There are limited studies that have focused on how brand positioning can be implemented as a marketing tool in growing and sustaining small businesses (Spence & Hamzaoui Essoussi, 2010).

Based on the above summary, research question one was proposed:

How are marketing practices, in relation to the four brand positioning elements (positioning by corporate identity, target user positioning, features and attribute positioning and competitive positioning), implemented by B2C SMEs? (M. C. Cant & Wiid, 2013; Spence & Hamzaoui Essoussi, 2010; Van Scheers, 2011)

2.5 The role of brand positioning strategy

Brand positioning is regarded as one of the central components of brand management. Brand positioning sets the motion regarding how an organisation should implement marketing tool and activities (Keller & Lehmann, 2006). The main objective of brand positioning is based on eliminating negative perceptions about the organisation, reinforcing the current connotations as well as creating a new meaning that is relevant to both the target market and a competitive landscape (Gammoh, Koh, & Okoroafo, 2011; Klopper & North, 2011; J. Singh, Kalafatis, Blankson, & Passera, 2012). Due to information overload and customers' limited information intake, Ries and Trout (1967) conceptualised the notion of brand positioning as a marketing tool that can assist organisations to find a particular space in the minds of the consumer (Ries & Trout, 2001). Implementing a brand positioning strategy has a number of benefits, including driving competitiveness of a brand (Janiszewska & Insch, 2012), creating a distinct perception about the brand towards customers (Keller, Parameswaran, & Jacob, 2011), and it also assists in defining the brand identity of a business (Sair & Shoaib, 2014). Establishing a distinct position in the minds of the consumer can be achieved through brand positioning. For effective positioning

in the minds of the consumer to take place, the brand communication process needs to be carefully orchestrated to reach the desired audience.

Authors have defined brand positioning as a means of distinguishing the brand in the minds of the consumer to differentiate the brand from its competitors (Baumgarth et al., 2013; Kotler & Keller, 2006; Ries & Trout, 2001; Sirianni, Bitner, Brown, & Mandel, 2013) .The brand positioning process informs the consumer about the distinct features of a particular product, what makes the product different and how the consumer will benefit from using the product (Sirianni et al., 2013). Brand positioning creates a level of distinctiveness to ensure that the product stands out and can be easily identifiable. It also creates a distinctive identity in the minds of the consumer by formulating a unique image that differentiates the product against competitors ca(Ansari, Economides, & Ghosh, 1994; Kotler, 2012). There are number of ways in which an organisation can implement brand positioning. (Sengupta, 2005; Temporal, 2011) listed the elements that can form part of brand positioning strategy in Figure 6 below:



Figure 6: Brand positioning elements

(Sengupta, 2005; Temporal, 2011)

Although there are various brand positioning components that can be used by businesses, there is no guideline or framework regarding which element is best suitable for what company type (Fuchs &Diamantopoulos, 2010.Temporal (2011), argued that the above-mentioned strategies may be used individually or as a collective. However, for maximum effectiveness, businesses should implement a collective strategy where suitable (Temporal, 2011). Implementing brand positioning in an organisation can maximise its potential for success, and has various benefits: building a brand that is competitive by defining the brand name and image, understanding customers and creating a brand that is aligned to the needs and the wants of end user. Having an optimal positioning assists in defining the value that customers might attribute to the brand (Temporal, 2011). Based on Temporal's argument (2011), the following brand positioning strategy was adopted for the purpose of the research as a brand positioning framework for SMEs as depicted in Figure 7:

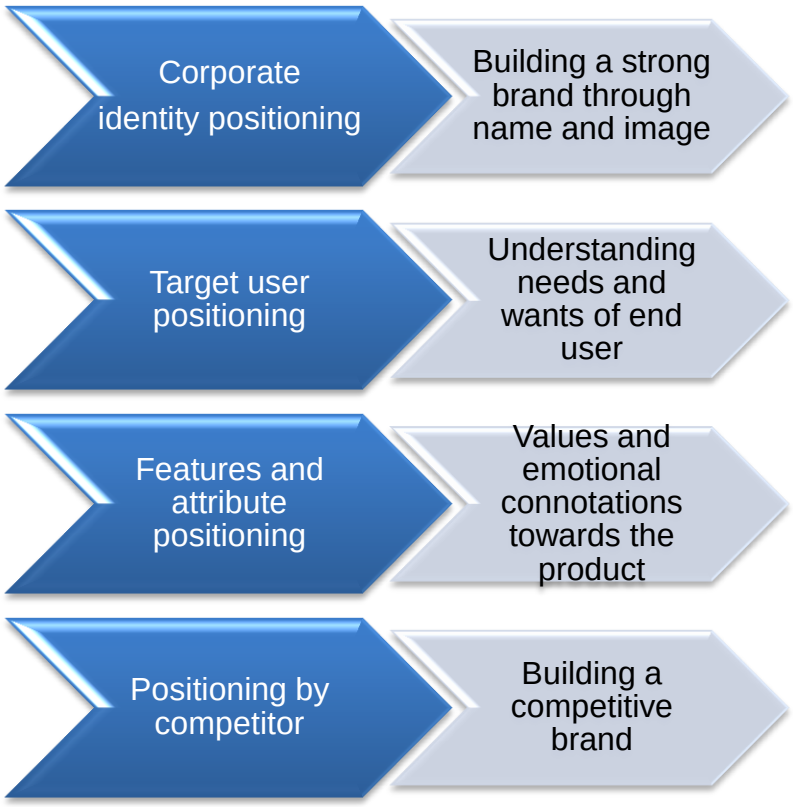


Figure 7: Proposed brand positioning framework for B2C SMEs

(Sengupta, 2005; Temporal, 2011)

The above is an illustration of the brand positioning elements that were applied as a brand positioning framework for the research study. The four elements were also used as a guideline, when the interview document was designed to determine marketing practices within the SME context. The study has focused on B2C SME companies that are in the success stages in accordance to Lewis and Churchill (1987). The study's objective was to identify SME marketing practices in a quest to recommend brand positioning strategy relevant for SMEs. Implementing the proposed framework may assist to decrease the high failure rate, as SMEs will be more knowledgeable about brand positioning and implementation thereof in growing and sustaining their businesses.

(Keller et al., 2011; Ries & Trout, 2001; Sirianni et al., 2013) further emphasised that the success of a brand stems from being well positioned in the minds of the consumer and business should strive towards creating a well-positioned brand for continued success. Brand management and brand theory are well-studied topics but limited focus has been given to investigating the concepts from an SME perspective. Spence and Hamzaoui Essoussi (2010) maintained that although there is literature pertaining to SMEs and marketing, brand management studies from an SME perspective is highly limited as most studies conducted are based on the context of large corporations (Merrilees et al., 2011; Yin Wong & Merrilees, 2005). Although this might be the case, this does not eliminate scholars from studying SMEs and the impact of brand management and brand strategy on such businesses.

Thus it is important to examine how forms of brand management can contribute towards building strong SME brands that are sustainable. For the purpose of this research study, brand management in a form of brand positioning was investigated to contribute towards SME brand management theory. As previously mentioned, the study only focused on four brand positioning elements, namely, corporate identity, target user, features and attribute and competitive positioning, which will be discussed in the ensuing sections.

2.5.1 *Brand positioning elements*

As previously mentioned, the study only focussed on four brand positioning elements, namely corporate identity, target user, features and attribute and competitive positioning. The four elements formed a framework for understanding how SMEs can implement brand positioning elements in formulating sustainable brands that can contribute towards the sustainability and growth of such businesses.

2.5.1.1 Positioning by corporate Identity

In order to achieve a well-positioned brand, businesses need to ensure that the core values of a business are communicated both internally and externally. Through positioning by corporate identity, an organisation is able to communicate the essence of a brand to which both internal stakeholders and the target market can relate (Abimbola, Trueman, Iglesias, Abratt, & Kleyn, 2012). Before positioning by corporate identity can be achieved, the corporate identity of a business needs to be defined. The mission, vision and core values of a business all form part of corporate identity (Klopper & North, 2011; Noel, 2013). Corporate identity is defined as a combination of the mission, vision and core values of the business that are communicated through the delivery of the products and services of a business (Klopper & North, 2011; Noel, 2013). Essentially, corporate identity is what the organisation stands for, what it wants to achieve and the perception formulated internally and externally. Corporate identity can also be extended to the name and the brand of the business. Without the two concepts a particular image relating to the corporate identity cannot be achieved (Kitchen, Tourky, Dean, & Shaalan, 2013; Melewar, Gambetti, & Martin, 2014).

Before a business can decide on the desired corporate identity, it is imperative that the business decides on the desired market position and perception of stakeholders. Klopper and North (2011) posited three types of identity that a business should consider as per Figure 8 below:

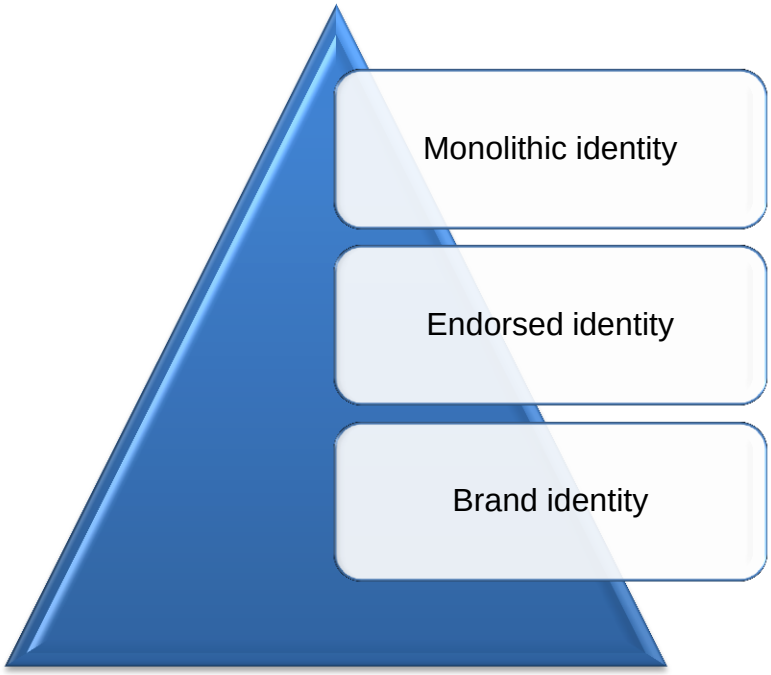


Figure 8: Corporate identity types

(Klopper & North 2011)

When an organisation is regarded as having a monolithic brand, it means that the corporate identity of the organisation has a single visual style across all the aspects of the business (Noel, 2013), and in most instances an SME will have this type of a brand to signal that the business is small in nature. Whilst an endorsed identity is more relevant for large corporations who might have a mother brand and a subset of brands (Noel, 2013), brand identity refers to subset brands that establish their own identity that are not similar to the mother brand and not unified to the mother brand. An organisation may have a particular perception regarding the corporate image. However, a business needs to be aware of the different forms of corporate identity to manage the process. (Klopper & North, 2011; Noel, 2013) delineated the different forms of identity that an organisation needs to be aware of as per Figure 9 below:



Figure 9: Dr Balmer's AC2ID test

(Balmer & Greyser, 2003)

As the name states, the actual identity is the corporate image of the organisation. This is what the business stands for and is a realistic form regarding corporate identity of the business (Klopper & North, 2011; Noel, 2013). This form of corporate identity needs to be analysed and both the positive and negative aspects of the identity need to be considered in developing the actual identity. Communicated identity is based on the external messaging towards consumers and the general public through advertising, and any form of communication that organisations control (Noel, 2013). A conceived identity is a perception of the organisation's corporate identity (Noel, 2013). This is a form of perception that the stakeholder and the different network groups hold. The ideal identity is the pinnacle positioning for an organisation. This is based on the organisation's competencies in the context of the general competitive landscape (Temporal, 2011).

Businesses should be able to identify the different forms of corporate identity and strive towards formulating an ideal identity. This form of identity is achievable over time through careful and strategic marketing management and investing on constructing a favourable image. The last form of identity has been identified as desired identity, which resides in the hearts of the business owners and is the vision that they have for the company (Klopper & North, 2011).

SMEs should also strive to identify the different forms of corporate identities, especially since in most instances the businesses are defined in such a way that they become extensions of the business owners (Spence & Hamzaoui

Essoussi, 2010). Some of the SME corporate literature has also argued that SME development and SME establishment is more often an extension of the owner's mission, vision and core values. Thus the corporate identity formation is inherent in nature as opposed to creating an image that is holistic in nature (Spence & Hamzaoui Essoussi, 2010). Therefore, a need arises to ensure that SMEs adopt a new form of thinking when composing their corporate identity that is not only significant to the owner of the business but to all the relevant stakeholders.

From an SME perspective, corporate identity is not clearly defined (Abimbola, Vallaster, & Merrilees, 2007). SME owners need to be aware of the different forms of identity to be able to determine how the business should be positioned from a corporate identity perspective. Understanding and being knowledgeable about the different forms of corporate identity also allows the organisation to manage their corporate identity and be able to respond to any factors that may have an impact on the corporate identity. Having a well-positioned corporate identity is not only beneficial towards the image portrayed but it also builds a good reputation and a favourable image towards the customers (Melewar, Sarstedt, & Hallier, 2012). Therefore, it is important for business to manage how their corporate identities are positioned, as doing so has a direct impact on whether revenue would be generated and whether the brand resonates with the target market.

2.5.1.2 Target user positioning

Building a favourable image is not only significant for the business but it also has an impact on the target market. The process of target user positioning is based on marketing activities and programmes that are geared towards determining the target market's perceptions, behaviour and buying processes (Klopper & North, 2011; Sengupta, 2005; Temporal, 2011). Furthermore, the target user positioning process ensures that the product is well positioned, known and relevant to the target market, which in turn drives high profitability for the business (Klopper & North, 2011). The process of positioning by target user is achieved through the STP process, namely; segmentation, targeting and positioning as indicated in Figure 10 below:



Figure 10: STP process

(Sengupta, 2005)

The process allows for identification of the untapped market that can be explored through understanding the behaviour patterns of a particular group of people. The STP process also assists in having a more profound understanding of the nature of the target market and creates an opportunity to build long-term affiliations between the target market and a brand of a business (Klopper & North, 2011).

Before a business can make a decision regarding the target market, it needs to undergo a process of segmentation. Segmentation is a process of deconstructing the existing market into potential markets from where the target market will be extrapolated (Dibb, 2010; Weinstein, 2013). This process enables a business to identify potential target markets that it can appeal to and devise ways of attracting the market.

Segmentation processes allow for identification of potential target markets that might have similar characteristics and expectations towards a particular brand. Therefore, this allows a business to be able to group people who may respond positively towards their brand. Segmentation also requires a business to consider the different population characteristics, such as demographics, behaviour, geographic and psychographics.

Demographic segmentation entails the analysis of demographic traits such as age, gender, and race (Klopper & North, 2011; Sengupta, 2005; Temporal, 2011). Individuals with similar demographics tend to behave and consume similarly so and share similar habits (Klopper & North, 2011). Geographic segmentation is a process in which marketers examine consumption habits in different towns and cities which may differ from town to town. Analysis and segmentation through geographical area is vital when determining the location for a business (Abimbola, Trueman, Iglesias, Muhamad, et al., 2012) and may assist in identifying an area that has a high concentrated market for a business which will drive profitability and sales. Segmentation also needs to be analysed from a behaviour perspective that analyses the consumption patterns of the market segment - not only products but also media consumption (Klopper & North, 2011). Undergoing the segmentation process generates valuable insight regarding the target market and this process may lead to defining the product that consumers prefer, based on their current behaviour.

The last form of segmentation is psychographic segmentation which examines the perceptions towards a particular product category, and the potential customers' opinions, attitudes and lifestyle patterns (Abimbola, Trueman, Iglesias, Muhamad, et al., 2012; Dibb & Simkin, 2010). Understanding the consumers' lifestyles exposes the activities and the interests of the consumers, which may enhance the process of elimination regarding what not to include in the product offering (Temporal, 2011). Psychographic segmentation not only analyses positive attributes but also investigates negative psychographic connotations that the segments might have. Once the population has been classified according to the segmentation criteria, businesses can then decide on the targeting process for the business and the type of strategy that a business will adopt.

The targeting process defines the selection of the segment as the primary target market to which an organisation will promote its product and services (Temporal, 2011). The analysis clarifies which segment is best suited for the brand Temporal, 2011). The selected segment needs to be distinct, accessible, measurable and profitable (Klopper & North, 2011; Sengupta, 2005). The

proposed target market needs to be accessible, since doing so will drive profitability and high volumes of sales (Dibb, 2010). The target market should not be too restricted and must be measurable to determine whether the business decision made regarding that segment is financially sound and large enough (Hassan & Craft, 2012).

The final stage of the STP process is positioning. As previously defined, the process of positioning occupies a particular space in the mind of the consumer to remain relevant and successful within the competitive landscape (Keller et al., 2011). A product needs to be positioned in such a way that it addresses the needs and wants of a particular group who consider comparable analysis of present marketing strategy the consumers of a particular product. Scholars, (Dibb & Simkin, 2010; Weinstein, 2013) have argued that attaining a favourable positioning status is not what one does to the physical product, but it is the perceptions and the benefits that are communicated to the target market in such a way that they occupy a relevant space in the minds of the target market.

The process of target user positioning includes three components, namely, segmenting, targeting and positioning. The process enables a business to clearly define the target market and to determine how the brand resonates with the target market. SMEs are faced with challenges when defining their target markets. Most SMEs tend to cater for the same market, especially in the African context (Hodson, 2014), minimising the potential of SMEs being financially viable. This is also sign of the lack of understanding of how businesses' target market should be defined (Marjanova Jovanov, 2012) due to lack of knowledge regarding the effectiveness of the target user positioning as essential to determining a target market for a particular SME.

2.5.1.3 Features and attribute positioning

There are two schools of thoughts regarding this technique. Some scholars believe that such a strategy is suitable for new product development (Fuchs & Diamantopoulos, 2012; Hassan & Craft, 2012), whilst other scholars believe that this strategy should also be applied to existing products in changing and enhancing the existing product (Klopper & North, 2011). Therefore, features

and attributes' positioning element should be examined constantly to ensure that the product is well positioned within the market and it is relatable to the values of the customers through continuous satisfaction of their wants and needs. This strategy should not only focus on the features of the product in terms of profitability for the business, but it is also important to determine an approach that will incorporate both the customer and the perception of the business regarding benefits and attributes.

Features and attributes' positioning has been likened to product positioning (Fuchs & Diamantopoulos, 2010) and in many instances studies have utilised the two concepts interchangeably. The principles of product positioning are similar, as product positioning is also defined as the ways in which a product uses salient product characteristics and features to promote the product against competitors (Hassan & Craft, 2012). The benefits of product positioning have also been labelled as ensuring that psychological connections and emotional connotations exist between the customers and that of the product.

Positioning by features and attributes has been defined as using attributes of the products as a means of communicating to the target market that the product is different or better than that of the competitors (Klopper & North, 2011; Sengupta, 2005). This element has also been considered a brand positioning tool that promotes innovation in positioning the product, service and the brand of an organisation (Kotler, 2012). The basis of this marketing strategy is using tangible and intangible benefits to promote a psychological and emotional connotation to the product by attracting customers and maintaining a favourable brand (Hassan & Craft, 2012).

Customers should be able to answer the reason why they need to consume the product (Sengupta, 2005), as they need to determine what they will gain by consuming the product and whether their needs and wants will be satisfied through the consumption of a particular product (Hassan & Craft, 2012). If a product is able to answer all those questions, it is then considered to have a favourable positioning status regarding features and attribute (Fuchs & Diamantopoulos, 2012). Implementing features and attributes' positioning has a number of advantages. An effective implementation of the element creates a

favourable relationship between the brand and the needs of the target market, thus achieving a particular space in the minds of the consumers (Sengupta, 2005).

Therefore it is vital for a business to ensure that the product benefits are outlined and well communicated to inform the target market about the benefits of a brand (Temporal, 2011). Doing so will not only guarantee an effective features and attributes' positioning implementation, but it will also assist in creating a demand for the product since it will be viewed as a desirable product and increase the opportunities of purchase, which is the ultimate goal for any brand (Fuchs & Diamantopoulos, 2012; Klopper & North, 2011).

Companies such as Apple and BMW have implemented features and attributes' positioning as a tool to communicate to their target market and promote the value and the benefits of consuming their products. This can be seen in their advertising and how they promote their products by emphasising the benefits of the product. For instance, BMW's tagline is "*Sheer driving pleasure".* Whilst Apple Mac' tagline is "*everything is easier on a Mac".* Both examples of corporate product positioning emphasise their benefits in advertising their brands (Group, 2015).

Although it is important to communicate the benefits of a product, it is important for businesses to decide on one, or a few attributes for seamless communication (Fuchs & Diamantopoulos, 2012; Klopper & North, 2011). Doing so will ensure that the benefits are remembered by the target market during their purchasing process. Additionally, an effectively implemented features and attribute positioning also assists in decreasing price sensitivity, creating a positive preference towards the product which in return will also lead to higher profits generated, since customers overlook price and purchase a product that resonates with them (Fuchs & Diamantopoulos, 2012; Klopper & North, 2011). To ensure the effectiveness of the strategy, it is also vital to establish ways in which the success and effectiveness are measured as per Figure 11 below:

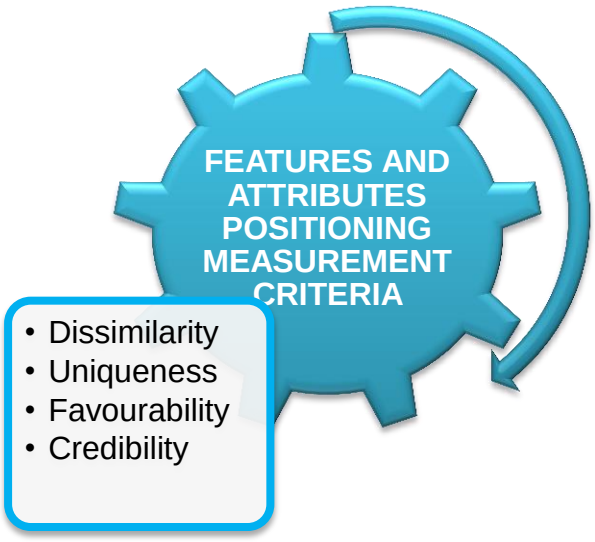


Figure 11: Features and attribute measurement tool

(Kotler, 2012)

(Fuchs & Diamantopoulos, 2012; Klopper & North, 2011) argued that the above criteria comprising of dissimilarity, uniqueness, favourability and credibility should be implemented as means of measuring the effectiveness of features and attribute technique, and the criteria are also considered as core components of this positioning technique. Dissimilarity is concerned with how the product is similar in relation to the product category (Punj & Moon, 2002). The product's category definition in terms of its benefits and similarities constitutes expectations formulated by customers in terms of delivery.

For instance, smart phones are not expected to merely make and receive calls but also to browse the internet, take photos and play music, to name a few additional functions. These expectations were created by the product category and a smart phone needs to have similar features to obtain high levels of dissimilarities. The attributes of a product need to be aligned to a product category to be considered as a product that delivers high levels of dissimilarity. Whereas dissimilarity is concerned with similarities of products in the product category, uniqueness is concerned with the levels of difference a product has to offer.

Uniqueness measures the differences of a product against the competitors in the product category (Klopper & North, 2011). Although the product needs to share similar characteristics to that of the product category and competitors, it is also important that an organisation defines how a brand differs from that of the competitor (Klopper & North, 2011). Doing so will increase the opportunity of a brand being consumed since the experience with the product will be different to that of the competitors. A product is considered to have met the favourable measurement criteria if customers have positive perceptions towards the product (Klopper & North, 2011). If a product can satisfy the needs of the customers, the levels of favourability will be increased. The product benefits should meet the expectations of the customers.

The fourth measurement has been defined as credibility, and is a way in which the brand delivers on the brand promise and does not make empty brand promises (Klopper & North, 2011). Adhering to this measurement condition increases the perception of the quality of the product and positioning the product as the product of choice. Customers will then trust and believe that the brand promise is delivered through the benefits and the attributes of the product.

Although the strategy made referrals to large corporations, SMEs can also implement this element if adequate guidance is available about how they should manage their product in such a way that the benefits are clearly defined and communicated to the target market. Limited theory and research currently exists regarding SME product management (Roach, 2011). Various authors argued that SMEs are weak in product development and tend to fail in transforming their products into innovative brands. Therefore, further studies need to be conducted to develop the theory from an SME perspective and make the information available to SMEs so that they too can enjoy the positive outputs, just as large corporations have in building sustainable brands.

2.5.1.4 Positioning by competitor

One of the most aggressive positioning strategies is positioning by competitor. For the strategy to be effective, a brand needs to make direct comparisons with the competitor with the result of enhancing the brand and gaining market share (Bigné, Vila-López, & Küster-Boluda, 2000; Burke, 2011). A business needs to be knowledgeable of the competitor: what they do, who they are and what makes the business's brand better than that of the competitor. Implementing this positioning strategy gives reason to the consumer for purchasing one brand over the competitor's brand.

Literature (Burke, 2011; Prasad, 2011) echoes a weakness of organisations in defining their competitive landscape in a narrow fashion, which may pose a threat to a business. Competition and rivalry should be measured beyond direct competitors since indirect competitors also pose a threat to the success of a business. Having a clearly defined competitive positioning strategy eliminates the possibility of an organisation to provide solutions to the mass population but rather a unique value proposition different to that of the competitors. To implement an effective strategy, a business needs to align its resources and capabilities with consumers' needs and desires. This ensures that the business is able to deliver to the customer and remain ahead of its competitors. Defining and understanding positioning by competition requires a business to implement Porter's Five Forces of competitive positioning analysis as below Figure 12:



Figure 12: Porter's five forces of competitive positioning

(Porter, 2011)

Highly profitable markets attract new competitors in the market (Porter, 2011). If the levels of new entrants entering the markets are high, profit margins of an organisation are affected, shrinking the available market share. The impact of this threat can be reduced by creating high barriers of entry through innovative product and brand development, patents and creating a product or brand that is not easy to copy (Burke, 2011; Prasad, 2011). Substitute products also pose a threat to the sustainability and profitability of a business (Porter, 2011). This type of threat occurs when customers have a range of alternatives that may be similar to a product, or also an opposite substitute that may offer similar benefits. Therefore, it is imperative for businesses to develop products that are distinctively positioned and have favourable perceptions by the target market to increase the level of loyalty that customers possess towards a particular product (Porter, 2011).

Customers and their bargaining power are also regarded as a competitive threat (Burke, 2011; Prasad, 2011), because customers are able to drive the prices down. In most cases, this threat is applicable when a customer has the largest impact on the profitability. In the 21st Century, social media has also increased customers' power, where a negative perception regarding a brand can go viral on social media, which may irreparably damage a brand. Businesses should manage their customers as well as the impact of the business to safeguard against suffering the consequences of this particular threat. If few suppliers provide the raw material for a specific market, they may pose a threat as they can drive the prices up and have a direct impact on the profitability (Burke, 2011; Prasad, 2011), since it would cost a business more to purchase fewer commodities. The most prominent form of competition is regarded as rivalry

competition (Porter, 2011). Every market experiences some form of competition from rivals and if there are many competitors in the market, they can offer various differentiated products, thereby shrinking the market share of all the participants in the market.

Remaining relevant in the market place requires a business to have a full understanding of both direct and indirect competitors. Establishing a successful business requires a pre-emptive approach regarding competitors, and the business is required to implement and understand competitive strategies that may enhance the brand. An effective competitive positioning is one that can be measured against whether the organisation has an impact in the competitive landscape; whether the product or brand is the preferred brand and whether customers can identify a unique value proposition. If those measurements can be achieved, a business establishes sustainability since it will be able to anticipate any changes in the market through the understanding and implementation of the devised market.

SMEs' failure has been a concern, especially in the South African context (M. Cant, 2012; M. C. Cant & Wiid, 2013). It has been argued that SMEs tend to fail due to the lack of understanding of the competitive landscape (M. Cant, 2012) and that SMEs tend to enter into markets that they are unfamiliar with, which may also be highly competitive, thereby diminishing the chances that SMEs have of being progressive (Lee et al., 2012). SMEs need to increase their level of competitiveness to survive the tough market and strategies need to be implemented to empower SMEs regarding information and knowledge on competition and building brands that can survive in the market.

2.6 Research Question 2

The brand management theory in the form of brand positioning has been highly researched and has mostly concentrated on large corporations (Camra-Fierro et al., 2012). This has placed SME business types in a predicament since there is very limited information regarding how they should position themselves. All brand positioning elements discussed revealed the importance of building a

brand that has a positive image for a clearly defined target market. Implementation of these elements can also assist in identifying distinct benefits that can attract customers in a highly competitive market. The gaps in the literature regarding SME brand position can be summarised as follows:

- **Positioning by corporate identity:** SMEs' corporate identity images are an extension of the owner's vision, mission and values and do not incorporate principles that can be viable to the corporate image beneficial to all stake holders (Melewar, Sarstedt, & Hallier, 2012).

- **Target user positioning:** SME target marketing definition skills are very limited, increasing the number of SMEs that cater for the same target market (Marjanova , 2012).

- **Features and Attribute positioning**: Limited SME product management theory exists and SMEs fail to transform their product into innovative brands that can stand out (Roach, 2011).

- **Competitive positioning**: SMEs experience high levels of failure due to lack of understanding of the competitive landscape and compete in highly competitive markets (Lee et al., 2012).

Based on the above limitations the below research question was formulated:

Research question two: How can brand positioning strategy be implemented as a framework in contributing towards the growth and success of B2C SMEs? (Lee et al., 2012; Roach, 2011; Marjanova 2012; Melewar, Sarstedt, & Hallier, 2012).

2.7 Conclusion of literature review

The chapter analysed the subjects, theories and themes that concern the main problem, which is to identify marketing practices that are implemented by B2C SMEs and recommend SMEs' brand positioning strategy as a framework that can be implemented in order to grow and sustain B2C SMEs. The literature

study presented an investigation of the different marketing practices that are currently being implemented, the challenges faced by SMEs in the implementation of marketing activities and brand positioning challenges faced due to the limited SME brand positioning theory that currently exists.

The study further examined brand positioning elements and proposed four elements, namely; corporate identity, target user, features and attributes and competitive positioning can formulate a brand positioning framework that can be implemented in growing and sustaining B2C SMEs, and that can simultaneously contribute towards the limited SME marketing theory. Based on the analysis of the existing literature, the research questions below were proposed:

2.7.1 *Research Question 1*

How are marketing practices in relation to four brand positioning elements (positioning by corporate identity, target user positioning, features and attribute positioning and competitive positioning) implemented by B2C SMEs?

2.7.2 *Research Question 2*

How can brand positioning strategy be implemented as a framework in contributing towards the growth and success of B2C SMEs?

CHAPTER 3. RESEARCH METHODOLOGY

The following chapter presents the research design and the methodology applied for this research study. There are three types of methodologies, namely, qualitative, quantitative and mixed methodology. Due to the nature of the study, a qualitative method was used to gain insight regarding the topic from the respondents' perspective. Below is a discussion of how the qualitative methodology was implemented in the study as well as elements for implementing a qualitative study such as research design, sampling, population, data collecting and data analysis

3.1 Research methodology /paradigm

In order to be able to collect and synthesise the data, one needs to adopt a particular type of a research methodology that is applicable for the research study. For the purpose of the research, a qualitative methodology was adopted in completing the study. In a qualitative setting, the findings are based on the social experience of the individuals and how they understand and interpret a particular phenomenon (Creswell, 2012; Marshall & Rossman, 2010). The study adopted an inductive approach which is usually associated with qualitative studies since new theories are generated through the data that is collected (Creswell, 2012). Conducting a qualitative study requires open–mindedness and not to have any preconceived ideas about the subject matter studied. The study was explorative in nature since the objective was to seek information and collect data on a subject matter that is unknown and underdeveloped (Creswell, 2012).

Mackey and Gass (2013) recommend the use of a qualitative research methodology if the subject matter needs to be understood, when limited information exists and when the theory available is not applicable to the matter studied, which was the case in this research study (Major & Savin-Baden, 2012; Marshall & Rossman, 2010). Marketing from SME owners' perspectives needed to be understood to ensure that a relevant SME brand positioning strategy was

proposed. The research study also contributed towards the limited SME marketing theory by proposing an SME-related brand positioning framework.

Although qualitative methodology is suitable for the research study, conducting this type of research has its own set of limitations. A qualitative study is time-consuming due to the method of data collection and the high volumes of data that need to be analysed (Mackey & Gass, 2013). Due to the limited sample, the findings presented cannot be generalised to the entire population since the sample was not statistically calculated to represent the population profile (Mackey & Gass, 2013). Ethical issues also need to be managed to ensure that the information collected and shared by participants remain confidential when analysed and when the findings are presented.

Data was collected in a series of in-depth interviews, with the duration of each interview being between 30 and 50 minutes. The structure of the interview was semi-structured with open-ended questions. The research methodology implemented qualitative elements when examining aspects such as research design, population, sampling, validity and reliability which are discussed in the sections that follow.

3.2 Research design

For the purpose of the study, phenomenology was used as a research design. Phenomenology is described as a research design that aims to understand particular subject matter from a participant's perspective, as mentioned by Creswell (2012) and Emmel (2013). Thus, the study's aim was to interpret and understand what marketing entailed in the SME context, business owners' views regarding brand positioning, and recommended brand positioning strategy relevant for SME businesses. Understanding the subject studied was vital to ensure that the recommendations that are made are relevant to the SME nature of the business.

Phenomenological research design is suitable for subject areas where limited information and knowledge exists regarding the research problem (Creswell, 2012; Emmel, 2013) As previously indicated in the literature review, limited

SME marketing and brand positioning theory currently exists. Therefore, implementing phenomenology as a research design assisted in gaining the relevant information and insight regarding SME brand positioning and understanding brand positioning from an SME perspective in completing the research study.

Implementation of phenomenology as a research design requires a particular process to be followed (Laforest et al., 2012. The phenomenon to be studied must be identified, the researcher must eliminate his/her own experiences regarding the studied subject, and participants must be selected who can be interviewed, and lastly the data that is acquired must be analysed (Mackey & Gass, 2013). The phenomenon for this study is brand positioning and understanding the implementation thereof in the context of SME businesses. By ensuring that the phenomenology approach was accurately implemented, the interviews conducted occurred in the participants' places of business and the data was transcribed in such a way that it reflected what participants communicated during the process, and also eliminated bias in the data collected.

3.3 Population and sample

3.3.1 *Population*

Completing a research study requires a target population, a study population and a sample that needs to be outlined. According to Quinn and Keough (2002); Given (2008); and Ritchie and Lewis (2013), the target population is defined as an area of interest that a researcher will investigate. The target population is small in nature, depending on the type of study being conducted. The target population consists of the characteristics that the research aims to investigate (Guest, Namey, & Mitchell, 2012). Once the target population has been defined, the study population, which includes the group of people that the conclusions and the findings of the research will be based on, needs to be identified (Groves et al. (2013). Although research studies might anticipate basing the study on a particular target population, not everyone selected from

the target population may desire to participate in the research study. This is also the case with the study population; not every element of the study population is measured. The focus is then on the sample of the research, which ultimately constitutes the respondents and the participants who form part of the research study (Creswell, 2012).

The target population for the study was defined as Gauteng SMEs that have been running a business for more than three years and whose end user is a consumer as opposed to a business. Various SMEs from different industries were approached. An invitation letter (see Appendix B) was sent to the prospective participants and only those businesses that were willing to participate in the research formed part of the study population who ultimately formed part of the research sample.

3.3.2 *Sample and sampling method*

Once the population for the study was identified, the sample frame that was used to select specific individuals for the study was defined. A sampling frame assists the researcher to decide on the criteria that are used when selecting participants (Emmel, 2013; Mackey & Gass, 2013). The sampling frame for this study included individuals who own and manage an SME that has been in existence for three years or more, whose end-users are consumers as opposed to businesses and who reside in Gauteng.

There are two types of sampling methods; probability and non-probability sampling. The study executed a non-probability sampling method. The non-probability sampling method is used for studies whose outcomes are not generalised to the entire population. The sample is not statistically defined and some units have a higher likelihood of being selected to be part of the research study than others (Lapan, Quartaroli, & Riemer, 2011; Merriam, 2014). Although non-probability studies and findings cannot be generalised to the population, the insights and findings gained after the research process may assist in determining the trends of the population and the subject matter studied, which may be beneficial to the population (Major & Savin-Baden, 2012).

A non-probability method was used for this research, since the findings were not generalised to the population due to the constraints of the sample and the research methodology selected. The sample represented SMEs from different industries to ensure the analysis of broader issues experienced by SMEs and not to define brand positioning from only one SME industry. Although not all the industries were represented, the sample contained 15 businesses from 15 different industries. The findings and analysis of the interviews are discussed in Chapter 4 and Chapter 5. It was important to obtain SME owners from different industries to evaluate the different challenges and commonalties within the SME context.

The study was not based on one SME industry; therefore it was necessary to obtain SMEs that represent different industries to ensure that the findings and the recommendations made are not only applicable to one industry by B2C SMEs. Below is the description of the sample classified by the number of years trading, sector and marketing budget. Due to sensitivity issues, information regarding revenue generated could not be obtained and an alternative question had to be asked that was based on the marketing revenue. Although the study could not determine revenue generated, asking the question based on marketing assisted in determining the marketing budget for each respective company as displayed in below Table 4:

Table 4: Sample list of participants

SME Sector	Designation	Business description	Number of years	2014 Marketing budget	Marketing activities
Automotive and Panel beater	Business Owner	Auto body repairs, car wash and auto glass	8years	28 - 30k	Website, pamphlets
Catering & Décor	Business Owner	Restaurant	6 years	N/A	Word of mouth
Construction	Business Owner	All building materials	24 years	N/A	Word of mouth
Entertainment	Business Owner	Manages artist and promotes them to the public so that they can be booked for performances	5 years	100k	Digital media, PR, traditional advertising platforms
Events & Decor	Business Owner	Sells any décor related and event related items	7 years	30k	Community radio, pamphlets, community TV interview
Floral	Business Owner	Flowers and gifts	15 years	R995 airport marketing levy	Listed on ACSA website
Food & Beverages	Business Owner	Frozen Yogurt and ice cream	4 years	100k	Radio, Events, Competitions , Social Media
Graves maintenance	Business Owner	Grave maintainance, exhuming	12 years	R 30 000	Branding, Street advertising, radio advertising and interviews
Hair & Beauty	Business Owner	Hair products	21 Years	300k	Print (product placements in magazines), billboards, social media
Investments and wealth management	Business Owner	Short and long term investments	2, 5 years	50k	Rebranding, PR, radio and TV interviews, print advertising and social media
Personal development and education	Business Owner	Personal coaching, individual coaching, personal development product (CDs, DVDs and a book soon)	12 Years	800 K	Word of mouth, Social media, You Tube, Traditional Media
Property	Co - founder	Selling residential property	4 years	300 k	Exhibitions, newspaper listings and online listings
Retail	Co - founder	Designs and sells clothes	10 years	20k	Digital adverting, advertorial
Technology	Business owner	Offer online courses	4 years	300K	Social media, search engine optimisation, digital advertising
Travel and Tourism	Business owner	Holiday packages	7 Years	R200k	Print, rebrand, social media, referrals, exhibitions, events , blogs

For the purpose of this study, a purposive sampling method was applied whereby the researcher makes a decision to select certain types of individuals that can assist in completing the study due to the traits possessed relevant to the study (K. Singh (2007); Given, 2008; Silverman, 2010). Purposive sampling might have some level of bias since the researcher decides on the type of respondents required as well as the information collected. Researchers need to be aware of this limitation to ensure that reliable and valuable information is collected.

The study followed the principles of the sample frame in order to ensure that bias was limited. The respondents were also relevant since they met the sample frame criteria. The sample consisted of 15 SME owners who have been running a business for three years and/or SME owners from different industries. To ensure that the research is feasible and the data collection method is

appropriate, three pilot studies were carried out prior to the actual study. (Marshall & Rossman, 2010) argued that conducting a pilot study evaluates any unanticipated flaws that can be rectified prior to the actual research.

In summary, there are two types of sampling, namely probability and non-probability. The research study implemented a non-probability sampling method in a form of purposive sampling. The purposive sampling approach provided guidance in selecting only participants that were relevant for the study and participants that shared similar characteristics - running a B2C business for instance. The sample for the study can be summarised in below Figure 13:



Figure 13: Sample criteria

3.4 The research instrument

Once the sampling process was completed, a decision on the data collection methods to be utilised was identified, with the express aim of retrieving the necessary information and knowledge required for the completion of the research study. In understanding the topic at hand, data and knowledge were

collected using two methods, namely the literature review and conducting semi–structured, face-to-face interviews.

Gathering information from the literature review assisted in evaluating the current state of the theory and the research available (Creswell, 2012). From the literature review, it was evident that marketing theory and knowledge regarding SMEs was limited, and more time needs to be invested to establish SME related marketing tools that can assist in growing and sustaining such businesses. Another method that was used to collate the data required in the research process was conducting semi-structured interviews.

Interviews are defined as ways in which a researcher collects information through conversations with participants (Kothari, 2011; Mackey & Gass, 2013). Interviewing the participants allowed for in-depth understanding and knowledge regarding the research study. There are different types of interview styles that researchers can implement but for the purpose of this research a semi-structured interview method was used (see research instrument, appendix A). A semi structure interview probes and asks relevant questions during the interview process (Seidman, 2013). This form of interviewing enables the researcher to identify certain themes and issues that can assist in completing the research study, and identifies relevant recommendations and gains further insight regarding the research topic.

The interviews consisted of open-ended questions that assisted in gaining insight regarding the topic. The interviewing process took place in a form of a discussion where the participants selected for the research deliberated on the interpretation of brand positioning in their businesses. As previously mentioned, a letter of participation was sent out explaining the reasons for the research and why their participation was significant in completing the research study. Once the letter of participation was sent out, communication in a form of an email or telephone call followed in order to verify whether the prospective participant wished to be part of the research. Once the participation was confirmed, time was scheduled for the interview to take place at the participants' places of business.

3.5 Procedure for data collection

Before the data was collected from the units of analysis, a pilot study took place where the instrument was tested to evaluate whether the questions asked were relevant to the study. The pilot study allowed the streamlining of the research instrument, since the participants of the pilot study offered feedback with regard to the research instrument. The feedback provided was taken into consideration prior to the scheduled 15 interviews. With regard to data collection, the interviews were pre-arranged with the participants who were carefully sampled according to the sample frame: SME owners who have well established businesses, who are in the success life cycle phase and have run a BC2 business for three years or more.

A letter of participation was sent to respondents requesting their participation in the research study. Once permission was granted, interviews were scheduled in order to acquire information from participants regarding their perception on brand positioning and whether they are currently implementing the principles of brand positioning in their businesses.

Due to the nature of the qualitative research methodology, rich data needed to be collected in order to assess brand positioning strategies from an SME context. To ensure that sufficient information was retrieved, a recording device was used (Lapan et al., 2011). Recording interviews ensured that valuable information discussed during the interview was not omitted during the data analysis process (Lapan et al., 2011). Notes were made during the interview process regarding any brand-related information in the business, such as information related to the look and feel of the business. The recorded data was then transcribed before data analysis and interpretation could follow.

3.6 Data analysis and interpretation

The process of data analysis in a qualitative study is a complex exercise due to the large amount of data and the need to extract what is relevant. For the purpose of the research, the data collected for the study was analysed using

thematic analysis. Thematic analysis requires organising large forms of data into themes to determine the different variables that constitute the research study (Kothari, 2011; Mackey & Gass, 2013). The data was further classified to manageable levels of categories to determine the vital concepts of the transcribed data in the process defined as coding (Kothari, 2011; Mackey & Gass, 2013). Coding requires thorough reading of the transcribed data before concepts in form of codes can be populated (Creswell, 2012). Coding the data collected also assists in managing the data in such a way that insights are extrapolated and the data is converted to knowledge. The codes generated during the data analysis process need to be treated as a means of responding to the initial research questions that were outlined in Chapter 2. The process of coding was two-way, where open coding and axial coding was identified as methods of data analysis. Open coding is a method of extrapolating main concepts and themes that formed the framework of analysis according to the process illustrated in Figure 14 below:

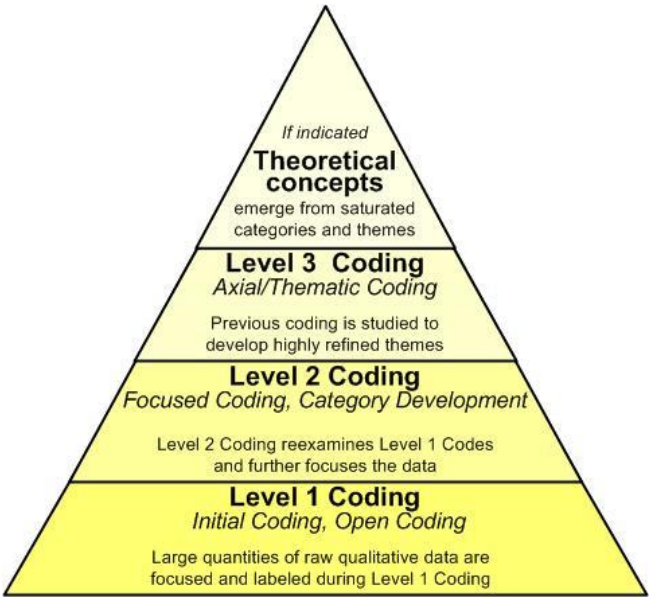


Figure 14: Qualitative data analysis

(Mackey & Gass, 2013)

3.7 Limitations of the study

The findings of the study cannot be generalised to the South African population since the study was based on small businesses that operate in Gauteng. For future research purposes, a national study can be carried out to analyse the phenomenon on a national scale. Although the scope of the study was limited to Gauteng, the findings can be used and key learnings may be applied to small businesses operating in other provinces. Gauteng is considered the business hub of South Africa (Dimmer (2013); therefore, any findings generated in a study based in Gauteng may be applied in other provinces.

The researcher conducting the research is a first time researcher who was did not have prior experience of data collection and interpretation. However, with the help of the academic literature and assistance from the supervisor, the researcher applied the research methodologies and concepts as accurately as possible. Time was a limitation as long periods of time are required to carry out the research, analyse the data as well as interpret the data retrieved during the fieldwork.

A qualitative research methodology cannot statistically prove the causal effect between SMEs and the reasons they fail. The study did not aim to prove the reason for failure, but rather to suggest recommendations that SMEs can implement to grow and sustain their businesses. The sampling method selected did not allow the findings of the study to be generalised to the population due to the nature of the study and that the sample that was selected from Gauteng-based businesses.

3.8 Validity and reliability

The following section includes a discussion of the reliability and the validity of the study. Reliability and validity is related to the research study as well as the methodology implemented. Both the measurement criteria were achieved in the research study.

3.8.1 *External validity*

A study needs to be generalised to the population and a study needs to consist of a sample that is representative of the population in order for a study to be considered externally valid. Bryman (2012), has argued that validity should not be considered in a qualitative environment due to the nature of the qualitative study. Qualitative studies are based on a subset of the population and generalising a study to a population is not attainable. Bryman (2012) further defined external validity as the extent to which the findings of the study can be generalised beyond the unit of study. Silverman (2010) stipulates that external validity is also the extent to which the findings of the study can be applicable to a different research context.

As mentioned, the qualitative nature of this study restricted the findings to a particular setting as the sample for the study was not statistically calculated in order to represent the population. However, the findings of this study may be applicable in different environments outside the research context. Gauteng is regarded as the South Africa's business hub, according to Dimmer (2013). Thus, Gauteng trends have an impact or influence in other provinces. Although the study did not reflect the dynamics and the SME landscapes of other provinces, the findings and the insights gained during the research process may be valuable and may be considered by other SME owners in other provinces. Due to the methodology constraints, the findings of the study did not meet the external validity criteria. Therefore, the study did not meet the external validity criteria and this has been acknowledged as a weakness

3.8.2 *Internal validity*

Internal validity in a qualitative study measures whether a study has measured what it intended to measure and whether the research instrument responds to the research question (Silverman 2010; (Emmel, 2013; Merriam, 2014). The applied reference guide to research designs highlighted various ways of enhancing validity and these included implementing a structured research process in conducting a study, and limiting bias through triangulation (Emmel,

2013; Merriam, 2014). Achieving high internal validity status enhances the research study as improved validity increases the quality of the findings and the implications of the study.

As previously mentioned, the study applied a qualitative research methodology which required vigorous involvement through the interview process and completion of the study. The supervisor as well as other supporting professors where consulted to ensure that the research process was implemented accordingly. Being a first-time researcher demanded constant reading and understanding what the research process entails in ensuring that the research was carried out correctly. Different businesses that the researcher did not have previous interaction with were approached. Doing so allowed the research to be objective and have limited bias towards the business, as well as towards the respondents that were interviewed.

To promote triangulation in the study, the literature review and brand positioning theory guided the questions that were conceptualised in the interview document. This promoted alignment between the brand positioning framework and the questions asked to respondents, thus ensuring that the findings were both relevant from a theoretical perspective and relevant to the brand positioning related challenges that SMEs encounter.

3.8.3 *Reliability*

Reliability is concerned with levels of stability and consistency in a research study (Silverman, 2010). Reliability also measures the extent in which the study can be replicated and if the same results may be attained if a study was to be conducted in a different research context. To achieve reliability, the instrument needs to be free from errors and any levels of bias need to be excluded. If it is not consistent, the findings of the study are flawed due to the poor levels of reliability, as explained by Creswell (2012).

To enhance reliability, the study and the research process was well documented. The methods and activity of the study were clearly defined to ensure that the research process can be clearly understood by a prospective

researcher who might be interested in conducting a similar study. A pilot study was carried out before the final field work took place to validate the clarity of the research instrument. The feedback obtained from the pilot study was taken into consideration. During the interview process, the interviews were recorded and all the participants were asked the same questions to maximise reliability. This guaranteed that the summary of findings compiled aligned to participants' responses.

In summary, a qualitative research methodology was used for the research study to gather information and data in the participants' natural settings. A phenomenology research design guided the study to ensure that brand positioning is understood and interpreted from the participants' perspective; this also assisted in eliminating biasness. The sample of the study was located in Gauteng and only business owners who own B2C SMEs, who have been running a business for three years or more and businesses that were in the success phase were selected for the research. In collecting the data, semi-structured face-to-face interviews were conducted that consisted of open-ended questions to allow for flexibility and probing.

The study did not meet the external validity status since the sample of the study was not the representative of the South African population and the findings of the study could not be generalised to the entire population. However the study attained the internal validity requirement since the research process was guided by the supervisor who helped to ensure that the research study measured what it intended to measure, and ensured that the process of the study was well articulated and documented. Regarding reliability, the study was well documented to ensure consistency and replication of the same results that could be achieved if the study was carried out in a different context.

CHAPTER 4. PRESENTATION OF RESULTS

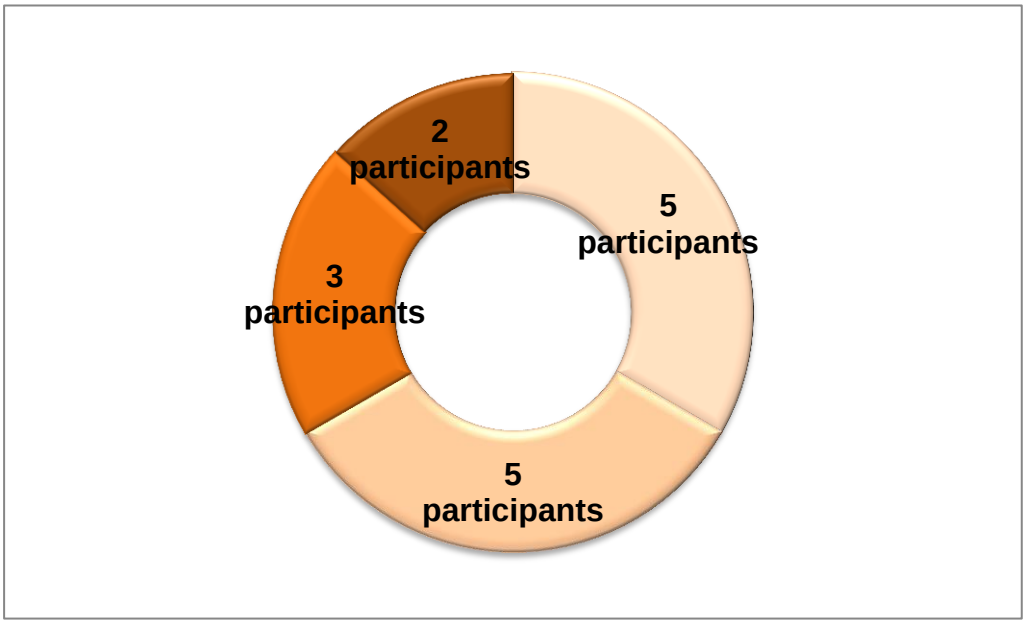
4.1 Introduction

The results pertaining to the two research questions raised in the literature reviewed are discussed. A total of 15 interviews were conducted with SME owners who had been in business for three years or more; who run a B2C SME and business owners that were based in Gauteng. Participants were asked questions that related to the four brand positioning elements that formed the framework for the study, positioning by corporate identity, target user positioning, features and Attribute positioning, and competitive positioning. The findings are presented in accordance to Research Question 1, which sought to identify marketing practices implemented by B2C SMEs based on the 4 brand positioning elements. Research question 2's objective was to recommend SME brand positioning strategy in line with the four elements as a framework that can be implemented in growing and sustaining B2C SMEs.

The interview questions were structured in such a way that the respondents first identified the status of marketing practices in SMEs (Research Question 1). The interviews then asked questions pertaining to ideal brand positioning practices (Research Question 2) in the SME context, and what owners think they need to do to enhance their brand in line with the four elements. The results are presented in the form of graphs and direct quotations from participants.

The participants represented 15 different sectors within the SME landscape (see table 4). The results are not only applicable to one particular B2C sector but may also be implemented by other sectors to measure how they should implement brand positioning strategy in the future, based on the four elements. The interview questions were structured in the simplest form to ensure that SME owners understood what was being asked and marketing jargon was minimalised. The participants were experienced SME owners who had run their businesses for more than three years; furthermore the business owners

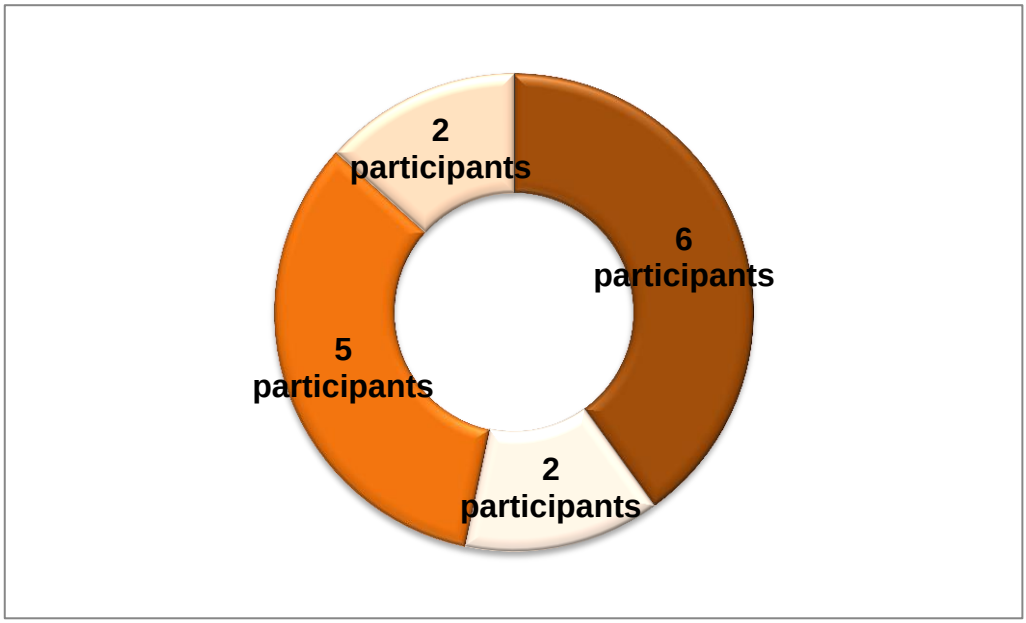
interviewed were not in survival stages but in well-established businesses as per Figure 15 below:



Scale	
1	3 - 5 yrs.
2	6 - 10 yrs.
3	12 - 15 yrs.
4	21 - 24 yrs.

Figure 15: Years of establishment

Although the sample reflected SMEs that have been in business for three years and more, only two businesses from the 15 had been in establishment for more than 20 years. For SMEs to make a prominent contribution towards the economy and alleviate the triple burden of poverty, inequality and unemployment, more businesses that have been sustainable for longer periods need to be established. A question was asked regarding the respondents' marketing budgets and how much they had spent in the last year, to establish whether marketing is incorporated in their business models.



Scale	
1	0
2	10k – 30k
3	50k
4	200k – 800k

Figure 16: Marketing budget

Figure 16 indicates the value of the marketing budget for the 2014 financial year. Of the 15 businesses that were interviewed, 13 indicated that they have a marketing budget. The marketing activities vary depending on the size and the scope of the business; SME owners indicated that they implement traditional forms of advertising such as print and radio advertising and non-traditional advertising such as digital advertising through social media and updating their websites. The most prominent form of advertising indicated by participants was word-of-mouth.

4.2 Results pertaining to Research Question 1

For ease of reference, Research Question 1 is repeated:

> *How are marketing practices in relation to four brand positioning elements implemented by B2C SMEs?*

The interview questions related to Research Question 1 were formulated in such a way that they assisted to identify how brand positioning practices are implemented based on the four elements, namely; positioning by corporate identity, target user positioning, features and attribute positioning, and competitive positioning. At this stage, the marketing activities were labelled as marketing activities since a brand positioning framework was not yet designed. Analysis of the current marketing practices needed to be done before making brand positioning recommendations relevant to the SME environment. The research study was specific to brand positioning; therefore it was required to use the four elements that were used as guideline for the interview questions

4.2.1 *Positioning by corporate identity*

Regarding positioning by corporate identity, two questions were asked to determine the current status and how the businesses' corporate identity is perceived both internally and externally. For effective positioning by corporate identity, the identity needs to be aligned both internally and externally. Because the research entailed asking questions about the state of the business, owners were inclined to portray the most positive picture regarding the business and this was discovered during the pilot study. To ensure that the relevant response was attained (positive or negative), a probing element was used which is an effective qualitative questioning aid to ensure that bias responses and irrelevant data are eliminated. The below question was asked regarding corporate identity:

Question 1: In your own words how would you describe your brand?

Most participants positively described what their brand means to them and what they think are the core values of the brand:

Participant 3: We are a reputable property brand that will hold your hand during the process of buying property.

Participant 7: The services that we offer are convenient because we are the only ones that offer services at the airport.

Participant 10: We are a one-stop shop; you will always find something you're looking whenever you are planning for an event.

To ensure that corporate identity of SMEs is clearly defined and communicated both internally and externally, the question below was asked:

Question 2: Do you think people outside your business know your brand for what it stands for?

Asking this question was important because it examined the core values of the business and whether these are effectively communicated and aligned with the external market. All the respondents answered Question 1 in a favourable manner. Question 2 provided indications whether effective positioning is understood and the values of the element are applied:

Participant 3: No. I think our brand is known as a property brand in our area of business but I do not think we are known outside of that.

Participant 7: No. because I compete with large corporates who are well marketed and well known within the industry. They have more operations than me.

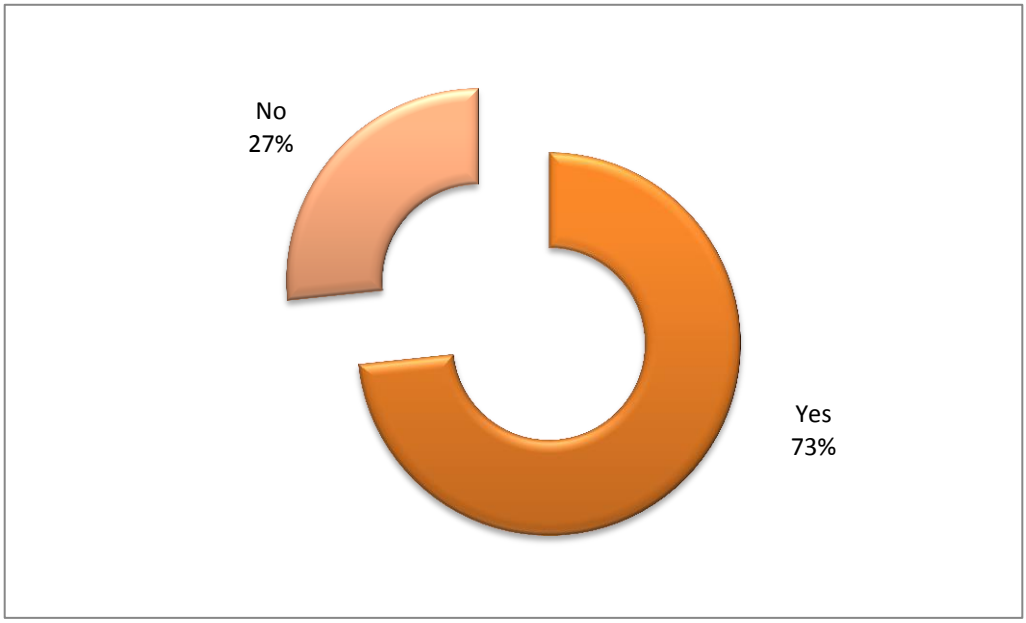
Participant 10: No. they confuse us to the jewellery brand. So we are not known but we are associated with, I think I'd say we are known by association, not because people know who we are.

4.2.2 *Target user positioning*

Identification of a specific target market requires a business to undergo the STP process. Doing so enables a business to clearly define their target market and the relevancy of their product and services to a specified target market. Achieving a clearly defined target market requires a business to have a profound understanding of their customers, and to have intrinsic knowledge of the behaviours and consumption patterns in anticipating the customers' trends and new consumption habits. The two questions sought to measure whether SMEs undergo a process of determining their target market:

Question 3: How would you define your target market?

Question 4: What have you been doing in order to ensure you get to know who your target market really is?



Scale	
No	Non defined target market
Yes	Well - defined target market

Figure 17: Responses on how define SME target markets are

Responses to Question 3

Participant 1: Someone who wants to construct or build a house and contractors who build houses on people's behalf.

Participant 4: MATURE (Except 30 + male) who love to style locks and keep them neat and professional.

Participant 7: Business traveling people who have car issues and need their cars to be sorted upon their return from their trip.

Participant 15: We have two target markets, career seekers [who are] fresh out of school and career seekers.

Although 73% of the participants were able to articulate their target market, 27% of the participants could not define their target market. This is because those SMEs applied a general approach when analysing their target market, which is an incorrect format when defining a target market. Having a clearly defined target market enables a business to position the target market in such a way that all systems and procedures are directed at attracting and maintaining a particular market. The business also creates a product that is relevant to the needs and the desires of a particular market. The respondents below emphasised how a target market should not be defined:

Responses to Question 4

Participant 8: My target market is anyone at the airport that requires buying a flower for any of their loved ones.

Participant 12: We haven't clearly defined or restricted our target market, everyone needs to save money.

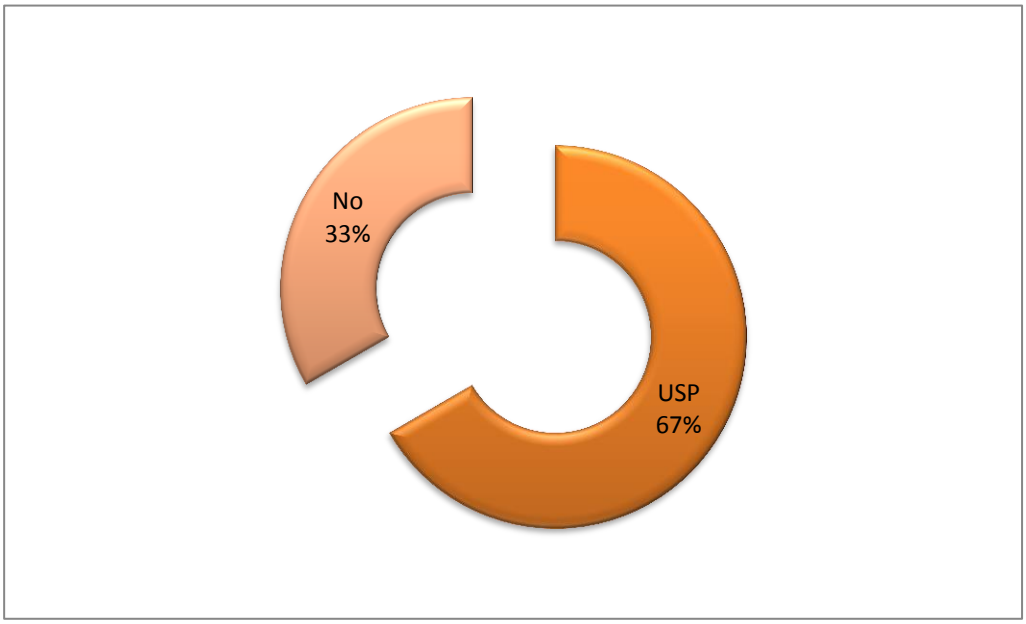
To ensure that a target market's positioning is effectively implemented, businesses need to ensure that that they have in-depth overall understanding of their target market, thus contributing towards having a well-defined and clearly segmented and positioned market, which is the focal stakeholder of a business

4.2.3 *Features and attribute positioning*

For a product or a service to be consumed by a target market, customers should be in a position where they demand a product because it satisfies their needs and wants. For this goal to be achieved, businesses need to implement features and attribute positioning by creating a demand for a product and communicating the benefits of a particular product through its attributes and benefits. Effective features and attribute positioning also require a business to define what makes their product, service or brand different to competitors and to define their own unique selling proposition. This also requires a business to create a product that does not contain similar features and attribute to those of

the competitors. The question below sought to understand the features and attribute of the SME product, service or brand and whether these are distinctively distinguished from that of competitors:

Question 5: What are the benefits of using your product; how do you differentiate your product?



Scale	
No	Product not well - defined
Yes	Product well differentiated

Figure 18: SME product differentiation

Of the respondents that were interviewed, 67% were able to articulate the unique selling proposition of their product and business owners were able to single out the differences of their respective products:

Participant 2: We are very interested in the holistic development of people and our brand helps you to take action about your life and better yourself in the process.

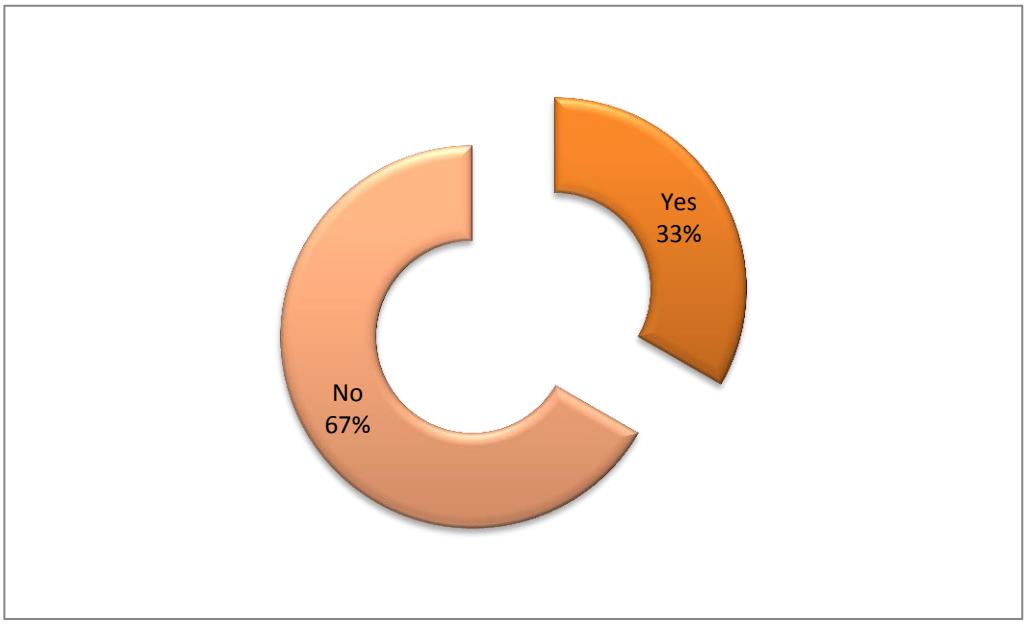
Participant 5: Dignity to the family and the funeral. Accomplish a certain status about the funeral and a service that is not a norm within the black community.

Participant 7: A quality product that makes sure the hair gets well fed and treated.

Participant 8: We offer a good quality product and not only that but a customised solution(s) because we engage with our clients in order to find out what exactly are they looking for.

Having a well-defined product with benefits is only one aspect of features and attribute positioning. The business's product also needs to be communicated to the market to ensure that customers are aware of the products and services offered. Customers need to be made aware of how a product will be of benefit to them. Features and attribute positioning also assists in creating a demand for a product .An effective implementation thereof ensures that the product is also well communicated to the target market and customers are aware of the benefits of the product. During the pilot study, participants mentioned that their benefits are communicated on the website. For the purpose of the actual interview, the question was slightly modified to ensure that respondents did not mention having a website. Placing the benefits on the website is not an indication that customers are aware of the product, especially in the small business environment where traffic to the website is not high or websites may not even exist:

Question 6: How are your products communicated, excluding your website?



Scale	
No	Products not well communicated
Yes	Well communicated product

Figure 19: Whether products are effectively communicated externally

Participant 1: Most of my business is done face-to-face. I talk directly to my customers, and customers call us when they need something.

Participant 2: I know I can do more marketing because our services are not well communicated, for now it's mostly social media and word-of-mouth.

Respondent 10: Our services are not well communicated, we have done some advertising but I think we can do more.

Even though business owners were able to articulate the benefits and the attributes of their products, most SMEs admitted that their products are not well exposed or marketed. Although the majority of SME owners cited the importance of marketing as a tool for exposing the brand, many owners still use word-of-mouth as a prominent tool of advertising to the target market.

4.2.4 *Competitive positioning*

Competitive positioning is regarded as one of the aggressive strategies and if implemented correctly, it may be beneficial to a business. Businesses need to have an understanding of their competitive landscape to ensure that a highly competitive product and brand can be developed and the business is able to resist competition. The question below sought to understand whether participants are able to identify their competitors:

Question 7: Name the top three contenders in your competitive landscape?

Although most of the respondents could easily identify their contenders, the list of competitors mentioned were mostly direct competitors and very restrictive, this will be further discussed in Chapter 5, with a discussion of how to analyse competition. SMEs need to be able to identify all forms of competition to have a holistic understanding of the competitive landscape. Respondents were also able to identify the category leaders within their business sectors and provided reasons for why they regard these contenders as category leaders:

Question 8: If you were to examine the category leader, what do you think makes customers purchase their products/services as opposed to consuming your product/service?

Participant 3: They've got good relationships with the people around the area because they've been around for a long time but the most important thing is that they are well known.

Participant 9: They appeal to all customer segments and can afford to. They have a wider product range. They are able to negotiate with suppliers on a much larger scale and therefore can offer low prices.

Participant 15: They've been around for a while. They market themselves quite well, and obviously one of the things that I've learned, the tricks about marketing, is actually being on the look-out for what your competitors are doing.

Respondents admitted that their markets are highly competitive and because of lack of resources they tend to fall short when compared to competitors, especially when their businesses are compared to the market leader. Most respondents cited a well marketed brand, accessibility and convenience as main resources for regarding their category leaders as highly competitive and successful.

4.3 Conclusion to Research Question 1

The objective of Research Question 1 was to identify whether SMEs implement marketing practices that are consistent with brand positioning. From the findings it is evident that more still needs to be done as the marketing components specifically relating to brand positioning within SMEs are not well structured and the principles of brand positioning are not well understood and implemented. Therefore, the response to Research Question 1 is that brand positioning elements are not well understood or implemented or structured within the B2C SME context.

4.4 Results pertaining to Research Question 2

This section presents findings pertaining to Research Question 2. For ease of reference, Research Question 2 is repeated:

> *How can brand positioning strategy be implemented as a framework in contributing towards the growth and success of B2C SMEs?*

A number of studies have cited that marketing is a challenge within the SME environment and many SME businesses do not know how they should increase their market, and generate sales and revenue through marketing. Although studies have emphasised the reasons for failure or shortage of marketing skills within the SME sector, studies did not further elaborate how SMEs should implement marketing to grow their businesses. Marketing is a broad term and there are numerous marketing functionalities or tools that exist. Studies should not only delineate SME marketing related issues, but also provide solutions as to how these businesses can transform themselves through well-structured marketing practices and strategies. Studies should provide specific marketing solutions to SMEs, and how SME owners can be empowered through implementation of marketing activities that are relevant to the scope and the nature of SME business.

Although the study cannot offer all the marketing solutions, it was imperative that one aspect of marketing was examined and to determine how it can be implemented to grow and sustain B2C SMEs. The interview questions for Research Question 2 were posed in such a way that they revealed the ideal brand positioning for the business and how SME brand positioning strategy through the four elements can be used for betterment of SMEs. Research Question 1 identified existing marketing practices consistent with brand positioning and Research Question 2 sought to recommend how SMEs can implement brand positioning strategies consistent with the four elements.

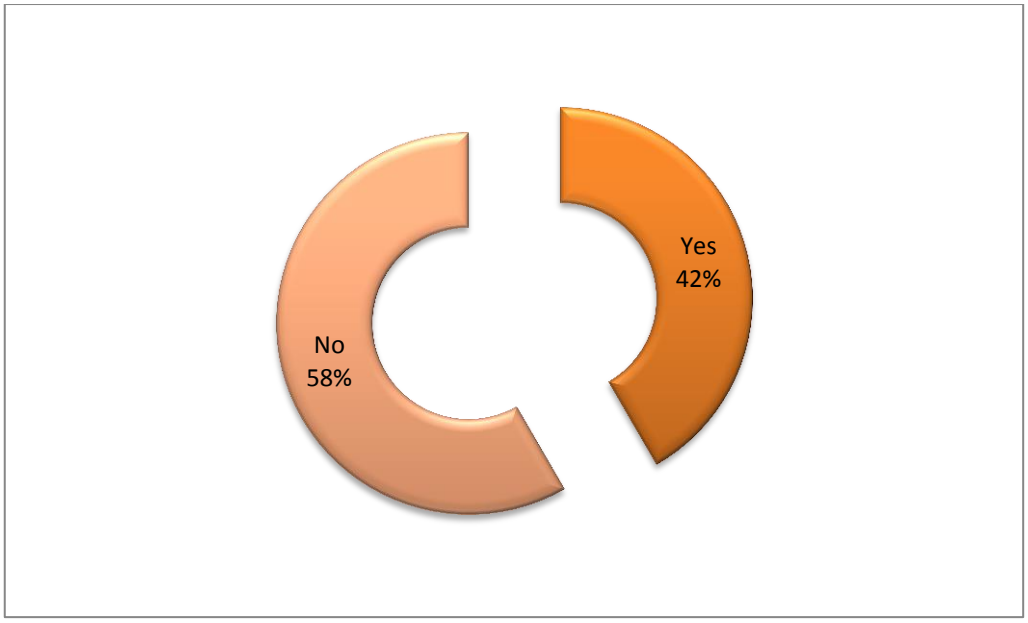
From the findings of Research Question 1, it was evident that SMEs implement certain aspects of brand positioning but it was not structured. Research Question 2 sought to propose recommendations as to how SMEs can effectively implement brand position strategy in their businesses through the four brand positioning elements that are used as a framework in making the recommendations. Although the recommendations should be brand positioning theory driven, they should also be as practical as possible to the SME business types and environment.

4.4.1 *Positioning by corporate identity*

Positioning by corporate identity is concerned with how businesses should create a favourable image and how corporate identity should be aligned both internally and externally. Business owners need to be able to identify the most suitable identity for the business and which form of identity from the five identity types they should strive towards. In achieving a well-positioned corporate identity and image internally and in the market, businesses are required to be regarded as one of the prominent brands within the market, which is the ultimate achievement towards building a favourable identity. The following question sought to measure how SMEs measure their brands in the market and their level of dominance:

Question 9: Do you think your brand is top-of-mind? If not, how do you plan on achieving and retaining that dominance?

It was interesting to note that most SMEs cited a lack of exposure and lack of marketing strategy as crucial challenges that contributed towards a well-positioned and exposed brand. SMEs felt that they need to market their brands more to acquire market share, and to maintain and retain a favourable corporate identity. Almost 60% of the participants interviewed admitted that they their brands are not top-of-mind in the market:



Scale	
No	Brand not known
Yes	Top of Mind brand

Figure 20: Responses to whether brand is top of mind

Participant 2: No. I think we need media exposure, which is why I've come on board and I've given that mandate. That will help us to be top-of-mind because at the moment people do not know us.

Participant 3: No, because we [are] only known in our area, we need to get to a point where we are known. But we are still small and marketing ourselves would be expensive.

Participant 6: No, not everyone. Some people think my restaurant is top class and yet my prices are similar to my competitors so people are also intimidated by my product offering and the restaurant itself.

From the above responses, it is evident that SMEs acknowledge the importance of implementing marketing practices as a tool to build a favourable corporate image. Although marketing is considered to be an important aspect of the business, it is still perceived as an expensive exercise, as in a case of

Participant 3, the results of not managing a favourable corporate identity can lead to confusion and misconception in the market, and the case of Participant 6 demonstrates that perceptions are important, as he is perceived as offering an expensive service.

For effective implementation of corporate identity, SMEs should be able to establish a brand and a brand name that relates to the customers, which is regarded as the ideal corporate identity according to the corporate identity types. In 4 instances brand names that have been established were sentimental to the business owner and this form of corporate identify is defined as the desired identity, which is the type of identity that resides in the minds of the business owner. However, this identity may not relate to the customers, since the identity is perceived from a business owner's perspective. Businesses should strive towards defining an ideal corporate identity that takes into consideration both the internal competencies and well as the customers in the formation of the corporate identity:

Question 10: Are you happy with the current image (identity) and does it resonate with your customers?

In most instances, the brand names were sentimental to their beliefs; a name should be designed in such a way that it is suitable for the business. Although owners might be sentimental about the name, customers may not, and this may have an impact on whether or not the name resonates with customers. Two of the businesses interviewed recognised the importance of structuring the corporate image in such a way that it resonates both with the customers and with the employees:

Participant 2: Yes, the renaming from X to Y was a good thing for us because the name is broader than the previous one and it resonates with my customers because it's all about long-term relationships, long-term mutually beneficial relationships.

Participant 9: Yes, because of the rebrand, I'm happy because the name is now short and concise and is not as long as it was, it will also be easy to remember.

In some cases the corporate identity is not aligned with customers, and owners admitted a level of dissatisfaction when examining their corporate identity and their brand names:

Participant 3: I don't think customers have a full understanding but if we can speak more about our brand and what it stands for, people will be able to relate to the name. It is not well remembered because people like X have become synonymous with the property industry.

Participant 7: No, because there is a lot of confusion with the mobile brands, the business is embarking on a process of rebranding in order for our customers to know who we are.

Participant 8: Yes and no. Old customers know who we are but there's a level of confusion because people think that we are a décor company, which we aren't.

In examining the above responses, it is important that SME owners understand the process of devising a well-positioned corporate identity that is favourable to both the employees as well the target market of the business. Reaching the optimum positioning by a corporate identity requires an alignment of the two variables.

4.4.2 *Target user positioning*

To ensure that the target marketing is well - defined and positioned, businesses are not only required to undergo the STP process but for sustainability purposes, businesses also need to establish whether their products, services or brands are relevant to the target market. In measuring the relevancy of a product to target market, the question below was posed to the respondents:

Question 11: How relevant is your brand to the target market and how is it influencing future trends?

Participant 2: I want people to place importance on developing themselves and not see it as an expense but rather a necessity to empower themselves and become better people. But I need to do more in order for people to realise how important it is to empower themselves because currently they think of this is an expense.

Participant 5: I started a trend that wasn't there. Especially in a black community where closing graves was done by the people that attend funerals, I have commercialised closing graves in the black community; something that no-one else is currently doing. With my clients, I have changed their perception, they knew that my company offer such services and they do not have to carry out the act of closing graves by themselves. But more people need to know about my service.

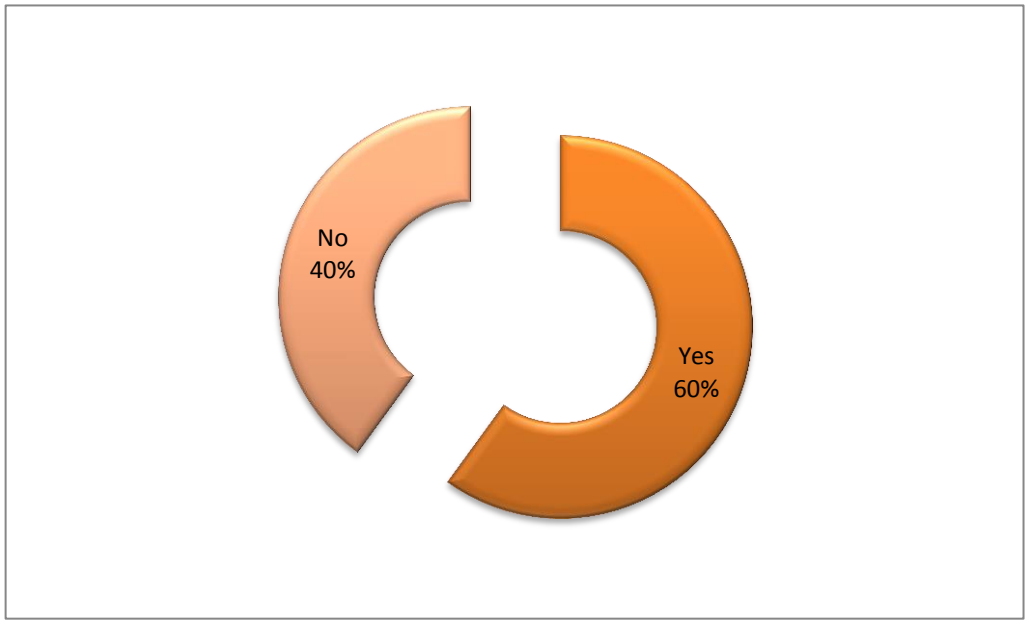
Participant 6: People can come here on Sunday [rather] than cooking at home and come for our Sunday lunch. We are also health conscious and our portions are not big but sufficient. We also offer healthy food as well. Running a restaurant is not just about offering oily food but healthy food. But I would still want more customers than the customers I [currently] have.

Even though owners were able to articulate the relevancy of their product and brand, SMEs are dissatisfied with the level of awareness regarding their brand. This proves that target user positioning needs to be taken a step further by ensuring that through the knowledge and understanding gained from the STP process, SME owners are able to compile a strategy that enables them to carefully select mechanisms of communication that will have an impact and be effective to a particular target market.

4.4.3 *Features and attribute positioning*

One of the vital indicators of whether a brand is well positioned and can be sustainable is the level of product development in identifying the unique selling proposition of a product. This allows for a business to always create a product that is relevant to the market and the benefits of a product are still highly regarded by the target market. It is also important that businesses should set up a measurement to determine the relevancy of a brand. The question below sought to understand whether SME owners have an understanding of how their products need to be constantly developed and enhanced to remain relevant in a competitive environment and the target market:

Question 12: How are you improving or enhancing your product/service?



Scale	
No	No continuous development on product
Yes	Mechanisms put in place to improve product

Figure 21: Responses to product development

Participant 4: Constant research and development, own manufacturing of the product. Outsourcing of raw materials before final product is created. Well thought products and extensive knowledge regarding the hair industry and products used. Products are of the highest quality.

Participant 11: We've got an R & D department in the USA, that constantly mixes various items, you know, not region-specific, but country-specific. So we are always on the lookout for new flavours to try out.

Participant 14: We do a lot of research within the textile environment just to understand the different fabrics that can carry our brand; we eventually want to establish our own textile company whereby we will be in charge of the whole production process. We are also only most of the times in order to make sure we know what is happening in the global village because our brand functions in the global ecosystem and out target market are exactly those people.

SMEs were able to identify how they are improving their product and the importance of product development was cited as research and development, and training and research. However, SMEs need not only enhance their products through research and development, but a measurement tool needs to be put in place to measure the effectiveness of the product enhancement (further discussed in Chapter 5).

Based on this attribute, it was important to note the difference between the two SMEs that have been in existence for more than 20 years:

Participant 1: I think that we are happy with what we are doing. The only problem is that we don't own a building we've had to move a few times. Otherwise we would have established a bigger place if it was our own building.

Participant 4: Constant research and development, own manufacturing of the product. Outsourcing of raw materials before final product is created. Well thought products and extensive knowledge regarding the hair industry and products used. Products are of the highest quality.

It is important to note that long service and being in a business for a long period of time is not an indication that a business is successful, the business runs a risk of being redundant and the lack of innovation due to the lack of understanding of the new trends and what customers prefer may further inhibit future growth and success of the business. Even though the businesses have been in existence for more than 20 years, it is important to note the difference between the two companies. Participant 1 is not innovative and has not evolved his brand over time, whilst participant 4 strives to keep up with the trends in maintaining the relevancy of his product in the market. Participant 4 has identified how a product should evolve, especially if a business has been in a market for a long period where it runs the risk of being redundant and outdated, whilst participant 1 did not reflect how a product should be well positioned over time through implementation of Features and attribute positioning

4.4.4 *Competitive positioning*

To remain relevant in the competitive landscape it is imperative that business owners have an understanding of their competitive advantage. The following question sought to determine the level of impact that SMEs have and how their brand influences the competitive landscape:

Question 13: What do you think you need to do in order to be better than the competitor and remain competitive?

Participant 3: Again, it comes to marketing if we want to be big we need to market ourselves and get ourselves out there.
Participant 6: As I mentioned it's mainly training, a bigger place and a bigger kitchen so that I can attract more customers.
Participant 12: We don't worry about our competitors, because I tell you what, there are so many clients out there.

This question was answered differently by SMEs but the overall majority could not state whether they have a competitive advantage over their competitors. Some business owners cited operational changes such as acquiring larger premises (Participant 12), marketing themselves more (Participant 1, 3), and although operational changes are important, brands need to be able to distinctively identify themselves against competitors. Thus, respondents were not able to answer this question. In implementing competitive positioning, it is important that SMEs have an understanding of implementation of the Porter's Five Forces of competitive positioning, as discussed in Chapter 5.

4.5 Conclusion to Research Question 2

Based on the above presentation of the findings, the importance of brand positioning elements as an SME framework was discussed. In addition, it was also discussed how SMEs can implement brand positioning strategy in growing and sustaining their businesses. Based on the theory and findings pertaining to Research Question 2 the below SME brand positioning strategy is proposed, and is discussed in Chapter 5:

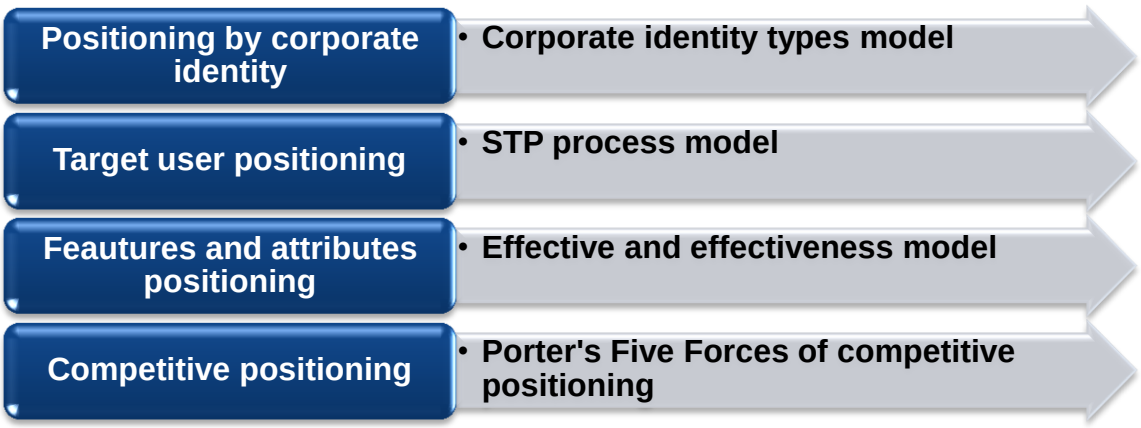


Figure 22: Proposed Future SME brand positioning strategy

4.6 Summary of the results

This chapter presented the results from the interview process in a format of graphs and direct quotations from the participants. The first section presented the results based on Research Question 1, which sought to identify marketing practices that were consistent with brand positioning elements that are currently implemented by B2C SMEs. From the data presented, it was evident that SMEs are still struggling with marketing issues and are confronted with challenges regarding how they should implement marketing.

The data also proved the importance of marketing as this was emphasised by the SME owners. However, owners still deem marketing as an expensive exercise even though it is deemed as an aspect that can be implemented to grow SME brands.

In response to Research Question 1, SMEs need guidance about how they should implement marketing strategies in their business since SME owners lack skills to effectively implement marketing strategies within their business models.

In response to Research Question 2, it was proposed that there is a need for designing a brand positioning strategy that is both relevant to the SME context and can be implemented by B2C SMEs. The below table 5 summarises the results in accordance to the research questions:

Table 5: Summary of results

Research questions	Outcome	Solution to the outcomes
Q 1: Research question one: How are marketing practices in relation to four brand positioning elements implemented by B2C SMEs?	SMEs do not have structured marketing model that can be implemented in their business models.	There's a need for defining brand positioning strategies that are relevant to SME nature of business.
Q2: Research question two: How can brand positioning strategy be implemented as a framework in contributing towards the growth and success of B2C SMEs?	A brand positioning strategy in line with the brand positioning theory should be proposed as a framework for B2C SMEs.	Having a brand positioning strategy in place will assist in growing and sustaining SME brand, increasing their lifespan.

CHAPTER 5. DISCUSSION OF RESULTS

5.1 Introduction

This chapter concentrates on discussing questions that were raised in Chapter 2 and aligns these to the findings of the interview process. It must be determined whether the research instrument provided solutions to the questions and provided guidance regarding how brand positioning can be implemented as a marketing tool by SMEs to grow and sustain their businesses. The benefit of using qualitative methodology as a research tool is that it allows for the exploration of a subject and gains insight from the participants' perspective since qualitative research requires an understanding of a phenomenon in its natural setting (Creswell, 2012; Guest et al., 2012). There was sufficient data that was accessed, thus an in-depth discussion of the findings serves to form a good foundation for the recommendations that are made.

The purpose of the research was to identify the current marketing practices in relation to brand positioning and to recommend a brand positioning strategy in line with the four elements that included positioning by corporate identity, target user positioning, features and attribute positioning, and competitive positioning. The four elements formed a framework for SME brand positioning strategy to contribute towards the growth and sustainability of such businesses. The section analyses the research questions and these are discussed in reference to the literature that was reviewed. The prevailing themes are presented, as are the conclusions of the analysis.

5.2 Discussion pertaining to Research Question 1

For referencing purposes the research questions are repeated:

Research Question 1: How are marketing practices in relation to four brand positioning elements implemented by B2C SMEs?

Research Question 2: How can brand positioning strategy be implemented as a framework in contributing towards the growth and success of B2C SMEs?

In this section, the results pertaining to the research questions are discussed and explained in light of the literature that was reviewed. The analysis is presented holistically and where it is relevant in context with the SME owners that were interviewed, and lastly, prevailing themes are presented following the analysis of the research questions.

5.2.1 *Positioning by corporate identity*

For positioning by corporate identity to be effective, businesses need to have a clearly defined name and brand (Klopper & North, 2011; Sengupta, 2005). In most instances the names of the SME companies were defined according to the area where the business was established and this can be the street name of a residential location (due to confidentiality purposes the names of the business cannot be mentioned). Participant 1's business name was defined according to the street name and the business has moved three times since establishment, so the business is no longer in the street where it was initially established. Thus, SMEs need to carefully think of a business name that is practical, easy to

remember and that can still be applicable and relevant over long periods of time.

Once the corporate name has been defined, businesses need to strive towards creating a particular brand image relevant to both internal and external stakeholders (Kitchen et al., 2013; Melewar et al., 2014). Businesses need to ensure that the mission, vision and the core values of the business are communicated and that these support the corporate identity defined (Spence & Hamzaoui Essoussi, 2010). To determine whether SMEs were implementing positioning by corporate identity, businesses were asked two pertinent questions that evaluated how organisations were positioned internally and externally in the market.

Based on the first question, participants were able to confidently state their corporate identity in their own words. For effective positioning by corporate identity implementation, a business's identity should not only be defined internally but it also needs to be aligned and resonate with the target market and this was not the case for the majority of the participants, as evidenced by Participant 10's response:

> Participant 10: *We are called different things in the market, some people call us X whilst others call us Y, that's why we need to go on a rebranding process to make sure our brand in aligned and there's confusion in the market*.

It is important for SMEs to inspect their corporate identify and evaluate whether alignment exists internally and externally. In a case of the SME environment, this might pose a challenge since in many instances the corporate identity and how it should be designed and identified lies with the owner. Owners may often not be too vocal about the corporate image because they single-handedly manage and run the business, making it difficult to articulate and implement a particular corporate identity as evidenced by Participant 7's response:

Participant 7: I have many marketing ideas but it is very difficult to find the time to implement them because I have to run the business, make sure that customers pay me in order for me to be able to pay my workers, if I don't run the business, we will close down and I won't be able to employ the people that I have employed.

Based on the criteria of positioning by corporate identity and how it should be aligned both internally and externally, the B2C SMEs' corporate identities are not clearly defined or favourably aligned. Therefore, positioning by corporate identity within the B2C SMEs that were interviewed is not being effectively implemented and SMEs need to find ways in which this positioning practice is implemented to contribute towards the overall brand positioning strategy to contribute towards the growth and the sustainability of such businesses.

5.2.2 *Target user positioning*

For effective implementation of target user positioning, SMEs need to have a clearly defined target market specific to the product and services rendered (Dibb, 2010; Weinstein, 2013). Target market user positioning practices were prevalent when compared to the other three elements. Having a clearly defined target market ensures that the business operation is focused to ensure that the needs and the desires of a particular target market are satisfied. Doing so also ensures that the business focuses on one market and the business is geared towards attracting, monitoring and appealing to a certain calibre of people that are classified as the target market for the business. Participants were asked who their target market was to establish whether they have been clearly defined and outlined by the business. Most participants were able to answer the question positively, proving that their target markets are well segmented:

Participant 4: MATURE (Except 30 + male) - love to style locks and keep them neat and professional. Young generation - both for locks and dread.

Participant 5: People who have lost their loved ones and want to send off their loved ones in a dignified manner

Participant 7: Business traveling people who have car issues and need their cars to be sorted upon their return from their trip

Participant 11: Middle-income earners and high-end income earners who want to enjoy a good product that tastes great and won't add any calories

Participant 15: We have two target markets, career seekers [who are] fresh out of school and career seekers, who want to study at their most convenient time and place.

Although the responses above give an indication of how well participants have been able to segment their market and have a well-defined target market for their businesses, there were 27% of business owners who did not reflect clearly defined target markets.

Participant 3 indicated that his/her target market is "*Black high and low LSM"* and further to that the respondent indicated that they also cater for "Low LSM as we also sell houses in SOWETO". Due to the nature of the business, it is important that the business owner refines the target market since property is not a product that is consumed by a particular race but purchasing of property is relevant across all races. A process of buying a house is not a process that only black high LSM and black low LSM are interested in and the business owner needs to further research and undergo a STP process in SOWETO to discover that all LSM groups are found in SOWETO and not only lower LSM groups, according to SAARF (2014) (See Appendix C).

It is important for business owners to have an understanding of their target market to ensure that misguided marketing approaches and communication are eliminated. Misguided understanding may lead to attracting fewer customers

because they would not be able to relate to both the brand and the product or service of a business. Another example of an ill-defined target market is Participant 12's target market, as he/she indicated that:

> Participant 12: *We haven't clearly defined or restricted our target market; everyone needs to save money so we could say that our target market is everyone who needs to save money*.

SMEs cannot apply a wide-range approach when defining their target market. Target user positioning requires a business to define their target market to ensure that the business's approach when communicating with the target market is unified and directed to a particular market as opposed to everyone (Klopper & North, 2011; Sengupta, 2005). SMEs also do not have the capacity or the resources to devise a marketing strategy that is suitable for everyone due to the nature of the business and the limited marketing budget or lack thereof (M. C. Cant & Wiid, 2013).

Further to achieving a clearly defined target market, businesses need to also be able to reflect an in-depth understanding of their target market through understanding their behaviours, trends and consuming habits (Klopper & North, 2011). Thus a question was asked which sought to evaluate how knowledgeable SME owners are about their target markets. The majority of the participants indicated that feedback in a form of interaction is the main form of understanding the target market:

Participant 2: Feedback through evaluation forms.

Participant 3: Through interaction with potential customers.

Participant 11: We've constantly listened to the feedback from our customers and monitor also what they say about the product.

Although feedback is vital, it is not the only form of engagement with a target market. SME owners need to examine other forms of customer engagement to determine the market. SME customer interactions seem to be only limited to point of sale and feedback in many instances is not structured or effectively monitored, as evidenced by Participant 13:

Participant 13: Uh, we make sure that when they came the service is so excellent; such that when they go out they feel the worth of their money. That's one. And two, we ask them how was the product, just after eating it, and then if for example, they say no it wasn't okay, we offer them, 'Please try this one before you go.'

Researcher: But is this feedback documented?

Participant 13: To be honest it's really spontaneous and [we] ask our customers now and again when they are consuming the product. We should strive towards a well organised feedback system.

This is one of the instances that reflect the lack of feedback being properly monitored by owners. Although feedback was indicated as a vital source of obtaining customers' opinions about products and services rendered, the processes are not well monitored, posing a threat to how owners will be able to implement any changes suggested by the target market which are relevant to the products and the services rendered. This method of target user positioning

allows businesses to remain relevant in the market as they will anticipate any changes in the market due to their level of understanding and knowledge pertaining to the target market. Although market research may be costly in some instances, and may not be afforded by SMEs businesses, SMEs should consider other innovative methods of engaging with their customers other than waiting for feedback from customers. Although the majority of the participants indicated an understanding towards their target market, the target user positioning is not well implemented and SMEs need some guidance regarding this positioning attribute to assist in contributing towards the success of their businesses.

5.2.3 *Features and attribute positioning*

Once the corporate image has been defined and positioned and the target market has been identified and segmented, businesses need to be able to communicate their product and the benefits of using the product (Sengupta, 2005). A demand for the product or service's benefits needs to be effectively communicated so that customers are aware of the product and how it benefits them (Fuchs & Diamantopoulos, 2012; Hassan & Craft, 2012). Customers need to think that the product will definitely satisfy their needs. If the question can be answered and the product or service can be well communicated, features and attribute positioning will then be effectively implemented. The questions asked regarding this positioning were to demonstrate whether the two outcomes of features and attribute positioning were implemented by SMEs.

SMEs were able to distinguish the benefits of using their products, and how customers could benefit by using their products. When SME owners were asked how their products are communicated, almost 80% indicated that word-of-mouth is the main form of communication to customers. Word-of-mouth is heavily used by SMEs whereby the target market markets the brand on behalf of the business. Although it may be an effective SME marketing tool, SMEs should not only rely on word-of-mouth and customers to be the ambassadors of the brand but rather, SMEs should design and manage a message driven by the business in complementing word-of-mouth. Even though word of mouth is regarded as a

key tool to market the business, SMEs have also indicated the desire to market their product more:

> *Participant 2: I know I can do more marketing because our services are not well communicated, for now it's mostly social media and word-of-mouth.*
>
> *Participant 3: No, because we [are] only known in our area, we need to get to a point where we are known. But we are still small and marketing ourselves would be expensive.*
>
> *Participant 7: Our services and benefits are not well communicated, we have done some advertising but I think we can do more.*

SME owners are aware of the importance of marketing and how marketing can be used as a tool to expose their brand to attract more customers. Some of the SME owners indicated that they also advertise on social media and that is also a platform that is utilised to expose their product. There is a need for the SME owners to understand that having a social media page is not an effective form of advertising, especially if it is not an interactive page and does not have a large number of followers. SMEs need to be innovative and interact with customers and generate ways in which they can drive traffic to their social media platforms:

> *Participant 15: Yes, of course. We've got a blog. We've got a blog on our website, which you can access directly from the website; we also use the likes of Facebook and twitter to communicate with our customers.*

The Facebook page in relation to Participant 15"s response only has 500 "likes" to date, with minimal interaction with customers, and most of the communication was based on the product offering. An effective digital media strategy is one that attracts high volumes of the target market and that has high levels of

interaction between the customer and the business. One example of an SME that has an effective social media strategy is Participant 14:

> *Participant 14: We use word-of-mouth and social media advertising. It works because we have a lot of followers.*

Participants 14's Facebook page has over 11 000 followers and their twitter account has over 5000 followers. Out of all the participants interviewed, participant 14 was the only SME owner who had a strong presence on the social media platforms. Thus, SME owners need to move away from thinking that social media advertising is effective by simply having a page on the social platforms; more effort and focus needs to go into social media advertising to create a well branded and advertised business on social media.

From the above discussion, it is evident that more still needs to be done for SMEs to effectively implement features and attribute positioning. Having a great product is not a guarantee that the business will generate sales, but SMEs also need to communicate their product to their target audience (Klopper & North, 2011) and devise a strategy that is beyond word-of-mouth as a means of communication.

Based on these findings, it is important to note that features and attribute positioning is not formally implemented by B2C SMEs and more still needs to be done to ensure that there is a greater understanding of what the positioning attribute entails.

5.2.4 *Competitive positioning*

To remain sustainable and successful, businesses are required to have an understanding of their competitors and how these are a threat to their business (Bigné et al., 2000; Burke, 2011). SME owners cited that competition levels are high and the majority of the businesses were able to identify competitors. Although SME owners could identify competitors it was noted that most of the

competition that was identified was direct competition. For effective competitive positioning to take place, owners need to be able to identify all forms of competition because it is not only direct competitors who might be a threat to the business. SME owners also cited similar businesses and direct competitors:

Participant 3: I would say X Y are my direct competitors

Participant 6: Q is 2km away from here they are also a restaurant offering similar food.

Although it is important to understand and be aware of direct competition, SMEs need to also identity large-scale competitors and other forms of competitors even though they cannot directly compete with them. Large corporations are at an advantage due to the availability of resources and large marketing budgets. Although this might be the case, SMEs could learn from the large corporates regarding how they do business and can learn from their business models for them to also work towards establishing large corporations. Participants were also asked to identify a category leader and what they think makes them the category leader:

Participant 1: I think it's mostly convenience and they have a wider range than what I have.

Participant 9: They appeal to all customer segments and can afford to. They have a wider product range. They are able to negotiate with suppliers on a much larger scale and therefore can offer low prices.

Participant 11: I think it's mostly convenience, not necessary the taste.

In many instances, SMEs cited convenience as the main source of competitive advantage against their competitors. They also indicated that due to visibility, having more than one outlet and through marketing, the category leaders are able to communicate more with their customers, be more visible and most importantly have more resources in marketing the product and being well positioned in the market. Therefore, SMEs regard marketing as an important factor that contributes towards the success and sustainability of a business. In order for effective brand positioning through competitive positioning to be achieved, SMEs need to implement a holistic understanding of competitors as indicated by Porter (2011) and not just view competitors from a direct competition perspective.

5.3 Discussion pertaining to Research Question 2

Research Question 1's purpose was to identify whether brand positioning practices are implemented by SMEs and from the above discussion it was evident that SME marketing models are not structured and are not clearly defined as SMEs are confronted with continued marketing challenges. It was also evident that brand positioning principles are implemented to a certain extent.

For referencing purposes, Research Question 2 is repeated:

> *How can brand positioning strategy be implemented as a framework in contributing towards the growth and success of B2C SMEs?*

As discussed in the findings pertaining to Research Question 1, SMEs are not effectively implementing brand positioning strategy in growing and sustaining their businesses. Therefore, to contribute towards the SME marketing theory and to respond to Research Question 2, the ensuing sections demonstrate how SMEs can implement brand positioning based on the four elements to grow and

sustain their business. Brand positioning models are adopted as an SME framework that can be used to grow and sustain SMEs.

Findings pertaining to Research Question 2 are discussed, followed by brand positioning solutions in accordance with the theory discussed. Research questions pertaining to Research Question 1 were based on ascertaining the current status of SME marketing in relation to brand positioning, whilst questions pertaining to Research Question 2 were based on how SMEs can implement brand positioning strategy in line with the four elements as a framework of improving growth and sustainability of SMEs. Interview questions were designed to examine the ideal brand positioning strategy for SMEs in line with the four brand positioning elements.

5.3.1 *Positioning by corporate identity*

The success of a favourable and well received corporate identity can be measured by establishing a particular corporate identity that resonates with the customer, and whether a brand is top-of-mind amongst customers (Kitchen et al., 2013; Melewar et al., 2014). This requires for the corporate identity image and the brand name communicated image to resonate both with internal employees as well as customers. From the data collected, it was evident that there is a lack of a clearly defined corporate identity that resonates with the customers. Many of the SME brand names that were formed where based on sentimental value as opposed to designing a name that would make business sense and resonate with the customers:

Participant 6: Yes I'm happy with the name; it's sentimental because it's the name of my children. But the name is not well communicated and people do not really know the brand name but me, the owner of the business.

Participant 7: No, because there is a lot of confusion with the mobile brands, the business is embarking on a process of rebranding in order for our customers to know who we are.

Participant 8: Yes and no. Old customers know who we are but there's a level of confusion because people think that we are a décor company which we aren't.

From the above responses it is evident that the brand names of the SMEs need to be evaluated to ensure that the name that is created resonates with customers and a brand to which the product/service can be related. It would be greatly beneficial to SMEs if they went through a rebranding process before the business grows than the current size. Some of the participants indicated the importance of rebranding, as mentioned by Participant 2:

Participant 2: I had to go through a process of rebranding because the name is now broader than the previous one and it resonates with my customers because it's all about long-term relationships. Long-term, mutually beneficial relationships, it also does not restrict me to one functionality of the business.

SME owners also indicated unsatisfactory levels regarding whether their names or brands resonate or are known by the customers. SMEs indicated the challenges of not sufficiently exposing the brand and the fact that in most instances customers are not aware of the brand, since the brand or the branding is not well communicated and in some instances customers regard business owners as the brand as it was in the case of participant 7:

Participant 7: But the name is not well communicated and people do not really know the brand name but me the owner of the business.

In was noted that in most instances, business premises were not branded, hence customers are not aware of the brand name and define the business by the name of the owner. Positioning by corporate identity starts with the name of the brand and the name needs to be clearly defined before corporate identity can be formulated. It was also noted that the identity of the organisation resides in the minds of the consumer, not internally and externally. Thus, in relation to the corporate identity theory and for effective corporate identity to take place, SMEs need to transform their corporate identity from perceived identity as reflected in Figure 9 to the ideal identity which is regarded at the optimum corporate identity for any business. Therefore it is proposed that SMEs implement the process of identifying which corporate identity the business represents and how can it be improved in working towards the ideal corporate image.

5.3.2 *Target user positioning*

From the questions asked regarding relevancy of SME brand to a target market, SMEs indicated that their target markets were not clearly defined and if the target market is not clearly defined it has a ripple effect on how customers will relate to the brand (Temporal, 2011) .Therefore it is proposed that SMEs implement the segmentation, targeting and positioning (STP) process as indicated in Figure 10.

Implementing the process of STP ensures that the target market is carefully segmented so that the devised marketing plan is aligned with achieving optimum results because the business will have an in-depth understanding of their target market to increase the effectiveness of a marketing communication

plan and the business will be able to use the appropriate channels that will allow maximum exposure of a brand to a concentrated audience.

5.3.3 *Features and attribute positioning*

Effective features and attribute positioning requires product evolvement and constant product development. In remaining relevant to the market, SMEs need to constantly evolve their product against the needs of the market (Hassan & Craft, 2012). The majority of SMEs indicated that there is a need to improve their product, as 47% of the SMEs owners that were interviewed indicated that their product is constantly being improved through constant *"research and development"* as indicated by Participant 4 and 11. Although other participants indicated aspects such as "*originality"* as in the case of Participant 2, it was evident from the data collected that a set method or a framework is needed to measure features and attribute positioning. Based on the theory reviewed in Chapter 2, it was proposed that SMEs need to understand and implement features and attribute positioning processes that constitute dissimilarity, uniqueness, favourability and credibility (Figure 11). Applying the principles of the process ensures that SMEs are in constant evaluation of whether a product shares similarities with products within the competitive landscape (dissimilarity), has a variable that makes the product different (uniqueness), offers customers positive connotations with the brand (favourability), and is able to deliver on the brand promise (credibility). Implementing this process ensures that the brand resonates with the customer and the brand constantly evolves and is well positioned in the market.

Implementing this process shifts the business from measuring its success based on years of establishment, to a more effective measurement through the above measurement tool. Doing so will eliminate cases such as Participant 1, who has been in business for more than 20 years but has moved three times from a larger premise to a much smaller , due to a failure to meet demand and a lack of product development. But if the business was measured, and the brand was evaluated using the four elements of features and attribute positioning, which are true indicators of the relevancy product, and whether the brand's

benefits are regarded as favourable by the customers, an effective strategy for growth could be developed.

5.3.4 *Competitive positioning*

For level of competitiveness to be attained, it is important for businesses to evaluate the competitiveness of the product against competitors, and the relevance of the product for the target market, and assess what should be done to improve the product against that of the competitor (Ray, 2013). The majority of the business owners indicated ways that a brand can be improved against competitors. Operational changes such as "*training"* (Participant 2), and "*improved customer relationships*" (Participant 9) were indicated. Although these factors are important, it is also important to note that these factors are internal and operational factors.

SME owners should also be aware of how their product fits into the competitive landscape by evaluating competitiveness and implementing competitive positioning. Based on the available theory, SMEs are encouraged to implement Porter's Five Forces of Positioning model of competitive positioning (Porter, 2011) which assists in viewing competition holistically by understanding various threats that may be posed, including from the supplier of the raw material, bargaining power consumers, new entrant threat, rivalry competitors and the threat of substitute products. SMEs need to implement the process of determining their level of competitiveness in line with competitive positioning implementation.

5.4 Summary of results

The above discussion examined the discussion pertaining to Research Question 1 and Research Question 2. With regard to Research Question 1, it was evident that the marketing practices implemented by B2C SMEs are not well structured due to the lack of understanding of what marketing in relation to brand positioning entails. In providing a practical brand positioning solution relevant to B2C SME context, Research Question 2's findings recommended

how B2C SMEs may implement brand positioning strategies that are in line with the theory and in line with the four brand positioning elements, namely corporate identity, target user, features and Attribute as well as competitive positioning. Based on the four elements the themes below emerged from the interviews:

Theme 1: Marketing within the SME context is erratic and lacks structure.

Theme 2: Marketing is regarded as an important component in the business that can assist in brand exposure and attract more customers, however it is still regarded as an expensive exercise that SMEs cannot afford.

Theme 3: The passion of the business owners is not communicated and carried out through the their staff members, the desired image in form of corporate identity needs to be communicated to the rest of the employees since they are the main ambassadors of the business and are the main people that are in constant contact with the customers.

Theme 4: The target market of SMEs needs to be clearly defined and identified for the business to adhere to the needs and the wants of the consumer and avoid applying a “blanket approach” when deciding on the target market.

Theme 5: Although SMEs were able to identify the benefits and the attributes of the products, SMEs need to also design communication and marketing plans that ensure that these variables are well communicated in the market so that the target market may be aware of the benefits and the attributes offered by the SME brands.

Theme 6: Owners tend to see competition from a micro scale; SMEs should start analysing their competitors from a macro scale and be able to identify all forms of competition.

Based on the above structured themes, the following model for SME brand positioning strategy is proposed:

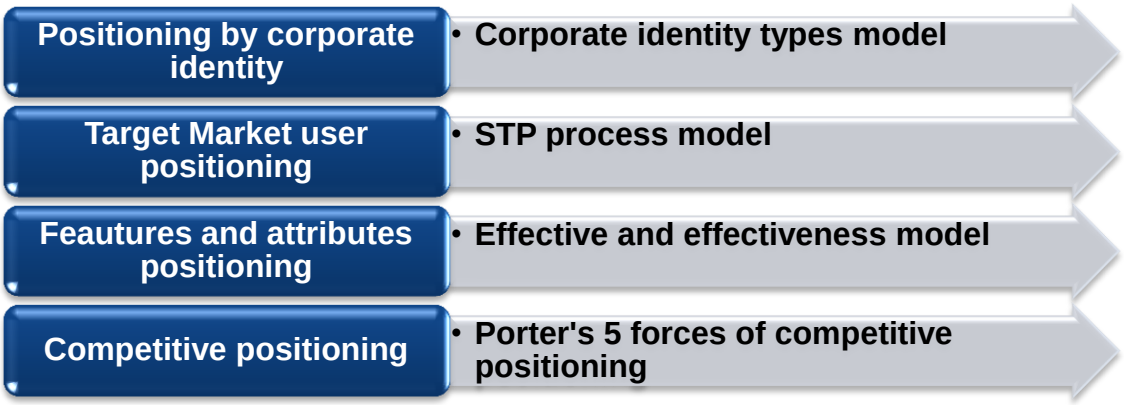


Figure 23: Proposed SME brand positioning strategy

The model ensures that SMEs are fully aware and can implement a well-structured brand positioning strategy that enables an SME to define the most suitable corporate identity that appeals to a well segmented and positioned target market, that is aware of the benefits and the attributes, and that positions the SME in such a way that they holistically understand the different types of competition that might be a threat to the business and to the brand.

5.5 Conclusion

The chapter examined the results pertaining to how SMEs can implement brand positioning strategy as a marketing tool that can contribute towards the growth and sustainability of SMEs. The study revealed the marketing challenges faced by small businesses and how SMEs do not have a structured marketing tool that they can adopt into their business models. SMEs acknowledged the importance of marketing and how marketing can help their businesses in establishing well positioned brands that can grow and resonate with the minds of the consumer. The study explored the marketing challenges confronted by SME owners and through the data collection and the analysis of the data identified pertinent issues and themes that were echoed during the interview process.

Through the data collection, analyses and theme refinery a proposed SME brand positioning model was defined which is founded on the brand positioning theory and can be implemented by SME owners. Therefore, the two research questions that were posed in the literature that was reviewed have been resolved. In response to Question 1, marketing challenges and practices that are consistent with brand position were identified. In response to Research Question 2, recommendations regarding how SMEs may implement brand positioning as a strategy of growing and sustaining their businesses were proposed.

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

6.1 Introduction

The purpose of the study was to identify the current marketing practices using brand positioning theory as a means to identify whether B2C SMEs understand and implement brand positioning strategies and to recommend how brand positioning strategy can be implemented.

6.2 Conclusions of the study

The research study was conceptualised through reading and evaluating the current status of SMEs in South Africa and statistics proved that most of South African SMEs fail within the first few years of establishment (M. C. Cant & Wiid, 2013). Through the literature review it was evident that academics have embarked on studies to explore the reasons for the failure of SMEs. Studies indicated that SME failure can be attributed strongly to weaknesses in effective marketing. Although marketing was identified as a reason for failure, adequate research was not available to further elaborate on how SMEs can implement marketing as a strategy to establish successful businesses over time.

Studies indicated that marketing needs to be implemented and marketing is one of the reasons why SMEs fail (Yin Wong & Merrilees, 2005). However, studies failed to indicate which marketing disciplines and strategies should be implemented and how they should be implemented to grow and sustain SMEs. Thus, in order for research to contribute towards SME marketing, studies should focus on a particular discipline of the market, such as relationship marketing, marketing mix and digital marketing to name a few and how such disciplines can be implemented from an SME perspective. Therefore, the research gap in the knowledge that the study intended to fill was to determine how brand positioning can be implemented as a marketing strategy to grow and sustain B2C SMEs. It is also important to consider how the proposed brand positioning

framework may contribute towards the sustainability of SMEs, which has been noted as a challenge, and to contribute toward SME marketing theory.

The main problem for the study was to identify marketing practices that are implemented by B2C SMEs and recommending brand positioning strategies through corporate identity, target user, features and Attribute, and competitive positioning. The main research problem was further sub-categorised, where sub-problem 1 examined how marketing practices are being implemented through the usage of brand positioning theory in accordance to the four attributes. It was important to first assess the current marketing practices using brand positioning as a guideline to ensure that the recommendations proposed and suggested are relevant to the SME environment. The aim of sub–problem 2 was to recommend an SME brand positioning framework that can be implemented by B2C SMEs to contribute towards the growth and sustainability of such businesses. Identifying marketing challenges and practices was not sufficient but a further step needs to be taken in the research in that a solution should be provided for B2C SMEs.

The results of the study indicated that SMEs marketing practices are not structured and marketing practices within the SME environment are not strategically designed to position SME brands favourably in the competitive environment. They are erratic and uninformed, since the majority of SME owners do not have marketing skills, are not marketing experts and in most cases do not have the time to design marketing strategies with an objective of growing the business. This is often due to the constrains that are intrinsic to running a business single-handedly. Thus, a brand positioning strategy that encapsulated four elements, namely corporate identity, target user, features and Attribute, as well as competitive positioning was proposed as a marketing strategy that can be implanted by SMEs to grow and sustain their businesses.

6.3 Managerial implications and recommendations

Before recommendations can be made it is important to note that SME owners' perceptions regarding marketing should be changed and that they should be

encouraged to invest in marketing as much as they invest in other aspects of their businesses. SMEs should move away from the notion that marketing is not an important aspect in a business, or just “a nice to have” - such perceptions need to be changed for marketing to be realised as a priority in a business, not merely an added value.

SMEs should also move away from a notion that marketing is an expensive exercise. With the right expertise and marketing strategy implemented, marketing can be an effective tool that can assist a business in moving forward, being well positioned in the market and can contribute towards the sustainability of a business. Although the return on investment regarding marketing has a longer turnaround time when compared to other business aspects such as sales and revenue generated, the long-term benefits can be achieved if effectively implemented. A brand needs to be memorable to customers, visible in the competitive landscape and be consumed by the target market. These objectives can be met through implementation of marketing.

The recommendations are related to the four brand positioning elements:

Positioning by corporate identity: SMEs’ corporate image needs to be aligned both internally within the business and externally in the competitive landscape and target market. SMEs need to transform their corporate identity which is known and internalised by the owners to an ideal identity which is considered as the optimum form of corporate identity that resonates with the employees and with the target market. In most instances, the corporate identity is only internalised by the business owner and the vision is not shared or practiced by the employees. Employees are the vital drivers of the corporate image and are the main people that drive and represent the corporate identity of a business. If the corporate identity has been internalised and understood by the employees, the change of perception will be reflected in how they conduct themselves when interacting with the customers. Once a favourable corporate identity has been established, customers will also embrace the identity and strong affiliations towards the brand by both the customers and the target market through this form of positioning may be achieved.

Target marker user positioning: It was evident that SMEs should establish a structured mechanism of identifying their target market. SMEs need to learn and understand how to clearly define their target market to gain in-depth understanding of their target market. Through market research SMEs can identify their target market consumption habits to establish their trends which are key in segmenting, targeting and positioning a specific target market. This will also assist the SME to provide a product that is relevant to the target market, since the product will appeal to their needs and desires.

Features and Attribute positioning: There is also a need for SMEs to identify what their unique selling proposition is, that is distinctive to their products and services and that they can create a demand for in the market. Identifying a unique selling proposition increases the possibility of the business satisfying a particular need through a product or service to a specified target market. For effectiveness of the features and Attribute positioning implementation, the benefits of a particular brand need to be communicated. SMEs can learn from companies such as Apple, where the company always makes a prestigious announcement to the global community whenever there is a launch of a new product.

Apple has mastered benefits and attributes' positioning through those events as the sole purpose of the events is to communicate a new product and how customers can benefit from consuming such products. Although SMEs do not have the resources accessible to Apple, SMEs need to implement a communication strategy that ensures that the benefits of the product are communicated to current and potential target markets. A good product with benefits is not ideal if the benefits are not well communicated to the target market to drive demand. SMEs can learn from companies such As Apple and Nike.

Competitive positioning: Lastly, SMEs have indicated the high levels of competitiveness and to overcome competition, competitors should not only be identified and defined from a direct competition point of view but from a holistic perspective (Riezebos & van der Grinten, 2012). Most SMEs identify their competition only as direct competitors and from the theory revised it is evident

that SMEs should also be able to identify other threats to the business such as substitute products, bargaining power of consumers and new entrant threats. Implementing the principles of competitive positioning will empower SMEs to become proactive since they will understand the strengths and the weaknesses of their competitors and anticipate their next action.

From the above recommendations, it is evident that implementation of brand positioning strategy through the four elements can benefit the marketing model of SMEs and provide guidance to a structured model. Based on the theory reviewed and the SME findings, the proposed model for SME brand positioning marketing is outlined with the ultimate goal of positioning the brand in such a way that it occupies and resides in the minds of the customer.

The above framework can be implemented by SMEs and can also be introduced to SME support structures as a marketing tool for effective positioning of SME brands. It is also recommended that marketers should heed the call of establishing am SME marketing centre that will focus solely on providing marketing solutions to SMEs. Marketers should not only provide their expertise to large corporations but ground work also needs to be done to establish a centralised institution and corporation that can offer such solutions to SMEs, and contribute directly to building companies that are purely South African and directly contribute towards the economy of South Africa.

6.4 Suggestions for further research

The study conducted and the findings thereof cannot be generalised to the South African population since the sample drawn for the study was not representative of the South African population and was not statistically calculated. The study also only examined B2C SMEs; for future purposes a B2B study can be conducted to contribute towards the broader SME marketing theory.

Since the study was based on conducting interviews and collecting data from SME owners' perspective, a further study can be conducted to assess employees' perspectives regarding brand positioning. Brand positioning should

not only be understood from an SME ownership' point of view but employees also play a critical role in conveying the brand through services rendered, thus their perspective is important and a study can be conducted to focus on this research aspect.

A longitudinal study that can investigate the outcome of implementation of brand positioning strategies can usefully measure the effectiveness of implementing brand positioning. Lastly, SME studies should research more specified marketing topics that focus on marketing disciplines from an SME context as opposed to conducting research on SME marketing, which is a broad term.

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APPENDIX A

Research Instrument

INTERVIEW QUESTIONS

RESPONDENT: _____

INTRODUCTION

Thank you for agreeing to participate in this interview. As discussed on the phone and stated in the invitation letter, I'm in a process of completing my Master's degree in Strategic Marketing at Wits Business School. In order for me to complete my studies, I need to embark of a research process in fulfilling the criteria for my degree. The interview conducted is purely for academic purposes, please be assured that your personal and your business name are strictly confidential and I will be recording this session for transcribing purposes.

DEMOGRAPHIC QUESTIONS

Name of the business	
Business description	
Business description	
Years of establishment	
Industry	
Marketing budget in 2014	
Marketing activities implemented	

QUESTIONS PERTAINING TO RESEARCH QUESTION 1

Objective: Determine how marketing practices are currently being implemented

Positioning by corporate identity

1. In your own words how would you describe your brand?

2. Do you think people outside your business know your brand for what it stands for?

Target user positioning

3. How would you define your target market

4. What have you been doing in order to ensure you get to know who your target market really is?

Features and Attribute positioning

5. What are the benefits of using your product, how do you differentiate your product?

6. How is your product communicated excluding on your website?

Competitive positioning

7. Name top three contenders in your competitive landscape?

8. If you were to examine the category leader, what do you think makes customers purchase their products/services as opposed to consuming your product/service?

QUESTIONS PERTAINING TO RESEARCH QUESTION 2

Objective: what would be an ideal brand positioning strategy (futuristic questions)

Positioning by corporate identity

9. Do you think your brand is top of mind? If not how do you plan on achieving and retaining that dominance?

10. Are you happy with the current image (identity) and does it resonates with your customers? please elaborate

Target user positioning

11. How relevant is your brand to target market, how is it influencing their future trends?

Features and Attribute positioning

12. How are you improving or enhancing your product/service?

Competitive positioning

13. What do you think you need to do in order to be able to be better than the competitor and remain competitive

CLOSE INTERVIEW AND THANK RESPONDENT

APPENDIX B

Invitation letter

Dear Business Owner/Entrepreneur

I am studying for my Master of Commerce degree, majoring in Strategic Marketing.

I am conducting a research on the topic “Implementing brand positioning strategy in growing and sustaining South African B2C SME’S”.

For the purpose of the research I have identified criteria for the respondents who will form part of my dissertation:

Business owners:

1. Who have been running a Business to Consumer operation for 3 years or more.
2. Who fall within the very small and small classifications in accordance to the Small Business act.

In order for the research to be successful I need your assistance in conducting an interview with you. It will take approximately 30 - 50 minutes of your time.

The information received will be strictly confidential. Your name is not required anywhere in the survey, and your participation is entirely voluntary.

If you would like to know the results of this research please let me know when we meet.

Anticipating your response.

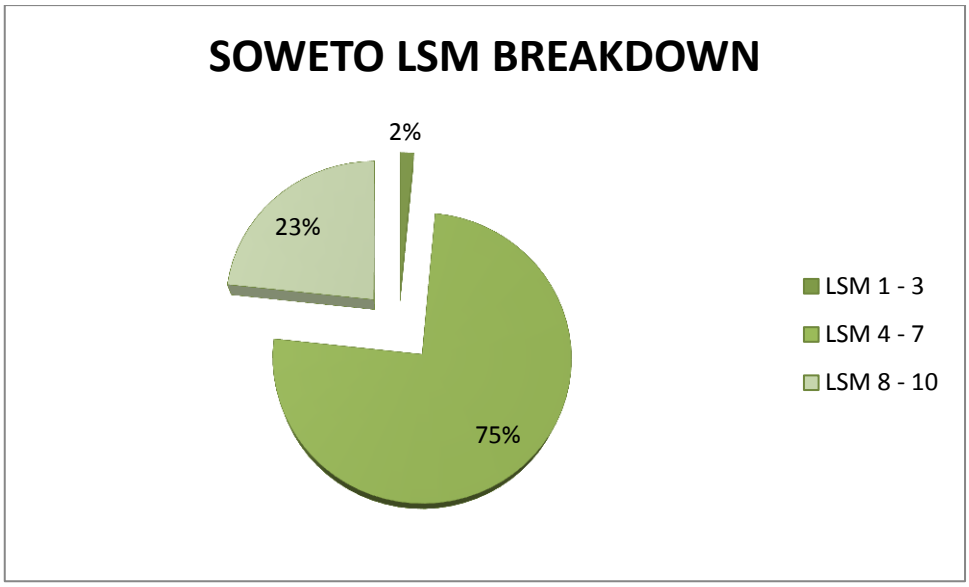
Kind Regards,

Zanele Hlatshwayo

073 674 9463

APPENDIX C

SOWETO LSM



Source: SAARF (2014)