

https://dspace.org/

The Capacity of Township Salons to Grow Beyond Micro and Small Businesses in Gauteng

Makalima, Xoliswa

2025
University of the Witwatersrand, Johannesburg
https://hdl.handle.net/10539/50162
Makalima, Xoliswa. (2025). The Capacity of Township Salons to Grow Beyond Micro and Small Businesses in Gauteng [Master`s dissertation, University of the Witwatersrand, Johannesburg]. WIReDSpace. https://hdl.handle.net/10539/50162

Downloaded from a DSpace repository. https://dspace.org/





The Capacity of Township Salons to Grow Beyond Micro and Small Businesses in Gauteng

By Xoliswa Makalima, 584565

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 Business Administration

Faculty of Commerce, Law, and Management
Wits Business School, Johannesburg, South Africa

Supervisor: Dr Nomusa Mazonde

28 February 2025

Abstract

The township hair salon industry in Gauteng plays a significant role in the local township economy by providing employment opportunities and essential grooming services. However, despite their potential for growth, most township salons remain micro or small enterprises, facing substantial barriers to growth. This study explores the factors influencing the limited growth of township hair salons, examining key constraints such as access to finance, market saturation, business management practices, and infrastructural challenges. Using a qualitative research approach, the study explores data from academic literature, industry reports, and government publications to identify the structural, financial, and operational limitations that hinder business growth.

Findings indicate that a lack of access to formal funding, poor financial literacy, and the absence of business tools contribute significantly to the stagnation of these small businesses. Additionally, the geographical and infrastructural design of townships, coupled with unreliable electricity supply and transport limitations, further exacerbates growth challenges. The research also highlights the impact of high competition and the absence of business differentiation as factors that restrict profitability and sustainability.

The study concludes that township hair salons require targeted financial support, entrepreneurial training, and access to business development resources to facilitate their growth. Recommendations include government and private sector interventions to improve funding accessibility, business education initiatives, and regulatory adjustments to create a more conducive business environment. Further research is suggested to conduct an understanding of the spending patterns and preferences of township residents regarding hair salon services; this could assist businesses tailor and differentiate their hair salon business offerings and create sustainable businesses with increased profitability.

Key Words

Township economy, small business, SMMEs, funding, business growth, salon management, entrepreneurship.

Declaration

I *Xoliswa Amanda Makalima*, student number *584565*, declare that this research thesis titled: *The Capacity of Township Salons to Grow Beyond Micro and Small Businesses in Gauteng* is my own work. It is submitted in fulfilment of the requirements for the Master of Business Administration at Wits Business School, Parktown, Johannesburg.

I confirm that:

- This work has not been submitted before for any degree or examination at any other university.
- Where I have used the work of others, due acknowledgement has been given through appropriate citations and referencing.
- I have adhered to the ethical guidelines and policies of the University of the Witwatersrand.
- The work complies with the Wits Plagiarism Policy, and any form of academic misconduct, including plagiarism, has been avoided.

Dedication

This research paper is dedicated to the salon owners and operators in townships who have shown tenacity and resilience to survive in a very competitive industry and a tough operating environment. Their commitment and dedication to serve their community is a great contribution to the township economy.

Acknowledgements

Firstly, I would like to thank my Lord Jesus Christ who reminded me that I can do all things through Christ who gives me strength, the MBA journey has been a challenging one, and God saw me through it.

I would like to thank my husband and daughter for being patient with the sacrifices of my time with them during the two years of studies and research. Their support and understanding have carried me and kept me going.

Last, but certainly not least, I would like to thank my Supervisor, Dr Nomusa Mazonde, for being patient with me and providing me with thorough feedback and guidance throughout the writing of this paper.

Table of Contents

Abstract....ii

Declaration....iii

Dedication....iv

Acknowledgements....v

Table of Contents....vi

List of Figures....ix

List of Tables....x

List of Acronyms....xi

CHAPTER 1: INTRODUCTION....1

1.1 Purpose of the Study....1

1.2 Background of the Study....1

1.3 Research Problem....2

1.4 Research Objectives....3

1.5 Research Questions....3

1.6 Rationale of the Study....3

1.7 Delimitations of the Study....4

1.8 Assumptions....4

CHAPTER 2 LITERATURE REVIEW....6

2.1 Introduction....6

2.2 Empirical Literature Review....6

2.2.1 Business Environment....6

2.2.2 Business Challenges....7

2.2.3 Capabilities and Skills of Owners....8

2.3 Analytical Framework....8

2.3.1 Theoretical Framework....8

2.3.2 Conceptual Framework....9

2.4 Conclusion....9

CHAPTER 3 RESEARCH METHODOLOGY....11

3.1 Introduction....11

3.2 Research Approach....11

3.3 Research Design....11

3.4 Data Collection Methods....12

3.5 Population and Sample 12
3.5.1 Sample and Sampling Method 13
3.5.2 Inclusion Criteria 14
3.5.3 Exclusion Criteria 14
3.5.4 Sampling Method 14
3.6 Research Instrument 14
3.7 Data Analysis Strategies and Interpretation 15
3.8 Limitations 16
3.9 Quality Assurance 16
3.9.1 Transferability 16
3.9.2 Dependability 17
3.9.3 Credibility 17
3.9.4 Confirmability 17
3.10 Ethical Considerations 17
CHAPTER 4 PRESENTATION OF RESEARCH FINDINGS 18
4.1 Introduction 18
4.2 Demographic Profile 18
4.3 What are the Barriers to Growth for Township Salons? 18
4.3.1 Funding Challenges 18
4.3.2 Market Factors 19
4.4 How do Business Tools Affect the Operations of Township Salons? 19
4.5 What Skills and Resources do Owners Need to Build Resilient Businesses? 20
4.6 Summary of Research Findings 20
CHAPTER 5 DISCUSSION OF RESEARCH FINDINGS 22
5.1 Introduction 22
5.2 Demographic Profile 22
5.3 What are the Barriers to Growth for Township Salons? 22
5.3.1 Funding Challenges 22
5.3.2 Market Factors 23
5.4 How do Business Tools Affect the Operations of Township Salons? 24
5.5 What Skills and Resources Do Owners Need to Build Resilient Businesses? 24
5.6 Summary of Discussion of Research Findings 24
CHAPTER 6 RECOMMENDATIONS AND CONCLUSION 26
6.1 Introduction 26
6.2 Conclusions: What are the Barriers to Growth for Township Salons? 26
6.3 Conclusions: How do Business Tools Affect the Operations of Township Salons? 26

6.4 Conclusions: What Skills and Resources do Owners Need to Build Resilient Businesses? 27
6.5 Implications of the Study for Current Theory 27
6.6 Recommendations 28
6.7 Suggestions for Further Research 29
REFERENCES 30
Appendices 35
1. Appendix A – Table of Source Data 35
2. Appendix B – Ethics Clearance Certificate 35
3. Appendix C – Turn It In Report 35

List of Figures

Figure 2.1: Conceptual framework 9

List of Tables

Table 4.1: Sources of data 18
Table 5.1: Themes derived from the research findings 22

List of Acronyms

GDP	- Gross Domestic Product
LGSETA	- Local Government Sector Education and Training Authority
Services SETA	- Services Sector Education and Training Authority
SMMEs	- Small, Micro and Medium Enterprises

CHAPTER 1: INTRODUCTION

1.1 Purpose of the Study

The purpose of this qualitative study was to explore the potential for business growth within the township economy by examining small businesses, specifically hair salons, in Gauteng, South Africa.

1.2 Background of the Study

The hair salon industry in South African townships has the potential for business growth and for making a significant contribution to the township economy (Orlu et al., 2018). Furthermore, there is an expectation for small and micro businesses to increase their contribution to socioeconomic development in South Africa (Makwara et al., 2023). However, some of the challenges encountered by micro and small business which inhibit their growth are the regulatory environment, access to finance, education and training (Makwara et al., 2023).

The increased emphasis on improved lifestyle trends and self-care awareness contributes to growth in the hair care industry, particularly in the product consumption segment (Mordor Intelligence, 2022; Kokong & Naidoo, 2022). The impact of the hair salon industry on South Africa's gross domestic product is estimated to be 0.62%, with approximately 6 400 salons in the formal sector and an additional 34 000 in the informal sector (Services Sector Education and Training Authority [SETA], 2016). Historically, this vibrant industry has provided about 185 415 employment opportunities and primarily consists of informal hairdressers (Services SETA, 2016).

The industry follows a mixed ownership model, with both individually owned and operator managed formal salons. Informal businesses operating in this sector are typically small enterprises that function without business registration, often located on side streets or within backroom dwellings on residential premises. In contrast, small and micro formal businesses operate from structures specifically designated for business activities by local municipalities (Ligthelm, 2013). A typical formal small business is a registered entity characterised by the number of employees, profit margins and tax brackets and ownership structure (Makgamatha, 2021). Small businesses generally employ between 1 and 45 staff members (Makgamatha, 2021).

The entrepreneurial activity of small and micro businesses significantly contribute to market growth, economic development and employment (Scholtz et al., 2023). Entrepreneurs play a crucial role in creating employment opportunities within their communities; however, only growing and resilient small businesses demonstrate the highest potential for sustainable growth and contribution to society (Scholtz et al., 2023). Due to the significant contribution to market growth, the role of small business in society is vital and requires support from government agencies and lending institutions to facilitate their growth (Wondim, 2020).

The potential for expansion in the township hair salon industry is limited by a lack of progression between initial establishment and the growth stages of the business (Wondim, 2020). Several factors contribute to poor business performance in hair salons, including limited access to funding, a lack of awareness of funding opportunities, and inadequate management skills, which are identified as gaps in the township hair salon business model (Fatoki, 2021; Mpiti & Rambe, 2016; Ramafikeng, 2016).

This study explored the prospects and challenges encountered by hair salons in townships. It examined the obstacles that hinder the expansion of hair salons in these areas. This study investigated the potential for business growth in this industry by examining the opportunities for growth and challenges it faced (Mathebula, 2017). Identifying these barriers helped determine whether hair salons in South African townships had the capacity to expand and develop beyond micro and small enterprises. The focus of this study was on formal micro and small enterprises, in particular hair salons in townships in Gauteng, South Africa.

1.3 Research Problem

Township salons typically operate as single-owner, informally funded entities with minimal business training and financial literacy, they have informal operating models, lack financial literacy and don’t have support structures. This business model inhibits access to funding and the adoption of growth strategies, thereby preventing scalability and sustainability (Kgapola, 2019; Mpiti & Rambe, 2016; Qhwagi, 2021; Wondim, 2020).

Township hair salon stylists have limited skills and knowledge of their trade, which contributes to their inability to meet customer needs (Eresia-Eke et al., 2019; Services SETA, 2016). This often leads to unsatisfactory service, negatively impacting customer retention and hindering their ability to increase market share (Services SETA, 2016). Hairdressing in South Africa has traditionally been a default occupation for unemployed individuals who have dropped out of formal schooling, resulting in a high number of industry participants who lack an understanding of the sector and the requirements for success in this type of business (Services SETA, 2016).

According to a study conducted by Charman (2017), the majority of salon owners and operators do not have a formal education. The study revealed a widespread lack of high school and tertiary qualifications among salon operators, with insufficient education and training identified as a contributing factor to the failure of micro and small businesses in this sector (Makwara et al., 2023).

Hair salons in the township are classified as formal and informal. Small businesses are significant contributors to employment creation and overall economic growth (Riley, 2021). This paper aimed to evaluate the potential for business growth in township salons, with business growth referring to an increase in size, revenue, market share and geographical expansion of a particular business (Riley, 2021). This study focused on formally registered micro and small salon businesses, evaluating the factors that limit their growth and exploring opportunities for business expansion.

1.4 Research Objectives

a) To explore structural and operational barriers to growth in township salons.
b) To evaluate how business tools impact salon management.
c) To assess owner capabilities in navigating business challenges.

1.5 Research Questions

a) What are the barriers to growth for township salons?
b) How do business tools affect the operations of township salons?
c) What skills and resources do owners need to build resilient businesses?

1.6 Rationale of the Study

The township hair salon industry consists of micro and small businesses, which play a critical role in economic growth (Makwara et al., 2023). However, according to Eze and Lose (2023), 50% of startup businesses in South Africa fail within the first year of operation. The failure of small businesses limits their potential to grow and hinders their ability to make the expected socioeconomic contributions. Many small business owners face financial, educational, and business environment challenges (Makwara et al., 2023), which are factors that contribute to limited business growth.

By examining the challenges and opportunities faced by township hair salon owners, this study aimed to provide insights and recommendations for business support organisations, small business operators and other stakeholders to enhance the growth and development of this sector. Understanding the constraints faced by township salons will enable policymakers and

support institutions to design interventions that support sustainable growth and economic inclusion. Additionally, the results provide valuable insights into the growth potential of small businesses operating within this sector, offering guidance for future interventions and policy development.

1.7 Delimitations of the Study

This research focuses on micro and small formal hair salon businesses in Gauteng townships, using secondary sources for qualitative analysis, specifically examining the business practices of owners, operators, and managers within this sector. The study analysed the factors influencing business operations, challenges faced, and opportunities for growth within the formal hair salon industry.

The scope of this research was limited to township salons in Gauteng, South Africa, as this region provided a representative sample of urban township economies with a high concentration of small businesses. The study relied on data obtained from peer-reviewed journals, industry and government reports, and academic theses to ensure a comprehensive and evidence-based analysis. Informal salons and other beauty-related businesses were excluded, as their unregistered status made it difficult to obtain reliable data and assess their long-term sustainability. By focusing on formally registered businesses, the study aimed to provide actionable insights and recommendations applicable to structured enterprises within the township economy.

1.8 Assumptions

Data on micro and small businesses was assumed that sufficient, credible secondary data is available and that interpretive analysis can yield generalizable insights into township salon dynamics. This assumption was reasonable, as these sources regularly publish research and statistical data on small business performance and trends. However, the sensitivity of this assumption to the research outcome was high, as limited or outdated secondary data could have restricted the depth of qualitative analysis conducted on the prospects and challenges faced by township business owners and operators.

The study relied exclusively on secondary data, so no case data was included, as there was no direct engagement, surveys, or interviews with participants. All data used in the analysis was generic and publicly available. This assumption was reasonable, given the qualitative nature of the study and the feasibility constraints associated with primary data collection. However, the absence of direct engagement with business owners limited the ability to capture

nuanced, first-hand insights, making this assumption moderately sensitive to the research outcome.

As a qualitative study, no case studies, interviews, or individual business data were sourced, which meant that the outcomes of the business analysis were not statistical. This assumption was reasonable, as qualitative research aims to provide an interpretive understanding rather than numerical findings. However, the sensitivity of this assumption was moderate, as the lack of statistical data meant that conclusions were drawn from existing literature rather than empirical measurement, potentially impacting the generalizability of the findings.

Additionally, it was assumed that the researcher's biases and assumptions did not significantly influence the data collection and analysis process. While every effort was made to ensure objectivity, qualitative research inherently involves some level of interpretation. This assumption was reasonable given the reliance on established literature and documented industry reports, but it remained moderately sensitive to the research outcome, as subjective interpretation could influence thematic analysis and conclusions drawn from secondary sources.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

The focus of this chapter was to review existing literature on the township economy and the role of hair salons within it. The chapter also examined the role of business owners and analysed the significance of business performance in achieving success.

2.2 Empirical Literature Review

2.2.1 Business Environment

The business environment in South African townships is not optimally designed to facilitate the success of small businesses (Mhlongo & Daya, 2023). The legacy of apartheid spatial planning in townships has had a lasting impact on small businesses operating in these areas (Knight & Rogerson, 2019). Townships were designed with limited infrastructure resulting in ongoing spatial constraints for small businesses (Knight & Rogerson, 2019; Local Government Sector Education and Training Authority, 2020). A key component for business growth is access to adequate facilities for conducting daily operations. However, this is not always feasible for businesses in townships. This challenge extends beyond the capacity of small businesses owners to address independently and, therefore, requires government intervention (South African Cities Network, 2020; Wondim, 2020). After 1995, retail malls were developed in townships to meet the growing economic demands of the emerging middle class (Knight & Rogerson, 2019). However, these retail malls did not fully resolve the infrastructure challenges faced by township small businesses, as many enterprises continue to operate in constrained spaces with limited resources.

Retail malls and transport nodes provide small business owners with a captive market due to the high volume of car, taxi, and pedestrian traffic (Knight & Rogerson, 2019). As a result, access to clients is not a significant challenge for township hair salons. However, townships generally have a dense population, and a high concentration of similar businesses, leading to intense competition, particularly in Gauteng's townships (Charman, 2017). Businesses frequently compete on price, and when competition becomes unsustainable, business owners often relocate their premises (Charman, 2017).

A resilient business is expected to differentiate itself from competitors and effectively compete for market share. Similar businesses operating within the same business premises do not necessarily need to relocate due to competition. Instead, diversification and the introduction

of innovative products and services are essential strategies for maintaining competitiveness (Lekunze & Moloi, 2023; Wilson, 2018).

Small businesses in the townships face multifaceted challenges relating to poor spatial planning, limited access to markets, lack of financing, inadequate service delivery, and the impact of load shedding (Lotriet & Mosia, 2023). According to Makwara et al. (2023) and Mhlongo and Daya (2023), these challenges have a negative effect on the performance of small businesses. Addressing challenges beyond the control of small business owners could contribute to creating a more conducive business operating environment (Makwara et al., 2023).

Small business owners are required to think creatively when operating in a challenging business environment such as South Africa (Mhlongo & Daya, 2023). Developing innovative strategies to navigate these challenges is essential for ensuring the sustainability of small businesses.

2.2.2 Business Challenges

Township economies face challenges in attracting formal private investment, which limits the ability of businesses to expand their operations and inject additional capital into their enterprises (Botha et al., 2020; Knight & Rogerson, 2019; Serame, 2019). Business growth requires adequate funding and financial support; however, access to finance remains a significant obstacle for micro and small businesses in townships (Mokoena, 2022; Mahajan, 2014).

Small business owners are often unable to expand their businesses beyond the startup or small business stage because they do not actively pursue growth (Scholtz et al., 2023). Some business owners approach their businesses with an altruistic perspective rather than a growth-oriented mindset, which limits their expansion potential. Additionally, these internal motivations, combined with a lack of business skills and an enabling environment, serve as significant inhibitors to business growth.

The growth of small businesses requires support from financial institutions, government agencies and business support services such as incubation programmes (Wondim, 2020). Limited research exists on the perceptions of barriers to finance among small businesses (Enaifoghe & Ramsuraj, 2023). While access to capital remains a significant challenge for small businesses in townships, their perceptions and attitudes toward receiving bank and government funding were not explored in this study.

A challenging regulatory environment, inadequate energy supply and a lack of skills contributes to the difficulties faced by small businesses in South Africa (Eze & Lose, 2023). Poor energy supply leads to reduced productivity and the loss of business opportunities, which in turn, contributes to the failure of many small businesses (Eze & Lose, 2023).

2.2.3 Capabilities and Skills of Owners

Poor leadership skills and a lack of education are linked to subpar business performance in small businesses (Mhlongo & Daya, 2023). The skills, background and education level of a business owner contributes to their awareness of the requirements for managing a successful business (Amoakoh & Okyere, 2019). According to the Services SETA (2016), hair salon owners and operators have low levels of education and often chose the profession due to a lack of alternative opportunities.

Low education levels among salon owners contribute to their limited understanding and inadequate implementation of essential business concepts such as market research, client engagement, financial management, and competitive strategies to increase market share (Amoakoh & Okyere, 2019; Anthony, 2023). Furthermore, a lack of education and managerial skills is identified as a contributing factor to poor business decisions, which ultimately leads to the underperformance of small businesses (Makwara et al., 2023).

Small Business Growth

Small business is quantified by turnover, business size, and the increase in the number of employees (Makwara et al., 2023). This type of measurement provides a holistic evaluation of business performance and growth, as it does not rely solely on financial performance.

Access to business support services is crucial for the growth of small businesses. However, these services are often inaccessible to entrepreneurs due to their location and inadequate marketing of available support programmes (Makwara et al., 2023). As a result, small business owners in townships do not fully benefit from the government agencies established to support them.

2.3 Analytical Framework

2.3.1 Theoretical Framework

This study utilised the Porters Competitive Five Forces Framework to assess the competitiveness of township salons, and to investigate the hair salon industry and its business operating environment (Johnson et al., 2017). The Competitive Five Forces Framework analyses five key factors: competitive rivalry, potential entrants, substitutes, suppliers and

buyers (Johnson et al., 2017). This framework was deemed the most suitable for conducting the business and environmental analysis required for this study.

The study addressed the business growth potential of township salons using Porter's Five Forces framework, where factors like the business environment, internal capabilities and competition were analysed. The factors influencing business growth were categorised into themes, facilitating a systematic review of each factor and the identification of potential solutions within these themes.

2.3.2 Conceptual Framework

This qualitative study explored the key factors contributing to small business success in the township hair salon industry, including access funding, the business owner's skills, and an enabling operating environment supported by the government and other business support services (Scholtz et al., 2023), as illustrated in Figure 2.1. A model integrating environmental constraints, internal capabilities, and business tools to explain growth limitations and opportunities.



Figure 2.1: Conceptual framework

2.4 Conclusion

Hair salon businesses in townships operate within a complex business environment influenced by factors such as infrastructure limitations, funding constraints, a deficit in management skills,

and an unskilled labour force. The business environment is highly competitive, with a large number of similar businesses, necessitating innovative and strategic solutions for businesses to achieve growth and resilience.

This study evaluated the factors that contributed to business growth, with a specific focus on the hair salon industry. Additionally, the challenges and barriers to growth within this sector were thoroughly examined.

CHAPTER 3 RESEARCH METHODOLOGY

3.1 Introduction

This chapter explores the research methodology and design employed in collecting and analysing data for this study. The chapter provides a detailed explanation of the research approach, the rationale for selecting a qualitative methodology, and the methods used to gather and interpret data. The chapter addresses the research approach and outlines the research design and data collection methods including the use of secondary data from industry reports, academic literature, and relevant government publications.

Additionally, this chapter addresses the research limitations, ethical considerations, and the reliability and trustworthiness of the study. These aspects ensured that the findings were rigorously examined and could therefore contribute meaningfully to the discourse on small business growth in township economies.

3.2 Research Approach

A qualitative research approach was employed to explore the business growth potential of hair salons in townships. This approach involved a comprehensive review of existing research materials, including academic journals, industry reports, theses, and government publications, by employing this method of textual data from a wide range of secondary sources, the study embraces interpretivism (Sekaran & Bougie, 2016). The selection of these sources was justified based on their credibility and relevance to the research objectives. The study adopted a qualitative research approach to gain an in-depth understanding of the factors influencing the growth of hair salon businesses in township economies. This methodology was chosen because it allowed for an exploratory investigation into the challenges, opportunities, and business strategies employed by small enterprises in the sector.

3.3 Research Design

This study adopted a qualitative research design, specifically utilising document analysis of 30 peer reviewed articles, theses, and government reports to examine the business growth potential of hair salons in township economies (Morgan, 2022). The research involved extracting data from industry reports, journal articles, theses, and government publications, where prior quantitative studies had been conducted, providing a substantial dataset for analysis (Morgan, 2022). This approach was appropriate for the study as it enabled the researcher to systematically review existing literature and analyse patterns related to business

growth, challenges, and opportunities within the township hair salon industry (Sekaran & Bougie, 2016).

The disadvantages of this approach include the risk of data limitations due to reliance on secondary sources which might not fully capture the current state of the industry. Additionally, the research was dependent on the quality and availability of existing literature, which may have introduced bias or gaps in certain areas. Despite these limitations, the selection of diverse sources provided a broad dataset that strengthened the reliability of the findings.

By employing a qualitative document analysis approach and thematic analysis, this study ensured a systematic and interpretive evaluation of the business growth potential of township hair salons, ultimately guiding the research toward meaningful and actionable conclusions.

3.4 Data Collection Methods

In this study, data was collected from journal articles, industry reports, government research reports, and theses. These sources provided comprehensive information on the economic conditions in which entrepreneurs operated, directly supporting the research questions addressed. The selection of these diverse data points ensured a robust foundation for understanding the multifaceted challenges and opportunities within the township hair salon industry.

3.5 Population and Sample

This study relied on secondary data collection, sourcing information from academic journals, scholarly articles, books, government reports, and industry body reports. This approach was chosen as no primary data collection methods, such as fieldwork, case studies, or interviews, were conducted. The use of secondary data allowed for a comprehensive analysis of existing literature, providing valuable insights into the business growth potential of township hair salons.

The population for this study was categorised into the following key sources:

a) Peer-reviewed journals and scholarly articles – These sources provided peer-reviewed research on small business development, entrepreneurship, and township economies. Studies focused on the structural, financial, and operational challenges affecting micro and small enterprises were particularly relevant.

b) Books and theses – Books and postgraduate research projects offered in-depth theoretical and empirical perspectives on business growth, strategic management, and

economic conditions within township economies. These sources were valuable for contextualising findings within established academic frameworks.

c) Government and industry reports – Official reports from institutions such as the Services Sector Education and Training Authority and Local Government Sector Education and Training Authority provided industry-specific data on small business performance, challenges, and opportunities. These reports included statistical data, case studies, and policy recommendations relevant to small enterprises in the township hair salon industry.

By utilising these diverse sources, the study ensured a robust and well-rounded analysis, capturing various perspectives on the factors influencing business sustainability and expansion in township economies. The desktop sample was appropriate for the study's qualitative approach, as it allowed for thematic analysis and pattern identification across a broad range of existing literature.

3.5.1 Sample and Sampling Method

This study used secondary data sources to explore the business growth potential of township hair salons. The sample consisted of journal articles, government and industry reports, and university theses that focused on small business development, township economies, and entrepreneurship. These sources were selected to provide diverse perspectives and empirical evidence on the factors influencing the growth of micro and small enterprises.

The planned sample included a minimum of 30 secondary data sources, which is considered appropriate for a qualitative study that relies on thematic analysis (Cresswell & Poth 2018). According to Creswell and Poth (2018), qualitative research does not require a large sample size but instead focuses on depth and richness of data.

This sample was appropriate because it included:

a) Peer-reviewed journal articles, ensuring academic rigour and reliability.

b) Government and industry reports providing official statistics, regulatory insights, sector specific data, market trends and case studies relevant to township businesses.

c) University theses providing detailed qualitative and quantitative analyses of small business challenges and growth potential.

The inclusion of multiple data types allowed for triangulation thus increasing the trustworthiness of the findings by cross-referencing different perspectives on township business growth.

3.5.2 Inclusion Criteria

This study utilised reports published between 2018 and 2024, ensuring relevance to the current business environment. Furthermore, research focusing on small business growth, entrepreneurship, and economic development in township economies were used. In addition to that, peer-reviewed journal articles and reputable industry and government reports.

3.5.3 Exclusion Criteria

Studies published before 2015 were not used, unless foundational to the theoretical framework. Research focusing on large enterprises, franchises, or businesses outside township economies was excluded. Furthermore, opinion-based articles and reports lacking empirical research or industry data were excluded.

3.5.4 Sampling Method

The study employed purposive sampling, a non-probability sampling method widely used in qualitative research (Palinkas et al., 2015). Purposive sampling was appropriate because it allowed the researcher to intentionally select data sources that were most relevant to answering the research questions.

Within purposive sampling, criterion sampling was used to ensure that all selected data sources met the inclusion criteria. This approach ensured that only literature directly related to small business growth, entrepreneurship, and township economies was analysed, enhancing the study's trustworthiness.

By employing purposive sampling and thematic analysis, the study was able to extract meaningful patterns and reliable insights into the challenges and opportunities for township hair salons to grow beyond micro and small enterprises.

3.6 Research Instrument

This study utilised desktop analysis of secondary data because no primary data collection methods, such as surveys or interviews, were conducted. Instead, a structured document analysis framework was designed to systematically review and extract data from journal articles, industry reports, government publications, and academic theses. The research instrument was structured into four main sections, each addressing a specific aspect of the study to ensure alignment with the research questions, literature review, and theoretical framework.

Relevant secondary data sources were selected, including peer-reviewed journal articles, industry and government reports and academic dissertations. The range of data sources met the inclusion criteria and contributed to answering the research questions.

3.7 Data Analysis Strategies and Interpretation

The research method selected creates the ability to group data thematically analyse that data to discern patterns and relationships and gain relevant insights (Goldsmith, 2021). Summarisation, comparison, and interpretation was used to make conclusions and recommendations on the data collected (Peel, 2020). The materials were analysed using thematic analysis tools and techniques to create themes and draw conclusions on the data which had been gathered (Goldsmith, 2021).

Thematic analysis was used to identify, describe and evaluate the data collected in this study; this research method enables the extraction of themes and analysis of patterns in the data samples which were utilised (Goldsmith, 2021). Thematic analysis was ideal for this study because it provided an in-depth and systematic analysis of themes (James et al., 2017). The research approach for this study was the extraction of data from industry reports, journal articles, theses, and government research reports where quantitative research had been conducted, and a significant amount of data was available to draw accurate conclusions on the state of hair salons in townships. The data sources selected provided a vast sample of data types and perspectives, which enabled the allocation of data into themes.

Thematic analysis facilitates the extraction of recurring themes and allows for a systematic interpretation of patterns within the data samples (Goldsmith, 2021). Thematic analysis was particularly suitable for this study because it provided a structured approach to examining qualitative data, ensuring that findings were comprehensive and aligned with the research objectives (James et al., 2017; Campbell et al., 2021).

The advantages of using a qualitative document analysis design included its ability to provide a rich contextual understanding of the factors influencing business growth in township salons. This method allowed for an in-depth exploration of multiple perspectives from different sources, ensuring that findings were well-informed by existing empirical research. Additionally, it eliminated the need for primary data collection, which can be time-consuming and resource-intensive, making it a practical choice given the study’s scope.

Theme in this study were determined based on their relevance to the research questions and their ability to provide insight into business sustainability and growth potential. An ideal theme was one that directly addressed the research problem and contributed to a deeper

understanding of the factors shaping the success of small businesses in townships (Campbell et al., 2021).

Thematic analysis involved several key steps:

a) Data familiarisation: Immersion in the data to become thoroughly acquainted with its content.
b) Identification of a thematic framework: Developing a structured framework to categorise emerging themes.
c) Indexing the data: Systematically applying the thematic framework to the data.
d) Mapping and interpretation: Analysing the indexed data to identify significant patterns and insights.

This structured approach facilitated the extraction of meaningful themes and the analysis of patterns across the dataset, providing an in-depth and systematic examination of the subject matter.

The framework process is outlined below (Goldsmith, 2021):

1. Identify the data collected,
2. Identify a thematic framework,
3. Index the data according to themes,
4. Map the interpreted patterns, and
5. Make recommendations.

3.8 Limitations

a) Potential to oversimplify the data because of the predefined themes (Peel, 2020).
b) The development of the themes may be subjective due to the researcher's bias. It is imperative that the researcher has a certain level of self-awareness, and acknowledge their biases (Peel, 2020).
c) Secondary data may lack current, nuanced insights. The absence of interviews restricts the depth of first-hand perspectives.

3.9 Quality Assurance

The quality and trustworthiness of this study was determined by the data collection and thematic categorisation of the data (Peel, 2020).

3.9.1 Transferability

Transferability refers to the extent to which the findings of a study can be applied or generalised to other contexts, settings or groups (Stahl & King, 2020). The findings and

recommendations of this study are intended to promote knowledge in the area of salons in townships, therefore some themes and data may not be transferable to all entrepreneurial scenarios (Peel, 2020).

3.9.2 Dependability

Dependability refers to the consistency and stability of the research findings over time, it pertains to the research being logical and traceable (Stahl & King, 2020). The current research study grouped and connected data paths thematically, and connected the research questions, methodology and data collection, analysis of evidence and interpretation of findings (Peel, 2020).

3.9.3 Credibility

Credibility refers to confidence in the truth of the data and the interpretations drawn from it (Stahl & King, 2020). Clear themes and patterns were derived, and data transparency was paramount to ensuring that the data collected was from trustworthy sources, therefore providing credible outcomes (Majumdar, 2022).

3.9.4 Confirmability

Confirmability involves the degree to which findings are shaped by the data collected and not the researcher's bias, motivations or interests (Stahl & King, 2020). Various data sources were used for data collection, the data was arranged into themes and analysed and cross-referenced for adequate context (Tracy, 2010).

3.10 Ethical Considerations

The research conducted followed the Wits University policies and guidelines, all sources of data were adequately referenced, and no intellectual property was misused during the conducting of this study. The sole purpose of this study was to generate knowledge outcomes in a field of research which had not been explored in-depth before, therefore all data was handled with the sole purpose of enriching the knowledge base on the topic (Peel, 2020).

CHAPTER 4 PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

The focus of this chapter is to present the research findings derived from the analysis of journal articles, industry and government reports, and academic theses. The data collected was secondary desktop research, and the data provides insights into the growth potential, challenges, and opportunities faced by township hair salons. The findings are systematically organised to align with the research questions and objectives.

4.2 Demographic Profile

The study utilised secondary data, drawn from journals, academic theses, industry and government reports. The inclusion of multiple data sources ensured a comprehensive understanding of the hair salon industry and its potential for growth. Table 4.1 presents the data sources which were utilised.

Table 4.1: Sources of data

Source	No of Documents
Peer-reviewed journals [J]	16
Academic theses [T]	7
Industry and government reports [R]	4
Books [B]	1
Conference papers [CP]	2
Total	**30**

Source: Compiled from secondary data desktop research

4.3 What are the Barriers to Growth for Township Salons?

4.3.1 Funding Challenges

Access to finance is an important factor of business success; access to finance enables small businesses to invest in the growth of their businesses and reach their potential [J16]. Small businesses in South African townships in particular struggle to obtain capital. Studies indicate that financial constraints hinder optimal operational consistency and long-term sustainability [J1]. Furthermore, entrepreneurs have reported difficulties in accessing bank loans due to stringent bank requirements, the need for collateral, a credit history and financial records [T1; J8; T7]. One study noted: ‘Despite repeated efforts, many applicants are unable to meet the minimum criteria set by commercial banks’ (T6). Another researcher observed: ‘Most

microbusiness owners in Gauteng townships use personal savings or loans from friends and family, which are unsustainable for scaling operations' (J10)."

Most salon owners utilised alternative funding mechanisms which included personal savings, informal lending from their network of friends and family [T7; J14]. Studies on township economies have revealed that entrepreneurs in townships rely on informal credit sources due to lack of trust in formal financial institutions [T4]. This funding mechanism has been insufficient for business expansion. Government funding and grants which have low-interest rates are considered difficult to obtain due to bureaucratic challenges and disintegrated systems of government [J2; J6].

The data indicates that financial exclusion remains a major challenge; entrepreneurs struggle due to inadequate financial literacy, lack of collateral and complex application processes [T2; J13; R3].

4.3.2 Market Factors

Township businesses in Gauteng have been impacted by electricity and water shortages, with many businesses resorting to accessing water and electricity illegally [R2]. There are high operating costs, and low profit margins. Additionally, the infrastructure in townships is inadequate for conducting business activities, due to the historical architectural design by the apartheid government [B1; R3; R4].

Township hair salons are limited to client market within their surroundings, with this clientele having limited buying power. Furthermore, the lack of transportation creates a barrier to accessing resources required to run a successful business [CP2].

The low cost to starting a hair salon in the townships has led to many salons being operated, leading to high competition, and competitive pricing [J8]. The market has experienced numerous new entrants starting hair salons [J5; CP1]. High competition can be a contributing factor to the lack of business sustainability [J16].

4.4 How do Business Tools Affect the Operations of Township Salons?

Technology and operational tools are important for business efficiency, however small businesses in townships often lack the capital to invest in modern business tools and solutions [J3]. The absence of appropriate accounting tools presented a limitation to record keeping and financial management [T4]. The data revealed that access to digital technology is further hindered by a lack of infrastructure and digital literacy [CP2]. Furthermore, a study conducted in Gauteng revealed that many businesses operate with outdated tools due to financial constraints [J10; T6].

Government programmes have made very little progress in education and training of small business owners in South Africa [J6].

The analysis revealed that small business owners who utilise digital tools, such as accounting software and customer management systems, demonstrate better financial control and business planning [J10]. The J10 study discovered that many salon owners and operators did not have access to business tools and could not afford business tools like laptops and computers. Thus, many salon owners in townships do not utilise sufficient business tools to aid growth in their businesses [J12]. Salon operators and business owners have poor record keeping practices. Many salon operators do not have the tools, skills, and capabilities to track the performance of their business [R1]. Furthermore, there is poor internet infrastructure in township and rural communities [J12].

4.5 What Skills and Resources do Owners Need to Build Resilient Businesses?

Due to lack of quality education and historical policies inhibiting business activity, many entrepreneurs in the townships start and operate their businesses with very few skills [J6; J8]. Furthermore, a lack of education contributes to poor managerial skills and decision making [J6; J16].

Salon owners and managers in general do not seem to have a good understanding of the principles of marketing; therefore, they do not advertise their businesses adequately and fail to create a differentiated brand which can attract customers and highlight their value offering [J7]. The findings indicate that due to a lack of business skills, many salon owners are incapable of differentiating their services. This is also driven by the inability to conduct sufficient market research to understand their customers and operating environment [J7; CP1; J15]. Many small business owners do not have the expertise to deal with their stakeholders (customers and suppliers) [J8; J4].

Business operations in the townships are often managed and operated in an informal and unprofessional manner. Business practices and processes like tax compliance, health and safety standards and record keeping are not practised adequately. Further to this, the government does not enforce adequate regulations and municipal bylaws, which enable township businesses to ignore regulations [R2].

4.6 Summary of Research Findings

The findings of this study highlighted several critical barriers to business growth in township hair salons, including limited access to funding, inadequate business management skills,

regulatory challenges, and infrastructural deficiencies. While some salon owners have managed to sustain their businesses through informal lending mechanisms and the use of personal finances, expanding beyond micro and small enterprises remains a significant challenge without a sustainable funding source. The next chapter will discuss these findings in greater detail and explore potential solutions to overcome these barriers.

CHAPTER 5 DISCUSSION OF RESEARCH FINDINGS

5.1 Introduction

This chapter provides and in-depth discussion of the research findings presented in Chapter 4. The analysis of the findings aims to interpret the significance of the findings in relation to the research questions and objectives. This chapter highlights the key insights and factors contributing to the limited growth of township hair salons in Gauteng, South Africa.

5.2 Demographic Profile

The study utilised secondary desktop data from peer-reviewed journals, industry and government reports, conference proceedings and academic theses. The analysis of these data sources enabled the development of themes. Thematic analysis identified key themes which influence the growth and sustainability of township hair salons. The major themes are summarised in Table 5.1.

Table 5.1: Themes derived from the research findings

Theme	Category	Codes
Funding and finance	Startup capital	Banks, government funders, poor credit, no funding, no collateral
Business environment	Infrastructure Transport	Load shedding, water shortages, unreliable transport
Business management	Operations Marketing Strategy	Record keeping, business tools, customer service, differentiation, market saturation
Government regulation	Bylaws	Taxation, business registration, compliance, health and safety

Source: Themes analysis of collected data

5.3 What are the Barriers to Growth for Township Salons?

5.3.1 Funding Challenges

The results of the study are aligned with previous studies which confirm that township businesses face significant financial limitations (Wondim, 2020). The lack of financial resources is a significant barrier to growth for township hair salons. Most business owners rely on personal savings and informal lending as startup capital. The findings of this study confirm that the majority of hair salons in the township lack access to business capital due to the collateral required to secure formal funding through financial institutions. This issue is

particularly acute for sole proprietors who have no fixed assets. This aligns with research by Ndlovu and Toerien (2020) which highlights financial exclusion as a persistent challenge in township economies.

Similar to previous studies (Mathebula, 2022; Mpiti & Rambe, 2016), this research confirms that township entrepreneurs often lack financial literacy, which make it difficult for them to access formal credit. The absence of financial records and collateral exacerbates this challenge further, preventing township hair salon businesses from growing. Financial exclusion often results in a cycle where businesses are unable to expand due to inadequate capital, and their inability to grow further prevents them from obtaining funding. This highlights the need for targeted financial programmes which address the specific needs of township businesses.

5.3.2 Market Factors

The study identified that low barriers of entry in the hair salon industry contributes to high market saturation, which leads to high competition and price wars which reduce profitability and business sustainability. These findings mirror those of Okyere (2019), who posit that excessive competition in township economies forces businesses into a price-driven strategy, leading to some businesses shutting down due to price pressures.

Charman (2020) emphasises that the density of similar businesses in townships leads to unsustainable competition, this pushes weaker businesses out of the market. This study aligns with those findings, confirming that the inability to differentiate services results in an unsustainable business in the long-term. The lack of strategic differentiation and innovation in township hair salons leads to a high turnover of customers and hampers the business from charging premium prices for their services. Training salon owners on the adoption of unique branding strategies and customer value offerings could mitigate this issue.

The poor infrastructure, unreliable electricity and water supply, and inadequate transportation has a significant impact on business operations. These findings align with Makwara et al. (2023) who argue that inadequate infrastructure is a key constraint for township economies.

The regulatory environment is another critical issue for township businesses. A study by Mathebula (2022) suggest that the lack of enforcement of municipal bylaws leads to informality, which limits businesses capability to operate adequately and secure growth funding.

A structured regulatory framework could improve business conditions by promoting compliance, enabling access to funding and creating an optimal operating environment.

Government interventions which aim at reducing bottlenecks would enhance business viability in townships.

5.4 How do Business Tools Affect the Operations of Township Salons?

The findings suggest that most salon owners do not utilise business tools such as accounting software, digital marketing, and customer management systems. This corresponds with Okyere (2019) who determined that limited digital literacy in township businesses hinders operational efficiency. The integration of business tools and resources in the daily operations of hair salon businesses could provide advantages in improving efficiency, profitability, and business sustainability.

Similar studies Makwara et al (2023) indicate that the use of business tools enable salon owners to improve their record keeping, which enables improved financial planning and the understanding of customers which leads to customer retention.

The use of integrated business tools would improve financial tracking, facilitate data-driven decision making and enhance customer engagement. Government and private sector interventions could provide subsidised training and access to digital tools.

5.5 What Skills and Resources Do Owners Need to Build Resilient Businesses?

Research findings reveal that many hair salon owners lack formal business training, which leads to poor financial management and inadequate marketing strategies. These findings align with studies by Amoakoh and Okyere (2019) that there is a direct connection between low education levels and suboptimal business decision-making. Furthermore, Makwara et al. (2023) suggest that entrepreneurial skills training significantly enhances business sustainability. However, most township entrepreneurs lack access to relevant training programmes, further embedding the findings of this study.

The provision of structured training in financial literacy, strategy, customer service and digital marketing would enhance the ability of business owners to sustain and grow their enterprises.

5.6 Summary of Discussion of Research Findings

This study confirms that township hair salons remain small due to financial, market, infrastructural and operational obstacles. The findings confirm that structural issues (infrastructure, saturation) and internal constraints (skills, tools) inhibit salon growth. Porter's model highlights intense rivalry and low barriers of entry, there is a high number of new entrants due to the low barriers of entry, there is a high number of salons offering similar

products and a high number of competitors which drives price competition and low margins. The findings align with previous research while adding new insights into the role of technology and market differentiation as essential factors in business sustainability. The key conclusions drawn from these findings are:

a) Limited access to funding limits business growth. This highlights the need for financial literacy and alternative funding models from government and the private sector.
b) Excessive competition due to market saturation. This results in price-driven strategies which lead to decreased profitability and business closures.
c) Inadequate infrastructure and ineffective enforcement of bylaws and regulations. This prevents business growth.
d) The absence of digital tools. This reduces operational efficiency and growth potential.
e) A lack of business training. This prevents owners from making informed business decisions.

CHAPTER 6 RECOMMENDATIONS AND CONCLUSION

6.1 Introduction

This chapter provides a summary of the research in its entirety, followed by conclusions to each research question and recommendations for further research.

6.2 Conclusions: What are the Barriers to Growth for Township Salons?

The research findings in this study have found that hair salons in the township are faced with multiple structural, financial, and operational challenges that limit their potential for growth beyond micro and small enterprises. The primary barrier to growing these businesses is the lack of access to funding to start up and to expand. Many salon owners operate informally, without financial records, credit histories, or collateral, which makes them ineligible for bank loans or government grants. Additionally, market factors such as unreliable township infrastructure, frequent power outages, and transport limitations further inhibit their capability to grow.

Market saturation is another key limitation for growth and expansion. The low cost and barriers of entry into the township hair salon business has led to an oversupply of competitors, resulting in competitive pricing and reduced profitability. The study highlights that many salon owners do not know how to differentiate their services, which leads to a lack of competitive advantage necessary for expansion into chain or franchise models. Furthermore, limited business skills and capabilities among salon owners and operators limit their ability to build sustainable and thriving businesses.

Thus, it can be concluded that the growth limitations for township salons are not due to lack of demand for the services, but due to a poor operating environment, lack of adequate funding and inadequate business management skills.

6.3 Conclusions: How do Business Tools Affect the Operations of Township Salons?

This research paper reveals that the use of business tools is a key contributing factor in managing and operating hair salons in the township. The study found that many township salon owners and operators do not have access to essential business tools for record keeping and the daily management of the business. Poor record keeping practices are common, making it difficult for businesses to track income, manage cash flow, and apply for funding.

The absence of formal operational management leads to inefficiencies, loss of potential revenue, poor customer satisfaction, and difficulties in growing the business.

From these findings, it can be concluded that improved access to business tools, coupled with training on their effective utilisation, could significantly enhance the profitability and long-term viability of township hair salons. Without these tools, businesses remain constrained to informal, small-scale operations with limited potential for expansion.

6.4 Conclusions: What Skills and Resources do Owners Need to Build Resilient Businesses?

This study highlights that most township hair salon owners are not equipped to handle the challenges of operating a resilient business. Several key factors contribute to this issue, including limited financial literacy, a lack of entrepreneurial training, and minimal understanding of formal business practices such as taxation, compliance, and customer relationship management.

Additionally, the research findings reveal that township salon businesses often operate in isolation, with little to no integration into larger supply chains or business networks. This limits their exposure to broader markets, partnerships, and investment opportunities.

Furthermore, the high competition and low differentiation in service offerings make it difficult for individual businesses to stand out. Without unique value propositions, customer retention is low, and businesses often struggle to maintain long-term profitability.

In conclusion, the lack of business resilience in township salons stems from gaps in business skills, inadequate resource management, and external structural challenges. To build more resilient businesses, salon owners would require targeted training, mentorship, and access to financial and operational resources.

6.5 Implications of the Study for Current Theory

This study contributes to township business growth theories by reinforcing the argument that small businesses require a supportive ecosystem, funding, adequate infrastructure and entrepreneurial skills for them to grow sustainably. Additionally, this study has direct implications for the theoretical framework applied – Porter’s Five Forces Model.

Johnson et al. (2017) identified that there are five forces that shape industry in Porter’s model: competitive rivalry, potential entrants, substitutes, suppliers and buyers. This study’s findings provide insights into how these forces manifest in the township hair salon industry.

Competitive rivalry: The study confirms that high market saturation leads to excessive competition and price-driven strategies. This aligns with the theory that intense rivalry reduces profitability. The implication is that businesses must find ways to create unique customer value propositions to mitigate the effects of fierce competition.

Threats of new entrants: Industry with low barriers of entry attract numerous competitors and increases the number of new entrants. The findings of this study support this, as the low startup costs encourage new entrants leading to market saturation. This indicates that business owners need to adopt strategic positioning and brand differentiation to maintain sustainable business growth.

Threat of substitutes: While salons offer a specialised service, alternative beauty and self-care solutions such as home hair treatments pose a competitive threat. This study also found that many customers opt for competitors who offer lower prices. This implies that salon owners need to differentiate their service offerings to retain customers.

Bargaining power with suppliers: This study found that many salons battle with high operating costs. Salon owners need to learn collective bargaining and development of partnerships with suppliers.

Bargaining power with buyers: The findings of this study confirm that township customers are price sensitive, leading to price competition and reduced profitability among salons. Hair salons should focus on customer experience and service differentiation to retain customers.

6.6 Recommendations

Based on the research findings, several key recommendations emerge:

Access to funding: Financial institutions and government agencies should develop funding models that cater specifically to township businesses, including low-collateral loans or grants. Awareness programmes should be created to educate business owners about available financial resources. Government funding institutions should have satellite branches in townships to facilitate access to these institutions.

Entrepreneurial training and business development: Training programmes should be designed to equip salon owners with business management skills, including financial planning, customer service, and marketing strategies. Business incubation and mentorship programmes should be introduced to support salon owners in their early years of business operation.

Infrastructure and policy support: Government intervention is required to improve infrastructure, including stable electricity supply and better transportation networks to facilitate

business operations. Policy frameworks should be reviewed to streamline registration processes and compliance requirements, making it easier for small businesses to formalise.

Integration into broader market networks: Salon businesses should explore partnerships with product suppliers, wholesalers, and larger industry players to obtain better prices rate on the products that they purchase. Basic digitisation should be encouraged, enabling businesses to use online booking platforms, social media marketing, and digital payment systems to improve customer service and financial management.

Encouraging business differentiation and innovation: Township salons should be encouraged to adopt niche services and unique customer experiences to create a competitive advantage. Business owners should receive support in developing brand identity and marketing strategies to attract a broader clientele.

6.7 Suggestions for Further Research

Further studies could be conducted by business researchers, government institutions and economists focusing on understanding consumer behaviour and preferences in township markets. A qualitative study including primary interviews and case studies could provide deeper insights into spending patterns, customer loyalty and service preferences. This study could enable business owners to differentiate their service offerings and increase their profitability through engaging in targeted market strategies.

REFERENCES

South African Cities Network. (2020). *Township economic development in Gauteng province: National and provincial law perspectives*. South African Cities Network. https://www.sacities.net/publication/township-economic-development-in-gauteng-province/

Agbobli, E., Lentswe, M., & Okyere, F. (2019). Surviving the competition: A South African case study of quality of record keeping and economic performance of hairdressing salons. *International Journal of Management Sciences and Business Research*, *8*(6), 100-114.

Amoakoh, E. O., & Okyere, F. (2019). A study on the level of educational background of owner/manager of small businesses as a factor related to the practice of marketing research: Hair salons perspective. *International Journal of Innovative Science and Research Technology*, *4*(3), 590-597.

Anthony, C. K. (2023). *Assessing the financial inclusion of micro-, small, and medium enterprises (MSMEs) in South Africa: 2010 and 2020 FinScope MSME data*. Master's dissertation, University of the Western Cape, Belville.

Botha, A., Smulders, S. A., Combrink, H. A., & Meiring, J. (2020). Challenges, barriers and policy development for South African SMMEs – does size matter? *Development Southern Africa*, *38*(2), 153-174. https://doi.org/https://doi.org/10.1080/0376835X.2020.1732872

Campbell, K. A., Orr, E., Durepos, P., Nguyen, L., & Li, L. (2021). Reflective thematic analysis for applied qualitative health research. *The Qualitative Report*, *26*(6), 2011-2028. https://doi.org/ https://doi.org/10.46743/2160-3715/2021.5010

Charman, A. (2017). Micro-enterprise predicament in township economic development: Evidence from Ivory Park and Tembisa. *South African Journal of Economic and Management Sciences*, *20*(1), 1-14. https://doi.org/https://doi.org/10.4102/sajems.v20i1.1617

Charman, A. (2020). *Township Economy in 2020: Township high streets*. Sustainable Livelihoods Foundation. https://www.livelihoods.org.za/beta/wp-content/uploads/2024/05/Township-Economy-Series-6_Township-High-Streets.pdf

Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Sage Publications.

Enaifoghe, A., & Ramsuraj, T. (2023). Examining the function and contribution of entrepreneurship through small and medium enterprises as drivers of local economic growth in South Africa. *African Journal of Inter/Multidisciplinary Studies*, *5*(1), 1-11. https://doi.org/https://doi.org/10.51415/ajims.v5i1.1172

Eresia-Eke, C. E., Jammine, C., & Locke, C. (2019). Towards customer satisfaction and loyalty: What cuts it in a hair salon? *The Southern African Journal of Entrepreneurship and Small Business Management*, 1-7. https://doi.org/10.4102/sajesbm.v11i1.215

Eze, I. F., & Lose, T. (2023). Consequences of failure and challenges of small business in South Africa: A theoretical review. *Business Excellence and Management*, *13*(3), 18-32. https://doi.org/https://doi.org/10.24818/beman/2023.13.3-02

Fatoki, O. (2021). Access to finance and performance of small firms in South Africa: The moderating effect of financial literacy. *WSEAS TRANSACTIONS on BUSINESS and ECONOMICS*, *18*, 78-87. https://doi.org/10.37394/23207.2021.18.9

Goldsmith, L. J. (2021). Using framework analysis in applied ualitative Research. *The Qualitative Report*, *26*(6), 2061-2076. https://doi.org/https://doi.org/10.46743/2160-3715/2021.5011

Mordor Intelligence. (2022). *South Africa hair care market (2023 - 2028)*. https://www.mordorintelligence.com/market-analysis

James, D. C. S., II, C. H., Efunbumi, O., Babazadeh, I., & Ali, S. (2017). "You have to approach us right": A qualitative framework analysis for recruiting African Americans into mHealth research. *Health Education & Behavior*, *44*(5), 781-790. https://doi.org/10.1177/1090198117727324

Johnson, G., Whittington, R., Scholes, K., Angwin, D., & Regner, P. (2017). *Exploring strategy text and cases* (11th ed.). Pearson Education.

Kgapola, T. (2019). *Cultural values and entrepreneurial growth motivation: a focus on township enterprises in Tshwane*. Master's dissertation, University of the Witwatersrand, Johannesburg.

Knight, J., & Rogerson, C. M. (2019). *The geography of South Africa: Contemporary chanes and newdDirections*. Springer. https://doi.org/https://doi.org/10.1007/978-3-319-94974-1

Kokong, L., & Naidoo, S. (2022). Digitalisation of the professional hairdressing industry and the impact on value chain stakeholders. *South African Journal of Information Management*, *24*(1), 1-11. https://doi.org/ https://doi.org/10.4102/sajim.v24i1.1554

Lekunze, J., & Moloi, P. (2023). *Why growth eludes small and medium enterprises (SMEs) in a South African township?* 18th International Business Conference, Gauteng. https://internationalbusinessconference.com/why-growth-eludes-small-and-medium-enterprises-smes-in-a-south-african-township/

Ligthelm, A. (2013). Confusion about entrepreneurship? Formal versus informal small businesses. *South African Business Review*, *17*(3), 57-75. https://doi.org/https://hdl.handle.net/10520/EJC146863

Local Government Sector Education and Training Authority. (2020). *Assessment of the viability and potential of township economies for municipalities*. https://lgseta.org.za/research-2/

Lotriet, R., & Mosia, M. (2023). *Smaller business owner perspectives on some business challenges in the historically significant township economy of Sharpeville*. 18th International Business Conference, Gauteng. https://internationalbusinessconference.com/smaller-business-owner-perspectives-on-some-business-challenges-in-the-historically-significant-township-economy-of-sharpeville/

Majumdar, A. (2022). Thematic analysis in qualitative research. In *Research anthology on innovative research methodologies and utilization across multiple disciplines* (pp. 604-622). https://doi.org/DOI:10.4018/978-1-6684-3881-7.ch031

Makgamatha, G. M. (2021). *The effects of small and micro-enterprises (SMEs) in employment creation in Sefene village, Limpopo province*. Master's dissertation, University of Limpopo, Turfloop.

Makwara, T., Sibanda, L., & Iwu, C. (2023). Poor performance of small, medium, and micro enterprises in South Africa: What has race and apartheid got to do with it? *Journal of Economics, Business, and Accountancy*, *26*(2), 54-63. https://doi.org/10.14414/jebav.v26i2.3744

Mathebula, N. (2017). Small businesses contribution to rural economic development in the Greater Giyani Municipality area: perceptions from owners. *International Journal of Indian Culture and Business Management*, *15*(2), 229-240. https://doi.org/https://doi.org/10.1504/IJICBM.2017.086090

Mathebula, P. (2022). *The structure of township economy & development: The relationship between informal sector work and precarity in South African townships*. Master's dissertation, University of Pretoria, Pretoria.

Mhlongo, T., & Daya, P. (2023). Challenges faced by small, medium and micro enterprises in Gauteng: A case for entrepreneurial leadership as an essential tool for success. *The Southern African Journal of Entrepreneurship and Small Business Management*, *15*(1), 1-12. https://doi.org/https://doi.org/10.4102/sajesbm.v15i1.591

Mahajan, S. (Ed.). (2014). *Economics of South African townships: Special focus on Diepsloot*. World Bank Group. https://documents1.worldbank.org/curated/es/217211468302413395/pdf/Economics-of-South-African-townships-special-focus-on-Diepsloot.pdf

Mokoena, S. (2022). *Strategies employed for the sustainability of township tourism small medium and micro enterprises*. Master's dissertation, Durban University of Technology, Durban

Morgan, H. (2022). Conducting a qualitative document analysis document analysis. *The Qualitative Report*, *27*(1), 64-77. https://doi.org/https://doi.org/10.46743/2160-3715/2022.5044

Mpiti, N., & Rambe, P. (2016). *The influence of public finance on the performance of SMMEs in the Free State: A case of afro hair salons in Mangaung Metropolitan Municipality*. Proceedings of the 28th Annual Conference of the Southern African Institute of Management Scientists, Bloemfontein, South Africa.

Ndlovu, G., & Toerien, F. (2020). The distributional impact of access to finance on poverty: evidence from selected countries in Sub-Saharan Africa. *Research in International Business and Finance*, *52*, 1-21. https://doi.org/https://doi.org/10.1016/j.ribaf.2020.101190

Orlu, K., Amoakoh, E., Dzansi, D., & Iwuchukwu, E. (2018). *Hair salon industry as a contribution to the growth of the economy of Free State Province*. Master's dissertation, Central University of Technology, Free State, Bloemfontein.

Palinkas, L., Horwitz, S., Green, C., Wisdom, J., Duan, N., & Hoagwood, K. (2015). Purposeful sampling for qualitative data collection and analysis in mixed method implementation research. *Administration and Policy in Mental Health and Mental Health Services Research*, *42*(5), 533-544. https://doi.org/10.1007/s10488-013-0528-y

Peel, K. (2020). A beginner's guide to applied educational research using thematic analysis. *Practical Assessment, Research and Evaluation*, *25*(2), 1-15. https://doi.org/https://doi.org/10.7275/ryr5-k983

Qhwagi, L. (2021). *Youth entrepreneurship challenges and opportunities: A case of Klaarwater township*. Master's dissertation, University of KwaZulu-Natal, Durban.

Ramafikeng, A. (2016). *An exploration of the experiences and business-related aspirations of youth running their own informal hair salon businesses in Gugulethu, Cape Town*. Master's dissertation, University of Cape Town, Cape Town.

Riley, T. L. (2021). *Small business hair salon owners effective marketing strategies*. Doctoral thesis, Walden University, Minneapolis, MN, USA.

Scholtz, E., Cronje, L., & Cilliers, O. (2023). Quality service SMMEs in South African townships: A comparative study of the Soweto and Diepsloot townships. *Journal of Contemporary Management*, *20*(2), 199-235. https://doi.org/https://doi.org/10.35683/jcman1037.220

Sekaran, U., & Bougie, R. (2016). *Research methods for business a skill building approach* (7th ed.). John Wiley & Sons Ltd.

Serame, M. (2019). *Factors influencing SMEs' access to finance in South Africa*. *Master's dissertation,* University of Cape Town, Cape Town.

Services Sector Education and Training Authority. (2016). *Rapid appraisal of the skills supply and demand in the hairdressing sector in South Africa*. https://www.servicesseta.org.za/research-reports/

South African Cities Network. (2020). *Township economic development in Gauteng province: National and provincial law perspectives*.. South African Cities Network. https://www.sacities.net/publication/township-economic-development-in-gauteng-province/

Stahl, N. A., & King, J. R. (2020). Expanding approaches for research: Understanding and using trustworthiness in qualitative research. *Journal of Developmental Education*, *44*(1), 26-28. https://doi.org/http://www.jstor.org/stable/45381095

Mahajan, S. (Ed.). (2014). *Economics of South African townships: Special focus on Diepsloot*. World Bank Group.

Tracy, S. J. (2010). Qualitative quality: Eight "big-tent" criteria for excellent qualitative research. *Qualitative Inquiry*, *16* (10), 838-851. https://doi.org/https://doi.org/10.1177/1077800410383121

Wilson, C. (2018). Building a modern African hairdressing factory. *Journal of Advances in Social Science and Humanities*, *4*(8), 231-249. https://doi.org/https://doi.org/10.15520/jassh48351

Wondim, Y. A. (2020). Challenges and prospects of women entrepreneurs within micro and small enterprises: Case of salon business in Bahir Dar City, Ethiopia. *International Journal of Political Activism and Engagement*, *7*(2), 14-30. https://doi.org/https://doi.org/DOI:10.4018/IJPAE.2020040102

Appendices

1. **Appendix A – Table of Source Data**

2. **Appendix B – Ethics Clearance Certificate**

3. **Appendix C – Turn It In Report**