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THE USE OF MOBILE CELLULAR PHONES IN MICRO-ENTERPRISES BASED AT PRETORIA

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A research report submitted to the Faculty of Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management (in the field of Public and Development)

30 May 2009

Abstract

This report presents the findings of an applied research study designed to explore the use of mobile cellular phones in micro-enterprises based at Pretoria. In particular, the report, considers the core research question: Are informal, survivalist micro-enterprises based in Pretoria realising the full potential of cellular phones to support the growth, development and sustainability of their businesses? What measures must be taken to advance the effective use of mobile cellular phones in informal, survivalist micro-enterprises. The context of the study is the assertion expressed in literature that indicates that the survival changes of micro-enterprises in South Africa beyond a period of three years is poor, despite the potential of mobile cellular phones to support productivity and efficiency gains in business. Hence, the exploratory study was designed to contribute towards the formulation of appropriate polices, strategies and interventions to improve micro-enterprises' use of mobile cellular phones as tools to support business development. The study is also informed by the stipulations of the United Nations World Summit on Information Society Declaration which was signed by a significant number of heads of state in 2003. The WSIS Declaration (2003) indicates that that information and communication technologies (ICTs) are an important enabler of small enterprises' growth through efficiency gains and increased productivity. Moreover, productivity growth depends on using existing tools more effectively and efficiently to yield bigger results.

A focus group methodology was employed to enable the realisation of the research aim and question. The methodology allowed for a detailed explanation on experiences, perceptions, and why particular use patterns of cellular phones are prevalent amongst informal, survivalist micro-enterprises. The methodology also enabled the participants to put the experiences in their own words, and express attitudes, feelings, experiences, meaning and rationale underpinning usage. Moreover, the report also outlined a wide range of relevant literature and research studies that shed light on the topic. The study did not seek to draw conclusions for generalisation, rather, it has endeavoured to encourage reflection, deepen existing research and inform further debate.

The report revealed that in order to understand usage of mobile services, as a precursor, it is important to understand the micro-enterprise business needs, in terms of the form of business they own, characteristics thereof, their information needs and information sourcing practices. The study affirmed that a mobile cellular phone is an integral part of micro-enterprises, consistent with key arguments of numerous researchers and authors. Two statements of some of the focus group members capture the essence of the sentiments expressed about the significance of a mobile cellular phone in micro-enterprises, namely, "*If I can stop to use a cell phone, my business would suffocate and die". "A cell phone for me is my office".* The report revealed that the micro-enterprises in Pretoria used the mobile cellular phone to communicate and interact with other businesses and customers. However, the micro-enterprise owners did not use a cellular phone effectively to attain support from Government and transact with public entities. It also emerged from the study that the most used functions or services of a cellular phone in micro-enterprises were a voice call and short text messages. A mobile TV, internet, video and camera functions were not widely and effectively utilised in the businesses. The report concludes that though the micro-enterprise owners from Pretoria which participated in the focus group had an access to mobile cellular phones, they did not fully utilise all the features, applications and services available to support business activities.

A cellular phone had a potential to support micro-enterprise growth and development but the potential thereof was not fully realised in the micro-enterprises. It was also revealed that the model of a cellular phone, form of business activities engaged by the micro-enterprise, needs of the business, level of awareness and socio-economic factors such as age, skills of the owner and the cost of the technology influenced the mobile cellular phone usage pattern of micro-enterprise owners that participated in the focus group. The main recommendation of the report is that Government should package information and services to convey over the cellular phone for micro-enterprises to use and should intensify awareness programmes to educate the micro-enterprise owners about how the cellular phone applications can be used effectively in business.

Declaration

I declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management (in the field of Public and Development) in the University of Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

_____

Khopotso Tsotetsi

30 May 2009

Dedication

With great appreciation to my dear parents,

Mr Oupa and Deliwe Tsotetsi for their love, guidance and teachings

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My appreciation and special thanks go to:

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1 Introduction and Background

1.1 Introduction

A telecommunication technology, such as a telephone, enables voice to move relatively fast across space from a sender to a receiver that is anywhere in the world (McGraw-Hill Encyclopaedia of Science and Technology, 1992; Collocott, 1983). Moreover, advances in technologies have led to the improvement of the telephone technology from being linked to fixed network into a hand-held, wireless devise with upgraded additional functions that include data, video, image, internet, radio, television and specialised applications (Duncombe & Heeks, 1999). These functions which are also available in large equipments have been condensed into a devise that fit into a palm of hand and referred to as a mobile cellular phone (Brain & Tyson, 2000).

The mobile cellular phone technology provides the capability to defeat constraints created by time, geographical boundaries and human knowledge (Brain and Tyson, 2000; World Book Encyclopaedia, 2007). It offers the opportunity to collect, store, process, and disseminate a vast amount of information. On the basis of these functions a mobile cellular phone is classified as an information and communication technology (ICT) (Brain & Tyson, 2000). It also enables networking, and inter-personal communication across the world (Brain and Tyson, 2000; World Book Encyclopaedia, 2007). There is evidence that indicate that the capabilities of a mobile cellular phone as an information and communication technology can be applied to transform human functioning and operations of businesses for improved national economic performance and human development (Brain and Tyson, 2000; World Book Encyclopaedia, 2007).

A definite link between socio-economic development and technologies that enable communication at a distance, such as a telephone, was established for the first time by the Maitland Commission (Molony,1999). The Maitland Commission was established in 1984

by the International Telecommunications Union, one of the United Nations organisation (Molony,1999). It is pointed out by Shield & Samarajiva (1990) that the Maitland Commission revealed in a report, titled the Missing Link, that countries which had a high access to technologies that enabled communication at a distance or telecommunication technologies, experienced improved economic growth and development inland (Molony, 1999). In particular, developed countries were highlighted to have used information and telecommunication technologies as a commodity to leverage their development and would continue to enjoy development benefits thereof into the future (Molony,1999). Moreover, the report also emphasised that it was concerning that in developing countries levels of access to telecommunications technologies were low and not a key driver of growth, employment and prosperity (Shield & Samarajiva, 1990).

In the 2001 state of the nation address, The Former President Thabo Mbeki pronounced that South Africa is not to fall further behind the digital divide (Information Society and Development Plan, 2007). The term 'digital divide' describes the gap in the world between nations and people who do and don't have access and the capability to use modern information and communication technologies (Shield & Samarajiva, 1990). The pronouncement by the former President, point to the political commitment of using information and communication technologies (ICTs) for South Africa's development (Information Society and Development Plan, 2007).

Alampay (2006) contends that telecommunication devices as forms of Information and Communication Technologies (ICTs) are instrumental to enabling socio-economic development given that the world has evolved and is currently in a period of history referred to as the Information Age. In this epoch, according to the Human Development Report (2001), information assumes prominence as a key instrumental driver of socio-economic prosperity. It is argued that these telecommunications technologies with added information processing capabilities enable information to be widely available as well as easily accessible to users and therefore form an intricate part of development during the Information Age (Nicol, 2003; Information Society and Development Plan, 2007). Castells

(in Nicol, 2003) contends that no country can decide to isolate itself from the Information Age as moving into this era is not a matter of choice but a necessity. He argues that if a country is not part of the system, then it is excluded and forced to survive on the outskirts, marginalised, powerless and poor (Castells in Nicol, 2003).

It is contended in the Research Agenda of the LINK Centre (2005) that South Africa produces little in the way of independent, primary research feeding into the ICT policy and regulatory processes, unlike other parts of the world committed to participatory policy formulation processes. It is argued that this leaves Government in a weak position to formulate policy comprehensively and implement plans effectively (Research Agenda of the LINK Centre, 2005).

Therefore, this document is a research report which presents a research problem, methodology used and findings of an applied research study framed to investigate the demand side of the ICT sector. According to Burton et al. (2004) demand side ICT orientated research seeks to ascertain what is happening in the ICT sector from the perspective of users or consumers. They further argue that demand side ICT sector research assist to gather in depth information about the extent to which ICT assist in addressing development challenges, the reasons for its failure to address development issues and the factors which impact on users and consumers of ICT technologies (Burton et al., 2004). In particular, the focus of this research report is on mobile cellular phone usage in micro enterprises. The research study was conducted with a view to contribute towards the formulation of appropriate polices, strategies and interventions to improve micro-enterprises' use of cellular phones as tools to support business development. Moreover, it is poised to coincide with global initiatives to measure the use of ICTs in order harness the effective usage thereof.

The report is structured into four sections and an outline of the content covered in each of the subsequent chapters or sections is as follows:

Chapter 1: Background to Research

As a point of departure, the report details the background of the area of research. It explains in detail the rationale, importance of the research problem and why it needs to be researched. This is followed by a delineation of the research problem, coupled with key research question arising from this problem.

Chapter 2: Literature Review

The aim of this chapter is to demonstrate how the academic debates shed light on the topic. Therefore, this section presents the theoretical and conceptual framework which underpins the area of study. Ongoing discourse and theoretical debates relating to the research area are delineated. It is also in this chapter that the concepts which make up the topic are defined and the relationships between them are explained. Research findings of previously conducted studies are also presented.

Chapter 3: Research Methodology

This section explains the research method, the rationale why it was appropriate for the study and how the data was collected.

Chapter 4: Presentation of findings

The chapter focuses on the meaning of the data collected in terms of research questions and underlying theoretical discourse.

Chapter 5: Conclusion and Recommendations

This is the final chapter of the report that would provide overall conclusions and additional insights on the data. It will outline recommendations and areas for further research.

1.2 Background to the research problem

It is indicated that during the first decade of freedom which unfolded as from the year 1994 to 2004, the economy of South Africa did not grow fast enough to create adequate employment and curb impoverishment in society (Accelerated and Shared Growth Initiative for South Africa (Asgisa) Concept Document, 2005). This occurrence deepened development challenges which were eminent when the new government took over from the former Apartheid Government (Esselaar, 2006). It is also pointed out that research conducted by the new Government indicated that around 6 per cent growth rate on average between 2004 and 2014 was needed for the country to achieve its social development objectives (Asgisa Concept Document, 2005).

At the onset of the second decade of democracy in the year 2004, the South African Government received an electoral mandate to change the development situation and halve poverty as well as unemployment by 2014 (ASGISA Concept Document, 2005). The contention in ASGISA Concept Document (2005) is that the goal of reducing unemployment to below 15% and halving the poverty rate to less than one-sixth of households would not be achieved without sustained and strategic economic leadership from government, and effective partnerships between government and stakeholders such as labour and business. It is also stated that addressing economic development constraints should not amount to a shift in economic policy, rather, a series of decisive interventions were to be implemented to achieve development objectives of growth, poverty alleviation and employment in a more effective manner (ASGISA Concept Document, 2005). Thus, the Government of South Africa prioritised small business development as one of the interventions that can assist to achieve the country's development objectives of growth, poverty alleviation and employment (ASGISA Concept Document, 2005).

It was indicated by Broembsen (2005) that the findings of the Global Entrepreneurship Monitor South African Report of 2005, revealed that South Africa's entrepreneurship ranking had dropped from 20th position (out of 34 countries) in 2004 to 25th position (out

of 35 countries) in 2005. Broembsen (2005) also pointed out that the report demonstrated that the survival chances of emerging businesses in the country were poor. The emerging businesses were likely to collapse in the first few years of existence and not sustain themselves beyond three and a half years (Broembsen, 2005). It has also been reported that the number of jobs created by the small business had stagnated (Broembsen, 2005). It is asserted in the White Paper on Small Business (1995) that micro-enterprises compared to the two other categories of small enterprises, namely small and medium enterprises were at the bottom of the scale in terms of development and thus require extensive support. The informal micro-enterprise sector consists predominantly of workers involved in survivalist activities and usually lack formality in terms of business licences, tax registration, business premises, operating permits and accounting procedures (White Paper on Small Business, 1995).

The small business development challenge is also evident in one of the cities identified for a focused analysis in this report, namely, Pretoria. Ligthelm & van Wyk (2004) indicate that informal trading from micro businesses make an important contribution to the economic and social environment of Pretoria, though it largely remains a survivalist trade. Thus, Ligthelm & van Wyk (2004) highlights that the Local Tshwane Municipality seeks to create a supportive environment for the informal micro businesses sector to thrive (Ligthelm & van Wyk, 2004).

A wide range of constraints and problems affect the performance, development and growth prospects of small businesses, White Paper on Small Business (1995) stipulates. Access to information and appropriate technology as a business service and facility are identified as important factors influencing the success of small enterprises (White Paper on Small Business, 1995). It is also pointed out in the White Paper on Small Business (1995) that semi-developed Asian countries that have over the past decade attained high and sustainable growth share were as a result of ensuring enterprise and citizens ready access to information technology. Shyamal and Susanne (2003) concur and particularly emphasise that the application of information and communication technology such as radio, television,

telephone (fixed and mobile), computers and internet in business has emerged internationally as the intervention that helps to advance the status of enterprises.

The Maitland Commission set the goal that by the early part of the 21st century, nearly all humankind in both developed and developing countries should be within easy reach of a telephone (Shield & Samarajiva, 1990). Utsumi (in Molony, 1999) argued that a technology solution, quite different to a terrestrial fixed network system that members of the Maitland Commission hand in mind, might assist humankind to have telephones within reach. He indicated that mobile telephone handsets can assist that telecommunications be available within a walking distance of people (Utsumi, in Molony, 1999). Indeed, a distinct, wireless, hand-held technology devise that is designed to enable communication as well as store, process and transmit voice, images was invented (Duncombe & Heeks, 1999). It became known as the mobile cellular phone and classified as an ICT devise (Brain & Tyson, 2000). The contention by Utsumi (in Molony, 1999) was further affirmed by the findings of the Telecommunications Africa Report (2007), released by the International Telecommunication Union (ITU), which highlighted that mobile cellular phones over the last decade were the fastest and most adopted form of ICTs in Africa over fixed telephones which enabled greater access to telecommunication.

Of the varied information and communication technological instruments available, mobile cellular phones are the most widely available to the broader South African community compared to fixed telephone lines (South Africa's Millennium Development Goals Report (2005). In particular, about 96 percent of micro-enterprises had access to a mobile cellular phone in 2005 (Survey of employers and self-employed report, 2005). Donner (2006:1) states that mobile phones give enterprises the power to carry voices, ideas across time and space to actively leverage their social and economic network. Nevertheless, the continued and sustainable prosperity of micro business is curtailed, though the sector has a high access levels to cellular phone which are acknowledged to enable development. The contention on the link of ICT to business development is therefore challenged.

Jensen (2002) highlights that developed countries have advanced their ability and propensity to take up opportunities presented by the Information Age by using ICT tools effectively in business to achieve high economic benefits. In addition, it is indicated by Figueres (2003) that policy makers and scholars worldwide attest that to the contrary in developing countries the full potential of ICTs for development is not fully realised as the developing countries lag behind in access to and capability to use ICTs. South Africa forms part of the developing countries which are reported to have a high access of mobile cellular phones (Telecommunications Africa Report, 2007). Stones (2007) reported that according to the networked readiness world rankings compiled by the World Economic Forum, which measures countries propensity to take up opportunities presented by (ICTs), South Africa ranked 47th position in the world out of 122 countries assessed in the year 2006. It had dropped 10 positions from 2005 whereby it was ranked 37th position (Stones, 2007). Moreover, according to the results of the Digital Opportunity Index which measures the digital divide, South Africa assumed 144th position out of the 180 economies studied in 2005 (International Telecommunication Union News, 2005). These results point out that South Africa is not one of the top and best performing countries in terms of the degree of propensity to take up opportunities presented by ICTs.

Heads of States from all over the world converged at the United Nations' World Summit on Information Society and Development in 2003 and subsequently in 2005. They endorsed wider access to information through ICTs as an enabler for development (World Summit on Information Summit (WSIS) Declaration, 2003). It is stipulated in the WSIS Declaration (2003) that the heads of states affirmed that ICTs are an important enabler of small and medium sized enterprises growth through efficiency gains and increased productivity. Donner (2006) also affirms that mobile cellular phones bring about efficiency and productivity benefits which support business development of small enterprises. It was agreed that ICT-supported productivity gains and applied innovations across economic sectors should be fostered. In addition, policies that foster productive investment and enable small businesses to make the changes needed to seize the benefits from ICTs were encouraged to be implemented. The White Paper on Small Business (1995) stipulates that the use of technology in small enterprises deserves more attention and justify government

intervention. Government has had limited programmes in this work area thereby leaving a room for innovative solutions (Review of Ten Years of Small-Business Support in RSA, 2004). The South African Government acceded to the World Summit on Information Summit (WSIS) Declaration, 2003) and has committed to give effect to these provisions. The challenge forth is to give expression to these provisions in the interest of building South Africa's economy to support social development.

Joseph (2002) asserts that debates mainly based on common sense are not going to advance the agenda to ensure that everyone has access to information and ICTs. He contends that as a basis for conducting informed debates and formulating responsive policies, there is the need for more in-depth studies on ICTs which should provide answers to a number of issues that include: constraints being faced by various actors in harnessing ICT for Development. Donner (2006:1) argues that in developing countries, studies that examine the dimension of mobile phone usage and how exactly do micro-enterprise owners use their mobile cellular phone ownership power are rare (Donner, 2006). Joseph (2002) emphasises that the constraints which face various actors in harnessing ICTs for development need to be understood.

Drawing on the rationale outlined above and the detailed literature view outlined in section 2 of this report, the section hereunder stipulates the research problem and focus of the research study with greater specifity.

1.3 Research Problem

Mobile cellular phones are information and communication technological instruments which are most widely available to the broader South African community and enterprises (South Africa's Millennium Development Goals Report, 2005). Notwithstanding the potential benefits of this technology for business development as alluded to by Donner (2006), the survival chances of emerging businesses beyond three and a half years is indicated by Broembsen (2005) to be particularly poor in South Africa. Policy makers and

scholars worldwide attest that in developing countries the potential of ICTs for development is not fully realised (Figueres, 2003).

A study was conducted through ResearchICTAfrica in 2005 to explore the use of Information and Communication Technologies in business (Stork, 2005). This study employed a quantitative research methodology and reported findings in terms of numbers and frequencies. It fell short on providing a detailed explanation on factors that impact on adoption and why particular use patterns of cellular phones are prevalent amongst informal micro-enterprises.

Therefore, a qualitative study on the use of mobile cellular phones in micro-enterprises would be conducted to complement the quantitative survey conducted through ResearchICTAfrica in 2005. The investigation into the research problem would be guided by the core **research question**: Are informal survivalist micro-enterprises based in Pretoria realising the full potential of cellular phones to support the growth, development and sustainability of their businesses? What measures must be taken to advance the effective use of mobile cellular phones in informal micro-enterprises?

In order to respond to the above-mentioned research question and problem, **sub-research questions** to be examined include:

a. How are mobile cellular phones used in informal micro-enterprises based at Pretoria?
b. What factors influence the use of mobile cellular phones in informal micro-enterprises and the realisation of the business potential thereof?
c. How can the use of mobile cellular phones in informal micro enterprises be improved to support their growth, development and sustainability?

1.4 Purpose of research

This study is conducted with a purpose to provide qualitative empirical evidence and recommendations that could be used as input towards policy and intervention formulation processes aimed at improving the usage of mobile cellular phones in micro enterprises for their development and sustainability. The set aim would be achieved through attaining the **research objectives** as follows:

a. To detail the cell phone usage patterns of informal micro-enterprises;

b. To explain the factors that influence the use of mobile cellular phones in micro-enterprises

c. To draw on information on usage patterns and influential factors to make judgments based on theory (i.e. analyse the data against theory);

d. To draw conclusions as guided by key and sub-research questions;

e. To formulate recommendations to address challenges experienced by micro-enterprises regarding effective use of mobile cellular phones for business development.

2 Literature Review

The use of mobile cellular phones in micro-enterprises in Pretoria is the topic of this research report. In particular, this study seeks to respond to a research question: Are informal survivalist micro-enterprises based in Pretoria realising the full potential of cellular phones to support the growth, development and sustainability of their business? In order to respond to the above-mentioned research question and problem, one of the first sub-research questions to be examined include: How are mobile cellular phones used in informal micro-enterprises based at Pretoria?

In order to set a context for insights from literature and previous studies on how are mobile cellular phones used in informal micro-enterprises, literature which indicates the argument advanced for why micro-enterprises should use mobile cellular phones will be detailed at first to shed light on the topic under research. Therefore, as a point of departure, a review of the literature is to be conducted in order to identify and examine the challenges of micro enterprises which give impetus to the use of mobile phones. Moreover, the Government's rationale for the prioritisation of the micro-enterprise sector for intervention will also be examined to highlight the relevance of the sector to South Africa's development and the importance of the recommendations of the study.

2.1 Micro-enterprises and South Africa's social and economic development

It is pointed out that research conducted by the new Government which took over from the former Apartheid administration indicated that around 6 per cent growth rate on average between 2004 and 2014 was needed for the country to achieve its social development objectives (Accelerated and Shared Growth Initiative for South Africa (Asgisa) Concept Document). However, it is reported that as from the year 1994 to 2004, the economy of South Africa did not grow fast enough to create adequate employment and curb

impoverishment in the society at large (Asgisa Concept Document, 2005). This occurrence deepened development challenges which were eminent when the government of national unity took over from the former Apartheid Government in 1994 (Esselaar, 2006). The micro-enterprise sector for its potential to create employment was hence prioritised for intervention within the context of Government programmes to accelerate the country's development (Essellar and Stork, 2006). Findings about the key characteristics of micro-enterprises and an elaborate discussion about the rationale for the prioritisation of these enterprises for development intervention are outlined in the following section.

2.1.1 Characteristics of micro enterprises in South Africa

A micro-enterprise is one of the three sub-categories of the small business sector (White Paper on Small Business, 1995). According to the National Small Business Act of 1996, small enterprises differ in sizes as determined by three characteristics, that is, (i) number of people employed, (ii) turnover generated and (iii) assets of the business. Based on these three characteristics, the National Small Business Act of 1996 classifies small enterprises into three categories, namely, small, medium and micro-enterprises (SMMEs). A micro-enterprise is the smallest size of an enterprise that usually engages only the owner, some family members and one or two paid employees (White Paper on Small Business, 1995). The National Small Business Act (1996) also affirms that enterprises which employ less than five staff members in the main are referred to as micro-enterprises. To the contrary, small and medium sized enterprises employ more than five staff members (Small Business Act, 1996).

Similar to all businesses, micro-enterprises are industrious entities established to trade in goods and services in order to generate a profit (South African Pocket Oxford Dictionary, 1994). Of the three sub categories of small business sectors, the micro-enterprise are the most challenged (White Paper on Small Business, 1995). According to the Ten Years of Small Business Support in Republic of South Africa Review Report (2004), micro-enterprises consist predominantly of people who are unable to find a paid job and therefore engage in business activities with the aim of generating enough income for day-to-day consumption. It is also affirmed in ILO (2004) that money from sales or services rendered

is predominantly consumed by micro-enterprise owners for private purposes within the same day, week or month. Broembsen (2005) elaborates further on the subject and contends that micro-enterprises generate a small profit margin. He argues that profit margins are minimal given that they trade in low value-added goods of which on average generate monthly earnings that range from R485 to R1179 (Broembsen, 2005). Moreover, micro-enterprises are continually established in over-saturated markets and compete for survival, Broembsen (2005) asserts. The White Paper on Small Business (1995) thus refers to micro-enterprises as survivalist enterprises. It is stated that micro-enterprises generate an annual turnover of less than R300 000 (the Survey of employers and self-employed report, 2005). South African businesses with an estimated turnover of R300 000 or less are not obliged by law to register for value added tax *(*VAT). Hence, micro-enterprises are also known as non-value added tax registered businesses (Survey of employers and self-employed report, 2005).

Micro-enterprises are also presented with business premise challenges. It is further stipulated in the Survey of employers and self-employed report (2005) that most of the non-value added tax registered businesses operate from fixed and mobile locations. Those that operate from fixed location usually operate from a room within their own dwelling or another person's dwelling, a workshop in the backyard or a non-residential building (Survey of employers and self-employed report, 2005). Those who operate from a mobile location operate from the street, at a market or from a taxi rank (Survey of employers and self-employed, 2005).

It is also indicated by the Survey of employers and self-employed report (2005) that micro-enterprises do not have operating permits, formal accounting procedures, and business licenses. Based on these characteristics, the Annual Review of Small Business in South Africa Report (2003) refer to micro-enterprises as informal enterprises. A different perspective regarding the formality of micro-enterprises is outlined in ILO (2004). It is argued in ILO (2004) that a micro-enterprise has some degree of formality provided it has a

business bank account, formal work contracts for employees, a physical address with contact details, and registration with receivers of revenue as well as other authorities.

The findings of the Survey of employers and Self-employed Report (2005) also indicate that 91 per cent of non-VAT registered business owners were black Africans of which 51, 3 per cent were owned by black African women. Berry, et al. (2002) contend that the predominance of black people in the micro-enterprise sector was influenced by the exclusion of black people from education and economic participation opportunities by the Apartheid Government which provided preferential treatment to the entry of white people into formal business. On the other hand, Broembsen (2005) asserts that the high level of black people in the micro-enterprises can also be explained in terms of low barriers to entry into micro-enterprise business. He argues that the micro-enterprise business does not require high levels of capital and sophisticated skills, and a majority of black people do not have access to finance, capital and sophisticated skills to bolster their business (Broembsen, 2005). The largest number of non-VAT registered businesses, specifically 430 000, were found in Gauteng, followed by KwaZulu-Natal with 328 000 and Eastern Cape with 234 000 micro-enterprises (Survey of employers and self-employed report, 2005).

2.1.2 Rationale for the prioritisation of micro-enterprise development

The Ten Years of Small Business Support in Republic of South Africa (RSA) Review Report (2004) present the data which indicate that in 2001 both formal and informal small, medium and micro enterprises combined accounted for up to 99.3 per cent of the privately owned enterprises established in the country. Therefore, they constitute the largest form of business in South Africa. Moreover, the Ten Years of Small-Business Support in Republic of South Africa Review Report (2004) also stipulates that between 69 and 80 per cent of all the small businesses in the country are micro-enterprises. A measure of the number of non-vat registered enterprises is used in the Survey of employers and self-employed (2005) as an indicator estimate of micro-enterprises in the country. According to the Survey of employers and self-employed report (2005), just about 1, 7 million non-VAT registered businesses were estimated to operate in South Africa in 2005.

The White Paper on Small Business (1995) identifies the informal survivalist micro-enterprise sector as the most vulnerable to disintegration given that it consists predominantly of workers involved in survivalist activities and tend to remain in poverty while still being in employment. The owners of these businesses are usually people who are unable to find a paid job or get into an economic sector of their choice White Paper on Small Business (1995). It is stipulated in the White Paper on Small Business (1995) that this sector requires intervention for the reasons that they are less able to address the problems on their own, even in effectively functioning market economies. Broembsen (2005) indicate that the premise which underpins Government's prioritisation of micro-enterprises for intensified intervention is also outlined in the National Small Business Strategy (1995). The premise of Government is that survivalist enterprises are good at meeting the basic needs of the owner-managers and with assistance they can grow into medium and small enterprises, which will not only increase the income of the owner, but also provide jobs for other people (Broembsen, 2005).

Hazelhurst (2006) builds on the argument advanced by Broembsen (2005), and points out that the Government of South Africa regards the small business sector as an employment creator which contributes to economic growth, thereby assisting to alleviate poverty. It is furthermore stated in the White Paper on Small Business (1995) that in the context of South Africa's development challenges, the small business sector is seen as an important force to generate employment, enable equitable income distribution, activate competition, exploit niche markets both internally and internationally, enhance productivity and technical change, and through all of this stimulate economic development.

A number of critical studies question and contest the potential of the SMMEs to attain the goal of extensive employment creation. One of these analysts is Broembsen (2005), who asserts that micro and survivalist enterprises, as a major focus of government's small, medium and micro enterprise (SMME) support, are unlikely to achieve the objective of creating jobs in the numbers needed to address South Africa's economic inequalities. He

asserts that the micro-enterprise sector offers limited employment and that Government must focus on those entrepreneurs identified as job creators with the exception of micro-enterprises (Broembsen, 2005).

Broembsen (2005) bases his argument upon the findings of the Global Entrepreneurship Monitor South African Report (2005) which indicates that the primary job creators worldwide are firms that employ 20 people or more. This employment capacity could be found in small to large businesses when the employee official threshold of small businesses drawn from National Small Business Act (1996) is used as for classification. Hence, Broembsen (2005) vehemently propagates that survivalist business owners should be rather skilled to find employment, than be provided with business support. He argues that support rendered to these businesses is a poverty alleviation measure (Broembsen, 2005). Nonetheless, Berry, et al. (2002) unequivocally state that SMMEs emerge as the most promising section of South Africa's economy that could bolster productivity and distribute income.

To the contrary of the argument by Broembsen (2005), Enslin (2006) elaborates further about the economic role of small business. He commends the sector as an important force to generate employment and distribute income equitably (Enslin, 2006). Berry, et al. (2002) present an argument that micro-enterprises' act of absorbing the unemployed, low-skilled labour into their businesses, increases the average productivity of labour in the economy as a whole (Berry, et al, 2002). Average labour productivity refers to the measure of total outputs produced as a result of additional labour employed across enterprises (Berry, et al, 2002). In addition, Berry, et al (2002) contend that the productive use of the unemployed raises total output in the economy at little or no opportunity costs. Moreover, it is also reported in the White Paper on Small Business (1995) that small, medium and micro enterprises respectively have a high labour absorptive capacity as the average capital cost per job created is usually lower than in big business.

Evidence of the economic role of small, medium and micro-enterprises (SMMEs) is furthermore presented in the Ten Years of Small Business Support in Republic of South Africa (RSA) Review Report (2004). It is indicated that the sector absorbed between 50 and 75 per cent of the formally employed labour force (Ten Years of Small Business Support in Republic of South Africa (RSA) Review Report, 2004). It is also stated in the Ten Years of Small Business Support in RSA Review Report (2004) that SMMEs jointly contributed about 45 to 50 per cent to the Gross Domestic Product (GDP) between 1994 and 2004 (Ten Years of Small-Business Support in RSA Review Report, 2004).

Berry, et al (2003:10) assert that micro-enterprises contribute to the GDP by either manufacturing goods of value, or through the provision of services to both consumers and other enterprises. The findings of the Annual Review of Small Business in South Africa Report (2003) reveal that informal enterprises engage in numerous and varied business activities. Moreover, the results of the Survey of employers and self-employed report (2005) indicate that slightly more than half of the non-VAT registered businesses were found to operate in the wholesale and retail trade industry. The second largest industry in which non-VAT registered businesses operated was manufacturing (Survey of employers and self-employed report (2005).

While the section above referred to the key characteristics of micro-enterprises and the rationale for government's involvement in their development, the section that follows further elaborates on the argument advanced to particularly specify the challenges and needs of the micro-enterprises which serve as a driver and precursor to the use of mobile cellular phones.

2.2 Constraints and challenges facing the small-business sector

2.2.1 Growth and development of small business

James (2004) contends that only 5 per cent of informal businesses in South Africa grow to be formal businesses. This contention is supported by the findings of the Global Entrepreneurship Monitor South African Report of 2005. It is stipulated by this report that most emerging businesses from South Africa such as micro enterprises do not survive beyond three years (The Global Entrepreneurship Monitor South African Report, 2005). Broembsen (2005) asserts that this is a cause for concern. Access to information is identified as the most fundamental challenge that cuts across all the small business development challenges and constraints (White Paper on Small Business, 1995). These challenges include, among others, the legal and regulatory environment, access to markets, finance and business premises at affordable rentals, the acquisition of skills and managerial expertise, access to appropriate technology, access to marketing and procurement, the quality of the business infrastructure in poverty areas, the tax burden, entrepreneurship, skills and management (White Paper on Small Business, 1995). Access to Information and Communication

It is also affirmed in both the National Strategy on Small Business (1995) and Ten Years of Small Business Support in RSA Review Report (2004) that research confirm that easy access to relevant, appropriately packaged and understandable information, advice, and guidance is the most important need of almost all small enterprises, in particular survivalists micro-enterprises. In addition, Duncombe and Heeks (1999) concur that there is large information needs gap across a wide range of business activities of small businesses. Information needs gap refers to the difference between stated demand for information from entrepreneurs and their success in obtaining a supply of such information (Duncombe and Heeks, 1999). Duncombe and Heeks (1999) further indicate indicate that a key lesson learnt from a research conducted in Botswana on Information, ICTs and Small Enterprise is that information practices and needs of small enterprises need to be understood as a precursor to examining ICT usage in business. This contention solicits the

questions, what are the information needs and practices of small enterprises that mobile cellular phones are to enable?

2.2.1.1 Information needs and practises of small businesses

The argument advanced in the White Paper on Small Business (1995) to emphasise the importance of information as a business challenge, asserts that each of the problem areas of small business has an associated information component. This means that micro-enterprises need information on legal and regulatory environment, access to markets, finance and affordable business premises, acquisition of skills and managerial expertise; access to appropriate technology; access to marketing and procurement the quality of the business infrastructure in poverty areas, tax; access to finance; physical infrastructure; entrepreneurship, skills and management. In support of the argument about the relationship of information to other business challenges, is the research conducted by Duncombe and Heeks (1999) which revealed that 72% of all small enterprises in Botswana had an urgent need to access information that would lead to increased sales through obtaining new local customers and/or by expanding into export markets.

The research conducted by Duncombe and Heeks (1999**)** revealed the sources of information for small businesses and channels by which the information can be transmitted from source, to storage, processing and there after application. The results suggest that entrepreneurs depend predominantly on their own internally generated knowledge and experience, which has been built up within their present business or as a result of previous employment or business ownership (Duncombe and Heeks, 1999). On the other hand, externally generated information was sourced primarily through informal business networks of customers and suppliers or family as well as friends (Duncombe and Heeks, 1999**)**. The evidence from the research study also shows that many of small enterprises placed a greater emphasis on information received from external governmental and non-governmental support organisations, as they lacked access to the informal business networks that are valued by the wider business community (Duncombe and Heeks, 1999).

In summary, evidence solicited from the research study indicates that information in small enterprises is received from and through informal local networking within the business community, governmental and non-governmental support organisations, contacts with suppliers or family and friends, as well as information, accumulated through enterprise-specific learning (Duncombe and Heeks, 1999**)**. Duncombe and Heeks (1999) also revealed that the majority of entrepreneurs still stored information on cards, paper or in their head, moreover, processed it manually.

2.2.1.2 Small business communication channels

The challenge of small businesses attaining relevant information as an input factor to support the growth of the enterprise is also linked to the ability of enterprise owners to relay information about their business. Kotelnikov (2007) in more expressive terms asserts that any communication used to promote an idea, a product, service, or an organization as well as build partnerships is referred to as business communication. He argues that business communications is a success factor to business development (Kotelnikov, 2007). In terms of communication, Duncombe and Heeks (1999) indicate that the greater majority of small enterprises regarded direct contact with customers through face-to-face meetings as the single most effective method of business communication. In particular, 90% of all the small business owners regarded face to face contact as very effective for promotion of products and services. The entrepreneurs had a strong preference for personal contact with customers (Duncombe and Heeks, 1999).

2.2.1.3 Access to appropriate technology

Access to appropriate technology as a business service and facility is also identified as an important factor influencing the success of small enterprises (White Paper on Small Business, 1995). This applies to both ends of the technology spectrum, namely, sophisticated technology needed for the competitiveness of small enterprises in the modern manufacturing and services sectors, and appropriate technology for small enterprises

operating in the labour-intensive and low-skill spheres (White Paper on Small Business, 1995). The White Paper on Small Business (1995) stipulates that the use of technology in small enterprises deserves more attention and justify government intervention.

2.2.1.4 Micro-enterprise challenges and the Information Age

The preceding section demonstrated that researchers contend that information and technology are the main overarching needs and challenges of micro-enterprises. (White Paper on Small Business, 1995; Duncombe and Heeks (1999). The emphasis on importance of information and technology as business challenges is not haphazard, guess work or just coincidence. Wilson (2003) argues that this proposition is based on the argument which is located within a power-knowledge framework, that is when one has information or knowledge, the individual is empowered to lift himself from poverty. The power-knowledge framework is consistent with the reasoning and growing paradigm which asserts that the world has evolved into an era called the Information Age, characterised by the dominance of information as an entity that shapes human interaction, business and Government operations (Wilson, 2003).

According to the Human Development Report (2001), the world is at current in the Information Age. The Information Age is a distinct period in the history of mankind regarded to be different from the preceding social formations rooted in agriculture production and industrialisation (Human Development Report, 2001). It is argued that during the current period of history, information is regarded as a critical input tool in business and development which is influential to the future prosperity of businesses Human Development Report, 2001).

Wilson (2003) states that this theme about the power-knowledge framework and the Information Age, cuts across the argument advanced for the importance of using ICTS in business development. That is, it is argued that ICTs may provide a means of accessing

certain types of information that might be needed for development purposes and might not be readily available (Wilson, 2003). Hence, to survive in this information era, people, government and business need fast access to information (Human Development Report, 2001). According to the Information Society and Development Plan of South Africa (2006) the rapid growth of Information and Communication Technologies (ICTs) hereto refer to telephone, computers, mobile telephones have created platform to enable a free flow of information, ideas and knowledge across the globe for development ends.

In setting the context for the examination of how micro-enterprises use mobile cellular phone for business development, an argument from literature emerges in the preceding section. The thrust of the argument which emerge is that micro-enterprises have growth challenges and each of the problem areas of these enterprises has an associated information component. Furthermore, the need for information as a key component of addressing other business challenges give impetus to the use of ICT devises such as a mobile phone. The growing need for information has relevance for cellular phone usage by micro-enterprises presented with a growth challenge. The cellular phone as a form of an ICT is asserted can help meet their needs and address development challenges. Drawing on literature, the section hereunder expands further on the argument about the potential of ICTs to assist the micro-enterprises to address the information as a development challenge. In particular, the next section will start with a comprehensive review of the contributions of telecommunications to development to locate the premise underpinning the role of the mobile telephone in enterprise development.

2.3 Importance of Information and Communication Technology in development

2.3.1 Importance of Telecommunications for Development

The findings of the Ten Years of Small Business Support in RSA Review Report (2004) reveal that business development interventions which were introduced to assist small

businesses with information did not adequately tackle the development challenges of micro-enterprises, thereby leaving a room for improvement. In keeping with the argument about limitations of development intervention, Molony (1999) points out that the Maitland Commission's report made an assertion that development efforts will not realise their full potential if they remain limited to traditional approaches to development and international cooperation. In the endeavour of exploring new ways of facilitating development, the Maitland Commission which was established in 1985 by the International Telecommunication Union (ITU), set the goal that by the early part of the 21st Century, nearly all humankind should be within easy reach of a telephone because it is an abler of socio-economic development (Molony, 1999). The recommendation was informed by the Commission's findings from an investigation which revealed that there was a direct correlation between the availability of, and access to, telecommunication infrastructure and a country's economic growth and social development (Molony, 1999). It is further indicated by Molony (1999) that the Maitland Commission, firmly established for the first time the link between development and access to technologies used for communicating at a distance, namely, telecommunications.

2.3.2 ICT for development discourse

Molony (1999) highlights that over the years, the discourse about the link of telecommunications to development evolved. The discourse was no longer restricted to telecommunication but information and communication technologies (ICTs) holistically (Molony,1999). Duncombe & Heeks (1999) contend that the shift of the debate from telecommunications to ICTs was driven by the convergence or merger of telecommunications, broadcasting and information technology platforms into one delivery platform. This was contrary to the formative years whereby the three existed and operated exclusively with little interaction (Duncombe & Heeks, 1999) The term, ICTs is used to refer comprehensively to all the technological devises which have telecommunications, broadcasting and information technology capabilities (Duncombe & Heeks, 1999). It is further stipulated in the United Nations ICT Task Force Working Paper (2003) that ICTs are a varied set of goods, applications and services that are used to produce, store, process, distribute manage and exchange information and knowledge. Though the definition

highlights the functions of ICTs, it falls short on acknowledging the electronic basis of the instruments. A more comprehensive definition is provided by Duncombe & Heeks (1999) and Stifle (2004) as they affirm that ICTs may be defined as electronic means and activities of capturing, processing, storing, retrieving, disseminating and sharing information. In addition, Laudemann (in Stifle, 2004) asserts that the term ICTs include the full range of electronic technologies and techniques used to manage information and knowledge. These include the old form of ICTs which have existed for over a century such as radio, television and telephone, as well the new form of ICTs such as computers, satellite, wireless technology, mobile telephony and the Internet (Stifle, 2004).

It is stipulated in the Working Paper of the UN ICT Task Force (2001) that the Digital Opportunities Task Force in 2001 examined over three hundred initiatives and collected empirical evidence that confirmed not only telecommunications but ICTs in totality was a tool that enabled development. Building upon the work of the Maitland Commission, the studies illustrated the role of ICTs in generating new economic opportunities (Working Paper of the UN ICT Task Force, 2001). The research studies of the task force affirmed that information and communication technologies (ICTs) can help to combat poverty, promote empowerment and economic growth in countries that are developing (Working Paper of the UN ICT Task Force, 2001).

It is stipulated in the Human Development Report (2001) that Information and communication can directly enhance human capabilities as internet access for information and communications directly improve people's health, nutrition, knowledge and living standards, and increase people's ability to participate more actively in the social, economic and political life of a community. Second, according to the Human Development Report (2001), ICTs impact on economic growth through the productivity gains it generates. For example, it raises the crop yields of farmers, the output of factory workers and the efficiency of service providers and small businesses. It also creates new industries, such as the information and communications technology sector, thereby contributing to economic growth and employment creation (Human Development Report, 2001),

Molony (1999) argues that the assertion about the link of telecommunication and ICTs to development ushered a public debate and discourse. Brown (2001) affirms that development and technology indeed enjoy an uneasy relationship in certain development circles. In addition, Wilson (2003) also concurs that there is tension inherent in the ICT and development discourse between those who see ICTs as the development saviour and those who are more sceptical and draw attention to the limitations of the argument. In keeping with the assertion, Joseph (2002) refers to the two different views about ICTs and development as the pessimist and optimist view. According to Joseph (2002), the pessimists are a grouping that is sceptical about ICTs and significance thereof for development. They question whether does ICTs really benefit development? They argue that though it works, however, ICTs should not be seen as a panacea for all development problems. They argue that ICTs should not be seen as a standalone solution but a complement to ongoing development investments.

Wilson (2003) argues that it reasonable to suggest that for many developing countries food shortage or dealing with HIV/AIDS is perhaps more critical rather than ICTs. To the contrary and drawing from an optimistic perspective, it is stated by Working Paper of the UN ICT Task Force (2001) that creating digital opportunities was not something that happens after addressing the main development challenges, rather it was a key component of addressing those challenges in the 21st century. Brown (2001) also concurs that technology is a tool for economic and human development. He points out that it is a tool of human development which enables people to lift themselves out of poverty, increase their incomes, live longer, be healthier, enjoy a better standard of living, participate more in their communities and lead more creative lives (Brown, 2001). Brown (2001) further argues that ICTs are also a means to economic development because of its impact on economic growth through the productivity gains it generates in business.

Wilson (2003) asserts that at the centre of the claims of the existence of a global Information Age whereby information is essential and therefore the need to use ICTs is a social

construction that establishes a category of people known as information-poor or living in information-poverty. She asserts that to assume that people are information-poor because they do not have access to particular forms of information that are made available through ICTs, undervalue and fails to recognise the information and the knowledge that poor people do have. Wilson (2003) assert that the theme that cuts across the optimist perspective is that ICTs may provide a means of accessing certain types of information that might be needed for development purposes and the recipient might not have readily available. She furthermore states that the argument mainly boarders on technological determinism and needs to be challenged. She suggests that without access to ICT it does not mean one has no knowledge. Moreover, certain information may not require ICTs for dissemination (Wilson, 2003). She emphasises that it does not mean certain contexts do not have information or knowledge, rather, it is a matter of existence of information gap, that is, the absence of certain forms of information (Wilson, 2003)

It is furthermore stated in the World Summit on Information Society Declaration (2003) from an optimistic perspective that ICT applications are important and have development significance. It is indicated that that they have a development significance when used in business as well as government operations and services, health care and health information, education and training, employment, job creation, agriculture, transport, protection of environment and management of natural resources, disaster prevention, and culture, and to promote eradication of poverty and other development goals (WSIS Declaration, 2003).

Wilson (2003) argues that the ICT and development discourse is underpinned by assumptions and a view of technology as a neutral tool for development. She challenges, the optimistic assertion and asserts that the ICT for development contention allows the complex political factors, influencing poverty and inequality at local, national and international levels to be hidden and unquestioned. She emphasises that the use of technology as a measure of development reproduces the binary opposition between the developed and the underdeveloped.

In keeping with the argument by Wilson (2003), Joseph, (2002) indicates that the pessimistic view questions if the benefits will truly outweigh the cost. Others caution and argue that ICTs change all the time and developing countries cannot keep up and do not have the funds to do so. They argue that people promote expensive, inappropriate ICT as an answer that take no account of development realities and Government should deal with poverty issues first before providing ICT tools. Moreover, the ICT for development contention draw attention away from the politics within which a country's development efforts are embedded and complex global trade regulations that favour the developed countries (Wilson, 2003; Joseph, 2002).

Joseph (2002) contends that both the pessimists and the optimists view to ICT for development have valuable evidence to convey in support of their arguments. Though, he argues that a debate between the pessimists and the optimists, based mainly on casual observations and common sense is not going to take us too far (Joseph, 2002). He furthermore asserts that for informed debates and policy making there is the need for more in-depth studies on the ICT pilot projects which should provide answers to a number of issues that, include: What are the constraints being faced by various actors in harnessing ICT for Development and what strategies have been adopted to address the same? To what extent do the policy initiatives made by the Central and state governments been helpful in overcoming the constraints? To what extent ICT could help addressing our development issues? If it fails, what are the reasons there of? What kind of complimentary institutional and other innovations are called for to make ICT effective? Joseph (2002) argues that answers to these issues would contribute significantly towards informed policy making for ICT induced development in our country. Drawing from the question posed by Joseph (2002), what is the relevance of the discourse of ICT for development for small enterprises and what is it that ICTs can do for business noting the micro-enterprise challenges outlined earlier? How can ICTs help to advance the status of enterprises? How can ICTs be used to support business development? The response to these question as contained in literature is outlined is the sections that follow.

2.4 Importance of ICTs for small business development

Shyamal and Susanne (2003) argue that ICTs have emerged internationally as the intervention that helps to advance the status of enterprises, moreover, for ICTs to have an impact and desired outcome, they have to be accessed as well as used. Similarly, the Human Development Report (2001) also stipulates that ICTs are not inherently good or bad, as the development outcome depends on how the technologies are used. The contention solicits the question. How are the technologies used in South Africa, especially by the micro-enterprises that are deemed to have growth and development challenges?

2.4.1 Use of ICTs as a concept

Alampay (2006) assert that the notion of ICT use signals a shift of focus from the initial discourse of ensuring widespread access to ICT infrastructure towards the examination of the demand side of the ICT sector, particularly user behaviour, emerging advanced technologies and local content. The South African Oxford Dictionary (1994) defines the word "use" as verb that means: to bring into service; exploit for ones own ends; serve for a purpose; cause to act to ones advantage. Drawing on this definition, use of ICTs as a concept would in this research report refer to the application and operationalisation of ICT products and services by a user in order to take advantage of its offerings and potential benefits for ones own ends.

Alampay (2006) furthermore argue that the concept of ICT use stems from an emerging discourse which propagates that ownership does not mean that the benefits of telephones are maximised for development. Mann (in Alampay, 2006) concurs and argues that focus on the use of ICTs beyond access is paramount because it is not enough to simply determine whether people have the capability to access telephones within reach (Mann (in Alampay, 2006). Stork (2007) concurs that ICTs can only bear results for small business when used, thereby emphasising that for ICTs to have an impact and desired outcome, then they have to be accessed and used.

According to the O*ECD Working paper-DSTI/ICCP/II(99)4/final(1999)*, indicators which measure usage of ICTs in society permit countries to profile the following dimensions:

(a) who is exploiting ICTs possibilities
(b) who is not exploiting ICTs opportunities
(c) purpose and reasons for using ICTs
(d) nature of applications used
(e) nature of transactions carried out through ICTs
(f) volume and intensity of the transactions carried out through ICTs
(g) ends achieved through ICTs

2.4.2 Purpose and benefits of ICT use in business

Shyamal and Susanne (2003) argue that there is growing evidence worldwide which points out that when information and communication technologies are put into use by small businesses, swift business growth and increased productivity are enabled. Duncombe and Heeks (1999) argument outlined inter, alia, emphasised that small businesses have information needs. ICTs can assist to meet the information needs of micro-enterprises and strengthen their information sourcing, processing and storage practices (Duncombe and Heeks, 1999). ICTs as an information carrier have a capability to enable an entrepreneur to be linked to wider sources of information at a faster pace, irrespective of location and time. The externally generated information primarily sourced through informal business networks of customers and suppliers or family and friends (Duncombe and Heeks, 1999**)** can be expanded beyond these immediate contacts and boarder parameters through using ICTs which enable the entrepreneurs to access a wider information pool located internationally.

Through the use of ICTs, the internally generated information that is characterised by a high degree of reliance on information obtained through the knowledge and experience of the business owner can be updated not to be static or irrelevant (Duncombe and Heeks, 1999). When using ICTs the entrepreneurs can also have access to and collect information about how to address factors which pose as a challenge as identified earlier from the White

Paper on Small Business (1995), namely, the legal and regulatory environment, access to markets, finance and business premises at affordable rentals, the acquisition of skills and managerial expertise, access to appropriate technology, access to marketing and procurement, the quality of the business infrastructure in poverty areas, the tax burden, access to finance; physical infrastructure; entrepreneurship, skills and management (White Paper on Small Business, 1995).

The entrepreneur could use the wider information accessed, to sustain and increase the sales by means of retaining existing customers and/or locating new customers. Duncombe and Heeks (1999) indicate that face to face contact is regarded by small businesses as being very effective for promotion. Moreover, ICTs may enable the entrepreneur to reach a wider customer base that allows for expansion into new markets. The inbuilt information processing capabilities of ICTs may also allow the entrepreneur to move from manual to faster and instant processing means, such as calculating bigger amounts. Moreover, the information processed could be safely stored for later retrieval rather than mental storage which is at the risk of being forgotten. The telecommunication capabilities of ICTs allow people or business owners to interact with other business owners, existing or potential customers. The business owner can send messages in either text, video or voice, a medium that can be easily understood by the recipient thereby making communication effective.

It is also stipulated in the WSIS Declaration (2003) that ICTs are an important enabler of small and medium sized enterprises growth through efficiency gains and increased productivity. Productivity growth depends on using existing tools more effectively and efficiently to yield bigger results. ICT allows labour to be redeployed and reduces the total amount of time to produce a particular product or service. In addition it helps to create new opportunities for doing business, e.g. selling products remotely on the internet. Donner (2006) states that an ICT devise such as mobile phone enable productivity by time saving or reduction in travelling costs, when used to substitute for journeys, for brokers, traders and other business intermediaries (Donner, 2006). Moreover, it is emphasised that ICTs act as an input factor into the production of other products and services by relaying

information required in developing the business, organising resources, maintaining existing client base it and sourcing new business.

Esselaar (2005), Tanburn & Singh (2001) assert that to realise economic benefits, enterprises may use ICTs used for business to businesses interaction. In this case, enterprises may use ICTs to receive and place orders from other business, as well as to receive information updates from other businesses and communicate with suppliers. Donner (2006) indicates that a mobile cellular phone can be used in business for security purposes to make emergency calls. Esselaar (2005), Tanburn & Singh (2001) furthermore argue that businesses could also use ICTs for interaction with Government with a view to acquire information about government services and public entities as well as transact accordingly. It is further stated that ICTs could also be used for business to customer interaction (Tanburn & Singh, 2001). In this instance, businesses could use ICTs to provide customer services, deliver products and communicate with customers (Tanburn & Singh (2001). Business owners could also use ICTs for private use and leisure to communicate with colleagues, family, and friends, for information and conducting research activities (Tanburn & Singh, 2001; Esselaar and Stork 2006).

In addition, Tanburn & Singh (2001) contend that ICTs serve as a bridge that narrows the distance of small enterprises from developed markets. Additional benefits of using ICTs in business as identified by Tanburn & Singh (2001) include increased availability of information within reach, affordable global reach, reduced transaction costs, and lowered barriers to entry and new sources of revenue.

2.5 Mobile Cellular Phones as an Information and Communication Technology Tool

2.5.1 Mobile cellular phone defined

Traditionally, information and communication technologies was used as a term to refer to two sets of distinct technologies. Technologies which used computer hardware and

software to capture, process, retrieve and transmit information were referred to as Information Technologies (The South African Oxford Dictionary, 1994). Technologies that enabled long distance communication over a wire, such as fixed and mobile telephones were referred to telecommunications technologies (McGraw-Hill Encyclopedia of Science and Technology, 1992; Collocott, 1983). Nicol (2003) asserts that in recent years innovations have allowed for information and communication technologies to use the same networks to relay data, voice, multi media services and not operate distinctly. Muhoro and Kennedy, 2005; Duncombe & Heeks, 1999 refer to this process as convergence. The process of convergence, thereby marked the onset of the terminology information and communication technologies. Hence, the term, ICTs is used as an embracing term to refer to the combination of converged information and communication technological devises. A mobile cellular phone, as described in the section hereunder, is one of the technologies which combine both the features of information and communication technologies.

Brain & Tyson (2000) defines a mobile cellular phone as a wireless, hand-held mobile communication devise. It is different from fixed line telephones which connect to networks by means of copper wires or glass fibre that is laid in the ground as well as through walls of buildings (Brain & Tyson, 2000). Mobile cellular phones are not wired to the network but are connected through radio signals to allow for mobility (World Book Encyclopedia, 2007).

The definition by Brain & Tyson (2000) suggests that a cellular phone is a telecommunications devise. A mobile cellular phone was traditionally designed as a communications devise to send and receive voice messages in the form of electrical or radio signals. However, over the years, it was advanced to also include information storage, processing and transmission features (World Book Encyclopedia, 2007). To date, mobile phones have computing functions and that are characterised by a hardware and software. The internet is also accessible through mobile phone networks, which are to present content to the user (World Book Encyclopedia, 2007).

2.5.2 History and Development of Cellular Phones as an ICT devise

Brain & Tyson (2000) asserts that the initial concept of cellular phones emerged when researchers from Bell Laboratories investigated elementary mobile police car phones technology in 1947. These researchers realised that they could increase the traffic capacity of mobile phones substantially by using small cells sites with frequency reuse. (Brain & Tyson (2000) further contends that in 1956, the company Ericsson developed the first fully automatic mobile phone system with direct dialling, called Mobile Telephone System-A (MTA).

Brain and Tyson (2000) assert that the design of cellular phones have evolved over three phases in accordance with the developments of communication technology systems. At invention, the cellular networks used an analogue technology referred to as Advanced Mobile Phone Service (AMPS). At the time mobile cellular phones weighed up to 40 kg. The Advanced Mobile Phone Service is referred to as the first generation mobile phone system (Brain and Tyson, 2000; World Book Encyclopaedia, 2007). It is also indicated that as from the 1990s, the digital communication system such as Global System for Mobile Communications (GSM) which ushered data capabilities, short text message services was introduced. The Global System for Mobile Communications (GSM) is regarded as a second generation (2G) mobile phone system (Brain and Tyson, 2000; World Book Encyclopaedia, 2007)

The third generation network system referred to as the General Packet Radio Service (GPRS) was developed after GSM (Brain and Tyson, 2000; World Book Encyclopaedia, 2007). Third generation mobile phone technologies enable availability of a wider rage of more advanced services. It enables a live streaming of radio and television to the mobile cellular phone handsets, internet, radio, video and picture messaging to compatible mobile cellular phones (Brain and Tyson, 2000; World Book Encyclopedia, 2007). The introduction of the digital communication systems, GSM and GPRS coincided with the launch of smaller phones weighing between 100 to 200g which was a radical change from the initial designs of 40kg (McGraw-Hill Encyclopaedia of Science and Technology, 1992; Brain and Tyson, 2000; World Book Encyclopaedia, 2007).

Congruent with the upgrading of handsets and cellular networks, mobile phones have added features beyond voice calls. These include, in summary: sending text messages and making internet browsing, music playback, personal organisers, e-mail, built-in cameras and camcorders, ring-tones games, radio, infrared and Bluetooth connectivity, call registers, ability to watch streaming television, video or download video for later viewing, and serving as a wireless modem for a PC (Esselaar and Stork, 2005). It is indicated in the World Book Encyclopaedia (2007) that cellular companies are assigned radio frequencies to transmit phone signals within a specified region in the cellular network. Esselaar (2006) states that in 2005, three mobile cellular phone network operators in the country had a license to operate mobile cellular phone services. These operators were Vodacom, MTN and Cell-C (Esselaar, 2006).

2.5.3 The digital divide conundrum

A mobile cellular phone has become the first and only telephone service that is accessed by a larger proportion of people in many developing countries and much cheaper than fixed line service (International Telecommunication Union News, 2005). South Africa forms part of the developing countries which are reported to have a high access of mobile cellular phones (Telecommunications Africa Report, 2007). In keeping with the Maitland Commission recommendation target which indicated that by the early part of the 21st Century, nearly all humankind should be within easy reach of a telephone, South Africa made a break through. Nonetheless, despite the development potential of mobile cellular phones and the increased access to the device, the challenges of micro-enterprises persist. Burton, et al (2004) assert that as a result of increased access to mobile cellular phone by developing countries in the African continent, digital gap was narrowed though not eliminated. The term 'digital divide' describes the gap in the world between nations as well people who do and don't have access to and the capability or potential to use ICTs (Figueres, (2003)

Jensen (2002) highlights that developed countries have advanced their ability and propensity to take up opportunities presented by the Information Age by using ICT tools effectively in business to achieve high economic benefits. It is indicated by Figueres (2003)

that policy makers and scholars worldwide attest that in developing countries the full potential of ICTs for development is not fully realised as the developing countries lag behind in access to and capability to use ICTs. The difference between developed and developing countries lies in the existence of a digital divide. Figueres (2003) asserts that the voice-based divide referred to in the Maitland Commission report titled the "missing link" has evolved to a new phenomenon referred to as the digital divide.

The Digital Opportunity Index was developed to measure the digital divide (International Telecommunication Union News, 2005). According to the results of the Digital Opportunity Index, South Africa assumed 144th position of the 180 economies studied in 2005 (International Telecommunication Union News, 2005). These results point out that South Africa is not one of the top and best performing countries, but rather, South Africa is in the lower quartile of countries surveyed in the index measuring the digital divide. South Africa is near the bottom of the list, thereby suggesting it is lagging behind in the digital divide. In keeping with the digital divide study, Stones (2007) reported that according to the networked readiness world rankings which measures countries propensity to take up opportunities presented by ICTs) and compiled by the World Economic Forum, South Africa ranked 47th position in the world out of 122 countries assessed in the year 2006. It had dropped 10 positions from 2005 whereby it was ranked 37th position (Stones, 2007). Explanation provided is that other countries are catching up faster and displacing South Africa in improving their potential to take up opportunities presented by ICTs.

Wilson (2003) highlights that researchers such as Mansell and When (1998) also affirm that though there is an increasing acknowledgement of the importance of information and communication technologies (ICTs) for development. He contributes a different emphasis to the debate about the digital conundrum. It is further indicated by Wilson (2003) that digital divide gaps persist both at the level of access to ICT infrastructure, and in terms of the form of information conveyed and who is able to use as well as understand and produce the information and knowledge which ICTs potentially make. Building on the argument advanced by Wilson (2003), how are the technologies used in South Africa, especially the

micro-enterprises that are deemed to have growth challenges? Are the technologies used to realise their potential? Are the micro-enterprises businesses taking advantage of the opportunities presented?

2.6 The Use of Mobile Cellular Phone in Micro-enterprises

2.6.1 Purpose of using mobile cellular phone in business

Drawing on research results from a study conducted amongst the small business in Rwanda, Donner (2006) classifies the purpose for use of mobile cellular phones in small business into two, namely, instrumental and intrinsic motivations. He argues that instrumental motivations for use of mobile phone are mainly task orientated and include using the mobile cellular phone to access information and prices (Donner, 2006). On the other hand, intrinsic reasons for mobile phone use in small business are socially or emotionally based, such as use of mobile phone for play and entertainment as well as to derive joy and happiness (Donner, 2006). He reported that the evidence from the study indicated that the small business used the mobile cellular phone for both instrumental and intrinsic motivations.

He further highlights that the research study conducted in Rwanda indicated that mobile cellular phones were also used to substitute for journeys, for brokers, traders and other business intermediaries, thereby, enabling productivity, by saving time and reducing travelling costs (Donner, 2006). In addition, he states that the mobile cellular phone was used to assist in extending social and business networks as well enable constant communication with business contacts (Donner, 2006). Moreover, a mobile cellular phone was also used in business for security purposes to make emergency calls.

2.6.2 Previous research on small business as users of mobile cellular phone

2.6.2.1 Non-vat registered enterprises access to mobile cellular phones

Statistics South Africa conducted a Survey of Employers and the Self-employed, September in 2005. The survey findings revealed that almost three-quarters (73,2per cent) of non-VAT registered business owners who were operating from a fixed location had

access to either a landline or a mobile cellular phone, while 64 per cent of those operating from a mobile location had access to a phone. Although the survey established the issue of access of micro-enterprises to mobile cellular phone, its limitation was that it did not explore the usage of mobile cellular phones in the enterprises.

2.6.2.2 The Research ICT Africa Survey

The Research ICT Africa survey was conducted in 14 African countries, South Africa included. Esselaar and Stork (2006) state that the survey results revealed that mobile phone was the preferred ICT tool amongst SMMEs, regardless of their formality or sector classification. Esselaar and Stork (2006) further argue that data from the Research ICT Africa survey indicate that 96.1 per cent of informal enterprises indicated that mobile phone is very important for their business operation, moreover, 82.9 per cent of informal enterprises use mobile phones for business purposes.

It is further indicated by Esselaar and Stork (2006) that findings of the survey point out that 74.6 per cent of informal enterprises use mobile cell phone particularly for communicating with clients and customers. Approximately 42.7 per cent of informal enterprises use mobile cell phone for ordering supplies, Esselaar and Stork (2006) stipulate. It is also indicated by Esselaar and Stork (2006) that the findings of the Research ICT Africa survey reveal that the mobile phone is used for both personal and business use but the distinction between the two is blurred.

It is emphasised by Esselaar and Stork (2006) that survey results indicate that there is strong demand for a banking solution available over mobile phones that addresses the needs of the SME sector, nevertheless the needs of the SME sector were not met. Esselaar and Stork (2006) also pointed out that only 6 per cent of the SMEs surveyed had a corporate credit card and therefore their chances of engaging in-commerce and other transaction saving devices were curtailed.

Though the above mentioned study provides valuable insights, it did not investigate the use of mobile cellular phone for business interaction with government, including the services and applications preferred by the micro-enterprises.

2.7 Factors which affect enterprises use of ICTs

Donner (2006) emphasises that both instrumental and intrinsic factors influence the mobile cellular phone usage patterns of micro-enterprise owners but not all in the same way. The research by Esselaar and Stork (2006) also indicate that a mobile phone is used for different purposes in varying degrees. Alampay (2006) argues that people have different ways of transforming the same bundle of goods into opportunities for achieving their plans in life, therefore it is important to understand the complex nature of what influences the transformation process. In the same vain, Alampay (2006) argues that the capability approach contend that individual differences, capabilities and choice play a role on whether people make use of the goods, how they apply them, and how they are valued. The choice argument suggests that people have options and they consciously and rationally select particular usage behaviour (Alampay, 2006).

Tanburn & Singh (2001) contend that the extent to which Government takes the lead by giving priority to promoting the development of an information society on a national level through policy pronouncements on universal service and access, together with demonstrated progress on e-government and quality of partnerships between industry and government have a bearing on the usage of ICTs. In addition, Tanburn & Singh (2001) also argue that the extent to which enterprises have trust that the networked information is stored securely in ICTs and that their privacy is protected have a bearing on use patterns. On the other hand, it is stipulated in the Human Development Report (2001) that human capital or higher levels of education make a contribution to technology creation and diffusion. Moreover, Alampay (2006) contends that user attributes such as gender; income and age are among the factors that have an influence on ICT use. He argues that gender has a bearing on use patterns as men have more opportunities than women to access communication facilities and young person easily adopt ICTs (Alampay, 2006).

Essellar & Stork (2006) contend that the high cost of ICTs was identified as the biggest obstacle to broader ICT usage in informal micro-enterprises as around 55.6 per cent micro-enterprises cited high cost and tariffs of ICTs as a constraints to usage (Essellar & Stork, 2006). Alampay (2006 concurs as he emphasises that cost serve as a constraint to individuals using ICTs and it is expected that people with higher incomes use ICTs more often.

According to Niles & Hanson (in Alampay, 2006), a person's social and spatial situation provides them with a context in which they gain the needed skills to learn to use a technology and interpret the information. Therefore it is argued that ICTs will be more accessible for use in urban areas and locations closer to the centre of development (Niles & Hanson in Alampay, 2006). Duncombe & Heeks (1999) point out those constraints which held back ICT use in Botswana's small enterprises included a lack of knowledge about ICTs. In a similar study undertaken in South Africa, Essellar & Stork (2006) assert that lack of awareness and knowledge of ICTs was identified by 10.3 per cent of informal enterprises as significant for using ICTs.

Donner (2006) contends that additional factors which affect mobile phone use includes the features of the phone and intrinsic factors such as the need of the owner to feel important, happy and stylish. It was reported in the Research Africa ICT study that approximately 11.3 per cent of informal enterprises cited network problems and unreliable infrastructure as an additional influential to ICTs usage in business (Essellar & Stork, 2006). Essellar & Stork (2006) pointed out that about 9.5 per cent indicated that they did not need a mobile cellular phone and therefore was not used.

2.8 Policy interventions towards addressing the information and technology challenge of small business

2.8.1 Government strategy on information and advice to small business

In 1995, the Government of South Africa released the White Paper on Small Business (1995), followed by the Integrated Strategy for Small Business Development (2005) as strategies geared towards developing small businesses. According to the White Paper on Small Business (1995), Government's policy stance is that the informal businesses are the most vulnerable because they are less able to address their growth problems on their own, even in effectively functioning market economies. It is further stipulated that Government believes that there is a potential that micro-enterprises could advance into viable small businesses when they have access to relevant support and therefore warrants its intervention. Hazelhurst (2006) as well emphasises that the micro-enterprise sector warrants Government intervention to grow and develop.

The White Paper on Small Business (1995) points out that the Department of Trade and Industry was to establish decentralised business information and advice service centres or local business support centres countrywide from which information and advice could be disseminated (Ten Years of Small-Business Support in RSA Review Report,2004). Nonetheless, the business information centres were not established country wide within a reasonable distance to all enterprises, the Ten Years of Small-Business Support in RSA Review Report (2004) indicates. It is further pointed out that the number of business information centres built were small, compared to the vast number of people involved in self-employment in both urban and rural areas (Ten Years of Small-Business Support in RSA Review Report, 2004). The establishment of the business information centres was erratic and the presence thereof was limited in the rural areas, Ten Years of Small-Business Support in RSA Review Report (2004) points out. Furthermore, it is argued that many of the advisors operating at the centres were inexperienced and information material was scarce. The centres lacked community ownership and support from local authorities,

business organisations, business consultants and training bodies (Ten Years of Small-Business Support in RSA Review Report. 2004).

According to the Ten Years of Small-Business Support in RSA Review Report (2004) the lack of success of the business support centres unfortunately resulted in funding cuts and a decline in the number of supported centres. It is also indicated in the Integrated Small Enterprise Development Strategy (2005) that business information and advice service centres did not adequately service the needs of the entrepreneurs as individual entrepreneurs were usually not aware of the information, advice or know-how offered. The specialists' advisors were also often not fully aware of what SMEs need and how to convey this knowledge.

2.8.2 Government strategy on improving small business use of appropriate technology

2.8.2.1 Information Network and Industrial Innovation Support Programmes

It is reported in the Ten Years of Small-Business Support in RSA Review Report (2004) that the Department of Trade and Industry initiated a Support Programme for Industrial Innovation to focus on the technology needs of small enterprises. It is also indicated that Manufacturing Advice Centres were programmes that were initiated to support technology-transfer processes in manufacturing sector (The Ten Years of Small-Business Support in RSA Review Report, 2004). The shortcoming of these programmes was that it focused on big business. It did not develop solutions for micro-enterprises. In addition, a Business Referral and Information Network (BRAIN) programme coordinated by the Department of Trade and Industry were also initiated to supply SMME-related information electronically. According to the Ten Years of Small-Business Support in RSA Review Report (2004) the programme did not cover the full complement of micro-businesses.

2.8.2.2 Electronic Communications and Transactions Act no. 25, 2002

The Electronic Communications and Transaction Act of 2005 was also enacted to enable business and the Government to use electronic facilities for transactions. Specifically, Section 9 of The Electronic Communications and Transaction Act of 2005 stipulates that in consultation with Minister of Trade and Industry, The Minister of Communications was to evaluate the adequacy of any existing processes, programmes and infrastructure providing for the utilisation by SMMEs of electronic transactions and, based on the findings may establish or facilitate the establishment of electronic communication centres for SMMEs (Electronic Communications and Transaction Act of 2005).

2.8.3 World Summit on Information Society and Development

The heads of states converged in the year 2003 and committed to build a people-centred, inclusive and development-oriented Information Society, where everyone can create, access, utilise and share information and knowledge, enabling individuals, communities and peoples to achieve their full potential in promoting their sustainable development and improving their quality of life (WSIS Declaration, 2003). It was agreed that under favourable conditions, these technologies can be a powerful instrument to increase productivity, generate economic growth, increase job creation and employability, thereby improving the quality of life of all (WSIS Declaration, 2003). Furthermore, it was acknowledged that ICTs open completely new opportunities to attain higher levels of development. It was also agreed that ICTs should be regarded as tools and not as an end in themselves. In addition, the heads of state publicly committed to ensure the use of ICTs to realise the Millennium Development Goals and create an enabling environment whereby the Information Society can flourish as enabled by ICTs (WSIS Declaration, 2003).

Accordingly, in February 2007, Cabinet of South Africa approved the Information Society and Development Plan (ISAD PLAN) as a strategic framework to guide the building of the Information Society in the country. The ISAD propagates that uptake and usage of ICTs by business should be encouraged in order to ensure economic growth and broader economic participation of the South Africa citizenry (ISAD Plan, 2007). The challenge forth is to translate the enabling policy framework into effective programmes to support mobile cellular phone usage by micro-enterprises.

In addition to the literature review outlined, the section hereunder describes the methodology employed to enable the realisation of the research aim.

3 Methodology

3.1 Type of Research

A focus group research methodology was administered in order to achieve the aims and objectives of the study. Catterall & Maclaran (1997) state that focus group research methodology refers to an organised discussion with a selected group of individuals to gain information about their views and experiences of a topic. It is not a discussion, nor a problem solving and decision making group but an interview with a group of people on a specific topic (Catterall & Maclaran, 1997). Welman & Kruger (1999) also affirm that a focus group is not about getting a group of people together to talk. It is a special type of group. What make the focus group distinguishable are the purpose, size, composition and procedures of organising the establishment thereof. They also contend that a focus group study is a carefully planned series of a discussion designed to obtain perceptions in a defined area of interest in a permissive, non-threatening environment (Welman & Kruger, 1999).

The focus group methodology was appropriate as the study sought to investigate and explore the participants' thoughts and an explanation of the reasons why they held certain views. A study was conducted by ResearchICTAfrica in 2005 to explore the use of Information and Communication Technologies in small business. This study employed quantitative research methodology and reported findings in terms of numbers and frequencies. It fell short on providing a detailed explanation on experiences, perceptions, and why particular use patterns of cellular phones are prevalent amongst informal micro-enterprises. Hence, the focus group methodology was chosen as appropriate for this study to build upon the ResearchICTAfrica investigation. According to Welman & Kruger (1999) a qualitative research methodology is relevant in cases whereby the researcher aims to explore the quality dimension of quantitative data.

Focus group methodology is a form of a qualitative research methodology. Trochim (2000) contends that a qualitative research may be generally defined as a study, which is conducted in a natural setting where the researcher, an instrument of data collection, gathers words or pictures, analyzes them inductively, focuses on the meaning of participants, and describes a process that is both expressive and persuasive in language. The proposed focus group methodology is particularly suited to support the research for the reasons that it would enable the researcher to draw upon respondents' attitudes, feelings, and experiences in a way which would not be feasible using other methods. The methodology allows the participants to put the experiences in their own words. Moreover, the group selected was too small but the methodology provided an opportunity to obtain a larger amount of information through group dynamics and synergy. The participants would influence one another to be more expressive by probing, expressing challenging views or adding to the discussion. The focus group was also selected as it provided an opportunity for the student researcher to interact with participants and explore the participants' views, experiences, clarify responses and explore reason behind their own behaviour.

3.2 Composition of the focus group

Seven (7) managers and/or owners of micro enterprises operating in Pretoria were identified and recruited to constitute a heterogeneous focus group and participate in the second meeting. Welman & Kruger (1999) point out that a focus group must be small enough for everyone to have an opportunity to share insights and yet large enough to provide diversity of perceptions. The process began with identifying enterprises who met the criteria for inclusion in the study. The criterion for inclusion was that the respondents would be an owner of a micro-enterprise that operated in Pretoria and fit the description of the key characteristics of the micro-enterprise determined by three characteristics, that is, (i) number of people employed, (ii) turnover generated and (iii) assets of the business. The micro-enterprises operating by the road side in open premises situated in a locality that is most accessible and for the convenience of the student were approached during the recruitment phase. The owners were approached and invited to participate in the focus group. To confirm that they met the criterion of a micro-enterprise an entry questionnaire

was administered before the participation of the owners was confirmed. (See annexure for entry questionnaire). The purpose of the focus group was explained, including the benefits of participation.

The composition of the focus group was not based on random sampling whereby each micro-enterprise had an equal chance of being included in the focus group. Rather a purposive non-probability sampling was used. A purposive non-probability sampling method is defined as any method of sampling or a process of selecting units which could be either people, organisations from a population of interest, that does not utilise some form of random selection (Trochim, 2000). The sampling method is highly recommended when the population studied is inaccessible or a study is linked to a specific geographical area (Trochim, 2000). It is further indicated that in purposive sampling, the researcher sample with a purpose in mind and specific characteristics of the predefined groups (Trochim, 2000). Additionally, it is argued that purposive sampling can be very useful for situations where a researcher need to reach a targeted sample quickly and where sampling for proportionality is not the primary concern. It further stated that this sampling methodology is permissible as in applied social research there may be circumstances where it is not feasible, practical or theoretically sensible to do random sampling (Trochim, 2000).

The respondents were also requested to recommend possible alternative respondents if they can not make it to the focus group discussion. This approach is referred to snowball sampling by Trochim, 2000. He argues that the snowball sampling approach entails following up on respondents recommend by the primary respondents, whereby respondents do not have an equal chance of being picked to be part of the research (Trochim, 2000).

The focus group was composed of people who do not know each other but are willing to share their views based on their experiences. Owners of different micro-business, with different backgrounds, operating in the different parts of the town were recruited to ensure that the focus group was heterogeneous.

3.2.1 Overview of the businesses that the participants in the focus group owned and operated

The background of the respondents is as follows:

(i) **Grace** is 60 years old operates a micro-business by the road side and sells vegetables. Originally from Limpompo, she own and manages the business herself. Her business is not registered for VAT but licensed to operate on the streets by City of Tshwane Council. She established the business to sustain her family. Highest level of education is primary school. Her business does not keep financial records and does not separate business and private funds. Her business does not have a fixed telephone line, fax, computer access, fax machine, website and postal box.

(ii) **Jane** is thirty (30) years of age from Soweto, Johannesburg. She sells fruits and vegetables and cooked meal at construction sites. She has been doing this for five years. Her business is not registered or licensed. Highest level of education is secondary school. Her business does not keep financial records and does not separate business and private funds. Her business does not have a fixed telephone line, fax, computer access , fax machine, website and postal box.

(iii). **Julie** is thirty-five (35) years old. She started with the business as a student at Varsity, three years ago because she could not afford her tuition fees. She is originally from Mamelodi. She sells defected clothes from factories for a profit. Her business is not registered and has no employees. She does not separate business and private finances. She also does not keep financial. Her business does not have a fixed telephone line, fax, computer access fax machine, website and postal box.

(iv). **Nomfundo** is thirty two years old and originally from Umtata, in the Eastern Cape. She is has been in the hair salon business since 2005. She is has a registered business but not registered for tax. She does not have employees and operates her business from sheltered premises in Arcadia. She separated financial and personal finances and keep records of her revenue and expenditure. Her business does not have a fixed telephone line, fax, computer access, fax machine, website and postal box.

(v).**Thabo** owns public telephone that he station at busy streets for people to use. he has an employee who administered and manages the business ion his behalf. He is originally from Cape Town and is forty (40) years old. he is not registered or licensed. He separated private and business finances. Moreover he keeps financial records of his business. His business does not have a fixed telephone line, fax, computer access, fax machine, website and postal box.

(vi). **Mandla** is thirty-eight (38) years old. He was born in Mpumalanga, Nelspruit. He owns a Spaza shop in a squatter camp. His business does not have a fixed telephone line, fax, computer access, fax machine, website and postal box. He does not keep financial records or separate private funds from those of the business.

(vii). **Mtlokwa** is thirty-five (35) years old. He renders video recordings of at functions as a business service. His business does not have a fixed telephone line, fax, computer access, fax machine, website and postal box. He does not keep financial records or separate private funds from those of the business.

3.3 Moderating the focus group

Edmunds (1999) argues that crucial to the success of the focus group is the choice of the moderator. Good levels of group leadership and interpersonal skills are required to moderate a focus group successfully. It is also affirmed by Welman & Kruger (1999) that the moderator has certain characteristics that can inhibit or support the group sharing. Moreover, group process skills are essential if the group is to accomplish its purpose. The student researcher has been trained in group facilitation through the undergraduate social work degree curriculum.

The student researcher assumed a role of a moderator (facilitator). She administered an interview guide that contained 5 questions. (See Annexure Section). Drawing from the guidelines outlined in Edmunds (1999), the questions were sequenced. The meeting was commenced with explaining the purpose of the meeting, followed by the transition question; key questions and ending question. The questions were predetermined and

carefully chosen inline with the purpose and objectives of the study. At the beginning of the meeting the questions were more general and encouraged the participants to share information about their business, as the meeting unfolded the questions became more focus.

The first question posed was to help the participants feel at ease and get them talking. There was no pressure from the researcher for the group to reach consensus or establish a trend. Rather the researcher student made it a point that she paraphrases the inputs, checked for understanding, explored feelings, comments and thought process of participants as they discussed the issues. Follow up questions were posed to allow for in-depth description of experiences. Welman & Kruger (1999) argue that the researcher takes up a non domineering role and is less directive in focus groups. The student researcher posed open-ended questions and allowed individuals to respond without setting boundaries or providing clues for potential response categories. Welman & Kruger (1999) contend that opened ended questions that allowed the participants to respond freely, thereby creating an environment that encouraged participants to share their point of views.

In cases where there was no response forthcoming or not specific, the student researcher probed further. She was also in tuned with her body language not to unintentionally communicate judgment about the responses relayed by the respondents. Drawing from the work of Welman & Kruger (1999), the role of student researcher was to ask questions, listen, keep the discussion on track and make sure that all the participants have a chance to speak. She made sure that the process is not mysterious by indicating what is going to happen to their inputs, and referred to the focus group as a small group discussion.

The members were cooperative and readily responded to the questions posed. They also influenced each other by responding to ideas and comments of others Welman & Kruger (1999) and Catterall & Maclaran (1997) agree that the additional benefits of focus group

research is that interaction between participants leads to relatively spontaneous responses and creates a high level of involvement.

3.4 Recording the data

The moderator (student researcher) recorded the meeting through digital voice recorder so that the she can focus on managing the group and encouraging maximal participation. Permission to record was sought prior to the commencement of the session. The tapes were later transcribed into a script detailing the deliberations. (See Annexure Section) Edmunds (1999) contends that the transcript allows the analyst to re-experience the group, body language and tone of the discussion.

3.5 Analysis, presentation of findings and reporting

Data analysis consists of examining, categorising, tabulating or otherwise recombing the evidence, to address the initial proposition of the study, Welman & Kruger (1999: 125) contends. The student researcher therefore used Gordon and Langmaid (1988) proposed approach to the analysis of focus group data in market research. A large-sheet-of-paper of the transcript was manually cut into text segments that relate to themes and headings related to research objectives and sub research question. Thereafter the segmented sheets containing direct quotations were pasted on to a large sheet for ease of analysis. Qualitative analysis was then undertaken to respond to the research problem as guided by the theoretical discourse underpinning the subject matter and key research questions. Drawing on the guidelines provided by Edmunds (1999), the findings were reported in narrative form to respond to the key research question and sub-research question. Focus group methodology is a form of a qualitative research methodology. Edmunds (1999) also contends that the data from focus group can not be presented into graphs and pie charts like quantitative methodology.

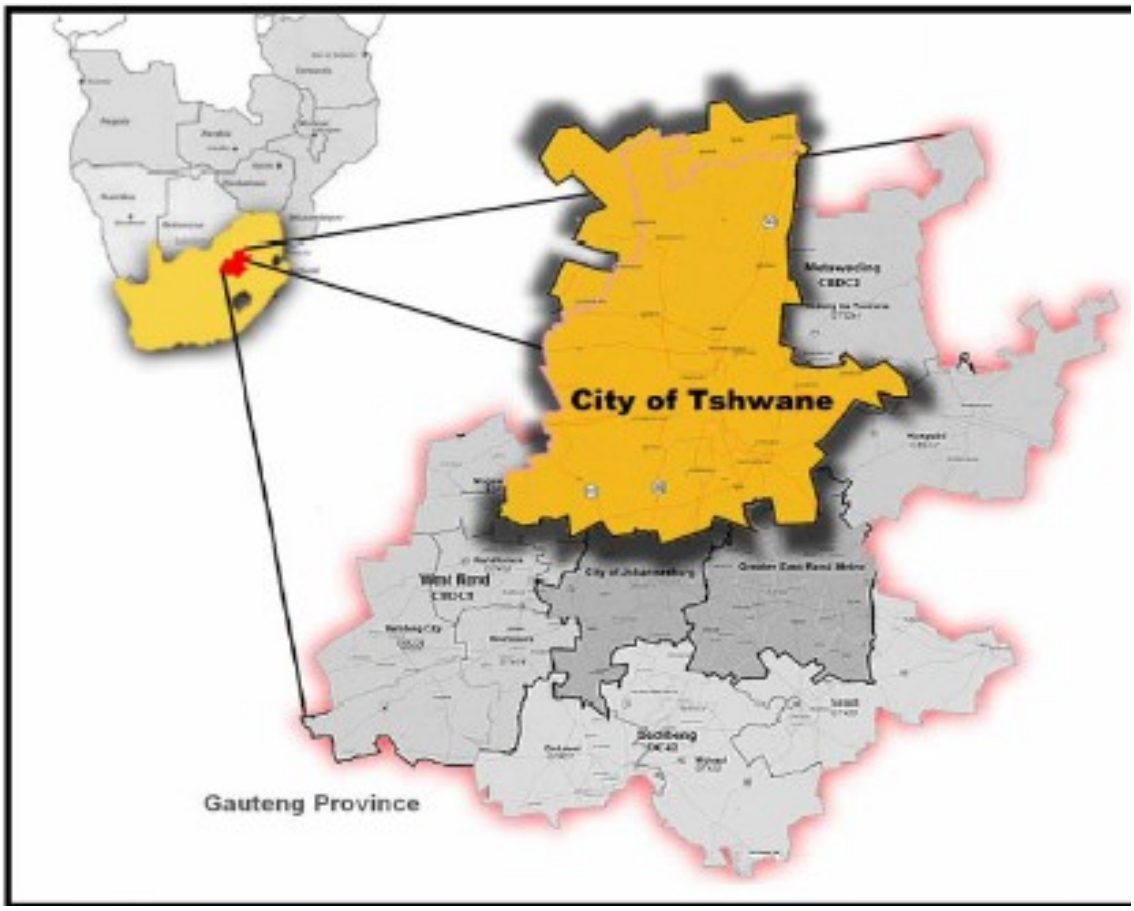
3.6 Limitations of Research

Notwithstanding the benefits of a focus group methodology as mentioned above, the methodology has inherent and widely recognised limitations. The limitations were as follows:

- The results may not be generalised to a whole population as the participants were not representative sample. The sample size was too small to allow for generalisation as only seven micro-enterprise owners participated in the focus group
- The convenience nature of the recruitment and selection process limits generalisation of the findings to the larger population. The selection process was biased and a non-representative sampling process was followed thereby limiting the extent to which the findings could be generalised.
- There is no certainty that individual behaviour beyond the focus group mirrored group self-reported behaviour
- The responses from the participants were not independent from one another and results were biased as influenced by the most dominant member

4 Presentation of Findings

It was highlighted in the literature review section of this report that that the largest number of non-VAT registered businesses, were found in Gauteng Province (Survey of employers and self employed report, 2001). Respondents that constituted the focus group operated their business in Pretoria. Pretoria is an area located in the northern part of Gauteng Province in the City of Tshwane Metropolitan Municipality. (See Map below)



The seven participants of the focus group were randomly drawn from Sunnyside and Hatfield which are some of the suburbs that make up the Pretoria area. Seven forms of micro-enterprises were represented in the focus group, namely, enterprise that specialise in selling vegetables and cooked meals for construction workers, clothes with defects, hair salon, public telephones, shop, video recording. (See methodology section for the

background information about the participants). It is reported by Ligthelm & van Wyk, 2004) that between 2004 and 2005 about 1 884 046 people resided in Tshwane and 3385 informal traders operated in the select sections of the city. Ligthelm & van Wyk (2004) further indicate that informal trading from micro businesses makes an important contribution to the economic and social environment of Pretoria, though it largely remains a survivalist trade. Noting the economic and social benefits of the sector, it is reported that the emphasis of the local municipality has shifted away from punitive law enforcement whereby the micro-enterprises were forcibly removed from the streets towards creating a supportive environment for the informal trading sector to thrive (Ligthelm & van Wyk, 2004).

The argument advanced in the literature view section indicates that ICTs bring benefits and opportunities for enterprises in developing countries (Alampay, 2006). Donner (2006) asserts that mobile cellular phones provide users with the power to carry their voices and ideas across time and space. How exactly do micro-enterprise owners use this new power? At the heart of this research study is the question: Are micro-enterprises realising the full potential of cellular phones? Essellar and Stork (2006) in concurrence with numerous authors indicate that in order to realise the benefits of ICTs, enterprises are to use the tools. According to the OECD Working paper-DSTI/ICCP/II(99)4/final(1999), indicators which measure usage of ICTs in society permit countries to profile the following dimensions:

(h) who is exploiting ICTs possibilities

(i) who is not exploiting ICTs opportunities

(j) purpose and reasons for using ICTs

(k) nature of applications used

(l) nature of transactions carried out through ICTs

(m) volume and intensity of the transactions carried out through ICTs

(n) ends achieved through ICTs

In the quest to gather evidence which would allow for conclusions (though not generalisation) to be drawn, the responses of the focus group members are analysed hereunder in terms of the arguments of outlined above (Essellar and Stock, 2006; Donner, 2006; the OECD Working paper-DSTI/ICCP/II(99)4/final, 1999) and the theoretical framework set out in the literature view section.

4.1 The meaning attached to a mobile cellular phone

It is argued by Esselaar & Stork (2006) that data from the ResearchICTAfrica indicate that a mobile phone is one ICT that is also the most widespread amongst SMMEs (Esselaar, 2006). The findings also indicated that mobile cellular phone was perceived to be the most useful tool and the most preferred ICT tool amongst SMEs, regardless of the sector or the level of formality amongst SMMEs or sector classification. In addition, the findings by Essellar & Stork (2006) pointed out that about 9.5 per cent of micro-enterprises in 2006 indicated that they did not need a mobile cellular phone. The responses of the focus group members revealed that the participating micro-enterprise owners do not disregard the value of a mobile cellular phone. The owners in the focus group regarded a mobile cellular phone as an integral part of business. The owners preferred to use the mobile cellular phone when doing business relative to a landline phone. The positive perceptions of a cellular phone are echoed by statements from Nomfundo and Mtlokwa outlined hereunder.

Nomfundo: *"…I cannot rely on landline to run my business because I can not carry it everywhere I go. My clients can call me anytime they need me. Life is easier with a cell phone…If I can stop to use a cell phone, my business would suffocate and die..".*

Mtlokwa: I *do not have land line, I rent a room in the backyard of my landlord. I can not go into the house and use his landline phone because I would be troubling him. … A cell phone for me is my office...*

These statements by Nomfundo and Mtlokwa also point out that a mobile cellular phone is a preferred medium of communication because it can be hand held and carried everywhere, thereby supporting the argument by Donner (2006) that a global ICT industry has emerged because people value mobility.

The meaning of a mobile cellular phone which was expressed by Mtlokwa is that *"a cell phone for me is my office..."*. It is indicated in the Integrated Small-Enterprise-Development Strategy (2005) that the location, physical condition and cost of business premises is of critical importance to the turn-over, profitability and growth of small enterprises. The statement by Mtlokwa underscores and affirms the argument by Esselaar & Stork (2006) that the presence of mobile cellular phones in micro enterprises point to the increasing importance of mobility and the low start-up costs associated with mobile phones.

4.2 The use of mobile cellular phone functions, services and applications

It is indicated that the applications, services and features of cellular phones have evolved over three phases in accordance with the developments of communication technology systems (Brain and Tyson, 2000). In addition to the voice call function, The Global System for Mobile Communications (GSM) which is regarded as a second generation (2G) mobile phone systems ushered data capabilities, short text message service. Third generation mobile phone technologies General Packet Radio Service (GPRS) was developed after GSM, enable availability of a wider range of more advanced services. It enables a live streaming of radio and television to the mobile cellular phone handsets, internet, radio, video and picture messaging to compatible mobile cellular phones (Brain and Tyson, 2000; World Book Encyclopaedia, 2007). The discussions which unfolded at the focus group meeting revealed that micro enterprise business owners are not aware of all the functions and applications of a mobile cellular phone. They are mostly familiar with voice call, voice mail, SMS and phone book. Beneath are statements which affirm the contention.

4.2.1 Voice call function

Mapule also pointed out that she uses a cellular phone to listen to voice messages. Statements which relate to the use of the voice call function were uttered by Mapule and Nomfundo as follows:

Mapule : *I receive calls and messages from my immediate and extended family only.*

Nomfundo: *In my case I talk over the phone with other business to find out hairstyle trends, prices and products available in the market.*

It was indicated by Mapule that a voice call function is preferred because it ensures privacy and convenience. It also gives surety that the recipients received a message. Mapule specifically stated that : *I do not like SMS because one is never sure that the recipients has received the message. At least with voice call one has a confirmation. The beauty about voice calls is that I know who are the recipients of the information and can get direct feedback and orders from them.*

4.2.2 Short message service (SMS)

The micro-business owners in the focus group preferred short message service because it is cheaper, and, moreover, a message can be send to more than one person at a touch of a single button rather than to call them individually. The statement uttered by Reggy captures the essence of the focus group members about short message service of a mobile cellular phone. The following statements were uttered:

Reggy: *it is cheaper and gives privacy, you can be seated and communicate. But at times it bad because it can be used against you then need to be careful*

Mtlokwa pointed out that the SMS function also enables the micro-enterprise owners to monitor their bank accounts. Mtlokwa stated that *"I also receive SMS from the bank to notify me that there is an activity in my account".*

The limitation of SMS was also identified during the focus group discussion. The limitations identified were that the sender is never certain that the recipient has received the message. Grace also pointed out that SMS applies to people who are literate and can read and write.

Grace: *but for people like us who do not know how to write I do not think it would be useful.*

The Grace case also alludes to age and literacy as one of the factors that influenced the use of the phone. The statements beneath capture the essence:

Grace: *For an older person like me, technology is too difficult …. I do not know how to use all of those functions*

In support of the statement by Grace, Alampay (2006) contends that user attributes such as gender; income and age are among the factors that have an influence on ICT use.

4.2.3 Mobile Internet

Thabo, as a member of the focus group pointed out that internet available over a mobile cellular phone is a worthwhile service and information that is available on the internet could be utilised to grow micro-enterprises. Nonetheless, most of the owners in the focus group did not have access to this service.

Reggie: *the cell phone has limited value for me**.** I am person that likes surfing on the internet. Internet can not be done over cell phone*

Mapule: *I do not have access to internet and cell phone banking because my phone can not support the functions*

Reggie*: Yes sure, internet can be accessed over the cell phone. But if the user likes to stay long for five hours or so, the lifespan would not suffice to because of the battery that would run out.*

Thabo: *one an use internet on the cell phone. It depends on the mobile cellular phone you have. I have internet on my cell phone but it is not working. I use my phone for mobile cellular phone banking with the bank.*

Though internet has been commended as a good tool there is a school of though which argues that ICTs are not useful without the content. Therefore, locally relevant content need to be developed and transmitted over ICTs, the WSIS Declaration (2003) stipulates. Reggie pointed out to the other members of the focus group that the battery life of a mobile phone influences the extent to which the internet functions can be used in business effectively.

4.2.4 Camera and Picture messaging

It is only in the hair salon business that the camera function was used as picture messaging was not used maximally by the members of the focus group. The nature of the business influenced the owner to utilise the service. Statements which relate to the use of the camera and picture messaging function were uttered by Nomfundo as follows:

Nomfundo: *Whenever I come up with a new hairstyle, I take a picture using the camera in my phone and download it later and put in the album to be viewed by prospective clients.*

4.2.5 Calculator

The calculator function was not mentioned. Probably lack of security and fear of being mugged when operating on the street threaten the use thereof. It is indicated that there has ben an increase in the number of mobile cellular phone stolen

4.2.6 Mobile TV, Video and word processing programmes

The focus group members did not mention that they used the mobile tv, video and work processing function in their business.. Lack of awareness about the new functions of a mobile cellular phone as pointed out in the statement below could be a contributory factor to low usage:

Nomfundo: *I am not exposed to these things but willing to learn*

The utterances of one of members of the working group summarise and provide an insight that in addition to personal attributes and awareness, the type of a phone available to the owner is an influential factor to usage of a mobile cellular phone in business. "*…I have a useless 5110, I am grateful that I can listen to message…,* Mapule pointed out. Donner (2006) also contends that features of the mobile cellular phone may also prompt mobile phone usage.

4.3 Mobile cellular phone use for business to business interaction and communication

The discussion of the focus group revealed that the micro-enterprise owners used a cellular phone effectively to make contact with other businesses. It emerged from the focus group discussion that a cell phone was used to call a transport driver to collect stock from the supplier and deliver it to the micro-enterprise owner. Micro-enterprises that specialise in selling vegetables and cooked meals made use of this service. The statements hereunder demonstrate the occurrence:

Grace: ... I call the transport driver from my cell phone to bring me stock from the market and deliver it wherever I am operating from. The driver would purchase the stock and I have to refund him when he delivers...

Jane: *I would agree with Grace. Cell phones are important because when I need some stock from the market, I call the driver of the van to pick me up to go to the market. In cases I can not make it to the market I ask him to purchase the stock on my behalf to refund his money upon delivery.*

It was also indicated that the cell phone was used to solicit maintenance and technical assistance from a service provider. In particular, Thabo indicated that: *"I have an engineer who is my personal friend. He repairs my phones if there is a problem. But at times I use a cell phone to call other maintenance guys, especially in emergency situations".*

The deliberations of the focus group indicate that the use of a cell phone to liaise with the transport driver helped micro-business owners to maintain presence in their business and ensure that the business is not interrupted, thereby allowing them to maximise on the sales of the day. By leaving the business to go to the market they would loss sales for the day. The focus group members realised the productivity benefit highlighted by Donner (2006). He states that a mobile phone enable productivity by time saving or reduction in travelling costs, when used to substitute for journeys, for brokers, traders and other business intermediaries (Donner, 2006).

Focus group members reference to contact with suppliers of services through a mobile cellular phone points to the argument by Enslin (2006) which indicates that micro business are not isolated but have interlinkages with other businesses thus helping to create employment in other sectors of the economy. In his State of the City Address on 17 February 2004, the Executive Mayor, Father. Smangaliso Mkhatswa (in Ligthelm & Van Wyk, 2004) reinforced this idea when he stated that economies are a seamless progression from informal traders to corporate entities He also pointed out that the 'informal economy' does not operate separately from the 'formal economy'. Instead, both the 'formal' and the 'informal economy' are part of a continuum, with the most formal and most informal activities at the extremities.

The discussed in the focus group affirmed the argument by Esselaar (2005) and Tanburn & Singh (2001) that the economic potential of ICTs is realised when a cellular phone is used for business to businesses interaction, particularly to receive and place orders from other business, as well as to receive information updates from other businesses and communicate with suppliers. Drawing from the utterances relayed during the focus group discussion, contact with the actual supplier was not fully explored by the micro-enterprise owners. The owners of micro-enterprises that sell vegetable did not explore placing orders directly to the supplier using the cell phone as per the indication of Donner (2006). He argues that instrumental motivations for use of mobile phone include using the mobile cellular phone to access information and prices (Donner, 2006).

It emerges from the focus group discussion that the micro-enterprises owners did not use a mobile cellular phone to check the credibility of the driver and verify the pricing of the goods. The benefits of placing the order directly to the supplier using a cell phone are that prices can be negotiated and specifications can be made known to the supplier. Therefore, the benefits of directly placing orders to other businesses were foregone by not calling the market directly.

The discussions revealed that it was only the focus group member that owned a hair salon who used a cell phone to place orders directly to the supplier. A cell phone was effectively used in this regard. The owner ordered hair products from suppliers and would sell them for more profit. The focus group discussion also revealed that the owner of the video and hairsalon business used the mobile cellular phone to receive bookings from clients.

The statements uttered during the focus group which related to the delivery of products from the market suggest that the service provided by the transport driver as arranged over the cell phone is beneficial for the micro-enterprise owners. Joseph (2003) emphasises that there are circles of people that have a negative view of the development potential of ICTs. Drawing from this paradigm, it could be argued that the arrangement with the intermediary is not beneficial to the micro-enterprises because it is disempowering. The pessimistic view would contend that the transport driver as an intermediary has the power to negotiate the price on behalf of the entrepreneur without passing the discount and savings to the owners, thereby disadvantaging the owner.

During the focus group discussion, Mapule articulated her business vision. Mapule had a good vision to open an entertainment centre. She pointed out that she did not contact other business people to explore how they can help her grow her business. In this case the potential of the mobile cellular phone was not explored to contact other business owners with a view to expand the micro-enterprise.

4.4 Mobile cellular phone use for business to customer interaction

The discussion at the focus group also indicated that a mobile cellular phone was also used to interact with customers. The utterances hereunder bear evidence.

Nomfundo: *My clients can call me anytime they need me.*

Mapule: … When my customers want to place an order they would call me to place an order and inform me of the size they require. When I have stock I would also call my regular customers and inform them.

Mtlokwa: *I call customers on their cell phones in order to arrange and confirm appointments. When they want to make a booking they call me on my mobile cellular phone. A cell phone for me is my office...*

One of the participants indicated that the number identity recognition service is valuable. The utterances hereunder bear testimony.

Mandla: *my phone can identify who us calling at the moment.*

Khopotso: *what is the good thing about knowing who is calling?*

Mandla: *Excitement, because the person is bringing money*

It could be deduced from these statements that when the call comes through and it indicates that it is a repeat customer, the mood of the owner is influenced positively. It was expressed during the focus group discussion that one of the owners creatively used the contacts or phone book function of the cell phone as a tool to keep abreast of the developments in the status of the clients. She indicated that she recorded the details of the repeat client in the phone book.

Mapule: *I recorded all the contact telephones of the repeat customers in the phone book function of my phone and then call them.*

The deliberations of the focus group reveal that the phone book function serves as a client data base service and the owners used it effectively in the video and clothing business. The vegetable selling, telephone and *spaza* (small shop) business owners did not mention that they utilised the service, thereby not capitalizing on repeat customers. It could be deduced that the nature of the client base of these businesses influenced how the owners used a mobile cellular phone for interacting with them. Vegetable selling, telephone and *spaza* (small shop) business usually draw on passer by whilst the clothing and hair salon allows the owner to build a relationship with clients during repeat visits.

4.5 Business to Government interaction

The discussions of the focus group revealed that the most popular method of interacting with government amongst micro-enterprises is face to face interaction. The remarks below point to the occurrence.

Grace: *But I do not call them. I go in person rather than calling. I got to interface with government when I pay for the licenses to sell on the streets, every three months.*

Mapule : *I have been to DTI personally? I was told that I have to register for R250 and I never went there again.*

The micro enterprise owners which constituted the focus group did not use the mobile cellular phone to call government departments with a view to access information and services. The statement of one of the focus group members outlined hereunder alluded to the fact that making calls to government departments call centres is expensive and hence the limited calls to Government agencies. According to Esselaar (2006) the high usage costs such as mobile phone charges, discriminate against those that can least afford it.

Thabo*:. I have called but my money ran out whilst they put me on hold…I actually prefer to use landline to call government establishments because it would be expensive to call from a cell phone*

4.6 Mobile cellular phone use and managing competition

It also emerged from the focus group discussion that a cell phone helped in managing competition by enabling micro-enterprise owners to attract and retaining customers, to provide a timely service and respond to the client instantaneously, moreover, give personalised services and conduct market research. The statements hereunder demonstrate the contention.

Nomfundo: *It is tough because competition is high….by calling them, I can understand the competition better as I get to know the new styles in the market and the price charges.*

Fanny: *I agree it is tough to be a business person… There are two more other spaza shops in my neighbourhood…..*

Mapule: *There is competition in attracting customers. And I found that cellular phone would help when I was selling clothes.*

Mtlokwa: *I am an emerging business and do not know about marketing principles and protocol. I do not issue phamplets to attract potential clients. A mobile cellular phone enable me to market my business*

4.7 Mobile cellular phone use and Business Efficiency

The discussion of the focus group affirmed the contention of the WSIS Declaration (2003) that ICTs are an important enabler of enterprise growth through efficiency gains and increased productivity. The focus group discussions revealed that the mobile cellular phone enabled the owners to multi task, and fulfil different functions at the same time, thereby increasing business efficiency. The utterances outlined hereunder are in support of the contention of the:

***Nomfundo** : I can run my business whilst I am seating at home…*

***Grace:** I also call my sister at home to buy meat for me so that I can prepare stew whenever I reach home in preparation for the following day's sales.*

4.8 Mobile cellular phone use and credit management

Offering products on credit was identified during the focus group discussion as one of the strategies for micro-enterprises to survive. It was specifically stated by Jane, that: *Yes, that is how I make money because they earn every fortnight and do not have readily available cash.* It was nonetheless also highlighted that it was difficult to get money back from the customers, thereby posing a credit management challenge for micro-enterprises. The discussion which unfolded at the focus group meeting, pointed out that the potential of a cell phone to assist is credit management was not exploited and follow up calls to creditors were not made and location tracking application was not activated. Jane, specifically stated ***that:** I have never thought about calling them to ask for my money back.*

4.9 Mobile cellular phone use and social networks

The focus group discussion furthermore pointed out that a cell phone served a dual purpose, thereby affirming the argument advanced by Esselaar (2006) that the distribution between personal and private use of a mobile cellular phone is blurred in the informal sector. The following statements were uttered which pointed that a mobile cellular phone was used for both private and business purposes.

Grace : "…I mainly use it for private use. I receive calls and messages from my immediate and extended family only. I also used it to convey urgent messages to them. I talk to my family, like now we have a wedding and I am assisting with preparations. I do not use it a lot for business…" Occasionally whilst selling on the streets, I also call my sister at home to buy meat for me so that I can prepare stew

It is stated by Tanburn & Singh, 2001; Esselaar and Stork (2006) that business owners could also use ICTs for private use and leisure to communicate with colleagues, family, friends, for information and conducting research activities. The deliberations of the focus group also support the assertion that there are intrinsic reasons that are socially or emotionally based which influence mobile phone use in small business. Donner (2006) indicates that intrinsic reasons include the use of mobile phone for play and entertainment as well as to derive joy and happiness.

It also emerged from the focus group discussion that a mobile cellular phone was used to mobilise capital for business expansion. Mapule, one of the focus group members indicated that she mobilised her social network to assist in achieving her business vision, eventhough she was not successful. Her utterance was as follows:

Mapule: *At times I call my classmates to request that they help me grow my business. I ask them borrow me money or buy stock that I can sell for them.*

4.10 Mobile cellular phone use and employer liaison

Thabo: when I talk with friends. At times the lady that attends to the public phone calls me to let me know that she is not coming to work. She also calls me to remind me when it is the end of the day and it is knock off time.

This statement point to the use of a cell phone by a micro-business owner to communicate with employees. This approach is valuable as it harnesses communication between employer and employees thereby creating an enabling environment for business growth. It is stipulated in the theory underpinning the field of labour relations, that effective communication helps foster harmonious employer-employee relationship and increases business efficiency cause of lessen labour disruptions.

4.11 Mobile cellular phone use and banking

Esselar (2006) contends that the mobile banking solutions that are currently available tend to be only suitable for the formal sector and require a cheque account, or a credit card. The deliberations of the focus group pointed out that the mobile cellular phone banking was also not popular and fully exploited, thereby affirming the contention by Esselar (2006). It is argued by Esselar (2006) that two factors constrain and serve as obstacles to the usage of mobile cellular phone banking in micro-enterprises, namely, mobile banking platforms were seen as too complicated, costly and time consuming by the micro-enterprises that responded to the Research Africa ICT survey. The section hereunder would provide conclusions derived from the analysis presented above.

The findings were detailed in terms of interpretation of statements and linkage thereof to literature, the section hereunder seeks to outline the findings in a summarised narrative format.

The focus group discussion expressed statements which provided qualitative information regarding the sub-research question: How are mobile cellular phones used in informal micro-enterprises based at Pretoria? There are varied featured and services available on a cellular phone which may be used in micro-enterprises. It emerged from the focus group meeting that micro enterprise business owners were not aware of all the functions and applications of a mobile cellular phone. It emerged in the study that applications that were used in the micro-enterprise in Pretoria are mainly voice call, voice mail, SMS, sending text messages, phone book, call registers and picture messaging. The services which were not widely used include sending e-mail and images, browsing internet, music playback, personal organizers, built-in cameras and calculator, games, radio, wireless document transfer through bluetooth connectivity, video download for later viewing, and serving as a wireless modem for a personal computer. Voice calls are mainly used to communicate with other business, customers and social network. Micro-business to Government interaction through the use of phone is absent. Therefore, this brings us to conclude that

cell phone was not fully utilised to make use of the features available to the micro-enterprises based at Pretoria which participated in the focus group.

The study also revealed that the micro enterprises used the phone for business to business; business to government and business to customer interaction. This finding supports the work of Tanburn and Singh(2001) regarding the categorisation of the purpose of using ICTs. It emerges from the study that the micro-enterprise owners did exploit the benefits of using the mobile cellular phone in varying degrees. They used the cellular phone for, business to businesses interaction to receive orders from other business; place orders from other business; receive information updates from other businesses and to communicate with suppliers. The mobile cellular phone was used in the micro-enterprise for business to government interaction for acquiring information about government services and public entities. It was not extensively used for transacting with Government and public entities. It also emerged from the study that mobile cellular phone was used for business to customers with a view to provide customer services, delivering product and communicate with customers. The mobile cellular phone in micro-enterprises was also used to communicate with family and friends as well as accessing financial services through cellular phone banking. It was also revealed that the use of a cellular phone for leisure, to search for information and conducting research activities was not extensive.

The cellular phone was innovatively used for capital mobilisation, leveraging social network for business, transport and logistical support; managing competition, business efficiency and employee liaison. These findings contribute to the discourse about the purpose and benefits of using ICTs.

In terms of the second sub-research question which stated, What factors influence the use of mobile cellular phones in informal micro-enterprises and the realisation of the business potential thereof? The study indicated that factors which influenced the use of mobile cellular were mainly, economic, socio-cultural, technical and cost inclined. The model of a mobile phone available to the owner, age, awareness, human capital of the owners mainly influenced the usage patterns. The focus group also identified the specific business needs that drive the owners to use mobile celluar phone. The focus group members did not

mention some of the factors affecting the speed with which enterprises are able to adopt ICTs as mentioned by Tanburn & Singh (2001) which include e-leadership, information security, and e-business climate.

In relation to the third research question, namely, How can the use of mobile cellular phones in informal micro enterprises be improved to support their growth, development and sustainability? It is recommended that Government, private sector, micro-enterprise owners take specific action as outlined hereunder.

4.11.1 Recommendations for Government

In the interest of supporting the increased usage of mobile cellular phone for the growth development of micro-enterprises, it is recommended that Government:

1. Formulate a programme to support the micro-enterprise cellular phone enabled interaction with big businesses for trade , mentoring and coaching purposes
2. Develop and package information to be transferred through text messages as part of the mobile-Government for business development support programme
3. Ensure that business support agencies employ ICTs consultants that can assess and provide the micro-enterprises with a report of practical solutions on how entrepreneurs can use mobile cellular phones to develop their business
4. Incentivise mobile cellular phone network operators to introduce a discount tariff rate for micro-enterprises
5. Invest in research and development of open source based mobile applications for micro-enterprises
6. Implement an awareness programme aimed at educating micro-enterprises about the benefits of using mobile cellular phones to support business development

7. Introduce a support programme aimed at educating micro-enterprises on how to use the advanced applications of mobile cellular phones such as internet

4.11.2 Recommendations for Enterprises

It is recommended that the micro-enterprise business owners:

1. Upgrade to third generation network (3G) enabled phones with advanced applications such as the internet
2. Keep abreast of new mobile phone innovations, services and applications available
3. Seek to define the future of the business and the activities that can be supported by the mobile cellular phone

4.11.3 Recommendation for Private Sector

It is recommended that the private sector and mobile cellular phone network operators:

1. Make 3-G enabled mobile cellular phones available to micro-enterprises at a discount rate or on a lease basis
2. Reduce prices of handsets
3. Introduce special mobile phone handset and airtime packages for micro enterprises
4. Design advertisements which communicate how cellular phones can assist the micro-enterprise sector to develop

5 Conclusion and Recommendations

The following section summarises the key findings, notes some of the limitations of this research study and recommends areas for further research.

5.1 Conclusion

This research report presents the findings of an applied research study designed to explore the usage of mobile cellular phones in micro-enterprises based at Pretoria. The exploratory study set out to contribute towards the formulation of appropriate polices, strategies and interventions to improve micro-enterprises' use of mobile cellular phones as tools to support business development. It is also meant to coincide with global initiatives which seek to measure and consolidate evidence pertaining to the factors which may lead to the failure of ICTs to address development issues as well as the behaviour of ICT users. In particular, this research report, considers the core research question: Are informal, survivalist micro-enterprises based in Pretoria realising the full potential of cellular phones to support the growth, development and sustainability of their businesses? What measures must be taken to advance the effective use of mobile cellular phones in informal, survivalist micro-enterprises.

In order to respond to the research question, the study was developed to provide qualitative empirical evidence and the focus group methodology was accordingly employed. Moreover, the report outlined a wide range of relevant literature that shed light on the topic. Drawing on literature, the report noted various ways in which ICTs holistically and mobile cellular phones in particular may support the growth and development micro-enterprises. The discourse on ICT for development which underpins the area of study was also outlined to highlight the key debates. Findings and insights from similar studies which investigated usage of mobile cellular phone or ICTs by micro-enterprises were also examined.

The focus group composed by the owners of the micro-enterprises as participants provided valuable insights in terms of the meaning that the micro-enterprise owners attach to a mobile cellular phone, the mobile cellular phone usage patterns of informal micro-enterprises and the reasons why they prefer particular usage patterns. A description of the mobile cellular phone applications and services that the entrepreneurs used and prefer were outlined.

The study did not seek to draw conclusions for generalisation, rather, it has endeavoured to encourage reflection, deepen existing research and inform further debate on theory and programmes of ICT for development in the context of the development of South Africa. Hence, it is particularly weak in providing information about the volume and intensity of mobile cellular phone usage, and clustering the responses in terms of proportions and frequencies. Moreover, the sample group selected for the study was too small for the findings to be generalised, though valuable insights emerged. The recruitment process was also non-random thereby and hence the findings can not be generalised. The analysis did not focus on the evaluation of the impact of cellular phone in the micro-enterprises to establish causalities and long term changes induced by cellular phone usage.

The report revealed that in order to understand usage of mobile services, as a precursor, it is important to understand the micro-enterprise business needs, in terms of the form of business they own, characteristics thereof, their information needs and information sourcing practices. The description of the characteristics of micro-enterprises indicated the structural limitation of micro-enterprises and challenges which influence their business performance and hence necessitate the usage of mobile cellular phone. Micro-enterprises present unique features, structural limitations which influence their performance, compared to other forms of businesses, such as small, medium and big businesses. They generate low income, small profit margins which are consumed by micro-enterprise owners for private purposes within the same day, week or month. Inadequate access to information and technology was cited in the literature as one of the foundational factors which pose a challenge to the micro-enterprises. Overall, the development challenges of micro-enterprises manifested as the inability survive beyond three years after establishment. The key argument in the literature was that the micro-enterprises need to graduate into higher performing business-

es, hence Government's involvement and the prioritisation of the sector for increased and effective mobile cellular phone. They need to increase their income and sustainability and employ more people at the benefit of national economic and social development. The gap in their performance is a problem not only for the entrepreneurs but for threatening increased employment and halving poverty which is a priority of Government.

Assertions from literature which indicate that it is widely acknowledged that ICTs open completely new opportunities of attaining higher levels of development was supported by the findings of the study. Qualitative evidence indicated that the cellular phone was used in all the seven forms of enterprises represented in the focus group, namely, enterprise that specialise in selling vegetables and cooked meals for construction workers, clothes with defects, hair salon, public telephones, shop, video recording. The owners regarded a mobile cellular phone as an integral part of business and preferred to use it when doing business relative to a landline phone. The micro-enterprises are by their nature informal without fixed location, the focus group indicated that a cellular phone provides them with mobility.

A mobile cellular phone has varied featured and services available on a cellular phone which may be used in micro-enterprises. It emerged from the study that the micro-enterprise owners used the mobile cellular phone in varying ways. It also emerged from the focus group meeting that micro enterprise business owners were not aware of all the functions and applications of a mobile cellular phone. It was pointed out in the study that applications that were used in the micro-enterprise in Pretoria are mainly voice call, voice mail, SMS, sending text messages, phone book, call registers and picture messaging. The services which were not used widely include sending e-mail, browsing internet, music playback, personal organisers, built-in cameras and calculator, games, radio, wireless document transfer through bluetooth connectivity, video download for later viewing, and serving as a wireless modem for a personal computer. Voice calls were mainly used to communicate with other businesses, customers and for social networking purposes. Micro-business to Government interaction through the use of phone was absent.

Therefore, this brings us to conclude that though the micro-enterprise owners from Pretoria which participated in the focus group had an access to a mobile cellular phone, they did not fully utilised all the features, applications and services available to support business activities. What was previously expressed in the literature section and then confirmed by the respondents was that environmental and socio-economic factors influence the use of cellular phones coupled with the nature of business. What was previously expressed in the literature section and challenged by the respondents was that interaction with friends over a cellular phone is not only for leisure but could be to mobilise other potential entrepreneurs and to solicit expansion funding. Moreover, it is not only access to mobile cellular phones that bear opportunities but the quality of the phone and content therein. New insights that emerged were that the mobile cellular phone was innovatively used for capital mobilisation, leveraging social network for business, facilitating transport and logistical support; managing competition, improving business efficiency and employee liaison. Government has an enabling policy and legislative environment to support the improved usage of mobile cellular phone. These include, the Electronic Communications and Transaction Act of 2005 and the Information Society and Development Plan (ISAD PLAN). The challenge forth is to formulate programmes for implementation.

5.2 Recommendations

5.2.1 Recommendations for further Studies

It is recommended that further research studies be conducted in the following areas:

1. The use of mobile cellular phones by micro-enterprises in rural areas
2. The impact of e-government on the use of mobile cellular phone by micro-enterprises
3. Cost share of mobile phone usage to the income of the micro-enterprise
4. Comparative study on the micro-enterprises usage of mobile cellular phones to radio, television, books and newspapers

5. Volume and intensity of the transactions carried out through mobile cellular phone in micro-enterprises

6 References

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7 Appendix

7.1 Entry Questionnaire

SECTION 1: BUSINESS INFORMATION				
1. Form of ownership?	1 = Sole proprietor, 2 = Partnership 3 = Close corporation, 4 = Business (Pty limited), 5 = Other (Specify):			
2. Please describe in a few words the main activity of your enterprise :				
3. Is your business Registered with the Receiver of Revenues? (pay tax?)	0 = No 1 = Yes			
4. Is your business Registered for VAT?	0 = No 1 = Yes			
5. In what year was this business established?				
6. How many Employees does your business have (excl. owners)?	A: Full-time:	B: Part-time:	C: On Commission:	
7. How many Owners does your business have?	A: Men:	B: Women		
8. Is this business owned by family?	0 = No 1 = Yes			
9. Who manages the business?	1 = owner 2 = full time manager 3 = family member, 4 = other (specify):			
10. Highest formal educational level of the business owners? (if more than 1 owner, choose the owner with the highest education level)	1 = Primary, 2 = Secondary, 3 = Tertiary, 4 = Vocational, 5 = Self educated			
11. How many of your employess have a WRITTEN EMPLOYMENT contract?				
12 .Does your business strictly separate business finances from personal finances?	0 = No 1 = Yes			
13.What were the main reasons to start a business for you?	1 = My own business pays more than being employed 2 = To make money additional to my salary 3= Otherwise I would have been unemployed 4 = Other (please specify):			
14. Does your business keep financial records?	1 = Simple bookkeeping 2 = Double entry bookkeeping 3 =audit annual financial statements 4 = None 5 = Other, specify:			
15. Does your business have internet access?	*0 = No 1 = Yes*			
16. Does your business have a website?	*1 = web presence (static information)* *2 = web portal (data base driven)* 3 = fully fledge e-commerce website with payment facility 4 = no website			

7.2 Question Guide

Themes	Questions
A. **Introduction of focus group members**	What is your name and main activities of your enterprise?
B. Usage of cellular phones in business	Is the use of cell phone in your business important? Why?
	How do you use cellular phones in your respective businesses?
	What specific activities are supported in business by cell?
C. Functions and Applications	What functions do you use from your the phone**?** What are possible reasons for using these functions?
D. Influential factors to usage	What are the factors which affect your use of mobile cellular phone in your business
F. Recommendations	What can be done to help you achieve your desired level of use?

7.3 Transcript of the focus group meeting held on the 19 November 2006

Khopotso: Greetings, I am happy to see you and also grateful that you made it. As I have explained previously, in today's gathering we are to have a dialogue and discussion amongst ourselves about cellular phone use in micro-businesses. Please feel free to share your personal experience, thoughts and views about the subject matter. Remember, there is no wrong or right response. Your views are important as an academic research report and recommendations would be compiled and derived from your inputs. These would be for the perusal of stakeholders interested in helping small business to grow.

The meeting will unfold as follows. The discussion is to last for one and half hour. From time to time, I will pose questions to trigger discussions. Feel free to ask clarity seeking questions to me and engage with the other participants.

As you agreed to the recording of the meeting, I have a tape recorder with me. Our discussion would be recorded for ease of compiling the report. Do you have questions thus far?

ALL: No.

Khopotso: Let us take the time to get to know each other. I will ask of you to take turns to indicate your names. Please also tell us briefly about your business. Who would like to start?

Grace: Let me start.

Khopotso: Thanks, you may proceed.

Grace: My name is Grace. My business has been in existence for about 10 years. I specialize in selling fruits, "vetkoeks", fruits, vegetables and lunch meals adjacent to construction sites. My target customers are construction workers.

Jane: I sell fruits, vegetables and cooked meals at construction sites. I have been doing this for five years.

Khopotso: Jane and Grace are in similar line of work. Ten years in business, Grace?

Grace: Yes, indeed. I love my line of work. It is my source of livelihood and enables me to buy food. At the moment it is tough because I do not have enough stock because all my finances have gone towards the medical bills of my son.

Fanny: What is your son sick from?

Grace: He is epileptic.

Khopotso: Is he receiving treatment?

Grace: Yes, he is recovering well.

Khopotso: We wish him a speedy recovery. Can we proceed with the introductions?

Mapule – I am seller of defected clothes and my name is Mapule. I started with the business as a student at Varsity, three years ago. On weekends I shop for cheap and slightly damages clothes from factory shops which supply shops like Truworths stores. I sell the defected clothes for a profit.

Khopotso: thank you, Mapule.

Reggie: I own a public telephone that I station at busy streets in Sunnyside for people to use.

Khopotso: Who wants to go next?

Mtlokwa: Hello everyone, Mtlokwa is my name. I do video recordings of functions. I cater for functions such as weddings, parties and graduations. I have been in this business for the past two years.

Nomfundo: I am known as Nomfundo and have a hair salon. I opened the salon because I love hair. I love the business because I change the image and boost confidence of my clients. When they leave the salon after I have done their hair, they feel good about themselves. I have been in the industry for three years. It is tough because competition is high.

Fanny: I agree it is tough to be a business person. Fanny is my name and I own a Spaza shop in a squatter camp. There are two more other spaza shops in my neighborhood.

Jane: You guys complain about competition, I think you are better off. In my case the business is problematic because one relies on selling on

credit as my customers do not have money. About 60per cent of the people pay back and others do not. The construction workers would resign from work and not inform me. In certain cases they would promise to pay and not pay back.

Khopotso: When you give goods on credit and it is diffult to get your money back.

Jane: Yes, that is how I make money because they earn every fortnight and do not have readily available cash.

Nomfundo: How do you manage non-payment? In my business I do not offer my clients credit. I do not want a headache.

Jane: I would ask about their whereabouts from their colleagues. Most of the time they would not know where they live. Then I give up.

Khopotso: Have you ever tried to obtain their phone numbers and call them?

Jane: No

Khopotso: Any particular reason?

Jane: I have never thought about calling them to ask for my money back.

Khopotso: Thanks for the introductions. Can I ask of you to share your views and experiences about how you use your mobile cellular phones in your respective businesses?

Nomfundo: I cannot rely on landline to run my business because I can not carry it everywhere I go. My clients can call me anytime they need me. Life is easier with a cell phone. I can not go on holiday with my landline and can not carry it along. I would advise owners to have mobile. I can run my business whilst I am seating at home. I can go to Cape town and communicate with other business people to take care of the client. If I can stop to use a cell phone, my business would suffocate and die.

Khopotso: How does the phone assist to ensure that your business does not die?

Nomfundo: In my case I talk over the phone with other business to find out hairstyle trends, prices and products available in the market.

Khopotso: Nomfundo, why do you call them to obtain this information?

Nomfundo: By calling them, I can understand the competition better as I get to know the new styles in the market and the price charges. At times out of curiosity I also talk to other owners of salons and ask how their businesses are doing?

Khopotso: How their businesses are doing?

Nomfundo: Whether they have a lot people coming to the salon or not. This is important because when I do not have a lot of clients coming through to the salon and it is the case with others salons, then I am comforted that I am not the only one.

Mtlokwa: I do not have land line, I rent a room in the backyard of my landlord. I can not go into the house and use his landline phone because I would be troubling him. I prefer to call customers on their cell phones in order to arrange and confirm appointments. When they want to make a booking they call me on my mobile cellular phone. A mobile cellular phone for me is my office.

Khopotso: Can you elaborate on what you mean when you say, a mobile cellular phone is your office.

Mtlokwa: Businessmen have offices. I do not have an operating office, but because of a cell phone my customers can contact me anytime they want to contact me. My business flourishes because of referrals.

Grace: It is not long that I have acquired a cell-phone. My previous phone was stolen and one of my white customers bought me this Nokia mobile cellular phone. *(displayed the phone).* They bought me the phone and clothes as well. I mainly receive calls and messages from my immediate and extended family only. I also convey urgent messages to them. I talk to my family, like now we have a wedding and I am assisting with preparations.

Khopotso: Beyond your family, can you think of any other way you use your phone?

Grace: I do not use it a lot for business, but at times I call the transport driver from my cell phone to bring me stock from the market and deliver it wherever I am operating from. The driver would purchase the stock and I have to refund him when he delivers.

Thabo: If you had gone to the market, how much would you have spent?

Grace: I would have paid taxi fare of about R20.

Thabo: Is the R20 for a return trip?

Grace: It is for a return trip and the delivery fee is R25.00.

Jane: I would agree with Grace. Cell phones are important because when I need some stock from the market, I call the driver of the van to pick me up to go to the market. In cases I can not make it to the market I ask him to purchase the stock on my behalf to refund his money upon delivery.

At times the driver can not locate me at the market. In such cases I use my mobile cellular phone to call him in order to give him directions of my whereabouts. Occasionally whilst selling on the streets, I also call my sister at home to buy meat for me so that I can prepare stew whenever I reach home in preparation for the following day's sales.

Mapule: I would personally agree with Nomfundo and Jane that running a business is tough. There is competition in attracting customers. I found that a cellular phone would help when I was selling clothes. When my customers want to place an order they would call me to place an order and inform me of the size they require. When I have stock I would also call my regular customers and inform them.

Nomfundo: I also call suppliers from sun silk, ladine, to deliver the the products to the salon.

Khopotso: How was the list of their phone numbers compiled?

Mapule: I recorded all the contact telephones of the repeat customers in the phone book function of my phone and then call them.

Thabo: I can hear what all of you are saying, but my mobile cellular phone has limited value for me. I am person that likes surfing the internet. Internet can not be accessed over cell phone.

Grace: What is the internet?

Thabo: It is a computer programme where you can find out information. One can type in an information request and the information and images appears on the screen of the phone.

Nomfundo: Thabo, one can use internet on the cell phone. It depends on the mobile cellular phone you have. I have an internet icon on my cell

phone but it is not working. I use my phone for mobile cellular phone banking instead.

Reggie: Yes sure, internet can be accessed over the cell phone. But if the user would like to stay long for five hours or so, the lifespan of the battery would not suffice. The battery would run out.

Khopotso: Now that Thabo explained what is the internet, do you use this function?

Grace: But for people like us who do not know how to write I do not think it would be useful to have internet. I personally do not have internet on cell.

Mapule: I do not have access to internet and mobile cellular phone banking because my phone can not support the functions

Mtlokwa: I do not have the function on my mobile cellular phone

Fanny: I have never heard of the internet available over the mobile cellular phone.

Khopotso: Nomfundo and Mapule mentioned what is called mobile cellular phone banking. What is your experience of this service?

Nomfundo: The service is available to FNB clients. One can transfer money over the phone and enquire about bank balance. I love it because it saves me time from the long queues.

Mapule: I did not know that it is possible to do banking over the mobile cellular phone.

Mtlokwa: I also receive SMS from the bank to notify me that there is an activity in my account. I have heard that the service is only available to FNB clients. Maybe you should all consider to move your accounts to FNB.

Fanny: One would move if I had a bank account. I do not have one because they want proof of employment. Where do I get that, I am not working for someone.

Khopotso: Thabo indicated that a mobile cellular phone can not perform the function he prefers. Can you think of any other occasion where you have used your mobile cellular phone?

Thabo: I can not use it to sell airtime but I can order airtime from suppliers.

Khopotso: Is there an occasion where you would contact the technicians or maintenance guys over the mobile cellular phone?

Thabo: I have an engineer who is my personal friend. He repairs my phones if there is a problem. But at times I use a cell phone to call other maintenance guys, especially in emergency situations.

The lady that attends to the public phone at times calls me to let me know that she is not coming to work. She also calls me to remind me when it is the end of the day and it is knock off time.

Khopotso: Thanks, can you share some more of your experiences?

Mapule: At times I call my classmates to request that they help me grow my business. I ask them borrow me money or buy stock that I can sell for them. Like now I need a braai-stand and have called several people to loan me some money.

Khopotso: What is their response like?

Mapule: They make empty promises. My vision is to have an entertainment centre, which has computer games for children and internet café. In the area I stay in, Mamelodi, there is no fax or photocopying facilities. People have to go through to town to access internet and fax. I think this is a valuable business opportunity. I am computer literate, I can operate the business.

Khopotso: You have a good vision, have you tried talking to government small business support agencies or other business people?

Mapule: I have been to DTI personally? I was told that I have register to my business for R250 and I never went there again. But I got to call Umsombovu and I was told that the specified period for intake of the programme had come to an end.

Khopotso: Were you calling from a residential, public or mobile cellular phone?

Mapule: From a mobile cellular phone.

Khopotso: Is there any particular reasons why you preferred to use a mobile cellular phone.

Mapule: I do not have a phone where I stay and public phones have been vandalized.

Khopotso: At times Government agencies encourages that people call them back, do you at times do as such?

Thabo: It is expensive to call government departments from a mobile cellular phone. I have called but my money ran out whilst they put me on hold.

I actually prefer to use landline to call government establishments because it would be expensive to call from a mobile cellular phone.

Grace: Every three months I get to interface with government when I pay for the licenses to sell on the streets. I go in person rather than call.

Khopotso: What is the reason for not calling?

Grace: You can only renew the license in business.

Nomfundo: I do not have a specific reason to call government. Perhaps, it is because I do not know who to call.

Fanny: It might be because of ignorance and stupidity. At times one becomes content with doing what they are used to. When one does not know, one would not respond.

Khopotso: How else do you use the mobile cellular phone in your businesses?

Fanny: I do not use it much because I often do not have airtime. I would rather buy stock for my spaza than airtime.

Mtlokwa: I am an emerging business and do not know about marketing principles and protocol. I do not issue pamphlets to attract potential clients. A mobile cellular phone enable me to market my business.

Khopotso: How do you market your business using a mobile cellular phone?

Mtlokwa: I service my clients well. To express their gratitude they refer other people to call me on my cellular phone. I also encourage them to pass on my details to other people who might be interested in video services.

Khopotso: There are varied functions available on the mobile cellular phone, which functions do you prefer to use and why?

Thabo: I mostly use SMS on the phone.

Khopotso: What do you use the sms for?

Thabo: I prefer SMS because it is cheaper and gives me privacy. You can be seated and communicate with clients. But at times it could bad because it can be used against you. For personal calls, I use a mobile cellular phone.

Nomfundo: I can not run my business without a cell phone. In cases when I am having a client and running late I am able to call or sms using the cell phone them and contact my replacement at the salon.

Khopotso: what is it that you like about sms?

Nomfundo: It is cheaper to send SMS than to call them directly.

Mapule: I do not like SMS because one is never sure that the recipients has received the message. At least with voice call one has a confirmation. The beauty about voice calls is that I know who are the recipients of the information and can get direct feedback and orders from them.

Nomfundo: SMS is cheaper and I can send one message to everyone on in my phone book at the same tome. If I make a call, I prefer to call on weekends because it is cheaper and I call for longer.

Khopotso: Nomfundo talked about picture messages and Thabo talk about internet. What other functions do you use in the phone?

Grace: For an older person like me, technology is too difficult to understand.

Grace: I do not know how to use all of those functions. I use the phone to receive calls, if I have money I would call and check on my husband or my friend, and that’s it. The phone is mainly used by my kids.

Yesterday my kids tried to teach me, when I wanted to send an sms. They said I need to punch in *121 but nope I could not comprehend what they were saying, as long as I have it at hand, it is okay.

Khopotso: can you read Grace?

Grace: yes but not so well and my children are in the process of teaching me how to write.

Khopotso: I wish to commend your children

Mapule: I do not prefer SMS, people are ignorant they can delete by mistake. I prefer to call my customers.

Khopotso: Why?

Mapule: There is no guarantee that they will retrieve the message and carry out the request. A call gives me a guarantee.

Fanny: The cell phone for me is for emergency and family! It is for my children to get hold of me and for me to contact them. I do not use the cellular phone in business. Rather I prefer using the landline because it is more economical.

I spend less time on the cell phone. The nature of my business relies of direct contact, customers walk in to buy. I do not need to contact them. I do not know these applications. I call my family and they send me please call me. People just come into my spaza there is no need for marketing. I bought my phone years ago.

Nomfundo: Whenever I come up with a new hairstyle, I take a picture using the camera in my phone and download it later and put in the album to be viewed by prospective clients.

Khopotso: How about picture messaging?

Mapule: I have a useless 5110, I am grateful that I can listen to messages.

Mandla: I do not have a camera but my phone can identify who is calling. I like that.

Khopotso: what is the good thing about knowing who is calling?

Mandla: I get excited because the person is bringing money

Khopotso: What other functions do you use?

Nomfundo: I have a video on my phone.

Khopotso: Can you describe how do you use it?

Nomfundo: I sometimes record video clips of my clients before I do their hair and after I am done. When I watch the video I feel encouraged and motivated to do my work better.

Khopotso: Do you use mobile TV?

Nomfundo: I do not know how to upgrade to mobile-TV. I am not exposed.

Khopotso: What about other functions such as calculator?

Grace : I would not attempt to us ea calculator because I can be robbed whilst I am selling by the road side.

Khopotso: Do you listen to radio on the mobile cellular phone?

Nomfundo: I have heard about the function but my phone does not have he application.

Thabo: I do not have the radio function of my phone

Khopotso: How about typing documents on the mobile cellular phone?

Mapule: Can one really type documents on a mobile cellular phone, I thought that can only be done on a computer.

Khopotso: Yes it is possible.

Fanny: I am not exposed to these things but I am willing to learn.

Khopotso: Are there any other experience that you would like to share about how you use the mobile cellular phone in your businesses?

ALL: no.

Khopotso: What can be done to help you achieve your desired level of using a mobile cellular phone in your business?

Thabo: I would advise the service providers to reduce charges on air time. They should also make available free calls at stipulated times especially in the evening.

Nomfundo: My opinion is that government is not doing much. The service providers should have a preferential rate specifically for people with small business. Government should also offer us money to upgrade our business, we need help from government.

Khopotso: I am grateful to for availing yourselves to participate in this discussion. Is there anything you would like to say in conclusion?

Mapule: the discussion was informative. Day I know that there is mobile TV, internet, banking I can do on the phone.

Fanny: It was an enlightening discussion. When I get home I will consider ways of using my mobile cellular phone to grow my business.

Grace: Nope you have covered everything

Khopotso: Thank you for participating in the discussion. I wish you all the best in you future endeavours. I will take this opportunity to invite for a light snack and refreshments which have been prepared.

End of meeting