ABSTRACT

Small business branding is a relatively nascent field of research, and incontrovertible evidence exists that little information on the subject has come from developing regions like Africa. Informed by the knowledge gap, this study explored entrepreneur brand orientation and consumers’ perceptions of their brand positioning. The research was conducted in Mafikeng, North West Province of South Africa. Using qualitative methodology, three entrepreneurs were interviewed and their brand orientation – in terms of understanding and disposition towards branding including positioning strategy they adopt – was explored. Also, two focus group sessions were held with consumers to probe their perceptions of participating SMEs’ brand positioning. As per value for the scholarship, it emerged that the entrepreneurs’ brand orientation was low, resulting in low brand distinctiveness. The focus group sessions corroborated the low brand orientation finding because discussants’ familiarity with and knowledge of the SMEs was almost non-existent, a situation discussants attributed to poor branding and communication. This finding prompted recommendations for entrepreneurs, policymakers and scholarship.

Keywords: SME, entrepreneur, brand communication, brand orientation, brand position, consumer, Mafikeng, South Africa

Akintayo Adesoji Ogunsanya is a Masters candidate at the Mahikeng Campus of North-West University. This article is extracted from his Masters dissertation supervised by the co-authors. His interests are branding, SME and entrepreneurial branding, new media and development communication. Affiliation: NWU’s Indigenous Language Media in Africa (ILMA) Research Entity.

William Edward Heuva is Associate Professor in Communication and Media Studies at North West University, and MA and PhD Programme Manager at Mahikeng Campus. He is a Member of the Social Sciences Research Ethics Committee (BaSSREC). His research interests include Critical Political Economy of Communication and Telecoms and Broadcasting Policy

Tshepang Bright Molale is a lecturer at the Mahikeng Campus of North-West University. His research interests are on Communication for Development and Social Change, Citizen and Development Journalism, Corporate Communication as well as Media Studies. Affiliations: NWU’s Indigenous Language Media in Africa (ILMA) Research Entity and a member of SACOMM
INTRODUCTION

Firms have been applying branding as a key component of their business strategy for the dual benefits of competitive advantage and distinctiveness it engenders. Traditionally, branding is understood as a differentiation and identification marker that adopts visual elements (name, colour, logo, trademarks etc.) to differentiate products (Knox & Bickerson, 2003; Heding, Knudtzen & Bjerre, 2009). From this traditional conceptualisation, branding is no more than an assemblage of visual artefacts whose function is merely to distinguish products by their preferred physical rendition and presentation. However, there is no contestation that the scope of branding extends into the realm of strategic actions that combine the functional essence of a product with appropriate symbolic associations (Kay, 2006; Keller, 2012; Schembri, Merrilees & Kristiansen, 2010).

Given that branding is a functional platform through which firms deliver value, enhance distinctiveness and gain competitive advantage, companies continue to relentlessly commit substantial resources towards becoming a strong brand. Whereas significant evidence of branding benefits abounds from large firms, small and medium enterprises (SMEs) have been historically excluded from the branding discourse, thus the area is still embryonic and requires more understanding (Centeno, Hart & Dinnie, 2013; Krake, 2005; Spence & Essoussi, 2008; Tavares, 2015; Merrilees, 2007). Although, indeed, appreciable inroads have since been made in the field of SME branding, “literature on this appears unclear, scattered and relatively scanty” (Odoom, Narteh & Boateng 2017:69). Since SMEs are globally recognised as major economic concerns that generate more employment than big businesses (EC, 2015; OECD, 2004) and size does not exclude them from attaining brand status (Abimbola, 2001), having a strong brand orientation is non-negotiable for SMEs.

Taking the foregoing into account, this study investigated the brand orientation of entrepreneurs and consumer perceptions of their positioning from a South African perspective because, according to findings of a systematic literature review of SME branding by Odoom et al. (2017), there is almost no contribution from Africa on the subject. As such, the research questions this study addressed are:

1. Do SMEs in Mafikeng have a strong brand orientation that translates into a strong brand positioning?
2. Are consumers’ perceptions of SMEs influenced by the brand positioning adopted by the small businesses?

The course followed in the conduct of the investigation is founded on the contemporary branding concept that brand meaning and value is co-created by consumers and firms, exemplified, for instance, by Iglesias, Ind and Alfaro in their “Organic view of the brand” (2013). Consequently, the philosophical orientation adopted for the conduct of this investigation is the constructivist paradigm. For practical classification, the brand orientation archetype of Wong and Merrilees (2005) is used to describe participating SMEs’ brand orientation. Furthermore,
by aggregating ideas from various scholarly postulations, a conceptual framework for brand positioning is developed for describing the types of positioning used by participating SMEs. The next sections of this paper begin with a compartmentalised literature review that treats key aspects of the study, followed by a discussion of the worldview and theoretical orientation of the study. After those is the methodology section, then the discussion of findings. The remainder is a section on an additional finding, recommendations and, finally, conclusion.

1. LITERATURE REVIEW

1. The temporal dimension of branding
At its core, branding serves to pitch firms’ offering firmly in consumers’ mind such that a particular brand of product or service is preferred among competing ones so that it gains consumer loyalty which results in steady and repeated patronage. In essence, branding is a relationship-building process between firms and their target market, where the brand represents a promise through which consumer confidence and trust are gained by meeting or gratifying their needs. Whereas the notion of branding as a co-creation relationship is not strange to contemporary brand scholars and practitioners, branding thinking and approaches have evolved through time reflecting different perspectives of its management. Heding et al. (2009) notably identified seven distinct approaches to branding spanning three timelines from 1985 to 2006, namely company/sender focus era (1985–1992), human/receiver focus era (1993–1999) and cultural/context focus era (2000–2006). Suffice to say that the contemporary thinking began taking shape in the human/receiver era and continued into modern times where seismic shifts in consumer engagement with and use of brands have entrenched the co-creation relationship between consumers and firms.

Consequently, Iglesias et al. affirmed that brands are co-created and negotiated entities in a dynamic space between firms and consumers, necessitating the need for managers to “accept that they are losing control of their brands and that controlling every aspect of a brand is impossible in this new environment” (2013:672). This, for instance, contrasts with the economic era branding philosophy when consumers were viewed as easily malleable units whose motivation for the consumption of products is guided by rational evaluations of available product alternatives and maximisation of cost regarding price and expended effort (Heding et al., 2009). The firm’s task in the economic dispensation was to ensure that a product was functional, available at the right place, sold at the right price, and that consumers were made aware of its availability, but it has since been realised that the multiplicity of brands limits consumers’ ability to make purchases based on a rational and functional evaluation only (Chen & Chang, 2016).

Despite contemporary brand philosophy embracing the co-creation perspective, it does not diminish the role of the firm in providing the initial stimulus (a product or service) around which
a set of actions will be taken, en route to becoming a brand. Put otherwise, the burden of articulating and clarifying the core, distinguishing characteristics of the brand rests with the firm (Ollins, 1977). Therefore, in the case of SMEs, it is reasonable to expect that entrepreneurs should have a strong brand orientation to articulate and clarify the essence and benefits of their offering to a target market.

2. Corporate branding and product branding

Traditionally, branding has been inclined towards product branding which is product-consumer oriented. However, product branding is not a sustainable differentiation method because it focuses on short-term, tactical decisions (Heding et al., 2009). Similarly, Kotler et al. (2007:13-14) argue that factors such as globalisation, increasingly sophisticated and disloyal consumers, the fragmentation of markets, stiffer competition and difficulty of maintaining convincing product differentiation have made product branding unsustainable. On the other hand, corporate branding is strategic because the entirety of firm positioning is coordinated at the corporate level and importance attached to identity and relationships (Heding et al., 2009). A significant differentiator between both divides is the notion of the consumer for product branding, and the stakeholder for corporate branding. Whereas the immediate target market is the consumers who use a firm’s product and have immediate purchase gratification for the firm, the stakeholders are “any group or individual who can affect or is affected by the achievement of the organisation’s objectives” (Freeman, cited by Freeman et al., 2010:207). Consequently, stakeholder groups such as employees, customers, suppliers, the public, pressure groups, regulatory authorities and the media have diverse interests that are not necessarily financial.

As the business terrain grows in complexity, stakeholders will continue to be important co-participants in the creation of brand value. Therefore, the longevity of firms depends on their ability to navigate and balance a myriad of complex socio-economic and political relationships with many stakeholder groups. In the analogy of Balmer and Greyser (2006), corporate brands are akin to a strong covenant that results in almost religious loyalty from all groups that experience the firms. In terms of scope, therefore, corporate branding is broader than its product counterpart because the former is a management function that includes every aspect of a firm’s internal and external operations while product branding operates at the level of the consumer-product relationship. As such, scholars advise that SMEs need to adopt a corporate branding philosophy because it gives the firm a holistic representation, and sustainable differentiation and strategic advantage (Juntunen et al., 2010; Merrilees, 2007).

1. Brand orientation

Brand orientation was first defined by Urde (1999:117) as:

… an approach in which the processes of the organisation revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers
to achieve lasting competitive advantages in the form of brands.

The objective of brand orientation is to direct the entire business effort towards making the brand stimulate strong relationships with customers as well as to elicit a clear brand vision and identity (Angakana, 2007). Applied to SMEs, Wong and Merrilees (2005) averred that brand orientation results in distinctiveness for small firms whose marketing strategy is focused on their brand. Consequently, the brand orientation of SMEs' typology developed by Wong and Merrilees is a tripartite archetypical categorisation divided into:

1. **Minimalist**: SMEs are generally characterised by low marketing and branding.

2. **Embryonic**: SMEs have a measure of marketing but their orientation to branding is either non-existent or done informally through word of mouth. Typically, their use of promotional tools is narrow.

3. **Integrated**: SMEs have stronger marketing approach and branding, executed either formally or informally, as an integral part of their strategy. They also use different promotional tools.

In addition to brand orientation itself, the above classification scheme is premised on three other parameters namely:

1. **Brand distinctiveness** – the clear separation of a product from competitors resulting from a strong brand orientation which associates specific qualities and efficiencies to a brand thus allowing consumers to bond with, remain loyal to and patronise the brand

2. **Brand marketing performance** – the brand equity or value a product yields on every investment made in it

3. Finally, **brand barriers** are factors that inhibit SMEs' ability to implement a brand-based plan. Except for brand marketing performance, all these parameters are used in the classification of the SMEs that were studied.

Two critical factors impact SMEs' brand orientation, namely the entrepreneur centrality factor and the presence of brand barriers. In SMEs, the entrepreneur personifies the brand and is the nucleus from which all branding decisions derive and around which all branding activities revolve (Centeno et al., 2013). Hence, the success of SME branding is a function of the entrepreneur’s brand orientation (Osakwe, Chovancova & Ogbonna, 2015). A personification of the brand by the entrepreneur is a major distinguishing attribute of SMEs because they usually operate informal, less elaborate management structures (Berthon, Micheal & Napoli, 2008; Bolton Committee, 1971). This feature informed Krake (2005) to advise that a clear link should be established between the brand and the entrepreneur’s personality.
Generally, the OECD (2017) identified the difficulties that entrepreneurs encounter to be lack of knowledge, strategic vision, and resources. These challenges have been confirmed to subsist in diverse contexts. For instance, lack of money is a perennial barrier for SMEs (Agostini, Filippini & Nosella, 2014; Horan, O’Dwyer & Tiernan, 2011; Berthon et al., 2008), as is insufficient knowledge (Gundala & Khawaja, 2014; Horan et al., 2011). These barriers affect the ability of small businesses to execute compelling brand strategies, thus hampering brand orientation and its benefits.

4. The SME situation in South Africa: Situating barriers to entrepreneur brand orientation

The SME situation in South Africa is dire. Firstly, it is difficult to ascertain the exact number of SMEs in the country, and by extension the research locale of this study. This is because registration is not compulsory to own an SME, so most are not necessarily registered (DTI, 2008). Although the National Small Business (NSB) Act 29 of 2004 empowers the Small Enterprise Development Agency (SEDA) to register small businesses, reports have established that data on SMEs is grossly “insufficient, with no official repository” (NCR, 2011:31) and “fragmentary, anecdotal or simply non-existent” (SBP Alert, 2013:1). In fact, according to the SBI (2018:1):

South Africa does not have a regular census or a periodic survey that tracks the performance of micro, small and medium enterprises (SMEs) in their complete variety … [This] means that policies and support initiatives for small businesses are built on architecture based on assumptions and estimates.

Secondly, industry reports aver that SMEs in the country have a high mortality rate with most not surviving beyond three years and six months (BER, 2016; DTI, 2008; SEDA, 2018). Ironically, SMEs are a major economic thrust of government and there are various support initiatives targeted at increasing their competitiveness and viability. According to Juntunen et al. (2010), SMEs progress through five stages, namely inception, survival, growth, expansion, and maturity. The grim situation of SMEs in South Africa suggests that most fail during the inception stage, a situation occasioned by mixed barriers in which poor managerial knowledge, skills and attitudinal dispositions of entrepreneurs feature prominently (Olawale & Garwe, 2010).

Deficient managerial knowledge, skills and attitudinal dispositions of entrepreneurs directly affects brand orientation, and influences the prospects of their ventures becoming a strong brand. For example, Cant, Johannes and Hung (2013) concluded that although the South African SMEs they investigated seem to know the benefit that accrues from branding they find it difficult to build a strong brand name that resonates with consumers. The major reason attributed to this situation is entrepreneurs’ attitude towards branding, perceiving it as less germane to success or not as important as, for instance, inventory management and sales. In the event that entrepreneurs continue to have a negative attitude towards branding and
neglect its function, the distinctiveness and competitiveness of SMEs in the country may remain compromised. Consequently, the SME failure rate may not abate.

Brand communication is an integral part of SMEs' branding because it is useless to have a good offering without communicating its existence to the target market. Should a firm fail to use an appropriate communication mix to engage its consumers, awareness of and knowledge about its product will suffer, severely injuring brand equity. Conventional marketing situates the task of brand communication in the domain of the Promotions facet of the 4Ps (Product, Place, Price and Promotions) where techniques such as advertising, public relations and sales promotion are used, usually through mass media.

Emphasising that brand communication is the persuasive means by which firms attempt to remind, inform or persuade consumers about their products or services, Keller (2009) indicated that erstwhile reliance on traditional mass media to conduct brand communications is questionable in an era dominated by the proliferation of new media. Affirming Keller’s view, Campbell, Martin and Fabos (2014:5) commented that, “in a world where we can so easily customise our media use, the notion of truly ‘mass’ media may no longer exist. Today’s media marketplace is a fragmented world with more options than ever”. In any case, brand communication through mass media requires considerable financial spending, which is usually out of SMEs' reach. In fact, personal networks and word of mouth are preferred by SMEs for brand communications (Bresciani & Eppler, 2010). Centeno and Hart (2011) classified brand communication channels for SMEs into three namely, interactional, transactional and e-marketing, observing that small businesses favoured interactional and e-marketing approaches.

1. Brand positioning

Brands evoke feelings from their target market. On one hand, firms who have established a strong brand will have positive perceptions and associations in the mind of their consumers – this increases brand equity. Contrariwise, brands with little or no visibility in the consciousness of consumers will languish from low brand equity and struggle to stay afloat. In both cases, the brand’s positioning is at the heart of consumer perceptions. This is because:

The idea of brand positioning is based on the assumption that consumers have limited mind space for commercial messages and that the most successful brands hence are the ones able to position themselves in the minds of consumers by adapting the most congruent and consistent commercial message (Heding et al., 2009:14).

Beyond owning a share of the consumers’ mind space, brand positioning also serves to keep firms focused, consistent and competitive because it invariably means acting to specific competencies that can be leveraged. For instance, Porter (1996) conceptualised positioning to
be a strategic and conscious decision of firms regarding what they will do and not do with the effect that brand confusion is eliminated, competitors are deterred and distinctiveness earned because of consistent actions. Ultimately, the result is increased and sustained consumer preference for a strategically positioned brand (Blankson, 2016).

While the idea of positioning is fundamentally to communicate and establish what Keller (2009) termed points-of-parity and points-of-difference for differentiation of a brand from its competitors, scholars have proposed diverse perspectives to achieving it, all, to different extents, complex and multi-layered (Thompson, 2003), but valuable nevertheless.

In the view of Kapferer (2008), for example, brand positioning must address four questions: What benefit does the brand offer consumers? Who are the target market? What reasons justify the brand benefits? Who will the brand compete against (i.e. rivals)? These questions will assist consumers to compare brands and guide their selection among competing alternative brands. On the other hand, Edu and Negrecia (2018) specifically advised SMEs to regularly conduct a SWOT (Strengths, Weaknesses, Opportunities and Threats) audit to arrive at an appropriate positioning as well as to align already existing positions to existing market realities. Regardless of varying perspectives, scholars agree that the brand position a firm adopts must be significant, credible, relevant and sustainably differentiate it from competitors (Janiszewska & Insch, 2012). Given that there is no unified template for brand positioning and for having a reference from which SME brand positioning was explored, three postulations on positioning were adapted for a research framework. The framework is, in essence, an abstraction generated by coalescing thematically related strategies into theoretical concepts. Various previous studies, their strategies on positioning, and researcher abstracted concepts are presented as follows:

Table 1: Framework for describing brand positioning

| Author               | Positioning approaches | Meaning                                                        | Thematic positioning concept |
|----------------------|------------------------|                                                               |                               |
| Porter (1996)        | Access positioning     | Limited to consumers in a particular area                     |                                 |
|                      | Variety positioning    | Offering only a particular variety of product to consumers     | Target market positioning      |
|                      | Needs positioning      | Meeting a set of associated needs of consumers               |                                 |
| Merrilees (2007)     | Corporate branding     | Overarching tool for the entire firm through identity and stakeholders | Corporate branding positioning |
| Razeghi et al. (2014)|                         |                                                               |                                 |
2. WORLDVIEW AND THEORETICAL PERSPECTIVE

The worldview adopted for this study is the constructivist paradigm. According to Cresswell (2003:8), the constructivist view construes knowledge and reality as a function of social construction where meanings of a phenomenon are understood within the context of people who enact it, so that the researcher’s task is to systematically focus and rely on contextual views to make sense of what is being studied. Therefore, subjectivity is an essential component of constructivism. This is unlike the positivistic school that is oriented towards realism or objective reality, wherein the phenomenon is perceived as existing neutrally outside of subjective influences (Flick, 2009). While positivism conveys the idea of uniformity and sameness, constructivism extols contextual variations, nuances, depth and subjectivity.

The fundamental assumption of the investigation is that the reality, practice and conduct of branding for SMEs are contextually different from that of large firms. Consequently, the knowledge sought is contextualised to respective participating small businesses, the purpose being to understand the realities that condition their brand orientation and subsequent branding-related actions. This assumption is rooted in the fact that, first, the field is still up-and-coming and scant evidence on the subject exists from developing countries such as South Africa. Also, the contemporary philosophy that brand meaning is co-created between the firm and consumers is in tandem with the constructivist paradigm. The perspective of the brand as a co-creation informed the choice of framing theory since it focuses on subjective nuances and contextual variance.

2.1. Framing theory

This theory essentially holds that messages are subjective creations imbued with the perspectives, inclinations, idiosyncrasies and preferences of their creators. The subjectivity relates to some predetermined objective or agenda used to frame or present messages in a particular way to influence recipients’ actions in ways consistent with what message creators
want (Ardèvol-Abreu, 2015; Arowolo, 2017). The theory is a crucial aspect in the construction of social reality because it is a purposeful tool used to delimit the scope of a message, shape perception, and aid processing of information (Hallahan, 2008). The messages we consume daily are not immune from a measure of selective and subjective framing, no matter how little. Insofar as subjective and selective nuances are central components of framing, then, framing is also important in branding because the activity is concerned with message narratives that employ selected frames, both visual and perceptual schemas, used to personify the offering and define its brand personality.

Since consumers do not experience products objectively and brands are “… perceptual frames through which customers understand, value and experience the product” (Holt, 2003:03), it follows that:

- In order to align products to consumers’ subjective realities or induce subjective value that earns preference for a brand over its competitors, firms must frame a suitable brand position for their offering(s) to occupy a distinctive place in consumers’ minds. The onus is therefore on entrepreneurs to have a brand orientation as a condition for SMEs to remain relevant in the minds of consumers,

- In line with the philosophy of co-creation of brand meaning, the framing of the brand is important, and entrepreneurs must pay attention to how various social and market variables impact the brand-consumer relationship.

To the extent that framing is important in the construction of social reality and peoples’ perspectives and perceptions, the adoption of a frame is critical for brand positioning, an activity that is dependent on brand orientation. The success or otherwise of SMEs will consequently be affected by the importance given to brand orientation and positioning.

3. METHODOLOGY

By design, the research is exploratory and a qualitative methodology was adopted for data collection. The research was conducted in Mafikeng, North West Province of South Africa and covered two population groups, namely:

1. SME entrepreneurs

2. Consumers who patronise these SMEs.

From a numerical perspective, it is difficult to determine the number of SMEs in Mafikeng for reasons related to insufficient and unreliable data (see the discussion on the SME situation in
South Africa). Consequently, the purposive sampling method was used to select participants, both SME entrepreneurs and customers. Purposive sampling allows the researcher to use discretion and knowledge of the population to select a sample that matches features that are deemed crucial for a study (Pandey & Pandey, 2015). The objective of purposive sampling, thus, is not to draw statistical conclusions but to deliberately sample a set of people that will best inform the researcher(s) about the research problem being investigated (Cresswell & Poth, 2018)

Therefore, three SMEs (N = 3) were purposively enlisted to participate in the research. Though not bound to any strict probabilistic process, the overarching qualitative description of SMEs enshrined in the NSB Act (29 of 2004) formed the chief characteristic that guided the selection of SMEs. The NSB Act definition of SME is given as:

Any entity, whether or not incorporated or registered under law consisting mainly of persons carrying on small enterprise concerns in any economic sector and established for the purpose of promoting the interests of or representing small enterprise concerns, and includes any federation consisting wholly or partly of such association, and any branch of such organization.

To this end, the parameters that informed selection of SMEs were:

1. Any small business domiciled in the Mafikeng area, whether registered or not

2. Any small business domiciled in Mafikeng rendering either a service or selling a product for commercial interest only

3. Any small business domiciled in Mafikeng managed either only by the entrepreneur or that employs a small staff complement

4. Financial performance and worth are excluded from selection of SMEs.

The entrepreneurs of the SMEs took part in semi-structured interviews which covered questions on their brand knowledge as well as brand positioning and brand communication strategies.
Table 2: Details of participating SMEs

<table>
<thead>
<tr>
<th>Name</th>
<th>Business type</th>
<th>Years in business</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>IR One</td>
<td>Fast food</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>IR Two</td>
<td>Transportation and Logistics</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>IR Three</td>
<td>General supplies and Services</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

For the consumer population, the selection was limited to individuals who reside in Mafikeng where the participating SMEs are domiciled and, therefore, have a measure of familiarity with the business. This singular factor was strictly applied as the main selection criterion for this subset of population because experience has shown that SMEs usually operate within their immediate environment, and in this scenario broadening consumer population outside of SMEs’ locale will negate the research objective. From the consumers, the study explored their perceptions of the SMEs’ brand position, the aim being to probe whether or not there is congruency between brand positioning and consumers’ perceptions. Four consumers were selected for each SME (N = 12: 3 SMEs × 4 consumers each = 12 discussants), and two focus group discussions were held with them. The discussions were discontinued after the completion of the second session because at that point no significantly new data emerged regarding consumers’ perception of the SMEs brand positioning. The focus group discussion was divided into three stages. The first two stages were designed to evaluate discussants’ brand knowledge and perceptions of the SMEs’ brand positioning, while the last stage sought personal insights from discussants that could enhance SMEs’ branding. To this end:

1. In the first stage, discussants were tasked with associating visual identities, mainly colours, as used by the respective SMEs with each participating small business. This was an anonymous test.

2. In the second stage, each participating SME was identified and associated with its colours. Then, the discussants were probed on their familiarity or lack of it regarding each SME and their perception of the SMEs’ respective brand positioning.

3. Finally, the discussants were asked to offer advice that could enhance the brand status of the SMEs in their estimation.
The data collection sequence was as follows:

1. First, entrepreneurs were interviewed to understand their brand orientation and brand positioning.

2. Next were the focus group interviews with customers. Equipped with the brand orientation and positioning claims of the entrepreneurs, discussants were engaged based on their perceptions of the brand positioning claims of the entrepreneurs.

Participation was voluntary and at participants’ discretion as participants were informed of their rights in that regard, including their right to withdraw from the sessions at any point, as well the objective of the study. Importantly, participants were informed that there was no financial incentive to participate. In line with the non-disclosure guarantee given to entrepreneurs and consumers, identities of both categories of participants are not revealed. Instead, the three entrepreneurs are anonymously referred to as Interview Respondents (IR) One, Two and Three while consumers are given alphabetical labels.

4. DISCUSSION OF FINDINGS

4.1 Brand orientation

Although the participating SMEs do not have the same offerings, there were significant similar trends that emerged from the investigation. One of such important findings concerns entrepreneurs’ understanding of branding. On one hand, the entrepreneurs of both IR One and IR Two echoed the long-held, but no longer tenable, view that branding is about visual identification and creating awareness using whatever visual identity scheme a business has. For instance, IR One’s respondent described branding as follows:

The first thing you must do in branding, you must first run a business without branding so that if you can make a mistake no one is going to remember that this company did this. Firstly, you must try the market without branding, with no name so that if you make a mistake that mistake will be acceptable so that no one will know who did the business… I didn’t do branding. After you see that what you are trying is improving or you are going somewhere you can start branding your company if you’ve got the client. You can’t … brand a business without client because when you start a business there is a lot of mistakes you are going to make … I have a name registered but I didn’t brand it.

For the IR Two entrepreneur, branding can be achieved as follows:

First and foremost develop a logo for that business … After developing the logo, now of late things are easy because of what we’ve got in social media. We’ve got many social media platforms so you can advertise your business on What’sApp, on Facebook, on Instagram and MySpace, all these social media platforms. Also, you can develop a website. You can,
as the business grows and develops, you can maybe go about designing a sign or billboard of some sort, maybe placing it outside of where the business will be operating from basically outside the office and then maybe get another one maybe about a kilometre or so away from the business so that people can see it as they drive by.

Although consumers see many awareness-creating communications from firms daily, this does not necessarily translate to any significant impact nor does it necessarily mean anything to them other than just another signage. Indeed, consumers have limited cognitive and temporal space (Chen & Chang, 2016), meaning they cannot process, assimilate and act on all such awareness-creating communication from various firms. The successful brands are those who can go beyond functional awareness creation, frame a suitable and sustainable brand position and engage in continual interactions with their target market.

On the other hand, IR Three entrepreneur’s understanding of branding is both curious and novel, at least in terms of realising that a myriad of stakeholders are involved in the success of a brand and interacting with them. The entrepreneur construes branding to be a matter of formalisation or registration of a business as necessary for brand distinctiveness. This is curious because registration does not guarantee acceptance by consumers; it is merely complying with legal requirements, which is not a requirement to function as an SME (cf. NSB Act 29 of 2004). The entrepreneur’s approach is novel because it was not registration just for the sake of it, it was registration to gain credibility, access government-sponsored economic empowerment mechanisms and use that as a springboard to access clientele. This is ingenious in that it shows strategic thinking and knowledge of the socio-economic terrain, including opportunities therein – this the other entrepreneurs lacked. Nonetheless, registration is futile without a strong brand identity founded on the core competency that can be used for sustainable differentiation and brand building.

The finding showed that while the entrepreneurs seem to have an otherwise potentially viable business, their low brand orientation is a barrier to their respective firms becoming strong brands. The fact that the SMEs have not invested sufficient effort in their marketing and branding was recurrent in the focus group sessions, where discussants emphasised that the SMEs have little, shoddy or no branding, making people prefer established brands over small businesses. To this extent, the SMEs are perceived as no more than ordinary businesses.

4.2 Brand positioning

Though their brand orientation is generally low and it affects their positioning, the entrepreneurs recognised the need to have a unique trait that will be their major proposition. Consequently, they adopted a range of positioning strategies that were both deliberate and inadvertent. The positioning adopted by each SME was:

1. Regarding IR One, the positioning strategies adopted are price positioning and
customer service. In the entrepreneur’s words, “I don’t kill them with price; my stuff are cheap because they are students”, demonstrates the price positioning. Importantly, the entrepreneur also deliberately situated the business close to customers thus conforming to the access positioning of Porter (1996).

2. As for IR Two, the singular deliberate positioning strategy was service quality because, according to the entrepreneur, “In this type of business the only thing you must do is quality or you will not have customers”. This aligns with Blankson’s (2016) quality positioning strategy.

3. Finally, IR Three deliberately also adopted service quality positioning. However, the entrepreneur’s recognition of and interaction with stakeholders that could enhance the success of the business aligns with corporate branding as identified by Merrilees (2007) and Razeghi et al. (2014). Therefore, corporate branding is an inadvertent positioning strategy adopted by this SME.

4.3 Brand communication

The methods all three SMEs used for their brand communication were mainly interpersonal, word-of-mouth and e-marketing. This resonates with what has been found to be pervasive among SMEs (cf. Bresciani & Eppler 2010; Centeno & Hart 2011). Consider, for instance, that IR One indicated that:

I am one of the guys who advertise very cheap, for free, word-of-mouth. The other customers advertise for me even sometimes when they bought something here they take a picture and put it on social network [sic].

On the other hand, IR Two uses a mix of methods which includes personal selling/business pitching, pamphlets and e-marketing (e-mails and telemarketing), while IR Three uses mainly e-marketing (e-mails and telemarketing) but also depends on word-of-mouth referrals from satisfied customers to source new clients.

4.4 Consumers’ perception of SME brand positioning

None of the 12 discussants demonstrated either sufficient familiarity with or knowledge of the SMEs – this invariably means there was no co-creation relationship between the SMEs and consumers, a situation attributable to the entrepreneurs’ low brand orientation. To this end, consumers’ perception of the SMEs’ brand positioning was almost non-existent, the exception being that IR One fared marginally better. As regards IR One, some of the discussants’ comments regarding their perception of the brand were:

T: “Customer service. His customer service is wow!”
S: “The food … are fresh. Like they do it on the spot. You don’t get there while the food are [sic] already done …”

Also, the prices were deemed comparatively affordable. These insights align with the entrepreneur’s claim that the business prioritises customer service and affordability. Despite being located close to its target market, discussants did not remember IR One at all in the anonymous familiarity and brand knowledge test. In addition, neither the colours nor name of the firm readily came to mind. It was not until both the name and colours were associated with the business that the discussants suddenly remembered it. But even then none of them knew the name of the business because the entrepreneur completely de-emphasised that aspect of the business. For example, one of the discussants gave the following comment regarding the difficulty in associating the colour purple with IR One:

No, I don’t think so [that is the business is not a brand], because there’s a school like we know a purple colour belongs to … like the first thing that will come to mind is the school before him [sic].

The choice of colours by the SMEs and resultant conflict with those of established, well-known brands recurred for all three participating SMEs. For instance, in the case of IR Three, one discussant commented that its black and orange colours only remind her of Chicken Licken, a known fast-food brand, not the SME, while IR Two’s navy blue and white colours immediately reminded some discussants of Bidvest, a financial service provider. For both IR Three and IR Two, no discussant was familiar with the business name, although they emphasised that for any service-oriented firm service quality is an important positioning strategy.

Given that the discussants were not familiar with these businesses, which are all located in their environment, they were probed on reasons that account for the situation. Some of the discussants reasoned that, in the case of IR One:

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discussants reasoned that, in the case of IR One:

T: “… as alluded earlier on … we never take into cognisance that it is actually a business … We don’t look at the name.”

S: “I think sometimes we become just too ignorant. If we go somewhere with what we want to buy we just buy that thing.”

This corresponds with other comments, and indicates that discussants did not consider the business a brand because it is not big and, as such, they did not pay attention to anything about the business apart from its product. This is not necessarily surprising because the entrepreneur personally indicated that a business can only be a brand only when it is big and competes with established firms.

In terms of IR Two, some discussants commented that:

F: “It is not important if I come to your business … Everybody cannot buy from all companies in this town. It’s not possible for all of us to use a business but if you are doing a serious thing we will know you exist because your name will be seen. We all know some companies but have not used their products before; we know their names … If we don’t know the name, something is wrong with their marketing. That is the problem with our small business guys, they are many but don’t do good marketing … How can we know their brand if they are just the same?”

E: “…many guys do this transportation business, the taxis and the type you mentioned. I know some small business who do transport people and farm products for some stores because their bakkie and car are with their brand. Those robots for traffic and other places, some they put their advert and numbers there, some they use Facebook … I think this one is not with the brand on the car [sic].”

As regards IR Three, the responses were not significantly different from the foregoing. Discussants concurred that the main reason they are not familiar with the small business is a matter of poor marketing, noting that, according to a discussant, “… Our town is small. If you take your business seriously, people will know it even if they don’t use it …” This indicates that the discussants perceive the SMEs to be obscure firms who invest little effort in marketing and branding.

In terms of advice to enhance their brand distinctiveness, the dominant suggestions from the discussants were greater presence on social media, locating and fulfilling consumer needs, and adopting a local celebrity to act as a brand ambassador within the community. These findings indicate that there is no active co-creation relationship between consumers and SMEs. The entrepreneurs were more concerned with selling and income, similar to what Cant et al. (2013) found, apparently because they operate in “survival mode” (Berthon et al., 2008).
Consequently, using Wong and Merrilees’ (2005) archetypes, the brand orientation of the three SMEs is described as follows:

**Table 3: Description of participating of SMEs’ brand orientation**

<table>
<thead>
<tr>
<th>Name</th>
<th>Brand orientation</th>
<th>Brand distinctiveness</th>
<th>Brand barrier (entrepreneurial disposition)</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>IR One</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Minimalist</td>
</tr>
<tr>
<td>IR Two</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Minimalist</td>
</tr>
<tr>
<td>IR Three</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
<td>Embryonic</td>
</tr>
</tbody>
</table>

**5. ADDITIONAL FINDING**

A critical additional finding relates to experimentation and the subject of lifecycle stages and minimum years to transit between successive stages. The participating SME entrepreneurs viewed experimentation as a necessary process for learning, locating a suitable venture, and adapting to market contexts before growing. For instance, this mindset was emphatically ventilated in the following manner by IR One:

*This is going to take me more than seven years to ten years without branding. I will brand it after ten years after I know exactly what I’m doing … by the time when I’m satisfied, when I’m competing with the top shops.*

This suggests a trial-and-error approach as opposed to the established standard of prior market research and planning before venturing into a business. All businesses pass through lifecycle phases but ascribing minimum years of transition means SMEs should not operate in experimental, trial and error mode because it exposes them to the risk of serial failures, waste of resources and, possibly, frustration.

In the context of scholarly work and policy formulation, reconciling the lifecycle stage of SMEs given entrepreneurs’ experimental mindset presents a conundrum. For example, most SMEs in South Africa have been found to fail within the first three and a half years referred to as the introductory phase (cf. DTI, 2008). However, being in business for over the three years life expectancy of SMEs may not necessarily translate to positive progression, going by the disposition of the entrepreneurs and voiced emphatically by IR One. In terms of experimental mode-lifecycle stage relationship, the brand orientation of SMEs also comes to the fore. It is logical to conclude that there is a positive correlation between progression and brand orientation, meaning that the more successful an SME becomes, so should its brand orientation become stronger and more integrated. However, the experimental mindset of entrepreneurs
may mean that their brand orientation is fuzzy, haphazard or non-existent.

6. RECOMMENDATIONS

Consequent upon findings of this study, recommendations are made for three categories of role players critical to transforming SME branding from its present low state in the interest of enhancing brand distinctiveness of small businesses.

6.1 Recommendations for entrepreneurs

As an epitome of their brand, entrepreneurs have an immense leadership role to play in terms of conceiving brand strategy, ensuring their employees imbibe the brand value and monitoring its execution both within the firm and externally in all their engagements. For this reason, entrepreneurs have to see branding as more than just a visual identification exercise or a short-term tactic. Entrepreneurs need to realise that branding is an investment and takes time to yield results but it does not take forever – this is a simple fact that established and recognised brands know and imbibe. In other words, entrepreneurs must be strategic.

To be strategic means that entrepreneurs should shun the haphazard, trial-and-error or experimental mindset that emerged during the course of this study. Deliberate planning and market research will ensure they do not venture into an unknown market that will turn out to be a futile and wasteful exercise. SMEs are indeed constrained by money and that may constrain their ability to commission elaborate market research. However, such an intelligence gathering exercise need not be capital intensive: entrepreneurs can access lots of information on the internet from government and reputable private sources on socio-economic and market situations. Alternatively, they could also observe and learn from other entrepreneurs or, if possible, find mentors to guide them. Additionally, they can personally interact with consumers in the potential target market that their intended business will serve to glean information and understand the context better. These are relatively cheap and easy intelligence-gathering tactics entrepreneurs can use to have an idea of the market, which, once understood, will inform their branding strategy.

Finally, entrepreneurs need to improve their brand communication mix. It is almost inconceivable that any serious firm will not have an online presence at this age. To this end it is essential that entrepreneurs pay attention to their online communication. Importantly, entrepreneurs must first leverage their communities. Since entrepreneurs are likely to be resident where their businesses are located, it means they can be termed as locals – this has the advantage of familiarity with the overall landscape of the community and its dynamics. Consequently, entrepreneurs need to look towards community engagement or contributions to enhance their distinctiveness. This strategy is in line with the philosophy of corporate citizenship and corporate social responsibility.
Entrepreneurs need to identify causes or actions they can reasonably contribute to and be associated with because this adds more value to their brand. It is only through planned communication that entrepreneurs can interact with consumers, co-create a strong brand, and be competitive and distinctive. It is necessary for entrepreneurs to take this on board, and is in line with the framing theory because it accentuates conscious and deliberate actions taken to push the brand narrative for market relevance.

6.2 Recommendations for policymakers

Already, several support mechanisms exist to support SMEs in South Africa. Most of the support mechanisms seem to concentrate more on financial and technical assistance. These support structures are important stakeholders in the SME sector and as evident from findings of this study, not all entrepreneurs are oblivious to the existence and role of such stakeholders. Therefore, because some savvy entrepreneurs will make efforts to exploit the opportunities from these support and empowerment stakeholders, it is recommended that policymakers make branding (in terms of tutorship and implementation) an integral part of the support they render. This is because branding is essential and supporting an entrepreneur financially and technically does not automatically mean the beneficiary is adept at the soft skill of positioning the business for success and distinctiveness. Consequently, policymakers need to include branding as part of interventions towards engendering a viable SME sector in the country.

6.3 Recommendations for future investigations

Two recommendations arise for future investigations. First, generally, it is recommended that scholars conduct more investigations into SME branding in rural South Africa because most small businesses are located in those areas. Specifically, there is a need to investigate the issue of the experimental mindset of entrepreneurs, its impact on lifecycle progression and consequences for branding.

Finally, given that branding include product and corporate dimensions, studies need to be done with the view to ascertain which dimension SMEs lean towards including reasons for their leaning(s).

7. LIMITATIONS

As with all research, this investigation has limitations. The most profound limitation is the small sample size. This is a consequence of the qualitative approach adopted. Therefore, the findings of the study are cannot be generalised. The purpose of the study was to explore a largely un-researched domain and gain in-depth knowledge of nuances in SME branding from a South African perspective through personal interactions with entrepreneurs and consumers.
8. CONCLUSION

Findings of this investigation have instructive implications for both scholarship and policy. First, the study contributes a South African context to the literature of SME branding – this perspective is a vital scholastic intervention because little is known about the branding practices of SMEs in Africa (cf. Odoom et al., 2017). Nonetheless, more investigation is required to understand the terrain better. Second, given that branding enhances the competitiveness and distinctiveness of firms, and that SMEs are important to the economy of South Africa, entrepreneurs must have a strong brand orientation particularly because SMEs are in a parlous state in the country and a strong brand orientation could potentially mitigate the high failure rate. However, the findings of the study showed that the entrepreneurs had low brand orientation and do not understand the full ramifications of branding, especially the contemporary emphasis on co-creation of brand meaning. The perpetuation of this state will not endear SMEs to consumers and may stagnate an otherwise viable venture. Therefore, interventions from the scholastic and policy fronts are needed, both discrete and collaborative, to address the situation. Particular scholastic intervention is needed concerning our additional finding because it suggests that the current understanding regarding the lifecycle of SMEs requires reconsideration.

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