Acta Commercii - Independent Research Journal in the Management Sciences
ISSN: (Online) 1684-1999, (Print) 2413-1903

The influence of selected demographic factors on the choice of marketing communication tools: Comparison of foreign and local spaza shop owners in South Africa

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Dates:
Received: 14 Jan. 2019
Accepted: 15 Mar. 2019
Published: 10 June 2019

How to cite this article:
Chipunza, C. & Phalatsi, B.C., 2019, 'The influence of selected demographic factors on the choice of marketing communication tools: Comparison of foreign and local spaza shop owners in South Africa', *Acta Commercii* 19(1), a752. https://doi.org/10.4102/ac.v19i1.752

Orientation: The continued proliferation of foreign-owned spaza shops in South African townships presents intense competition between local and foreign owners, with evidence that foreign spaza shop owners are more likely to use marketing communication tools than local spaza shop owners.

Research purpose: The main purpose of this study was to compare the influence of selected demographic variables (education, age of business and owner's experience) on the choice of marketing communication tools between foreigners and locals who own spaza shops in South Africa.

Motivation for the study: This study was motivated by a lack of insight in comparing the use of marketing communication tools between foreigners and local spaza shop owners.

Research design, approach and method: A descriptive, cross-sectional comparative research design was adopted, where a convenience non-random sample of 236 spaza shops owners, both foreign and local ones in the Free State Province, was analysed using four-way analysis of variance.

Main findings: The results of the study revealed that foreign spaza shop owners are more influenced by selected demographic factors to use marketing communication tools than South African spaza shop owners.

Practical/managerial implications: Given that foreign owners are more influenced by demographic factors to use marketing communication tools to outperform their counterparts, the study highlights the need to support local spaza shop owners for continued sustainability.

Contribution/value-add: This study added knowledge by exploring untested comparison of demographic variables influencing the use of marketing communication tools in spaza shop businesses.

Keywords: marketing communication tools; small grocery; demographics; foreign national; tuck-shop.

Introduction

Marketing communication is one of the important activities any business should consider to remain competitive (Bangura 2011:14). Marketing communication is defined as:

> a collective term for all various types of planned messages used to build a brand. These include advertising, public relations, sales promotion, direct marketing, personal selling, packaging, events and sponsorships, customer service and product placement. (Ouwersloot & Duncan 2008:8)

Using marketing communication to achieve competitive advantage enables an organisation to engage with its various audiences (Fill 2005:1), provides opportunity for consumers to understand the value of an organisation's products and services they are exposed to (Bangura 2011:14) and offers organisations the opportunity to inform customers about their products, by showing how and why the products are used and by whom, where and when they can be used (Schnalke 2012:46). Lastly, marketing communication helps business foster goodwill in the market (Bhasin 2018:1: Fill 2005:2). Given these points, it is evident that marketing communication is a vital part for any business (Mahyari 2010:10).

In South Africa, marketing communication is mostly used by established retail sectors such as the banking, automobile, legal services and large grocery stores (Gabrielli & Balboni 2010:278). Despite this, there is evidence that consumers are moving away from big retail businesses to more

affordable and convenient spaza shops (Chebelyon-Dalizu et al. 2010:2) because of the convenience they tend to offer, such as late night opening. Small spaza shops are defined by the Small Business Act Amendment (2003:5) as very small businesses, owner-managed, having more than 5 but less than 20 employees, and mostly do not adhere to municipal rules about how to conduct business in residential areas (Liedeman et al. 2013:2). This shift by consumers is more prevalent in South African townships, where there is a surge of small retail spaza shops owned by both locals and foreigners of different nationalities, age, gender, education and work experiences. Research such as that of Hadebe (2010:10) shows that this surge is a result of the influx of immigrants in South Africa over the last 20 years, as well as access to finance and government support for unemployed youth in venture creation, which has generally increased the economically active groups in the country's business economic environment. Because of these developments, news of foreigners' small businesses being attacked by South African communities is not uncommon. According to Charman and Piper (2012:81), these attacks are not necessarily driven by anti-foreigner sentiments, rather by economic competition between foreigners and South African spaza shop owners because foreigners are continuing to dominate the spaza shop market, while South African business owners resent their prosperity. A study by Basardien et al. (2014:46) has shown that not only are foreign spaza shop owners dominating the market, but they also seem to have adopted superior marketing communication tools and strategies to attract their customers, compared to their local counterparts.

While the above evidence can be applauded, and given the important role that marketing communication plays in business growth as alluded to above, the fact that no study has been conducted to indicate that local spaza shop owners are also using marketing commutation tools and strategies in their businesses does not mean that they are not using any. Furthermore, there is no known research that has attempted to compare the choice of marketing communication tools between foreign and local spaza shop owners, especially in the South African context – with a view to providing solutions to the competition that seems to be common between these two groups.

Studies in small businesses in South Africa and other African countries show that small businesses use marketing communication for business performance, and that the choice of marketing communication is a function of, among many other factors, demographic factors such as age, gender, education and personality of the owner (Isaga 2015:169; Vallabh & Mhlanga 2015:4). Such evidence, however, comes from single studies with samples of small, medium and micro-sized enterprises (SMME) owners from single countries. Furthermore, these studies are not comparative in nature, and did not involve owners of retail spaza shops *per se*. Given this research gap, and the fact that the current competitive context among foreigners and local spaza shop owners in South Africa is not conducive for proper coexistence, and that foreign nationals are viewed as using superior business strategies compared to locals, the present study seeks to compare the choice of marketing communication tools between foreign and local spaza shop owners in South Africa, and whether such choices are influenced by selected demographic variables of the owners. Such a comparison could be a starting point in promoting small retail spaza shop business coexistence in South African townships and beyond, given the inevitable migration of people from one country to another.

Given the above, the main objective of this study was to determine the influence of selected demographic factors (nationality, age, education level and business experience) on the choice of marketing communication tools between foreign and local spaza shop owners in South Africa.

Problem statement

Despite evidence of the usage of marketing communication tools in large retail businesses in South Africa (Joseph 2009:1), the continued proliferation of small retail grocery tuck-shops in South African townships has presented the small retail business environment with intense competition between locals and foreigners. Previous studies have shown that foreigners who own small businesses use superior communication tools to outperform their competition in the market (Basardien et al. 2014:46). This study, however, does not provide further evidence on whether locals who also own small businesses use any marketing communication tools or not. Furthermore, this study does not provide support on what influences the choices of the marketing communication strategies by foreigners. Yet, evidence reported by Radipere and Dhliwayo (2014), Kimosop, Korirand and White (2016) and Lucas (2017) shows that certain demographic variables are associated with the performance of small businesses. Based on the above, and to our knowledge, no study has been conducted among small retail grocery spaza shop owners, both locals and foreigners, in a South African environment, to determine the choice of marketing communication tools they are using for their spaza shops, and whether the choice of marketing communication tools might be influenced by certain demographic variables.

Literature review

Small grocery spaza shop businesses in South Africa

Small grocery tuck-shops, or convenience stores, are also referred to as 'spaza shops' in South Africa (Liedeman et al. 2013:2; Moloi 2014:20). The term 'spaza shops' is associated with the restrictions imposed by the apartheid government that limited the involvement of black people in businesses and yet there was enormous unemployment affecting the non-white population (Chebelyon-Dalizu et al. 2010:9; Mathenjwa 2007:114). These shops were established within the homes of people during the apartheid era to elude the authorities. They were also operated surreptitiously as part of the survival strategies against the oppressive apartheid regime and also as a means of boycotting white-owned shops

(Moloi 2014:22). As a result, spaza shop owners avoided using any promotional tools in an attempt to avoid attention during the apartheid era. The changes in the political climate in 1994, however, led to government adopting policies that enabled free-market systems and the lifting of restrictions on informal enterprises.

The popularity of spaza shops in South Africa has risen over the years. Factors such as people's search for ways to survive and the existence of relatively low barriers to enter this type of market account for this rise in popularity (Basardien et al. 2014:49). The Department of Trade and Industry (2005:14) states that about 1.69 million South Africans between the ages of 15 and 65 are involved in or own spaza shops, although the statistics do not differentiate between those that are local or foreign national-owned. Furthermore, the Sustainable Livelihoods Foundation (2012:7) opines that spaza shops increased to 1130 among combined populations of about 98 000 households between 2010 and 2012. The Foundation also revealed that the continuous increase in the number of spaza shops has also witnessed a 50% growth in shops owned or operated by foreigners. This confirms that foreigners have established a strong foothold in the spaza shop sector of the South African economy. Further statistics show that spaza shops account for 2.7% of the retail trade, which equates to almost R8 billion in value (Spaza Media 2011). It is also observed that this sector accounts for 6.6% of self-employment with almost 9.2% of home-based and self-employed people operating these businesses (Liedeman et al. 2013:2; Wills 2009:29, 51).

Characteristic of spaza shops in South Africa

The literature outlines the characteristics of spaza shops and their significance within the communities where they operate and on the larger national economy. For example, Moloi (2014:20) and Ligthelm (2005:200) as well as the Small Business Act Amendment (2003:5) state that tuck-shops or spaza shops (the terms will be used interchangeably in the discussions) are usually informal or unregistered in nature, owner-managed, having less than five employees, have few assets and most do not adhere to municipal rules about how to conduct business in residential areas. Similarly, Liedeman et al. (2013:2) showed that spaza shops are mostly found in urban townships and they trade in items that can easily be acquired and are regularly in demand in the local communities. The main items sold include bread, milk, grain staples, cooldrinks, soap, cigarettes and alcohol. Despite the small size of the shops, most of the goods on offer are kept inside, except for hazardous products, such as paraffin (Basardien et al. 2014:49). Most spaza shops across the country are usually made of corrugated iron sheet or the business is operated out of a metal shipping container (Chebelyon-Dalizu et al. 2010:9). In some cases, the shops are housed in brick structures annexed to the main residential property (Basardien et al. 2014:49). Usually, the spaza shop customers are served through a small window-like opening, which allows the customer to see products inside the shop. This style structure was developed to keep the shop owners safe from any attacks; however, new owners, such as the Somalian business owners, have revolutionised this by introducing walk-in spaza shops that offer self-service; hence these are now referred to as 'modern' spaza shops (Basardien et al. 2014:49).

Foreign and local spaza shop owners in South Africa

Since the advent of multiracial democracy, the South African government has encouraged more South Africans to start and own spaza shops – a move that has resulted in other nationalities also entering this sector to own and operate spaza shops all over the country (Basardien et al. 2014:49). Foreigners' entry into the townships has resulted in fierce competition between South African and foreign spaza shop owners. Liedeman et al. (2013:1) estimate that there has been competition between South African and foreign business owners since the early 2000s. Various studies have been conducted to determine the nature of this phenomenon. For instance, Crush, Ramachandran and Pendleton (2013:24) posit that the competition between the two groups has given rise to violence directed at foreigners, as noted in the sporadic xenophobic attacks on foreigners and their businesses by South African communities and business owners especially in 2008. This confirms the general contention that attacks on foreigners are not driven by anti-foreign sentiments, but rather by economic competition (Charman & Piper 2012:81).

Despite the sporadic attacks on foreigners owning spaza shops, foreigners are currently dominating the 'spaza shop sector' in the country as per the Sustainable Livelihoods Foundation (2012:2). The dominance of foreign-owned spaza shops was witnessed in early 2007 in the Western Cape Province, and then it spread across the country. This dominance can be attributed to the superior business strategies foreigners use in their businesses (Basardien et al. 2014:49). However, Liedeman et al. (2013:2) assume the dominance of the foreigners over the market arises from a major shift in the ownership of spaza shops because some local spaza shops are closing or diversifying to alternative activities such as selling alcohol or takeaway food. Mgayi (2015:15) attributes the rise in foreigners owning spaza shop to their inability to enter the formal economy of the country, while Chebelyon-Dalizu et al. (2010:13) found that foreigners need to survive in a 'foreign context' and this makes them come together collegially and trade for survival; however, locals face challenges such as access to finances to start small businesses.

Furthermore, the Sustainable Livelihoods Foundation (2012:2) indicates that most South African-owned spaza shops are home-based and thus less competitive, whereas foreign-owned shops are usually operated or rented from premises or semi-detached rooms strategically distributed in townships. Secondly, South Africans operate their businesses themselves or draw on family labour, while foreigners tend to operate their businesses themselves or employ partners until such a time when they can afford to hire labour (Mgayi 2015:15;

Sustainable Livelihoods Foundation 2012:2). This means that foreign spaza shop owners minimise labour costs and have sufficient staff to operate the businesses for much longer hours than South African business owners. In addition, foreigners operate or have operated spaza shops before and this empowers them with more trading experience and business knowledge (Mgayi 2015:15). Finally, another contrasting factor between foreigners and South African business owners is that local South African business owners usually use their profits for household expenses, while foreigners do not.

From the above, it is possible to suggest that there are differences between foreign and South African spaza shop owners because of a number of reasons that have resulted in foreign spaza shop owners dominating the market. It can also be inferred that the inability of South African spaza shop owners to learn the skills of trading and competing might be the cause of the xenophobic attacks on foreign businesses.

For the purpose of this study, foreigners are political and/or economic refugees who came into South Africa, like Pakistanis, Chinese, Zimbabweans and Somalis, and own spaza shops (Basardien et al. 2014:46).

Marketing communications

The term 'marketing communication' has no universal definition. Marketing communications are a representation of the business's voice and its products, and they are means by which a business can create a dialogue and build relationships (Todorova 2015:368). Fill and Jamieson (2006:9) explain that marketing communication originated from a focus on products and one-way communications. However, moving on with the evolution and expansion of a range of tools and media has gone beyond being one-way to recognising and including two-way interactive and dialogic communication seeking to meet the needs of various audiences. Marketing communication, in this case, refers to audience-centred activities. Ouwersloot and Duncan (2008:9) refer to audience-centred activities as 'various types of planned messages used to build a brand', while Mehling (2007) defines marketing communication as:

> a combination of elements, activities and techniques an organisation employs to connect with and persuade the target market to engage in a particular action or response, such as buying a product, using a service or accepting an idea. (p. 5)

These definitions entail that marketing communication is an interaction between a business and its customers, with the ultimate goal of enabling consumers to make purchasing decisions. In addition, the above definitions mean that marketing communication tools are promotion-orientated and incorporate efforts seeking to persuade audiences to make purchasing decisions.

The role and importance of marketing communication

Various authors outline the different ways that make marketing communication an important aspect of any organisation (Laitinen 2009:14; Lekhanya 2015:140; Mahyari 2010:10). Esposito (2013:81) states that marketing communication creates loyalty and confidence, which could result in achieving a sustainable competitive advantage. This is true for small grocery businesses, where the creation of a competitive advantage through building trust among customers is pivotal to the success and survival of a business. According to Schnalke (2012:45), marketing communication can be used to build trust and, finally, persuade and remind customers, directly or indirectly, about offerings, brands and the business itself. Lekhanya (2015:140) further states that organisations, to which is added spaza shops as in this case, use marketing communication to inform customers about why and how the product or service can be used, by whom, where and when it can be used. In this regard, it can be suggested that the adoption of marketing communication by the spaza shop businesses sector could assist businesses to compete strategically for customers, thereby contributing to an increase in the exposure and popularity in the community.

The need to expose a business to a large group of customers through marketing communication is emphasised by Mahyari (2010:10–11), who pointed out that marketing communication creates a communication platform with customers, thus influencing customers' information processing that might lead to future sales. In concurrence, Frey and Rudloff (2010:3) assert that marketing communication helps maintaining contact with target audiences and builds a communication channel between an organisation and customers. Notably, the key purpose of marketing communication is to keep contact with customers, a purpose that is likely to be key in the small grocery businesses as this has the potential of creating loyalty among customers, enabling the businesses to discover customers' needs and desires.

Laitinen (2009:14) emphasised the information processing role of marketing communication by arguing that marketing communication develops brand value using advertising to set up feelings, create visions and improve beliefs. As a result, customers end up behaving in certain ways such as seeking to make purchases or use services offered and, in that way, benefit businesses. Thus, marketing communication could assist spaza shops businesses to create a positive image that can bring more revenue and ultimately improve their popularity over other businesses. Therefore, it is important to understand the influence of marketing communication and the role it plays in the spaza shop business environment.

Marketing communication among spaza shop businesses in South Africa

Studies conducted in South Africa revealed that spaza shops utilise marketing communication tools differently to other countries on the African continent (Tsikirayi, Muchenje & Katsidzira 2012:5). For instance, one study showed that spaza shop owners rely on marketing communication tools such as sales promotions, word-of-mouth and packaging for the growth of their businesses (Chiliya, Herbst and Roberts-Lombard 2009:74–75). Perks (2010:450) also found that spaza

shops in South Africa use similar marketing communication. Chebelyon-Dalizu et al. (2010:10) concur with the assertion and state that spaza shops have trouble deciding on whether to use advertising for their businesses because they cannot quantify returns from investing in promotional activities, although they rely on word-of-mouth and outdoor advertising. Similarly, recent studies by Mapheto, Oni and Matiza (2014) and Lekhanya (2015) revealed that spaza shops around the country use marketing communications tools in their everyday practice. However, the author questioned if all available marketing communication tools are able to be used by spaza shop owners. Authors such as Mgayi (2015:16), Chebelyon-Dalizu et al. (2010:10) and Chiliya et al. (2009:74) suggest that the most used and adopted marketing communication tools by spaza shop owners are advertising, sales promotions, personal selling, customer services, word-of-mouth and packaging. For example, appropriate packaging might help cater for customers' needs, such as suitable packaging for transportation, especially when spaza shops are located in townships where most consumers struggle with transport to get back home with their goods. Similarly, word-of-mouth may educate many customers about the availability of spaza shop's products and services within a short space of time because the method is cost-effective.

In view of the above, an important question to ask then is are these marketing communication strategies different for foreign owners and local spaza shop owners? Various authors opine that foreigners use marketing communication tools and other strategies to outperform local business owners (Liedeman et al. 2013:3; Mgayi 2015:16). Specifically, Liedeman et al. (2013:3) observed that most foreigners use price discounting as a marketing communication tool to capture the market from existing stores owned by South Africans. A study conducted by the Sustainable Livelihoods Foundation (2012:2) observed that foreigners procure goods in a cost-effective manner and then use sales promotions that include price cuts as part of their marketing communication activities. Mgayi (2015:16) confirms this by arguing that price discounts are extensively used by foreigners to penetrate the market. The author observed that most South African spaza shop owners do not engage in these activities; as a result foreigners take advantage of this in conducting their business. Foreigners also use the marketing communication tool of customer service (Mgayi 2015:16) in offering customer services in a friendly and helpful manner. They even go to the extent of offering informal micro-credit to their loyal customers.

The above evidence suggests that foreigners seem to be using marketing communication as part of their strategies to outperform local business owners, and that, unfortunately, evidence on whether specific marketing communications tools are used by South African spaza shop owners is still not available in the literature.

Demographic characteristics and marketing tools choice

Previous studies in South Africa have identified a set of demographic characteristics – gender, age, education level or background, experience, religion, family background and income – as contributing to the success of entrepreneurship (Isaga 2015:169; Vallabh & Mhlanga 2015:4; Welmilla, Weerakkody & Ediriweera 2011:47) and also helping to shape entrepreneurs' behaviours (Sajilan, UlHadi & Tenseen 2015:38), including the behaviour of spaza shop owners in terms of business strategies such as good customer care and cooperation with other similar businesses in the same vicinity (Chiliya & Robert-Lombard 2012:466; Isaga 2015:169). However, none of these studies examined the influence of each of these demographic variables on business strategies that focus specifically on the choice of marketing communication tools, in a comparative study.

Gender and marketing communication

Gender is one of the demographic factors that is found to have an impact on entrepreneurial success (Vallabh & Mhlanga 2015:3). Authors such as Türetgen, Unsal and Erdem (2008:71) argue that gender inequalities in different societies make gender effects on entrepreneurial and marketing success different (Boonchoo, Wadeson & Tsang 2013:64), especially in the event of entrepreneurial marketing involving the adoption and practising of marketing strategies. The inequalities in gender mean that the influence of gender on marketing communications choice might differ by culture or nationality (Naudé, Desai & Murphy 2003:1207). This is supported by Sajilan et al. (2015:39), who commented that gender is an important predictor of any business behaviour and intention.

In trying to establish the relationship between gender and the adoption of marketing communication strategies, the studies by Kepler and Shane (2007) and Said et al. (2014) suggest that male entrepreneurs expended more effort in search for business opportunities via marketing strategies than females. In other related studies, however, wives were found to be more inclined to use cognitive and affective cues as marketing tools, while husbands were slightly more inclined in using heuristic devices such as online banners and blogs (Koc 2002). Although these findings were done in other contexts and not necessarily spaza shops, they can be useful, considering that marketing communications are essential for small grocery tuck-shops so as to convince customers that they have the best products for the best possible price. Such an argument, within the present study, can be prevalent, regardless of whether the male spaza shop owner is a South African or a foreigner.

Age and marketing communication

With regard to age, Sajilan et al. (2015:38) posit that age is a key characteristic in understanding any entrepreneur's behaviour and intentions, which, in the context of this study, could be linked to the adoption of specific marketing communication tools. Over the years, the literature has highlighted different views regarding age and marketing activities. Naudé et al. (2002) found age to have an impact on internal marketing orientations of foremen in a large service organisation. Other researchers, such as Lindsey, Spake, and Joseph (2011), found age closely linked to college students'

choice of marketing strategies for their projects. Yet, some researchers argue that the younger a business owner is, the more likely he or she will be able to succeed in his or her business (Woldie, Leighton & Adesua 2008:9). Consistent with this view, Tanveer et al. (2013:452) state that the chances of becoming an entrepreneur reduce as one's age increases. Similarly, Gielnik, Zacher and Frese (2012:134) posit that with increased age, business owners tend to focus less on business activities (marketing communications included) and the growth of the business. Although the above evidence can be criticised for not differentiating age in terms of nationality, a study conducted in South Africa by Radipere (2012) found that, in most cases, foreign entrepreneurs are more likely to be influenced by age than South Africans because they tend to be younger and more likely to undergo repeat migration or relocate if the current place is not suitable enough for entrepreneurial activities. Assuming that being entrepreneurial entails adopting all business-related strategies, including marketing communication tools, it is possible to suggest that, in this study, the younger a spaza shop owner is, the more likely they are to consider using specific marketing communication tools. Similarly, the observation of Radipere (2012) could possibly mean that age might influence more foreigners in terms of the adoption and practice of marketing communication in their businesses than their South African counterparts.

Education and marketing communication

Education, among other factors, acts as a source of knowledge, skills, discipline, motivation and self-confidence for business owners (Isaga 2015:169). Similarly, GEM (2012:6) reports that good quality education impacts a business owner's development as it enhances an individual's level of self-efficacy and self-confidence. A business owner's level of education can chart a path for the success of the business, as well as the process of building absorptive capacity for new strategies (Vallabh & Mhlanga 2015:3). For this reason, Boonchoo et al. (2013:64) suggested that higher general education is associated with good business performance, measured in terms of proper marketing activities among other activities. This confirms what Isaga (2015:169) suggests that individuals with higher levels of education can easily manage their businesses, while those with lower levels are less likely to succeed.

The pivotal role of education in small businesses is more significant for foreign entrepreneurs than local ones as postulated by Radipere (2012). The author found that education is regarded as a survival business tool and impacts more on foreign owners' business practices than on locals. This resonates with a study by Jiménez et al. (2015), who found that secondary education has a negative effect on the establishment of informal firms, but has nothing to do with the adoption of any business strategy. Regarding this study, this suggests that, regardless of nationality, secondary level of education can influence the use of marketing communication. To support this assumption, the study by Mgayi (2015:16) shows that most foreigners owning spaza shops in South Africa have either primary or secondary education and most of their businesses are informal in nature, but they use superior marketing strategies for increased business performance. In light of this evidence, this research hypothesises that the choice of marketing communication is more dependent on education for foreign spaza shop owners than for local spaza shop owners.

Previous business experience and marketing communication

Prior business experience is considered a major influence on entrepreneurial success (Isaga 2015:169; Radipere 2012:55). Unger et al. (2009:353) explain that the most observed types of business experience are entrepreneurial, management and industrial experience, and these have been found as important determinants of achieving organisational goals. The literature further argues that people with prior relevant business experience often have a better understanding of how to meet the demands of businesses (Isaga 2015:170). However, such studies did not include the influence of previous experience on the adoption of marketing communication, in either small business or large corporates.

Vinogradov and Elam (2010:55) recommended that although previous business experience (whether entrepreneurial or management) is important for the success of any business, it seems experience is more significant for the business survival for foreign entrepreneurs. The authors ascertain that when foreigners master a strategy whereby a previous business venture was successful, then the same business practice will be replicated in future. Radipere (2012:131) concurs that prior experience is one of the demographic factors that helps foreigners to gauge if an area has or has no business opportunities. Given these points, one might infer that foreign spaza shop owners, with prior business experience, are more likely to adopt marketing communication tools and become successful in their businesses than local spaza shop owners.

Methodology

This study adopted a comparative research design with the primary goal of searching for similarities and variances between two groups of small spaza shop owners. Specifically, the comparative design was used to compare demographic factors that influence the choice of marketing communication tools between foreign and local tuck-shop owners. A quantitative approach was used because the analysis involved generation of hypotheses, quantifying data and using statistical analysis in the comparison of demographic factors influencing the choice of marketing communication tools by the two groups that participated in this study.

Population and sample

The study was conducted in the Free State Province of South Africa. The population comprised spaza shop owners from six selected municipalities with high concentrations of spaza shop owners (South African Spaza and Tuck-shop Association [SASTA] 2014–2015). The population of the study was

$N = 464$ spaza shop owners. The sample size was $n = 236$ (136 foreigners and 100 South Africans) selected using convenience non-random sampling technique.

Data collection

Data were collected over a period of 3 months from the six selected municipalities using a self-administered structured questionnaire with Likert scaled items, developed by the researcher. The researcher randomly distributed the questionnaires among the spaza shop owners, who were available and willing to participate in the study from the selected municipalities. Before leaving the questionnaires, the researcher explained the purpose of the study and the associated ethical issues.

Data analysis

Data were cleaned and captured using the Statistical Package for Social Science (SPSS) version 21. Descriptive statistics, such as frequency distributions, averages and percentages, were used to analyse the response rate and demographic distribution of the sample, while inferential statistics, specifically factor analysis and two- and four-way analysis of variance (ANOVA), were used to test the hypotheses. The results of the analysis are presented below.

Ethical considerations

The Faculty Research and Innovation Committee (FRIC) of the Faculty of Management Sciences, Central University of Technology, Free State, ethically approved the study (approval number 02/16).

Results

The average response rate was 60%. This response rate is regarded as high, considering that most studies in small businesses have reported similar response rates (Chipunza 2014:123). Out of the 243 questionnaires returned, 236 were correctly completed and, therefore, utilised in the final analysis for the study. The response rates for each local municipality are shown in Tables 1 and 2.

Table 2 shows that most respondents were males (78%), with most of the sample within the age category of 31–40 (45%). South Africans dominated the sample (43%) and most (41%) have matric level of education. In terms of experience in business, 52% of the sample has 2–5 years of business experience. Interestingly, 94.1% of the sample had no marketing experience.

Exploratory factor analysis

Exploratory factor analysis was done to the data set that represented the marketing communication tools choices to identify items that load or do not load satisfactorily on items that they intent to reflect. A total of nine single factors, which represented the broad marketing tool choices, were extracted using the oblique method. The items with loadings of >0.50 were considered for each factor. The extracted factors were broadcast media, print media, business and product visibility, discounting, competitor repackaging, customer service and price, customer assistance, market research and charity work. These derived factors or constructs and their reliability are shown in Table 3.

Results in Table 3 show that most of the variables (factors) were reliable and could be used for further statistical analysis

TABLE 1: Response rate for each municipality.

Municipality	Population = 464	Determined sample size	No. of questionnaires administered	Response rate	
				Number	Percentage (%)
Mangaung	135	100	120	91	76
Matjhabeng	209	136	150	115	77
Masilonyane	15	14	20	3	15
Moqhaka	40	36	40	13	33
Kopanong	20	19	25	6	24
Dihlabeng	45	40	50	15	30
Total average	**464**	**345**	**405**	**243**	**60**

TABLE 2: Demographic characteristics of respondents.

Characteristics	Category	Frequency	Valid percentage
Gender	Female	52	22.0
	Male	184	78.0
	Total	236	100.0
Age group	21–30 years	33	14.0
	31–40 years	106	44.9
	41–50 years	79	33.5
	51 and above	18	7.6
	Total	236	100.0
Nationality	South African	100	42.4
	Somalis	39	16.5
	Pakistanis	50	21.2
	Bangladeshis	40	16.9
	Other	7	3.0
	Total	236	100.0
Education level	No formal education	37	15.7
	Primary level	76	32.2
	Matric level	96	40.7
	College or university	27	11.4
	Total	236	100.0
Number of years business has been operating	Below 1 year	16	6.8
	2–5 years	123	52.3
	6–10 years	81	34.5
	11–15 years	14	6.0
	Above 15 years	1	0.4
	Total	235	100.0
Marketing experience	Yes	14	5.9
	No	222	94.1
	Total	236	100.0

TABLE 3: Reliability coefficients of factors representing marketing communication tools.

Factors or construct	Cronbach's alpha	N (no. of variables loaded in the construct)
Broadcast	0.89	4
Print	0.89	4
Visibility	0.85	3
Discounting	0.77	4
Fair dealing	0.64	4
Marketing events	0.16†	2
Product sampling	0.02†	2
Competition responsive repackaging	0.81	4
Service and price	0.73	2
Customer assistance	0.95	4
Market research	0.80	2
Charity work	0.70	3

†, alpha level < 0.5.

because their reliability coefficient was 0.7 and above. According to Tavakol and Dennick (2011), a Cronbach's alpha above 0.7 is regarded as acceptable and it indicates homogeneity of items.

Two-way interaction model (to obtain the *F*-values and the associated *p*-values) and a coefficient of determination model (to obtain the coefficient of determination values, R^2) for all marketing communication methods or constructs were done using ANOVA to test the interaction of the origin of spaza shop owner and demographic characteristics on marketing communication tools. The results are presented in Table 4.

Table 4 shows that the models for tools of print media ($F = 7.74$; $p < 0.0001$), business and product variability ($F = 7.48$; $p < 0.0001$), discounting ($F = 22.1$; $p < 0.0001$), competitor packaging ($F = 9.77$; $p < 0.0001$) and charity work ($F = 6.02$; $p < 0.0001$) score on the demographic variables and their interactions with origin of owner were found to be statistically significant. Also, the table shows that broadcast media ($R^2 = 4\%$) and market research ($R^2 = 8\%$) had the lowest coefficient of determination values. Analysis of variance was also used to test for the main effects of demographic variables on the choice of marketing communication tools. The implications of these results are indicated in the parameter estimates dissections below.

TABLE 4: Interaction model results and coefficient of determination for marketing communication tools.

Marketing communications tools	*F* statistic	*p*	*R*	Mean
Print media	7.74	< 0.0001	0.24	1.6
Broadcast media†	1.01	0.4320	0.04	1.1
Business and product visibility	4.48	< 0.0001	0.15	4.2
Discounting	22.1	< 0.0001	0.47	3.7
Competitor repackaging	9.77	< 0.0001	0.28	3.0
Customer service and price	3.39	0.0006	0.12	4.9
Customer assistance	3.48	0.0005	0.12	4.9
Market research	2.22	0.0215	0.08	1.5
Charity work	6.02	< 0.0001	0.19	1.3

†, item with low coefficient determination value.

TABLE 5: Parameter estimates for two-way interaction analysis of variance model of use of print media.

Parameter	*B*	SE(*B*)	*t*	*p*
Intercept	2.12	0.114	18.6	< 0.0001
GROUP SA	-0.90	0.207	-4.3	< 0.0001
SURVIVAL Over5	-0.29	0.189	-1.6	0.1230
EDUCATION Post-Sec	0.01	0.216	0.0	0.9707
EDUCATION Primary	-0.28	0.147	-1.9	0.0603
AGE Over40	-0.06	0.184	-0.4	0.7258
GROUP × SURVIVAL SA Over5	0.24	0.328	0.7	0.4661
GROUP × EDUCATION SA Post-Sec	-0.16	0.363	-0.5	0.6533
GROUP × EDUCATION SA Primary	0.26	0.222	1.2	0.2521
GROUP × AGE SA Over40	-0.01	0.323	0.0	0.9806

Parameter estimates

For the purpose of parameter estimates analyses, the demographic variables were re-defined as follows: age was re-defined into 'less than or equal to 40 years' and 'over 40 years' (two levels); for education, the category 'no formal education' was incorporated into 'primary, secondary' and 'post-secondary' (three levels); years in business (survival) was re-defined into 'less or equal to 5 years' and 'more than 5 years' (two levels) and origin of owner (group) was re-defined into 'non-South African' (foreigners) and 'South African' (two levels).

The above-mentioned demographic variables were treated as independent variables in the analysis. To obtain parameter estimates for the demographic independent variables, they were parameterised in such a way that the estimate for one of the levels of each of the independent variables is set to zero. In this analysis, the estimates for non-South African, under 40 years of age, secondary education and under 5 years business survival were set to zero. The resultant parameter estimates are shown in the tables below, and those set to zero and the interaction terms involving them are not shown in the table of results. This is because any interaction with a level whose parameter is already set to zero would yield a parameter estimate of zero. Using a four-way ANOVA model, the parameter estimates models are shown in Table 5.

As shown in Table 5, the model for print media use score on the demographic variables and their interactions with origin of owner was found to be statistically significant ($F = 7.74$; $p < 0.0001$) (see Table 4). The coefficient of determination for the model was $R^2 = 0.24$ (see Table 4). This result shows that the model explains 24% of the variability in the use of print media. This entails that there might be other factors influencing the extent of use of print media among spaza shop owners besides the demographic factors used in this study.

The model parameter estimates show that the group, which represents origin of owner, has the only statistically significant effect on choice of print media ($p < 0.0001$). The intercept estimate is 2.12, which shows the mean print media use score for the reference case. The value of the parameter estimate for GROUP SA is −0.90, which shows that South African spaza shop owners have a lower print media use score than non-South Africans. The hypothesis that South African spaza shop owners use less of the print media tool than foreigners, therefore, is not rejected.

The two-way interaction model on the use of broadcast media is shown in Table 6.

Table 6 shows that the interaction model for broadcast media choice score on the demographic variables and their interactions with origin of owner was not statistically significant ($F = 1.01$; $p = 0.4320$) (see Table 4). This means there was no interaction between demographic characteristics and the origin of the spaza shop owner in the use of broadcast media. The coefficient of determination for the model was $R^2 = 0.04$ (see Table 4), which means this model explains only 4% of the variability in the use of broadcast media. With reference to the use of broadcast media, the mean score was found to be only 1.09, just 0.09 units away from the minimum score. All the *p*-values associated with the model predictor variables were more than 0.05, showing that there is

TABLE 6: Parameter estimates for two-way interaction analysis of variance model of use of broadcast media.

Parameter	*B*	SE(*B*)	*t*	*p*
Intercept	1.09	0.048	22.5	< 0.0001
GROUP SA	0.07	0.088	0.8	0.4293
SURVIVAL Over5	0.01	0.080	0.1	0.8858
EDUCATION Post-Sec	0.15	0.092	1.6	0.1125
EDUCATION Primary	0.02	0.062	0.4	0.7114
AGE Over40	0.08	0.078	1.0	0.3125
GROUP × SURVIVAL SA Over5	-0.17	0.139	-1.2	0.2275
GROUP × EDUCATION SA Post-Sec	-0.27	0.154	-1.8	0.0804
GROUP × EDUCATION SA Primary	-0.05	0.094	-0.5	0.6168
GROUP × AGE SA Over40	-0.01	0.137	-0.1	0.9363

TABLE 7: Parameter estimates for two-way interaction analysis of variance model of business and product visibility.

Parameter	*B*	SE(*B*)	*t*	*p*
Intercept	4.43	0.113	39.1	< 0.0001
GROUP SA	-0.61	0.206	-2.9	0.0036
SURVIVAL Over5	0.42	0.188	2.3	0.0254
EDUCATION Post-Sec	0.05	0.214	0.2	0.8115
EDUCATION Primary	-0.25	0.146	-1.7	0.0925
AGE Over40	-0.08	0.183	-0.4	0.6753
GROUP × SURVIVAL SA Over5	-0.34	0.325	-1.1	0.2955
GROUP × EDUCATION SA Post-Sec	0.23	0.360	0.6	0.5320
GROUP × EDUCATION SA Primary	0.18	0.221	0.8	0.4128
GROUP × AGE SA Over40	0.04	0.321	0.1	0.9091

TABLE 8: Parameter estimates for two-way interaction analysis of variance model of use of discounting.

Parameter	*B*	SE(*B*)	*t*	*p*
Intercept	4.70	0.126	37.3	< 0.0001
GROUP SA	-1.60	0.229	-7.0	< 0.0001
SURVIVAL Over5	-0.04	0.209	-0.2	0.8650
EDUCATION Post-Sec	0.03	0.239	0.1	0.9163
EDUCATION Primary	-0.56	0.162	-3.4	0.0007
AGE Over40	-0.42	0.203	-2.0	0.0423
GROUP × SURVIVAL SA Over5	-0.08	0.362	-0.2	0.8255
GROUP × EDUCATION SA Post-Sec	-0.35	0.400	-0.9	0.3877
GROUP × EDUCATION SA Primary	0.64	0.245	2.6	0.0098
GROUP × AGE SA Over40	0.16	0.357	0.5	0.6462

TABLE 9: Parameter estimates for two-way interaction analysis of variance model of competitor-driven repackaging.

Parameter	*B*	SE(*B*)	*t*	*p*
Intercept	3.11	0.171	18.2	< 0.0001
GROUP SA	-0.62	0.310	-2.0	0.0480
SURVIVAL Over5	0.69	0.283	2.4	0.0163
EDUCATION Post-Sec	0.50	0.324	1.5	0.1265
EDUCATION Primary	0.25	0.220	1.1	0.2661
AGE Over40	0.41	0.276	1.5	0.1364
GROUP × SURVIVAL SA Over5	-0.48	0.491	-1.0	0.3340
GROUP × EDUCATION SA Post-Sec	-0.66	0.543	-1.2	0.2224
GROUP × EDUCATION SA Primary	-0.75	0.333	-2.3	0.0251
GROUP × AGE SA Over40	-0.63	0.484	-1.3	0.1913

insufficient evidence to suggest that any of the independent variables or their interactions have a significant effect on broadcast media use. Thus, the hypothesis that South African spaza shop owners use less of the broadcast media tool than foreigners is rejected.

Table 7 shows the two-way interaction model of business and product visibility.

The ANOVA model showed statistical significance ($F = 4.48$; $p < 0.0001$ (see Table 4), but the coefficient of determination is only $R^2 = 0.15$ (see Table 4), which shows that this model explains very little (15%) of the variability in the business and product visibility score. As indicated in Table 7, the intercept estimate is 4.43; this reflects one of the reasons why spaza shop owners market their businesses and products. The model parameter estimates show that group ($p = 0.0036$) and business age ($p = 0.0254$) have the only statistically significant effect on business and product visibility as a reason for marketing. If the owner is South African, the mean score will significantly go down by 0.61, and if the business is at least 5 years old, the mean score would increase by 0.42. The hypothesis that South African group does not influence the choice of the marketing communications is, therefore, rejected.

The interaction model for use of discounting score on the demographic variables and their interactions with origin of owner was statistically significant ($F = 22.1$; $p < 0.0001$) (see Table 4). The coefficient of determination of the model was $R^2 = 46.9\%$ (see Table 4). The model explains 46.9% of the variability of the discounting score. As indicated in Table 8, the mean response score (intercept) is 4.7. The finding further reveals how group, education and age have an effect on the use of discounting, where South African ownership (-1.60) significantly reduces the score, as well as primary education (-0.56) and over 40 years (-0.42). The hypothesis that South African owners use more discounting as a communication tool than foreigners is, therefore, rejected.

The parameter estimates for the two-way interaction model of competitor-driven packages are indicated in Table 9.

The model for competitor-driven repackaging score on the demographic variables and their interactions with origin of owner was found to be statistically significant ($F = 9.8$; $p < 0.0001$) (see Table 4). This means there is an interaction between demographic characteristics and the origin of the spaza shop owner for competitor-driven repackaging. The coefficient of determination of the model was $R^2 = 28.1\%$ (see Table 4). The model only explains 28.1% of the variability in competitor-driven repackaging. As shown in Table 9, the intercept estimate is 3.11. The value of the parameter estimate for GROUP SA is −0.62, which shows that if the owner is South African, the mean score will significantly go down by 0.62. Thus, South African spaza shop owners have a lower use score of competitor-driven packaging than non-South African spaza shop owners. Secondly, the results reveal that if the business is at least 5 years old, the mean score would increase by 0.69. In this case, the hypothesis that South African spaza shop owners use more discounting than foreigners is not rejected.

Below are the parameter estimates on the use of the customer service and pricing (Table 10).

The ANOVA model showed statistical significance ($F = 3.4$; $p = 0.0006$) (see Table 4). The model explained only 11.9% of the variability in the use of customer services and pricing, entailing that there might be other factors influencing the choice of customer services and pricing among spaza shop owners besides the demographic factors used in this study. The intercept estimate as shown in Table 10 is 4.99, which shows the mean customer services and pricing use score for the reference case. South African ownership (-0.31) significantly reduces the score and the owner being over 40 years (-0.16). These findings reveal that if a spaza shop owner is a South African, the use of customer services and pricing is lower than if the business owner is a foreign national. The hypothesis considering South Africans as using more customer services and pricing than foreigners is, therefore, rejected.

For customer assistance, the parameter estimation model is shown in Table 11.

The interaction model for customer assistance use score on the demographic variables and their interactions with origin of owner was statistically significant ($F = 3.5$; $p = 0.0005$). The coefficient of determination for the model was $R^2 = 12.2\%$ (see Table 4). This shows that the model only explains 12.2% of the variability in the use of customer assistance. As indicated in Table 11, the model parameter estimates show that group has the only statistically significant effect on use of customer assistance. The p-value for the parameter is 0.0014. The intercept estimate is 5.02, which shows the mean customer assistance use score for the reference case.

TABLE 10: Parameter estimates for two-way interaction analysis of variance model of use of customer service and pricing.

Parameter	*B*	SE(*B*)	*t*	*p*
Intercept	4.99	0.045	111.8	< 0.0001
GROUP SA	-0.31	0.081	-3.8	0.0002
SURVIVAL Over5	0.10	0.074	1.3	0.1904
EDUCATION Post-Sec	-0.08	0.085	-1.0	0.3281
EDUCATION Primary	-0.05	0.057	-0.8	0.4277
AGE Over40	-0.16	0.072	-2.2	0.0304
GROUP × SURVIVAL SA Over5	0.10	0.128	0.8	0.4179
GROUP × EDUCATION SA Post-Sec	-0.03	0.142	-0.2	0.8331
GROUP × EDUCATION SA Primary	0.18	0.087	2.0	0.0423
GROUP × AGE SA Over40	0.08	0.126	0.6	0.5238

TABLE 11: Parameter estimates for two-way interaction analysis of variance model of customer assistance.

Parameter	*B*	SE(*B*)	*t*	*p*
Intercept	5.02	0.045	111.1	< 0.0001
GROUP SA	-0.27	0.082	-3.2	0.0014
SURVIVAL Over5	0.01	0.075	0.1	0.9108
EDUCATION Post-Sec	-0.17	0.086	-2.0	0.0506
EDUCATION Primary	-0.06	0.058	-1.0	0.3248
AGE Over40	-0.13	0.073	-1.8	0.0669
GROUP × SURVIVAL SA Over5	0.19	0.130	1.5	0.1409
GROUP × EDUCATION SA Post-Sec	-0.03	0.144	-0.2	0.8273
GROUP × EDUCATION SA Primary	0.15	0.088	1.7	0.0947
GROUP × AGE SA Over40	-0.03	0.128	-0.2	0.8426

The value of the parameter estimate for GROUP SA is −0.27, which shows that South African spaza shop owners have a lower customer assistance use score than non-South Africans. From this evidence, it can be suggested that South African spaza shop owners have a lower customer assistance use score than non-South African spaza shop owners. The hypothesis that South Africans use less customer assistance as a communication tool than foreigners is not rejected.

With regard to use or market research, the parameter estimation model is depicted in Table 12.

The ANOVA model showed statistical significance ($F = 2.2$; $p = 0.0215$) (see Table 4). This means there is an interaction between demographic characteristics and the origin of the spaza shop owner for the use of market research. The coefficient of determination of the model was $R^2 = 8.16\%$ (see Table 4), meaning the model explained 8% of the variability in the use of market research. The intercept estimate in Table 12 is 1.20. AGE OVER 40 (0.59) has the only statistically significant effect on use of market research; it significantly increases the score, with a p-value of 0.0174. This means that spaza shop owners over the age of 40 years are more likely to use or do market research than those below 40 years. In this case, the hypothesis that foreigners use more market research as a marketing tool than locals is, therefore, not rejected.

The last parameter estimation model considered was for charitable work, as shown in Table 13.

The interaction model for charitable work score on the demographic variables and their interactions with origin of owner was statistically significant ($F = 6.0$; $p < 0.0001$)

TABLE 12: Parameter estimates for two-way interaction analysis of variance model of market research.

Parameter	*B*	SE(*B*)	*t*	*p*
Intercept	1.20	0.154	7.8	< 0.0001
GROUP SA	0.18	0.279	0.6	0.5252
SURVIVAL Over5	0.30	0.255	1.2	0.2341
EDUCATION Post-Sec	0.42	0.291	1.4	0.1542
EDUCATION Primary	0.35	0.198	1.8	0.0781
AGE Over40	0.59	0.248	2.4	0.0174
GROUP × SURVIVAL SA Over5	-0.23	0.441	-0.5	0.6106
GROUP × EDUCATION SA Post-Sec	-0.30	0.488	-0.6	0.5334
GROUP × EDUCATION SA Primary	-0.73	0.299	-2.4	0.0156
GROUP × AGE SA Over40	-0.34	0.435	-0.8	0.4386

TABLE 13: Parameter estimates for two-way interaction analysis of variance model of charitable work.

Parameter	*B*	SE(*B*)	*t*	*p*
Intercept	1.41	0.087	16.3	< 0.0001
GROUP SA	-0.15	0.157	-1.0	0.3446
SURVIVAL Over5	0.60	0.144	4.2	< 0.0001
EDUCATION Post-Sec	0.29	0.164	1.8	0.0787
EDUCATION Primary	-0.29	0.111	-2.6	0.0109
AGE Over40	-0.14	0.140	-1.0	0.3012
GROUP × SURVIVAL SA Over5	-0.72	0.249	-2.9	0.0040
GROUP × EDUCATION SA Post-Sec	-0.32	0.275	-1.2	0.2495
GROUP × EDUCATION SA Primary	0.14	0.169	0.8	0.4049
GROUP × AGE SA Over40	0.23	0.245	0.9	0.3545

(see Table 4). The coefficient of determination of model was R^2 = 19.4% (see Table 4). The model explains 19.4% of the variability of charitable work score. The mean response score (intercept) as shown in Table 13 is 1.41, with SURVIVAL Over5 significantly increasing the score by 0.60. This means businesses over 5 years in operation are more likely to do charitable work or adopt that marketing communication tool in their businesses. The hypothesis that foreigners use more charitable work than locals is, therefore, is not rejected.

Discussion

The results of the study showed that group, which represents origin of owner, had the only statistically significant effect on the use of print media, with South African spaza shop owners having a lower print media use score than non-South Africans. Although there is scant literature highlighting the dominance of spaza shops in terms of nationality and its influence on adopting marketing communication tools, specifically the use of print media, this study has shown that nationality plays a significant role in influencing the choice of marketing communication (print media). This is consistent with Mgayi (2015:16), who posits that foreigners use marketing communication tools more than local spaza shop owners.

The results of the study showed that there was no interaction between demographic characteristics and the origin of the spaza shop owners in the use of broadcast media. This indicates that broadcast media was not a popular marketing channel for spaza shop owners, regardless of their origin. From mere general observation, one can easily concur with the finding because the use of broadcast media in spaza shop businesses is questionable, especially because one has to invest a lot of resources for this kind of marketing communication. Chebelyon-Dalizu et al. (2010:10) posit that spaza shop businesses cannot quantify returns from investing in such promotional activities. This goes to support literature that broadcast media is resource-intensive and time-consuming (Frey & Rudloff 2010:4).

This study indicated that South African spaza shop owners do less business and product visibility activities than foreign spaza shop owners, and also that if the spaza shop owner was South African, business age (5 years or over) had an effect on business and product visibility – allowing the rejection of the hypothesis that the South African group does not influence the choice of the marketing communication tools. This finding supports the views of Isaga (2015:170) and Vinogradov and Elam (2010:55), who indicate that when a person has experience, he or she often has a better understanding of how to meet customer demands and tends to be successful. It can be concluded that the business age effect is more significant in considering business and product visibility as a reason for marketing when the spaza shop owner is South African than being non-South African. The results, however, contradict authors such as Radipere (2012:131), who found that business age is very influential and that it is a key factor for business survival for foreign national entrepreneurs.

The results further showed discounting as a popular marketing choice among spaza shop owners and this is supported by the literature, which indicated that discounting is used on a daily basis in spaza shops (Chiliya et al. 2009:074). Significant interactions showed that group, education and age had an effect on the use of discounting, where South African ownership significantly reduced the score, as well as primary education, and on owner's age being 40 years and above. Firstly, the finding is consistent with the literature (Liedeman et al. 2013; Sustainable Livelihoods Foundation (2012:2), which suggests that South African spaza shop owners use little, if any, marketing communication tools in their businesses. Secondly, the finding reveals that education (primary education) has an effect on the use of discounting, although it reduces the score of the communication tools. This means that South African spaza shop owners with only primary education are less likely to use the method as compared to non-South Africans. This supports the findings by Isaga (2015:169) that individuals with higher levels of education easily manage their businesses and adopt strategies to achieve business success, while those with lower levels of education are less likely to succeed. Although, from casual observation, this is not always the case, most entrepreneurs are not formally educated but still run successful businesses. Thirdly, the finding shows that South African tuck-shop owners over 40 years reduce the score of discounting compared to foreign owners. This means that South African spaza shop owners, who are over the age of 40 years, are not likely to use discounting in their businesses. The finding is supported by researchers such as Woldie et al. (2008:9), Radipere (2012:54) and Tanveer et al. (2013:452), who posit that the younger an entrepreneur, the more likely he or she will be able to succeed in his or her business, as opposed to older entrepreneurs.

An interaction effect between group and education was found to be statistically significant. The individual effects of group and education described above may be misleading because there is evidence of their interaction. This means the interpretation of the group effect is not complete if it is not given in terms of educational level and vice versa. The interaction effect found is such that the difference in discounting score between primary education and secondary education among South African owners is higher than the same difference among non-South African owners. This means South African spaza shop owners with primary and secondary education use discounting more than foreign spaza shop owners with the same primary and secondary education. Given this, the finding reveals that in spaza shops, the use of discounting is more influenced by nationality and the educational level of South African spaza shop owner than foreign spaza shop owners. Although the finding contradicts most literature, which states that foreign spaza shop owners use marketing communication tools more than South African spaza shop owners (Liedeman et al. 2013:3), this study's results show that South African spaza shop owners, regardless of level of education, to a large extent, understand the practice of business marketing communication tools.

An interaction effect between demographic characteristics and the origin of the spaza shop owner was found to be statistically significant for competitor-driven repackaging, with South African spaza shop owners having a lower use score of competitor-driven packaging than non-South African spaza shop owners. The finding is consistent with a study by Isaga (2015:170), who suggests that people with prior business experience, or who have been operating businesses for a long duration, often have a better understanding of how to meet customer demands in business and be successful. In terms of the significant group education interaction effect, Radipere (2012:122) is in concurrence with these findings by positing that despite the positive consequence of education on any entrepreneur's success, the importance is more prevalent for foreign entrepreneurs who often use their knowledge to adopt business strategies to outperform their counterparts.

The findings revealed that if a spaza shop owner was South African, the use of customer services and pricing was lower than if the business owner was a foreigner. This is consistent with what Chiliya et al. (2009:075) and Charman, Petersen and Piper (2012:48) found: that foreign spaza shop owners adopt and use marketing communication tools more than South Africans. The findings reveal that business owners (South African), who are over the age of 40 years, use fewer marketing communication tools (customer services and pricing). This finding is supported by Tanveer et al. (2013:452), who assert that there is less chance of becoming an entrepreneur and be successful as age increases; however, other authors are not of the similar view and argue that older entrepreneurs are more experienced; they are more likely to succeed regardless of nationality (Isaga 2015:170; Littunen & Virtanen 2006:101).

An interaction effect between group and education was found to be statistically significant, showing that South African spaza shop owners with primary and secondary education used customer services and pricing more than foreign spaza shop owners with the same primary and secondary education. The finding is in variance with various studies, such as the study by the Sustainable Livelihoods Foundation (2012), which suggests that South African spaza shop owners do not use marketing communication tools in any way, or are influenced by any factor to adopt them.

The interaction model for customer assistance use score on the demographic variables and their interactions with origin of owner was statistically significant, showing that South African spaza shop owners have a lower customer assistance use score than non-South African spaza shop owners. The finding is supported by Mgayi (2015:16), who states that foreign spaza shop owners are mastering the use of marketing communication strategies for their competitive advantage. From these results, it is evident that the use of customer assistance as a marketing communication tool does not significantly depend on an owner's age, education, business age and all possible interactions between origin of owner and the other demographics. This means that any differences in customer assistance use can only be explained by the origin of the spaza shop owner.

The results showing significant interaction between demographic characteristics and the origin of the spaza shop owner for the use of market research indicated that spaza shop owners over the age of 40 years, regardless of origin, were more likely to use or do market research than those below 40 years. Authors such as Woldie et al. (2008:9) are not of the same view; they posit that the younger an entrepreneur is, the more likely he or she will succeed in his or her business. However, Isaga (2015:170) supports this study's finding, and states that the older an entrepreneur is, the more experienced and successful they will be. The interaction effect between group and education, which was also significant, is consistent with previous researchers (Tengeh 2011), who found that most foreign business owners, with higher levels of education, perform better than local business owners; thus, in this instance suggesting that they prefer marketing communication tools compared to South African spaza shop owners.

The study showed a significant interaction effect between group and business age. The interaction effect is such that the difference in charitable work scores between businesses over 5 and under 5 years old among South African owners is significantly lower than the same difference among non-South African owners. This means that South African spaza shop owners who have been in business for under 5 years and those who have been operating for over 5 years are less likely to adopt charitable work in their businesses than foreign nationals who have been in the business less than 5 years and those who have been operating over 5 years. The finding, however, contradicts Rani (2015), who states that most foreign spaza shop owners are not involved in any community development programmes where they contribute to the community and where they support community causes such as charity events and fund education and entrepreneurship programmes. Conversely, the finding is consistent with Charman et al. (2012:48), who suggest that foreign spaza shop owners are overshadowing locals, especially in their use of marketing communication tools, whether they have been operating for a long period of time or not.

Recommendations

This study highlights the need to support local spaza shop owners for continued sustainability because the age of a business helps in understanding the use of marketing communication tools. The capacity building of spaza shop owners is recommended because the results of this study have indicated that education (knowledge) influences the choice of marketing communication tools. This capacity building could be sponsored by the relevant government ministry, where foreigner spaza shop owners could also be funded to train or share with locals specific best spaza shop related business practices.

This creation of a symbiotic business relationship by both foreign and local tuck-shop owners of different educational levels and business experiences could also result

in locals understanding the importance of using marketing communication tools for their businesses.

This study was only conducted in one geographical area, and results could be different if it is extended to other areas within the country. In addition, the use of qualitative information to corroborate findings from more spaza shop owners and their customers could have added more depth to the study.

Conclusion

The findings of this study indicate differences between foreigners who own spaza shops and their local counterparts in terms of the influences of age of the business and the level of educational of the owner with respect to the choice of marketing communication tools. Although not hypothesised, this study also indicates that both foreign and local spaza shop owners regard broadcast media not as an important marketing communication tool.

Acknowledgements

The authors acknowledge Central University of Technology, Free State and the National Research Foundation for providing the grant for the study, as well as all SMMEs that voluntarily participated in the study.

Competing interests

The authors declare that they have no financial or personal relationships that may have inappropriately influenced them in writing this article.

Authors' contributions

B.C.P. conceptualised the study and collected the data, and was responsible for literature review. C.C. focused on methodology, analysis of data, writing of results and some language editing.

Funding

The Central University of Technology, Free State, and the National Research Foundation provided funding for this research.

Disclaimer

The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

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