THE INFLUENCE OF FIRM AND OWNER CHARACTERISTICS ON ACCESS TO MICROFINANCE AND THE GROWTH OF RETAIL SMMEs IN MANGAUNG METROPOLITAN AREA

BY

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DECLARATION

I, Felix Abrah Baah, student number , declare that this research paper submitted to the Central University of Technology, Free State for the MTECH: Business Administration is my own work and has not previously been submitted by me at another university. I moreover, acknowledge copyright of the dissertation in favour of the Central University of Technology, Free State.

_____ _20 November 2019____________

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DEDICATION

I dedicate this thesis to my wife Gloria, my son Jason and my brother the late Pastor Francis Boakye.

ABSTRACT

The study examines the influence of business owner demographics (gender, age, educational level and experience) and firm characteristics (firm's age, size and location) on access to microfinance and SMMEs growth particularly retail businesses in the Mangaung Metropolitan area of the Free State in South Africa. The existence of several contradicting studies as to which entrepreneur demographics and business characteristics determine SMMEs' access to microfinance gave rise to this study. For instance, some studies only take cognisance of personal demographic variables such as gender, age and educational level as the most important determinants of access to microfinance. Other studies, however, put more emphasis on firm characteristics such as age, size and location as variables that positively influence a business' access to microfinance.

Moreover, despite the contribution of small businesses to the South African economy, empirical evidence showed that majority of retail businesses fold up their operations after three years of existence. Consequently, researchers and scholars have identified access to affordable microfinance as a vehicle that can be used to aid the survival and growth of small businesses. However, several studies conducted to examine the impact of microfinance on the growth of SMMEs have produced mixed results. While some studies affirmed that access to funding positively affected the growth of small businesses, other researchers concluded that microfinance does not have any significant impact on the growth of SMMEs. This study, therefore, was conducted to determine the actual impact of microfinance on the growth retail businesses.

The study drew on a quantitative approach and a survey was conducted on 200 retail businesses operating in Mangaung Metropolitan Area. A total of 143 respondents successfully completed the structured questionnaire, representing a response rate of 71.5%. Descriptive statistics such as frequency tables and inferential statistics such as correlation analysis were employed in the data analysis. The findings suggest that business owner demographics such as age and educational level of the business owner positively and significantly influence access to finance. The study also revealed that the age and size of a firm positively and significantly influences access to microfinance. In terms of firm growth, evidence from the study demonstrated that microfinance was positively related to business growth in sales, customer base, profit and the number of employees.

The study recommended several interventions to improve SMMEs access to microfinance and growth, namely the formalisation of retail businesses, funding parity for start-ups, and creation of awareness of microfinance services by microfinance institutions (MFIs) and encouragement of young entrepreneurs to engage in retail business.

LIST OF ACRONYMS

ABSA	Amalgamated Bank of South Africa
CGAP	Consultative Group to Assist the Poor
BRIC	Business Research and Innovation Committee
CUT	Central University of Technology, Free State
DTI	Department of Trade and Industry
EC	European Commission
EU	European Union
FDC	Free State Development Corporation
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
IDC	Industrial Development Corporation
MFIs	Microfinance Institutions
MIX	Microfinance Information Exchange
MMM	Mangaung Metropolitan Municipality
NYDA	National Youth Development Agency
OECD	Organisation for Economic Co-operation and Development
ROI	Return on Equity
ROI	Return on Investment
SAMAF	South African Microfinance Apex Fund
SEDA	Small Enterprise Development Agency
SMMEs	Small, micro and medium enterprises

StatsSA	Statistics South Africa
UK	United Kingdom
UNIDO	United Nations Industrial Development Organisation
W&RSETA	Wholesale and Retail Sector Education and Training Authority

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CHAPTER ONE:
GENERAL ORIENTATION TO STUDY

1.1. Introduction

This study investigates the characteristics of firms and owners in the retail Small, Medium and Micro Enterprises (SMMEs) that influence their access to microfinance and growth. These firms and owners conducted their business operations in Bloemfontein, Thaba-Nchu and Botshabelo areas in the Mangaung Metropolitan Area in the Free State province of South Africa.

The contribution of SMMEs across the world is recognized and well documented by economists and governments (Yeboah, 2015). SMMEs boost the performance of the various sectors of advanced and third world economies. In South Africa, SMMEs provide more jobs than large firms and serve as vehicles through which macro-economic challenges such as unemployment, poverty and inequality are alleviated. The Bureau of Economic Research in its study established that there are approximately 2.2 million small businesses in South Africa and these businesses contribute 50% and 60% to gross domestic product (GDP) and employment respectively (Bureau of Economic Research, 2016).

In view of the afore-mentioned importance of SMMEs, access to cheap and quality microfinance could aid the growth of small businesses (Perkowski, 2012; Fowowe, 2017). The South African government, in its quest to support and promote small businesses, has established several agencies such as the National Youth Development Agency (NYDA), Small Enterprise Development Agency (SEDA), the South African Micro-Finance Apex Fund (SAMAF) and Khula Enterprise Finance Limited. SEDA and NYDA provide advisory, training; consultancy and mentoring services to foster the development of small businesses while SAMAF and Khula Enterprise provide start-up capital and other financial services to facilitate the establishment and growth of SMMEs. These institutions altogether expedite the establishment, growth and survival of SMMEs.

Despite efforts made by the South African government to foster the growth of SMMEs, Fatoki (2013) argues that SMMEs do not grow as much as they are anticipated to and this has become a major concern. Fatoki (2013) further explains that the inability of SMMEs to grow has undermined the important roles these small businesses play in alleviating unemployment and poverty. In South Africa, the stunted growth of SMMEs; coupled with their high failure rate; has negatively affected employment and growth of the economy. Hartnack and Liedeman (2017) point out that about 50% to 95% of SMMEs in South Africa fold up their businesses within their first 5 years of operation and 75% of newly established businesses do not grow to become large firms. This finding by Hartnack and Liedeman (2017) buttresses the argument of Shanduka Black Umbrellas that a three year-year programme is required to guarantee the success rate of SMMEs. Shanduka Black Umbrellas is a non-profit enterprise collaborating with the private sector, government and civil society to address the low levels of entrepreneurship and high failure rate of 100% black owned emerging businesses in South Africa. The programme focuses on promoting entrepreneurship as a desirable economic alternative and nurturing 100% black-owned emerging businesses in the critical first three years of their existence through the provision of nationwide incubators.

In South Africa, where the unemployment rate is ranked among the highest unemployment rates in Africa at 29% (Statistics South Africa, 2019); the creation of jobs is vital to the economic and political stability of the country. Hence, the growth and performance of SMMEs is an inevitably important vehicle to create more jobs. This study therefore investigates and strives to establish the influence of business owner demographics and firm variables on access to microfinance and growth in retail businesses that operate in Mangaung area in the Free State Province in South Africa.

1.2. Overview of key concepts of study

The key concepts informing this study are selected business owners and firm attributes, microfinance and SMMEs growth and these are amplified below.

1.2.1. Firm owner characteristics and micro financing

Access to microfinance is vital for the smooth operations of SMMEs and the success of small businesses in securing finance is determined by some characteristics of the firm owner. Scuotto et al. (2019) pinpoint that certain personal characteristics possessed by the owner of a business such as age, level of education, gender and experience affect the chances of obtaining funds. These factors are elaborated in subsequent sections of this study.

1.2.1.1. Age

Empirical studies show that the age of a business owner is essential in accessing microfinance. For instance, Ogubazghi and Muturi (2014) conducted a study by using 87 firms and established a positive relationship exists between the age of the business owners and their success in accessing microfinance. The study also pointed out that microfinance institutions tend to prefer older business owners in comparison to younger owners. This stems from the fact that; young business owners are generally viewed as high risk and this has a negative impact on their chances of obtaining microcredit (Nakano & Nguyen 2011; Abdulsaleh & Worthington 2013). Despite the fact that older business owners tend to be less risky clients, they have a tendency of being less innovative. This paradox therefore requires a thorough study to establish the actual influence that age has on accessing microfinance.

1.2.1.2. Level of education

The educational level attained by a firm owner is critical in accessing microfinance. Udofot and John (2017) argue that microfinance institutions consider educated firm owners as suitable clients because they tend to be more creditworthy. Firm owners who have attained tertiary education enjoy high success rate in their venture as they are deemed more knowledgeable in the accessing and obtaining credit (Hauwa, Jan, Khan, & Roslan, 2016). Despite the general assumption that the educational level of firm owner and access to finance are positively related, Chowdhury et al. (2016) argue that there is no significant correlation between firm owner education and access to finance. These contradictory results therefore need further investigation and therefore validate the rationale in this current study.

1.2.1.3. Gender

The significant differences in the kind of finance used by male and female firm owners have been well-documented in several studies (Dugguh, 2015; Hess & Cottrell, 2016). Dugguh (2015) is of the opinion that male firm owners enjoy high success rate in accessing finance than their female counterparts. This is because male firm owners perform better in their business, have a wider network and are mostly more educated when compared to their female counterparts (Hess & Cottrell, 2016). These afore-mentioned factors improve the chances of male firm owners in accessing finance.

1.2.1.4. Experience

The ease with which a business accesses finance is strongly tied to the experience of the firm owner. Literature reveals that firm owners with vast experience enjoy high success in getting funds for their business because they have wider networks relevant to accessing funds (O'Neill, Sohal & Teng, 2016). Mengel and Wouters (2015) established that financial institutions tend to give preference to firm owners who have been in business for longer years when extending loans facilities. This is partly because owners with huge experience tend to be better managers of allocated funds. This however does not necessary indicate that firm owners with little experience cannot access finance but just that their success rate is lower (Lampadarios, 2016).

1.2.2. Firm characteristics and micro financing

Apart from owner characteristics, Chaudhuri et al. (2018) point out that, firm characteristics such as firm age, firm size and firm location also go a long way in determining whether a business can get the funds needed for its operations. These factors are explained below.

1.2.2.1. Firm’s Size

A number of empirical studies (Arzu & Mantovani, 2016; Ongena & Popov, 2016; Ogubazghi & Muturi, 2018) have shown that the size of a firm has a significant effect on the firm’s access to finance. Large firms tend to have assets that are used as collateral and therefore have limited constraints in getting finance (Seck et al., 2017). Similarly, Nwosu et al. (2015) corroborate that large firms are usually associated with growth and this makes it easier for such firms to get finance to further their business operations. Contrary to this view, Babila et al. (2016) opine that small firms with quality management practices are likely to get finance and such small businesses tend to have a high growth potential. This study therefore probes further to ascertain whether the size of a firm influences access to microfinance.

1.2.2.2. Firm’s Age

The success of firms in accessing microfinance depends largely on the availability of credit. The Bureau for Economic Research (2016) points out that most firms fail in their first 5 years of operation. Similarly, Asiedu (2013) points out that information on the high failure rate of SMMEs has an impact on firms’ success in accessing credit. However, Nelson (2015) argues that firms that have been in operation for more than five years have fewer problems in getting finance compared to newly established firms. This stems from the fact that information asymmetry tends to be low among older firms and this boosts their chances of securing funds.

1.2.2.3. Firm's Location

The geographical area where a firm operates influences the firm's ability to access finance. For instance, Seck et al. (2017) explain that firms operating in urban or major cities have a high success rate in getting finance compared to firms in rural areas due to the proximity of microfinance institutions. Daoud et al. (2015) also established that firms that are situated close to banks are able to develop a good relationship that gives them advantage in accessing finance.

1.2.3. SMMEs and the retail sector in South Africa

SMMEs around the globe have been recognized by governments, scholars, economists and policy makers as one of the major catalysts for economic growth and development in both developed and developing countries (National Credit Regulator, 2011). Neneh (2014) explains that the contributions of SMMEs to the economic prosperity of countries cannot be overlooked as these small businesses create employment opportunities for the ever-increasing labour force all over the world. Neneh and Smit (2013) explain that a country with a well-established SMMEs sector stands a better chance of achieving a greater economic prosperity that could translate into improvement in the overall well-being of the citizenry.

Globally, SMMEs are estimated to provide about 50% to 60% employment opportunities and form about 90% of all businesses in most economies (Chodokufa, 2009; Andzelic, Dzakovic, Lalic, Zrnic & Palacic, 2011; SEDA, 2017). SMMEs in advanced countries such as the United States of America (USA) as established by Globalsme (2014) contribute about 39% to Gross Domestic Product (GDP) and provide almost 53% of all jobs. Governments, especially in developing economies such as South Africa, use SMMEs in promoting grassroots economic growth, equitable distribution of resources, poverty reduction and job creation (Goto & Negash, 2016).

In Africa, the contributions of SMMEs are highly visible and cannot be underestimated. These businesses are vehicles for economic development, employment generation, innovation, and the development of entrepreneurial skills and redistribution of resources

(Falola et al., 2018). United Nations Industrial Development Organization (UNIDO) estimates that SMMEs form about 90% of all privately-owned businesses and contribute over 50% to employment and gross domestic product in all African countries (UNIDO, 2011). In South Africa, the case may not be different as SMMEs have been identified by policy makers and the government as a prime sector that could be used to proffer solutions to the country's socio-economic issues among which poverty, unemployment and inequality take prominence. In view of the enormous and pivotal role played by SMMEs, the government has established various agencies such as NYDA and SEDA that are entrusted with the responsibility of fostering the survival and growth of SMMEs.

To further establish the importance of SMMEs in the South African economy, various studies (Abor & Quartey, 2010; Finweek, 2012; SEDA, 2017) demonstrate that SMMEs were the main source of jobs for the labour force and also contributed a very high rate to employment opportunities. In addition, a study by Herrington, Kew and Mwanga (2017) showed that SMMEs created about 7.8 million jobs for the South African labour force and this translated into improvement in the economic well-being of most families and a reduction in poverty. The pivotal role played by SMMEs in the South African economy was further buttressed by Dessus, Goddard and Hanusch (2017) who showed that SMMEs mainly provided employment opportunities for the unskilled, poor and low-income workers who form major part of the South African labour force.

The retail sector is a major component in the South African economy. Over the years, this sector has contributed significantly to the economic growth of the country. The retail industry is said to contribute about 12.5% to the gross domestic product (Dennis & Piatti, 2015; Sibindi & Aren, 2015). Steyn (2013), explicates that there are about 75,000 retail companies operating in this sector that are registered with the Wholesale and Retail Sectorial Training Authority (W&RSETA) although only 33,000 are formally registered with the South African Revenue Service (SARS). The importance of this sector is further established as data by Statistics South Africa reveals that the retail sector employs about 3.1 million of the country's labour force, which is estimated to be around 20% of the entire active population (Ndungu & Theron, 2008; Steyn, 2013; W&RSETA, 2014; Statistics South Africa, 2015).

1.2.4. Microfinance-Financial services

Microfinance is defined as "the delivery of financial services to the poor and low-income households with limited access to formal financial institutions" (Conroy, 2003:15). Bateman (2012:5) also defines microfinance as the "provision of a small loan, a microloan that is used by a poor individual to support a tiny income-generating activity, thereby to generate an income sufficient to effect an exit from poverty". Microfinance has also been defined as a "diverse range of institutional formats, ranging from individual money-lenders through to more formal institutions, such as village banks, credit unions, friendly societies, financial cooperatives, building societies, state-owned banks for SMMEs, social venture capital funds, and specialized SMME funds" (Rolando, 2010). Microfinance is relatively not a new concept as it is believed that this concept dates back to the 19th century when money lenders in those days were known to perform the services that are now rendered by formal financial institutions (Oni & Daniya, 2012). These money-lending institutions provided start-up capital to the poor to establish small businesses to improve their socio-economic status.

It is estimated that about 205.3 million clients have been reached by the microfinance industry over the world and the main financial players in the industry range from non-governmental organizations to profit making institutions (Armendariz & Morduck, 2010). The lives of the poor and low-income workers especially in developing countries have been affected through the activities of the microfinance industry (Suberu et al., 2011). It is established that the microfinance sector provides start-up capital and other financial services to the very poor in the society who are considered as risky but the repayment rate tends to be positive as compared to commercial banks (Zeller, 2003). This capital provided by microfinance institutions is then used by the poor to start small businesses that help them move out of poverty. Scholars (Brune, 2009, Lindsay, 2010, Peprah & Muruka, 2010, Nwigwe et al., 2012) opine that the main objective of microfinance has been to alleviate poverty among the poor who are mostly not included in the mainstream of the financial system.

1.2.5. Microfinance: Non-financial services

The non-financial part of microfinance is also important and cannot be ignored. Di Maio and Landoni (2015) explicate that microfinance is not only concerned with just providing the poor with loans and start-up capital but also render services of a non-financial nature such as training, mentoring, advisory, skills acquisition and monitoring to entrepreneurs to enhance the performance of their businesses. Bendig, Unterberg and Sarpong (2014) point out that training, mentoring and advisory services are needed in order for businesses to make proper use of funds and ensure their long- term sustainability.

It is therefore impossible to deny the fact that microfinance plays a pivotal role in the economic prosperity of the poor. Formal financial institutions normally exclude the poor who do not have the necessary collateral to access loans as start-up capital for setting up small businesses (Breedon, 2012). The South African banks, specifically Amalgamated Banks of South Africa (ABSA), are of late putting in place systems to provide initial capital to people with bad credit rating once they agree to be administered back to solvency and based on their ability to do so they are then considered to be worthy of a bank loan.

1.2.6. SMMEs' growth

The growth of SMMEs generates significant interest from business owners, managers and even the government. In South Africa, the very crucial role SMMEs play in providing employment opportunities and equitable distribution of income makes it necessary for every small business to strive hard for growth. As important as the concept of growth is, scholars over the years have differed on what constitutes growth in SMMEs. Generally, the term growth has been used by researchers (Achtenhagen, Davidson & Naldi, 2010; Levratto, Tessier & Zouikri, 2010; Yeboah, 2015) to connote variables such as increase in employment, sales and the production of raw materials.

Achtenhagen, Davidson and Naldi (2010) argue that although certain elements such as market share, employment, profit, assets and physical output are used to measure the growth of businesses yet Levratto, Tessier and Zouikri (2010) argue that employment and sales are the easiest variables that could be used to ascertain the performance and growth of a business. Another scholar; Herrington (2013) however differs on the indicators for measuring SMME growth. Herrington (2013) posits that SMME owners can track the growth of their business using financial as well as structural, strategic and organizational perspectives.

Herrington (2013) further explains that while the financial aspect involves increase in sales and profit, the strategic aspect focuses more on the competitive edge the business has over other firms in the marketplace. The organizational perspective involves good cultures and attitude while the structural side talks about growth in processes and structure. SMMEs that have strong desire to grow into big firms most times incur huge debts as compared to firms that operate with the aim of just surviving in the macro-economic environment (Huynh & Petrunia, 2010). This study adopts increase in sales, employment, workers, market share and profit as indicators of SMMEs growth.

1.3. Conceptual framework

The proposed conceptual framework for this study, which summarizes the relationship that exists between the main constructs of the study, is depicted in Figure 1 below.

The framework indicates that certain owner and firm attributes influence how financial services (loans and savings) and non-financial services (training and advisory support) provided by microfinance is accessed by SMMEs. The framework further shows that microfinance affects sales, employment and profit of businesses, which influences the overall growth of SMMEs.

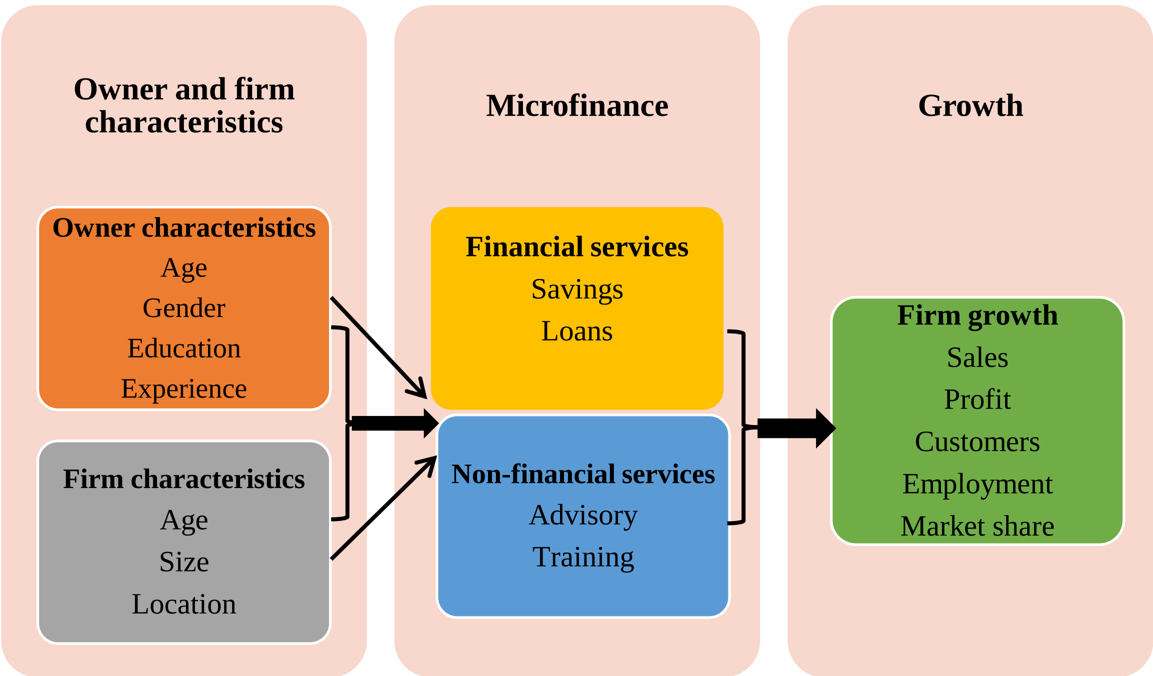

Figure 1.1: A model depicting pathways to economic growth of SMMEs through microfinance (Source: Author's own work).

1.4. Problem statement

The financing of SMMEs has in recent times become a critical, delicate issue in both developed and developing countries due to the vital role that these establishments play in contributing to economic growth and development (Ayyagari et al., 2012). In order to enhance the growth of SMMEs, microfinance has been recognized as one of the major tools that can be used. Microfinance is defined as "the provision of financial services tailored to the requirements of low-income people like micro-entrepreneurs, particularly the delivery of small loans, the provision of small loans, receipt of small savings deposits and easy payment services required by micro-entrepreneurs and other poor people" (Allet, 2014:42).

Udofot and John (2017) ascertained that firm characteristics (size, age, location) and business owner characteristics (age, gender, education, experience) have implications on the success of SMMEs in getting the necessary microfinance needed for their business operations. Meyer and Mostert (2016) also identified firm and business owner characteristics as key determinants in accessing microfinance although not all these characteristics have significant impact on whether or not a business gets finance.

Despite the general opinion that microfinance has an effect on SMMEs, Olu (2015) revealed that evidence from studies conducted by Kiweu (2011) and Molly (2012) on the impact of microfinance on SMMEs produced mixed results. While a study by Kiweu (2011) showed a positive correlation between microfinance and SMMEs growth, research by Molly (2012) on the contrary produced a negative result. As a result, it is necessary for this study to establish the specific key firm and own characteristics that can influence microfinance and the role these characteristics and finance play on the growth of retail SMMEs especially in a developing context like South Africa.

1.5. Research questions

The study sought to examine the main research question and subsidiary research questions as indicated below.

1.5.1. Main research question

- What influence do firm and owner characteristics have on access to microfinance for SMME's growth?

1.5.2. Subsidiary research questions

- What role do SMMEs' owner characteristics (age, gender, education, experience) play in accessing the financial services of microfinance?
- What role do SMMEs' owner characteristics play in accessing the non-financial services of microfinance?
- What role do SMMEs' firm characteristics (size, age, location) play in accessing the financial services of microfinance?
- What role do SMME's firm characteristics play in accessing the non-financial services of microfinance?
- To what extent does the non-financial service part of micro-finance affect the growth of SMMEs?
- To what extent does the financial service part of micro-finance affect the growth of SMMEs?

1.6. Aim of study

The main aim of this study was to develop a broader theoretical and empirical knowledge on the influence of firm and business owner characteristics on access to microfinance and SMMEs growth. Since microfinance has been identified as having an impact on SMMEs (Khavul et al., 2013), this study further examines the extent to which microfinance affect the growth of small and medium-sized enterprises. The study clarifies and establishes firm characteristics (age, size, location) and owner characteristics (age, gender, education, experience) that have significant impact a firm's quest to successfully access microfinance.

1.7. Research objectives

The main research objective and subsidiary research objectives of the study are indicated below.

1.7.1. Main research objective

- The study's main objective was to establish the influence firm and owner characteristics have on access to micro financing for the growth of retail businesses operating in Mangaung Metropolitan Municipality.

1.7.2. Subsidiary objectives were designed to:

- Establish the role SMMEs' owner characteristics play in accessing the financial services of microfinance.
- Explore the role SMMEs' owner characteristics play in accessing the non-financial services of microfinance.
- Examine the role SMMEs' firm characteristics play in accessing the financial services of microfinance.
- Establish the role SMME's firm characteristics play in accessing the non-financial services of micro finance
- Verify the extent to which the non-financial service part of micro-finance affects the growth of SMMEs.
- Examine the extent to which the financial service part of micro-finance affects the growth of SMMEs.

1.8. Methodology

This part of the study summarizes the philosophy guiding the research and the methods to be applied. A more detailed discussion is presented in Chapter 3.

1.8.1. Research Philosophy

This study employed positivist philosophy. Saunders and Thornhill (2012:2) defines "positivism as the position that facts and values are distinct, and scientific knowledge consists only of facts". According to Leedy and Omrod (2010) positivism becomes appropriate when the researcher intends to establish if there is a correlation between concepts and constructs using a predetermined conceptual model. Since this study strives to establish the kind of relationship that exists among firm and owner characteristics, microfinance and SMME growth, which are the main variables in this study, positivist paradigm was considered appropriate.

1.8.2. Research Approach

This study used quantitative research approach. Quantitative approach is "concerned with quantifying data and generalizing results from a sample of the population of interest and asks questions such as how long, how many or the degree to which" (MacDonald & Headlam, 2008). This approach also uses "methods from the natural science that are designed to ensure objectivity, generalizability and reliability" (Weinreich, 2009:11). This method was chosen since it uses numerical data to collect information that explains, determines and tests the impact of microfinance on the growth of SMMEs.

1.8.3 Research Design

A research design is the "plan or blueprint (procedural guide for a research activity) of how a study is carried out" (Cooper & Schindler, 2008:8; Babbie & Mouton, 2011:25). This research used a survey design as a means to proffer answers to the various research questions posed in this study. A survey research design focuses on the "use of a series of questions or statements presented orally or in written form to characterize an individual or group" (Privitera, 2014).

1.8.4. Population

A population can be defined as inclusive of all individuals, groups or organizations with certain characteristics and qualities that are of interest to the researcher (Abebrese, 2014:15). Zikmund (2010:55) also defines a population as a "complete group of specific population elements relevant to a specific research project". Wholesale and Retail Sector Education and Training Authority (W&RSETA) database estimates that over 3200 small retail firms operate in the Mangaung Metropolitan Area (MMA) area. For the purpose of this study, owners of small and medium enterprises operating in the retail sector in MMM regardless of their gender, race and nationality formed the population.

1.8.5. Sampling and Sample

The researcher employed a stratified random sampling framework to conduct this study. A simple random sampling that "begins by dividing samples into subgroups that relatively homogeneous in one or more characteristics and afterward draws a random example from every stratum" (Onwuegbuzie & Collins, 2007:75). The researcher accessed the database of Wholesale and Retail Sector Education and Training Authority (W&RSETA) and found out that there are over 3200 retail SMMEs in MMA and since it was not feasible to reach the entire population due to financial and time constraints, the researcher randomly selected 344 respondents from the population to conduct this study. Simple random sampling was utilized to ensure that particular SMMEs owners were chosen to participate in the sampling regardless of their status.

1.8.6. Research Instrument

The researcher used structured, close-ended self-administered questionnaires to collect data from respondents that were used to conduct this study. The researcher handed out questionnaires to SMMEs owners and managers operating in the retail sector in Mangaung Metropolitan Area. A pilot study was conducted using 20 questionnaires handed out to SMMEs owners who were not part of the main respondents of this study. The feedback was used to reduce ambiguity, clarify questions and develop shared views of the message conveyed by the researcher.

1.8.7. Data Collection Method

The study employed primary and secondary data collection methods to gather data. Primary data collection method is defined as "data observed or collected directly from first- hand experience" (Business Dictionary.com, 2016:55). The information given by respondents in the questionnaire formed the primary data for the study. Primary data collection method was employed because it is cheap, affordable and accessible means of gathering data. The optional information additionally helped the analyst build up the questionnaire that was utilized as part of the essential information gathering. Secondary data collection method is "published data and data that is collected in the past or by other parties" (Business Dictionary, 2016:82). The researcher obtained secondary data form sources such as existing theses, journals, articles, course readings, web sources, diaries and other examination archives. This method was chosen to conduct this study due to its affordability and relatively ease by which it can be obtained. It is also a precise method for evaluating data (Desta, 2015:35).

1.8.8. Data Analysis

Data analysis is the "procedure of separating the aggregated information into a reasonable organization and framing outlines utilizing factual methods" (Desta, 2015:15). Statistical Package for Social Sciences (SPSS) software was used to analyze the data that was collected using questionnaires. Also, this study employed basic descriptive statistical tools like graphs, bar charts, pie charts, histogram, frequency distributions and excel spreadsheet to interpret and present data on biographical information of respondents. Lastly, the researcher made use of inferential statistical tools like cross-tabulations and Pearson's chi-square to answer the questions raised in the main and subsidiary questions in the course of this study.

1.9. Reliability and validity

This study made use of Cronbach's alpha coefficient to determine the reliability of questionnaire items. Cronbach’s alpha is a “reliability metric used to evaluate the extent to which item responses derived from a scale correlate with each other” (Shelby, 2011:2). In addition, correlation matrix was also used to measure the extent to which the items that measure a variable correlate to each other. Saunders et al. (2011:5) define “validity as the extent to which the data collection method and/or related methodologies accurately measure what they are intended to measure, as well as the extent to which the research findings are really about what they profess to be about”. To ensure high validity in this study, the researcher clearly and practically defined the research objectives.

1.10. Ethical considerations

The researcher adhered to strict ethical rules. All the respondents in the study were duly informed about the purpose and importance of this study. Since the questionnaires involved respondents revealing certain confidential information, the researcher assured them that such information provided would be treated as highly confidential. Also respondents that took part in this study did not receive any remuneration. The researcher maintained the anonymity of respondents in order to protect their rights.

1.11. Summary

The orientation chapter provided an overview to the study and highlighted the research problem. Small businesses are pivotal for economic growth, wealth creation and poverty reduction. As such microfinance has been identified as one of the variables that could aid the growth and survival of SMMEs. Literature reviews on the constructs of this study are discussed in detail in the next chapter.

CHAPTER TWO:

OWNER'S PERSONAL DEMOGRAPHICS, FIRM CHARACTERISTICS, MICROFINANCE AND FIRM GROWTH

2.1. Introduction

The vital contributions of Small, Medium and Micro Enterprises (SMMEs) to the economic progress of both developed and developing nations across the world has been acknowledged. Therefore, various aspects of SMMEs; particularly retail SMMEs; that can affect their survival and growth are discussed in this literature review. The chapter focuses on literature relating to international and South African perspectives on SMMEs, perspectives on retail SMMEs and challenges facing retail SMMEs. This chapter provides insight into the global microfinance sector, firm and owner attributes that influence SMMEs access to microfinance. This chapter also reviews literature on SMMEs growth and; the relationship between SMMEs' growth and microfinance.

2.2. Theoretical lens

This study is guided by the resource-based view (RBV) and perking order theory. These theories are elaborated below.

2.2.1. Resource-based view

The resource-based view (RBV) is one of the most useful and prominent theories that is used in strategic management and entrepreneurship. The RBV was developed by Barney in 1991 to explain how the range of resources and capabilities of firms enhance their performance. The RBV holds the view that a firm's internal resources and capabilities can be properly harnessed and utilised to gain competitive advantage and boost performance. Sarkar (2018) holds the opinion that firms which acquire rare and valuable resources have the advantage of exploiting such resources to implement strategies that cannot be duplicated by competitors.

Resources are defined as stocks of knowledge, physical assets, human capital, and other tangible and intangible factors owned or controlled by an organisation (Day & Jean-Denis, 2016:12). Dyck and Silvestre (2018) state that the quality and bundle of resources owned by a firm do not add value to the firm unless such resources are aligned with other capabilities that produce superior performance. In the same vein, Warnier et al. (2013) assert that a resource may be considered as irrelevant if such resource does not create competitive advantage for the firm. The RBV also postulates that firms differ in the kind of resources they accumulate over time and as such each firm is expected to combine its unique resources in order to boost their performance and maintain their competitiveness (Clough et al., 2019).

Consistent with the RBV, this study asserts that retail SMMEs possess unique resources and capabilities that must be explored to enhance their performance. For instance, retail SMMEs can use their ability to scan the environment to establish the preferences of their customers and create services that meet their demands in order to boost profitability and growth. In the same light, the skills of workers and the experience of retail business owners could be used to retain and attract new customers which will in turn enhance sales and competitive advantage of retail firms.

Also in consonance with the resource-based view, retail businesses could use their strong financial base to acquire the latest technology to enhance customer services which will culminate into high turnover and eventually high profits. This technology will be inimitable for other retail businesses to copy and this gives the business competitive advantage that could be sustained over a long period of time.

2.2.2. Pecking order theory

The Perking order theory was propounded by Myers and Majluf in 1984 to explain the composition of the capital structure of a firm and how firms fund their growth initiatives. Capital structure is defined by the composition of the capital of a firm from different sources of finance e.g., debt and equity, which a firm considers appropriate for improving and continuing its operations over time (Tripathy, 2018:22; Putri & Sujana, 2018:35). This theory holds the view that firms prefer the use of their internal sources to finance their operations to external sources of finance and those firms will only use external sources of finance such as external debt only if their internal sources of finance such as profit, revenue and retained earnings are not enough to fund their innovative and growth initiatives. Dewi (2017) explicates that managers of businesses tend to have better knowledge of the financial position of their business in comparison to investors and as such will always act in the interest of the firm.

According to Ogunsiji and Ladanu, (2017) the perking order theory assumes that if the need arises for firms to use external financing, the firm will always opt for the cheapest form of finance so as to protect its profits and overall financial performance. Expectedly, a firm will choose internal source of finance such as equity and finally debt.

In accordance with the perking order theory, retail SMMEs are expected to exploit internally generated funds to undertake their growth initiatives. This therefore imply that small businesses and by extension retail business should strive to generate greater percentage of funds needed for innovative and expansionary activities from profit and retained earnings in order to minimise the impact of borrowing from external sources. On the other, on the basis of perking order theory, retail businesses are advised to borrow from sources that charge the lowest rate of interest and impact on its profitability and growth the least.

2.3. Global perspectives on SMMEs

SMMEs are generally considered as the significant contributors to job creation, economic growth and poverty alleviation especially in underdeveloped nations (Yeboah, 2015). SMMEs have times become conduits through which rapid growth and industrialisation have been achieved in recent times. These businesses have been recognized by both governments and the private sector as catalyst for socio-economic and political development in developed and third world countries (Eniola & Entebang, 2015).

SMMEs across the world are hailed for their contributions towards grassroots economic development, equitable distribution of wealth and high employment opportunities. Globally, SMMEs have become very important in current economic discourse due to the deliberate policies formulated by governments (such as Black Economic Empowerment policy in South Africa) to aid their survival and growth through various agencies. Empirical evidence shows that SMMEs form about 90% of all businesses in most economies and contribute immensely to gross domestic product (GDP) and job creation especially in South Africa (Hisrich et al., 2016).

In Asia, the importance of SMMEs cannot be underestimated as available evidence shows that most economies in this continent have experienced economic growth and development due to the activities of these small businesses. Notably, Uyar and Guzelyurt (2015) establish that leading economies in Asia like Japan, China, India, South Korea and Indonesia all have buoyant SMMEs sectors that contribute between 70% and 90% to employment creation. These businesses form approximately 90% of all enterprises and account for an estimated 40% of the gross domestic product (GDP) in these countries (Ramadani, 2015).

In Europe and America, the significant contributions of SMMEs towards the economy cannot be overlooked. Empirical research by Garikai (2011) and Katua (2014) on the contributions of SMMEs to economic growth in the United Kingdom shows that small businesses are the backbone of most countries in Europe that fostering entrepreneurship and resourcefulness. According to the World Bank (2014), small businesses form about 99.8 percent of all business enterprises that create jobs for more than two thirds of the working population in the UK and other areas in Europe. Small businesses in the USA are estimated to employ more than 50% of the country's workforce in the private sector. These businesses are praised for creating competition in the marketplace for established businesses, creating new employment opportunities, improving the quality of products and price reduction of goods through the adoption of innovation and high level technology (Oduntan, 2014).

In Africa, the case is not different as SMMEs have contributed substantially to income, output and employment (D'Imperio, 2015). Most economic giants on the continent like South Africa, Nigeria, Egypt and Ghana have enjoyed economic growth over the years due to the role played by SMMEs. It is estimated that SMMEs account for over 90% of all business enterprises in Africa and contribute to over 50% of employment and GDP (Mukumba, 2014). Although SMMEs have encountered many challenges that threaten their survival and growth, Batsakis (2014) established that these businesses still form the backbone of the continent's economy and as such must be given the needed support for them to blossom.

In South Africa, SMMEs are recognized as engines that could be used to foster growth and alleviate poverty as well as reduce unemployment (Cant & Wiid, 2013). Due to this recognition the government has established various agencies and formulated policies intended to support SMMEs. Kemp et al. (2015) assert that, despite the alarming failure rate of small businesses, SMMEs are still the biggest employer of the working population. South African SMMEs employ between 61% and 80% of the national workforce. They also account for approximately 57% of the national economy and the greatest contributor to gross domestic product (Wiese, 2014). SMMEs are therefore important to the progress of every economy but what constitutes the definition of SMMEs has become controversial among various scholars and the next section discusses this contestation.

2.4. Defining SMMEs

From the review of past literature, the definitions of what constitutes SMMEs have become a very crucial topic among various scholars and researchers (Gindling & Newhouse, 2014). Consequently there has never been a universally accepted definition of SMMEs. In trying to define SMMEs, some researchers use measures such as turnover, relative size of business within its sector, number of employees and net worth (Khan & Khalique, 2014). Others (Uddin, 2014; Chowdhury, 2015) have resorted to using the legal status of a firm, method of production and labour skills in their quest to define SMMEs.

Available research articles reveal that what constitutes SMMEs differ among countries and the industry in which a business operates in. For instance, businesses that have less than 200 employees are considered as SMMEs in the United Kingdom whereas the case is different in the United States of America and Canada where firms with less than 500 workers are seen as SMMEs (Adisa, Abdulraheem, & Mordi, 2014). In Germany, SMMEs are seen as businesses with a maximum of 250 employees while in Belgium firms that have less than 100 workers are termed as SMMEs. In most developing countries, of which Africa is prominent, firms with 100 employees are seen as large businesses while SMMEs can have as low as one to five workers (Asad, Shariff, & AlEkam, 2016).

Since there are no clear criteria for the definition of SMMEs by all economies, statistical agencies and researchers, the meaning of SMMEs are explained using the quantitative and qualitative approaches postulated by Bolton report 1971 (Carter & Jones-Evans, 2006). The quantitative approach uses quantifiable measures such as number of employees, turnover and net assets to explain small micro and medium enterprises (Abor & Quartey, 2010; Gbandi & Amissah, 2014). However, Bruwer (2012) posits that the number of employees is the most commonly quantitative criterion used to define SMMEs, due to its simplicity and its ease to collect data. The European Commission (EC) uses this approach to define SMMEs through guidelines that spell out the criteria. The EC uses three main parameters which are the number of employees, turnover and annual balance sheet to define businesses, though the number of employees is the most important of all the criteria (Cowling & Liu, 2014). The

World Bank also adopts the quantitative method in defining SMMEs by using the three criteria of the number of employees, annual turnover and total assets in US dollars. According to the World Bank a business must meet the quantitative criteria of number of employees and at least one financial criterion to be categorized as micro, small or medium business (Kausar, 2013).

Conversely, the qualitative method defines SMMEs using indicators such as legal status, organizational structure, legal autonomy and position of a firm in the market and managerial experience of firms (Decker et al., 2006). According to Ntim, Lindop and Thomas (2013) policymakers, statistical agencies and government institutions mainly do not apply qualitative criteria in defining SMMEs because it is not easy to operationalize due to the difficulty and complexity of gathering data on the legality of most firms, especially in developing countries. Tables 2.1 and 2.2 below show the quantitative definitions of SMMEs by the European Commission and the World Bank. Table 2.1 suggests that in Europe, SMMEs that employ less than 10 workers and have annual turnover of about 2 million euros are considered to be micro enterprises. In the same vein, the table further shows that businesses that have less than 50 employees and annual turnover of about 10 million euros are considered as small enterprises while businesses with annual turnover of about 50 million euros and less than 250 employees are said to be medium enterprises. This clearly indicates that the definition of SMMEs by the European Commission differs from that of the World Bank in terms of number of employees and annual turnover.

Table 2.1: Definition of SMMEs by the European Union

Enterprise category	Headcount: Annual Work Unit (AWU)	Annual turnover		Annual balance sheet total
Medium-sized	< 250	≤ €50 million	or	≤ €50 million
Small	< 50	≤ €10 million	or	≤ €10 million
Micro	< 10	≤ €2 million	or	≤ €2 million

(Source: European Commission, 2005).

From Table 2.2 below micro enterprises are those businesses with less than 10 employees and about $100,000 annual turnover. Small enterprises according to the World Bank are those businesses that have between 10 to 50 workers and about 3 million dollars in annual sales while medium enterprises have between 50 to 300 employees and about 15 million dollars annual sales.

Table 2.2: Definition SMMEs by the World Bank

Enterprise indicators (2/3)	Number of employees	Total assets		Total annual sales
Medium	> 50; ≤ 300	>$3,000,000; ≤$15,000,000	or	>$3,000,000; ≤ $15,000,000
Small	> 10; ≤ 50	>$100,000; ≤ $3,000,000	or	>$100,000; ≤ $3,000,000
Micro	< 10	≤ $100,000	or	≤ $100,000

(Source: Independent Evaluation Group, 2008).

2.5. Defining SMMEs in South Africa

The lack of a single universally accepted definition of SMMEs across the globe also affects the definitional complexity of these entities in South Africa. Despite the fact that a lot of businesses have been in operation over the years in South Africa, the concept of SMMEs was formally given first recognition by the National Small Business Act No.102 of 1996. Consequently, the most widely definition of what constitutes SMMEs in South Africa is the one given by the National Small Business Act 102 of 1996 that was modified in 2003. The Act defines SMMEs as “a separate and distinct business entity, including cooperative enterprises and non-governmental organizations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy” (Government Gazette of the Republic of South Africa, 2008:102). The Act further categorizes SMMEs into Micro, Very Small, Small and Medium based on the number of workers employed on full time basis, total turnover per annum and total gross asset value (excluding fixed property). The table below gives full details on the definition of SMMEs in South Africa.

Table 2.3: Definitions of small businesses in South Africa

Enterprise Size	Number of Employees	Turnover (in South African rand)	Annual Gross Assets, Excluding Fixed Property
Medium	Fewer than 100 to 200, depending on industry	Less than R4 million to R50million, depending upon industry	Less than R2 million to R18million, depending on industry
Small	Fewer than 50	Less than R2 million toR25million,depending on industry	Less than R2 million to R4.5million, depending on industry
Very Small	Fewer than 10 to 20, depending on industry	Less than R200 000 to R500,000, depending on industry	Less than R150 000 to R500,000, depending on Industry
Micro	Fewer than 5	Less than R150 000	Less than R100 000

(Source: Falkena et al., 2001).

Table 2.3 above gives a summary definition of SMMEs. The table further amplifies that in South Africa, businesses that employ few than fifty workers are seen as small businesses whereas micro businesses are those with fewer than five employees**.** For the purpose of this study, the definition of SMMEs by the National Small Business Act is adopted. The next segment discusses perspectives on retail SMMEs.

2.6. Perspectives on retail SMMEs

Retail SMMEs are vital part that makes up the economies of most countries across the world and their contributions help in fostering economic growth and development. As such the subsequent sections discuss global and South African perspectives on retail SMMEs as well as challenges facing retail SMMEs.

2.6.1. International perspectives

The significant contributions of retail SMMEs to the economic development of countries have been well documented in literature across the globe. It is believed that with the growth in the activities of retail SMMEs, many social vices such as poverty and unemployment have been drastically reduced to their barest minimum (Ngoma & Ntale, 2014). According to Zhu et al. (2013) the majority of small businesses all over the world operate in the retail sector. This is due to the fact that there has been continuous growth in the global retail sector and this has prompted many SMMEs to enter this sector to take advantage of its vast opportunities hence the proliferation of retail SMMEs. Pantano and Viassone (2014) assert that retail SMMEs deal in all kinds of activities ranging from household items, food, clothing, which makes the retail sector environment very complex and dynamic.

Empirical evidence from both developed and developing nations demonstrates that retail SMMEs are vital to the economic prosperity of most countries. For instance, it is estimated that retail SMMEs contribute about 14% to gross domestic product in Malaysia making retail businesses one of the biggest contributors to the country's economy (Economic Report, 2014). Kalirajan and Singh (2013) also established that retail SMMEs are one of the most important contributors to the Indian economy. Kalirajan and Singh (2013) further state that retail SMMEs account for approximately 16% of gross domestic product and provide 14 percent of total employment in the country of India. Sharma (2011) posits that the contribution of retail SMMEs to Indian economy is expected to improve because the country's retail sector is projected to experience 15% annual growth rate. In the United Arab Emirate (UAE), the importance of retail SMMEs cannot be overlooked. Özçelik and Kandemir (2015) point out that retail businesses in UAE contributed approximately US$ 46.8 billion to gross domestic product and this figure is expected to grow annually due to the continuous expansion in the country's retail sector.

Retail SMMEs in the USA are used as catalyst for economic growth and improvement of welfare among the masses. Small businesses in the USA retail sector provide employment to over 22 million people and contributed an estimated US$ 3.0 trillion to the country's gross domestic product (Mun & Jang, 2015). In most African countries, retail SMMEs are very prominent in contributing to employment and GDP. Chikwekwe (2015) explicates that retail SMMEs form approximately 70% of all SMMEs in most African economies and asserts that these retail SMMEs employ millions of the active population and generates billions of dollars to the African economy.

2.6.2. Perspectives on South African retail SMMEs

The retail sector is one of the main components that make up the South African economy. The contributions of this sector towards economic growth, promotion of employment opportunities and poverty reduction have been recognized by government agencies, policy makers and researchers in the country (Dennis & Piatti, 2015; Sibindi & Aren, 2015). The South African retail sector forms the largest retail sector in sub-Sahara Africa and the 20th largest retail sector in the world (PriceWaterhouseCoopers, 2012).

The retail sector is a significant contributor to gross domestic product and a major employer of the active population. The retail sector is the fourth largest sector in the South African economy. This sector accounts for approximately 15% of the country's GDP and creates employment for an estimated 22% of the population (W & RSETA, 2014). Available data indicates that the retail sector has an estimated 75 000 registered SMMEs with the Wholesale & Retail Sector Training Authority (W&RSETA) operating in the sector but only 33 000 of these SMMEs are registered with the South African Revenue Services (Prinsloo, 2016). Steyn (2013) explains that the government loses huge revenue from those retail SMMEs that are not formally documented for tax purposes. However, W&RSETA (2015) point out that there are approximately 100 000 informal or unregistered SMMEs in the retail sector that account for 10% of total retail turnover in the country. Terblanché et al. (2013) conclude that about 96% of registered retail firms in the country are classified as small and micro enterprises, 3% as medium sized and 1% as large enterprises which in most cases are part of large national companies. Data from Statistics South Africa (2017) show that micro retail enterprises employ 12% of the total workforce in the retail sector while small retail enterprises employ 15% of the active retail sector population. In the same vein, medium retail enterprises account for 8% of total retail sector employment and large retail enterprises make up for 65% of employment in the retail sector (Statistics South Africa, 2017).

Chopra and Meindl (2016), posit that the SA retail sector is spread across both urban and rural areas but with urban areas having high densities of retail SMMEs. Makgetla (2013) established that urbanized provinces such as Gauteng, Western Cape and KwaZulu-Natal account for the highest number of retail SMMEs in the country and also make approximately 76 percent of the total national workforce in the retail sector. Qwabe (2014) suggests that South Africa's positive population growth rate, coupled with high household spending would lead to growth in the retail sector. The retail sector sales are estimated to grow steadily but at a slow rate and this is expected to be achieved through the emergence of a black middle-class (PriceWaterhouseCoopers, 2012). That said, retail SMMEs are therefore a force to reckon with in the growth and development of the South African economy.

Contrary to the abovementioned, Bureau for Economic Research (2013) argues that the South African retail sector's environment has not been encouraging in recent times. This is attributed to the fact that there has been a decrease in consumer confidence levels, rising prices, weak employment prospects, a slowdown in credit extension and the projected easing in government social grant spending which will weigh on retail sales volumes. Available data suggest that the retail sector's permanent employment has weakened over the years (Statistics South Africa, 2015). This implies that most people that are employed by the retail sector are on temporary basis which does not augur well for the high unemployment rate in the country. In addition, Wilkinson (2013) indicates that the retail sector is the most volatile of all the sectors of the economy and susceptible to cyclical changes and global economic conditions. Sewell et al. (2014) also assert that the retail sector is characterized by stiff competition among businesses that strive for improved market share.

2.7. Challenges facing retail SMMEs

Despite the positive contributions of the retail sector to the economies of both developed and developing countries, the sector also experiences many challenges that threaten the survival and growth of SMMEs operating in this sector. Some of the challenges facing retail SMMEs are discussed in the next section of this study.

2.7.1. Lack of access to finance

SMMEs lack access to credit and this is well documented in literature. Several empirical studies (Kimutai, 2013; Ambrose, 2014) have shown that lack of finance has become one of the main challenges facing retail SMMEs across the globe and South Africa in particular. Oyelana and Fiseha (2014) ascertain that the inability of retail SMMEs to get finance has been attributed to certain internal, institutional and external factors that make financial institutions reject their applications for funding. For instance, a study conducted by FinMark Trust in 2015 revealed that only 2% of newly established retail SMMEs was able to get finance from finance agencies. Olawale and Garwe (2010) posit that lack of access to finance in South Africa is reportedly the second contributor to the low creation and failure of retail SMMEs after education and training. Musara and Gwaindepi (2014) explain that due to the importance of retail SMMEs in creating jobs, the government has established various agencies such as Small Enterprise Development Agency (SEDA), South African Micro-Finance Apex Fund (SAMAF), Khula Enterprise Finance Limited and National Youth Development Agency (NYDA) to provide the needed finance and assistance to retail SMMEs. However, Musara et al. (2014) opine that despite government and private sector effort to create a conducive environment for retail businesses to access credit, many still struggles to get the needed finance for their business operations. Statistics South Africa survey studies on Employers and the Self Employed indicated that an estimated 73.4% of SMMEs got their start-up capitals from friends and family acquaintances (Statistics South Africa, 2013).

2.7.2. Lack of managerial skills

There is a general consensus among researchers that numerous factors contribute to the success or failure of retail businesses of which managerial competencies is prominent. Numerous studies (Agyapong et al., 2011; Pandula, 2011; Fatoki, 2014) on challenges facing retail SMMEs in South Africa clearly identify that lack management skills have proven to be the sole cause of the failure SMMEs in general and retail businesses in particular. Nkuah et al. (2013:7) "described managerial competencies as sets of knowledge, skills, behaviours and attitudes that contribute to personal effectiveness". Fatoki (2014) explicates that managerial competency which is measured by experience; training and knowledge of the industry are known to have a positive impact on the performance of new and existing retail SMMEs in South Africa. A research study by Oyelana and Fiseha (2014) on the effects of small businesses on socio-economic development in King Williams Town in the Eastern Cape province of South Africa established that most business owners and managers lacked management skills such as financial, marketing and human resource management. This lack of skills contributed to the high failure rate of most retail businesses in the Eastern Cape. These findings were also supported by Musara and Gwaindepi (2014) in their study on factors affecting entrepreneurial activity in South Africa. The study also found out that most retail business owners lacked the needed management skills to run their business and hence the increase in failure of small businesses. Abor and Quartey (2010) argue that despite the numerous training, capacity building and advisory services offered by the government and the private sector to small business owners and managers, there seems to be no improvement in the performance or growth of small businesses. This therefore has created significant concern as the inability of small businesses to grow cascades to affect the national economy.

2.7.3. Lack of access to appropriate technology

Small businesses in South Africa conduct their operations in a hostile and complex business environment. It therefore becomes important for such businesses to be up to date on the current trends in the environment. For instance, for SMMEs to enhance their growth and competitive advantage in the market, information technology becomes indispensible. However, small businesses in South Africa SMMEs struggle to compete with large and well established firms due to their continuous use of obsolete technology (Chowdhury, 2015). Olawale and Garwe (2010) also noted that the use of appropriate and current technology has the tendency to improve business opportunities and acts a propeller for significant generation of sales. The purchase and installation of information technology equipment involves cost. Retail SMMEs often may not have access to credit and as such will not be able to afford sophisticated equipment. In cases where retail SMMEs are able to afford equipment for the latest technology, they find it difficult to employ experts to operate this equipment due to the cost constraints. The next section elaborates on microfinance since access to finance is important to the survival and growth of SMMEs.

2.8. Background of microfinance

The concept of microfinance has increasingly become an important part in the global dialogue on poverty alleviation and economic development. Across the world, economists, scholars, governments and established non-governmental organizations (NGOs) have recognized microfinance as a tool that could be used to improve the welfare of the very poor in the society (Ahlin, 2015).

Recently, there has been a rise in microfinance as it is celebrated as a major strategy in promoting better living standards and sustainable development. According to Ahmed et al. (2013) there are tens of thousands of microfinance institutions (MFIs) all over the world who are involved in providing financial and non-financial services to millions of poor people who need such to come out of poverty.

Available literature shows that microfinance movement started in the 1970s when microcredit and small loans were granted to poor people at the grass- root level (Mustafa & Khan, 2012). However, the concept of microfinance became prominent through the works of Dr. Muhammad Younas, a Bangladeshi economist, who initiated the movement by granting small loans to women for initiating microenterprises in Bangladesh (Sophia & Wisdow, 2012). In1983, Dr. Muhammad Younas established the Grameen Bank of Bangladesh, within a very small period the bank's borrower base increased tremendously. The Grameen Bank demonstrated that it was possible to grant small loans on wide scale to the needy and bring them out of poverty.

Currently, the microfinance industry has grown tremendously. Accordingly, there are many players in this sector involved in the rendering of various services to different categories of clients. Giné and Karlan (2014) assert that various microfinance institutions, NGOs, credit societies and cooperative societies are among the major players in the microfinance sector. In order to understand the concept of microfinance more, the next section will discuss the difference between microfinance and microcredit.

2.9. Distinguishing microfinance from microcredit

The inability of the very poor in the society to access formal finance from the mainstream financial sector has led to the growth of microfinance across the globe (Allet, 2014). Presently, microfinance activities are performed globally through various institutions that consist of commercial retailers, international organizations, private and public banks, moneylenders, post offices and credit unions (Quaye et al., 2014). According to Rodman (2012), the concept of microfinance creates confusion and as such boundaries must be created in the definition of microfinance and microcredit. Griffin and Husted (2015), explain that microcredit focuses on the granting of collateral free small loans to people while microfinance encompasses microcredit, insurance, savings and other financial and non-financial services. Table 2.4 below shows various definitions of microfinance and microcredit propounded by different scholars and authors.

Table 2.4: Definitions of microfinance

McGuire and Conroy (2000:2)	Microfinance is the provision of financial services, primarily savings and credit, to poor households that do not have access to formal financial institutions.
Hardy et al. (2003:5)	The term 'microfinance institutions' is generally used to refer to those financial institutions that are characterized by their commitment to assisting typically poor households and small enterprises in gaining access to financial services.
Hishigsaren (2007:11)	Microfinance refers to the provision of small-scale financial services (e.g., loans, savings, and insurance) to lower income individuals.
Reno-Weber (2008:3)	Microfinance generally refers to loans, savings, insurance, transfer services, and other financial products targeting low-income clients. These financial products are generally small in size and offered without the need for collateral.
Khavul (2010:1)	Microfinance spans a range of financial instruments including credit, savings, insurance, mortgages, and retirement plans, all of which are offered in small amounts, making them accessible to individuals previously shut out from formal means of borrowing and saving.
D'Espallier (2011:5)	Financial services tailored to the poor.
Microfinance Gateway (2011:6)	Microfinance is often defined as financial services for poor and low-income clients offered by different types of service providers.
Montreal Microfinance club (2013:8)	Microfinance refers to the provision of small-scale financial services to low-income women and men to enable them to increase their revenues, build assets, and reduce their vulnerability to unforeseen events. Microfinance includes microcredit, which is likely the most visible form of microfinance, but also savings, micro insurance, money transfers, and other basic financial services.
CGAP (2013)	Microfinance offers poor people access to basic financial services such as loans, savings, money transfer services and micro insurance.

(Source: Author's own compilation)

Table 2.4 lists some of the various definitions of microfinance by different authors and scholars. The table shows that microfinance is primarily concerned with the provision of mainly certain financial services such as loans, savings, insurance and mortgage to the very poor who are normally excluded from the mainstream financial sector. These categories of definitions do not consider the other aspects of microfinance that are not financial in nature such as training, mentoring and advisory services. This implies that the concept of microfinance is viewed differently in terms of the financial and non-financial activities of the various institutions involved in the provision of microfinance services.

Table 2.5 indicates that the various authors agree that microfinance encompasses the provision of financial services such as loans, savings, deposits, insurance and mortgage as well as non-financial services such as training sessions, mentoring and advisory services to the poor who are excluded from formal financial sector because they are considered unbankable. Table 2.5 amplifies how some authors presented their views on the definitions of microfinance. However, Table 2.6 aims to differentiate microfinance from microcredit for a better understanding of the two terms.

Table 2.5: Definitions of microfinance

Khandker (2005:7)	Microfinance involves small-scale transactions in credit and savings designed to meet the needs of small- and medium-scale producers and businesses. Microfinance also offer skill-based training programs to augment the productivity and organizational support and to provide consciousness-raising training to empower the poor.
Getu (2007)	Microfinance is defined as the provision of financial and non-financial services among the poor so as to enable them to create employment and to generate income through the development of micro and small enterprises.
Bassem (2009:3)	Microfinance is the provision of financial and non-financial services to the poor who are excluded from financial/credit markets because they are considered unbankable.

(Source: Author’s own compilation).

From Table 2.6 below, it is clear that microfinance differs from microcredit in that microfinance involves both financial and non-financial services rendered by MFIs to small businesses and households. On the other hand, microcredit only centers on the provision of small loans to businesses and households. This means that microfinance encompasses microcredit. Since microfinance is the key variable of the study it is defined in this study as the provision of financial (loans, saving, insurance) and non-financial services (training, advisory services, mentoring) to small businesses which do not have access to mainstream financial sector. This study adopted Getu's (2007:6) definition, which crystallises microfinance "as the provision of financial and non-financial services among the poor so as to enable them to create employment and to generate income through the development of micro and small enterprises".

Table 2.6: Definitions of Microcredit

Woller and Woodworth (2001:5)	Microcredit is a grass-roots development strategy that grants small-scale loans to poor borrowers for self-employment projects that generates income.
Anderson et al. (2002:2)	Microcredit is the extension of small loans for income generating activities to the poor predominantly located in developing countries.
Elahi and Danopoulos (2004:7)	Microcredit programs extend small loans to very poor people, especially women, for generating income through self-employment.
United Nations (2005:3)	Microcredit is a small amount of money loaned to a client by a bank or other institution. Microcredit can be offered, often without collateral, to an individual or through group lending.
Anthony (2005:5)	Microcredit refers to relatively small loans offered to entrepreneurs who have difficulty obtaining credit through banks.
Khavul (2010:1)	Microcredit is the issuance of small, unsecured loans to individuals or groups for the purpose of starting or expanding businesses.
Accion International (2010:5)	A part of the field of microfinance, microcredit is the provision of credit services to low-income entrepreneurs. Microcredit can also refer to the actual microloan.
Grameen Bank (2011:5)	Microcredit refers to programmes which extend small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families.
Bruton et al. (2011:3)	Micro lending is the issuance of small, unsecured loans for the purpose of business generation within poor communities.

(Source: Author's own compilation).

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2.10. Global landscape of the microfinance sector

Poverty has become a global problem and governments, economists, policy makers and scholars have accordingly continued to search and implement strategies that seek to address this menace. Microfinance has been recognized as one of the tools that could be used to alleviate poverty and foster economic development in both developing and developed nations (Ferreira & Lugo, 2013).

According to the World Bank (2016) it is estimated that around 2.2 billion people live in abject poverty across the world with a high percentage of these poor people living in third world countries. This is a major concern to policy makers seek to use microfinance as a machinery through which the poor can be given a better life.

The microfinance sector in recent times has experienced an unprecedented growth globally. Assefa et al. (2013) opine that there has been a great increase in the number of service providers and clients in the sector over the years. Xu et al. (2014) corroborate that the microfinance industry has grown due to huge investments from profit making sources, increased patronization and subsidized funding by governments and development agencies.
Mersland (2013) ascertains that the microfinance industry has become large and has played a big role in helping the impoverished to improve their economic wellbeing especially in third world countries. Currently, it is estimated that the global microfinance sector provides microcredit to approximately 200 million poor people and micro insurance policy to 135million indigent families (Maes & Reed, 2012). The industry is expected to continue

growing and Lloyd (2012) establishes that soon the industry will become the largest banking market in the world in terms of client base.

Despite the growth in this sector, available data and empirical literature show that the level of growth and development in the microfinance industry differ across countries and continents (Di Maio & Landoni, 2015). For instance, in Europe microfinance has been recognized as a means through which support can be given to microenterprises as well as disadvantaged people who have been excluded from the mainstream commercial banking and other related services (European Union, 2014). Bendig, Unterberg and Sarpong (2014) allude that the microfinance industry in Europe granted microcredit to an estimated 390 000 individuals to the amount of €1.53 billion in 2013 alone which indicates 45 percent growth as compared to the previous year's data.

In Africa, the evolution of the microfinance industry has been overwhelming due to the high number of poor individuals who do not have access to formal finance from mainstream financial institutions (Schicks, 2013). According to the Microfinance Information Exchange (MIX) and the Consultative Group to Assist the Poor (CGAP), approximately 22,900 microfinance institutions (MFIs) are operational in Sub Sahara Africa (SSA) with an outreach of 12.6 million active borrowers, 21.6 million depositors, and a gross loan portfolio of US$14.9 billion as at December 2010 (MIX & CGAP, 2012). Although microfinance has helped a great number of people to come out of poverty, Sarpong (2014) argues that Africa still has a long way to go in raising the standard of living from the current lows as millions still live in abject poverty.

Furthermore, microfinance in Asia has recently registered growth and expansion at grassroots level. Apart from Africa, Asia has one of the highest numbers of people living in poverty (Mossman, 2015). Microfinance has been used, for instance been used in most leading Asian countries to alleviate poverty. In India, Hulme and Maitrot, (2014) establish that over 100 million individuals have been impacted and micro loans to the amount of Rs. 3,72,869 million have been granted by the microfinance sector to help the disadvantaged who have been excluded from formal finance due to lack of collateral.

Microfinance has been trumpeted over the years as an economic strategy that policy makers could use to tackle poverty especially in less developed countries. The concept of microfinance was born out of concern for the less privileged to bring them out of poverty. These poor people lacked collateral needed to access credit and other financial services from commercial banks (Mia, 2016). Despite the growth achieved in the microfinance sector, Yunus (2016) argues that microfinance has deviated from its original premise of helping the poor. Yunus further opines that microfinance institutions (MFIs) that are supposed to provide the financial services needed to improve the economic status of the marginalized in the society have commercialized their activities thereby focusing more on profit making than alleviating the economic plight of the poor. Van Rooyen et al. (2012) explicates that it is not surprising that many people still live below 2 dollars per day as available data from the World Bank (2011) shows that there are approximately 415 million poor people living in Sub Sahara Africa, 399 million in South Asia, and 161 million in East Asia and the Pacific. Given this broad landscape on microfinance, what roles do SMMEs owner and firm characteristics play in accessing microfinance? This question is addressed in subsequent section in order to understand some of the most important firm characteristics (age, size and location) and business owner characteristics (age, gender, education level and experience) that microfinance institutions consider before granting SMMEs access to credit.

2.11. The role of SMMEs owner and firm characteristics in accessing microfinance

The financing of SMMEs is important to scholars, policy makers and researchers due to the pivotal role these businesses play in fostering entrepreneurship, economic growth and the alleviation of poverty. Empirical studies have shown that access to finance has become one of the major hurdles posed to SMMEs (Bauchet & Morduch, 2012; Wang, 2016). According to Kelly et al. (2013) access to credit refers to the possibility that individuals or enterprises can access financial services, including credit, deposits, payment, insurance, and other risk management services. Gichuki et al. (2014) is of the opinion that because most SMMEs lack the collateral needed to access finance from mainstream financial institutions, microfinance is recognized as a tool that could be used to solve the problems of credit accessibility encountered by SMMEs. However, Alauddin and Chowdhury (2015) argue that, despite the availability of microfinance, for SMMEs to successfully get credit, firm and business owner characteristics are considered. These characteristics are elaborated in subsequent sections of this study.

2.12. Firm characteristics

Firm demographic variables are defined as certain features or traits that are peculiar to a particular firm which tends to have negative or positive impact on that firm's growth (Fatoki & Asah, 2011). These firm traits include firm's age; size and location play a role in a firm's success in obtaining microfinance (Musamali, 2013). These variables are explained below.

2.12.1. Firm age

Numerous empirical studies (Akpan & Nneji, 2015; Maengwe & Otuya, 2016) show that the age of a firm influences SMMEs access to microfinance. Mendes, Serraqueiro and Nunes (2014) assert that the number of years a firm has been in existence is a major determinant in SMMEs accessibility to credit. A number of studies have established that there is a correlation between the age of a firm and access to microfinance. For instance, Mendes et al. (2014); Gardner and Lewis (2015) explicate that firms established more than five years ago are likely to obtain credit as compared to younger firms. This is because older firms have closer and longer relationship with microfinance institutions and as such have an upper hand in getting credit in comparison to new firms. Fatoki (2014) also explains that younger firms are characterized by information asymmetry as compared to their older counterparts. This information opacity stems from the fact that younger firms usually do not have any track record and consequently this makes it difficult for new firms to obtain finance (Musamali, 2013; Nkuah et al, 2013; Fatoki, 2014). Furthermore, there is a general observation that younger firms are more susceptible to failure as older firms are seen as more viable and competitive. This contributes to the failure of younger firms in getting finance in relation to older firms. Contrary, Pandula (2011) argues that there is no correlation between the age of a firm and access to microfinance. This argument is supported by USAID (2010) which is of the notion that younger firms in real sense do not have problems in accessing microfinance vis-a-vis older firms.

2.12.2. Firm size

It is widely documented that the size of a firm is one of the most important variables that influences SMMEs access to microfinance. Although the criteria that should be used to measure the size of a firm is contentious among researchers, microfinance institutions have the tendency of favouring large firms (El Said et al., 2013). According to Bosri (2016) small firms tend to have the problem of not keeping proper financial records. Bosri further explains that information opacity becomes even more severe when small firms are owned and operated by the entrepreneur himself and there is no such legal requirement to regularly report financial information. Equally disturbing is the reality that many firms do not maintain audited financial accounts. This makes it more difficult for such firms to access microfinance. More so, it is documented that small firms in most cases have fewer assets that can be presented as collateral as compared to large firms in order to access finance from microfinance institutions (Islam et al., 2011; Chowdhury et al., 2015). This places huge constraints on small firms' success in obtaining credit while large firms have relatively less hustle in getting funds for their operations (Abdin, 2017). Calice et al. (2012) also corroborate that small firms do not get the needed funds to operate since most small firms have high failure rate in relation to large firms. This impact negatively on smaller firms' chances of getting credit whereas bigger firms which are seen as synonymous to growth have high success rate in accessing finance. On the contrary a supply-side study by Pandula (2011) found no correlation between firm size and SMME access to credit. This raises the question if the size of a firm actually matters in order to access finance.

2.12.3. Firm location

The geographical area where a firm is located, whether rural or urban, is perceived to have an influence on SMMEs access to microfinance. According to Nuwagaba (2015), firms that are located in major cities face lesser difficulties in accessing finance as compared to their counterparts in rural areas. In the same regard, Nahamya et al. (2015) add that most microfinance institutions operate in cities leaving only few of such funding institutions operating in rural areas. This therefore gives firms which operate in the cities advantage in accessing credit due to their proximity to institutions that offer credit. Nahamya et al. (2015) further explain that the proximity of firms to funding institutions lead to better relationships between firms and MFIs which in turn makes it less stressful for firms who are close to such microfinance institutions to access funds. According to a research done by Fatoki and Asah (2011) on the impact of firm and entrepreneurial characteristics on access to finance by SMMEs in King Williams' town, it was found that SMMEs situated in urban areas tend to be more successful in getting access to microfinance in comparison to businesses operating in rural areas. It should be noted that close proximity between funding institutions and borrowers tend to reduce information asymmetry which in turn increases SMMEs access to funds.

2.13. Business owner characteristics

There has been a consensus among researchers regarding SMMEs access to finance that the personal demographic of a business owner influences SMMEs access to microfinance. Business owner's characteristics are as certain features or traits that are peculiar to a particular business owner which tends to have negative or positive impact on that firm's growth. These include the owner's age, gender, educational level and experience (Fatoki & Asah, 2011). These variables are discussed below.

2.13.1. Age

It is widely documented that the age of an SMMEs' owner is important in accessing microfinance. Empirical studies (Atogenzoya et al., 2014; Ogubazghi & Muturi, 2014) have shown that the age limit of the owner or manager of a business has been used by microfinance institutions over the years as one of the factors that determine the success of business obtaining credit. The general observation is that funding institutions prefer older business owners when granting credit as compared to their younger counterparts. Atogenzoya et al. (2014) explained that younger business owners tend to have risky behavior that affects their chances in getting credit. Ogubazghi and Muturi (2014) corroborate that younger business owners experience difficulties in getting credit because funding agencies see them as too risky. This is hinged on moral hazard problems where funds are mismanaged as quite often these funds have been diverted from the intended purpose. This negatively affects the chances of such younger owners to successfully access microfinance. However, Zairani and Zaimah (2013) argue that despite the general observation that MFIs prefer older business owners over younger owners, there are some funding institutions that give more attention to younger owners in the sense that these MFIs see younger business owners as ambitious and innovative which is important for economic growth. These contradicting views call for more studies to ascertain whether the age of an SMME owner is significant when accessing microfinance.

2.13.2. Level of education

A number of empirical studies (Mohamed & Al-Shaigi, 2017; Mutua, 2017) have established the major role played by the educational background of an SMME owner in accessing microfinance. Generally there is a positive correlation between SMME owner's education and access to finance. Kasseeah and Thoplan (2012) observe that SMME owners with tertiary education have the least difficulties in accessing credit needed for their business survival and growth. According to Jonsson and Lindbergh (2012) SMMEs' owners with high level of education are able to present good financial information, strong business propositions and are able to maintain positive relationship with microfinance institutions as compared to less educated business owners. This in turn positively affects the success rate of educated owners in getting credit. Furthermore, SMMEs' owners with good educational background are known to possess the skills and expertise needed to perform other functions of the business such as finance, marketing and human resources. These acquired skills and expertise lead to better performance of the business which makes it relatively easy for such businesses to get finance needed to sustain the enterprise. Also, it is argued that well educated business owners are able to get information on the availability of finance and how to access it. These attributes invariably assist these business owners to easily get credit in comparison to those owners who do not have any form of formal education. Rahman et al. (2016) further assert that microfinance institutions tend to repose confidence in well-educated business owners because they are more creditworthy than their uneducated counterparts. Notwithstanding the above-mentioned education effect, other studies have shown that there is no significant relationship between educational level and access to finance. A supply-side study by Agyapong et al. (2011) showed that the educational background of SMMEs' owner is ranked the lowest on the criteria used by MFIs in assessing loan applications from SMMEs. There is therefore a contradiction among researchers on the influence of business owner's educational level and access to finance. This therefore leaves a gap for further study on the matter.

2.13.3. Gender

Numerous studies (Laetitia, Shukla & Luvanda, 2015; Awuah & Addaney, 2016) have documented the significant differences between female and male owned firms in accessing microfinance. Brixiová and Kangoye (2016) assert that funding institutions tend to give preference to favour male business owners when granting credits and this is attributed to the fact that most male SMME owners tend to be well educated in comparison to their female counterparts. As such male business owners are considered more financially literate and therefore know the avenues where credit can be obtained. This makes it relatively easier for such owners to access credit. This cannot be said of female business owners who in most cases lack tertiary education and in turn struggle to get information on the availability of microfinance products from funding institutions (Kabeer, 2017). This invariably impacts negatively on their chances of accessing credit. A study by Yaldiz et al. (2011) using data from a survey in Swaziland found out that male business owners were more likely to get funding from MFIs as compared to female owners. Saparito et al. (2013) also corroborate that male SMMEs' owners have less hustle in accessing finance because generally male firms are known to perform better than female managed firms hence the reason why female SMMEs' owner face a lot of difficulties in getting finance. Contrary to these findings, a study conducted by Irwin and Scott (2010) showed that microfinance institutions tend to favour female business owners than their male counterparts. However, another study by Fatoki and Asah (2011) pointed out that most funding institutions are less concerned about the gender of business owners when considering their applications for finance. This is further supported by the USAID (2010) which found no correlation between the gender of the business owner and access to credit.

2.13.4. Experience

Empirical evidence (Kar, 2013; Hulme & Maitrot, 2014; Jolly, 2018) suggests that a large number of researchers recognize the influence the experience of a business owner has on access to finance. SMMEs' owners who have been in business for many years tend to have information on the availability of credit and how to access them. This makes it less stressful for experienced business owners to get credit in comparison to new business owners who often do not have knowledge of the availability of microfinance products. This is a major factor that causes most inexperienced SMMEs' owners to fail in their quest to access credit (Anthony et al., 2013).

In addition, experienced business owners who have acquired on the job skills needed to manage the business; tend to perform better than SMMEs' owners who do not have any experience. This is considered by funding institutions that makes it less difficult for owners who have vast experience to successfully access credit (Fanta, 2012). A study by Ayalew and Gashu (2015) showed that a significant number of credit requests and applications were not granted to business owners and managers due to lack of experience. Another study by Zarook et al. (2013) identified that the experience of SMME owners was a major factor in determining SMME access to credit. Studies by Fatoki and Asah (2011) demonstrated that there exist a significant positive relationship between the experience of a business owner and access to funding. Nkuah et al. (2013) also pointed out that experience of SMME owners has become an important criteria that is commonly used to evaluate SMMEs loan application by funding institutions funding.

However, supply-side studies reviewed by USAID, (2010); Pandula, (2011); Agyapong et al. (2011); Fatoki, (2014) found that business owner characteristics such as experience were not a major criterion used by funding institutions to grant credit as cash flow, owner equity, a good business plan, reputation and trustworthiness were considered more by credit agencies to give credit to small businesses. This creates contradictory views as to whether there is a significant relationship between experience and access to credit which then leaves a gap in literature.

2.14. SMMEs' growth

SMMEs growth has gained attention among researchers, policy makers and governments across the world over the past few years. SMMEs growth is recognized as a key driver to promoting economic development and wealth creation (Ratten et al., 2017). Prior studies (Alasadi, 2007; Chittithaworn et al., 2011 & Emmanuel, 2015) have indicated that the primary aim of any business is to make profit and grow. A firm is defined "as an administrative organization whose legal entity or framework may expand in time with the accumulation of physical resources and intangible resources that may be human in nature" (Penrose, 1995:12; Blackburn et al., 2013:3). The term business growth has been defined as a change in a particular parameter over a certain length of time (Nieman, 2006). According to Blackburn et al. (2013) growth is seen as a dynamic process that shows whether a business is static or developing. Growth is measured by increase in total sales volume, increase in production capacity, increase in employment, increase in production volume, increase in the use of raw material and power (Shepherd & Wiklund, 2009; Sirec & Mocnik, 2010; Isaga, 2012). Over the years different studies have been conducted on SMME growth to give better understanding on the topic. However, Rodríguez et al. (2003); Dobbs and Hamilton (2007); Farouk and Saleh (2011) claim that there seems to be no common theoretical framework on the topic. For the purpose of this study, firm growth is defined as an increase in sales, profit, number of employees, number of customers and market share.

2.15. Influence of firm owner characteristics on SMME growth

The demographic characteristics of SMME owners shape their behaviours towards entrepreneurship. Many studies (Davidsson, 1995; Ahmad, 2007; Welmilla et al., 2011) explore the role of demographic features such as age, gender, education level and experience of business owners on the growth of their businesses. These characteristics are discussed below.

2.15.1. Age of business owner

The age of a business owner is one of the variables that influence the growth of SMMEs. Prior studies have shown conflicting results on the relationship between age of business owners and SMME growth. For instance, findings by Delmar and Wennberg (2010); Huynh et al. (2010); Mazzucato and Parris (2015) support the argument that younger business owners tend to be more successful in business than their older counterparts. This assertion is based on the fact that younger SMME owners have high energy, high aspirations to achieve greater success and are willing to work longer hours to ensure that their businesses grow while older business owners lack zeal and drive and growth in most cases is not of utmost importance to them. These afore-mentioned qualities possessed by younger business owners are some variables that contribute to SMME growth. This, therefore, makes it worthy to note that business managers who are young are more likely to achieve growth in their business. Contrary to this perspective, findings by Bernini and Pellegrini, (2011); Haller, (2012); Jones et al. (2013); Nunes et al., (2013) showed that older business owners achieve more growth in their business than younger SMME owners. This conclusion is hinged on the fact that older business owners tend to be more experienced having gone through so many challenges in the course of managing their businesses for many years. This makes them strong and confident and helps them to acquire skills that are necessary to drive growth. This is not the case of younger owners who because of inexperience make mistakes that hinder the growth of their businesses (Agwu & Emeti, 2014).

2.15.2. Gender of business owner

Several studies (Ekpe, Razak & Mat, 2013; Cant, Erdis & Sephaso, 2014; Ndagjijima & Oketch, 2014) have examined the impact of gender on SMME and there is a general agreement in literature that the gender influences SMMEs' growth. It is argued that male business owners are more likely to achieve business growth than their female counterparts.

The logic is that male business owners tend to be more educated, have a wider network and are more experienced than female SMMEs' owners (Díaz-García & Jiménez-Moreno, 2010; Yordanova & Tarrazon, 2010; Shinnar et al, 2012). This has a positive impact on the growth of such male owned businesses in comparison to female owned businesses where the owners have greater social responsibilities that limit their education level and their ability to network which invariably hinders growth. Tanveer et al. (2013), further argue that the SMMEs sector is dominated by the male gender and this gives them confidence to perform better and enjoy growth in their businesses. On the contrary, Ferk et al. (2013) argue that female SMME owners are more likely to enjoy growth in their businesses as they tend to be better managers than their male counterparts. Haapanen et al. (2014) further corroborate that most female business owners strive to be economically independent and this motivates them to put efforts to ensure their businesses survive and grow.

2.15.3. Educational level of business owner

Oberholzner (2014) notes that the educational level attained by business owners affects the success and growth of SMMEs. It is argued that SMMEs' owners with a high education level are more likely to manage their firms effectively, grow their business and continue to operate them for a long period of time (Alvarez & Crespi, 2003; Silva & Santos, 2012; Blackburn, Hart, & Wainwright, 2013). Bonet et al. (2011) assert that business owners with higher level of education are able to appreciate and analyze both micro and macro-economic environment that help them to make informed decisions in the running of their business. This reduces the possibility for such SMMEs' owners failing in their ventures as compared to those with no education who are known to make decisions that create impediments for growth. Bonet et al. (2011) further explain that education has a positive impact on SMMEs' growth because higher levels of education is associated with innovation, capacity to adapt, inventiveness which lead to better firm performance and growth. However, the significance of SMMEs' owner education on firm growth depends on the type of education received by the business owner and the type of industry the business belongs to (Shepherd & Wiklund, 2009; Levie & Autio, 2013).

2.15.4. Experience of business owner

The experience of the business owner influences growth of SMMEs. According to Van Teeffelen and Uhlaner (2013) a positive relationship exists between vast experience possessed by SMMEs' owner and business growth. Cardon et al. (2012) opine that business owners with prior experience perform better in their businesses than owners who are new in business. The logic is that owners with prior experience are more likely to avoid costly mistakes, continue to manage their business and likely to have established industry network and contacts that enhances business growth. Navaretti et al. (2014) also established that SMMEs' owners with prior experience in an industry often have better understanding of the dynamics of the business environment, devise means to access market information and improve management skills that translate into business growth. In the same vein, Coad et al. (2013) explicate that owners that have more experience often possess the necessary skills and knowledge like negotiation, decision making styles, ways to serve markets, and methods for dealing with customers and employees that make it less difficult to grow their businesses. It is argued that SMMEs' owners with more experience tend to form ventures that have greater employment and sales growth than founders with less experience (Haltiwanger, 2013; Lawless, 2014).

2.16. Influence of firm characteristics on SMME growth

The attributes possessed by a firm such as age, size and location are known in literature to have influence on the growth of small medium and micro enterprises. Although there are many firm characteristics that have impact on the growth of SMMEs, only the afore-mentioned firm attributes are discussed due to their significance in this study.

2.16.1. Firm's size

The size of business is one of the main firm characteristics that affect the growth of SMMEs. According to Raju et al. (2011) large firms have a high tendency of achieving growth in comparison to small firms. The logic behind this assertion is that large firms tend to have huge asset base that allows them easy access to credit which in turn impacts positively on the growth of such big firms. Gray et al. (2012) also posit that large and well established firms are inclined to experience growth more than small firms because big firms tend to have competitive advantage in the areas of brand name recognition, economies of scale, bargaining power with suppliers and distributors and access to immitable key resources which causes such firms to grow as compared to smaller firms that face a lot of obstacles that hinder their growth. However, Bhatti and Kumar (2012) argue that small firms have high growth potential in relation to big firms. The argument is based on the fact that smaller firms are flexible, able to adjust quickly to market demand and changes in business environment and are less complex to manage which necessitate growth. Holly et al. (2013) established that large firms are characterized by high levels of bureaucracy making such firms rigid and unable to respond quickly to changes in the market environment. This hinders their growth while smaller firms are able to experience growth through their quick adjustments to changes in macro-economic variables.

2.16.2. Firm's age

Another important firm characteristic that influences SMMEs' growth is age of firm, thus the number of years that the business has been in operation. Christopherson (2015) and Lai et al. (2016) are of the opinion that new or young firms tend to achieve rapid growth in comparison to older firms. Their argument is hinged on the premise that new firms often attempt to accumulate sufficient resources in order to be able to withstand unforeseen external shock and that steer the growth of the firm. Dineen et al. (2012) explains that younger firms have more growth potentials than older firms and this is because older firms encounter obstacles like slackening in entrepreneurial motivation, less innovative tendencies and diseconomies of scale that in turn impede their growth. Contrary, Mazzucato and Parris (2015) explicate that instead, older firms are the more likely to grow because such firms have been in operation for many years and are in a better position to understand market conditions, have experience and able to avoid costly mistakes that can affect their growth. Bailey and Lenihan (2015) indicate that younger firms are susceptible to failure than their older counterparts due to their naivety in business.

2.16.3. Firm's location

The location of a firm has been recognized as one of the vital characteristics that influences SMME growth. Empirical studies have shown that firms located in urban areas grow more rapidly due to their proximity to wide market; financial institutions that grant credit and availability of skill labour that translate into firm growth (Caglayan et al., 2014). This however does not insinuate that rural firms do not grow. Instead, Demir et al. (2014) assert that firms located in rural areas have potential for growth as they have access to cheap raw materials that reduces cost of production and improve profit and in turn growth.

2.17. The relationship between SMMEs growth and microfinance

The growth of SMMEs has become very important to governments, scholars, researchers and policy makers in global economic discourse. This is due to the roles SMMEs play in providing employment, alleviating poverty and fostering economic growth and development that bring about improved welfare for the masses. Accordingly, microfinance which "is defined as a development tool that grants or provides financial services and products such as very small loans, savings, micro-leasing, micro-insurance and money transfer to assist the very or exceptionally poor in expanding or establishing their businesses", is known to affect the growth of SMMEs (Mix Market, 2013:3). Microfinance helps SMMEs to expand their businesses, boost their competitiveness and increase their sales volumes that translate into higher profits. It is against this backdrop that several empirical studies have been conducted to ascertain the relationship between SMME growth and microfinance most of which yielded mixed results that are inconclusive. For instance, Quaye (2011) conducted a study on the impact of microfinance on the growth of small businesses in Kumasi, Ghana, and established a positive relationship between microfinance and SMME growth. Another study by Madole (2013) on the effect of microfinance on the growth of SMMEs in Tanzania concluded that most small businesses increased business profit, increase employees, increase sales turnover, increase business diversification, increased business capital and assets as well as reduction of poverty. This therefore implies that access to microfinance services is of utmost importance to SMMEs as it helps their survival and growth. Also, Waithanji (2011) studied the effect of microfinance credit on the financial performance of 60 small and medium enterprises in Kiambu County, Kenya. The study confirmed that businesses that had access to microfinance services experienced growth in most areas in business as compared to other SMMEs that did not have access to credit. The study therefore showed a positive relationship between microfinance and SMME growth. In the same line, Cooper (2012) conducted a study on the relationship between microfinance and growth of small businesses in Nairobi and at the end found a strong positive relationship between these two variables. Despite the general notion that microfinance and SMME growth have a positive relationship, other empirical studies have suggested otherwise. For example, Babajide (2012) investigated the effect of microfinance on the growth of SMMEs in Nigeria. The survey conducted on 502 businesses that were financed by microfinance institutions verified that access to microfinance did not enhance the growth of SMMEs and therefore concluded that there is no significant relationship between microfinance and SMME growth. In the same vein, Akande and Olusola

(2012) examined the impact of microfinance on the growth of some selected small businesses using questionnaires and found out that access to microfinance did not significantly enhance the growth of SMMEs that were used in the study due to high interest rates and short repayment period. Memba et al. (2012) are of the opinion that though there have been mixed results on the study of microfinance and SMME growth, most empirical evidence showed positive relationship between these two constructs. The afore-mentioned studies indicate that there is contradiction on the relationship between microfinance and SMME growth. This requires the adoption of more sophisticated methods in assessing the relationship between microfinance and SMMEs' growth.

2.18. Measurement of SMMEs' growth

One of the most important themes emerging for discussion about SMMEs is the measurement of growth specifically, SMMEs growth. Evidence from empirical literature (Ngugi & Kerongo, 2014; Annuar et al., 2016) shows that there is no universally accepted model for measuring the growth of small businesses. An attempt to find a single overarching model to measure SMME growth over the years has become controversial among scholars and researchers because measures of small business growth are multi-dimensional (Wilcox & Bourne, 2003; Tzelepis & Skuras, 2004; Wood, 2006; Simpson et al., 2012). A good number of scholars have postulated various variables that could be used to measure the growth of SMMEs. Blackburn et al. (2013) explain that measuring the growth of SMMEs is difficult and complicated because businesses pursue different objectives and therefore a measure of growth varies according to the goals of a business. Simpson et al. (2012) also explain that different approaches could be adopted to measure the growth of small businesses in order to minimize the shortcomings of single approach in measuring growth. Gill and Biger (2012) posited that one of the best ways to ascertain the growth of a business is to use indicators such as sales and market share. Gill and Biger further explains that SMMEs that have been able to improve sales and increase market share for at least three years can be said to be experiencing growth. It is thought that these variables (sales, market share) are fairly easy to measure growth since a business can have fewer problems in calculating its sales and market share. According to Emmanuel et al. (2013) profit margin and capital employed by a business are good variables that can be used to measure the growth of SMMEs. It is believed that as SMMEs grow, they employ more capital to acquire sophisticated equipment for their business operations and enjoy economies of scale. In the same way SMMEs that have been able to sustain high profit margins for some years are known to be experiencing growth. Jamil and Mohamed (2012) argue that the growth of SMMEs can be measured using the number of employees employed by the business. SMMEs are known to create employment for the working population. As such SMMEs that continue to employ more workers are showcasing growth. Fatoki (2013) alludes that the number of workers employed by a business is one of the major ways of measuring SMMEs growth in South Africa due to the government's aim of reducing the high rate of unemployment in the country. However, Chittithaworn et al. (2011) established that measurement of SMMEs growth can be done by taking into consideration the return on investment (ROI) and return on equity (ROE) of the business as these indicators point out whether a business has grown over the years or it is stagnant. In the same vein, Tefera et al. (2013) is of the opinion that to measure growth, the net asset of the business must be considered. It is a general belief that SMMEs that have large asset base are big firms that have grown over years. This suggests that SMMEs with small net assets are either not growing or stagnant. Contrary to all the above mentioned financial constructs postulated by various scholars and researchers as means of measuring SMMEs growth, Xheneti and Bartlett, (2012) posit that non-financial indicators such as customer satisfaction, delivery time, waiting time and employees turnover can also be used to measure the growth of small businesses. Table 2.7 below summarizes the financial and non-financial indicators of measuring SMMEs growth.

Table 2.7: Variables for measuring SMMEs growth

Growth indicators	**Implications**
Financial indicators	Profit Sales Net asset Capital employed Market share Return on equity (ROI) Return on investment (ROE) Number of employees
Non-financial indicators	Delivery time Customer satisfaction Employees turnover Waiting time

(Source: Desta, 2015:50)

The table above indicates that SMMEs growth can be measured using both financial and non-financial variables. For the purpose of this study, SMMEs growth is measured using variables like sales, profit, number of employees, number of customers and market share.

2.19. Summary

This chapter discussed in detail the meaning SMMEs in both the South African and global contexts. Literature on both local and international retail SMMEs, microfinance, SMMEs' access to finance and SMMEs growth were reviewed. The next chapter elucidates the research methodology that was employed to carry out the study.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1. Introduction

The main objective of this study was to establish the influence of firm and business owner characteristics on access to microfinance and SMMEs growth. Accordingly, the previous chapter reviewed literature on SMMEs, microfinance, firm and business owner characteristics, SMMEs growth and measurement thereof.

This chapter explains the research methodology employed to conduct this study. It may be understood "as a science of studying how research is done scientifically to systematically solve the research problem" (Saunders et al., 2016:15). Therefore, the research philosophy, research approach and research design underpinning this study are discussed. Population, sample, research instrument, data collection method and data analysis adopted are also elaborated on. Lastly, reliability, validity and ethical considerations that have a bearing on the integrity of any social research are also considered.

3.2. Research philosophy

All research study is underpinned by certain philosophical assumptions about the research methods that are suitable for the development of knowledge in a field. The selection of a research methodology therefore depends on the research philosophy that guides the research study (Cameron et al., 2015). Research philosophy refers to the "belief system and basic assumptions that underpin the creation of knowledge" (Saunders et al., 2016:12). According to Gauthier and Ika (2012:2) research philosophy in involves all steps and considerations that researchers make when developing new insights within a particular field of research. Hartman (2014:3) asserts that research philosophy consists of both "conscious and unconscious assumptions and considerations, regarding the nature of reality (ontology), the creation of knowledge and understanding (epistemology) as well as the method used in conducting the investigation (methodology)". Nieuwenhuis (2016) defines a paradigm as a broad organizing framework for the research and theory that encompasses basic assumptions, vital issues, models of quality research and methods of proffering answers. Antwi and Hamza (2015) point out that there are three main research paradigms used by business researchers and these are positivism, pragmatism and interpretivism. The interpretivism approximates constructivism as it emphasises the capability of the individual to construct meaning at the philosophical level. The interpretivist paradigm seeks to study people in their social context or natural environment, giving them greater opportunity to understand the perceptions bring to bear on their own activities (Nieuwenhuis, 2016). The pragmatism paradigm on the other hand, has been considered the best philosophical foundation for justifying the combination of different methods within one study (Ivankova, Creswell & Plano Clark, 2007). Following a pragmatic approach broadens the meta-perspective within the pragmatic viewpoint, permitting the researcher to address the research questions by applying methods that yield both quantitative and qualitative data, as long as these yield meaningful data (Ivankova et al., 2007).

The positivist paradigm is based on the philosophical ideas of French philosopher Augustus Conte (Bhattacherjee, 2012) who emphasized that the best means possible to understand human behaviour is through observation (Saunders et al., 2016). The positivist paradigm specifies that true knowledge is based on experience and can be obtained by using observation and experiment. Positivists employ scientific methods and systematize the knowledge generation process with the help of quantification to enhance precision in the description of parameters and the relationship among them (Saunders et al., 2016). Positivism is concerned with uncovering truth and presenting it by empirical means. Positivists also rely mainly on theories that can be tested directly in order to make a generalization on a specific study. The positivist paradigm is based on realism ontology which is hinged on the idea that reality is objectively given and is measurable using properties which are independent of the researcher and instruments (Scotland, 2012). Thus, positivists maintain that knowledge is objective and quantifiable. This study therefore adopted positivist's stance in order to ascertain the association and relationships among the main constructs, concepts or variables of this study which are firm and owner characteristics, microfinance and SMMEs growth. This approach was therefore considered ideal for this study as it allowed the researcher to objectively establish and test the logical relationship among firm and business owner characteristics, microfinance and SMMEs growth.

3.3. Research approach

There are three main research approaches that are mostly used by researchers to conduct studies in the field of business. These research approaches are quantitative approach, qualitative approach and mixed or multiple approach. According to Creswell (2014), qualitative research is used to understand and explore the meaning which individuals or groups assign to social or human problems. It is a method of inquiry employed traditionally in the social sciences but also in market research and other contexts. Mixed method approach is a research design that builds on both qualitative and quantitative strands to overcome the fundamental weakness of both approaches (Teddlie & Tashakkori, 2009; Creswell & Plano Clark, 2011). Quantitative research approach refers to research methods that deal with numbers and anything that is measurable in a systematic way of investigating phenomena and their relationships (Cohen, Manion & Morrison, 2011). This method also involves explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (Creswell, 2009). According to Leedy and Ormrod (2014) quantitative research approach is the research that places emphasis on numbers and figures in the collection and analysis of data. Bhattacherjee (2012) points out that quantitative method is used to answer questions on relationships within measurable variables with an intention to explain, predict and control a phenomenon. Berg and Howard (2012) also argue that quantitative method is the best way of analyzing sample data in order to make a generalization on a wider population. Quantitative research approach basically relies on hypothesis testing that helps the researcher to follow clear guidelines in order to achieve the objectives of a specific study. Johnson and Christensen (2012) assert that quantitative research approach often assists a researcher to avoid bias in the collection of data. The researcher employed a questionnaire to collect data from respondents in order to avoid bias. The current study used quantitative research approach as a means to understand firm and business owner characteristics and their relational association with microfinance and SMMEs growth. Quantitative approach was selected because this research approach collects data in numerical form that can be manipulated and analyzed to explain the relationship among the constructs of this study. This research approach was also chosen because it allowed the researcher to test the cause and effect interactions among variables. Therefore, quantitative research approach was suitable for establishing the influence of firm and owner characteristics on access to microfinance and SMMEs growth.

3.4. Research design

Research design is defined as ‘a framework or blue print for conducting a business research project in an efficient manner’ (Cooper & Schindler, 2008:1; Babbie & Mouton, 2011:3). It ‘details the procedures necessary for collection, measurement and analysis of data which helps the researcher to structure or solve business research problems’ (Privitera, 2014:2). This study adopted a survey design to gather primary data. A survey is defined as ‘a research method involving the use of standardized questionnaires or interviews to collect data about people and their preferences, thoughts and behaviours in a systematic manner’ (Battacherjee, 2012:2). According to Babbie (2008) a survey study is the ideal method for collecting original information for outlining, examining and describing a population too large to examine in its full scope. Privitera (2014) asserts that surveys are commonly used methods for generating primary data by researchers which can be used in the form of interviews or questionnaires. This approach was deemed relevant to this study because it allowed for the generation of quantitative information on retail business owners views on biographical information, firm and business owner characteristics, microfinance and SMMEs growth. Survey design also aided the researcher to generate data that was used to make some statistical interpretations and inferences about selected retail business owners that operate in Mangaung Metropolitan Area (Bloemfontein, Thaba-Nchu and Botshabelo). The researcher adopted a survey method for this study because it was convenient and had the cheapest cost implication for the collection of large data.

3.5. Research instrument

This study used a structured close-ended questionnaire to obtain primary data from respondents which allowed respondents to simply choose from a number of provided alternatives. A questionnaire is “a research instrument composed of a set of questions intended to capture responses from respondents in a standardized manner” (Bhattacherjee, 2012:1). Self-administered questionnaire was chosen by the researcher because it is cost effective and also affords respondents the freedom to complete the questionnaires since there is no supervision from the researcher. The questionnaire used had four sections that focused on the main constructs of the study in order to generate data that addressed the research questions. These sections are presented below.

Section A: This first section of the questionnaire focused on collecting biographical information on retail SMMEs owners’. Consequently, the questions in this section requested information about retail business owners’ age, gender, educational level and experience.

Section B: This second section sought to gather data on firm characteristics such as firm's size, age and location. The questions were based on information that was gathered from literature.

Section C: This third section of the questionnaire collected information pertaining to SMMEs access to both financial and non-financial services of microfinance.

Section D: This fourth section collected data on SMMEs growth. Growth was measured based on sales, profit, custmers, employees and market share on a 5 point likert scale.

3.6. Population

Population is "the total number of people or entities from which information or data is required" (Bhattacherjee, 2012:3). Babbie (2008) refers to population for a research as that category (usually people) about whom conclusions are made. In addition, Babbie (2014) states that a population is a group of elements or cases, whether individuals, objects or events that conform to specific criterion and to which a researcher intends to generalise the results of the study. Abodeeb (2014) pointed out that in most cases due to the size of population of interest; time and cost do not allow the researcher to study each member of the population for analyses. A sample is drawn and information gathered is used to represent the entire population. For the purpose of this study, the target population consisted of owners of retail SMMEs that operate in the Mangaung Metropolitan Area. The database of W&RSETA showed that there were an estimated 3200 retail businesses within the chosen study area. This area was chosen for the study due to the diversity in the ownership of retail businesses and the lack of sufficient studies on the growth of retail businesses in the area. Although the original sample size was 344, the researcher managed, during the field research, to locate 200 retail businesses and then distributed the structured questionnaires to the owners of all these retail businesses.

3.7. Sampling and sampling technique

Sampling is "the process of selecting a segment of the population for investigation. It selects units from a data set in order to measure the characteristics, beliefs and attitudes of the people" (Abebrese, 2013:11). According to W&RSETA database, there are approximately 3200 retail SMMEs operating in the Mangaung Metropolitan Area. Due to time and cost constraints on the part of the researcher, it was not feasible to conduct this study on all retail SMMEs. As a result using a Raosoft sample size calculator for 3200 population, at 95% confidence level and margin of error of 5% and with a response distribution of 50%, 344 retail SMMEs were selected for this study. However, during the field work the researcher only located 200 of such retail businesses and that led to the adoption of 200 retail SMMEs as the sample size instead of 344. This was because some of the retail businesses changed location in search of affordable shops or premises without updating their details with W&RSETA. The researcher distributed 100 questionnaires to retail SMMEs owners in Bloemfontein while the remaining questionnaires were distributed equally among retail business owners in Botshabelo and Thaba-Nchu. The reason a larger number of questionnaires were distributed in Bloemfontein is because it is the economic hub, the provincial and commercial capital of the Free State. Bloemfontein constitutes the larger proportion of the retail economic activities in the Mangaung Metropolitan Area (Free State's Regional Steering Committee, 2010). As a result there are more retail SMMEs in Bloemfontein in comparison to Botshabelo and Thaba-Nchu which influenced the pattern of questionnaire distribution by the researcher.

This study employed of simple random sampling technique. Simple random sampling is a process of sampling in which each subgroup called strata is given an equal chance to be selected randomly (Creswell, 2013). This sampling method gives equal proportionate representation to each stratum. Onwuegbuzie and Collins (2007:2) also defined simple random sampling as "a sampling technique that first divides the sample into sub-sections of groups that are relatively homogeneous in one or more characteristics and then draws a random sample from each stratum". This sampling method was ideal for this study because it ensured that specific groups of retail SMMEs owners, which were represented from the chosen sample, can have an equal chance of being selected in the sample. The researcher used a simple random number generator to select the 200 in those respective regions according to distribution chosen. The half, quarter and quarter distribution of questionnaire were based on the distribution of the number of retail shops in these regions. Of the 200 questionnaires distributed, 143 questionnaires were completed and returned, thus representing a response rate of 71.5%. Baker (2012) reports that a response rate of 50% is considered as sufficient to allow for detailed analysis. Therefore, a response rate of 71.5% was conceived as adequate for the conducting of a detailed analysis.

3.8. Data collection method

This section outlines the data collection method used in this study. Data can be collected through primary and secondary methods. This study employed the use of both primary and secondary data collection methods to obtain information for the research. Primary data refers to the kind of data that is collected directly from respondents using data collection methods like survey interviews, questionnaires, measurements, direct observation or tabulation (Mertens, 2014). Merriam (2014) asserts that this method of collecting data is affordable and quite easy to conduct. Primary data collection method is seen as an effective way of obtaining correct information from original respondents with minimal errors. The researcher used self-administered questionnaires to gather information from retail SMMEs owners in Bloemfontein, Botshabelo and Thaba-Nchu who are the respondents for this study. Secondary data refers to data that already exists and has been collected by some other person or organization for their use and are generally made available to other researchers free or at a concessional rate (Merriam, 2014). The researcher used articles, journals, text books, dissertations, internet sources and other research documents to obtain secondary data. The researcher consulted secondary data to review theoretical and empirical literature that are related to firm and owner characteristics, retail SMMEs, microfinance and SMMEs growth. Secondary data also helped the researcher to design the questionnaire by drawing on concepts such as retail owners characteristics, microfinance and SMMEs growth from literature that were used to collect primary data for this study.

3.9. Data analysis

Data analysis is “breaking down the accumulated research data to a manageable format and forming summaries using statistical techniques” (Saunders et al., 2016:5). The primary data was cleaned, edited, coded and entered into Statistical Package for the Social Science (SPSS) version 23 Software. SPSS is a software that is used by business researchers to manipulate and analyse quantitative data. This software also has basic statistical tools used to interpret and present data.

Descriptive statistics provide descriptions of the characteristics of data collected (Leedy & Ormrod, 2014) by examining the frequency and patterns of responses. For the purpose of this study, an experienced statistician was employed to generate descriptive analysis by using descriptive statistical tools in SPSS such as pie chart, bar chart, frequency distributions and graphs to summarize, interpret and present data on general characteristics of retail SMMEs owners in Mangaung Metropolitan Area. The researcher employed inferential statistics to make a generalisation about the population using the sample data as reference point. Correlation analysis was adopted to describe the relationships between personal demographic of retail business owners, firm characteristics, microfinance and SMMEs growth. Pearson's Chi-Square was also employed to explore the relations of association between the main variables under investigation (firm and business owners' characteristics, retail SMMEs, microfinance and SMMEs growth) in this study.

3.10. Reliability and validity

Reliability refers to the degree of solidity and consistency of a measuring tool, over a number of repeated measurements (Creswell, 2013). Cooper and Schindler (2011:6) also defined reliability "as the degree to which the measure would yield the same results on different occasions, or the extent to which similar observations would be made by different researchers on different occasions". The researcher made use of Cronbach's alpha coefficient to ensure that the measuring tool for this study has a high level of reliability. Cronbach's alpha is "a reliability metric used to evaluate the extent to which item responses derived from a scale correlate with each other" (Shelby, 2011:6). If the Cronbach's coefficient is less than 0.5 then it means the measuring tool is not reliable. However, if the Cronbach's coefficient is above 0.5 then it shows a significant consistency of items and if it is above 0.7 is shows a good reliability in the items measured. The reliability statistics are presented in Table 3.1.

Table 3.1: Reliability statistics

Section	Number of items	Cronbach's alpha	Comment
SMMEs access to finance Questions 17,18,19,20,21,22,23,24	8	0.823	High internal consistency
Other sources of finance Questions 26.1,26.2,26.3,26.4,26.5	5	0.782	High internal consistency
Growth projections Questions 27,28	2	0.826	High internal consistency
Actual growth Questions 32,33,34,34,36,37	6	0.915	High internal consistency
Limitations to growth Questions 29,30	2	0.792	High internal consistency
All questions	23	0.828	High internal consistency

(Source: own data)

Table 3.1 above shows the reliability statistics for the constructs in the questionnaire which indicate very high consistency. Consequently, it is deduced that the items in the questionnaire measured what they intended to measure. The overall questionnaire also had a very high internal consistency (Cronbach's alpha statistic=0.828) and hence, it was deemed significantly reliable. Saunders et al. (2011:12) define validity as "the extent to which the data collection method and/or related methodologies accurately measure what they are intended to measure, as well as the extent to which the research findings are really about what they profess to be about". Babin and Anderson (2011) also define validity as the degree to which a certain measure correctly represents the concept of a study. To ensure validity in this study, the researcher clearly and practically defined the research objectives. The measuring instrument for this study was linked to the review of theoretical and empirical literature that defined the scope of the study and was limited to variables examined in the area of retail SMMEs, microfinance and SMMEs growth. The researcher ensured content validity through giving the questionnaire to the main supervisor and statistician to check consistency and also whether it provided answers to the research questions. The comments of the supervisor and statistician were taken into consideration in the design of the final questionnaire.

3.11. Ethical considerations

Bhattacherjee (2012:6) states that any researcher engaged in social scientific research must be conscious of the general agreements shared by researchers about what is anticipated in the conduct of scientific investigation. This study adhered to strict ethical rules as laid down by the Department of Business Support Studies at Central University of Technology. To this extent, the researcher sought an ethical clearance certificate before he conducted the study. All respondents in this study were provided with information and a letter of consent prior to their participation. The letter outlined the rights of respondents and all efforts were made by the researcher to protect the anonymity and confidentiality of participants. Information gathered from respondents was only used for this research and disposed after the study. The researcher did not offer any form of compensation to individuals who agreed to participate in the study as they participated voluntarily. Lastly, this study ensured that the respondents were not harmed or exposed to any form of danger (physical and psychological).

3.12. Summary

This chapter discussed the methodology used in this study. It explained the research philosophy upon which this study is built. The chapter also defended and justified the use of quantitative research approach suitable to conduct this current research study. Survey research design was chosen and retail SMMEs owners in Mangaung Metropolitan Municipality were the population for the study. This chapter also discussed the research instrument, sampling technique, data collection method, data analysis, reliability and ethical consideration that were used to conduct the study. The next chapter discusses the empirical findings of the study.

CHAPTER FOUR:

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

The previous chapter discussed the research methodology that was used in this study. An extensive review of literature based on the main variables of this study led to the design of a research instrument, a structured self-administered questionnaire to proffer answers to the research questions. This chapter addresses the presentation, analysis and interpretation of the data collected from the respondents. It seeks to draw conclusions and provide answers to the main research question identified in this study. The research data is presented in both descriptive and inferential statistics. Where applicable, the results of this study are compared to those of previous studies in order to ascertain whether these results corroborate or contradict each other.

4.2. Response rate

The original sample size of this study was 344 retail SMMEs operating in the Mangaung Metropolitan Area (Bloemfontein, Botshabelo and Thaba-Nchu). However, the researcher only located 200 retail SMMEs during the field work. Of the 200 questionnaires administered, 57 were not correctly completed and therefore could not be used while 143 were properly filled out in full and were subjected to statistical analysis. This implies that a response rate of 71.5% was reached. Bryman and Bell (2011) state that a response rate of 50% is acceptable for data analysis. Therefore the 71.5% response rate reached in this study was deemed appropriate for statistical analysis.

4.3. Biographical information

This section employs frequency tables to summarise the demographic characteristics of retail business owners and business profiles. The demographic data ranges from gender, age, educational level, business related training, length of running business to role in business. In addition, the demographic data includes information on location of business, number of employees, legal entity of business and age of business. These profiles are summarised in Table 4.1 and 4.2.

Table 4.1: Biographical information of the respondents

Demographic Variables	Category	Frequency	Percentage
1. Gender	Male Female	89 54	62.2% 37.8%
2. Age	<18 18-35 36-60 >60	6 54 63 20	4.2% 37.8% 44% 14%
3. Educational level	No formal education Primary school Matric/Grade 12 Tertiary education	25 18 43 57	17.5% 12.6% 30% 39.9%
4. Business related training	Yes No	51 92	35.7% 64.3%
5. Length of running business	<1year 1-2years 3-5years >5years	15 18 76 34	10.5% 12.6% 53.1% 23.8%
6. Employed before starting business	Yes No	40 103	28% 72%
7. Responsible for day to day Running of business?	Yes No	133 10	93% 7%

4.3.1. Gender

As shown in Table 4.1 and Figure 4.1, the sample consisted of 143 respondents of which 89 (62.2%) were males and 54 (37.8%) were females.

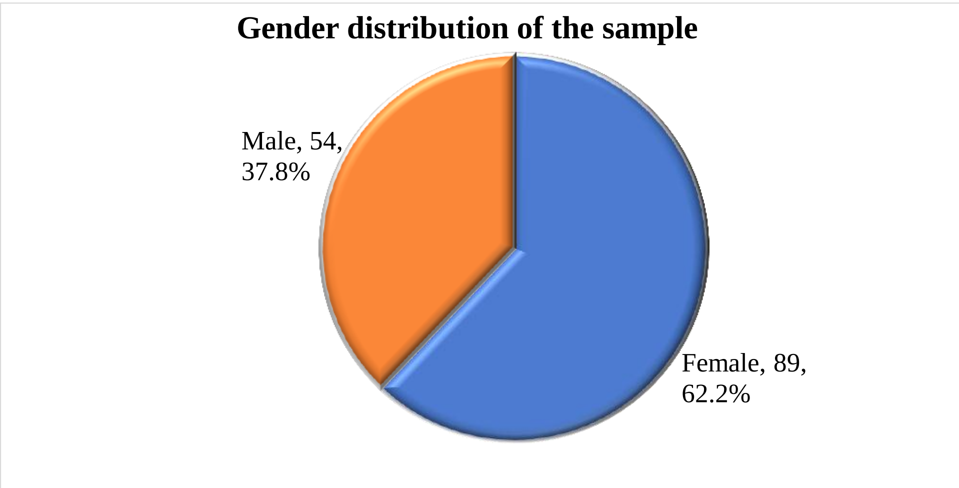

Figure 4.1: Gender distribution of the study sample.

The data here shows that that there are more males involved in the running of retail businesses than females in the Mangaung Metropolitan Municipality. The small number of females involved in retail business suggests that men still dominate in the running and ownership of businesses in Mangaung Metropolitan Municipality, a fact that echoes the reality in the South African business landscape (Fatoki, 2016). Global Entrepreneurship Monitor (GEM) (2017) asserts that though there has been an increase in the participation of women business, retail entrepreneurship still remains largely dominated by men. Furthermore, GEM (2017) states that women owned businesses are small in nature, have fewer employees, record low sales and profit and have relative difficulties in accessing finance which explains the low rate of women in business as compared to their male counterparts in the study area. This finding corroborates Rambe and Ndofirepi’s (2016) finding that men tend to be more entrepreneurially oriented than females. In view of this statistics, the researcher concludes that more women should be encouraged to participate in entrepreneurial ventures in order to close the gender gap.

4.3.2. Age

Figure 4.2 indicates that the age group with the highest representation was the 36-60 years group with 44% closely followed by the 18-35 age groups with 37.8%. Participants below 18 years age group had the least representation with 4.2% whereas those above 60 years age group was represented by 14%.

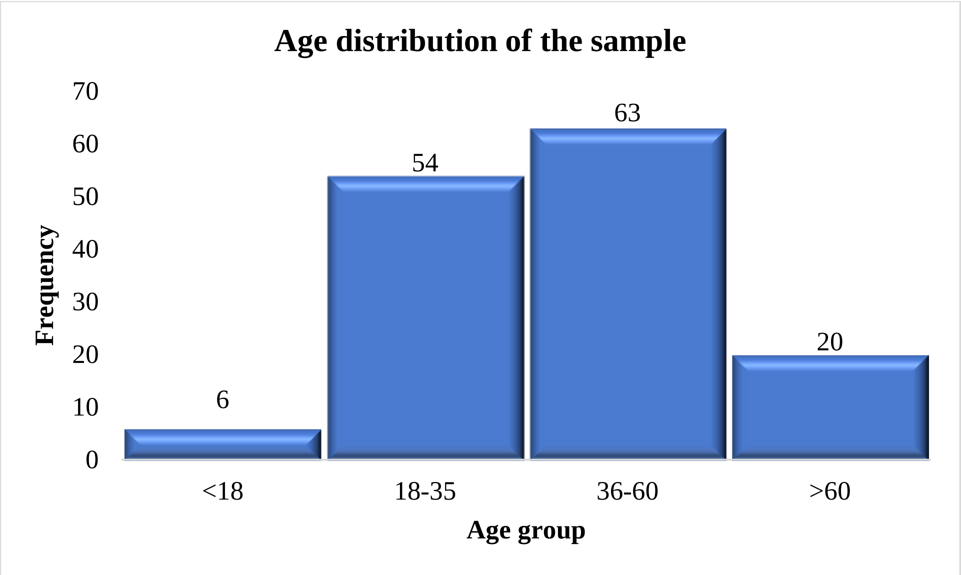

Figure 4.2: Age distribution of the study sample

These statistics imply that the mature age group (36-60 years, above 60 years) representing 58% are involved more in the creation of retail businesses as compared to the youthful population (18-35 years) in the Mangaung Metropolitan Municipality. This finding is supported by literature which suggests that businesses owned by older entrepreneurs tend to be more successful than those owned by the youthful population because older entrepreneurs tend to have more experience in the running of retail businesses (Tweneboah-Koduah & Adusei, 2016). However, this finding contradicts Global Entrepreneurship Monitor's report which observed that entrepreneurial activities in South Africa are high among the economically active young population but decreases as age increases (GEM, 2017).

Furthermore, early-stage entrepreneurship is perceived as moderately low in the 18-24 years group, peaks among the 25-34 year olds, and then declines as age increases with the sharpest decrease witnessed after the age of 54. This could be explained as stemming from the fact that older entrepreneurs lack the zeal to engage in businesses as their age increases.(Daniels, Herrington & Kew, 2016). Additionally, the low level of the youthful population involved in the ownership and creation of retail businesses in the Mangaung Metropolitan Municipality could be representative of the current youth unemployment in South Africa which is around 39.6% in the first quarter of 2019 (Statistics South Africa, 2019).

4.3.3. Educational Level

In terms of educational qualifications, Figure 4.3 shows that 39.9% of the respondents had tertiary education, 30.1% had matric/ grade 12, 12.6% had primary school education whereas 17.5% had no formal education.

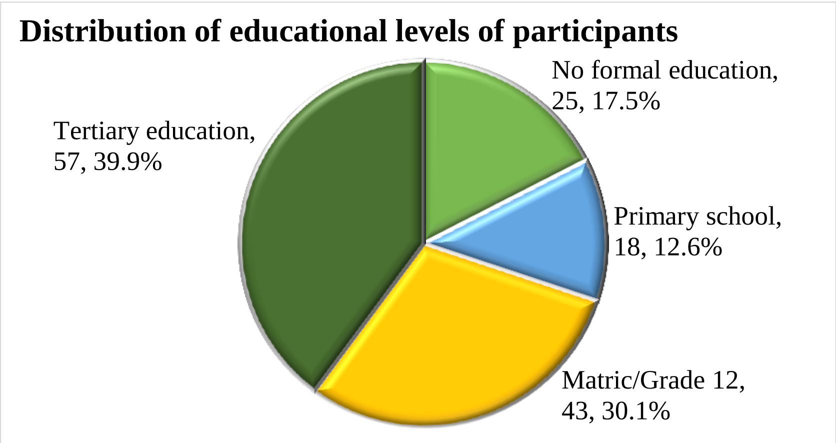

Figure 4.3: Distribution of educational level of the study sample

This demographic trend suggests that a sizable number (39.9%) of retail business owners have attained tertiary education. The lack of formal employment and jobs are perhaps responsible for the increase in the number of higher education certificate holders in retail businesses in a country where the unemployment rate is currently estimated at 29% (Statistics South Africa, 2019). This result is consistent with literature that suggests entrepreneurs who have attained higher levels of education are more inclined to successfully conduct and manage their businesses than their counterparts with lower educational achievements (Civelek, Rahman & Kozubíková, 2016). In the same vein, Civelek et al. (2016) opine that education has the tendency of improving creativity, flexibility and self-direction of entrepreneurs that enable them to bring about innovations in their firms.

4.3.4. Training

Figure 4.4 shows that majority (64.3%) of respondents had no business-related training with only 35.7% of retail business owners having undergone some form of business-related training.

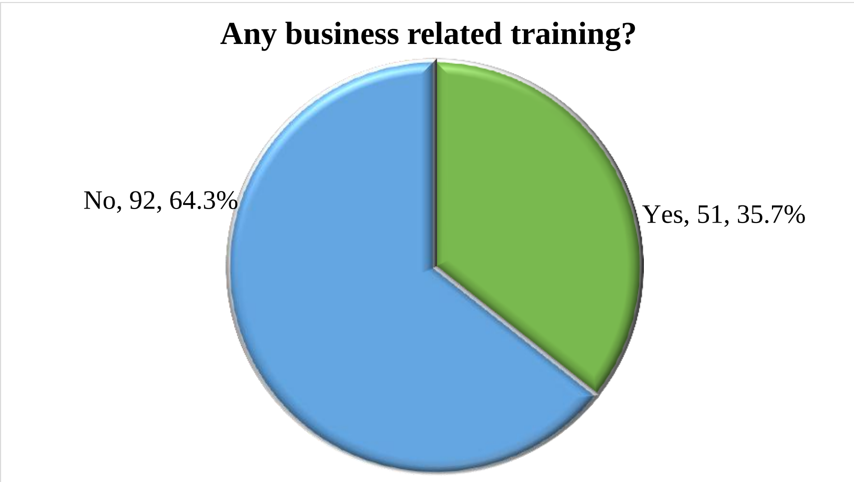

Figure 4.4: Distribution by business training of the study sample

This finding is very worrisome as it implies that most (64.3%) of the respondents run their businesses without possessing the required basic managerial skills. The lack of business-related skills could be attributed to the high failure rate of SMMEs and by extension retail business in South Africa (Iwu et al., 2015). This finding also tallies with Chimucheka and Mandipaka's, (2015) findings that most businesses do not have the right skills to run successful ventures. In the same vein, Bembenutty, White and Vélez (2016) posit that training has a major impact over behavioural change that alters the way entrepreneurs perceive opportunities out of threats or challenges.

4.3.5. Years of managerial experience

Figure 4.5 shows that 53.1% of retail business owners have been running their businesses for 3-5 years, 23.8% for more than five years, 12.6% for 1-2 years whereas 10.5% have been running their businesses for less than one year.

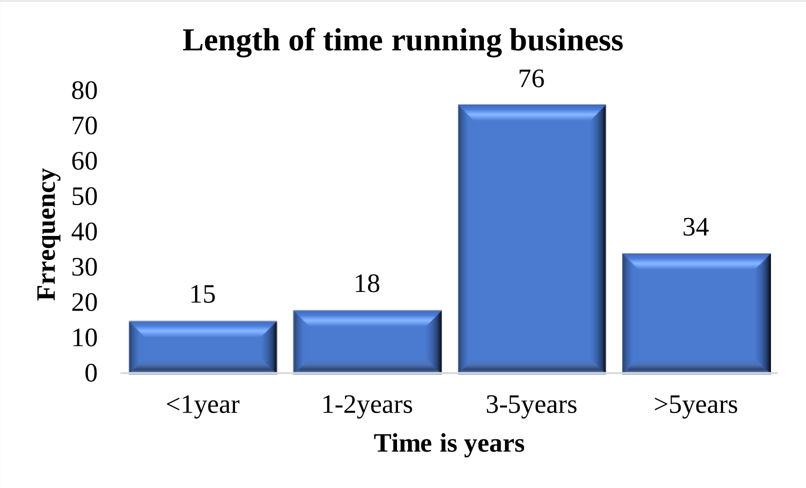

Figure 4.5: Distribution by length of time running business

This finding is interesting as it suggests that more than half (53.1%) of the retail business owners have been managing their businesses for 3-5 years. This could therefore be considered as impressive since it is often reported that the majority of small business owners in South Africa fold their operations within the first three years of management (Fatoki, 2014). Additionally, the fact that a majority of respondents indicated that they have not undergone any business-related training but were able to run their businesses for over 3 years shows that given the necessary support, small businesses could thrive over many years and still fulfil their role of job creation and innovation.

4.3.6. Prior Employment

Figure 4.6 shows that 72.5% of retail business owners in the study had never been employed before starting their own business with 27.5% having been employed before. This finding implies that most respondents never had any form of employment prior to establishing their own ventures. The reason could be that there are no employment opportunities and respondents opted for self-employment as the unemployment rate in South Africa is one of the highest in the world which is currently pegged at 29% (Statistics South Africa, 2019). Additionally, this demographic trend resonates with the government's call for the active population to venture into entrepreneurship in order to bridge the unemployment gap (SEDA, 2018).

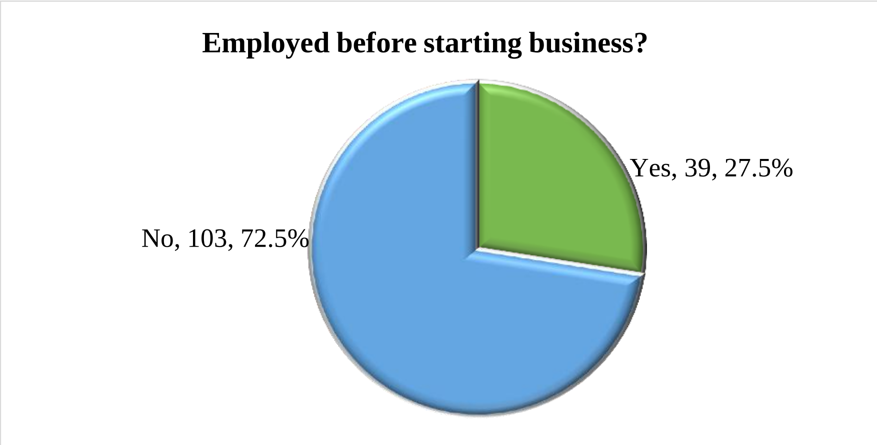

Figure 4.6: Prior employment status

4.3.7. Role in business

Figure 4.7 shows that majority of respondents (93%) are responsible for the day to day running of their businesses with only 7% not responsible for day to day running of their businesses.

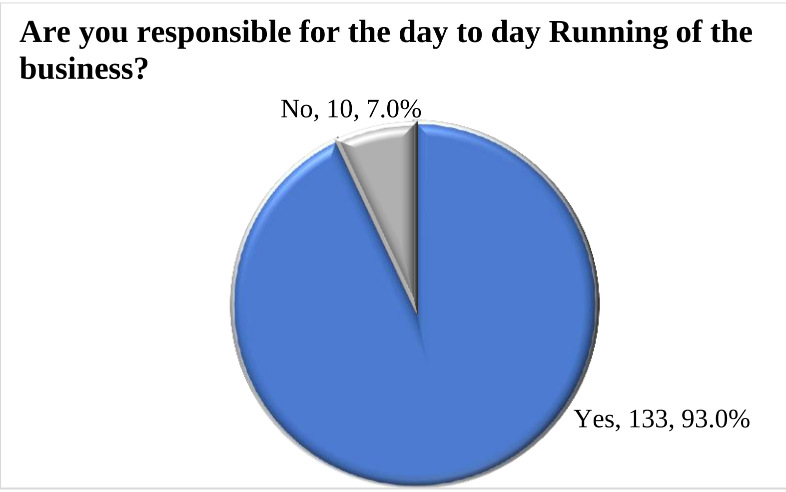

Figure 4.7: Role in business

This could mean that retail SMMEs owners prefer to run and manage their businesses themselves rather than delegating some of the decision making process to lower level employees. This means that the SMME owner performs multiple roles in the business such as book keeping, human resource management and daily running of the business. The cause could be the limited resources of the business that compel the owner to perform different roles as a way of cutting cost on excess labour needed to run the business (SEDA, 2016). This finding therefore corroborates Kassem's (2016) claims that SMMEs limited resources tend to hamper their willingness to employ additional staff.

4.4. Business Information

This section presents results on business profiles such age of business, location of business, number of employees and legal entity. Table 4.2 summarises this range of business information.

4.4.1. Years in operation

Table 4.2 shows that the majority (54.5%) of retail businesses have been in operation for 3-5 years while 19.6% have been doing business for 5-10 years. Additionally these results show that combined, 21% of retail businesses have been in operation for 2 years or under. These statistics suggest that a sizeable number of retail businesses in Mangaung area have survived through their first 2 years of existence. According to Herrington and Kew (2017) the South African SMME sector and retail businesses in particular have failed to live up to their role of job creation and poverty reduction due to poor management that leads to high failure rates in such businesses. The finding therefore contradicts Global Entrepreneurship Monitor's report that small businesses in the country fail in their early stages and do not provide employment opportunities for the active population (GEM, 2017).

Table 4.2: Descriptive statistics of the firm characteristics

Firm's characteristic	Category	Frequency	Percentage
8. Years business has been operating	<1year	16	11.2%
	1-2 years	14	9.8%
	3-5 years	78	54.5%
	5-10 years	28	19.6%
	>10 years	7	4.9%
9. Location of business	Bloemfontein	84	58.7%
	Botshabelo	31	21.7%
	Thaba Nchu	28	19.6%
10. Number of employees	0-5	98	68.5%
	6-10	35	24.5%
	11-50	10	7%
11. Legal entity of business	Sole proprietor	123	86%
	Partnership	20	14%
12. Average annual turnover	Start up	23	16.1%
	<150 000	74	51.7%
	R150 000 to R500 000	41	28.7%
	R501 000 to R25m	5	3.5%
13. Average annual profit	Start up	22	15.4%
	<R150 00	96	67.1%
	R150 000 to R500 000	24	16.8%
	R500 001 to R25m	1	0.7%
14. Is enterprise registered?	Yes	69	48.3%
	No	74	51.7%
15. Do you have a business plan	Yes	27	18.9%
	No	116	81.1%
16. Most pressing problem of the firm	Finding customers	30	21%
	Competition	25	17.5%
	Access to finance	52	36.4%
	Costs of trade	36	25.1%

4.4.2. Location of business

Table 4.2 shows that majority of retail businesses (59.3%) are in Bloemfontein whereas 21.4% are based in Botshabelo with 19.3% located in Thaba Nchu. These statistics suggest that the bulk of retail businesses that participated in this study are operating in Bloemfontein. This demographic trend is not surprising due to the fact that Bloemfontein is the economic hub of the Free State and one would expect more businesses to operate in the economic capital of the province as compared to the other two small towns of Thaba-Nchu and Botshabelo (Free State Development Corporation, 2017). This finding also confirms Sanyal and Hisani's (2015) observation that the majority (70%) of retail businesses in South Africa are located in urban areas that are perceived as business hubs in the general business imaginary.

4.4.3. Number of Employees

It is clear from Table 4.2 that 68.5% of the firms had between 0-5 employees, 24.5% had between 6-10 employees with 7% employing between 11-50 staff. The preponderance of retail businesses employing between zero to five employees suggests that majority of these businesses are very small businesses. Davies (2017) posits that small businesses in their infancy stage tend to have fewer employees and experience difficulties in hiring additional workers due to financial constraints. Additionally, based on South African definition of small businesses, the results confirm that the retail businesses range from micro (employing fewer than 5), very small (employing fewer than 10 to 20) and small (employing fewer than 50) enterprises (NSBA, 102 of 1996 Amended 2004). This finding is consistent with a study by the Institute of Retail Management (2016) which found out that most retail SMMEs in South Africa fall under micro and very small enterprises.

4.4.4. Business ownership

According to Table 4.2 the majority (86.6%) of the firms are sole proprietorship with only 13.4% being partnerships. This result implies that sole proprietorship was the preferred legal form of business among retail business owners that were used in this study. The preponderance of sole proprietorship as a business format could be attributed to the fact that this type of business ownership formation is developed by one person and does not involve tedious legal regulations (Kuratko, 2016). Again, sole proprietorship allows for easy adjustments to change in the business environment which is an added advantage for retail business owners.

4.4.5. Turnover and Profit

From Table 4.2 it can be inferred that more than half (51.7%) of the firms had annual turnover of less than R150 000, with 28.7% % earning between R150 001 and R500 000, while 16.1% were start-ups and 3.5% had annual turnover between R500 001 and R25 million. This means that in terms of National Small Business Act (102 of 1996) definition of SMMEs, a sizeable percentage (51.7%) of retail businesses in the study are clearly micro enterprises since their annual turnover is below R150 000. This result coheres with a study by Eniola and Entebang (2017) who argue that most SMMEs tend be micro and very small enterprises due to resource constraints that tend to hamper their expansion.

In terms of annual profits 67.1% claimed to have annual profits less than R150 000, with 16.8% earning between R150 000-R500 000, while 15.4% were start-up and 0.7 % posting between R500 001- R25 million. These results suggest that most (67.1%) of the businesses are not very buoyant due to subdued profits. The reason for lower profits could be due to the harsh economic environment in which these businesses operate as pointed out by Bruwer and Coetzee (2016) who explicate that the South African business environment is harsh due to poverty, inflation and high unemployment.

4.4.6. Business registration

Table 4.2 shows that 51.7% of the firms are not registered entities with 48.3% claiming to have been registered. These statistics can be interpreted to mean that more than half of retail businesses used in this survey are not formally documented. According to Nzewi et al. (2017), survivalist entrepreneurship makes people to set up ventures that operate in the informal sector just to provide means of sustenance for their households. Nzewi et al. (2017) further state that small businesses in the informal sector are problematic and do not perform well as compared to formal businesses. In the same vein, Dennis and Piatti (2015) opine that only 44% of retail businesses are registered with the South African Revenue Service with the remaining retail SMMEs operating in the informal economy. This is worrisome because that means the government cannot assess most of these businesses for tax purposes. This observation coheres with Adusei’s (2016) findings that business registrations are much lower in developing countries as compared to businesses in developed economies.

4.4.7. Business plan

Business plan is an important instrument in deciding the viability of a business as a borrower. The survey results show that most retail firms (81.1%) do not have business plans with only 18.9% having business plans. The high percentage of retail businesses not having business plans suggest that most of these businesses are perhaps operating in the informal economy.

According to Gomes et al. (2018) business plans have over the years been used by prospective investors to evaluate the profitability of small businesses and by extension retail businesses. Furthermore, Amankwa-Amoah et al. (2018) states those small businesses that attract investors and are able to access finance needed for business expansion and growth are known to possess sound business plans.

4.4.8. Challenge facing business

When prompted for most problems faced by their firms, 21% of respondents cited finding customers, 25.2% cited cost of doing business, 36.4% access to finance and 17.5% mentioned competition. The survey results point out that getting access to finance still remains one of the biggest problems facing most businesses especially in developing countries like South Africa (Wang, 2016). Quartey, Turkson, Abor and Iddrisu (2017) note that access to affordable credit still remains the most significant obstacle that tend to hinder the growth of small businesses though access to finance does not necessarily translate into better performance of firms. Furthermore, Kersten (2017) posits that the challenges small businesses face in accessing finance could be attributed to the lack of detailed financial records and information opacity. The finding therefore corroborates Quartey et al. (2017) claim that access to finance is a major growth constraints for small businesses.

4.5. SMMEs' access to microfinance

This section looks at various aspects addressing the access to microfinance. The scales used in the questionnaire items vary hence the results are presented in individual tables rather than a unified table with uniform scales.

4.5.1. Saving with microfinance institutions

Savings is defined as the action of putting aside a part of current income, in order to consume or invest it later on (Bass and Henderson, 2014). Table 4.3 sought to establish whether the respondents saved with microfinance institutions and the responses were as follows;

Table 4.3: Saving with microfinance institutions

Question	Category	Frequency	Percentage
17. Do you save with a microfinance institution	Yes	85	59.4%
	No	58	40.6%

As shown above in Table 4.3, 59.9% of the respondents saved with microfinance institutions as compared to 40.1% who did not. The preponderance of retail businesses that save with microfinance institutions suggest that respondents have a good savings culture and the possible explanation could be that SMMEs owners know the impact of savings on their businesses. Flory (2016) explicates that saving can be used as an investment capital by small businesses to fund growth initiatives that bring about improvement in the overall state of a venture. In the same vein, Ssewamala et al. (2016) posit that savings tend to strengthen the feeling of self-efficacy and self-worth instead of creating dependency. This finding contradicts World Banks's (2016) claim that saving rates have stagnated in Sub Sahara Africa.

4.5.2. Seeking of financial assistance

The results in Table 4.4 show that 55.2% of respondents claimed to have sought financial assistance from microfinance institutions (MFIs) whereas 44.8% did not.

Table 4.4: Seeking financial assistance from microfinance institutions

Question	Category	Frequency	Percentage
18. Have you ever sought financial assistance from any microfinance institution?	Yes No	79 64	55.2% 44.8%

These results affirm the importance of finance to the survival and growth of SMMEs as majority (55.2%) of respondents have one point or the other approached MFIs for help. Fowowe (2017) posits that small businesses have over the years come to the realisation that adequate finance is necessary to the overall state of their ventures as it affects the direction and decision making of entrepreneurs, hence the continuous increase in the number of business owners that approach lending institutions for help.

Alternatively, the sizeable (44.8%) number of respondents who claim they have not approached MFIs for help could mean that these retail business owners do not believe they could get assistance and as such never bothered to seek for one. This finding resonates with Wang's (2016) claim that most entrepreneurs experience difficulties getting help from MFIs due to the problems of moral hazards, information asymmetry and lack of detail financial records that reduce small business owners' possibility of getting help.

4.5.3. Loan amounts borrowed

Table 4.5 shows that 23.8% of respondents recently borrowed less than R50 000, 19.6% between R50 001-R100 000, 11.8% more than R100 000 whereas 44.8% of respondents also indicated that their loan applications were not granted.

Table 4.5: Loan amounts borrowed

Question	Category	Frequency	Percentage
19. Loan amount taken	<R50 000	34	23.8%
	R50 001 to R100 000	28	19.6%
	>100 000	17	11.8%
	Loan not granted	64	44.8%

This finding demonstrates that combined, majority (55.2%) of retail business owners received loans from MFIs. Microcredit is hailed as one of the most important proponents of microfinance that is used to improve the profitability and growth of microenterprises, boost economic growth and reduce poverty alleviation (Worku, 2016). Additionally, loans granted by MFIs are used to purchase assets, acquire latest technology and other resources that positively impact the growth of businesses (Asongu & Nwachukwu, 2018). The researcher is of the opinion that retail businesses that received loans are expected to do well and have no excuse to fail.

Alternatively, the sizable (44.8%) number of loan applications that were not granted still points to the fact that access to finance still remains a major hurdle that confronts entrepreneurs in Africa and by extension South Africa (Alden & Hammarstedt, 2016). These statistics are also worrisome in the sense that MFIs who are supposed to render services to those who have been marginalised or excluded from mainstream financial system are finding it difficult to give out loans to small business owners. This finding is therefore in consonance with Maengwe and Otuya's (2016) claim that MFIs are only able to reach just a fraction of the demand of clients due to financial constraints.

4.5.4. Training and Advisory support

It is clear from Table 4.6 that most (72%) of the respondents claimed to have not received any form of training or advisory support from microfinance institutions with only 28% claiming to have received such support.

Table 4.6: Training or advisory support on businesses from microfinance institutions

Question	Category	Frequency	Percentage
20. Do you receive any form of training or advisory support on your business from the microfinance institutions?	Yes No	40 103	28% 72%

This survey result leads to the conclusion that the non-financial service aspect of microfinance is not effectively rendered to SMMEs as a significant proportion (72%) of the respondents claim they do not receive any training or advisory services. This observation is in consonance with Frank and Acha's (2017) claims that though training sessions and advisory support given by MFIs improve the managerial skills and other entrepreneurial capabilities needed to run successful businesses, most retail businesses are not able to access such trainings and advisory services due to the fact that business owners tend not to be aware of the availability of such support services. In the same vein, the findings also resonate with Heenkenda's (2016) claim that numerous SMMEs are not able to access the training workshops organised by MFIs due to cost implications that make it impossible for business owners to attend such training workshops as they are hampered by financial constraints.

4.5.5. Frequency of training and advisory support

Table 4.7 shows that 14% of the respondents received training and advisory support annually, 12.6% semi-annually, 1.4% quarterly whereas 72% received no training or advisory support.

Table 4.7: Frequency of training and advisory support offered by financial institutions

Question	Category	Frequency	Percentage
21. How often is training received?	None Quarterly Semi annually Annually	103 2 18 20	72% 1.4% 12.6% 14%

This means that any training and advisory support if given at all, is far in between. These statistics suggest that SMMEs do not receive enough training and advisory services. According to Ghosh et al. (2017) trainings shape the overall business skills of entrepreneurs that enable them to understand economic indicators, financial records and other necessary entrepreneurial capabilities needed for the successful running of a business. The low frequency of MFIs trainings and advisory support services cohere with Duru, Yusuf and Kwazu's (2017) claim that agencies that aid small business growth do not regularly organise training workshops due to the low turnout by business owners who are supposed to receive such trainings and the cost involved in the organisation of such workshops.

4.5.6. Time needed to access loan

Majority (64.3%) of the respondents indicated that it takes less than two weeks to access loan facility whereas 35.7 % claimed that it takes about 1-2 months for the outcome of loan application to be given. The low processing period for loan applications by microfinance institutions does not seem to cohere with Ofori's (2016) observation that the bureaucratic nature and the series of committees involved in the assessments of loan application of small businesses tend to slow down the processing period which sometimes causes entrepreneurs to miss out on profitable business opportunities.

Table 4.8: Time taken to access a loan facility from the microfinance institutions

Question	Category	Frequency	Percentage
22. How long does it normally take for you to access a loan facility from the microfinance institutions?	<2 Weeks 1-2 Months	92 51	64.3% 35.7%

On the other hand, the sizable (35.7%) proportion of respondents who indicated that it takes between 1-2 months to access loan facility suggest that MFIs still need to improve on the processing period so as to enable business owners to be more flexible in their business decisions as regards taking advantage of opportunities.

4.5.7. Finance costs

In order to investigate the interest rate levels obtaining in the microfinance sector, respondents were asked to indicate the interest percentages charged on loans granted by microfinance institutions. The results presented in Table 4.9 show the interest rates that are charged.

Table 4.9: interest percentage charged on loans granted by microfinance institutions

Question	Category	Frequency	Percentage
23. What interest percent is charged on loans granted you by microfinance institutions?	<5	0	0%
	5-10%	93	65%
	11-20%	50	35%
	>20%	0	0%

Most of the respondents (65%) indicated that interest charged by microfinance institutions were between 5-10% with only 35% claiming that interest charged was between 11-20%. The above information shows that the interest rates charged by MFIs are fairly reasonable as the majority indicated that they were charged an interest rate between 5-10% which conforms to the current South African bank lending rate that is pegged at 10% (Trading Economics, 2019). The moderate interest rate charged by MFIs does not resonate with Bosri's (2016) claim that loans from MFIs tend to be easily accessible for entrepreneurs as compared to loans from formal banking institutions but opines that MFIs loans carry higher interest rates that becomes a burden to borrowers which negatively impact on profits.

4.5.8. Repayment period

As shown in table 4.10, 70% of the respondents indicated that the repayment period allowed was between 1-5 years, 27.5% claimed that the period was 3-12 months with 2.5% indicating that the period was more than 5 years.

Table 4.10: Loan repayment period

Question	Category	Frequency	Percentage
24. How long are you allowed for repayment of a loan granted?	<3 months	0	0%
	3-12 months	39	27.5%
	1-5 years	100	70.0%
	>5 years	4	2.5%

This shows that majority of respondents are given enough time period for the repayment of loans. The importance of long repayment period cannot be over emphasized as Rahman et al. (2016) observe that business owners who are given short periods to pay back loans tend to struggle to break-even due to the burden of servicing such loans that eventually affect profit, hamper business growth and lead to default in payment on the part of borrowers.

4.5.9. Usage of loan

As shown in Table 4.11 majority (57.1%) of the respondents indicated they intended using loan as working capital, with 10.7% spending it on equipment and vehicles and 32.1% on other unspecified purposes.

Table 4.11: Usage of loan

Question	Category	Frequency	Percentage
25. What did you intend using loan for?	Working capital	82	57.1%
	Equipment/vehicles	15	10.7%
	Research and development	0	0%
	Staff training	0	0%
	Other	46	32.1%

This means that the greatest financial need of most SMMEs s working capital. This could be attributed to need for SMMEs to buy inventory and meet their day-to-day financial obligation of the business. Alternatively, none of the respondents indicated using loan for research and development which is perhaps due to the fact that most small businesses lack the funds and technical capabilities needed to undertake research that results in radical innovation.

4.6. Sources of finance for SMMEs other than microfinance institutions

Apart from the microfinance institutions there are also other traditional sources of finance as listed in Table 4.12. The changes in accessibility to finance from these institutions has mainly been negative in the last 6 months with 35% of the respondents indicating that they did not even seek finance from traditional banks (not applicable), 33.3% indicated that accessibility has deteriorated while 26.7% indicated that there has not been any change and only 5% said that there has been an improvement.

Table 4.12: Changes in accessibility to finance from other traditional lending institutions

26. How have the following changed in the past 6 months		Frequency Distribution: Improved	Remained unchanged	Deteriorated	Not applicable
26.1 Bank loans	Count	7	38	48	50
	%	5.0%	26.7%	33.3%	35.0%
26.2 Trade credit	Count	21	51	20	51
	%	14.2%	35.8%	14.2%	35.8%
26.3 Equity investments in your firm	Count	0	0	0	143
	%	0%	0%	0%	100%
26.4 Debt securities issued	Count	0	0	0	143
	%	0%	0%	0%	100%
26.5 Other	Count	0	15	8	120
	%	0%	11.0%	5.0%	84.0%

Trade credit were indicated to have improved by 14.2% of the respondents, 35.8% claiming that they remained unchanged and 14.2% indicating that they had deteriorated. None of the respondents know much about equity investments and debt securities as they indicated that it was not applicable. Other unspecified sources of finance were also indicated to have remained unchanged (10.9%) or deteriorated (5%) with 84% of the respondents having no other sources. The negative outlook on the responses from retail business owners on access to finance from traditional financial institutions seems to prove that access to finance still remains one of the biggest problems confronting entrepreneurs in South Africa (Fatoki, 2014). Furthermore, non-availability of finance has been recognised in recent discourse as one of the main causes of SMMEs failure in South Africa (Fatoki, 2014; Makina, Fanta, Mutsonziwa, Khumalo & Maposa, 2015). In the same vein, Osano and Languitone,(2016) opine that only 5% of SMMEs in South Africa are financed through banking institutions which suggests that the rest resort to other financing options for both investment and working capital. Additionally, the difficulties experienced by small businesses in accessing finance from banks could also be attributed information opacity, poor financial records, moral hazards and lack collateral that are associated with entrepreneurial ventures. The aforementioned finding therefore contradicts Osano and Languitone's (2016) claims that there is easy access to funding in South Africa due to the numerous financial schemes and programmes that support the establishment, survival and growth of small businesses.

4.7. SMMEs' growth, growth projections and limitations to growth

This section addresses three key areas concerned with the growth of SMMEs, namely, current growth, growth projections and limitations to growth.

4.7.1. Average annual SMMEs growth in the next three years

Respondents were asked to indicate how much their firms are expected to grow on average per year in the next three years and the results are presented in Table 4.13 below.

Table 4.13: Average annual growth of SMMES in the past three years

SECTION D: SMMES AND GROWTH		Frequency Distribution				
		Over 20%	Less than 20%	No growth	Become smaller	Not applicable
27. How much is firm expected to grow in the next three years	Count	5	71	58	9	0
	%	2.9%	50.0 %	40.8 %	6.3 %	0%

As shown in Table 4.13, 40.8% of the respondents believe that their firms are expected to experience no growth in the next three years, 50% believe the growth will be less than 20% and only 2.9 % believe that their growth will be over 20% with 6.3% claiming that their firms will become smaller. Responses from the survey results indicate that respondents are of the opinion that their businesses will not do well in the next three years. The gloomy growth picture painted in these statistics are not surprising in view of the general slow growth reported in the South African economy in general and the retail small business sector in particular. These statistics are due to the harsh business environment SMMEs operate in that is characterised by inflation, incessant fuel increment and high unemployment rate (Statistics South Africa, 2019). The negative growth outlook indicated by retail businesses consummates Global Entrepreneurial Monitor's (2017) observation that small businesses tend to struggle and fold their operations in their first five years of existence.

4.7.2. Business growth in the past year

This section addresses growth achieved by retail businesses in the past year. For the purpose of this study, indicators such as profit, sales, assets, customers and market share were used to measure growth.

Table 4.14: Business growth in the past year

Areas of business growth in the past year		Frequency Distribution				
		Increase	Decrease	Remain unchanged	Became smaller	Not applicable
32.Net profit/ year	Count	41	24	63	0	15
	%	28.7%	16.8%	44.1%	0%	10.5%
33.Total amount of sale/ month	Count	52	16	61	0	14
	%	36.4%	11.2%	42.7%	0%	9.8%
34. Equipment/ Assets	Count	7	15	107	0	14
	%	4.9%	10.5%	74.8%	0%	9.8%
35. Number of customers	Count	22	23	84	0	14
	%	15.4%	16.1%	58.7%	0%	9.8%
36. Number of employees	Count	15	31	79	1	17
	%	10.5%	21.7%	55.2%	0.7%	11.9%
37. Growth in market share	Count	0	8	7	2	126
	%	0%	5.6%	4.9%	1.4%	88.1%

4.7.2.1. Profit and sales

As shown in table 4.14, 44.1 % of the respondents are of the view that their firms' net profit remained unchanged, 28.7% claim that it has increased whilst 16.8% believe that it has decreased. Similarly, the survey results showed that total amount of sales/month is believed to have remained unchanged by 42.7% of the respondents, 36.4% claiming that it has increased with 11.2% indicating a decrease. This finding seems to cohere with Chebet's (2016) assertion that small businesses struggle to survive due to the numerous challenges entrepreneurs face such as lack of funding, harsh economic environment and lack of innovation which impacts negatively on profit.

4.7.2.2. Assets and Customer base

Majority (74.8%) of the respondents believe that their assets/equipment has remained unchanged with 10.5% claiming a decrease and 4.9% indicating an increase. In terms of customer base 58.7% claim to have an unchanged customer base, 16.1% claimed a decrease and 15.4% believe that there was an increase. These statistics are not surprising in view of the low performance of the South African economy. The expected very low growth rate of the South African economy in the first quarter of 2019 coupled with lower export earnings, lower revenue, declining investment, job losses, and business failures (Statistics South Africa, 2019) all point to the low economic performance of the country. The researcher is of the opinion that there is low customer retention rate because small businesses do not seem to go all out to satisfy their customers.

4.7.2.3. Number of employees and market share

Table 4.14 shows that 55.2% of the respondents indicated that the number of employees had remained unchanged, 21.7% however indicated a decrease with only 10.5% indicating an increase. The low growth in terms of number of employees is as a result of the declining economic condition. Trading Economics (2019) reports that the retail sector in South Africa contracted by 0.7% in the first quarter of 2019 which is likely to continue until the end of the year. Similarly, most (88.1%) of the respondents did not indicate how growth in the market share was in the past year. It was obvious that most of the respondents did not have much knowledge about market share. As such it was inevitable for most of them to indicate in the "not applicable" column in the Table 4.14 above.

4.7.3. Stock market listing

As shown in Table 4.15, 100% of retail business owners do not expect to list their business on the stock market within the next two years.

Table 4.15: Possibility of stock market listing

Question	Category	Frequency	Percentage
Q30. Firm to be listed on stock market within two years	Yes No	0 143	0% 100%

The finding indicates that none of the SMMEs are optimistic that their businesses could grow to become large established firms listed on the stock market. Adusei (2016) explains that the establishment of new businesses in Africa seems to be higher than business start-ups in other parts of the world but the survivalist stance of most small businesses in Africa negatively impacts on the growth thereby increasing failure rate of SMMEs. Additionally, the poor performance of the country's economy in recent times may be attributed to the negative attitudes of retail business owners concerning growth.

4.7.4. Growth intentions

As shown in Table 4.16, the majority (88.6%) of the respondents cited internal finance as ranking highest in their growth intentions. None of the respondents indicated any intention to continue borrowing from outside.

Table 4.16: Business area which ranks highest in growth intentions

Question	Category	Frequency	Percentage
31. Which area of your business ranks highest in your growth intentions**?**	Internal finance External finance Both internal and external finance	127 0 16	88.6% 0% 11.4%

This finding tallies with Shibia and Barako's (2017) observation that entrepreneurs are inclined to use their savings and profits to funding growth intentions since these sources of finance are cheap and reduces the burden of debt though such funds in most cases are not enough to bring the intended growth that entrepreneurs require. Consequently, there seems to be a strong resolve to self-finance by retail business owners.

4.7.5. Impediments to the growth of SMMES

As indicated in the Table 4.17, 31.5% cited other unspecified factors as barriers to sourcing financing, 18.9% cited insufficient collateral, 9.1% pointed out high interest rates, 2.1% claimed that there are no obstacles and only 0.7% cited reduced control over the firm while 37.8% indicated unavailability of finance. The sizable number of retail business owners who indicated there are no funds for the support of small businesses seems not to resonate with

Osano and Languitone's (2016) claims about the easy accessibility of funding in South Africa, due to the diversity of financial schemes and programmes that support SMMEs.

Table 4.17: Important limiting factors to getting financing for growth

Question	Category	Frequency	Percentage
29. What do you see as the most important limiting factor to get financing for growth?	There are no obstacles	3	2.1%
	Insufficient collateral	27	18.9%
	Interest rates or price too high	13	9.1%
	Reduced control over the firm	1	0.7%
	Financing not available at all	54	37.8%
	Other	45	31.5%

However, the aforementioned finding corroborates the observation that despite the availability of these funding programmes, there is a low level of awareness of these funding programmes especially that of government support schemes (Osano & Languitone, 2016). Additionally, the finding mirrors Alden and Hammarstedt's (2016) claim that, funding still remains the biggest challenge that faces entrepreneurs in developing countries and a crucial cause of failures of small businesses.

4.8. The role SMMEs' owner characteristics play in accessing financial services from microfinance institutions (Objective 1)

This section seeks to address the research question: What role do SMMEs' owner characteristics play in accessing the financial services of microfinance?

4.8.1. Effects of owner characteristics on saving with microfinance institutions

This section looks at the associations between owner characteristics variables and access to financial services from microfinance institutions. The variables in both themes are categorical in nature hence to assess the relationships between the two; chi-square tests of associations were used.

Table 4.18: Chi-square tests for the association between owner characteristics and saving with microfinance institutions

Owner characteristics		Q17. Saves with microfinance institution			Chi-square tests		
		Yes	No	% Yes	$\chi 2$	df	p-value
Q1. Gender	Male	52	34	60.5%	0.202	1	0.653
	Female	30	23	56.6%			
Q2. Age	<18	0	6	0.0%	12.345	3	0.006
	18-35	29	25	53.7%			
	36-60	43	19	69.4%			
	>60	13	7	65.0%			
Q3. Educational Level	No formal education	10	14	41.7%	11.141	3	0.011
	Primary school	7	11	38.9%			
	Matric/Grade 12	26	17	60.5%			
	Tertiary education	42	15	73.7%			
Q4. Business related training	Yes	33	18	64.7%	0.778	1	0.378
	No	52	39	57.1%			

Results in Table 4.18 show that gender has no effect on whether an SMMEs owner saves with a microfinance institution or not ($\chi 2$=0.202, df=1, p-value=0.653).This indicates that gender has no positive and statistically significant effect on access to the savings service provided by the financial part of microfinance. This means that the gender of a business owner does not influence their saving pattern with MFIs. The finding on gender not influencing savings seems not to gel with Ike's (2017) observation that savings tend to be higher among male entrepreneurs as compared to their female counterparts in developing countries due to the fact that women are socially and economically disadvantaged and spend over 50% of their incomes on households needs. This result is consistent with a study by Agwu and Emeti (2015) which revealed that gender is not a factor in access to the financial services rendered by MFIs and discouragement about obtaining it.

The results showed that age is associated with whether an SMME owner saves with a microfinance institution or not ($\chi 2$=12.345, df=3, p-value=0.006). Younger owners tend not to save with microfinance institutions (0% for <18 years, 53.7% for 18-35 years) while older owners are more inclined to save with microfinance institutions (69.4% for 36-60 years and 65% for >60 years). This implies that the saving preferences of business owners appear to change according to age. In line with this, other researchers argue that as the age of business owners increases, their access to financial service such as savings also increases. The finding resonates with Wang's (2016) finding that older business owners tend not to like giving outsiders part ownership of their business and therefore depend on savings with MFIs to fund growth in their business. Additionally, Bass and Henderson (2015) argue that savings of SMMEs owners still remain the cheapest source of finance to fund business growth. This finding supports Abankwah et al.'s (2016) evidence that age of an entrepreneur is positively related to access to saving with microfinance.

The results showed that educational level is also associated with whether an SMME owner saves with a microfinance institution or not ($\chi 2$=11.141, df=3, p-value=0.011). Those with higher levels of education tend to have higher percentages of saving with a microfinance institution (41.7% for no formal education, 38.9% for primary, 60.5% for matric and 73.7% for tertiary). This finding seems to cohere with Jean and Jaya (2016) claim that entrepreneurs with higher educational levels save more in the sense that these educated business owners tend to be aware of the availability and importance of the various financial services rendered by MFIs as compared to their counterparts with lower educational attainments. This finding however, contradicts Koko et al.'s (2017) observation that educated entrepreneurs are not inclined to save due to trust issues they have with most microfinance institutions.

The results also revealed that having some form of business related training has no bearing on whether one saves with a microfinance institution or not ($\chi 2$=0.778, df=1, p-value=0.378). This finding is not coherent with the claim that experience entrepreneurs have easy access to financial services of MFIs because they tend to have great awareness of these services and have good relationship with such institutions which improves their chances of getting the required help (Oladejo & Ruqaiyat, 2016).

4.8.2. Effects of Owner characteristics on access to credit from microfinance institutions

Results in Table 4.19 show that age is the only owner characteristics that has a significant effect on seeking financial assistance from microfinance institutions ($\chi 2$=10.472, df=3, p-value=0.015). Older owners tend to seek financial assistance (65.1% for 36-6- years and 55% for >60 years) than younger ones (0% for <18 years and 50% for 18-35 years). This finding seems to support Ayogyam et al.'s (2016) finding that age of an entrepreneur is positively associated with access to credit. This finding is also strengthened by Campanella and Serino's (2019) affirmation that older entrepreneurs have easy access to finance due to the fact that they are seen by MFIs as creditworthy and less risky as age is in most cases associated with business experience, practical, wisdom and income generating capacity.

Table 4.19: Chi-square tests for the association between owner characteristics and seeking financial assistance from microfinance institutions

Owner characteristics		Q18. Sought financial assistance from microfinance institution			Chi-square tests		
		Yes	**No**	**% Yes**	**$\chi 2$**	**df**	**p-value**
Q1. Gender	Male	48	39	55.2%	0.073	1	0.787
	Female	28	25	52.8%			
Q2. Age	<18	0	6	0.0%	10.472	3	0.015
	18-35	27	27	50.0%			
	36-60	41	22	65.1%			
	>60	11	9	55.0%			
Q3. Educational Level	No formal education	11	14	44.0%	5.386	3	0.146
	Primary school	7	11	38.9%			
	Matric/Grade 12	24	19	55.8%			
	Tertiary education	37	20	64.9%			
Q4. Business related training	Yes	31	20	60.8%	0.984	1	0.321
	No	48	44	52.2%			

However, the aforementioned finding on the positive association between age and access to finance contradicts the revelation by Campanella et al. (2019) that MFIs are less bothered about the age of business owners when considering their access to finance and argue that there is no significant association between age and access to microfinance.

4.8.3. Effects of owner characteristics on amount of loan granted by microfinance institutions

Results in Table 4.20 indicate that none of the owner characteristics have any significant effect on amount taken (all p-values>0.05). This finding suggests the age, gender, educational level and experience are negatively associated with access to finance.

Table 4.20: Chi-square tests for the association between owner characteristics and seeking financial assistance from microfinance institutions

Owner characteristics		Q19. If Yes, what loan amount did you take recently			Chi-square tests		
		<R50 000	R50 001 to R100 000	>100 000	$\chi 2$	df	p-value
Q1. Gender	Male	5	6	5	3.183	2	0.204
	Female	7	3	1			
Q2. Age	18-35	6	2	0	6.922	4	0.140
	36-60	6	6	5			
	>60	0	2	1			
Q3. Educational Level	No formal education	0	1	2	5.026	4	0.285
	Matric/Grade 12	5	3	1			
	Tertiary education	7	6	3			
Q4. Business related training	Yes	7	4	4	1.264	2	0.532
	No	5	6	2			

The majority of small loans (< R50, 000) that were granted to business owners seems to affirm Duru et al,'s (2017) view that microfinance institutions are only able to provide microloans to entrepreneurs that are not enough to fund growth intentions which are needed by small businesses in order to be innovative and to improve their overall performance which are antecedents for economic growth. This finding does not fit with the claim that microfinance institutions tend to be bias when granting loans as male entrepreneurs who are seen as having the required skills to run successful businesses are granted higher amounts of loans as compared to their female counterparts who because of societal and other numerous challenges seem to have low business success rate (Duru, Yusuf & Kwazu (2017).

4.9. The role SMMEs' owner characteristics play in accessing non-financial services from microfinance institutions (objective 2)

This section seeks to address the research question: What role do SMMEs' owner characteristics play in accessing the non-financial services of microfinance? This section looks at the associations between owner characteristics variables and access to non-financial services from microfinance institutions. The variables in both themes are categorical in nature hence to assess the relationships between the two; chi-square tests of associations were used. Two measures of non-financial services obtained from microfinance institutions are used, namely, whether any form of training or advisory support was obtained from microfinance institution and frequency of such services.

4.9.1. Effects of owner characteristics on access to training or advisory support from microfinance institutions

Results in Table 4.21 show that having business related training is the only owner characteristics that has a significant effect on obtaining any form of training or advisory support from microfinance institutions ($\chi 2$=3.840, df=1, p-value=0.049). There is statistically significant association between having prior experience and access to training or advisory support from MFIs. Those who had some form of business related training were more likely to obtain some form of training or advisory support from microfinance institutions (38.9%) than those who did not have such training (20.3%). This finding seems to support Hietalahti and Linden's (2016) claim that business owners that have attended trainings tend to have knowledge about the existence of training and advisory services rendered by MFIs and how to access such services. This finding is further strengthened by Peprah's (2016) assertion that entrepreneurs with business training are inclined to get advice and trainings from MFIs because these SMMEs owners are taught the importance and effect MFIs advisory services have on the growth of their businesses. It is therefore of no surprise that more experienced business owners accessed the non-financial services of MFIs. However, the aforementioned finding on the lack of a statistically significant relationship between gender and access to microfinance trainings and advisory support ($\chi 2$=2.936, df=1, p-value=0.087) contradicts Mosha's (2016) revelation that MFIs undertake various training workshops that are targeted at women entrepreneurs to improve their managerial skills and other capabilities needed to run successful businesses in order to bridge the gender gap that exist in terms of business success rate between male and female entrepreneurs

Table 4.21: Chi-square tests for the association between owner characteristics and obtaining any form of training or advisory support from microfinance institutions

Owner characteristics		Q20. Any form of training or advisory support from microfinance institution			Chi-square tests		
		Yes	No	% Yes	$\chi2$	df	p-value
Q1. Gender	Male	15	50	23.1%	2.936	1	0.087
	Female	11	16	40.7%			
Q2. Age	18-35	6	28	17.6%	2.520	2	0.284
	36-60	16	33	32.7%			
	>60	4	8	33.3%			
Q3. Educational Level	No formal education	4	10	28.6%	5.564	3	0.135
	Primary school	1	10	9.1%			
	Matric/Grade 12	5	23	17.9%			
	Tertiary education	16	26	38.1%			
Q4. Business related training	Yes	14	22	38.9%	3.840	1	0.049
	No	12	47	20.3%			

4.9.2. Effects of owner characteristics on frequency of receiving training or advisory support from microfinance institutions

Results in Table 4.22 indicate that none of the owner characteristics have any significant effect on the frequency of obtaining any form of training or advisory support from microfinance institutions (all p-values>0.05). There is no statistically significant association between business owner characteristics and frequency of MFIs trainings. This finding contradicts Mosha's (2016) claim that there is a positive relationship between gender and access to MFIs trainings because most workshops are targeted at female entrepreneurs who are seen as not having education and managerial skills to run successful businesses to improve themselves to be at par with their male counterparts.

Table 4.22: Chi-square tests for the association between owner characteristics and frequency of obtaining any form of training or advisory support from microfinance institutions

Owner characteristics		Q21. If yes, how often			Chi-square tests		
		Quarterly	Semi annually	Annually	$\chi 2$	df	p-value
Q1. Gender	Male	1	8	5	3.023	2	0.221
	Female	0	3	7			
Q2. Age	18-35	0	4	1	3.797	4	0.434
	36-60	1	6	8			
	>60	0	1	3			
Q3. Educational Level	No formal education	0	2	2	9.127	6	0.167
	Primary school	0	0	1			
	Matric/Grade 12	1	3	0			
	Tertiary education	0	6	9			
Q4. Business related training	Yes	1	5	7	1.266	2	0.531
	No	0	6	5			

4.10. The role SMMEs' Firm characteristics play in accessing financial services from microfinance institutions (objective 3)

This section seeks to address the research question: What role do SMMEs' firm characteristics play in accessing the financial services of microfinance? This section looks at the associations of relationships between firm characteristics and access to financial services from microfinance institutions. Three variables (savings, credit, amount of loan) are considered as measuring issues around financial services from microfinance institutions hence the section is divided into three subsections.

4.10.1. Effects of firm characteristics on saving with microfinance institutions

The results in Table 4.23 show that the number of years an SMME has been in operation has a significant association with savings with a microfinance institution (χ^2=24.328, df=4, p-value<0.001). The percentages of businesses that save with a microfinance institution are highest among firms who have been in business for between 5 to 10 years (78.6%). The 1 to 2 years category also had a lower percentage of those who saved with a microfinance institution (57.1%). This finding shows that the age of SMMEs has a positive association with access to microfinance. Maengwe and Otuya (2016) concur that older firms rather than younger firms have higher savings rate, and that it is generally claimed that older businesses are more aware of the regulations that guide savings account of MFIs and also tend to make profit through years of withstanding different economic turbulence which positively influence their savings pattern as compared to younger firms that mostly do not have proper information about MFIs services and struggle to break-even. This finding corroborates the findings of Kimanzi (2016) who established that there is a correlation between firm age and access to microfinance.

Table 4.23: Chi-square tests for the association between firm characteristics and saving with microfinance institutions

Firm characteristics		**Q17. Saves with microfinance institution**			**Chi-square tests**		
		Yes	**No**	**% Yes**	***χ2***	**df**	**p-value**
Q8. Years business been operating	<1year	1	15	6.3%	24.328	4	<0.001
	1-2years	8	6	57.1%			
	3-5years	51	27	65.4%			
	5-10years	22	6	78.6%			
	>10years	3	2	60.0%			
Q9. Location of business	Bloemfontein	47	35	57.3%	0.478	2	0.788
	Botshabelo	19	11	63.3%			
	Thaba Nchu	17	10	63.0%			
Q10. Number of employees	0-5	50	47	51.5%	9.127	2	0.010
	6-10	28	7	80.0%			
	11-50	7	3	70.0%			
Q12. Average annual turnover	Start up	3	20	13.0%	26.412	3	<0.001
	<150 000	48	26	64.9%			
	R150 000 to R500 000	30	10	75.0%			
	R501 000 to R25m	4	1	80.0%			
Q13. Average annual profit	Start up	3	19	13.6%	24.171	3	<0.001
	<R150 00	63	32	66.3%			
	R1500 000 to R500 000	18	6	75.0%			
	R500 001 to R25m	1	0	100.0%			

There is no significant association between location of business and whether a firm saves with a microfinance institution or not ($\chi 2=0.478$, df=2, p-value=0.788). The percentages of those who saved with microfinance institutions are very similar for the three locations although Bloemfontein has a slightly lower rate (57.3%). This means that both firms located in urban and rural areas have equal access to the savings services rendered by MFIs. The finding appears to contradict the claim that there is different access to microfinance service which manifest in businesses in rural areas being disadvantaged on the grounds of lack of proximity of microfinance institutions in rural areas creating the feeling that businesses in urban arrears have better access to the savings account operated by MFIs (Bosri, 2016).

The number of employees significantly impacts on whether a business saves with a microfinance institution or not ($\chi^2=9.127$, df=2, p-value=0.010). Those with 6 to 10 employees have the highest incidence of saving with microfinance institutions (80%) with those having fewer employees having a lower of such incidence (51.5%). This means that the savings pattern and preferences tend to change as the size of SMMEs change. Similarly, turnover has a significant effect on whether a firm saves with a microfinance institution or not ($\chi 2=26.412$, df=3, p-value<0.001). Also profit is significantly associated with saving with microfinance institutions ($\chi 2=24.171$, df=3, p-value<0.001). These findings seem to gel with Rahman et al's (2016) observation that savings rate tend to be higher among firms that are able to make profit, as such savings which are the cheapest source of finance are used by these firms to fund growth or innovative initiatives.

4.10.2. Effects of firm characteristics on access to credit from microfinance institutions

The results in Table 4.24 show that the number of years an SMME owner has been operating in business has significant association with whether one sought assistance from microfinance institutions or not ($\chi^2=20.996$, df=4, p-value<0.001). The percentages of those who sought assistance from microfinance institutions is highest among those who have been in business for between 5 to 10 years (75%) with the lowest percentage being among those had less than one year of businesses operations. The finding appears to confirm the claim that older firms have relative ease in accessing finance due to the fact that older firms in most cases are able to establish good relationship with MFIs, keep proper records of their business activities, have low incidence of information asymmetry and have knowledge about microfinance services that boost their chances of getting the required financial help as compared to younger businesses (Quartey et al., 2017)

Table 4.24: Chi-square tests for the association between firm characteristics and seeking financial assistance from microfinance institution

Firm characteristics		Q18. Sought financial assistance from microfinance institution			Chi-square tests		
		Yes	No	% Yes	$\chi 2$	df	p-value
Q8. Years business been operating	<1year	1	15	6.3%	20.996	4	<0.001
	1-2years	7	7	50.0%			
	3-5years	47	31	60.3%			
	5-10years	21	7	75.0%			
	>10years	3	3	50.0%			
Q9. Location of business	Bloemfontein	42	41	50.6%	1.688	2	0.430
	Botshabelo	19	11	63.3%			
	Thaba Nchu	16	11	59.3%			
Q10. Number of employees	0-5	46	52	46.9%	8.747	2	0.013
	6-10	26	9	74.3%			
	11-50	7	3	70.0%			
Q12. Average annual turnover	Start up	3	20	13.0%	20.345	3	<0.001
	<150 000	46	28	62.2%			
	R150 000 to R500 000	26	15	63.4%			
	R501 000 to R25m	4	1	80.0%			
Q13. Average annual profit	Start up	3	19	13.6%	18.980	3	<0.001
	<R150 00	61	35	63.5%			
	R1500 000 to R500 000	14	10	58.3%			
	R500 001 to R25m	1	0	100.0%			

There is no significant association between location of business and whether a business sought assistance from a microfinance institution or not (χ^2=1.688, df=2, p-value=0.430). This means that firms in both rural and urban areas have equal access to finance from MFIs. This finding does not cohere with the general claim that businesses in urban areas have fairly easy access to finance as compared to their rural counterparts in the sense that firms in cities have closer relationship with MFIs due to their proximity to such lending institutions and that

MFIs use relationship lending to reduce the problem of moral hazards and information asymmetry which increase the chances of urban firms access to funds Kersten (2017).

The number of employees significantly impacts on whether a business sought assistance from a microfinance institution or not (χ^2=8.747, df=2, p-value=0.013). Firms with 6 to 10 employees have the highest incidence of having sought assistance from microfinance institutions (74.3%) with those having 0-5 employees having the lowest incidence of having sought assistance from microfinance institutions (46.9%). Similarly, turnover has a significant effect on whether a business sought assistance from a microfinance institution or not (χ2=20.345, df=3, p-value<0.001). Also profit is significantly associated with seeking assistance from microfinance institutions (χ2=18.980, df=3, p-value<0.001).This finding corroborates Quartey, Turkson, Abor and Iddrisu's (2017) findings that businesses with large asset base and profits have easy access to finance in the sense these firms are able to use their resources as collateral when applying for funds from lending institutions which in turn improves the chances of securing the needed funds. The finding is further strengthened by Mutua's (2017) claim that profitability is one of the criterion used by MFIs in granting businesses access to finance.

4.10.3. Effects of firm characteristics on loan amount taken

The results in Table 4.25 below show that the number of years an SMME owner has been operating his or her business has no significant association with loan amount taken (χ^2=7.140, df=6, p-value=0.308). This means that both old and young firms have equal access to loan amount. This finding does not support the general opinion and claim that MFIs grant higher loan amounts to older firms as there is a general opinion that SMMEs that have been in operation for many years are seen as profitable and better users of loans (Kapkiyai & Kimitei, 2016).

There is no significant association between location of business and loan amount (χ2=2.228, df=4, p-value=0.694). This implies that the geographical area of a business does not influence the amount of loan granted by MFIs. This finding contradicts Chowdhury et al.'s (2015) revelation that businesses in urban areas tend to be big and as such have the needed collateral to access higher amount of loans from MFIs in comparison to businesses in rural areas that are mostly small.

Table 4.25: Chi-square tests for the association between firm characteristics and loan amount taken

Firm characteristics		Q19. If Yes, what loan amount did you take recently				Chi-square tests		
		<R50 000	R50 001 to R100 000	>100 000	% > R50 000	$\chi 2$	df	p-value
Q8. Years business been operating	1-2years	1	0	0	0.0%	7.140	6	0.308
	3-5years	8	6	1	46.7%			
	5-10years	3	3	4	70.0%			
	>10years	0	1	1	100.0%			
Q9. Location of business	Bloemfontein	7	5	4	56.3%	2.228	4	0.694
	Botshabelo	2	3	2	71.4%			
	Thaba Nchu	3	2	0	40.0%			
Q10. Number of employees	0-5	10	0	1	9.0%	29.196	4	<0.001
	6-10	2	9	1	83.3%			
	11-50	0	1	4	100.0%			
Q12. Average annual turnover	<150 000	9	3	0	25.0%	19.250	4	0.001
	R150 000 to R500 000	3	7	3	76.9%			
	R501 000 to R25m	0	0	3	100.0%			
Q13. Average annual profit	<R150 00	12	7	1	40.0%	14.827	4	0.005
	R1500 000 to R500 000	0	3	4	100.0%			
	R500 001 to R25m	0	0	1	100.0%			

The number of employees significantly impacts on loan amount taken ($\chi 2$=29.196, df=4, p-value<0.001). Those with more than 5 employees have the higher amounts of loans taken in general (83.3% for 6-10 employees and 100for 11-50 employees). Average annual turnover ($\chi 2$=19.250, df=4, p-value=0.001) and Average annual profit ($\chi 2$=14.827, df=4, p-value=0.005) also both significantly associated with the amount of loan taken with higher amounts (>R50000) leading to higher turnover and profit. The results of this study reveal that the size of an SMME significantly affects the loan amount accessed. This finding supports the cliam that MFIs give higher amount of loans to bigger SMMEs because these businesses are perceived to have assets and the capital base that can be used as collateral in case of any default in payment (Fowowe, 2017).

4.11. The role SMMEs' firm characteristics play in accessing non-financial services from microfinance institutions (objective 4)

This section seeks to address the research question: What role do SMME's firm characteristics play in accessing the non-financial services of microfinance? This section looks at the associations between firm characteristics variables and access to non-financial services from microfinance institutions.

4.11.1. Effects of Firm characteristics on access to training or advisory support from microfinance institutions

Results in Table 4.26 show that the number of employees is the only firm characteristics that has a significant effect on obtaining any form of training or advisory support from microfinance institutions ($\chi 2$=8.514, df=2, p-value=0.014). Those businesses with 0 to 5 employees had significantly lower likelihood of obtaining some form of training or advisory support from microfinance institutions (16.9%) when compared to those businesses with 6 to 10 employees (44.8%) and those with 10 to 50 employees (42.9%).

This implies that as the size of an SMME increases, so does its need for more training and advisory services. This finding supports Cowling et al.'s (2017) finding that the size of a business influences its access to trainings in the sense that as businesses increase in size, the managerial capabilities and other skills need to run such firms become complex which necessitates the need for more trainings to improve the abilities of entrepreneurs to achieve business objectives. Additionally, Sani and Mohd-Khan (2016) observe that firms with high profits have easy access to MFIs trainings as such high growth firms in most cases possess the financial resources to be able to attend trainings that come with cost implications as compared other businesses that have limited resources.

Table 4.26: Chi-square tests for the association between firm characteristics and obtaining any form of training or advisory support from microfinance institutions

Firm characteristics		Q20. Any form of training or advisory support from microfinance institution			Chi-square tests		
		Yes	No	% Yes	$\chi 2$	df	p-value
Q8. Years business been operating	<1year	0	3	0.0%	5.436	4	0.245
	1-2years	0	8	0.0%			
	3-5years	16	40	28.6%			
		9	15	37.5%			
	>10years	1	3	25.0%			
Q9. Location of business	Bloemfontein	15	43	25.9%	0.875	2	0.646
	Botshabelo	5	14	26.3%			
	Thaba Nchu	6	10	37.5%			
Q10. Number of employees	0-5	10	49	16.9%	8.514	2	0.014
	6-10	13	16	44.8%			
	11-50	3	4	42.9%			
Q12. Average annual turnover	Start up	0	5	0.0%	4.135	3	0.247
	<150 000	12	39	23.5%			
	R150 000 to R500 000	12	23	34.3%			
	R501 000 to R25m	2	2	50.0%			
Q13. Average annual profit	Start up	0	5	0.0%	4.564	3	0.207
	<R150 00	19	49	27.9%			
	R1500 000 to R500 000	6	15	28.6%			
	R500 001 to R25m	1	0	100.0%			

4.11.2. Effects of Firm characteristics on frequency of receiving training or advisory support from microfinance institutions

Results in Table 4.27 indicate that none of the firm characteristics have any significant effect on the frequency of obtaining any form of training or advisory support from microfinance institutions (all p-values>0.05). This result means the age, size and location of SMMEs have no bearing on the number of times a business receives training or advisory service from MFIs.

Table 4.27: Chi-square tests for the association between firm characteristics and frequency of obtaining any form of training or advisory support from microfinance institutions

Firm characteristics		Q21. How often do you receive training or advisory support from microfinance institution			Chi-square tests		
		Quarterly	Semi annually	Annually	$\chi 2$	df	p-value
Q8. Years business been operating	3-5years	0	9	6			
	5-10years	1	2	5	4.923	4	0.295
	>10years	0	0	1			
Q9. Location of business	Bloemfontein	1	7	7			
	Botshabelo	0	2	3	0.788	4	0.940
	Thaba Nchu	0	2	2			
Q10. Number of employees	0-5	1	4	4			
	6-10	0	5	7	2.389	4	0.665
	11-50	0	2	1			
Q12. Average annual turnover	<150 000	1	6	4			
	R150 000 to R500 000	0	3	8	6.017	4	0.198
	R501 000 to R25m	0	2	0			
Q13. Average annual profit	<R150 00	1	6	10			
	R1500 000 to R500 000	0	4	2	3.130	4	0.536
	R500 001 to R25m	0	1	0			

This finding seems to contradict the general opinion that location of a business (particularly businesses that operate in urban areas) improves the frequency of trainings and support from MFIs due to the proximity of such firms to lending institutions (Quartey et al., 2017). Additionally the finding does not cohere with Ike's (2017) claim that size of a business influences frequency of trainings as businesses that have wide resources tend to be able to afford more training from MFIs

4.12. The effects of non-financial services part of micro-finance on the growth of SMMEs (objective 5)

This section seeks to address the research question: What extent does the non-financial service part of micro-finance affect the growth of SMMEs? Apart from financial services obtained from microfinance institutions, non-financial services can also be sought. These sections analyses how non-financial services obtained from microfinance institutions impact on SMMEs growth. Several aspects of SMMEs growth are analysed in the subsections that follow.

4.12.1. Effects of non-financial services from microfinance on the growth of net profit

Results in Table 4.28 show that receiving some form of training or advisory support from microfinance institutions significantly influences profitability (χ^2=22.254, df=3, p-value<0.001) with those who received such support having higher chances of increased net profits (69.2%) and those who didn't receive support having lower chances of increasing net profit (20.3%). This finding is in tune with Awuah and Addaney's (2016) observation that entrepreneurs who successfully transfer managerial skills gained from MFIs trainings unto workers allows for such lower level employees to successfully run the daily affairs of the business while the owner focuses on the critical decision making aspect of the business that leads to cost reduction in the running of business, minimization of wastage while enhancing customer satisfaction that in turn improve profits. These may be the possible explanation to the profits enjoyed by those SMMEs who received trainings and advisory support.

Table 4.28: Chi-square tests for the association between the non-financial services part of micro-finance and the growth of net profit

Non-financial service from Microfinance		Q32. Net profit					Chi-square tests		
		Increase	Decrease	Remain unchanged	Not applicable	% Increased	$\chi 2$	df	p-value
Q20. Any form of training or advisory support from microfinance institution	Yes	18	4	4	0	69.2%	22.254	3	<0.001
	No	14	11	42	2	20.3%			
Q21. If yes, how often	Quarterly	1	0	0	1	50.0%	2.012	4	0.734
	Semi annually	9	1	1	11	40.9%			
	Annually	7	3	2	12	29.2%			

This finding is further strengthened by the findings of Mutua (2017) who reported that non-financial services such as training and advisory support are major contributors to improvement in business profit. The table above also shows that the frequency of receiving some form of training or advisory support from microfinance institutions has no significant influence on profitability (χ^2=2.012, df=4, p-value=0.734). There is no significant association between the number of training and advisory support received by businesses and net profit. The researcher interpreted this to mean that the quality of managerial and financial trainings given to entrepreneurs by MFIs are of utmost importance to improvement in net profit and not the number of times trainings are given to entrepreneurs.

4.12.2. Effects of non-financial services from microfinance on the growth of monthly sales

Results in Table 4.29 show that receiving some form of training or advisory support from microfinance institutions significantly influences sales growth (χ^2=10.181, df=3, p-value=0.017) with those who received such support having higher chances of increased sales (69.2%) and those who did not receive support having lower chances of increasing sales (33.3%). This finding gel with a prior study conducted by Mutua (2017) which revealed that MFIs training and advisory support tend to improve the marketing skills of business owners, help entrepreneurs to be able to price their products appropriately and contribute to customer creation skills that in turn positively affect growth in sales by SMMEs that accesses the non-financial services of MFIs. This finding is also in line with the findings of Mungai (2015) which showed a positive relationship between provision of training to SMMEs owners and the growth of their business.

The frequency of receiving some form of training or advisory support from microfinance institutions however, has no significant influence on sales (χ^2=2.499, df=4, p-value=0.645). This implies that there is no statistically significant association between frequent MFIs training and advisory and growth in sales of small businesses. This finding does not cohere with Emenike et al.'s (2018) claim that the intensity and frequent managerial training and business support services from MFIs improves overall skills of entrepreneurs that leads to growth in sales of businesses.

Table 4.29: Chi-square tests for the association between the non-financial services part of micro-finance and the growth of monthly sales

<table>
<tr><th colspan="2" rowspan="2">Non-financial service from Microfinance</th><th colspan="5">Q33. Total amount of sales growth/month</th><th colspan="3">Chi-square tests</th></tr>
<tr><th>Increase</th><th>Decrease</th><th>Remain unchanged</th><th>Not applicable</th><th>% Increased</th><th>$\chi 2$</th><th>df</th><th>p-value</th></tr>
<tr><td rowspan="2">Q20. Any form of training or advisory support from microfinance institution</td><td>Yes</td><td>18</td><td>2</td><td>6</td><td>0</td><td>69.2%</td><td rowspan="2">10.181</td><td rowspan="2">3</td><td rowspan="2">0.017</td></tr>
<tr><td>No</td><td>23</td><td>8</td><td>37</td><td>1</td><td>33.3%</td></tr>
<tr><td rowspan="3">Q21. If yes, how often</td><td>Quarterly</td><td>1</td><td>0</td><td>0</td><td>1</td><td>50.0%</td><td rowspan="3">2.499</td><td rowspan="3">4</td><td rowspan="3">0.645</td></tr>
<tr><td>Semi annually</td><td>9</td><td>1</td><td>1</td><td>11</td><td>40.9%</td></tr>
<tr><td>Annually</td><td>7</td><td>1</td><td>4</td><td>12</td><td>29.2%</td></tr>
</table>

4.12.3. Effects of non-financial services from microfinance on the growth in equipment and assets

Results in Table 4.30 show that receiving some form of training or advisory support from microfinance institutions significantly influences growth in equipment and assets acquisition (χ^2=10.082, df=3, p-value=0.018) with those who received such support having higher chances of assets and equipment growth (69.2%) and those who didn't receive support having lower chances of acquiring assets and equipment (2.9%). This means that there is a statistically significant association between trainings and advisory support provided by microfinance to SMMEs and growth in assets of businesses. The researcher interpreted this to mean that advisory support from microfinance aided business owners to implement good strategies and exhibit good operational skills that lead to overall improvement in business. These indicators led to business expansion that inevitably required increase in the purchase assets and equipment. This finding coheres with the findings of Awuah and Addeney (2016) who showed that non-financial support such as managerial and financial trainings rendered to SMMEs by microfinance result in a greater scale of growth in assets and equipment for SMMEs.

Table 4.30: Chi-square tests for the association between the non-financial services part of micro-finance and the growth in assets and equipment

Non-financial service from Microfinance		Q34. Growth in equipment and assets					Chi-square tests		
		Increase	Decrease	Remain unchanged	Not applicable	% Increased	$\chi2$	df	p-value
Q20. Any form of training or advisory support from microfinance institution	Yes	4	0	22	0	15.4%	10.082	3	0.018
	No	2	13	53	1	2.9%			
Q21. If yes, how often	Quarterly	0	1	-	-	0.0%	0.450	2	0.798
	Semi annually	1	10	-	-	9.1%			
	Annually	2	10	-	-	16.7%			

The frequency of receiving some form of training or advisory support from microfinance institutions has no significant influence on equipment and assets acquisition (χ^2=0.450, df=2, p-value=0.798). There is no statistically significant association between training and advisory support and growth in market share. This finding supports Vijaykumar and Naidu's (2015) revelation that MFIs advisory support services do not have significant impact on business growth and by extension growth in market share.

4.12.4. Effects of non-financial services from microfinance on the growth in number of customers

Results in Table 4.31 show that receiving some form of training or advisory support from microfinance institutions significantly influences growth in the number of customers (χ^2=11.545, df=3, p-value=0.009) with those who received such support having higher chances of increased customer numbers (34.6%) and those who didn't receive support having lower chances of increased customer numbers (7.2%). The number of customers a business has is very important to the survival and growth of the business. The building of strong customer base is one of the most important factors that help a business to withstand competition from other businesses especially in the retail industry where there are numerous SMMEs that compete for household incomes. The researcher interpreted this finding to mean that MFIs succeeded in providing SMMEs owners trainings on good customer relationships, customer retention and other sales promotions that endeared customers to the business. These could be the possible reasons that resulted in increase in the number of customers.

Table 4.31: Chi-square tests for the association between the non-financial services part of micro-finance and the growth in number of customers

Non-financial service from Microfinance		Q35. Number of customers					Chi-square tests		
		Increase	Decrease	Remain unchanged	Not applicable	% Increased	$\chi 2$	df	p-value
Q20. Any form of training or advisory support from microfinance institution	Yes	9	3	14	0	34.6%	11.545	3	0.009
	No	5	13	50	1	7.2%			
Q21. If yes, how often	Quarterly	0	0	1	-	0.0%	1.184	4	0.881
	Semi annually	4	1	6	-	36.4%			
	Annually	4	2	6	-	33.3%			

The frequency of receiving some form of training or advisory support from microfinance institutions has no significant influence on growth in the number of customers (χ^2=1.184, df=4, p-value=0.881). There is no statistically significant association between training and advisory support services and growth in customer base. This finding contradicts the general claim that frequent managerial training and business support services contribute to business growth and by extension growth in customers (Vijaykumar &Naidu, 2015).

4.12.5. Effects of non-financial services from microfinance on the growth in number of employees

Results in Table 4.32 show that receiving some form of training or advisory support from microfinance institutions significantly influences growth in the number employees (χ^2=9.150, df=3, p-value=0.027) with those who received such support having higher chances of increased employee numbers (26.9%) and those who didn't receive support having lower chances of increased employee numbers (7.2%). This means that there is a significant association between training and growth in workers. This finding seems to cohere with Akpan and Nneji's (2015) claim that trainings and advisory support given by microfinance to SMMEs positively impact the various daily operations of a business that leads overall expansion in businesses that necessitates the hiring of more workers in order to meet the needs of customers. This finding corroborates the findings of Prah (2016) who revealed that training and advisory supports from MFIs have positive impact on the number of workers employed by SMMEs.

Table 4.32: Chi-square tests for the association between the non-financial services part of micro-finance and the growth in number of employees

Non-financial service from Microfinance		**Q36. Number of employees**					**Chi-square tests**		
		Increase	**Decrease**	**Remain unchanged**	**Not applicable**	**% Increased**	$\chi 2$	**df**	**p-value**
Q20. Any form of training or advisory support from microfinance institution	Yes	7	3	16	0	26.9%	9.150	3	0.027
	No	5	22	41	1	7.2%			
Q21. If yes, how often	Quarterly	0	0	1	1	0.0%	4.412	4	0.353
	Semi annually	4	0	7	11	18.2%			
	Annually	2	3	7	12	8.3%			

The frequency of receiving some form of training or advisory support from microfinance institutions has no significant influence on growth in the number of employees (χ^2=4.412, df=4, p-value=0.353). This implies that there is no statistically significant association between number of training received by businesses and growth in employees. This finding gels with Vijaykumar and Naidu's (2015) claim that frequent MFIs training especially in developing countries do not benefit businesses due to the fact that most of the training are not applicable to the needs of these businesses.

4.12.6. Effects of Non-financial services from microfinance on the growth in market share

Results in Table 4.33 show that receiving some form of training or advisory support from microfinance institutions significantly has no influence on the growth in market (χ^2=4.357, df=3, p-value=0.225). The researcher interpreted this finding to mean that the proliferation of retail businesses in the same product line causes fragmentation in the market that makes it difficult for any retail business to command a large portion of the market.

Additionally, the frequency of receiving some form of training or advisory support from microfinance institutions significantly has no influence on the growth in market (χ^2=4.052, df=2, p-value=0.132). There is no statistically significant association between training and advisory support services and growth in customer base. This finding contradicts the general claim that frequent managerial training and business support services contribute to business growth and by extension growth in market share. MFIs should therefore inculcate new and practical strategies in their workshops that will help SMMEs to dominate the market and improve their overall market share.

Table 4.33: Chi-square tests for the association between the non-financial services part of micro-finance and the growth in market share

Non-financial service from Microfinance		Q37. Growth in market share					Chi-square tests		
		Decreased	Remain unchanged	Become smaller	Not applicable	% Increased	$\chi 2$	df	p-value
Q20. Any form of training or advisory support from microfinance institution	Yes	0	3	0	23	0.0%	4.357	3	0.225
	No	8	4	1	56	0.0%			
Q21. If yes, how often	Quarterly	0	1	1	-	0.0%	4.052	2	0.132
	Semi annually	3	8	11	-	0.0%			
	Annually	0	12	12	-	0.0%			

4.13. The effects of the financial services part of micro-finance on the growth of SMMEs (objective 6)

This section seeks to address the research question: What extent does the financial service part of micro-finance affect the growth of SMMEs? These sections analyses how financial services obtained from microfinance institutions impact on various aspects of SMMEs growth. Aspects of SMMEs growth and how they are affected by financial services obtained from microfinance institutions are analysed in the subsections that follow.

4.13.1. Effects of financial services from microfinance on the growth of net profit

Results in Table 4.34 show that saving with microfinance institutions significantly and positively impacts on growth in profits of SMMEs ($\chi2$=21.270, df=3, p-value<0.001). Those who save with microfinance institutions had higher chances of increased profits (35.3%) than those who did not (19.3%). This finding gel with the popular claim that the accessibility of microfinance savings services offers SMMEs owners especially in developing countries the chance to keep part of their revenue that is mostly used to fund growth intentions and to take advantage of new opportunities that ultimately improve profits (Maengwe & Otuya, 2016). This finding is strengthened by Mulungi and Kwagala's (2016) revelation that the level of accessibility of MFIs savings service has a positive significant relationship with business growth in terms of profit.

As far as seeking financial assistance from microfinance institutions is concerned, there is a positive association between doing so and increasing net profits ($\chi2$=18.389, df=3, p-value<0.001). Those who sought financial assistance from microfinance institutions had higher chances of increased profits (36.7%) than those who did not (18.8%).This finding means that those who were granted loans by MFIs were able to make proper use of the funds they received. These funds were probably used by the business owners to expand their business operations which could lead to economies of scale and minimisation of cost of doing business which in turn increase profits. This finding does not cohere with Nahamya et al.'s (2016) assertion that access to funds by entrepreneurs does not improve business profits because such funds tend to be mismanaged as most entrepreneurs especially in developing countries lack good financial management skills.

Table 4.34: Chi-square tests for the association between the financial services part of micro-finance and the growth of net profit

Financial services from Microfinance		Q32. Net profit					Chi-square tests		
		Increased	Decreased	Remain unchanged	Not applicable	% Increased	$\chi 2$	df	p-value
Q17. Saves with microfinance institution	Yes	30	14	40	1	35.3%	21.270	3	<0.001
	No	11	10	22	14	19.3%			
Q18. Sought financial assistance from microfinance institution	Yes	29	14	35	1	36.7%	18.389	3	<0.001
	No	12	10	28	14	18.8%			
Q19. If Yes, what loan amount did you take recently	<R50 000	7	0	5	12	29.2%	2.060	4	0.725
	R50 001 to R100 000	5	1	4	10	25.0%			
	>100 000	4	0	2	6	33.3%			

However, the findings also showed that the loan amount taken recently by SMMEs owners had no influence on profitability ($\chi 2=2.060$, df=4, p-value=0.725). This means getting higher amounts of loans were not as important as what the loans were actually used for. This finding seems not gel with Kimanzi's (2016) observation that large amount of loans have higher impact on the growth in business profits in comparison with small loans.

4.13.2. Effects of financial services from microfinance on the growth of monthly sales

Results in Table 4.35 show that saving with microfinance institutions significantly and positively impacts on growth in monthly sales of SMMEs ($\chi 2=20.020$, df=3, p-value<0.001). Those who save with microfinance institutions had higher chances of increased monthly sales (44.7%) than those who did not (24.6%). This finding points to the vital role savings paly on SMMEs sales. This can be interpreted to mean that SMMEs used their saved funds to undertake several sales promotion and other marketing activities that persuaded more customers to patronise their products that ultimately improved their sales. It could also mean that MFIs were able to sensitize SMMEs owners on the importance of savings of which they took advantage of and in the end were able to improve their sales. This finding contradicts Kar's (2017) claim that savings only improves the profits of lending institutions but do not positively affect sales of businesses.

Table 4.35: Chi-square tests for the association between the financial services part of micro-finance and the growth of monthly sales

Financial services from Microfinance		Q33. Total amount of sales/month					Chi-square tests		
		Increased	Decreased	Remain unchanged	Not applicable	% Increased	$\chi 2$	df	p-value
Q17. Saves with microfinance institution	Yes	38	10	36	1	44.7%	20.020	3	<0.001
	No	14	6	24	13	24.6%			
Q18. Sought financial assistance from microfinance institution	Yes	35	10	33	1	44.3%	16.535	3	0.001
	No	17	6	28	13	26.6%			
Q19. If Yes, what loan amount did you take recently	<R50 000	9	1	2	-	75.0%	3.759	4	0.440
	R50 001 to R100 000	5	0	5	-	50.0%			
	>100 000	4	0	2	-	66.7%			

As far as seeking financial assistance from microfinance institutions is concerned, there is a positive association between doing so and increasing monthly sales ($\chi 2$=16.535, df=3, p-value=0.001). Those who sought financial assistance from microfinance institutions had higher chances of increased monthly sales (44.3%) than those who did not (26.6%). The researcher interpreted this finding to mean that sales improved due to the moderate interest rate charged by MFIs which allowed for timely repayment and that the grace period offered by MFIs were also customer friendly for loan repayment which afforded the SMMEs more time to use the loans for gainful business activities that impacted positively on their sales.

Mohamed and Al-Shaigi (2017) concur that access to finance positively affect business growth rate in terms of sales.

The loan amount taken had no influence on monthly sales ($\chi2$=3.759, df=4, p-value=0.440). This means that there is no statistically significant association between the size of loan granted and sales. This finding contradicts Kimanzi's (2016) observation that higher amounts of loans leads to higher growth in business sales.

4.13.3. Effects of financial services from microfinance on the growth in equipment and assets

Results in Table 4.36 show that saving with microfinance institutions significantly impacts on growth in assets and equipment ($\chi2$=19.526, df=3, p-value<0.001). Those who save with microfinance institutions had higher chances of increased assets and equipment (7.1%) than those who did not (1.8%) but in general most firms did not realise much growth in assets and equipment.

Table 4.36: Chi-square tests for the association between the financial services part of micro-finance and the growth in assets and equipment

Financial services from Microfinance		Q34. Equipment and assets					Chi-square tests		
		Increase	**Decrease**	**Remain unchanged**	**Not applicable**	**% Increased**	$\chi2$	**df**	**p-value**
Q17. Saves with microfinance institution	Yes	6	10	68	1	7.1%	19.526	3	<0.001
	No	1	4	39	13	1.8%			
Q18. Sought financial assistance from microfinance institution	Yes	6	11	61	1	7.6%	17.850	3	<0.001
	No	1	4	46	13	1.6%			
Q19. If Yes, what loan amount did you take recently	<R50 000	1	0	11	-	8.3%	4.530	4	0.339
	R50 001 to R100 000	2	0	8	-	20.0%			
	>100 000	1	1	4	-	16.7%			

This finding seem logical and well placed as savings afford SMMEs the opportunity to use their funds with MFIs to purchase modernise equipment and assets for the expansion of their business. These resources impact on the growth of the business and ultimately growth in assets. Mulungi and Kwagala (2015) concur that adequate access to savings by entrepreneurs is an important factor that leads to improvement and growth in the asset base of small businesses.

As far as seeking financial assistance from microfinance institutions is concerned, there is a positive association between doing so and increasing assets and equipment ($\chi 2=17.850$, df=3, p-value<0.001). Those who sought financial assistance from microfinance institutions had higher chances of increased assets and equipment (7.6%) than those who did not (1.6%). Seeking financial assistance has been known in literature to affect the growth of businesses. The finding of this study point to the fact those who were granted loans by MFIs were able to improve their assets base. This finding seems to support the claim that microcredit provided by MFIs to entrepreneurs aids small businesses to purchase vital equipment needed for expansion of the daily operations of their business that in turn improves their asset base (Mutua, 2017).

The loan amount taken however had no influence on increased assets and equipment ($\chi 2=3.759$, df=4, p-value=0.440). This means that there is no statistically significant association between size of loan and growth in asset base. This finding supports the revelation that MFIs loans do not affect the growth of assets of small businesses due to the small amounts of such loans that are mostly not enough to fund growth initiatives (Quartey, Turkson, Abor &Iddrisu, 2017).

4.13.4. Effects of financial services from microfinance on the growth in number of customers

Results in Table 4.37 show that saving with microfinance institutions significantly impacts on growth in the number of customers ($\chi 2=18.060$, df=3, p-value<0.001). Those who save with microfinance institutions had higher chances of increased number of customers (16.5%) than those who did not (14.0%). Mungai (2016) argues that compulsory savings products with high interest rate offers entrepreneurs access to more funds which businesses use to undertake various marketing campaigns like sales promotion that enhances customer retention rate. It should be noted that having large customer base is the driving force of business growth among retail entrepreneurs.

Table 4.37: Chi-square tests for the association between the financial services part of micro-finance and the growth in number of customers

Financial services from Microfinance		Q35. Number of customers					Chi-square tests		
		Increased	**Decreased**	**Remain unchanged**	**Not applicable**	**% Increased**	$\chi2$	**df**	p-value
Q17. Saves with microfinance institution	Yes	14	15	55	1	16.5%	18.060	3	<0.001
	No	8	7	29	13	14.0%			
Q18. Sought financial assistance from microfinance institution	Yes	14	12	52	1	17.7%	15.323	3	0.002
	No	8	11	32	13	12.5%			
Q19. If Yes, what loan amount did you take recently	<R50 000	5	0	7	-	41.7%			
	R50 001 to R100 000	3	0	7	-	30.0%	4.589	4	0.332
	>100 000	1	1	4	-	16.7%			

Furthermore, the table above indicates that seeking financial assistance from microfinance institutions has a positive association with increased number of customer ($\chi2$=15.323, df=3, p-value=0.002). Those who sought financial assistance from microfinance institutions had higher chances of increased number of customers (17.7%) than those who did not (12.5%). This finding is interpreted to mean SMMEs owners put the loans obtained into good use by purchasing retail products that customers demanded and also embarked on other marketing activities that brought in new customers. All these strategies could be the possible explanation to the growth in customers by these retail businesses.

The loan amount taken has no influence on increased number of customers ($\chi2=4.589$, df=4, p-value=0.332). This means the size of loan taken is not as important as how such loans are used. This finding seems not to support Matu and Kilonzo's (2017) observation that large amount of loans have higher growth rate in the number of customers of a business in comparison with small loans.

4.13.5. Effects of financial services from microfinance on the growth in number of employees

Results in Table 4.38 show that saving with microfinance institutions significantly impacts on growth in the number of employees ($\chi2=27.572$, df=4, p-value<0.001). Those who save with microfinance institutions had higher chances of increased workforce (14.1%) than those who did not (7.0%). The researcher interpreted this finding to mean that retail business owners were able to use the savings services of MFIs to access more funds that were used to expand business operations which in turn necessitated the hiring of more workers to meet up with the demands associated with business expansion. Additionally, since most small businesses are labour intensive, business expansion could lead to more employment for the active population.

Furthermore, table 4.38 indicates that seeking financial assistance from microfinance institutions has a significant association with the number of employees ($\chi2=23.068$, df=4, p-value<0.001). Those who sought financial assistance from microfinance institutions had higher chances of increased number of employees (15.2%) than those who did not (6.3%).This result suggests that the loans that were granted by MFIs to retail business owners were used to undertake gainful business opportunities that culminated into expansion and increase in the number of employees. Mohamed and Al-Shaigi (2017) confirm that the provision of microcredit plays a vital role in promoting growth by expanding operational activities that necessitates the employment of more workers by small businesses.

Table 4.38: Chi-square tests for the association between the financial services part of micro-finance and the growth in number of employees

Financial services from Microfinance		Q36. Number of employees					Chi-square tests		
		Increased	Decreased	Remain unchanged	Not applicable	% Increased	$\chi2$	df	p-value
Q17. Saves with microfinance institution	Yes	12	23	49	1	14.1%	27.572	4	<0.001
	No	4	8	29	16	7.0%			
Q18. Sought financial assistance from microfinance institution	Yes	12	20	46	1	15.2%	23.068	4	<0.001
	No	4	11	33	16	6.3%			
Q19. If Yes, what loan amount did you take recently	<R50 000	0	1	11	-	0.0%	6.634	4	0.157
	R50 001 to R100 000	3	2	5	-	30.0%			
	>100 000	2	0	4	-	33.3%			

The loan amount taken has no influence on the number of employees ($\chi2$=4.589, df=4, p-value=0.332). This means the size of loan taken is not as important as how such loans are used. This finding seems not to gel with Batir, Volkman and Gungor (2017) claim that small sizes of loans still remain one of the major challengers that hamper the growth of SMMEs in the area of employment generation.

4.13.6. Effects of financial services from microfinance on the growth in market share

Results in Table 4.39 show that saving with microfinance institutions has no significant impacts on growth in the market share ($\chi2$=1.910, df=3, p-value=0.591). This finding means that the savings services of MFIs were no potent enough to improve the overall market share of the retail businesses that accessed such services. The savings services of MFIs not influencing market share could be due to the higher number of retail businesses that operate in the market which causes fragmentation that makes it difficult for one single retail business to enjoy big market share.

Table 4.39: Chi-square tests for the association between the financial services part of micro-finance and the growth in market share

Financial services from Microfinance		Q37. Growth in market share					Chi-square tests		
		Decreased	Remain unchanged	Become smaller	Not applicable	% Increased	$\chi 2$	df	p-value
Q17. Saves with microfinance institution	Yes	5	5	0	75	0.0%	1.910	3	0.591
	No	3	2	1	51	0.0%			
Q18. Sought financial assistance from microfinance institution	Yes	3	4	1	71	0.0%	1.113	3	0.774
	No	5	3	1	55	0.0%			
Q19. If Yes, what loan amount did you take recently	<R50 000	1	1	0	10	0.0%	7.774	6	0.225
	R50 001 to R100 000	0	1	0	9	0.0%			
	>100 000	0	2	1	3	0.0%			

The table above shows that seeking financial assistance from microfinance institutions has no significant association with the growth of the market share ($\chi 2$=1.113, df=3, p-value=0.774). This finding implies that even though the loans that were taken by retail business owners were effectively used to undertake expansions in their businesses, such funds could not affect the overall market performance. The loan amount taken recently has no significant influence on the market share ($\chi 2$=7.774, df=6, p-value=0.225). This means the size of loan taken is not as important as how such loans are used.

4.14. Summary

The purpose of this chapter was to analyse and present the empirical findings of this study. The chapter firstly presented the response rate of the study. It was reported that out of the 200 questionnaires that were distributed only 143 were filled out properly and returned for statistical analysis.

Secondly, the items in the questionnaires which were divided into firm characteristics, SMMEs owner characteristics, access to microfinance and SMMEs growth were illustrated and discussed using figures, tables and charts. The descriptive statistics showed that majority (62.1%) of the retail businesses in this study were owned and operated by men. The domination of the male gender in retail SMMEs did not come as a surprise as literature reports that most retail SMMEs are still owned by men in comparison to their female counterparts. With regard to the firm characteristics of SMMEs, it was observed that the larger part of the SMMEs had been in existence for more than three years which contradicts the general opinion that most SMMEs fail in the first three years in operation. Additionally, the majority of SMMEs had between 0 and 5 employees. The study also showed that access to microfinance remains one of the major obstacles facing SMMEs. Also, the findings of this study that established that most of the SMMEs recorded moderate growth in their business.

Thirdly, the inferential statistics and the empirical findings showed that some firm and business owner characteristics actually positively influence SMMEs access to microfinance. The study further confirmed that overall; microfinance had positive influence on SMMEs growth. Chapter five of this study provides summary of the range of challenges and outcomes in the entire study. Furthermore, conclusions and recommendations are presented in Chapter five for policy making and areas for further research.

CHAPTER FIVE:

CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

The previous chapter presented, interpreted and discussed the empirical findings of the current study including the various relationships among firms and business owners' characteristics, access to microfinance and retail SMMEs growth were presented. The empirical findings of this study were compared to the findings established in previous studies to ascertain whether these findings corroborated or contradicted each other. This chapter seeks to conclude the study by providing a summary of findings and offering recommendations. This chapter concludes the study by summarising findings and providing recommendations. The theoretical and empirical findings of the study will be presented in this chapter. Also summary on how objectives were addressed, and policy and practical recommendations are presented. Lastly, recommendations for future research based on empirical findings of the study are provided.

5.2. Conclusion based on literature review

Literature review of the main constructs of this study was extensively discussed in Chapter two. The review explored current literature on the influence of firm's characteristics, business owners' characteristics on access to microfinance and SMMEs' growth. The main findings of the literature review chapter are summarised in the following sections.

5.2.1. Small Micro and Medium sized Enterprises (SMMEs) and national economy

The economic contributions of SMMEs towards gross economic product (GDP), employment creation and reduction of poverty have been well documented (Goto & Negash, 2016). In South Africa, the contributions of small businesses are patently evident in the areas of economic growth and employment creation.

5.2.1.1. Economic growth

SMMEs are the drivers of economic growth in South Africa. Additionally small businesses play crucial roles in enhancing economic growth, sustenance of livelihood and are seen as seed of big businesses that could be used to revamp the national economy (Al-Abri, Rahim & Hassan, 2018). It is estimated that small businesses in South Africa contribute approximately 58% to gross domestic product in the economy (Bureau for Economic Research, 2016).

Musah, et al. (2018) argue that a vibrant SMME sector could be used as a catalyst to solve social vices such as stunted economic growth and low Gross National Product (GNP) per capita including job creation. In the same vein, Adeyelure et al. (2018) assert that small businesses still remain the vehicles through which the poor in the society could access mainstream economic opportunities. Since retail businesses constitute about 70% of small businesses in South Africa (SEDA, 2017), there is no doubt that with government and private sector support, retail SMMEs could improve their economic efficiency and contribute significantly to the gross domestic product (GDP) of the country.

5.2.1.2. Employment

SMMEs have long been touted as vehicles that can be used to keep the economy buoyant and create new employment opportunities thereby reducing unemployment among the active population (Herrington, Kew & Mwanga 2017; SEDA 2017). The crucial role SMMEs play have been seen in their economic significance as small businesses in South Africa form approximately 91% of all formalized businesses and providing 60% employment opportunities to the labour force (Abor & Quartey 2010; SEDA 2017).

Even though in South Africa, it is estimated that 80% of small businesses fail in their early year's existence (Herrington & Kew 2017), Fatoki and Oni (2016) argue that small businesses still remain the highest employer of most of the working population in the country. In the same vein, Musah (2017) posits that SMMEs provide jobs needed by the growing population in a gloomy national economy that is characterized by recession and frequent retrenchment of labour by large corporations. With the unemployment rate in the country being among the highest in the world, SMMEs therefore becomes sources for the generation of new jobs to increase employment opportunities since most small businesses adopt labour intensive technique that prefers the use of labour over machineries. Since retail businesses constitute majority of formalized businesses in South Africa, it is fair to assume that these businesses employ sizeable proportion of the labour force thereby contributing to employment creation.

5.2.2. Business owner characteristics and access to microfinance

The personal characteristics of an entrepreneur have been recognized as important factors that affect access to finance from lending institutions. This section discusses how gender, age, educational level and experience of an entrepreneur influences access to microfinance.

5.2.2.1. Gender and access to microfinance

Gender of an entrepreneur plays a major role in accessing the services provided by microfinance institutions. Kapkiyai and Kimitei (2016) claim that women entrepreneurs face more difficulties in accessing microfinance than male entrepreneurs. In the same vein, Fabowale and Mascia (2018) affirm that the structural composition of female owned firms which exhibit low sales growth, tend to be younger and smaller in size and concentrate in less capital intensive sectors of the economy make female entrepreneurs to face more difficulties in accessing microfinance. Additionally, Angori, Aristei and Gallo (2017) explicate that gender discrimination among entrepreneurs in developing countries complicate the discourse on access to microfinance and manifest in instances where female entrepreneurs are granted smaller loans but are allowed to pay higher interest rate in comparison to their male counterparts. Evidence from literature reviewed in this study points to the fact that gender and access to microfinance are inconclusive.

5.2.2.2. Age and access to microfinance

The finding of the study revealed that age of an entrepreneur is one of the important factors that influence access to microfinance from both demand and supply sides. According to Campanella and Serino (2019) older entrepreneurs have greater likelihood of accessing finance when they apply because microfinance institutions perceive older business owners to be credit worthy and less risky clients. This assertion stems from the fact that information asymmetry tends to be less among older entrepreneurs and that makes them more attractive to lending institutions. Bosri (2016) opines that though younger entrepreneurs are generally more innovative than their older counterparts, microfinance institution still perceive young business owners as very risky clients which in turn creates difficulties accessing. It was concluded from reviewed literature that age affects access to finance and most microfinance institutions in South Africa still favour older entrepreneurs when it comes to granting access to finance.

5.2.2.3. Educational level and access to microfinance

Evidence from this study suggests that apart from age, the educational level of an entrepreneur affects access to microfinance. Murray, Crammond, Omeihe and Scuotto (2018) argue that the educational level of a business owner have significant positive correlation with access to finance. Rahman et al. (2016) observe that entrepreneurs with higher educational attainments have easy access to microfinance as compared to their uneducated counterparts and this stems from the fact that educated entrepreneurs in most cases tend to` be aware of the availability of microfinance and how to obtain it. Additionally, Arzu and Mantovani (2016) concur that entrepreneurs with lower educational background are less likely to be confident in dealing with microfinance institutions, less able to present the required documents needed to access microfinance and these create difficulties for such business owners to successfully access finance.

5.2.2.4. Experience and access to microfinance

Evidence from this study showed that the experience of an entrepreneur has been identified as one of the determinants in accessing microfinance. In fact Welsh, Kaciak and Minialai (2017) argue that the experience of a business owner positively affects access to finance. Fabowale et al. (2018) posit that entrepreneurs with prior industry knowledge and who have been operating their businesses for many years tend to have easy access to microfinance services due to the fact that they tend to have wider networks in comparison to their counterparts with no experience. In the same vein, Beck, Behr and Madestam (2017) concur that lending agencies see experience entrepreneurs as credit worthy and better managers of their businesses due to the number of years their businesses have been able to cope through series of economic cycles, which put such entrepreneurs in an advantage position to be able to have easy access to finance and other services rendered by microfinance institutions. It is therefore important to note that extant literature revealed that experienced entrepreneurs still have the upper hand in terms of ease of accessing microfinance.

5.2.3. Firm characteristics and access to microfinance

The characteristics of a business have been recognized as important factors that affect access to finance from lending institutions. This section discusses how age, size and location of a firm influences access to microfinance.

5.2.3.1. Age of business and access to microfinance

The results of the study showed that age of a firm is one of the factors that determine a firm's access to microfinance. The age of a firm is mostly determined by the number of years a business has been in operation. Ongena and Popov (2016) posit that firms that have been in operation for more than five years tend to have less difficulty in accessing microfinance due to the fact that older businesses are able to maintain closer and longer relationship with lending institutions that give them the upper-hand in accessing finance. In the same light, Ogubazghi and Muturi, (2018) affirm that information asymmetry, moral hazard and other irregularities tend to reduce among older businesses and since MFIs use relationship lending to curtail asymmetric information, older firms tend to be in a pole position in getting the needed financial help in comparison to younger firms which are associated with the afore-mentioned problems. Additionally, Ananzeh (2016) asserts that age of firms might be a signal of experience and therefore probability of business failure or default of loans is less and such older businesses may have less constraints in accessing microfinance than younger firms.

5.2.3.2. Size of firm and access to microfinance

Even though there is no consensus among researchers about the criteria that should be used to measure the size of a firm, it is documented that the size of a firm affects its access to microfinance. Sameen and Cowling (2015) explicate that firms that have large asset base that can be used as collateral tend to become attractive borrowers to lending institutions and as such are able to easily access the various services rendered by MFIs as compared to firms that do not have the required resources that can be used as security in accessing finance. This thought is supported by Arzu and Mantovani (2016) who claim that MFIs operate with the aim of making profit and as such tend to lend to firms that have the means to repay loans without defaulting. This therefore implies that start-up firms which normally have fewer resources will face difficulties in accessing microfinance in comparison to well established firms. That said, it can be concluded that MFIs still favour retail businesses that can provide collateral to access finance.

5.2.3.3. Location of firm and access to microfinance

The geographical area where a firm is located is believed to influence on a firm's ability to access microfinance. For instance, Klyton and Rutabayiro-Ngoga (2017) are of the opinion that firms that have close proximity to MFIs will have easy access to microfinance services in the sense these firms will be able to develop closer ties with these lending institutions that improves their chances of obtaining the needed help. Additionally, Shibia and Barako (2017) claim that firms operating in cities and urban areas stand in a better position to access microfinance services in comparison to firms in rural because most MFIs are situated in cities and that breeds competition which leads to MFIs designing various products and services that attends to the needs of small businesses. It is important to note that Bastiéa et al. (2016) argue that there is no relationship between the location of a business and access to microfinance.

5.2.4. Microfinance and SMMEs growth

The growth of SMMEs has gained prominence in entrepreneurship discourse in recent times due to the important role small businesses play in influencing economic growth and development in countries (Eniola, 2014; Ibrahim, Abdullwahab, & Naalah, 2018). SMMEs in developing countries, South Africa inclusive are known to contribute immensely to gross domestic product and create the bulk of employment opportunities for the growing population (Naala Nordin & Omar, 2017). However, the failure rate of small businesses has raised an alarm among researchers, policy makers and governments across the world as it is estimated that about 80% of SMMEs in South Africa fold up in their first five years of existence (Fatoki & Oni, 2016). Evidence from this study showed that most retail businesses are not performing well due to the numerous challenges retail businesses face in the current economic environment where the economy has slipped into recession. The study revealed that the lack of retail SMMEs access to finance is a major contributor to the failure rate of these businesses and it is argued that microfinance can be used to sustain and boost the growth rates of SMMEs (Fowowe, 2018).

Several studies (Olu, 2009; Chirkos, 2014; Adeniran et al., 2015) have been conducted to analyze the impact of microfinance on the growth of SMMEs concluding that access to microfinance stimulates growth that manifest in the sales and profit of small businesses. For instance, Annuar et al. (2016) conducted a study on the impact of microfinance on SMMEs and concluded that access to microfinance promote growth among businesses by which manifested in the expansion of operational activities such as sales, acquisition of assets and technology. In the same line, Annuar and Rose (2016) concur that access to microfinance allows SMMEs to acquire the needed machinery and technology to embark on business expansion that improves the overall growth of the business. However, this line of thought is not supported by Zariyawati et al. (2016) who claim that access to microfinance does not positively affect the growth of small businesses in the sense that microcredit granted to SMMEs are too small to yield profit from income generating activities. Despite the numerous opinions on the impact of microfinance on SMMEs, this study asserts that indeed access to microfinance positively affect the growth of small businesses.

5.3. Conclusion based on empirical evidence

This investigation also sought to render a solid conclusion based on the empirical findings. This was effected by recapping the research questions, providing the response to each question and rendering a conclusion informed by empirical findings. Consequently, the following section draws on the research questions, their responses and the conclusion for each response.

Research question 1

The first research question was: What role do SMMEs' owner characteristics play in accessing the financial services of microfinance? The results, as indicated in Table 4.18, show that age ($\chi 2=12.345$, df=3, p-value=0.006) and educational level ($\chi 2=11.141$, df=3, p-value=0.011) of retail business owners are positively associated with savings. Moreover, savings tend to rise among older and highly educated retail entrepreneurs. The results in Table 4.19 showed that age ($\chi 2=11.141$, df=3, p-value=0.011) is a significant variable that positively affects access to seeking financial assistance. The results in Table 4.20 also revealed that none of the business owner characteristics significantly affect the size of loan granted by MFIs (all p-values are greater than 0.05).

Therefore, it is concluded that age and educational level of retail SMME owners influences access to savings. The finding also indicated that age positively and significantly influences access to finance while gender, educational level and experience do not significantly affect size of loan.

Research question 2

The second research question was: What role do SMMEs' owner characteristics play in accessing the non-financial services of microfinance? The results in Table 4.21 showed that most of the SMME owner characteristics do not affect training and advisory support services from MFIs (most p-values>0.05) except for experience that is positively and significantly associated with access to non-financial services ($\chi 2=3.840$, df=1, p-value=0.049). The results in Table 4.22 also revealed that none of the SMME owner characteristics influences the frequency of training and advisory support services provided by MFIs (all p-values are greater than 0.05).

Therefore, it is concluded that experience of an SMME owner is the only variable that plays a major role in accessing the non-financial services of microfinance.

Research question 3

The third research question was: What role do SMMEs' firm characteristics play in accessing the financial services of microfinance? The results as indicated in Table 4.23 show that age ($\chi 2=24.328$, df=4, p-value<0.001) and size ($\chi 2=9.127$, df=2, p-value=0.010) of firm significantly influences savings with MFIs. The findings showed that savings with MFIs tend to be high among businesses that have been in operation for more than five years while firms with more than five employees saves more. The results in Table 4.24 also revealed that age ($\chi 2=20.996$, df=4, p-value<0.001) and size ($\chi 2=8.747$, df=2, p-value=0.013) of firm influences access to seeking financial assistance from MFIs but age has bigger effect. The results in Table 4.25 however showed that size of firm is the only variable that plays a role in the size of loan granted by MFIs ($\chi 2=29.196$, df=4, p-value<0.001).

It is therefore concluded that age and size of an SMME positively and significantly influences access to the financial services of microfinance.

Research question 4

The research question was: What role do SMME's firm characteristics play in accessing the non-financial services of microfinance?

The results in Table 4.26 revealed that the size of firm in terms of the number of employees is the only variable that influences access to training and advisory support services from MFIs ($\chi 2=8.514$, df=2, p-value=0.014). The findings also revealed that firms with between 6-10 employees had high incidences of accessing trainings and advisory services of microfinance. The results in Table 4.27 also indicated that none of the firm characteristics had a positive influence to frequency of training and advisory support services of microfinance institutions (all p-values>0.05).

It is therefore concluded that the size of an SMME positively and significantly influences access to the non-financial services of microfinance.

Research question 5

The research question was: What extent does the non-financial service part of micro-finance affect the growth of SMMEs? The result showed that training and advisory support has positive influence in the growth of profit ($\chi2=22.254$, df=3, p-value<0.001), sales ($\chi2=10.181$, df=3, p-value=0.017), equipment and asset ($\chi2=10.181$, df=3, p-value=0.017), customers ($\chi2=11.545$, df=3, p-value=0.009), employees ($\chi2=9.150$, df=3, p-value=0.027) but not market share ($\chi2=4.357$, df=3, p-value=0.225). It is clear from the finding that training and advisory support had the highest impact in the growth of profit of retail businesses. The results also indicated that the frequency of MFIs training and advisory support had no significant influence on any of the growth variables (all p-values>0.05).

It is therefore concluded that non-financial services (training and advisory support) of microfinance positively affect the growth of SMMEs.

Research question 6

The research question was: What extent does the financial service part of micro-finance affect the growth of SMMEs? The results indicated that savings has positive influence in the growth of profit ($\chi2=21.270$, df=3, p-value<0.001), sales ($\chi2=20.020$, df=3, p-value<0.001), equipment and asset ($\chi2=19.526$, df=3, p-value<0.001), customers ($\chi2=18.060$, df=3, p-value<0.001), employees ($\chi2=27.572$, df=4, p-value<0.001) but not market share($\chi2=1.910$, df=3, p-value=0.591). The results also showed that seeking financial assistance has positive influence on most of the growth variables (most p-values<0.05) except for market share that financial assistance had no significant impact on. Also it was clear from the results that size of loan granted had no positive and significant impact on all the growth variables (all p-values>0.05).

It is therefore concluded that financial services part (savings and financial assistance) of microfinance positively and significantly affect the growth of SMMEs.

5.4. Recommendations

This section outlines the key recommendations derived from the study. The recommendations comprise suggestions for policy and practice. The subsequent sections discuss the policy recommendations for retail SMMEs located the in Mangaung Metropolitan Municipality.

5.4.1. Policy recommendations

Several policy recommendations were derived from this study and these are summarized below.

5.4.1.1. Formalisation of retail businesses

The study established that a sizable number of retail SMMEs are operating in the informal sector and such businesses are not documented. As such these unregistered retail businesses face challenges that render them unproductive as compared to formal businesses. This study therefore recommends that SEDA promulgate policies to sensitize and encourage retail SMMEs to formalise their businesses in order to enjoy specific privileges from government institutions that support SMMEs. SEDA could achieve this by rendering advisory services to these businesses through promotion and advocating for the formal registration of such SMMEs. They must sensitise them on the advantages of formalisation such as networking and the availability of funding. However, it must be noted that some decisions to remain informal are intentional-(tax avoidance, fear of over regulation, conformity to high standards). The government must therefore introduce a tax rebate for retail businesses in order to encourage formalization of such businesses.

5.4.1.2. Regulation of credit institutions

In view of the difficulties experienced by retail businesses in getting the required funds for growth initiatives, there is the need for the government to empower the National Credit Regulator to formulate policies that would compel microfinance institutions to broaden their scope of reaching more businesses and granting them affordable loans at reasonable interest rates. There is also the need for NCR to organize seminars for entrepreneurs and educate them on financial skills so as to empower retailers against exploitation from MFIs and other lending institutions.

5.4.1.3. Funding parity for start-ups

The findings of the study showed that most funding institutions give preference to businesses that have been in operation for many years. The resultant effect is that, newly established retail businesses are not considered by funding agencies which render them unprofitable as these start-up businesses lack the funds to utilise technology and other equipment that could boost their survival and growth. The government through SEDA, IDC and NYDA should set aside funding that is specifically designed for start-up businesses only in order to encourage such businesses to grow.

5.4.1.4. Gender equity in funding

Evidence from the study suggests at male entrepreneurs are given more attention and funding by funding agencies. The prejudice against female entrepreneurs is still prevalent as funding agencies do not perceive women entrepreneurs as astute entrepreneurs who could run profitable and successful ventures. This prejudice negatively affects the chances of women entrepreneurs to access funding. The government should develop policies that would allow funding agencies to give equal preference to business women in their quest to access funding. SEDA should set aside special funds that would focus on funding female owned businesses in order to bring them at par with their male counterparts.

5.4.1.5. Gender equity in retail SMMEs ownership

In view of the low percentage of women participating in the retail business, there is the need for government agencies such as SEDA and IDC to develop pragmatic policies that would increase female ownership of retail businesses. A holistic strategy that focuses on gender-based training of women in business management, financial skills and other support systems that seek to promote gender equity in retail business ownership needs to be designed and implemented. This could be achieved through the organization of business seminars and workshops by SEDA for newly established as well as existing retail businesses.

5.4.2. Recommendations for practice

Recommendations for practice were also derived from this study and these are summarised in subsequent sections.

5.4.2.1. Firm growth

Evidence from the study showed that retail entrepreneurs who were able to access funding experienced growth in assets, sales and profit. It therefore becomes important for microfinance institutions to broaden their scope of reach in order to provide loans to more retail businesses. Moreover, retail business owners must also endeavour to improve their financial skills to make it easier for them to access funds for growth of their businesses.

5.4.2.2. Creation of awareness by MFIs

It is clear that most retail business owners are not aware of the various services available from MFIs and how to access these services. This study recommends that MFIs should embark on various campaigns on radio, television and the print media to advertise their services and educate the public on the available services. MFIs are advised to liaise with agencies such SEDA and NYDC to mobilize retailers and regularly organize workshops and seminars to sensitise them on the importance of microfinance services so as to boost the performance of SMMEs.

5.4.2.3. Collaboration between local and foreign entrepreneurs

South Africa in recent times has witnessed intense competition between local and foreign-owned retail businesses in recent times and this does not augur well for the growth of the national economy. In fact, it is reported that the recent xenophobic attacks are a result of the stiff competition between local businesses and foreign-owned retailers. This study proposes that local and foreign business owners should form an association that allows for savings (stokvel) and the purchase of products in bulk to maximize economies of scale which would in turn lead to growth of their businesses. This could be facilitated by microfinance institutions and other agencies that support SMMEs such SEDA, NYDC and IDC.

5.4.2.4. Encouragement of young entrepreneurs in retail business

The findings of the study indicate that microfinance institutions give preference to older entrepreneurs in giving out loans. This stems from the fact that older business people are perceived to be less risky clients. Consequently, younger entrepreneurs find it difficult to get funds needed for start-up, expansion and growth of their businesses. This limitation and preferential allocation of loans has reduced the participation of young people in business. Microfinance institutions should therefore encourage the participation of younger population in retail businesses by granting them equal access to funds. Microfinance institutions could also lower the interest on loans and the requirement to access funds for younger entrepreneurs.

5.5. Limitations of study

The study was constrained by the following:

- The inability of the researcher to conduct the study in the whole of Free State due to time and financial constraints. This has consequently affected the generalisation of the study as the research was only conducted in the Mangaung Metropolitan Municipality.

- Given the relatively small sample size of study, it was impossible for the researcher to generalise the results to the entire country as the study was limited to certain areas. However, since a representative sample was considered for the Free State Province, there results of the study are applicable to this population.

- Not all the questionnaires distributed were completed by respondents as some respondents especially foreign owned business owners refused to participate and supply useful information that could have broadened the scope of the study.

- A positivist survey based approach is adopted to test a priori hypothesis developed on the basis of past research. Future researchers may benefit from exploratory qualitative approaches as well especially is the area of SMMEs in the South African context as this area remain under researched and not well understood. Such explorations may yield interesting insights that may eventually also lead to a better understanding of factors that enhace the business growth of retail SMMEs. Hence, future research may also triangulate and enrich this work via ethnographies and case studies within organisations.

5.6. Implications for future study

Based on this study, the following recommendations for research in the future are proposed.

- The prevalence of a sizable number of retail businesses that operate in the informal sector of the economy affirms the relevance of literature that raises concern about a huge number of retail businesses that engage in informal activities that negates the growth of SMMEs. Future studies should be conducted at national to establish if more retail businesses have formalised their operations or informal businesses still exist in sizeable numbers.
- Future studies need to be conducted to examine the effectiveness of a potent gender inclusive approach to access to microfinance services. Evidence from the study

showed that women are marginalised by funding agencies in accessing microfinance. Future studies must examine if such gender gaps persist with regard to access to microfinance services.

- ❖ The data for this study was collected from Bloemfontein, Thaba-Nchu and Botshabelo. Accordingly, the findings of this study cannot be applicable to other areas in the Free State. Future studies on similar research problems could cover more cities and towns in the Free State with a larger sample size in order to ascertain if the present findings are applicable to the broader population of retail SMMEs.

- ❖ In addition, this study used certain firm and business owner characteristics that influence a business access to microfinance while literature is replete with many of these attributes that were not exploited in this current study. Future research could include more firm and business owner characteristics that influence SMMEs' access to microfinance to broaden an understanding of the subject.
- ❖ Future studies could also focus on the pragmatic epistemological approaches so that qualitative and quantitative perspectives, data collection and analysis methods could clarify why certain respondents answered the way they did to some questions.

5.7. Summary

This chapter presented the conclusions and recommendations of the study. A brief discussion based on the literature chapter was presented. This chapter also presented conclusions based on inferential statistics and empirical findings. The chapter also made recommendations to retail business owners, government agencies and microfinance institutions on how to support the growth of small retail businesses. The chapter also identified gaps and recommended areas for future research in order to broaden an understanding of the research problems identified in this study.

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APPENDIX A

SHORT BIOGRAPHICAL STATEMENT

Felix Abrah Baah is a Master of Business Administration student at the Central University of Technology, Free State. He possesses a Bachelor of Commerce Degree in Economics from the University of Free State. He also holds a Bcom Honours Degree in Entrepreneurship from the University of Free State. Felix's research interest lies in emerging small businesses particularly retail SMMEs in developing economies.

APPENDIX B:

QUESTIONNAIRE: THE INFLUENCE OF FIRM AND BUSINESS OWNER CHARACTERISTICS ON ACCESS TO MICROFINANCE AND SMMEs GROWTH

My name is Felix Abrah Baah. I am a Master of Technology student in Business Administration at the Central University of Technology (CUT) in Bloemfontein. I am conducting a survey on the influence of firm and business owner characteristics on access to microfinance and SMMEs growth. At this stage, I am collecting data on the owners of retail businesses on their personal anf business attributes affect their access to funds and growth of business. This study is supervised by Dr Sapokie Ramorena and Prof. Patient Rambe who can be contacted on the following contact details:

Dr Sapokie Ramorena (Main supervisor): 051 507 4064 or sbigbravo@gmail.com

Prof Patient Rambe (Co-Supervisor): 051 507 4064 or prambe@cut.ac.za

At this stage, I am conducting my field work on this topic and I would be very pleased if you take time to complete this questionnaire. Your participation in this survey is voluntary and your responses are confidential. The results of this survey will be reported in aggregate form to ensure your anonymity. The survey will help establish the firm and retail owners demographics that could positively impact on their access to funding and business growth.. This survey will take approximately 20-30 minutes to complete. Space is provided at the end of the survey for you to add any additional comments you may have. I greatly appreciate your assistance.

I will be very grateful if you would answer all sections of this questionnaire as honestly as possible.

Yours faithfully,

Felix Baah.

SECTION A: DEMOGRAPHICS OF BUSINESS OWNER

(Please mark the appropriate box with an X)

1. Gender:

Male	
Female	

2. Age:

<18	
18-35	
36-60	
>60	

3. Educational Level:

No formal education		Primary school	
Matric/Grade 12		Tertiary education	

4. Did you attend any training related to your business?

Yes	
No	

5. How long have you been running your business?

<1 year		1-2 years	
3-5 years		>5 years	

6. Were you employed before starting your business?

Yes		No	

7. Are you responsible for the day-to-day running of your business?

Yes		No	

SECTION B: FIRM CHARACTERISTICS

8. For how long has your business been in operation?

< 1 year	
1 - 2 years	
3 - 5 years	
5 - 10 years	
> 10 years	

9. Where is your business located?

Bloemfontein		Botshabelo		Thaba-Nchu	

10. How many employees do you have in your business?

0- 5		6- 10		11-50		51-120		>120	

11. What form of legal entity is your business?

Sole proprietor		Partnership		Close corporation	
PTY (LTD)		Cooperative		Trust	

12. What was your business' average annual turnover over the last three years?

Start-up		< R150 000		R150 000 to R500 000	
R501 000 to R25m		R26m to R50m		>R50m	

13. What was your business' average annual profit over the last three years?

Start-up		< R150 000		R150 000 to R500 000	
R500 001 to R25m		R26m to R50m		>R50m	

14. Have you registered your enterprise?

Yes		No	

15. Do you have business plan for your enterprise?

Yes		No	

16. What is currently the most pressing problem your firm is facing?

Finding customers	
Competition.	
Access to finance	
Costs of production	
Other	

SECTION C: SMMEs ACCESS TO MICROFINANCE

17. Do you save with any microfinance institutions?

Yes		No	

18. Have you ever sought financial assistance from any microfinance institution?

Yes		No	

19. If yes, loan amount taken.

< R50 000		R50 001 to R100 000		>R100 000		Loan not granted	

20. Do you receive any form of training or advisory support on your business from the microfinance institutions?

Yes		No	

21. How often is training received?

Monthly		Quarterly	
Semi-annually		Annually	

22. How long does it normally take for you to access a loan facility from the microfinance institutions?

< 2weeks		1month - 2 months	
3months		>3months	

23. What interest percent is charged on loans granted you by microfinance institutions?

<5%		5 – 10%	
11 – 20%		>20%	

24. How long are you allowed for repayment of a loan granted?

< 3months		3-12 months	
1- 5years		>5years	

25. What did you intend using loan for?

Working capital	
Equipment/vehicles	
Research and development	
Staff training	
Other	
Not applicable	

26. For each of the following ways of financing, would you say that their availability has improved, remained unchanged or deteriorated for your firm over the past 6 months?

	Improved	Remained unchanged	Deteriorated	Not applicable
26.1 Bank loans				
26.2 Trade credit				
26.3 Equity investments				
26.4 Debt securities issued				
26.5 Other				

SECTION D: SMMEs GROWTH

27. Over the last three years, how much did your firm grow on average per year?

Over 20%		Less than 20%		No growth	
Become smaller		Not applicable			

28. Considering the turnover over the next two to three years, how much does your company expect to grow?

Over 20%		Less than 20%		No growth	
Become smaller		Not applicable			

29. What do you see as the most important limiting factor to get this financing?

There are no obstacles	
Insufficient collateral	
Interest rates or price too high	
Reduced control over the firm	
Financing not available at all	
Other	
Not applicable	

30. Does your company aim to be listed on a stock market within the next 2 years?

Yes		No	

31. Which area of your business ranks highest in your growth intentions?

Internal finance	
External finance	
Both internal and external finance	

Please indicate approximately your business growth of the last year, by marking an X on the most appropriate answers.

Indicators	**Increase**	**Decrease**	**Remain unchanged**	**Became smaller**	**Not applicable**
32.Net profit/ year					
33.Total amount of sale/ month					
34. Equipment/ Assets					
35. Number of customers					
36. Number of employees					
37. Growth in market share					

THANK YOU FOR YOUR TIME.