



**FACTORS AFFECTING GROWTH OF SMALL EMERGING FUNERAL
PARLOURS IN SOUTH AFRICA.**

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Declaration

I, **Sicelo Nabile**, hereby declare that the dissertation entitled “*Factors affecting growth of Small emerging funeral parlours in South Africa*” is the result of my own investigation and research:

- I. This dissertation has not been submitted for any degree or examination at any other University or Tertiary Institution.

- II. This dissertation does not contain another person’s data, pictures, graphs or other information unless specifically acknowledged and referenced as being sourced from other researchers. Where other written sources have been quoted, then:
 - a) Their words have been rewritten but the general information attributed to them has been referenced; and

 - b) Where their exact words have been used, their writing has been placed inside quotation marks and referenced.

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Abstract

While the understanding of the small business sector in general is important to devise strategies for growth of the sector in South Africa, the evidence about the funeral parlour industry is particularly scarce. The aim of this study was to explore and examine factors that affect the growth of small emerging funeral parlours in South Africa.

This was a qualitative study using an interpretive approach. Individual and focus group discussions were key in providing rich information. The sample group included directors or owners of small to medium funeral businesses from four selected provinces in South Africa.

The findings from this study have shown a number of internal and external factors that contribute to the growth stagnation of small emerging funeral parlours in South Africa. The internal factors included limited or lack of managerial, marketing and financial skills. In addition, lack of financial support makes it difficult for small emerging funeral businesses to grow. Mistrust of small emerging funeral parlours by the communities was also among the contributing factors to the growth stagnation of small funeral businesses.

With respect to external factors, it was evident that government does not recognise funeral parlours the same as any other small business, thus making it difficult for small funeral businesses to benefit from any assistance from the government.

In line with the above findings, there is a need for small emerging funeral parlours to reflect on ways through which skills in management and financial and marketing skills can be acquired. In addition, the quest to build credibility in communities where these funeral parlours operate is of paramount importance if these businesses are to succeed. Furthermore, it is important that more workshops be carried out in order to equip funeral parlours owners with a deeper knowledge of the regulations that govern small businesses and funeral businesses in particular. While it appears to be a challenge for small businesses to register due to the higher costs involved, it is important for funeral parlour associations together with the government structure concerned to find way through which this challenge can be resolved. There is also a need for government structures to come up with a clear legislative framework that can assist small emerging funeral parlours in South Africa.

Abbreviations

BBBEE.....Broad-Based Black Economic
Empowerment

CPC.....Chinese Communist Party

SME..... Small Medium Enterprises'

USA.....United States of America

UK.....United Kingdom

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Chapter One: Introduction

1.1. Introduction

In recent years, South Africa has witnessed an ever-growing level of small businesses mainly owned by people from previously disadvantaged groups. Funeral parlours, traditionally considered as dominated by historically privileged groups, mostly Whites, have seen an increase in the number of people from historically disadvantaged groups entering the business. This increase is evident in townships, cities and rural areas (Spies, 2018).

Today the business of funeral parlours is becoming an area of contest between already established businesses and those that are emerging mainly from black communities (Spies, 2018). It is worth noting that the increase in funeral parlours, like any other business, is a response to the ever-growing level of unemployment mainly in townships and rural areas where economic activities remain limited. While there is evidence of an increase in the number of small emerging funeral parlours, there is an apparent stagnation in growth.

To this end, this study aims to explore and examine factors that affect the growth of small emerging businesses in South Africa.

1.2. Brief background information

A comprehensive definition of funeral parlours has not been developed, but according to Genesis Analytics (2005), “funeral parlours take a variety of institutional forms, and vary from informal one man operations to close corporations, to public companies, of which some are listed on the stock exchange. Parlours can be independent, associated with other parlours or insurers, or owned by formal insurers”. Genesis Analytics (2005) further points out that a funeral parlour’s primary role is to provide funeral services, although, due to the need for extending services, some funeral parlours incorporate other financial services such as legal and illegal insurance, credit, and savings in the form of pre-paid funerals. Funeral parlours are characterized for being more flexible than financial services providers, for instance, due to their close relationship with clients, mostly built on a community-based reputation and trust.

In South Africa, it is difficult to state the exact number of available funeral parlours due to the lack of regulatory enforcement. Estimates however point to the existence of around 3000 to 5000 operators hailing from “informal ‘suitcase’ operators” to branches of large funeral parlour groups, with extensive financial services to cover funeral costs (Goldstone, 2005).

Funeral parlours are categorised as small-scale businesses. A small-scale business entity is perceived to be a business whose actions and operations involve a smaller number of workers and whose volumes of sales are lower. Most of these entities are privately owned. Njiro, Mazwai and Urban (2010:8) define small business as ‘a separate entity or organisation, whether or not incorporated or registered under any law, which consists mainly of a person(s) carrying on small business concerns in any economic sector (2010:8). Ligthelm (2006), cited in Njiro et al (2010:9), points out that in the case of South Africa small-scale businesses contribute 25% of the total employment while being responsible for 5 to 6 percent of total domestic product. It is important to note that most small-scale businesses are primarily entrenched in the informal sector found in the main cities and townships are owned mainly by blacks, men and women, and are currently unable to take advantage of the opportunities available in the broader economy (Seda, 2007).

In South Africa, the history of burial societies places their origin in late nineteenth and early twentieth century. The need for burial societies was a result of families from rural communities needing to collect funds to transport a family member, mostly an urban migrant, back home for a proper burial. There were huge financial outlays in order to become a member of a burial society, meaning that to join a burial society involved costs, but those who had joined were exempted from paying higher costs to have a funeral for their loved ones and have them transported home when death occurred (Thomson and Posel, 2001: 2-4).

While funeral societies have a long history in South Africa, there are no definitive statistics on the total number of burial societies, the size of their membership, or their annual income within South Africa. This suggests that burial societies in South Africa are understudied. As far as the current researcher can ascertain, the only studies on burial societies are studies conducted in 2001 and 2004. Thomson and Posel (2001:59) stated that there might be more than three million members, with several

million more dependents who are designated beneficiaries of burial society members. Thomson and Posel (2001:59) state further than the annual contributions are estimated at between R1 billion and R2 billion. Bester, Chamberlain, Hawthorne, Malherbe, and Walker.(2004:16) place the number of burial societies in South Africa at between 80000 to 100000 with a membership of around 6.2 million and contributions amounting to approximately R4.5 billion.

Like any other small businesses, survival of funeral parlours depends on trust among burial society members. Most burial societies that have survived did so because of trust amongst community members and the distrust community members may have towards the more formal burial institutions. Thomson and Posel (2001:32) implicate the apartheid government as being responsible for this feeling of not trusting formal institutions. The absence of trust among formal institutions, which originated from the apartheid era led to people from previously disadvantaged groups seizing the opportunity to establish numerous funeral parlour businesses across South Africa.

However, the question that remains, and which this study is trying to answer, is to explore and understand why growth amongst small emerging funeral parlours in South Africa remains stagnant. As clearly indicated by Van Scheers (2010) in her study on 'Small Medium Enterprises' (SMEs)' marketing skills challenges in South Africa, it is evident that small emerging businesses are faced with numerous challenges and small emerging funeral parlour businesses being part are not spared.

1.3. Problem Statement

There is a substantial increase in the number of small emerging funeral parlour businesses in South Africa; mainly from previously disadvantaged communities (Spies, 2018). While the increase in the number of small emerging funeral parlours is clear, there are many reasons to believe that their growth remains stagnant. As part of small businesses in South Africa, funeral parlours are not immune to the lack of financial support, managerial, marketing and financial skills.

A study conducted by (Van Scheers, 2010) concluded that a lack of marketing, managerial and financial skills has a negative impact on the success of small businesses. The conclusion was that a positive correlation between lack of marketing, managerial and financial skills and business failure exists in South Africa. While this

picture provides a broad understanding of small businesses there are no studies that have been conducted to understand the state of small emerging funeral parlours in South Africa. The contribution of this study is that it has unpacked factors that affect the growth of small emerging funeral parlours in South Africa.

The findings from this study will bring to light factors responsible for growth stagnation of small emerging funeral parlours in South Africa. The findings from this study will serve as basis for policy change toward small businesses and funeral parlours in particular. The findings from this study will also provide up to date information and literature on the funeral parlour industry in South Africa and the challenges faced.

1.4. Research aim

This research investigates factors that contribute to growth stagnation of small emerging funeral parlour in South Africa.

1.5. Research Questions

In order to achieve the objectives of this study, the following questions are important and need to be answered;

1. What is the current state of small funeral parlour businesses in South Africa?
2. What extent is the growth of small emerging parlours in South Africa?
3. What are the prospects and challenges faced by small emerging parlours in South Africa?
4. Is there any relationship between managerial, marketing and financial skills and the growth stagnation of small emerging funeral parlours in South Africa?
5. Are there any interventions in addressing growth stagnation of small emerging funeral parlours in South Africa?

1.6. Theoretical Framework

Every scientific discourse is articulated around theories formulated in explaining, predicting, and understanding a given phenomenon within the limits of critical bounding assumptions. This means that a theoretical framework is the structure to

hold or support a theory of a research study. It introduces and describes the theories that explain why the research problem under study exists (Swanson, 2013).

In order to explain slow growth of small emerging funeral parlours in South Africa, this study will make use of a stage model in explaining such a process. Stage models suggest that a small firm moves from one stage to another in pursuit of growth (Scott, 1971).

Scott (1971) argues that there are five stages that small business has to pass through to mature. He illustrates that small businesses move from stage 1, which is the inception through to stage 5, which is maturity. Barriers that prevent small businesses from growing include the quality and nature of the management, motivation, resources, marketing opportunities, and structure.

A stage model is critical to this study, as it will help one to understand the factors that are hindering the growth of small funeral parlours in South Africa. The stage model will help provide an understanding of at what stage of development and growth the small funeral parlour is, and what the factors leading to growth stagnation are.

1.7. Research Design

The nature of this study was qualitative using an interpretative approach. Central to the qualitative interpretative approach is allowing the researcher to capture fully the experiences of those who participate in the research process. According to Ulin, Robinson, Tolley & McNeill (2002), qualitative research using an interpretive approach allows the researcher to capture a complete picture of the research problem and a full understanding of the lived experiences and various of views of participants' responses from their own context and experiences. In this context, qualitative research bases its findings on subjective understanding and this includes understanding attitudes, feelings and variations and the meaning attached to such variations of feelings and attitudes (Ulin, Robinson, Tolley & McNeill, 2002).

As a qualitative study, this study was concerned with exploring and examining the subjective understanding of those with first-hand experience. Participants spoke about their own experience and their own context with regards to factors that affect the

growth of small emerging funeral parlours in South Africa. The participants were those with first-hand experience and understanding of the industry and therefore this research hoped to examine an in-depth understanding of the research problem from these participants.

1.8. Definition of key concepts

Funeral parlours

According to Oxford Dictionary, funeral parlour definition is a place where a dead person is prepared to be buried or burned, and where relatives and friends can see the body

Growth

Growth is the increase in the inflation-adjusted market value of the goods and services. Many theoretical and empirical analyses of growth attribute a major role to a country's level of human capital, defined as the skills

Stagnation

Stagnation is a prolonged period of slow economic growth

Small business

Small businesses are privately owned corporations, partnerships, or sole proprietorships. The legal definition of "small business" varies by country and by industry.

1.9. Study structure

Chapter One: General introduction

Chapter two: Review of literature

Chapter Three: Research methodology

Chapter Four: Data analysis

Chapter Five: Conclusions and recommendations

Chapter Two: Literature Review

2.1. Introduction

The aim of this study is to explore the current state of small funeral parlours in South Africa, the extent of growth of small emerging funeral parlours in South Africa, the prospects and challenges faced by small emerging parlours in South Africa, and to assess whether there is a relationship between managerial, marketing and financial skills in the growth stagnation of small emerging small funeral parlours in South Africa. This chapter, reviews the existing literature in the field of funeral parlour businesses, learning from the historical context of the industry how it emerged and the broad debate around it. Literature on the current and historical state of funeral parlours in South Africa is discussed in more detail. There are many reasons to believe that funeral parlours form part of small scale businesses and therefore, in this context, funeral parlours are discussed as small businesses in South Africa.

2.2. Understanding funeral parlour industry

The history of funeral services¹ can be traced back to ancient Egypt as Egyptian societies were already making use of the science of preservation.

In countries like Australia, funeral services can be traced back to 1800s (Van der Laan, 2017). During that period, there was high mortality of infants and the Christian religion had a major influence on the rituals of death at the time in Australia. However, by the 20th century infant mortality declined, and, at that time, Christianity was also in decline, hence evidencing change in Christian practices. Between 1971 and 2001, the proportion of Australians identifying themselves with Christianity declined substantially from 86% to 68% (Van de Laan, 2017).

In the USA, funeral services only became institutionalized around the 20th century. Before, death rituals were simple and were performed by the deceased's close family assisted by neighbours (Earle, 2008; cited in Beard and Burger, 2017:48). Burials were

¹ Information on funeral services was accessed from https://en.wikipedia.org/wiki/Funeral_home /May 18, 2018.

done on family properties. The need for a structured funeral industry in America was in response to high population density in families and communities. At the early stages of formal funeral services, funeral arrangements were made by undertakers through their furniture making craft as the art of building caskets was an extension to their work. Funeral brokers in the US introduced embalming during the civil war, as a way to preserve the bodies of dead soldiers to be sent home. Undertaking was transformed into a formal profession due to the evolution and specialization in embalming. The development of funeral services was accompanied by the evolution in coffin and casket production. Around 1950, 50 percent of manufactured caskets were cloth-covered wood or cardboard and were manufactured by 700 American companies. The introduction of metal caskets entailed the introduction of sophisticated and highly industrialized production processes (Beard and Burger, 2017). Thus, the development of the casket industry was in parallel with the establishment of funeral agencies and public cemeteries instead of family cemeteries. Around 1990, metal caskets attracted 60 percent of the American population with two casket makers being responsible for 60 percent of the caskets produced in America².

The change in burial practices in America can be related to a number of factors such as the industrial revolution through technological and scientific innovation (Harris, 2007), changes driven by the civil war (Newman, 1997), the American society's economic growth enhance by the desire to display wealth (Harris, 2007), and the shift in perception of death (Blauner, 1996). The change in funeral practices towards modern practices entailed, for example, removing the body from the hospital, embalming, and other rituals such as casketing of the body, viewing, and the actual burial in a cemetery (Beard and Burger, 2017:48). By the 1970s, there was an introduction of new services and methods of disposal based on the clients' requests.

In China between 1840 and 1970, Shanghai's funeral industry went through moments of glory and hardship due to three events that marked its history, namely, the period of foreign concessions, the Maoist era, and the events behind the Cultural Revolution.

² Information on the USA's funeral services was accessed from: <https://www.funeralwise.com/learn/industry/> / May 18, 2018.

Around the 19th century, Shanghai was a major industrial centre due to its strategic location, right at the edge of Asia's longest river. The presence of bodies around the city was the cause for concern. Benevolent societies sponsored by local dignitaries were responsible for the collection and burial of these bodies in public cemeteries. These institutions operated as support structures of the local government. They supplied funeral services such as coffins and burial services in cemeteries within their jurisdiction. Besides collecting the dead, benevolent organisations protected children and the elderly, provided emergency services, food and assistance in hospitals and schools (Dubach: 2012:74). Community residents grouped together by religion or geographical origin also carried out burial services. For instance, in 1862 a cemetery was built by the Jewish community and in 1873 another cemetery was built by the Japanese, followed by British in 1863, and the French in 1905 (2014:75). Residents from Ningbo town opened their own cemetery in Shanghai, rendering burial services to its natives. In some occasions, they ensured that deceased bodies were returned to their native locations.

However, the establishment of the first funeral business service in China can be attributed to the British and Americans, since the British had won the opium wars against China. Following the signing of the Nanking Treaty, the British built a private cemetery for foreigners in 1844. In 1897, the first private commercial crematorium was built approximately the Jingan Temple. Around 1909, Chinese businessmen embarked on the burial industry with the establishment of the first Chinese commercial cemetery called 'Wanguo Gongmu,' whose services were opened to any nationality and which became famous for keeping the remains of Song Qingling, the 'mother of modern China' (Dubach: 2014:74). The year 1924 marked the establishment of Wanguo Funeral Parlour, Shanghai's first commercial funeral parlour was set up by an American businessperson and it made use of a French built autopsy machine. Funeral ceremonies were foreign practices because, among Chinese traditions, funerals were thus far only done at the home of the family of the dead. In case of a funeral at the family home, death was reported through displaying funeral objects outside the deceased's house. Funeral parlours in China emerged following the influence of the funeral services provided by foreign funeral directors. Around 1930, Chinese funeral parlours had mastered American corpse techniques, and in 1938 their

funeral services were crucial following the Sino-Japanese war which had 60 000 casualties (Scott, 2007).

With the change of regime in China in 1949, the Chinese Communist Party (CPC) refrained from the funeral practices inherited from the west as they clashed with communist principles. These principles were such that 'each individual is responsible for his own fate' (Dubach, 2014:76). Dubach (2014) further argued that one should recall that funerals in China were costly, particularly for wealthy families as they invested in extravagant funeral spectacles. The new regime was interested in stopping the high excess in raw material used in the manufacturing of coffins such as wood and metals, and the massive amount land used for graveyards in the cities. The government adopted cremation as a more sustainable funeral system. This strategy became more effective following the CPC imposition of reforms on Chinese funeral schemes in 1954, which required that funerals take place in public funeral areas, for example, binyinguan, following traditional practices. These impositions were effective in urban areas. During the Maoist regime, and through the land collectivization act, cemeteries in cities like Shanghai were turned into farming sites for pigs, sheep, poultry, fish, cereals and vegetables, while funeral parlours were instructed to pay attention to the living instead of the dead (Scott, 2007).

During the Cultural Revolution in China 1966 funeral services declined as the young Red Guards, under Mao Zedong, were in a campaign to restrain the government from traditional values drawn from Chinese culture. Their fight was focused on eradicating what was referred to as the "Four Olds" – old customs, old culture, old habits, old ideas, and funeral services were one of the most targeted. The binyinguan were forced to close down. Two crematoriums were the sole cremation entities at a time where an estimated 5000 people were killed during the 1968 Shanghai Cultural Revolution. In 1978, Deng Xiaoping took on the head of the CPC central committee and gave signs for the reinstating of the funeral industry despite the still prevailing customs instilled by Mao. Shanghai's funeral entrepreneurs revitalized the olden days of glory in funeral practices (Hill & Maxwell. 1992).

Traditionally the Lao-Cambodian migrant community based in the USA performed funerals, burials and cremations right after a person's death. The funeral logistics were carried out by the deceased's family and its community. The casket was communally prepared and it was kept at the deceased's house before the service (Phay, 2013:51). In some instances, caskets were made prior to someone's death and they would be kept in a temple. The elders in cemeteries located in the forest did burials and cremations. While in America these practices shifted, funeral services were attended widely except by pregnant women. Mourners wore black and the deceased's close family wore white. The funeral proceedings took place either in the mortuary or at the temple.

In the UK, the occupation of the undertaker first emerged in the seventeenth century as a supplier of coffins, funerary paraphernalia and the means of transport to the place of burial. However, as the disposal of the dead has gradually increased in complexity, the work and role of the undertaker has mirrored this change by beginning to include care for the body and provision of the place of repose in the interval between death and the funeral. This responsibility for the custody of and access to the dead has also presented the opportunity to carry out embalming. Other developments have also affected the role, such as changes to the production of coffins and the shift to motorised transport. These factors, together with the issue of succession for family funeral businesses, have coincided with the growth through acquisition of the large organisation. Managing funerals on a centralised basis where all capital-intensive resources are organised in a single location enables operational efficiencies to be achieved through the control of high fixed overheads. Despite this structural change, the independent/family owned business continues to dominate funeral service in the UK in terms of market share (Brian, 2018).

2.4. Funeral parlour industry in South Africa

“Funeral parlours take a variety of institutional forms and vary from informal one man operations, close corporations to public companies, of which some are listed on the stock exchange. Funeral parlours can be independent; associated, insurers, or owned by formal insurers” (Genesis Analytics, 2005). A funeral parlours' primary role is to provide funeral services, including providing financial services in form of insurance,

credit and savings in the form of pre-paid funerals. In this case, funeral parlours are characterized as flexible entities. For instance, funeral service providers, due to their close relationship with clients, are mostly built on a community-based reputation and trust. The work of funeral parlours has evolved to include transport, catering, administration, and so on. At the advent of death, a funeral parlour's task will entail taking care of the body and the relevant paperwork necessary for the funeral service. Funeral parlours can be distinguished from burial societies in the sense that they provide mostly non-financial services, are not membership governed, their services are profit-orientated, and offer funeral cover to a broader scheme of clients. They also take varied institutional forms (Genesis Analytics, 2005).

In South Africa, history places the origin of burial societies at the late 19th and early 20th century. Burial societies emerged from rural communities as result of their need to collect funds to transport family members, mostly urban migrants, back home for a proper burial. In order to become member, there were numerous financial outlays. Joining burial societies was costly and those who had joined were exempted from paying high costs to transport their loved ones home to have a decent burial (Thomson and Posel, 2001: 2-4).

Among the major concerns and obstacles faced by burial societies, included are cases of individuals who acquire membership “when they find out they are sick, mismanagement of the funds gathered or abuse of those funds (including theft), fraudulent claims by members” (Thomson and Posel, 2001:14-16) just mention a few. Other major concerns and obstacles faced by burial societies include major members who ‘join only when they find out they are sick’, mismanagement of the funds gathered or abuse of those funds including theft, and fraudulent claims by members’ (Thomson and Posel, 2001:14-16; 23).

While funeral societies have a long history in South Africa, there are no precise statistics on the total number of burial societies, their membership, or their annual income within South Africa. This might be due to the sector being highly informal with

undertakers not being required to register with the relevant industry bodies (African Business Report, 2016³). Informal operators raise funds through stokvels.

The lack of accurate statistics is an indication that burial societies are understudied. The existing studies in the field of burial societies that have existed in South Africa can be dated from 2001 and 2004. This shows that while the funeral industry has existed for a long time across the world, in South Africa it has received little attention. Thomson and Posel (2001:59) estimates that burial societies in South Africa could have more than three million members, with several million more dependents who are designated beneficiaries of burial society members. It is estimated that the annual contributions of members to burial societies between R1 billion and R2 billion (Thomson and Posel (2001:59). In recent years there has been a significant increase in the membership of burial societies. Bester *et al* (2004: 16) place the number of burial societies in South Africa at between 80000 to 100000 with a membership of around 6.2 million and contributions of approximately R4.5 billion. Role players in the funeral industry serve less than 4% of the domestic market (African Business Report, 2016).

2.5. Prospects and challenges of Small Medium Micro Enterprises in South Africa

Small Medium Micro Enterprises (SMMEs) can be traced back to 1658 through the entrepreneurial actions of the so called 'Free Blacks,' a group of free slaves who lived at the Cape of Good Hope and played a crucial role as tailors, shoemakers, masons, builders, saddlers, hawkers of fruit and vegetables, and whole range of other small-scale activities (Müller, 1990:3-5). Transactional disputes between blacks and whites at the Cape colony was behind the cross-frontier trade which was later legalized around 1824⁴ (Ferreira, 2007:28). Around 19th Black farming evolved from being focused to subsistence to be a market-oriented activity through the introduction of plough. Customary laws were slightly abandoned and modern commercially oriented

³ African Business Report accessed from:

<https://www.whoownswhom.co.za/store/info/3252?segment=Community+and+Personal+services> / May 21, 2018.

⁴ Thesis pdf: <http://uir.unisa.ac.za/bitstream/handle/10500/1925/thesis.pdf;sequence=1>

transactions were grounded among the Cape colony Black farming communities in 1865. At some point in history the decline of Black farming was described as a major tragedy for the economy of South Africa (Müller, 1990; cited in Ferreira, 2007). White farmers had to import their workforce from China and India while in the same context the colonial regime passed laws restricting Blacks from land ownership. Black initiated private schools taught by whites. These schools aimed at equipping Black pupils with the necessary skills for them to become business owners instead of becoming employees.

In modern days, small businesses can be viewed as the foundation of South Africa's economy due to their power to create jobs, contribute millions in tax revenue and as the incubators for innovative ideas⁵.

Mpahlwa (2006) and Sanchez (2008) suggested that the following set of obstacles imposed by the apartheid regime impeded the development of black small owned businesses in South Africa: i) discriminatory policies that limited the access to capital, education, and restricted basic social and economic rights to blacks; ii) the Bantu education system which restricted the opportunity for blacks to acquire technical and professional skills and entrepreneurial education; iii) segregated residential areas through the Group Areas Act which contributed to the loss of large capital intended to install black owned enterprises; iv) the segregated aspect of residential areas made it costly and risky to conduct business; v) blacks were restricted from moving beyond their homelands to network or take part in business apprenticeships or partnerships with established non-black entrepreneurs; vi) limited property ownership rights for blacks restricted their ability to acquire assets that would be used as liability towards finance loans; and, vii) women were prevented from taking part in business activities as discriminatory marriage laws removed their contractual power (Mazwai & Njiro, 2010:7).

Although in a process of reform, micro and small businesses in South Africa during apartheid were reluctant to use the issue of formalization to maximize on legal,

⁵ The State of South African Small Business in 2017 Report retrieved from: : <https://www.xero.com/content/dam/xero/pdf/xero-south-africa-state-of-small-business-2017.pdf> / 2018-03-16.

financial and marketing benefits (Zinnes, 2009; cited in Mazwai & Njiro, 2010:7). The concept of entrepreneurship had a pejorative connotation in the townships as young entrepreneurs were seen as a future threat to the socialist ideology which the struggle was hoping to achieve.

There is no agreed definition of SMMEs, despite the sectors' social and economic relevance. Based on assets, turnover and number of employees, the National Small Business Act (Act 26 of 2003) sets this sector in 5 distinct categories, namely: 1) An informal business comprising survivalist enterprises focused on pre-entrepreneurial activities. This category includes hawkers, vendors and subsistence farmers and unemployed people (Ntsika, 2001:13). Their assets are minimal with incomes sitting below poverty (Morris & Zahra, 2000:95); 2) Micro businesses characterized by informalities, for example not registered and hence not paying taxes. These enterprises operate under limited capital with rudimentary technical and business skills. They employ less than 5 employees with a turnover below the value-added tax (VAT) registration limit (Tustin, 2010:10); 3) Very small businesses run by self-employed people employing a limited number of employees, not more than 10 paid staff. The mining and electricity and construction industries are exceptions to this sector as their staff reaches 20 employees, operating under formal market legal frameworks with access to advanced technology (Ntsika, 2001:13); 4) Small businesses as more complex organisations functioning from business areas or industrial sites, tax-registered and employing up to 50 people (Njiro, Mazwai & Boris, 2010). These forms of businesses are more established and grounded in complex business practices; and lastly 5) Medium enterprises which entail organisations employing between 100 and 200 staff, mostly in the mining, electricity, manufacturing and construction sectors. Their annual turnover is between R6 million and R250 million. Organisations in this category usually decentralise power to an additional managerial layer (Njiro, Mazwai & Boris, 2010).

Small businesses in South Africa contribute to 25% of the total employment and are responsible for between 5 to 6 percent of total gross domestic product (Ligthelm 2006; cited in Mazwai & Njiro, 2010:9). Between 1994 and 2006 2.5 million small businesses were recorded in South Africa accounting for a 6.5 per cent growth (Seda, 2007).

A large number of small scale businesses are confined mostly to the informal sector found in the main cities and townships and are owned mainly by blacks, men and women, and are currently unable to take advantage of the opportunities available in the broader economy (Seda, 2007).

The introduction of Broad-Based Black Economic Empowerment (BBBEE) policies by the post-apartheid South African government has brought forward new transformative policies of the economic sector aiming to transfer economic ownership to all South Africans, mostly underprivileged black citizens. In that regard, the state made available administrative logistics such as procurement, licensing and financial support to catalyse small medium businesses as part of the implementation of the BBBEE policies (Esther & Mazwai, 2010:9). That said, today's small businesses still struggle to cope with the growth importance of technology and hence fail to incorporate valuable tools while recognising market-changing trends (The State of South African Small Business, 2017). The South African small business sector was affected by the country's political and economic instabilities. 68% of businesses pointed to economic volatility as the major challenge with cash flow and competition retaining 23% of the sector's challenges. Lack of support from the government in terms of funding, tax, skills shortage, access to finance, future sales, breaks, staff skills, crime and so on are some of the critical barriers for the growth of small businesses.

The report further points that state should increase its support in terms of mentorship, less red tape, improved mechanisms for finance, streamlined processes, more information for start-ups and so on. The small business scene is positive of a brighter future with 45 percent growth in a company's capacity with 40 percent betting for company's stabilization. There is also a prospect of improvement in products, operational tools, and marketing capacities with some 36 percent businesses ready to invest in marketing, 23 percent will dedicate their investment to equipment, and 22 percent prompt to invest on product development.

Despite the economic turmoil and future uncertainty in South African, it can be said that Small Businesses are presenting signs of growth in confidence, optimism and competence with expressed awareness in technological developments and so on (The State of South African Small Business, 2017:9). The future development of SMMEs relies on businesses' attitudes towards described challenges.

2.6. Funeral parlour as small scale business

A small scale business entity is a business that operates with a limited number of workers and in which volumes of sales are lower. Most of these entities are privately owned. Njiro et al (2010) define small business as “a separate entity or organisation whether or not incorporated or registered under any law, which consists mainly of a person(s) carrying on small business concerns in any economic sector” (Njiro et al, 2010:8). Ligthelm (2006) asserts that in South Africa small scale business contribute 25 percent of the total employment while being “responsible for 5 to 6 percent of total gross domestic product” (Ligthelm cited in Njiro, 2010:9). With an increase in migration of people moving from rural to urban areas, most of the 25 percent of businesses in informal sector are found in urban areas, that is, in the main cities and metropol, and are owned mainly by black men and women, and are currently unable to take advantages of the opportunities available in the broader economy (Seda, 2007). This means that despite progress made in the majority of the population entering the business market they have not been able to break the circle of poverty and perform the business at its best. This may be attributed to many factors including the lack of a business culture, lack of skills and lack of financial support (Seda, 2007)

Like any other business, the survival of funeral parlour relies on the issue of trust among burial society members. Most burial societies have survived through trust they have developed amongst community members, and the communities’ distrust towards more formalized institutions. Thomson and Posel (2001: 32) cite the apartheid government as being a culprit for this feeling. To this end, there are many reasons to believe that people from previously disadvantaged groups have seized this opportunity and established numerous funeral parlour businesses across South Africa. However, the question that remains unanswered and which this study is trying to answer is to explore and understand why growth amongst small emerging funeral parlours in South Africa remains stagnant.

2.7. Prospects and challenges for funeral parlours in South Africa

The South African funeral industry is profitable as funeral ceremonies have become elaborate events entailing a vast range of services (The Business of funerals⁶). Hence, the unregulated character of practitioners and unethical practices within the sector has been a cause for concern due to their negative impact on the interests and rights of customers and legislators (Cornelius Van der Waal, 2016⁷).

In an attempt to comprehend change and practices in the funeral industry, Mitford (2000) suggests that unethical practices are, on one hand, profit seeking while, on the other hand, practices change in order to meet culturally-based needs and to meet clients' desires (Mitford, 2000; Crabtree, 2010; Laderman, 2003; Sanders, 2009). Therefore, he argues that a more inclusive approach to understand change and practices should be one that captures the complexities of this sector in overlap with business practices, cultural change, technological developments, and consumer demand, as these variables have worked to shape, shift and mould the funeral parlour industry in contexts such as America and other societies (2017:48). What is the prospect of South Africa?

Funeral parlours in South Africa are relatively unregulated and comprise a small number of national funeral service providers that are registered with government; operating in the formal sector, and many unregulated small local funeral service providers, mostly playing a crucial role within communities (The Business of funerals). Funeral parlours therefore can be grouped in two categories: those which offer funeral services and also provide financial services, and those that do not deal with financial services such as suitcase and full-service parlours (Genesis, 2005:23). In general terms, the services of a funeral parlour in SA will entail the preparation, storage and the burial of the body.

In terms of regulation, the health system in South Africa currently emphasizes the regulation of mortuaries instead of the services around funerals due to the difficulty in

⁶ Information accessed from <http://www.brainstormmag.co.za/trends/10828-the-business-of-funerals> /May 21, 2018.

⁷ Article retrieved from: <https://www.howwemadeitinafrica.com/south-africas-funeral-insurance-industry-growing-rapidly/56290/> / May 21, 2018.

describing what the concept 'funeral parlour' entails (Genesis, 2005:23). In some instances, some funeral parlours make use of leased mortuaries from state or privately owned mortuaries. The lack of a comprehensive description of funeral parlours has challenged the enforcement of health and financial regulations, hence giving room for the establishment of illegal operators (Genesis, 2005:23). To address the irregular aspect of this industry, the government has embarked on a campaign of formalizing key players operating informally as a way to promote good business practices in the sector while ensuring that the interests of consumers are protected.

2.8. Model governing this study

There are five distinctive stages prescribed by Scott (1971) through which every small business passes through. The process is widely likened to the product lifecycle (Scott & Bruce, 1987). This implies that like products, businesses do not move through the cycle at the same speed. However, unlike most products businesses often stay in the same stage for a considerable period of time. Scott (1971) presents the 5 stages through which small businesses grow. These are namely Stage 1: Inception, Stage 2: Survival, Stage 3: Growth, Stage 4: Expansion and Stage 5: Maturity. Each stage has different characteristics and the transition from one stage to the next is usually accompanied by a crisis which is either external or internal to the firm.

Stage 1: Inception

The first stage through which small firms grow is known as inception. In most cases, the basic features and reasons for starting the business vary though in all cases the major values that drives the firm are those of the founder(s) (Scott & Bruce, 1987). The basic skills of the founder determine the functional emphasis and management is by direct supervision. During the expansion process of the business, the financing emphasis swings to working capital (Muhos, 2015). This stage is also largely associated with bank overdrafts and short-term loans. This is largely because the owners of the firm will be striving to establish themselves and their entity. It has also been found that sources of funds at this stage are largely haphazard and they place

heavy demands on the founder, his partners, friends and relatives. Of particular importance is the fact that this stage has a high level of uncertainty such that the level of forward planning is immensely low. Also, the product line is usually single or immensely limited.

Stage 2: Survival

The second stage of the growth of a business is called survival stage. In this stage, the company is potentially a workable business entity because it would have passed the initiation stage. During the expansion process that happens in stage two, the financing emphasis will swing to working capital. The owner and his personal sources of financing continue to bear the brunt. However, there is a high likelihood of the use of creditor financing in the event that the firm has established credibility with its suppliers.

Stage 3-Growth

Stage three is most often associated with profitability. At this stage the firm is ploughed back into the business to help finance the increased working capital demands. More time is spent on co-ordinating the efforts of the functional managers in the firm. This implies that the organisation becomes more formal and structures are based on functional lines (Muhos, 2015). In that regard, normal accounting systems will be effected. Numerous considerations such as the nature of the product will result in the firm having to embark on formal research and development to expand the product range. In the event that management adapts to the changing environment the firm continues in this stage for quite some time. It is also a normal scenario that in this stage owners are tempted to sell the business before they even get to stage four and the business is sold at a substantial capital gain. In the event that the growth gets out of hand and the firm falls into the trap of overtrading it is likely to find its resources overstretched. Further, liquidity can be a major challenge and despite the acceptance of its products in the market-place the firm can fold.

Stage 4-Expansion

Stage four is an advanced stage in the growth of a small firm. The basic features of this stage include budgetary control, regular management reports and decentralized authority that is accompanied by formalized accounting systems which are the order of the day. In this stage there is also need to systemize most administrative functions which is fundamental to survival. Scott & Bruce (1987) assert that just like in the growth stage long-term funds are necessary and if further equity partners are not introduced in that stage they will almost certainly have to be sought immediately. It is also believed that retained earnings are a major form of finance though dividends that are meant to sweeten new investors become virtually inevitable. Furthermore, in this stage the company is likely to continue operating successfully on this scale depending upon the competitive environment. In the event that the industry is growing, opportunities will arise to sell out and take what could be a substantial capital gain.

Stage 5-Maturity

The last stage that small business pass through to mature is a stage known as Maturity. Most companies in this stage begin to transform from being a small business to becoming a gig establish entity. However, the key issues facing management are challenges such as expense control, productivity and finding growth opportunities (Muhos, 2015). The lines of authority are most likely to continue along functional lines or be reorganized along product lines. In this stage, major investments find their way in to the marketing effort and plant upgrading and maintenance.

Barriers that prevent small businesses from growing

There are numerous barriers that prevent small businesses from growing. These include lack of sufficient capital, management and proper skills to deliver the objectives of the company. Some of the challenges are noticed in stage four where it is established that company politics are likely to become a major issue for the first time. It is important to note that if the firm is not well managed it may drop back to the growth stage or even disappear completely if growth is out of control.

2.9. Conclusion

This chapter reviewed the existing literature in the field of funeral parlour business learning from the historical context of the industry how it emerged and the broad debate around it. Literature on the current and historical state of funeral parlours in South Africa was discussed in more detail. There are many reasons to believe that funeral parlours form part of small scale business. and therefore in this context the funeral parlour was described as a small business in South Africa. The literature has revealed that the funeral parlour business has a long history and has been part of human society for a very long time/ It has however been shaped and reshaped by different factors including the change in social, economic and political culture. On the other hand and in the context of South Africa, it was revealed that the funeral parlour has historical value as well, however the unique feature is that the funeral parlour industry was dominated largely by a white minority and the majority of citizens were not part of the industry and were only consumers. In addition, funeral parlours as businesses are faced with different challenges just like any other small business in South Africa.

Chapter Three: Research Methodology

3.1. Introduction

The aim of this study was to explore the current state of the small funeral parlour business in South Africa, the extent of growth of small emerging funeral parlours in South Africa, the prospects and challenges faced by small emerging parlours in South Africa, and to assess whether there is a relationship between managerial, marketing and financial skills in the growth stagnation of small emerging small funeral parlours in South Africa. In order to achieve the above objectives, this study used a qualitative approach. This chapter provides the methodological foundation on which this study is built and it comprises the research design underpinning the study, the research approach, the study site, the target population, sampling strategies, the study sample size, data collection methods, data analysis, and ethical considerations.

3.2. Research Design

The nature of this study was qualitative using an interpretative approach. Central to the qualitative interpretative approach is allowing the researcher to capture fully the experiences of those who participate in the research process. According to Ulin, Robinson, Tolley & McNeill (2002), qualitative research using an interpretive approach allows the researcher to capture a complete picture of the research problem and a full understanding of the lived experiences and various of views of participants' responses from their own context and experiences. In this context, qualitative research bases its findings on subjective understanding and this includes understanding attitudes, feelings and variations and the meaning attached to such variations of feelings and attitudes (Ulin, Robinson, Tolley & McNeill, 2002).

As a qualitative study, this study was concerned with exploring and examining the subjective understanding of those with first-hand experience. Participants spoke about their own experience and their own context with regards to factors that affect the growth of small emerging funeral parlours in South Africa. The participants were those with first-hand experience and understanding of the industry and therefore this research hoped to examine an in-depth understanding of the research problem from these participants.

3.3. Research Approach

The approach of this study was interpretivism, built on humanistic qualitative methods. Proponents of the interpretative paradigm such as Creswell (2003), Yanow & Schwartz-Shea (2011), and Cohen & Manion (1994) argue that interpretivist researchers are more interested in understanding the world of human experience. This means that interpretivists are more concerned with discovering reality from a participant's experience and own background.

As in most qualitative studies, the aim of this study was not only to investigate in some depth the responses to factors affecting growth of small emerging funeral parlour in South Africa, but also to elicit what Geertz (1973) referred to as "thick descriptions" of actions and events in individuals' lives. In this context the description of experiences and actions undertaken by those in the funeral industry are critical in understanding the factors affecting the growth of small emerging funeral parlour businesses in South Africa.

In line with the above philosophical foundation, the aim of this study was to explore and analyse the experience and perceptions of the participants in depth with regard to factors affecting the growth of small emerging funeral parlours in South Africa. It was expected that the views and responses provided by the participants would be based on their subjective reality and understanding of the issues under the investigation.

There are many reasons to believe that the funeral industry is among the most contested forms of small emerging industry where those from previously disadvantaged groups are emerging. The fact that white people historically dominated this industry. With historical experience and understanding, it was worth investigating and understand the challenges faced by the industry from the perspective of emerging funeral parlours through their subjective understanding.

3.4. Study Site

There has been a growing number of small emerging funeral parlours across South Africa in all nine provinces. Given that it was difficult to conduct a study in all nine provinces, it was convenient for the researcher to select some provinces, and these included KwaZulu-Natal, Eastern Cape, Gauteng, Northern Cape, and North West. Potential participants were identified through the existing database of the Small

Emerging Funeral Parlours Association. In order to minimize time and travel logistics, participants were approached and invited to meet in Durban. Both the focus groups and individual interviews were conducted at a Hotel in the inner city of Durban.

3.5. Target Population

A target population is a set of units from which the sample to be included in a study would be drawn (Creswell, 2009). The target population consisted of all small funeral parlour owners from KwaZulu-Natal, Eastern Cape, Gauteng and North West. While small funeral parlour businesses have a large number of owners, using small samples is the norm in qualitative research. This enabled the researcher to gain a deeper understanding of participants' experience and to develop a thick, rich description of that experience.

3.6. Sampling Strategies

In this study, the judgment sampling method was used. According to Babbie and Mouton (2004), judgment sampling looks at the nature of the research and its objectives to determine the appropriate sampling strategy. This means that the sampling method enables the researcher to use his or her own judgment. The researcher being part owner of a small emerging funeral parlour business could use his experience and understanding with respect to the topic under the investigation. Having a good knowledge in the industry, the researcher was able to select relevant individuals in the industry to enable answering of the research questions. The Funeral Parlour Association helped in identifying funeral parlours in South Africa. While it was not possible to conduct interviews with all the funeral parlours in South Africa, a few funeral parlours were selected and invited to participate in the study.

3.7. Study sample and size

Fifteen voluntary interviews with small funeral parlour owners from KwaZulu-Natal, Eastern Cape, Gauteng province, and North West were conducted. There were five participants from KwaZulu-Natal Province, four from Eastern Cape, three from Gauteng and three from North West Province. In order to collect further data, there were two focus group discussions, one with a group of seven people and another with eight people. In addition, in order to gain a deeper understanding of the problem under investigation, the researcher found it important to conduct individual interviews. Such

small studies enabled the researcher to gain a deeper understanding of participant experiences and to develop a thick, rich description of that experience. The questions were designed to avoid making the interviewee unwilling or uncomfortable. This created an atmosphere that allowed them to speak freely.

3.8. Data Collection Method

Data were collected using in-depth individual interviews and focus group discussions. There were two focus group discussions. One group had seven participants and another one had eight participants. Individual interviews were conducted with five volunteers from those who participated in focus group discussions. The aim of combining focus group discussions and individual interviews was to triangulate the responses from both focus groups and individual interviews in order to gain more understanding on how one social issues can be interpreted from a different perspective by the same individual. In addition, it was important to validate the views collected during focus group discussions and see whether there were similarities in the respondents' views. Using information gained from individual interviews and focus group discussions helped the researcher to gain a deeper understanding of the problem and enabled the analysis to capture a full picture of the research problem. The researcher used tape recordings to capture the full discussion during the interviews. As Denzin & Lincoln (2005) indicated, a focus group discussion gives formal or informal examples of the everyday experiences of a particular community or a group of individuals as well as providing direct access to "inter-subjective experience, reflecting the social realities of a particular cultural group, and understanding attitudes and opinions regarding various social issues" (McLafferty, 2004). In the context of this study, the focus groups provided worthwhile information of the lived experiences of the participants. Through the exchange of knowledge and experience, the researcher obtained rich information which allowed him to see the broader picture of the research problem and how all players in the process shared it.

In addition, individual interviews were conducted with those who the researcher believed had rich information, mainly funeral parlour owners. These individuals were selected because of their potential to provide necessary information that was relevant to this study (Bouma, 1996). Busha and Harter (1980, p. 56) argued that in the process of sampling, the "population can be very large or very small, depending upon the size

of the group of persons or objects about which the researcher plans to make inferences". Individual interviews allowed individuals to respond on their own terms. In in-depth semi-structured interviews, questions are normally specified, but the interviewer is free to probe beyond the answers to seek clarification and elaboration. "These types of interviews are said to allow people to answer more on their own terms than the standardized interview permits, but still provide a greater structure for comparability over that of the focused interview" (May, 2001, p. 123).

3.9. Data quality control

Data have been kept in a safe place since the completion of the research project. Where data have been manually recorded, all scripts and transcripts are being kept in safe place, accessible only to the researcher and the supervisor.

3.10. Measurements

A pre-structured interview schedule was made available for participants to answer (see appendix 1). Open-ended questions were given to the participants and covered their knowledge and understanding with regard to factors that affect the growth of small funeral parlours in South Africa.

3.11. Data analysis

The interpretative approach was used to determine the opinions or experiences of the participants. In analyzing the collected data, the researcher referred to the research question and carried out data analysis according to the five guidelines by Terre Blanche, Durrheim, and Painter (2006). First, narratives or descriptive accounts were constructed from the information gathered from the interviews. Secondly, categories were created around themes and patterns developed from the data gathered. Thirdly, relationships between the categories were logically analyzed and correlated. Fourthly, a hypothesis was proposed. Fifth, validation of data was accomplished through consideration of rival hypotheses, negative cases, and preservation of data.

3.12. Ethical considerations and confidentiality

The researcher needed to anticipate any ethical issues, which could arise during the qualitative research process (Creswell, 2009). This research involved collecting data from people, about people (Punch, 2005). The researcher needed to protect his

research participants by developing trust with them, promoting the integrity of the research, guiding against misconduct and any impropriety that might reflect on their organisations or institutions and cope with new challenging problems (Creswell, 2009). It was also important for the researcher to respect the rights of the participants as sensitive information might be extracted from the interviews. Lastly, since the findings of the study would be in the public domain, the protection of the reputation of the participants was important. Ethical clearance to conduct the research was obtained from the University of KwaZulu-Natal (see appendix B).

3.13. Summary

This chapter provided the methodological foundation on which this study was built. It described the qualitative approach and how this was to be applied in the form of focus groups and individual interviews with participants from small emerging funeral business in South Africa.

Chapter Four: Data Presentation and Analysis

4.1. Introduction

The aim of this study was to investigate the factors that contribute to the growth stagnation of small emerging funeral parlours in South Africa. In order to gain an in-depth understanding of factors that contribute to growth stagnation of small emerging funeral parlours, interviews were conducted with fifteen individuals in the industry, mainly directors of funeral parlours across South Africa. Central to the questions was the need to unpack the current state of small emerging funeral parlours in South Africa, the extent to which the growth of small emerging parlours is measured in South Africa, prospects and challenges faced by the industry, the existing managerial, marketing and financial skills, and how these hamper or facilitate the growth of small emerging funeral parlours in South Africa. In addition, intervention measures by government in assisting small emerging funeral parlours is discussed in more detail.

This chapter, begins by providing the demographic information of participants, including the gender of participant, position held in the organisation, duration in the business, managerial, financial skills and marketing skills held by the participant. Furthermore, demographic information of participants is followed by the analysis of participants' responses with regard to their knowledge of the funeral industry, what they do in their day-to-day business, their understanding of the current state of small emerging funeral parlours in South Africa, the nature and extent to which of small emerging funeral business is measured, and the prospects and challenges faced by small emerging funeral parlours are explored and analysed.

Factors such as managerial, marketing and financial skills and how these may hamper or facilitate growth of small emerging funeral parlours is discussed in detail. Government interventions in assisting small emerging funeral parlours and its effectiveness is discussed as well. Due confidentiality and anonymity, the names of the province from which each participant came was used to represent participants. As indicated earlier on in chapter four, focus group discussions and individual interviews formed part of data collection in this study and for the sake of data validity it was worth triangulating responses from focus group discussions and individual interviews.

4.2. Demographic information of participants

Table 1. Gender of participants

Gender	Number
Male	9
Female	6
Total	15

There were nine men and six women who participated in this study. The study focused on selecting participants from each region based on their availability. There are many reasons to believe that despite the fact that gender was not one of the criteria in the selection, men are still dominating the industry. This shows that like in any other small businesses in developing country like in South Africa, there are fewer women involved. In addition, the history of funeral industry historically is male-dominated. In this study, there were nine males representing 60% of participants and six females representing 40%.

4.3. Position held in the organisation by participant

Key to this study was to identify individuals with rich knowledge of the funeral industry with a particular focus on small emerging funeral parlours in South Africa. To this end, directors who are also the founders of companies forming the funeral industry took part in the interviews.

Table 2: Duration in funeral industry

Duration	Number
Between 1-5 years	5
Between 5-10 years	9
10 years and above	1
Total	15

All 15 respondents were directors of funeral companies. The researcher was interested in understanding how participants came into the position that they currently held in the organisation and there were two common responses. Some of the

respondents indicated that they had started the companies as result of the need for employment and as part of an entrepreneurship initiative. Other participants indicated that they had been working in the industry for a long period and had taken over an established funeral business.

Examining the duration of participant in funeral business, the findings showed that the majority of the participants, nine (60%) had been in business between 5 to 10 years. This was followed by five (33%) of those who had been in business for between 1 and 5 years. Only one (7%) had been in the business for more than ten years.

4.4. Participant managerial, financial and marketing skills

Examining whether participants had managerial skills, the findings showed that out of 15 participants only two possessed managerial skills. In this context, it is evident that there is serious shortage of managerial skills among small emerging funeral parlours in South Africa. In addition, examining how many among participants had financial skills, none happened to have these skills. Furthermore, only one of the 15 participants had marketing skills. A statement from individual interview reads as follows:

There is serious skills shortage in this industry. We do not have any skills. No management skills, no financial skills and marketing skills. Maybe if we can get some training on these skills, maybe our business will improve. (A participant from Eastern Cape).

This means that the lack of or shortage of managerial skills among participants and specifically in small emerging funeral parlours is of real concern. The impact of lack of skills and how this is hampering the progress of small emerging funeral parlours will be discussed later.

4.5. Participant understanding of the funeral parlour business

Central to the above question was to understand whether participants had a common understanding of the funeral business. The findings demonstrated that all participants shared the same understanding of the business. Central to the common understanding was policies in form of funeral insurance, and conducting burials. While all participants agreed that selling policies and conducting burials was common to all participants, the way these were performed seemed to be different from one funeral company to the

next. This difference was a result of the strategy used by participants to attract and retain clients. The statements below are extracts from the respondents:

My business is about conducting the funerals and selling policies for the people so that at the end of the day it can be easy to them to make their burials. Because you cannot keep the money at home, I am putting this money away so that when I die this money can conduct my funeral. But I'm trying to make some policies for the community ..., some are pensioners and others are not working. So I'm trying to make affordable premiums for the community most of the time and trying to offer some services that can be interesting to my clients. We do such as making some decorations for the funerals, decorating the tents and the grave, and try to supply affordable coffins and caskets, because some cannot afford the casket, they can only afford to buy a coffin. At the same time, it comes to the extent that some people have no money to pay for the funeral now. Then it makes you arrange a part payment programme so that they can bury their loved one. We are trying to serve the community. (A participant from KwaZulu-Natal).

In addition, while participants believed that their activities were to generate income and create employment, most of them viewed their activities as a way of helping the community. They agreed that their burial service is affordable, and, given the economic circumstances of the majority of their clients, they were given an affordable price so every member of the community would be able to pay. In addition, the findings showed that in most instances the elderly were not covered by established funeral parlours, therefore these small emerging funeral parlours took the opportunity to cover everyone in the community despite their age.

In my business I think it will be similar to what my sister has been said, because we are selling policies to the community. Therefore, there are benefits they will be getting when it is time for them to get those benefits. This means after they have died, in other words. We have various categories to accommodate everyone, because they are not at the same level. Therefore, it is important to cater for all of them, whoever wants to come and join and is able to do so. Therefore, we have designed these

categories for the customers. We also have customer meetings because we have to interact with customers if maybe we would have some changes in the policies or in the premiums, we have to go to them and make them aware. We also just go to get their feelings about how we run the business, also if they are satisfied about our services. That is all we do because it's very important for us to do that. (A participant from Gauteng).

4.6. Current state of small funeral parlours in South Africa

Examining the current state of small emerging funeral parlour in South Africa, the findings have shown that while some progress have been made, there are still numerous challenges faced by small emerging funeral parlours in South Africa. The challenges include the lack of financial support, lack of community support and legislative process that are believed to hamper the progress of small emerging funeral parlours in South Africa.

With regard to financial constraints, all participants agreed that they have problems with accessing credit from the bank as well as any other form of support from the government. It is clear that most of the participants started funeral businesses with funds they had saved. In addition, participants expressed concern about community mistrust. Examining what participants referred to as mistrust, the response was that most of clients in the areas see small emerging funeral parlours as not having the capacity to conduct funerals, and, most importantly, the community had more trust of those already established funeral parlours. In support of the above the statement reads:

I have to note that another common factor here when you are starting the business in the area where you live in, where you have grown up, is your neighbours, they won't take you seriously because they know you. You see, they don't have that trust in you, and besides having the trust in your business, there is jealousy. You can't have everything in one day, we have to know that there is no house which is built in one day. However, if you start business you have to start from somewhere and then be in the next place thereafter. Now, if they don't support you as the families, neighbours and friends in your business, who will support

you? But once you are starting the business or you have started the business they reject you. How are you going to be somewhere if you don't get support from them? I mean within the community around where you are staying. (A participant from Eastern Cape).

Furthermore, the participants had seen the bureaucratic process as hindrance to the progress of small emerging funeral parlours. It is worth noting that while small funeral parlours are considered to be small businesses, they are however constrained by rules governing their services, for instance, small emerging funeral parlours are required by law to underwrite their services. This means that in order for a small funeral company to operate, it must have insurance with an already established insurance company. This means that in case of death this established company will be responsible for paying cover. While this move seemed to be detested by all participants, their main concern was that the bulk of premiums raised by small emerging funeral parlours had to go to those established insurance companies. The statement reads:

Now this underwriting thing on one hand it is good because it shows the customer that when there is a death in that family, you will be able to provide the service; you will be able to claim and give the benefits that you agreed upon with the customer. It is good, yes, it is good, but on the other hand this underwriting thing, if you are an emerging business, it takes the whole of the money, you left with nothing. By running the business, there are so many things you have to do including paying salaries, rentals, buying some vehicles, so that we can be able to operate perfectly – you need money to do all that. However, the question is: “Where will you get all that money?” While on the other side, you have to take this money to the insurance.... Okay, as it is now, there is this rule where we have to get the underwriters to underwrite us. The point is if maybe somewhere along the line there is something which may be we can have in our industry. For instance, if someone can finance the processes, therefore, one has to be allowed and you cannot just be allowed, there has to be rules to guide that programme. If you say, you can finance the funeral programmes, and then you can be exempted from being having the underwriter. It is important to note that we are not at the same level, there are those who are capable of paying customer

whatever they have to be paid without claiming from the insurance. So, if that person is able to do that, why can't they be given the opportunity? Maybe if they can consider that. Again, if I am just in the starting phase of my business, this is what you want to achieve at the end of the day. You want to get right with the underwriter and do the operations. (A participant from KwaZulu-Natal).

Examining the current legal state of small emerging funeral business in South Africa, mainly from the point of view of those who participated in this study, it was evident that most businesses operate without being registered. The researcher was interested in understanding why they could not register the business formally, and most of them cited tax as the reason. They argued that registering a funeral parlour company would result in a financial burden.

4.7. Growth of small emerging funeral parlours in South Africa

The aim of this question was to explore and examine participants' views on the growth of small emerging funeral parlours in South Africa. In response to this question, the findings from the interviews revealed that growth is moving at a very low level. This means that there is little progress in the growth of small emerging funeral businesses in South Africa. The findings have also demonstrated that funeral businesses are operated by number of people with no or little knowledge of the industry. This saturation has led to a situation where there is high competition among emerging small funeral parlours mainly from the previously disadvantaged group. The statement below illustrates the above discussion:

Bearing in mind that these industries are owned by black people and with the target of market from disadvantaged people. This business of funeral parlour, we noticed it every day that there is growth in numbers of funeral parlour; the growth is caused by the perception when people are coming from... or retiring from their professional works or other areas, and they think that in this industrial there is lots of money. Suddenly, their perception goes down. When someone comes into this business, he saw us coming, moving up and down on Saturdays and Sundays and everything. They think that we make money, which is not the case. We think we have to do proper market research in this type of

business. We are sure that if we treat this business in such way, they will be definitely benefits. If you come in from the department of Education when you retire and you put money of income interest, you think that in two, three months or four months or a year, you will double this amount, it does not go like that, unfortunately. The perception that people have about this business is that we make quick money, here we become a rich, rapidly. There is no market research about the business. There is no target market for those people starting the business and they are always focusing on competency (A participant from North West).

In addition, analysing the data, it was apparent that there is lack of knowledge of funeral industry. There is a common belief that the funeral industry is an easy place to make money without understanding the challenges associated with it and only after entering into it do the challenges emerge.

4.8. Strategies used to attract and deliver quality service to your clients

In response to the strategies used by participants in order to attract and deliver quality service, there were mixed responses. Some of respondents indicated that the emphasis is given to providing quality services to the clients. However, many obstacles were identified in delivering a quality service and attracting customers. Financial costs involved in delivering a quality service was one of the issues among participants. While their wish was to give a decent burial service to the client, the budget proved to be a constraint. This led to the situation where some funeral parlours made promises which they were unable to live up to. The following statement reads:

Yes, I said, I started in 2000, then 2003 and 2004 it was great, but after that it was bad. I have to pick up again in 2013. See the difference now, because I did not manage the business well. First, I just ran the business, when a person died and I got money, then put it in my pocket and fed my kids that is all. But since that you look at the competition, you will say, ok, other guys are doing this now, so ever since 2003 I decided, okay, let me get involved with the business and then buy the pamphlets and look at the other funerals and do something different. This time, I have to make sure that when I do the service, it sells itself and then helps my business. If you look the things that are killing us in

the business, for instance, if you promise the family that I am going to give you this and that... you have to make sure that you fulfil those promises. I see that some of the people are talking about the cows and all those things and you don't have to promise someone with something that you do not have. Again, in the policies I decided to do not even put money. To promise people to give them money because I do not have money. Mostly, we promise something we do not have and then at end of the day you do not fulfil what you promised the family. That is some of the things that are killing us because you promise big and then at the end of the day you are getting nothing. (A participant from KwaZulu-Natal).

On the other hand, some of participants indicated that in order to attract and provide quality service to the clients they improve marketing strategies and engage clients in the discussion. This means that funeral parlour owners find way of improving their pamphlets and including messages which resonate with the needs of the clients. In addition, consultation with clients remains key in attracting and maintaining those who have already subscribed. The statement bellow reads:

As I have mentioned earlier on, when dealing with customers, we will make sure that they must feel valued; they are loved and they are respected. The strategy that we use is to talk to the clients about whatever we feel will be helpful to them and us as well. If there is a misunderstanding with the customer, maybe he or she is disappointed or complaining about something. Then you have to try and identify the cause and explain politely what happened by giving the customer the reason, even if she or he is not satisfied by your answer. Maybe he or she didn't get what he or she wanted, but when a customer goes outside there, at least he or she will be defending us. It is not good to tell a customer that is wrong when he or she is complaining about something. We have to try and talk nicely, and then when customer goes she or he will say that it was professional even though I did not get what I want. This is the other way of attracting them with our image shown to them in our offices. Another thing we use to attract them is in the way we present ourselves to the clients when the customers are coming into the office,

they must feel that they are in the office, then the clients have to see us looking good and clean; the building is also well presented and again the building has good presented symbols of our business on the board so that when the people pass on the road they must feel the desire to come and see what is happening in the office. (A participant from Eastern Cape).

Meeting with the clients and explaining everything to them also proved to be an effective way of attracting more clients to the company. It is proven a way of maintaining those who already subscribe to the company. This method proved to be effective because it created a platform where owners of the business met and discussed critical issues. During these meetings was where clients expressed their concerns and owners were able to clarify.

4.9. Prospects and challenges faced by small emerging funeral parlours in South Africa

Central to this research was the need to explore and examine participants' understanding of opportunities and challenges faced by small emerging funeral business. In response to the above, it was clear that there were more challenges than opportunities. One of the major challenges was the lack of financial support. As discussed earlier on, owners of parlour businesses find it difficult to access loans due to the way the business is perceived by financial institutions. In support of this view the statement reads:

Some of the banks, even if you can give them the statement of six months, they are not even sure, so the banks don't trust us. Investors, I've never seen any investor looking at my door. I have been applying, they are not invested in this. When you look at business, it's exhausted because it has got many people that are joining this industry without even knowing what they are doing unfortunately. So we're not getting any investors, we are not popular to them and to the banks as well. There's no financial support for us. So it means this industry is not recognized as the business. So how can the investors come and invest into this business, while our black fellows don't trust this business? (A participant from KwaZulu-Natal).

In addition and as discussed earlier on, the community's mistrust is among challenges faced by small emerging funeral parlours in South Africa. Here mistrust is defined in line with consumer behaviour. It is argued that given that owners of funeral businesses has come from the same community, they are not given the same respect compared to those funeral parlours that are already established. To illustrate this position, the following statements from participants give a clear understanding of what mistrust means and how this affects funeral businesses, mainly small emerging funeral parlours in South Africa. The statement read:

That is what has been said before, we are these black people coming from disadvantaged areas and then we start businesses because we want to put food on our table as well and we are staying within those communities. That is where we stay. They see our day to day work, they see us coming, you know, so there are these big fish, if I may say, they are boasting about growth and development that they have in this industry now, you know, that makes us to be seen as people who are after money to benefit other than our clients, you know.

Secondly, our communities cannot trust us. If I'm funeral undertaker, you know, I don't have a car because I'm not financed; I don't have a proper office because I'm not financed; I don't have equipment sometimes because as I said before, if you can be treated as small businesses and not be given a chance to be small businesses by getting the support, you know. So, that is how our communities are not trusting us (A participant from Gauteng).

Furthermore, legislative process were identified to be among challenges faced by small emerging funeral parlours in South Africa. According to participants, there are numerous requirements and mostly the funeral parlour business is not considered as a small business like any other small business. As the statement bellow shows, it is apparent that small emerging funeral parlours face bureaucratic challenges. The statement reads:

When you go to the Department of Health, there is this problem of not having designation numbers. Some time ago it was 21st or 30th of

October, 2016 if I can remember well, we wrote the test and we passed that test and we had to get the designation number, but at the same Department of Home Affairs because it's a national issue, they did not give us this businesses designation number. There are those small businesses that belong to certain associations and they do give them that designation number. In South Africa, the government is just imposing laws that are forcing us to do whatever they like. They really do not care about the progress and the system to be followed in our business. So that is the main problem we are having in this industry. For us to grow in this, we have to seek information by ourselves; You have to go from point A to point B by yourself, organizing and checking what you can do. (A participant from North West).

While bureaucratic processes seemed to be among the challenges faced by small emerging funeral parlours in South Africa, internal issues within the industry also played a critical role. It was discovered that despite participants pointing fingers at the government for failing them, they also recognised that there are shortcomings on how owners of funeral businesses run the business. In support of the above statements a direct quote from one of the participants reads:

I see that some of the people are talking about the cows and all those things and you don't have to promise someone with something that you do not have. Again, in the policies I decided to do not even to put money or promise people to give them money because I do not have money. Mostly, we promise something we do not have and then at the end of the day you do not fulfil what you promise to the family. That is some of the things that are killing us. Our colleagues here said that at least we have those skills and other support, but now at the moment we are running with our heads only. The way we were taught, it's like I have to present myself in the office. That is the thing that is killing us. (A participant from Eastern Cape).

While there seemed to be more challenges, there were also promising prospects in the funeral parlour industry. It was apparent that despite the challenges faced by the small funeral parlour industry, owners continued to rely on it as source of income. This

is evident from the number of years that participants have been in this business and the resilience they have shown throughout.

4.10. Relationship between managerial, marketing and financial skills in the growth stagnation of small emerging funeral parlours in South Africa

The aim of this question was to explore and examine the relationship between managerial, marketing and financial skills and whether these contribute to the growth stagnation of small emerging funeral business in South Africa. Examining the findings from this study and as indicated earlier from the demographic information of the participants, it was evident that managerial, marketing and financial skills were lacking among participants. During the interviews, it was clear that out of 15 participants only two had managerial skills, no-one happened to have financial skills and only one had marketing skills. Considering the figure above, it is clear that managerial, marketing and financial skills pose a serious challenge to the growth of small emerging funeral parlours in South Africa. Furthermore, apart from the figures above, participants also expressed concern about the lack of managerial, marketing and financial skills. They all agreed that indeed lack of these skills impacted on the growth of small emerging funeral parlours in South Africa. In support of the above statements, a direct quote from one participant reads:

Yes, I just want to add that, if you got us, on your first question, about the skills. The lack of skills is another problem, because if you can look at our backgrounds, many of us, we're talking about where we coming from before we get into the business, we do not have skills, no managerial skills, no financial skills, and no marketing skills. This is one of the challenges we do have. The question we always had is how are we going to do this without skills? How are we going to make it without skills? You can't. (A respondent from North west)

4.11. Interventions in addressing growth stagnation of small emerging funeral parlours in South Africa

Government intervention in promoting and advancing small business remains one of the South African government's priorities. Examining whether there are any intervention programmes for small emerging funeral parlours in South Africa, the

findings have shown that there are no interventions, on the contrary, legislative processes make it difficult for the small emerging funeral parlour business. During the interviews it was apparent that funeral parlour business is not recognised in the same way as any other small business and does not receive any form of assistance from the government or any other sources. Instead of receiving the assistance, small emerging funeral businesses are compelled to pay tax and other related expenses. The statement reads:

Also the government's regulations in this industry puts us in a tight corner without even consulting the people in this business, without even knowing of what is happening in this business, they just push us into that corner by saying that go do this and that. They don't know how we strive. They do not know how did we started. They didn't know the motive of us being in this business. So I wish the government would consider us and understand that as much as we are in this business to make money, but also we are in this business to make sure that our families or the communities that we're serving are looking up to us, communities are dependent on us. If we can be given a chance by the government, I think we can do more. (A respondent from KwaZulu-Natal).

4.12. Suggestions made in order to address challenges faced by small emerging funeral parlours in South Africa

This question was important in exploring and evaluating participants' views with regard to solutions in addressing the challenges faced by small emerging funeral parlours in South Africa. In response to this question, there was a series of suggestions and among these were included self-reflective methods. It appeared that more internal problems need to be addressed. For instance, during the interviews almost all directors of companies indicated that they are not registered and therefore, during this reflective process, it emerged that and all participants agreed on that. They indicated that it was important that their business be registered. The statements read:

As much as we are faced with these challenges as we have mentioned earlier on, I think also we would need to do things right even if we don't do things right completely, but at least we need to try to do things right. For instance, we need to register our companies, as 'P' has said, even

if we go to the government, lodging a complaint. At least they have to find that we have tried to register our businesses. Another thing I have said earlier on, we don't have the training, and there are no workshops. The organizations like FSB and so forth, they need to come down to us. Why do they not come to us, address us, and make us aware that this is the way we should do things. (A participant from Gauteng).

Another statement from the next participant:

I think the narrative about where the FSP was was not really well understandable. Other people, like myself, I have been very vocal against anything that FSP has to do with me or black business and so forth, I and the other lady Mrs 'N', we went to FSP in Pretoria, and Mr 'S' the CEO, they are in effect painting us the same price with big guys such as ABSA and so forth, I mean this big insurances. You know, there was a good time, when there was an amendment to some documentation in the FSB, the advisor, he said, you know, you as the black undertakers, when there is amendment, you stay away, you don't command,; you don't bring your part. You'll find always the white people, where there is substance and an opportunity, they will come and put everything that will oppress you because you are not taking part in this. However, be part in whatever that is happening. He also proposed that if you wanted to be regulated the other way around, you should let all associations come together and come up with a strategy with the way you want things to be implemented, but that was impossible because of differences in the associations. But in reality, we need to comply with FSBs and all the parts. I met one of the ladies saying: "I understood with all of this FSBs, there are many opportunities that we are missing such as undertakers of funeral insurances." So yes, we need to have the FSP and so forth. (A participant from Gauteng).

In addition, there were issues of mistrust by the communities. This mistrust was a result of a combination of factors which included the limited capacity of small parlour businesses in accomplishing their mission to render effective services to the clients. It was apparent that most of the business had limited means, such as not having facilities

for storage of corpses, the appropriate cars used for burials etc. In this regard, participants suggested that if they could have assistance from the government by providing them with necessary means, mainly providing them with appropriate equipment, then their business would progress. In support of the above statement a direct quote from one the participants reads as follow:

If we can be assisted to buy storage and then everyone can have an access to that storage and then we have a document that was done according to your own storage, again you can have a designation that is a registration number for Home Affairs, with not using another person's designation number. If the government can have the space and open space and build for us this storage I think maybe we can make something like a rental to the government, it can be helpful for us and government as well. Thank you very much. (A participant from KwaZulu-Natal).

Furthermore, bureaucratic processes were identified as a hindrance to the progress of small emerging businesses in South Africa, and participants expressed the desire for some of some of these bureaucratic process to be lifted to allow smooth progress of the business. Issues of lack of or limited skills was at the heart of discussion and all participants agreed that indeed there was a need for skills, even funeral parlour businesses have to succeed. The statement reads:

Yes, I just want to add that, if you got us, on your first question, about the skills, the lack of skills is another problem, because if you can look at our backgrounds, many of us, we're talking where we coming from before we get into the business, we do not have skills, no managerial skills, no financial skills, no marketing skills (a respondent from Eastern Cape Province).

In brief, there was a combination of suggestions made by the participants and these involved self-reflective and external factors that need to be addressed if small emerging funeral parlour businesses are to be a success in South Africa.

4.13. Conclusion

The aims of this study were to investigate factors that contribute to the growth stagnation of small emerging funeral parlours in South Africa. In order to gain an in-depth understanding of factors that contribute to growth stagnation of small emerging funeral parlours, interviews were conducted among fifteen individuals in the industry, mainly directors of funeral parlour across South Africa. Several factors that contributed to the growth stagnation of small emerging business parlours included external and internal factors. Here internal factors included lack of or limited business skills among owners. This means that the majority of the participants did not have managerial, marketing and financial skills. In addition, there were also problems of limited or lack of finances and this caused serious problems for the growth of small businesses. Again, it was noticed that there was a limited understanding among funeral parlour owners on the legislative framework that governs the industry.

Combining the lack of managerial, financial and marketing skills, together with limited financial means and lack of a clear understanding of legislative process governing the industry, there was also an apparent lack of self-governing rules to the industry. It is worth noting that most business owners agreed that their business were not legally registered and therefore that caused problem for how they functioned.

Concerning external factors, the lack of government support has been identified among other factors that contribute to the growth stagnation of small emerging funeral parlours in South Africa. Instead of the government supporting small emerging funeral parlours, there are lot of regulations and rules, which are seen by funeral business owners as obstacles to growth.

Chapter Five: Conclusion and Recommendations.

5.1. Conclusion

This research investigated factors that contribute to the growth stagnation of small emerging funeral parlours in South Africa. In order to achieve the objectives, it was critical to unpack and understand the current state of small emerging funeral parlours in South Africa, the extent to which the growth of small emerging parlours is measured, and prospects and challenges faced by the industry, and, in addition, the existing managerial, marketing and financial skills and how these hamper or facilitate growth of small emerging funeral parlour in South Africa were examined.

The literature review provided an overview of the existing literature in the field of funeral parlour business learning from the historical context of the industry, how it emerged and the broad debate around it. Literature of the current and historical state of funeral parlour in South Africa was discussed in more detail. Examining the historical background of funeral industry the literature showed that funeral industry has existed for a very long period mainly in developed countries such as Australia and the UK. In South Africa, the funeral parlour business has a relatively long history, but the literature showed that it has not been recognised the same as any other small business and was considered a burial society. In addition, while funeral parlours are considered to be small businesses, they have not gained the same status and consideration as the funeral industry in developed countries. In addition, funeral parlour businesses were discussed in the context of small business and it was shown that despite it being considered to be a small business it has not been given same consideration as any other small business in South Africa.

This research looked at factors such as managerial, marketing and financial skills and how these may hamper or facilitate growth of small emerging funeral parlours were discussed in details. Government interventions in assisting small emerging funeral parlours and its effectiveness were discussed as well. The findings from this study have shown several factors that contribute to the growth stagnation of small emerging business parlours, and these include external and internal factors. Here internal factors include lack of or limited business skills among owners. This means the

majority of the participants had no managerial, marketing and financial skills. In addition, there were also problems with limited or lack of finances and this caused serious problems for the growth of small business. Again, it was noticed that there was a limited understanding among funeral parlour owners on the legislative framework that governs the industry.

Combining the lack of managerial, financial and marketing skills, together with limited financial means and lack of a clear understanding of legislative process governing the industry, there was also an apparent lack of self-governing rules to the industry. It is worth noting that most of business owners agreed that their businesses are not legally registered and that caused problems for how they functioned.

Focusing on external factors, the lack of government support was identified among other factors that contributed to the growth stagnation of small emerging funeral parlour in South Africa. Instead of government supporting small emerging funeral parlour, there are lot of regulations and rules, which are seen by funeral business owners as obstacles to growth.

5.2. Recommendations

As demonstrated throughout of this study, there are areas that need to be addressed if small emerging funeral parlours are to succeed. First, it has been seen that there are internal and external factors that hamper the progress of small emerging funeral parlours in South Africa. This means that internally funeral parlour businesses must formally registered and gain legal status so they can compete like any other business. Secondly, lack of skills is among the factors that hamper funeral businesses and therefore it is imperative for business owners to acquire formal managerial, marketing and financial skills if their funeral businesses are to prosper.

This will require self-directive strategy in addressing skills challenges. Importantly it was apparent that funeral parlours association plays an important role in organising and overseeing the activity of the association and its members, it worth for the association to organise ways through which its members can acquire needed skills.

There was also concern about the mistrust of funeral business by the communities where the business are operating. As seen earlier, it was apparent that business owners build expectations that they are not in position to deliver, and this puts them in

a situation where the community does not trust them. In this context, there is a need for a self-reflective process so that the business can gain the trust of the communities where they are operating.

In addition, it was evident that there were no marketing policies in the business and this hampered the progress of the business. It is important that businesses have a clear policy on marketing.

Regarding external factors, of priority is the absence of the government in assisting small emerging funeral businesses. Therefore, there is a need for business owners to bring the plight that small funeral businesses are experiencing to the attention of the government. This would be possible when small funeral business owners have a collective voice and are legally registered.

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Appendix 1: Ethical Clearance



04 September 2018

Mr Sicelo Nabile (2150001110)
School of Management, IT & Governance
Westville Campus

Dear Mr Nabile,

Protocol reference number: HSS/0629/018M

Project title: Factors affecting growth of small emerging funeral parlours in South Africa

Approval Notification – Expedited Application

In response to your application received 08 June 2018, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

.....
Professor Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Josue Mbonigaba
Cc Academic Leader Research: Professor Isabel Martins
Cc School Administrator: Ms Angela Pearce

Humanities & Social Sciences Research Ethics Committee

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Website: www.ukzn.ac.za



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Appendix 2: Informed consent

University of KwaZulu-Natal

Researcher: Sicelo Nabile/0734900191/Nabile@telkomsa.net

Supervisor: Dr Josue Mbonigaba/0312662503/Mbonigaba@ukzn.ac.za

Project Title: Factors affecting growth of small emerging funeral parlours in South Africa.

Information Sheet and Consent to Participate in Research

16 April 2018

Greetings

REQUEST TO PARTICIPATE IN A VOLUNTARY, CONFIDENTIAL RESEARCH PROJECT

I am a student in the School of Management, IT and Governance at the University of KwaZulu-Natal, doing research on factors affecting growth of small emerging funeral parlours in South Africa for my MCom qualification. You have been selected as a potential respondent for participation in a voluntary, anonymous survey that I am conducting. I would appreciate your participation and your permission to use your responses for official research purposes only. Your personal identity will be treated with the utmost confidentiality throughout the survey and will at no stage appear in print. The data will be stored securely throughout the study, archived safely for a period of 5 years and destroyed thereafter. If you have any queries or concerns about completing the questionnaire, or about participating in this study, feel free to contact me, or my supervisor at the numbers listed above.

If you are willing to participate, please sign the accompanying declaration of consent that gives me permission to use your responses, and thereafter please complete the accompanying questionnaire. It should take only about 15 minutes of your time to do so.

In the event of any problems or concerns/questions you may contact the researcher at 0734900191 or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban 4000 KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557- Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Researcher name and signature

Appendix 3: Declaration of Consent

University of KwaZulu-Natal

Researcher: Sicelo Nabile/0734900191/Nabile@telkomsa.net

Supervisor: Dr. Josue Mbonigaba/03126002503/Mbonigaba@ukzn.ac.za

Project Title: Factors affecting growth of small funeral parlours in South Africa

Declaration of Consent

I,..... have been informed about the study entitled Factors affecting growth of small funeral parlours in South Africa by Sicelo Nabile

I understand the purpose and procedures of the study.

I have been given an opportunity to ask questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher.

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview / focus group discussion YES / NO

Signature of Participant

Date

Appendix 4: Interview Schedule Questions

1.Name:.....

.....

2.Gender:.....

.....

3.Education level

.....

4.Duration in funeral

business.....

5.Location

.....

6.Do you have the following skills

Financial
Marketing
Managerial

7. Can you tell me more about your business?

8. What is the current state of small funeral parlours in South Africa?

9. To what extent is the growth of small emerging funeral parlours in South Africa?

10.Can you tell me how small parlour business is financed?

11.Do you or have you attended any training related to funeral parlour business?

12.What strategies do you use to attract and deliver quality service to your clients?

13.What are the prospects and challenges faced by small emerging funeral parlours in South Africa?

14. Is there any relationship between managerial, Marketing and financial skills in the growth stagnation of small emerging funeral parlours in South Africa?

15. Are there any interventions in addressing growth stagnation of small emerging funeral parlours in South Africa?

16. What suggestions can you make to address challenges faced by small emerging funeral parlours in South Africa

17. How this can be achieved?

18. Any comments?

Appendix 5: A sample of focus group discussion

Speaker: Managerial skills maybe to go under certain courses that train you to manage a business.

Q1: How many of you that have gone for trainings for managerial skills?

Participants' answer: 3

Speaker: Okay, thank you very much.

Q2: How many of you under gone into financial skills? Such as Bookkeeping and other financial skills?

Participants' answer: None

Q3: How many undergone marketing skills?

Participants' answer: One.

Speaker. Good. Thank you very much. Okay guys, we are going to the following question. I'm hoping that each and every one of us will have something to share with us. So the question I am asking here is that:

Q4: Can you tell us more about your business? So in your business, what do you do? Everyone can tell us about this or his/her own business. Can you give us more information? We all understand that, the funeral parlour or the industry people have different views and how the people interpret it is completely different. So from your point of view and on your own context, can you tell us about your business? What do you do? Let's start by Mama/ sister here.

PARTICIPANT ONE'S RESPONSE:

My business is about conducting the funerals and selling polices for the people so that at the end of the day it can be easy to them to make their burials. Because you can't keep the money at home, say that, I am putting this money and so that when I died, this money ca conduct my funeral. But I'm trying to make some polices so that for

those..., some are the pensioners and others are not working. So I'm trying to make an affordable premiums for the community most of the time and trying to offer some services that can be interesting to the person who is going to attend that funeral. We do such as making some decorations on my funerals; decorating the tents; the grave and try to supply the affordable coffins and caskets, because some cannot afford the casket, they can only afford to buy a coffin. At the same time it comes to an extent that that some people have got no money to pay the funeral now. Then it makes you to arrange a part payment program, so, that they can bury their loved one. We are trying to serve the community.

SPEAKER: Thank you very much. Any other person to share with us his/her own experiences on the business?

PARTICIPANT TWO'S RESPONSE "SISTER THEMBEKA"

In my business I think will be similar to what my sister has been said, because we are selling policies to the community. So there are benefits they will be getting when it's time for them to get those benefits. This means after they died in other words. We have got various categories to accommodate everyone, because they are not in the same level. So it's important to cater for all of them, whoever wants to come and join and is able to do so. Therefore, we have designed those categories for the customers. We also have customer meetings because we have to interact with customers if maybe we would have some changes in the policies, in the premiums, we have to go to them and make them aware that there would be these changes and also besides, we also just go to get their feeling about how do we run the business, how are we operating and are satisfied about our services? That all we do because it's very important for us to do that. Sometimes as we the owner of business, we are not directly interacting with them, we are not operating with them by going directly or physically to their funerals, something wrong may happen to their funerals and we would not be aware of that, then, we conduct customers meetings, so, that we can have an idea or a picture of what is going on and check in the meeting on what really happening in their funerals and what is the cause? After meeting we can be aware of all that and know where you can correct the wrong doings.

In the meetings, the customers, they really talk, whereby, they talk something you feel like you can just go under the table because you feel that is disgrace (I mean you didn't expect this, but they do talk and they genuinely) again, these customer meetings helped us a lot in shaping the way we do things. When, we running the business, it's not that you trying to get the revenue from it but in some stage you have to give back to the community, this means, we are also there for social programs whereby we are giving back to the community. As we are here, we may not have the information or may not be updated according the rules and regulations of how to conduct the business. But on the other hand, you see that there is this FSB thing, we have to comply with the FSB and now, as I'm speaking here, it's no longer FSB, it has changed now changed, you see...

However, I see the gap between the FSB and us, I think if maybe they will have some programs whereby they have meetings with us; trainings whereby they can tell us certain things, so that we can be able to comply. They may train us, so that whenever you are running the business, you can be sure that you are in the right track because if maybe you are not complying according to them, it's easy for them to come to your business the following day and tell you that you are not complying to our rules and regulations after they have trained you, then, they can close your business. But what they do, they just come and close your business without giving you a notice, or perhaps trained you on their rules and regulations. Therefore, may point here is that they have to close your business, if they have trained you on their rules and regulations, secondly, they send you a reminder that you have not comply to their rules and regulations and if not well done the following day they have to come and close it. In my view, I think this is one of the challenge which makes our business to do not grow. We do not have a big capital to start a big business, your business has been closed down, what else I can do, and you will just give up. Another thing as funeral undertakers, I don't think we really protected. We are really protected, because if you talk about the employees, they are certain organisations whereby if there are not happy or were not treated fairly by the employer, they go to CCMA and so forth. If you talk about the customers, there is ombudsman, where the customer send his/her complaint. Then, what about our businesses? What about our feelings, where sometimes we are not being treated well by the customers or the employee. Where do you go and complain? Who is protecting you, all that, you see....., so the customers

and the employees according to my understanding, I can say they do have many rights compared to us.

For instance, if maybe you didn't treat the customer fairly, the Ombudsman will listen to his story and we will try by all means that the customer at the end of the day must be satisfied. Then, what about us? If maybe this complaint, it's not a genuine, when you will come up raising that, they will say, no, this is not as he or she is complaining about. However, the actual truth here is, you will argue but they will be still on the customer's side, my question then, who is on your side as the funeral undertaker? You just resolve the matter by doing what there are saying or asking you to do not because I was wrong, no, but just for only making peace and move forward with your business. So now I don't think we do have some rights as the funeral undertakers. Also we have some issues whereby we have to be protected when it comes to that, but I don't see that. You see, there is this underwriting thing whereby we have to underwrite with the insurance companies, yes, we have to do their rules (I mean if you don't do that, you don't comply), Now this underwriting thing it is good because it shows that the customer, when there is a death in that family, you will be able to service; you will be able to claim and give the benefits that you agreed upon with the customer. It's good, yes, it's good, but this underwriting thing, if you are an emerging business, it takes the whole of money, you are left without nothing. By running the business, there are so many things includes there, whereby you have paying salaries; rentals; by some vehicles so that we can be able to operate perfectly; you need money to do all that. Then, the questions is: Where are you going to get that money? Whereas on the other side, you have to take this money to the insurance. Okay, us it is now, there is this rule where we have to get the underwriters to underwrite us. The point is, if maybe somewhere along the line there is something which may be we can have in our industry may say, if someone can the massive to finance the processes, therefore, one has to be allowed and you cannot just be allowed, there has to be to rules to guide that program. If you say, you can finance the funeral programs, then you can be exempted from being having the underwriter. We are not in the same level, there are those capable to pay customer whatever, they have to be paid without claiming form the insurance. So if that person is able to do that, why can't be given that opportunity? So maybe if they can consider that. Again, if, I'm just on the starting phase of my

business, this is what you want to achieve at the end of the day. You want to get right of the underwriter and do the operations.

Speaker: I want to clarify and any one can just give the answer, I am just following up on questions that the sisters just say, what their experiences and views they have given. One spoke about the change, the change that occurring overtime and after that you start by saying that you put the customers into different categories, those categories of customers that you say,

Q5: what are these categories? And what drives these categories? How you come in the conclusion that this person is in this category and other one is in the other category? What influence you and how you come to the conclusion?

PARTICIPANTS' RESPONSE

On categories:

Firstly, we just look about the Ages, secondly, we look on the categories of people such as:

1. There are people who paid their kids
2. They are people who are the pensioner
3. They are, those who are working for the government, therefore, the categories, are for their financial status.

Q6: There are other thing you have said about big changes, can you please, elaborate those changes happened in the industry?

Participant's response: What I have said earlier on is that, if maybe there will be a change in the premiums, you have to go to them and make them aware that the premiums increased starting from this day and we have to give them at least three months' notice so that they can adjust it themselves. Again, any changes even in the packages because you don't just stick to the same packages, you have to change according to what they need. Then, you have to check their packages according to their categories. Another thing, you have to check if their benefits are still relevant to them, if not, you will start losing the customers because the benefits are no longer

relevant to them, in other words are not satisfied by your services. Once you discovered that you have to go to them and try to explain the benefits to them, of course those benefits will go along with the premiums.

Speaker: Thank you very much.

Q7: You are saying that your customers are paying premiums, is there any formula in terms of calculating the premiums itself? How do you design these premiums for client? For instance how do you say, this is the premium for this R20, 000.

Participants' response on this question: I can just say most of the time, when you start this business of funeral parlour, you start by checking this thing of underwriting. So, most of the time your premiums are based on the premium that you are charged by the underwriter. Then you will check that if the underwriter say you pay R70 for this age, then, this seventh rand will take the premium payer, one dependent or two dependents, so you just make mark-up pays based on that premium. Therefore, there's no formula that guides that. If she is 65 years, she must pay this. If there are going to her/ him R20, 000, she must pay this.

Speaker: Other comments?

Yes, answer from other participant: to add to what she has said, we will have to make in the pamphlets all information and also in the package, so, that the people may like to work with you.

Q8: How do we design the mark up? Do we design the mark-up based on costs? Is there any plan of saying this is the mark-up that I will make?

I raised this question because one said, you also consider the competition, if your competitor they are charging lower premiums, you are forced..., if these guys that are touching the low premium, they didn't have the formula in charging less or lower premium?

To me that's the way I think it might be the factor that I want you to confirm, sometimes we do not calculate the premiums. You see what the competitors are doing and sometimes it is that determined by what the portion that is going to be paid to the insurance, but you don't quantify the costs when you are making the mark up because you can't just make the mark up. If the insurance says, I will charge you R30, you can't just make up and say it is R30, you have to quantify the cost. You have to see how much you will pay before you say this is the amount that will be a mark-up. That's why I was asking that question.

Speaker: that is very interesting question, any comment around that?

One participant's view on the above question: Yes, I just want to add that, if you got us, on your first question, about the skills, see the lack of skills is other program, because if you can look at our backgrounds, many of us, we're talking about where we coming from before we get into the business, we do not have no skills, no managerial skills, no financial skills, no marketing skills, and then how are you going to do this without skills? How are you going to make all these things without skills, you can't. It means that now, we have to look if do we get assistance maybe from the government or wherever because the premiums, they cannot be the same as the other people saying, because if I'm offering groceries, the others they are offering chickens, cows, sheep, and if now our competition is about, I don't want to lose customers, if she is charging R 100, I must charge R90 but I'm offering a cow; she is offering a chicken, where I'm going? This means I'm going down. So, this issue of skills is the problem.

Next participant's view on the above question:

Sometimes people offer something that they don't have, that is a problem. If you offer a cow and you don't have a cow that means you have to outsource the cow, buy it from somewhere and awfully expensive. Some people say, okay, I will offer meat rather than a cow itself but it depends on the area of location, you see, because other people you cannot say because people are paying a R100 and then it will go down R99 and so forth, but I think it's a marketing strategy when you compare the premium and so forth. Because it has been proven that the people who has tend to be insurance, undertakers as well, they are charging very small amount of money. If you say perhaps in my area, let's say a company called "DEAL" and then they just have all this bill R25

per R500, people may think about R50 25, but when they get in there they ended up taking R300 because it's not one person. They have to cover mums, in - laws and so forth. So that is part of marketing strategies that they use and then they attract more people, so, we must also have in mind.

Other participant's view on the question no 8:

You know, the think is: in this industry, we do not have stable mark-up plan, it not all about the people with lack of knowledge, lack of skills like managerial and so forth, with this mark-up plan we are talking about, in this industry, there is no actually transformation, like others have just said that we only do the mark up according to the area that we are in and we look again to the competitors. It is because there is no transformation on this industry that is why we don't have a stable mark up.

Comment

When was asking about Skills when we introduce ourselves, it was seen as if we have got two people with the managerial skills; one person from the marketing skills.

Q9: How do we market our business and why? What is importance seeing our marketing programs? Are we hiring? What is happening? Are we having those marketing programs? If we don't, how do we marketing our businesses?

One of the objective of this project, is to investigate the factors that are influencing the growth of business. We might think that, if we are not marketing our business we may not grow. Do you agree with me?

The question here is: if you don't have the skills, the marketing skills, you hire the people to assist in terms of designing your marketing programs or you don't have marketing programs? Now how to you deal with that?

Q10: when we were introducing ourselves, when we were talking about managerial skills, it seems that to people that I having those managerial skills.

- **How do we manage our businesses without managing our skills? Do we employ other people to manage our businesses? How do we manage it? We don't have managerial skills?**

One participant's response on the above question: most of the time we are using the people who have skills to do marketing. But unfortunately, most of the problem we are having into this industry, most of the 70% of the owners of this business are the beneficiaries of their businesses. So, that's why most of the owners, they don't have those skills.

Speaker: Okay. Thank you very much. Any other comments?

Next Participant: Yes, I said I started in 2000, then 2003 and 2004 it was great, but after that it was bad. I have to pick up again up again 2013 because I didn't manage well the business. First of all, I just run the business. When there is a person who died I will get money, then put in my pocket and feed my kids that is all. But since I started look at the competition, you will say, ok, other guys are doing this now, let me change and do it differently, so ever since 2003, now I decided, okay, let me get involved to the business and then buy the pamphlets and look at the other funerals and do things differently. This time, I have to make sure that when I do the service, it sells itself and then also help my business. If you look the things that are killing us in the business, for instance, if you promise the family that I'm going to give you this and make sure that you fulfil those promises. I see that some of the people are talking about the cows and all those things and you don't have to promise someone with something that you do not have. Again, in the policies I decided to do not even put money, promise people to give them money because I do not have money. Mostly, we promise something we do not have and then, end of the day to don't fulfil what you promise the family. That is some of the things that are killing us because you promise big and then at the end of the day you're getting nothing. Our colleagues here said that at least if we have those skills and those things, but now at the moment we are running with our heads and then running this thing. The way we were taught, it's like I have to present myself in the business. That is the thing that are killing us. At least what I'm doing now, I made sure to my pamphlets I put something I am doing and what I will offer to the family; secondly I make sure that I do something that other areas are not doing so that , so

that at least I can get more customers. If can tell you the truth, some of us, we learning from hand to mouth, that's the one thing that has happened.

Speaker: When we're talking about skills, I was worried when we were looking on the finance skills, everything is about finance, and we don't have finance skills.

Q11: How are going to plan on finances without the skills? This means how I'm going to put money, if you are putting that money, it will grow your business. How am I going to think and things like that if you don't have to finance? How we can talk about growth. If there's no finance? I think you will not be able to know where to put more money so that your business can grow, are you clear with me, you have said that there is no one with finance skills. How are you planning your finances issue? How we can think and talk about growth if there is no finance skills?

Participant: I think this thing of financial skills, and so forth. Perhaps, when the question says, do you have financial skills, people think that, if they have gone to school, to the university to study finance skills and so forth, no, it doesn't even mean that, it means that whoever pays in your office, whatever you get, and then whatever you buy and keep the slips, and you have all the recording of what you are doing. At the end of the day, you take money to the bank and save and all that. That is what we are talking about. So I think we do have that skills.

Next participant: what we are talking is like, you know how to drive the vehicle, but you don't have the license. So for you not to have the qualification, it doesn't mean you cannot be able to run the business. You understand fully, what is it that you need to do, it is just that you don't have the qualification, you don't have the certificate that says now you are qualified, and you're having this qualification. So, with this skills its basically it's about that. If you look around, you can see that they are some businesses whereby the owners, the Directors of those businesses, they are just like you, they don't have these qualifications on paper, but they are run their businesses perfectly and successfully. I think it has to be in our mind-set that this is how you should do things. If shouldn't do it or you are unable or something that you don't understand or you just stuck somehow then you can get assistance. If we have associations of people who are doing the funerals and we get chance to meet and discussed what is on

agenda of our meeting. We also get chance to networking and discuss our challenges we facing in this industry and learn from each other on how handling those challenges and issues we are facing in our businesses. This also it the other way helped us a lots.

Q12. What is the state of small funeral parlour in South Africa? In general, what are your views?

Participant 'response: Bearing in mind that, these industries is owned by black people and with the target of market from disadvantaged people. We noticed it every day that there's growth in numbers of funeral parlour, the growth is caused by the perception when people are coming from... or retiring from their professional works or other areas, they think that in this industrial there's lots of money. Suddenly, their perception goes down. When someone comes into this business, he saw us coming, moving up and down on Saturdays and Sundays and everything, think that we make money, which is not the case. We think we have to do proper market research in this type of business. We are sure that if we treat this business in such way, they will be definitely benefits. If you come in from the department of Education when you retire and you put money of income interest with some money, you think that in two, three months or four months or a year, you will double this amount, it does not go like that, unfortunately. The perception that people have about this business, we would make quick money here we become, we become, we become a rich, rapidly. There's no market research about the business. There's no target market for those people starting the business and they're always focusing on competency.

As my colleagues were saying here, I look MBASA next to me and Say Mbasas is collecting a premium of R90. So I must go down without knowing exactly the call of this amount of that he was charging.

Again, the statement is caused by when, I'm looking at things. The black owned funeral industry is also neglected by the government. We are not taking care of. At the end of the day, we see ourselves being undermined by our communities. I will say this loud and clear that we don't have skills in this industry. If you don't have your education from your background. I am saying this, because we will always be behind our people. So, I wish there was a way that we are recognized as small businesses first because that's where we supposed to start from. If we can get recognized that we are indeed small businesses and in and offered the trainings. If we can have sittings like this, every day, I think our businesses will grow. Which is why when I am answering your

question. I would say in this situation, the motive of people coming into this business is only the perception. People doesn't know anything about this industry, so they come here with the hope of getting whatever they want to get or to benefit without looking at the surroundings or the factors that can affect their business. When it started already, you know, so I, I would say in that case, if we don't get help and knowing why we are here in this business, we will fail every day.

Also the government's regulations in this industry puts us in a tight corner without even consulting the people in this business, without even knowing of what is happening in this business, they just push in that corner by saying that go do this and that. They don't know how we strive. They do not know how did we started. They didn't know the motive of us being in this business. So, I wish the government would consider us and understand that as much as we are in this business to make money, but also we are in this business to make sure that our families or the communities that we're serving are looking into us, communities dependent on us. If we can be given a chance by the government, I think we can do that. Okay. You very much

Next participant's view on the above question:

The problem that we're facing in South Africa of the small funeral parlour: 1. is the regulations this country. Whenever you go, whoever you meet, you will never be called by the government to sit down with a new imaging businesses to establish and to tell whether they expected from us. You talk for the business that started in 2004 and talk about the business that started into 2016 we are equally regulated and there is no gap to teach emerging businesses. So it means you will have to move from point A to Point B struggling by yourself, we are not equipped by anyone. Let's look at it, joining this industry. It means you're going to have massive competition in terms of clients because whenever you start a business or start looking at the market, what are market and that are well established businesses outside and you are joining them in this industry and whenever you open a new business (a funeral parlour) even a single one is appreciating that because you're taking away their business, but if you have a clear vision and the mission of your business, you sit down in the plan it by yourself from there as we are equally regulated, you have the problem of the Department of Labour to try to establish your own business. They coming into our business when you are

away or you're not there. They ask questions from your staff, how much money do they pay? What comes first in this business, is the collection of premiums and to pay the underwriter, so that anyone that belongs to you, it's safe at any time. If there is any that occurrence, it means you will be able to do the funeral for that particular family. But now, if the Department of Labour is changing the main problem, the main issue of funeral industry and making the main issue of funeral industry your labour, because they don't know what are the terms and conditions between you and your employees, they simple, come up and tell you what to pay and what to do for them without coming to you and giving assistance.

2. When you go to Department of Health, there is this problem of not having issue of designation numbers. Sometime ago it was 21st or 30th of October, 2016 we wrote the test and we pass that test and we have to get the designation number, but in the same department of home affairs because it's a national issue, they did not give us this businesses designation numbers, there are those small businesses that belongs to certain associations and they do give them that designation numbers. In South Africa, the government is just imposing laws that are forcing us to do whatever they like. They really don't care about the progress and the system to be followed in our business. So that is the main problem we are having in this industry. For us to grow in this, we have to seek information by yourself; You have to go from point A to point B by yourself; organizing and check in what you can do.

Q13. Can you tell us how do you finance your business? Do you get loans or support somewhere? Or self-funded business?

Participant' responses: the business is financed itself, and sometimes you go around doing some extra jobs and finance your business. Even, when we go to this institution we are told where you bong, so we are so disadvantaged.

Q14: Any business has the capital, so, the question here: how do you start a business? How do you establish a business? Without a capital, may be you can share with us, each and every one has his/ her own experiences.

Participant's response: most of us we were having business before we start with this ones. Like me, I was having shop, where I was selling small ships at every table. So I moved from that business, starting this business. So I can say, I may explain that the money got from the shop business, I manage to start this business of funeral parlour.

Next participant's response on the above question.

Some other people we taking this business from the existing businesses like myself, I've been working for six years before I came to this business, I had that money, but most of the people really struggle to make their business going because you don't have anything.

Other participant's view on the above question: Basically for me is a bit different because what happened is that I started without, without knowing anything, without any knowledge, without any money. And then I started making my marketing and then I plan it until I go up. It took me a long time to reach the level where I am today.

Q14: Following your views, what makes your Passion?

Answer: The thing is that, I was in the church, I would say I was a pastor and then what happened is that we had this leadership seminars and other sort of things that, where we met some of the pastors and then they introduced the concept of selling policies to the communities and then, would end up at the end of the day help us to have something on the table. We were only taught, okay, you give a client this, and this..... Then, he pays or she pays this.... and this... that's how we started. And then we went on this concept up until we upgraded, until today.

Participant's response on how she has started this business:

I've started in this business by being curious from a friend of mine was running this business because she knew my background of work. I was working once for TELECOM, So, I was very close to her and then I became so curious. I assisted her in running that section because I've discovered that she has problem with their cars and stuff. So I would probably say, how about doing this? How about managing this department on his own? And said to me one day, you know, you're not leaving my office today. You're going to sit here for the month, you're going to train these guys on how to do this because I cannot do it as a director. From then, I fell in love with the industry and I started and I had money. She was a very successful a funeral parlour. So, that's when I saw what is going on here, but I was not involved with this operation department which is dealing with funeral. Then I said before, I am curious person, I wanted to know what is behind. Then I said, hey, this woman is taking a lots of coffins

every weekend, I need to know who's behind this, who's selling these coffins? And bear in mind that at school I have studied the business management for three years and they didn't know what I am going to be. I just failed because I wanted to be something else, but because I passed my matric at a very young age and my father said we cannot go to Cape Town. So, I had to move. Then a, I started by wanting to know who's doing these coffins that I always see delivered in this business every week. I don't want to know the supply. I just want to know who is doing that, who's the manufacturer. That's where I started. Then I stayed there with her for about three months. Then after that I would be lying if I'm saying to you, I didn't take a truck and drove to Durban. I knew the farms, I knew that manufacturers I was running going up on the streets of Durban without even knowing it, it just only because I wanted this business. I've made the arrangements and started the business of selling the coffins to the funeral parlour. Because of the challenges so saving coffees to the funeral palace because of the challenges that faced by the owners of the businesses, I failed because I was running the business with people promise that after offering to them the coffins on the weekend, then, Monday they will pay me. When going to them the same day, nowhere to be found here. You see. Then I started seeing that this is not possible. Looking at the background of the owners, looking at the geographic factors that are affecting the businesses, so I would say, okay, he doesn't or she doesn't have it. Then what I did do, one woman said to me, you always show us how to do these things in our businesses because I would see that the business is deserving day by day. This person was in this industry. He has been in this industry maybe for five years, but there is no improvement. Then I said, how about approaching this? And this lady said to me one day, how about you starting this? Because I can see that you can do it. I don't have money with me because from 10 years I am working on this. I said to myself, you know what? This employment thing is not mine. I cannot do it. I cannot sit behind the desk every day and do the same, I'm not that kind of a person. So I've started again. I started checking on how much do I gain from the coffins now and then I've started this without stopping the side of saying, no, you know what? Because I knew what was going on to the person that I was working with. Let me see, how am I going to do it? Turnover in this amount of money that I'm going to ask from them as premium. What am I going to give to them? For them to be satisfied and for me to have at least a beautiful turn over at the end of the day, because I'm running a business here. Then I looked at those things. I've started to put down! Then I say, you know what? I think,

I don't need much money here. Let me start, one by one. Let me just start by doing it with the rights friends. Let me go and advertise the business. I've started by doing that, means I started doing the funerals for friends. They know that I'm selling coffins one would say that I believe that I will buy it cheaper from you. I said, no, I can arrange a funeral because there is this thing about the coffin that we all know here, you know, so, I couldn't disclose to them. What I saw that time is that, the best way is to conduct the funerals, then, I started. I serviced those special funerals. I saved for them. I wouldn't say that I stop. I didn't stop there doctor....

I've started other business of supplying, I can even supply universities with desks now. I went over abroad to check the suppliers. I've started these supplying thing with the small businesses, colleges and stuff. Then, that's why I'm saying to you, even today, I am still injecting money in my business, this is six years but still today I'm still injecting the business with money because it doesn't do as I thought before.

Thank you very much.

Q15: Is there any people that are interested to invest in what you are doing?

First participant' response:

The government has a finance supporting programs. Most of the time when you need some loans or finance, financial institution when you state that you are in this funeral industry, most of the times you are rejected, because they don't support this industry and the other things, the government they don't recognize this business as a business actually because there is no way they have been supporting us financially

Next participant' response on the above question:

If we cannot be trusted by the communities that we serve first, then, how the banks is going to trust us? That is a good question. The banks are not. That is what I said before, we are these black people coming from disadvantaged areas and then we start businesses because we want to put food on our table as well and we are staying within those communities. That's where we stay. They see our day to day work, they see us coming, you know, so there are these big fish, if I may say, they are boasting about growth and development that they have in this industry now, you know, that makes us

to be seen as people who are after money to benefit us other than our clients, you know.

Secondly, we cannot be trusted by our communities. If I'm funeral undertaker, you know, I don't have a car because I'm not financed; I don't have a proper office because I'm not financed; I don't have equipment sometimes because as I said before, if you can be treated as small businesses and be given a chance to be small businesses by getting the support, you know. So, that's how our communities are not trusting us.

Some of the banks, even if you can give them the statement of six months, there not even sure because I said before, this industry is growing by day because of the perception. That's what I've said before. So if you're getting there and you introduce who you are and there you are a funeral parlour, they may think that another one is going to come because people think that there's money in this business and coming in a numbers. So Bank they don't trust us. Investors, I've never seen any investor looking at my door. I've been applying, they are not invested in this. When you look at business, it's exhausted because it has got many people that are joining this industry without even knowing what they are doing unfortunately. So we're not getting any investors we are not popular to them and to the banks as well. There's no finance support for us. So it means this industry is not recognized as the business. So how can now an investors come and invest into this business if our black fellows don't trust this business.

I have to note that another common factor here when you are starting the business in the area where you live in, where you've grown up, your neighbours, they won't take you seriously because they know you. You see they don't have that trust in you. And besides having the trust in your business, there is jealous because if you can't have everything in one day but we have to know that there is no house which is built in one day. However, if you start business you have to start from somewhere to be in the next place thereafter. Now, if they don't support you as the families, neighbours and friends. But once you starting the business or you have started the business they reject you. How are you going to be somewhere if you don't get support from your family, from your neighbours, from your friends? I mean within the community around where you are staying. So, as the lady was saying, it also falls back to the government because the government really, it's not doing its job. It's not taking us seriously. It's not helping

us, it's not supporting us, and it's not protecting us. That's why it's like this. And it's going to be like this up until you give up. Thank you very much.

Other participant's views on the above question:

I will try by all means to avoid repeat some of the things they're already said. Let me touch a bit on this one of "we are not trusted". When I started the business, I started this business as a pastor, I was conducting a funeral and the people were struggling to bury their loved ones. So, it pushed me to start this kind of business it was a blessing to me. Then only to find that the very same congregants that I'm trying to help when I introduced the business to them, they don't enjoy, they don't come to the services. One thing is that they don't trust me because they know that they are giving me R300 a month as my salary , then, how am I going to bury them without support from people? So it was something else. I get support from people outside, outside from my congregation. So up until the later on, it's when started coming. The second think. They started to ask themselves where he gets the money from.

On the issue of getting support from the bank, we have problem of getting the money from the bank. So, you'll find that you'll be struggling all along because if you're struggling financially, there is no way that everything that you are doing will be straight. In brief, since the government managed to help the tax owners, I think even with funeral parlours, they are really supposed to help us.

Again what is happening outside here: I had an office opposite one of the organizations and I'm not going to mention the organization, one member of that organisation passed on, they will call in the big company such as AVBOB and so forth, you know, what happens when there is somebody who has passed on in the village, they come to you and tell you comrade you know what, we have got a problem, there is somebody, he is not working, has not have anything, can you please go and help. I said, no, I cannot do that because they don't invest anything to me. And then you know, always you treat me like your Xmas father where you get everything for free, we can't do that, so that is how our government, is treating us. So, how the bank will trust you.

The other participant comment on the issue of communities not trusting the funeral parlour businesses:

What I can say here our black communities, they just take the funeral undertakers and mixed up with their societies. They don't understand that we need the proper documentation to do the claims. They don't even or can't give you the relevant or proper documentation and then, when you don't give what you have promised them, they call you a crook. But when they go to AVBOB, they asked them proper documents, they can release your claim. They do the right thing, but to you as black owner, they can't even allow, they will take you as you are a crook. The owners or the black owners sometimes we are the cause of the in our communities but in the other hand, the communities has to be taught how they supposed to do the right things.

Thank you very much.

Q16. What can be done to address the issues of small funeral parlour business? In another word: what can be done, what are the solutions?

Participant's response on this:

Mali mentioned something that, sometimes we are the cause of the problem. We are having people in the industry that are element of distraction. You'll find that there someone who doesn't want to comply. Even with simple rules. It's not all about this difficult things that the government is imposing to us, but simple rules. It's difficult for them. We had a guy who has been running around collecting the cops and say, okay bishop, keep this cops for me in the refrigeration. And then I keep it. He took the money from the people, he doesn't operate in the office. He took the money from the people and then from there he's gone on Friday. People want the corps to be delivered and then finally they look at me and said, Bishop he's the one who's having the cops, but I didn't take the money from them. So, you find that, there are people that are destroying on the grassroots level, at the end of the day, it gets back to us. So, if we can have a way of dealing with all this other small things that are destroying the industry, I think it will be okay. I believe this gathering here addresses the very same problem. How can we deal with this? How can we face up with this?

I joined the association, with the mind that, the government that doesn't hear me when I'm coming alone, maybe when going with the association the government will hear us. I believe with the solution lies on our associations. How can we approach the government to do with this properly?

Thank you very much

Next participant's response on the above question:

As much as we are faced with these challenges as we have mentioned earlier on, but I think also we would need to do things right even if we don't do things rights completely, but at least we need to try to do things right. For instance, at least we need to register our companies, as Pastor has said, even if we go to the government, lodging a complaint. At least there is a start that we have tried to do this. Another this as I've said earlier on, we don't have the trainings, there are no workshops. The organizations like FSB and so forth, they need to come down to us. Why do they not come to us, address us, and make us aware that this is the way that you should do things.

Even if you are registering your company, maybe you are registering it wrongly. So, they have to come and teach us. Another thing, you may find that you have registered your company only to find that your company has never been registered because you did it wrongly due to the level of your knowledge, you know. So if they can communicate with the undertakers. The same with Home affairs, they don't frequently call us to discuss issues, so, that whenever we are running the business we can know that at least we are in the right track. Thank you very much.

Other participant comment on the above view:

My colleagues here made it clear that our concerns may help us getting recognition, yes, I agree if at least we can get to these trainings from the government or whoever that can assist us to go back to the drawing board and see how we went wrong. I mention this because we may take this confusion as directors or funeral parlours organisations. So if we can be equipped in some way on how to deal with our finances. Because if you can look around, you can see that you are doing a hand to mouth. I've mentioned before that, if look at our backgrounds, they will always be a problem if we are not getting assistance in terms of finance, in terms of marketing strategies that we can use to grow our businesses and to maintain them. Because you will see that every

day as colleague mentioned that he had the funeral and the family said that, we wanted the burners for us to be happy, we wanted the burners for our funeral. So those are the things that we need to do. We need to be loyal to our customers. We need to make sure that whatever that we promise them, we offer them. We also need to be equipped as small businesses coming from this disadvantage areas or working with different types of people. It is not every day we will get this big funeral. Maybe it comes once in in a year. Like if they can pay so much money to attend those trainings and skills that can develop us and for us to go and implement things in our businesses. I think we can be happy. At least we can have direction. If we don't have such things, how are we going to do this business? Again, we are here in this business to make sure that our communities are given the dignity that they deserve at the end of the day.

Thank you very much.

Another participant's comments

I what to cover what is not covered here in the discussions: The way we dress as the owners of the companies is not good. Sometimes the dress code is very important when we go to the families or to our offices. You may find that you are going to the family wearing shorts and slippers schools. It's very important to see yourself wearing nicely when you get out of your house through your office. We understand that some of us are running businesses in the cars, what at least we have to stop it. It's not nice, you must get the proper office, this will help even to get trust from our communities as they will get to found us into the office. Another thing is that the association of the company must meet and put something of a line or rules to follow in this company we are working in, so, at least, there can be something to follow to be undertakers. But you may see that someone can be working in this company and then start his/her own and feel that he knows everything in this business but really you may find he doesn't know what the challenges that's going to meet inside there, he thought only I'm also a director because I know how to buy a coffin there. So at least some of those things must be corrected. Other thing is good to have visibility to our offices.

Next participant's comment on the above question:

Let's touch to some of the points stated above, in reality there are associations which we do have most of us, but now the main problem would be those who are not interested in joining the associations, those who do not want to belong to an organization, how are they going to be controlled? So the proposal would be the associations must come together and try by all means to influence the government that every person must have an association to belong to or they start their own associations. I would think this one will bring about the tradition that everybody would be under control. This will also help on what most of us mention earlier on about being assisted on the education programs. The programs of trainings can be conducted if people belongs in the associations and these association are recognised, because we cannot be offered the trainings one on one but will be easy when all belongs in the associations. The last thing I can say as also issue for us is the land problem. If the people are able to get their own space not by renting, you owned the space to start the business would also help.

Thank you very much.

Q17: General comments

One comment: I think everyone has to take this business serious and also to have passion of serving the people out there and also making money. We cannot just have a passion of serving the people and not having to make money in business. We need to behave like business people, eh, how do you behave outside there?

Next comment:

I see this meeting today it is beneficial to us more than it is for the person who is conducting this project.

I think we should thank Doctor being flexible and understand us. For me, this was he a lesson that I will take Doc because there things that we discussed and open my eyes. I thought I knew somethings. Thank you so very much for Mr. Nabile for giving us the opportunity to come here and do this. You made us look like people, really people. In this business we are struggling every day but today I feel like business people. This presentation or in this research, we hope that everything has been discussed. We hope that, one day the government will hear us and we will see some changes and us we will change the way of doing things.

Speaker: on the general comments, I want more clarification on what you mention in our discussions related on the challenges that had left by the legislation. There was a view which was saying there is no flexibility on the legislation in terms when you are growing up and the legislation must be flexible. Any comments on how legislations related on this industry influence to the unsuccessful or statement growth?

Participant's response on the above question: the legislation we were talking about is that: there are client who are the policemen, there are funeral parlours that have been assigned to do that and also our clients are paying premium twice, but due to Road Accident, you are not allowed to bury them. That one or two things that bring report to our business.

Other thing the legislation it says, people cannot use one common storage, so that is one of the problems that we have in our industry because not everybody can be able to have the storage.

Legislation is broad. Because when you say about premiums. I think when you got this FSB number, you are liable to take premiums from the client. I'm not sure, maybe this research can help us. I think if maybe I don't know whether is the government can come up in the stage whereby it says if you can come with a bank statement that has got let's say R200,000 and then your members are plus or minus 500. So, it means you can be able to bury your client because they cannot die at the same time. This thing of forcing us to pay the insurance company. Sometimes it's a burden because you stay at more than six months not burying your member that is paying premiums back but burying the private funeral that makes money to your business. So, it come to an extent that you take this money that is yours from your private funeral and pay the underwriter because sometimes, you are not able to control your membership. You can see sometimes I'm paying the premium for a person who has already left. But maybe sometimes it becomes a lucky to you that when she passed away, she come to your funeral parlour and when you look at your books, hey, this was my client two years back. So you just say no, give me all the papers because I went to this funeral. But I think if we can have that standard of saying, let us bring the Bank statement whereby your deposit premiums, then when you reach R200, 000 having 500 clients then you can be free to pay for the insurance company, I do not know, maybe it can help. Government can thing also if I ca take the 200,000 from my colleague and put

on the Bank just because I want to get rid of paying the underwriter. Because we always have some plans I can take R50,000, R50,000, R50,000 and have that R200,000. Then after that when I got the document that can say, I cannot more pay the insurance. I also go withdraw those R50,000 and give them. Maybe government does not trust, I don't know, but at least paying this insurance company is a burden.

Thankyou.

Q 18. How do you observe guideline plans and policies and how this applies to the business?

Participant's response:

Before the client comes to take policy with you, you explained everything, the terms and conditions, the police that is taken and then you become clear with everything. How you operate, what are the benefit you, how does it benefit the company? And then from there you know that everything that you say is drafted on the paper, because we need you to have that draft, you need to have that instruction on the paper. For us we have what we call "abbreviation" the constitution. You've got some guidelines that stipulate in the book that client got. Even behind the form where the client is registering. You give the form to the client about the conditions of how you explained to her and act according to your agreement with client and what is the rules which he/she signed.

General observation from participants

Participants were happy to attend this session and thank the organisers.