



**UNIVERSITY OF
KWAZULU-NATAL**
**INYUVESI
YAKWAZULU-NATALI**

**BRAND NAMING STRATEGIES BY SMALL MEDIUM AND MICRO
ENTERPRISES IN THE ETHEKWINI MUNICIPAL AREA**

By

LINDIWE NQOBILE KUNENE

200227423

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Supervisor: Dr. Maxwell Phiri

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Supervisors Permission to Submit Thesis/ Dissertation for Examination

Name: Lindiwe Nqobile Kunene	No: 200227423	
Title: Brand Naming Strategies by Small Medium and Micro Enterprises in the eThekweni Municipal area.		
Qualification: MComm	School: SMIG	
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Declaration

I, Lindiwe Nqobile Kunene declare that this thesis is my own original work and that all resources utilized have been correctly conveyed and recognized. This thesis has not been formerly in its totality or in part been presented at any university in order to attain an academic qualification.



Lindiwe Kunene

10 December 2014

Date

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This is for my family; Mr T.S Kunene, Mrs D.L Kunene and Mr T.S Kunene thank you for all your support and wisdom during this journey. To God, the Almighty I give thanks for guiding me through it all and helping me rise from each hurdle. To all my friends, the “BIG EIGHT”, you are the best chosen family I could ever asked for. Your love and continued support for me has given me strength whenever I have needed it.

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Brand Naming Strategies by Small Medium and Micro Enterprises in the eThekweni Municipal Area

Abstract

Branding is a concept in Marketing that has become synonymous with success and defines the profitability possibilities and capabilities for organisations. Due to this, corporate organisations have been known to value the process of branding to the extent of attaching financial value to their brands. Given the significance of branding for organisations, the brand naming process is one of importance, as failure to brand organisations adequately could translate as reasons for failure for organisations. Corporate organisations have known this, as such, have developed techniques to brand name their organisations for success. It is not clear however, whether or not small, medium and micro enterprises (SMMEs) attach similar value as corporates. As such, this study seeks to examine the brand naming processes implemented by SMMEs in the eThekweni Municipality area (SA), if any exist. To do this, the study, adopted descriptive-exploratory methods, as little was known about the brand naming processes applied. Definitions and dynamics of the actual processes could thus be identified and defined. Quantitative methodologies extracted information using an instrument informed by the theory framework and its variables as found in a US study on similar research for corporate organisations. To analyse the data collected, correlation methods were applied, where it was found that the known processes as applied by corporate organisations were not necessarily applied by the eThekweni Municipal SMMEs in their brand naming process. The current status of this pertinent process can be used to advise appropriate skills development for SMMEs in the area ensuring the success of SMMEs

Keywords: SMMEs; Branding; Corporate; Marketing

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CHAPTER ONE

INTRODUCTION TO BRAND NAMING STRATEGIES FOR SMMES

1.1 Introduction

The concept and the theories of branding are not modern but have existed over time. According to Keller (1998) they can be traced as far back as 1300 B.C in Ancient Greece and Rome. Branding has developed extensively over the years up to the present day definition (Aaker, 1999 ; Keller, 1998). The constructs of branding have mostly been designed to service large corporations, with little understanding of branding for small, medium, and micro enterprises (SMMEs), which this research begins to address. This is done by probing existing literature and completing an empirical study designed to develop a better understanding of branding for SMMEs.

1.2 Background of the study

Branding is centred on the marketability of products, pivotal to the success of any business. For a developing country like South Africa that heavily relies on the development of SMMEs for economic growth, it is essential that all functions of these entities are adjusted accordingly to allow for the creation of models that would foster and accelerate growth of the SMME industry. In recent years there has been an increase in research regarding SMMEs in South Africa, as all stakeholders realise the power and the importance of these entities. There is a dearth in literature on branding for SMMEs. Most Branding strategies are based or mirrored from those designed for the large corporations which are completely different entities.

1.2.1 The Relationship between Branding and Marketing

As consumers are exposed to similar products they begin to develop a preference of one product over others. This practise of differentiating and achieving uniqueness is known as branding, a function which marketing as a process heavily relies on as already mentioned (McDaniel *et.al*, 2013). A brand can be defined in many forms: ‘a name, term, symbol, design or a combination of these’ (McDaniel *et.al*, 2013:366), Krishnan & Hartline (2001), Bennett (1988) and Bennet and Rundle-Thiele (2005).

Branding can never be disassociated from marketing as the two go hand in hand. Janice Spark, a well-established and known marketing and branding expert in South Africa and a Director at Idea Engineers (Idea Engineers, 2013), was once quoted as saying, ‘your brand is your enterprise,’ (Ueckermann, 2007). Ueckermann (2007), In her article published in the City Press she went on to decipher this statement by suggesting that, with wise marketing, brands can be sold. This was advice directed at SMME organisations. In the article Sparks went on to say that SMMEs needed to think of their brands in the following manner to begin their task of brand management:

- A brand is just as great an asset as your staff.
- Your brand, whether a word, logo or your own name should inspire confidence in your client.
- Your brands should reflect your business strategy, your business, your enterprise identity and your marketing message.
- Decide on how your clients should see you and try to include that to your brand.

Advice from Ueckermann and Janice Spark is important in achieving success in your marketing strategy for a small business. This should in reality be the route that SMMEs follow within their marketing strategy mandate - however the reality is different. Whether it is perception or reality, there seems to be a lack of adequate branding in SMMEs, a practice that Wong and Merrilees (2005) blame on the lack of research and a lack of emphasis on branding practise. This leads to a failed link between marketing strategy and branding for SMMEs (Wong & Merrilles, 2005).

The above situations need to be avoided as much as possible. When reading Keller (1993 & 2003) and Aakar (1991 & 1996) works it is evident that branding is a strategic marketing mechanism which in recent years has become a science on its own. The concept of branding in itself however is not a new phenomenon. It has been present in, and recorded as far back as the 1870's where brands were used to distinguish between one product from the other (Bennet and Rundle-Thiele, 2005). The purpose of branding has not changed and is still a 'winning formula' for organisations, thus a great solution for SMMEs if managed correctly.

According to Krishnan and Hartline (2001) an existence of a brand becomes a tool that consumers use to associate a product with certain attributes. Branding provides for organisations and their product offering, however, resilience is required to survive and create a barrier against competitors (Walfried, Banwari & Arun, 1995).

In the 1990's branding started becoming a science on its own as it became more formalised and became a strategic science entrenching; brand perception, brand equity, brand awareness, brand

proliferation and brand image. All of these concepts need to be understood in-depth by SMMEs in managing brands appropriately. All these functions of branding cannot be done without a brand name. This dissertation seeks to understand that which describes and advises the brand naming strategies in SMMEs.

1.2.2 Financial Viability of Branding

According to Ohnemus and Jenster (2007: 84), 'A powerful brand is generally considered an effective way of generating shareholder wealth.' These authors are of the belief that there should be an emphasis in branding and brand management within an organisation as branding is a source that adds value to the profitability of a brand (Kerin & Suthuran, 1998:2) as cited in Ohnemus and Jenster (2007). They place an emphasis on branding's financial importance by stating that the financial viability of branding is of fundamental importance in the financial context of an organisation (Kerin & Suthuran (1998:2) as cited in Ohnemus & Jenster (2007)). This is also supported by brand naming researchers, who in their research have identified a correlation between prominent successful brands with adequate and appropriate brand naming behaviour (Kohli & Suri, 2000; Baker, 2010).

A brand name is viewed as an asset because it adds value to the organisation (Kerin and Suthuran (1998:2) as cited in Ohnemus and Jenster (2007)). Therefore, if brands are assets for their organisations, they are of economic significance for the survival of an organisation. Ewing and Napoli (2005) place an emphasis on branding as well, as they state that it contributes to financial performance of a firm. It in fact carries quite a formidable role in the organisation and its ability to generate profit and thus also plays a critical role in the financial failure reasons that

are provided in the next chapter. It is for this reason that SMMEs should have an understanding of branding and the ability to implement branding adequately, as is done by this dissertation

1.3 Motivation of Study

Various studies have attributed a number of factors to the failure of SMMEs in this country whilst emphasizing the need for these entities to prosper if the country is to be economically viable and even relevant within itself; the continent; and the world at large. Emphasis through research has been placed on finance and skills development. This research aims to add to the list, by deciphering the barriers accrued to branding.

The process of branding for SMMEs is one that is faced with barriers ranging from the expense of branding to legal regulations. Phiri (2009) warns that the 'autocratic' rules that define SMMEs in this country should be removed and redefined in order to promote and accelerate the growth of SMMEs. The marketing processes which branding is a function of, is at times regarded as cumbersome, resulting in stagnant development in the SMME sector, which Phiri (2009) warns against. It is no wonder that it has been found that SMMEs in SA tend to apply reactive marketing strategies and fail to be innovative, further hurting the sustainability of their organisations (Makhitha, 2009). Marketing strategies and branding strategies are not thought out and planned for accordingly. A good marketing strategy cannot exist without the existence of a brand position and strategy (Dibb, Farhangmehr & Simkin, 2011). The latter strategy requires that appropriate decisions are made with regards to choosing a brand, which is essential for marketing to exist. SMMEs are aware of the need and the use of marketing (Natsu & Tassiopoulos, 2002). However, as Makhitha (2009) suggests it is the lack of applying marketing

and branding that becomes the barrier in itself for SMMEs. In support of this notion and concern, this dissertation should begin to break down this barrier in branding of SMMEs. . Branding begins with a brand name, and not with strategy and management of branding.

International research; as it will be shown further in this dissertation; has revealed the importance of brand naming strategies for corporate company's branding, this however has not been the case for South African SMMEs. Through this research, the identification of current brand naming strategies for SMMEs is revealed leading to improved practises where need be, consequently improving financial performance.

1.4 Problem Statement

Branding as it will be shown in this research is of importance for organisations. It has been linked to profitability and sustained growth. Successful branding is as a result of selecting appropriate brand names. Large companies have realised this, as such, they invest in brand naming processes and strategies. Linguistic models (which are beyond the scope of this study) and managerial strategy models have been found that work best for large corporations and assist them in yielding profits, through the choice of an appropriate brand name. The same however cannot be said in relation to SMMEs. The concept of branding is a reflection of the success of a business's overall strategy which has results that translate to profits for an organisation (Ueckermann, 2009) and (Berry, Von Blottnitz, Cassim, Kesper, Rajaratnam & Van Seventer, 2002). That being the case, this study is designed to assist the branding processes for SMMEs in eThekweni Municipality by dealing with the first step of creating a successful brand, selecting an appropriate brand name.

1.5 Preliminary literature study

The eThekweni Municipality has numerous SMMEs, deemed to be at the corner stone of economic development in the city (Naidoo, 2008). The South African Government and the various municipalities have, over the years, been involved in developing firms with different types of resource assistance. Despite this, SMMEs are still closing down. This unfortunate phenomenon in cases where seed funding has been secured raises other questions about the failure of SMMEs such as not having appropriate support knowledge and skills has been recognised as a vital source for failure. The concept of branding is one of the numerous reasons that SMMEs fail. Keller (1998) and Aaker (1999) support the view of the development of branding by proving and stating that without the creation of a valued brand for a trading business there will be colossal problems for organisations, as branding is the salvation for businesses competing in a 'free choice society.'

According to Visagie (1997), marketing, which branding is part of, is one of the areas that have been accredited to the failure of entrepreneurial businesses, with Theron and Subban (2009) claiming that 90% of these businesses fail. The strength of a brand is what makes a product, service or retailer successful. Thus a consequence of a successful brand provides consumers with what they require and demand in consumables, and it yields benefits required by consumers' (Keller, 2000). Researchers such as Abimbola (2001) and known branding expert Keller (2000) advise that small businesses need to have strong brand management system to perform well in the context of their economies.

1.5.1 Branding and SMMEs

EThekweni Municipality is based in Durban, South Africa (SA). South Africa has been growing in a diverse cultural background and has potential for further growth in the years to come (Mthoba, 2005). SA is regarded as a developing country, having recently moved from an unequal system of apartheid, which saw skewed division of resources based on racial lines, to one which is trying to address the economic equality of all its' citizens, despite the racial disharmony which still exists. This being the case, there has to be strategies and policies in place created and implemented by government to support and encourage growth (Brand, Du Preez & Schutte, 2007), without racial divisions. This need has become even more eminent in the recent years due to the economic crisis occurring globally and impacting almost, if not all, the world economies. As said, by Naidoo (2007), the South African acknowledges the use of small businesses in developing economically.

According to Naidoo (2007), 50% of (the?) economic growth is due to small medium and micro enterprise (SMME). It is then imperative that the role of SMMEs is fully supported and developed accordingly for the overall benefit of the citizens of this country, especially when predictions have been set at a 6% annual growth rate and halving of unemployment by 2014 (Mthoba, 2005). The Global Entrepreneurial Monitor states that developing countries need to promote entrepreneurial enterprise in order to promote economic growth (Hay, Autio, Bygrave, Camp & Reynolds, 2001) ; (Parkin, Powell & Mathews, 1997).

EThekweni SMMEs, similar to those in the rest of the country, are challenged by a limited number of solutions designed for them in order to address the question of entrepreneurial enterprise. Of the few solutions that exist, specifically in the area of marketing practise, is that of

branding. Ueckermann (2009) defines branding as one of the areas displaying a weakness in business development. There is a need to firstly understand what problems exist prior to trying to design and implement strategies to improve the different situations. The root of branding is in the name, without which there can be no brand strategy and marketing plan.

Paucity in literature for brand naming processes in SMMEs is a barrier this study seeks solve. Branding has been designed to support large corporations. Benthon, Ewing and Napoli (2008) argue that, with regards to SMMEs, such research is limited. This limitation is further intensified by the fact that the study of brand naming strategies has limited research for all types of business forms.

1.6 Purpose of the Study

The research for this dissertation sought to find the current brand naming processes that take place whilst creating a model of current practise for the SMME industry in the eThekweni Municipal area. The intention of this research is to ascertain how small medium and micro enterprises in the eThekweni municipality make decisions pertaining to their brand names. This will ascertain whether these SMMEs follow traditional strategies set out by brand naming experts like Collins (1977) and Kohli and LeBahn (1995), or whether they consult and implement other unconventional brand naming strategies that are purely South African, to brand their products and organisations.

Branding, as it will be shown in this research, is of importance for organisations. It has been linked to profitability and sustained growth. Successful branding is as a result of selecting

appropriate brand names. Large companies have realised this, as such, they invest in brand naming processes and strategies. This study has been conducted to construct 'best practice' in the brand naming process for SMMEs in eThekweni (SA). Linguistic models (which are beyond the scope of this study) and managerial strategy models have been found that work best for organisations and assist them in yielding profits through the choice of an appropriate brand name. The same though cannot be used in relation to SMMEs. This research is therefore designed for SMMEs in South Africa, where they SMMEs are at the core of economic growth and in need of increasing their profit margins from all possible spheres. Through this study, the identification of current brand naming strategies for SMMEs can be revealed. These could lead to improved practise where necessary and improved financial performance.

1.7 Research Objectives

The study seeks to investigate the strategies and procedures used by SMMEs in establishing their brand names. This will be done whilst assessing and identifying factors that play a key role in the brand naming process. All these objectives could/will kick start the construction of SMME tailored constructs going forward.

RO1: To probe brand naming strategies prevalent in the eThekweni Municipal SMME environment.

RO2 : To identify various stakeholders found to be responsible for the brand naming process by SMMEs in this area.

RO3 : To identify trait relationships considered by SMMEs to be of significance in the brand naming process SMMEs

RO4: To ascertain whether the brand naming strategies implemented by SMMEs are the same as those implemented by large corporations.

RO5: To review the current demographic dimensions that could have an impact on the brand naming process.

1.8 Research Questions

1. What are the most prevalent brand naming strategies for SMMEs in the eThekweni area?
2. Who are the stakeholders responsible for the brand naming process?
3. What trait relationships have a significant role in the brand naming process?
4. Are there similarities between the brand naming strategies by SMMEs in the eThekweni municipal area and those practised by large corporations?
5. What demographics have an impact in the execution of the brand naming process?

1.9 Limitations to the Study

Various limitations to the study were identified and were thus planned for. The first was based on the lack of education respondents might have. Due to the technical jargon of the study, inappropriate and inadequate education could prove to be a barrier in collecting data and explaining the study to the subjects. The second limitation was the dearth in brand naming literature. As a result, the framework for the study is based on a handful of researchers. Thirdly was respondents' unwillingness to participate as research is treated as being 'suspicious.' The fourth limitation is that of universality. The study uses models that have been used in other parts of the world for large organisations. Therefore geographical context may not, though there are similarities with other countries, be ignored. Research in other developing countries would need

to be conducted within the milieu of brand naming strategies for the results to be applied universally.

1.10 Structure of the Dissertation

Chapter 1: Introduction

This section consists of a brief overview into the study. To do this, the overall purpose of the study is discussed; objectives are revealed and research questions are provided. The background which provides and includes the situational analysis is also included and a brief view of the whole study is presented in this section. All this is completed to define in detail why the study was undertaken and how it will be concluded.

Chapter 2: Economic and Political Environmental Traits shaping SA SMMEs

Although the concept of SMMEs is briefly defined, there is a need to decipher the concept and definition within the context of the study and how it fits into the overall business context in eThekweni Municipality and the country at large. SMMEs are complex in the SA context, thus it is imperative to have a separate discussion to allow the results of the study in the end to be adapted specifically for organisations defined in this chapter. Through the compilation of the SMME definition analysis which considers and links economic, political and other country comparison, it allows for the research findings to be applied adequately once they are used in the field. This chapter enables the reader to contextualise and find true meaning in the following chapter which deals with the theories this research is based on as they compare existing research with these definitions as well as the study.

Chapter 3: Theoretical Framework

There is research specific to this topic; that is discussed in depth to understand the concept of brand naming strategies. Leading research in the field is used to unpack the concept of brand naming strategies. Theories that have helped large organisations achieve success through brand naming are discussed in relation to how they could be of use to SMMEs as per the topic of this dissertation.

Chapter 4: Research Methodology

An in-depth breakdown of the actual research, specifically the field research, is revealed. This spans from the explanation of the instrument used to collect data and how it was used. It expounds on the sampling techniques used and the administering of the survey. The method chosen to analyse the results and testing for reliability and validity was discussed and motives for their use provided.

Chapter 5: Data Analysis and Presentation of results

Many results were found in this study that had to have their impact and relationship presented in their pure and realistic sense before their meaning was discussed as it is done in chapter six and seven. The raw data was contextualised and qualitative meaning to quantitative information provided.

Chapter 6: Discussion of Results

There was a need for an in-depth discussion and analysis of the results. This process was two pronged. Firstly, through the use of the results presented in chapter five, the implications of what

they revealed for SMMEs was provided. Secondly, these results could be compared to the norms manifested in the theoretical framework in chapter three. These results are specific to the organisation type discussed in chapter two.

Chapter 7: Conclusions and Recommendations

Using information provided by the research results, certain conclusions were drawn and the understanding of discovered relationships was better understood. The research findings that show the difference in the brand naming activity within large corporations and SMMEs was revealed and the impact thereof discussed. Gaps within the SMME sector in the brand naming activity were argued and recommendations for these organisations provided.

1.11 Conclusions

This chapter begins to identify how this dissertation will be conducted through the identification of fundamental theories that define and structure the whole study. The important and most relevant literature defining the theory of brand naming strategies and the format of the research, including the data collection process are revealed. All of this is designed and contextualised to link and define brand naming strategies for SMMEs in the eThekweni Municipality. To do this an in-depth analysis was thus completed to ensure that the economic considerations are reflected, in order to complete a study that is relevant economically. Due to possible differences in what SMMEs are, as well as to avoid assumptions when universal application of results is made, the next chapter provides the argument that exists in defining SMMEs in South Africa-the main variable of this study.

CHAPTER TWO

ECONOMIC AND POLITICAL ENVIRONMENTAL TRAITS SHAPING SA SMMES

2.1 Introduction

South Africa is a country that places a strong emphasis on the SMME industry for economic growth. In SA, SMMEs are usually defined as businesses that are entrepreneurial in nature. According to the UN (2005:4) 'the entrepreneur has been a fundamental agent in most production, distribution and growth theories'. It is no wonder that SA has emphasized the role of SMMEs in their economic policies. South Africa, eThekweni is therefore not exempt. It is therefore critical to discuss and define the South African SMME; the environments they exist in and their potential. This assists with contextualising the research.

Further to the definition comparative perspectives have been included as SMME organisations existing in eThekweni, will at some point in their growth strategy make decisions to have presence in other countries. Globalisation has become a reality when conducting business and therefore cannot be ignored. A comparison between other developing countries is thus included. Developed country's perspective has also been included to advise SMMEs on their branding, should they expand to developed countries. All of this ensures that all possible factors that affect and impact the concept and implementation of branding for SMMEs is well understood within the appropriate context. This chapter thus provides economic and political implications that have moulded the definition of SMMEs as they have an active role in all decisions made by SMMEs particularly within the unique structure of South Africa, within realistic SMME context of the country were eThekweni Municipality is found.

2.2 Historical Background

In understanding and researching any phenomenon which is of an economic nature in South Africa, it is vital to review the previous history of the country in order to understand the uniqueness of the SA environment and the decisions that have taken place in the past. For this research, the apartheid regime is defined and its impact and influences on SMMEs.

In essence, the apartheid regime which is responsible for income inequality is at the centre of the plight of stagnant SMME growth as well as the need to develop SMMEs in South Africa (Trehela, 2010). In the 1800s when Europeans came into what is now known as SA, their intention was to gain access to the minerals that were discovered in this region, namely, gold and diamonds. This is when most of the European mining companies in SA were started with local none-whites working there. It can be said that this was indeed the beginning of modern capitalism for South Africa (Trehela, 2010). The 'locals' had been oppressed and forced to be labourers of the capitalism of the time and not owners. In the 1940's, when the Afrikaner government took over from the English, racially charged legislation stripped or limited locals of their ability to own businesses and to receive the best quality education.

This action ensured that 'locals' remained as unskilled labour (Chalera, 2006). The international community then intervened. This resulted with the United Nations (UN) ordering sanctions against SA in 1962 (Chalera, 2006). This action by the UN and many other efforts from various organisations around the world as well as within SA through liberation movements prompted the end of the apartheid regime and the rise of the New South Africa, 49 years later,(Chalera, 2006). The African National Congress (ANC), which was previously banned in the old regime,

assuming power and becoming the leaders of a democratic . Chalera (2006) informs us that the effect of the apartheid past left the country struggling. There were abnormally high levels of racially influenced inequalities. Marcelle (2010), as cited by Soni (2011:25), reiterates on Chalera's (2006) viewpoint by adding that the ANC government, as from 1994 - after 49 years of racial and inequality justice, was and is still faced with 'a plethora of challenges associated with a poorly performing economy' Due to the apartheid regime.

The challenge became clear that the country will need policies and strategies that will promote the growth of SMMEs and at the same time concentrate on the previously disadvantaged. Black Economic Empowerment (BEE) was implemented with the intention to start bridging this inequality gap. Khula enterprise, an enterprise set up to support growth was set up for the purpose of developing BEE later known as BBBEE owned SMMEs to bridge the inequality gaps (Kekane as cited by Sibanyoni, 2010).

2.3 Economic Rationale for SMMEs

SA has over the years implemented and/or attempted to implement various strategies in "good faith" for the purpose of improving and increasing the employment rate and the overall economy. Some have had the appropriate intention with stagnant beginnings at times, while others have been a complete failure and silently laid to rest. Examples of some of the more popular strategies is the Growth Employment and Redistribution Strategy (GEAR); Special Development Initiatives (SDI); National Empowerment Fund (NEF); and the Accelerated Shared Growth Initiative South Africa (ASGISA) (Mahadea, 2009), all of which embody the concept of SMMEs.

The puzzle that manifests between theory and reality cannot be ignored. Theoretical understanding within a laissez faire doctrine informs practise that economic growth should yield higher employment levels. Between the years 1994, which is the inception of a Democratic South Africa and 2012 ; the Gini-coefficient, which is the measure of income distribution within the boundaries of a country, has leaned towards a Gini index of 100 (trading economics, 2012). According to trading economics (2012), a Gini index of 0 reflects a utopic environment where wealth is spread evenly. However the opposite side of the continuum which is Gini index of 100, reflects a contrast of Gini index 0. If this index is closer to 100 as it is in SA, this would suggest that the economic growth is not translating to increased employment. This suggests the need for the SMME industry to be developed extensively in order to support the economy.

The SA Gini Index is 'two-tiered' due to the apartheid regime (trading economics, 2012). This means within SA there is a tier that resembles a developed country. This tier is populated by the previously advantaged members of the South African populace. The second tier consists of the majority of the population, most of who are from the oppressed groups. It is this latter which resembles a developing country (trading economics, 2012). It is however the combination of the two tiers that defines the overall Gini Coefficient of the country, which Leibbrandt, Woolard, Finn and Argent (2010) in their calculations placed at .70, a very high index. Table 2.1 below depicts the inequality between races, urban vs rural over a period of 3 years leading to the final figure of a 0.7 index that exist in South Africa and then combines the figures for an overall inequality representation over three periods.

Table 2.1: Gini coefficients for per capita income by race and geotype

	1993	2000	2008
African	0.54	0.60	0.62
Coloured	0.44	0.53	0.54
Asian/Indian	0.47	0.51	0.61
White	0.43	0.47	0.50
Rural	0.58	0.62	0.56
Urban	0.61	0.64	0.67
OVERALL	0.66	0.68	0.70

Source: DELSA/ELSA/WD/SEM(2010)1:Leibbrandt, *et. al.* (2010)

With a Gini co-efficient that is this high there is a need for improved economy to lower the inequality gap. In a country like South Africa developing and sustaining SMMEs is the much needed boost in lowering the unemployment rate currently experienced (NPC, 2012). All over the world SMMEs are essential for the economic growth. Increased positive activity in SMMEs has a direct positive impact on employment, income generation processes and consequently the overall economy (Rungani, 2009). South Africa finds itself in a predicament where their SMMEs identified catalyst for growth are failing with a 90% failure rate within the first two years of business (Berry, Von Blottnitz, Cassim, Kasper, Rajaratnam&Von Seventer, 2002). SMMEs According to the Development Bank (2005) SMMEs provided 55% of employment and contributed roughly 22% towards the country's Gross Domestic Product (NPC,2012).

According to Zindiye and Wangolela (2007: 88) in 1995, a National Paper on Small Business Development pointed out the following reasons as being vital for SMMEs for South Africa:

- Creating employment;
- Contributing to the dynamisation of the economy;
- Empowering previously disadvantaged segments of society; and
- Providing a basic social net for the unemployed, poor and destitute.

Van Praag and Versloot (2007) agree with these authors and add that all these have an impact on sustainable growth for an economy.

This white paper, and recently the ministry of SMMEs highlights the need for a vigorous SMME culture and environment for economic development purposes in this country; however, there is still a need to structure this industry accordingly if it is to serve the economic purpose it has been mandated. South Africa has one of the lowest Total Entrepreneurial Activity (TEA) rate of all the developing countries (Harrington, Kew & Kew, 2011). This rate measures start-up businesses that survive from inception onwards. In South Africa this rate was 8.9% in 2010 whereas for Argentina, another developing country similar to South Africa, it measured at 14.2% in the same year (Harrington, Kew & Kew, 2011)

According to Harrington *et.al* (2009) in the GEM Report, only 2% of the Adult population in SA is involved in small business start up's, yet these entities account for a very high number of all employment activity (NPCOnline, 2012) and economic development. Theron and Subban (2009), estimated that the failure rate of SMMEs is at a 90% margin. This research seeks to assist small businesses ; legislators and policy formulators in crafting usable documentation, policies and

strategies for the SMME sector within the marketing function, particularly in terms of branding structures as discussed in chapter three.

2.4 SMMEs: Comparative Analysis

Not all authors and researchers agree on how SMMEs should be defined. Moolman (1996) pointed out that the concepts that define small businesses differ from country to country. In fact Ayyagari, Beck and Kunt (2007) added that in the final analysis what is common in the definition of these entities is the number of employees, capital invested, sales and assets owned.

SMMEs or SME's as they are referred to in some countries, are business entities which can exist in informal and formal sectors. They are profit generating organisations which can serve both the domestic markets and international markets. SMMEs have been defined in different countries using a number of different approaches that can at times be viewed as being similar.

It is imperative to firstly examine how the developed economies and countries define these business entities, as there could be a relationship that exists which could allow for supporting theories used in these countries to be used without alteration in developing countries. The European Commission (2003) defines Small Medium and Micro entities through two characterisations: the number of employees a business employs, as well as the turnover the organisation yields at the end of the financial year. A micro enterprise on the other hand will employ not more than ten individuals, running at a turnover ceiling of 2 Million Euros (+/- R10, 241,432.86). Small organisations within the EU countries are those that will employ up to fifty staff members and have a profit of 10 Million Euros (+/-R96, 207,164.30). Medium sized organisations are at the complete opposite of the continuum as they employ a maximum of two

hundred and fifty employees, with a profitability limit of 50 Million Euros (R480, 766,736.44) (European Commission, 2003). For the purposes of this study, it is therefore important that developing economies definitions be defined from an African context within which South Africa is geographically in and where as a country, it shares the status of *developing country* label.

To do this, two prominent states in Africa; Kenya and Nigeria's definitions are examined to ascertain whether they view SMMEs similarly. According to Nweze (2010), in Nigeria, these business entities definitions differ according to usage. There is no government legislation that stipulates this definition, instead different economic stakeholders have over the years since independence, structured the identity of SME's (as referred to, there). Obitayo (1991) as cited by Nweze (2010), defined SME's as those organisations that employ no more than fifty individuals. He further attests that the turnover rate of these is at a maximum of 250, 000.00 Naira's (N) which in the South African Rand is approximately R11 341.06. The majority of financial and economic bodies in operation in Nigeria only use turnover to distinguish and define small and medium enterprises. The predominant of these economic forums regard SME's as those that do not exceed the N5 Million (+/-R228, 509.00) ceiling, Nweze (2010). Kenya, like Nigeria, does not have an official or legislative definition for SME's,.The definition has metamorphosed through economic stakeholder perceptions into business entities that employ between six and fifty individuals on a full time basis, with a turnover of 50 Million Kenyan Shillings (R4,261,565.77). The next important phase is to scrutinise and comprehend these definitions in the milieu of South Africa, a vital exercise towards the conceptualisation of SMMEs prior to implementation of dynamics that impact on them.

From the discussion above, it is clear that South African definition and conceptualisation of SMMEs is and should be understood from the economic perspective where it has an ability to change livelihoods of citizens. It is also important that similarities of this definition are understood from varied perspectives to comprehend that which sets these countries apart or makes them similar SMMEs, could easily be the common thread, allowing for both the distinction and this study's application possible. SMME definition is decoded further due to its importance within the context of implementing and using the results of this study.

2.5 SMME Defined

The National Small Business Amendment Act (2003) stipulates that a micro business entity is one that employs less than five individuals, makes earnings no more than R100, 000.00 within its financial year, and operates in a variety of sectors ranging from retail to the manufacturing sectors. This legislation attests that when describing the small business entity, there is a further breakdown that differentiates between very small businesses and those that are called small business entities. To set these two facets of small business forms apart, the number of employees thus has a crucial role in the formal definition of both. The latter will employ twenty one to fifty employees. A diminutive difference of no less than twenty to fifty employees is used to define a very small business entity. Holistically, a small business will yield a profit of R1 Million if it is within the agricultural sector; a maximum of R13 Million in catering, accommodation and other trade sectors and R32 Million within the wholesale trade (National Small Business Amendment Act, 2003).

According to Du Toit, Erusmus and Strydom (2007) the above legislative definition of SMMEs can in summative for conceptualisation purposes be understood through a classification system that uses profitability, managerial structure, asset ownership and the number of employees to define SMMEs. As such, SMMEs are therefore defined as business entities that have, 'Fewer than 200 employees; annual turnover of less than R64Million; Capital assets of less than R10 Million and direct managerial involvement by owners' (Du Toit, *et.al*, 2007: p49).

Table 2.2: Broad definitions of SMMEs in the National Small Business Act

ENTERPRISE SIZE	NUMBER OF EMPLOYEES	ANNUAL TURNOVER (SA RANDES)	GROSS ASSETS EXCLUDING FIXED PROPERTY
MEDIUM	Fewer than a 100 to 200, depending on industry	Less than R4 mill to R50mill depending on industry	Less than R2mill to R18mill depending on industry
SMALL	Fewer than 50	Less than R2mill to R25mill depending on industry	Less than R2mill to R4.5 mill depending on industry
VERY SMALL	Fewer than 10 to 20 depending on industry	Less than R200 00 to R500 000 depending on	Less than R150 000 to R500 000

		industry	depending on industry
MICRO	Fewer than 5	Less than R150 000	Less than 100 000

Source: Falkena et.al,(2001) as cited by NCR (2011)

2.6 Institutionalisation of SMMEs in South Africa: eThekweni Municipal Perspective

Canada and the United Kingdom are regarded as leaders in strategising and policy formulation in Small Business Development (Stervenson & Lundstrom, 2011). These countries realised before many others that there was a rapid growing culture of small business start-ups that were making an economic difference, as a result governments needed to be active in managing this asset and strategizing for it accordingly. Since the proclamation of the new 'apartheid free' SA in 1994, the country has actively been involved in support strategy and policy formalisation for small businesses. This practise has led to various initiatives, some refined from the previous government, pre-1994 and some coined after 1994. These programmes which are governed by the Department of Trade and Industry have been at the cornerstone of providing support to SMMEs. The implementation of their programmes however, is beyond the scope of this research.

Included in some of the programmes is the role that municipalities have in sa. Municipalities play an important role in the development of SMMEs. There is a need for adequate institutionalisation to prevail, which can only occur with well aligned relationships between municipalities, regions, provinces and the national government. In dealing with this alignment

Theron and Subban (2009) State 1 that the Integrated Development Plan (IDP) which uses Local Economic Development (LED) programmes, can provide support for SMMEs. . Drafting of such strategies requires constant updating from studies like this to create relevant policies.

The IDP and LED policies are guided by the provisions in the White Paper of National Strategy for Development and promotion of Small Business in SA (1995:11). This document states that the need for small business sector as an instrument for solving various challenges in the country, ranging from its ability to generate employment and more equitable income distribution to activate competition, exploit niche markets (both internally and internationally) enhancing productivity and technical change, and through all of this stimulate economic development. However, the reality is, ‘Subsequent to the introduction of integrated development in KwaZulu-Natal Provincial Government embarked on drafting a Provincial Growth and Development Strategy (PGDS), which was adopted in 1996. The plan was implemented until 2000, upon which various draft reviewed plans were developed but never adopted,’ (Theron & Subban, 2009). According to the Development Plan of KZN drafted in 2011, PGDS was adopted by cabinet in August 2011, eleven years later (devplan.kzntl, 2011). It is still to be filtered down to the SMME owners.

The KwaZulu-Natal province where eThekweni is located has also provided many other supportive measures to assist SMMEs Mahabe in the NCR report in 2011 named the following measures:

Ithala Development Finance Corporation.

Ithala Development Finance Corporation, the Kwazulu- Natal Provincial Government's economic development agency, is a catalyst for economic development and empowerment in Kwazulu-Natal. As such, Ithala funds only businesses that are domiciled within the province of Kwazulu-Natal.

Trade and Investment Kwazulu-Natal

Trade and investment Kwazulu-Natal is a provincial trade and investment promotion agency, developed to promote the province as an investment destination. The agency offers a range of service which includes facilitation of joint ventures, and business linkages between small and big business and assisting investors to secure project and operational financing.

Even though there are such measures, unstable political and economic environments; complex tax processes; corruption and poor law and order situations are common problems faced by developing countries and SMMEs in them despite the institutions above set up to improve them (Hussain, 2009). There are long waiting periods that accompany the registration process, thus costs of doing business are hiked. As a result of this, hurdles; corruption and bribery are usually found as the solution for doing business for SMMEs (Gray, Cooley & Lutabingwa, 1997).

2.7 Support Services for SMMEs

Given the support of government and municipality for SMMEs it is important to decipher the role of the entrepreneur in the context of an SMME. . According to Makhitha (2009), SMMEs face the hurdle of the owner, who is usually the manager, and also responsible for all functions of the business. They are responsible for all marketing, finance, human resources, and operational functions. All of these functions are vital in a strategic organisation and there is a need for plans to be in place that will create an environment that will result in a successful organisation. In reality, the single manager, single owner needs to attempt to replicate activities of a large firm i.e. organisation, sales, buyer relationships, production, research development and finance, whilst remaining as a small entities - a very complicated and difficult process, which requires a certain level of skill and experience.

Earlier, in this chapter, in the economic discussion, the failure rate was discussed extensively. In this section it is important to acknowledge the reasons behind this failure as part of gaining an in-depth understanding of the SMME environment. According to Visagie (1997), the important support services that are required by SMMEs in SA to curb the failure rate are:

- Access to advice;
- favourable amendments to legislation and regulatory conditions;
- access to marketing and procurement;
- access to finance;
- access to infrastructure;
- access to training;
- access to appropriate technology; and

- encouragement of inter-firm linkages

Many researchers in the field of SMMEs support Visagie. For instance, Makhita (2009) identified finance as one of the vital support structures that underlie the failure rate of SMMEs. This was also supported by Struwig (2009), who identified personal finance and SMME finance as being vital in managing a successful organisation.

This study isolates Visagie's access to marketing with the aim of improving it through improved branding practise. In the paper titled *Personal Financial Knowledge and practise of SMME Owners/Managers*, presented at the Business Management Conference in Durban (eThekweni) 2009, she indicated that SMME owners lacked knowledge. A combination of traits identified by Visagie (1997) is critical in this study. In Ghana for instance, a developing country like South Africa, MSME's (Micro, Small and Medium Enterprises) are equivalent to SMMEs in SA and are found to battle with finding adequate markets (Eku,2007). Finding adequate markets is dependent on Visagie's (1997) support services for SMMEs to succeed. Similarly to Visagie (1997), Eku (2007) blames poor marketing and branding as key components in the failure of MSME's, stating that once products are not packaged and branded adequately they stand little chance in competing nationally and internationally.

2.8 Large organisations vs SMMEs

It is imperative that the differentiation between large corporations and SMMEs is defined. This is vital as large corporations have more experience which tends to assist SMMEs in dealing with various business phenomenon. The differentiation thus allows the SMME business to gauge and

make informed decision based on their structuring using the compass provided for by large businesses. Table 2.3 depicts the qualitative difference between Large Corporations and SMMEs

Table 2.3: Application for Qualitative Indicators

CATERGORY	SMME	LARGE CORPORATIONS
MANAGEMENT	Proprietor Entrepreneurship Function linked personality	Manager –Entrepreneurship Division of Labour by subject matter
PERSONNEL	Lack of University Graduates All-round knowledge	Dominance of University graduates Specialisation
ORGANISATION SALES BUYER RELATIONSHIPS PRODUCTION RESEARCH DEVELOPMENT	Highly personalised contact Competitive position not defined and uncertain Unstable Labour Intensive Following the market intuitive approach	Highly formalised communication Strong competitive position Based on Long term contracts Capital intensive, economies of scale Institutionalisation
FINANCE	Role of family funds and Self financing	Diversified ownership structure, access to anonymous capital market

Source: UNIDO as cited in NCR (2011)

2.9 Conclusions

Definition and comprehension of what makes up SMMEs are central to any research that aims to create solutions for these business forms. As shown in the discussion above, SMMEs are complex organisation, whose definition depends on the country they are in, thus solutions for this research would be more tailor-made for the eThekweni, based on the countries definition and how the eThekweni municipality aims to institutionalise SMMEs. As shown by this chapter, in their differences as business forms there are certain implications which need to be considered and understood in order to satisfy the economic agenda, as well as develop these entities into organisations that add value to the GDP of the country. The next chapter reviews theories and models that are currently used for branding. This discussion provides reasons and arguments that support the actual research that took place in exploring the issue of brand naming for SMMEs in eThekweni (SA).

CHAPTER THREE

LITERATURE REVIEW: BRANDING AND BRAND NAMING PROCESSES FOR SMMES

3.1 Introduction

The brand naming process is one that still experiences a lack of academic discourse, however this is changing as interest grows. The reason behind the changing interest can be accrued to the fact that the little research there is agrees that the importance of appropriate brand naming cannot be ignored as it has the propensity to significantly add value to an organisation (Kohli & Suri, 2000). That being the case, the concept of branding is dependent on the brand naming process for it to be regarded as suitable and of value to an organisation. In this chapter the concept of branding and its relationship with the success of SMMES is discussed and linked to the foundation of brand naming, its importance and how it should be applied.

The literature that is reviewed on the brand naming processes and strategies allows for evaluation, synthesis and identification of vital constructs significant to this study (Fink, 2010). By performing this review, it becomes easier for the researcher to discover how previous research has been influential in this study and how it can help solve the questions that this dissertation seeks answers for with regards to brand naming processes for SMMES.

3.2 Branding Background

Branding is a business concept that has been used over many centuries, dating as far back as the 1300's (Keller, 2000). With such a long existence in practise, it is interesting to note that in 2014 scholars and practitioners are still discovering various dynamics to this phenomenon. This is

partly due to the rise of various business forms over centuries, decades and years, which have made it essential to institutionalise the concept of branding accordingly.

In defining branding, Cronje, Du Toit, Marais & Motlala (2007) view it as a process of uniquely marking products, service, organisations and offerings which serve as differentiating mechanism from competitors. Within this definition, brand naming has been defined as a technique used to associate certain value traits with branded products, Aaker (1998). Consumers are always looking for value for what they purchase. This construct acts as the symbol of value which they seek. Consequential branding, there is a call to emphasise the importance of naming, as in reality, it is the beginning phase of brand management; the foundational phase.

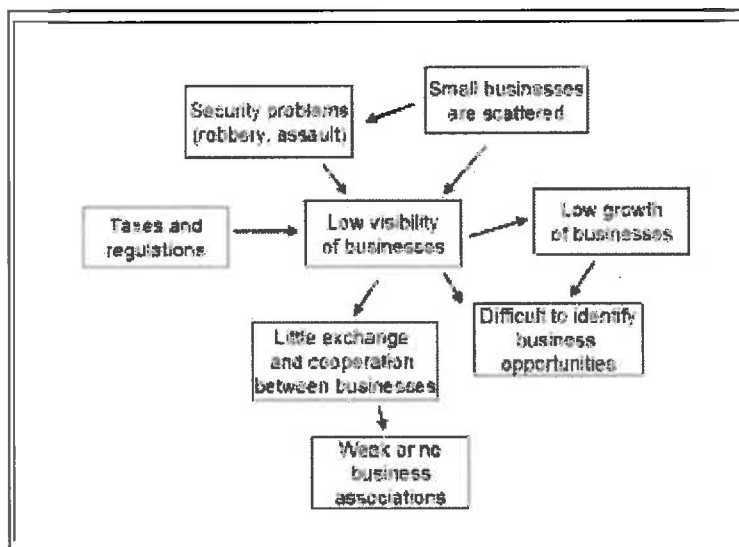
3.3 Branding for SMMEs

SMME failure can be attributed to, amongst other reasons as mentioned in the previous chapter, a lack of marketing (Nantsu & Tasssiopoulos, 2002:4). This recorded failure is found to be more prevalent in black owned enterprises in South Africa, a trend that can be ascribed to the previous structural history of apartheid (Dube, 2001). This has resulted, amongst other problems, to poor education and economic structures for the non-white races, a practise which succeeded through domination and control (Wolpe, 1972). It is because of this that most of the organisations that were approached were non- white owned businesses, because they have been labelled as lacking in skills, thus requiring all the assistance available.

In 1998 one of the leading scholars in the field of marketing and branding, Keller (1998) suggested that all forms of organisations including small organisations, should in fact practice

and apply branding principles in order to succeed. Abimbola (2001) as cited in Abimbola and Vallaster (2007) said branding in the context of SMMEs influences the plasticity of customer demand (flexibility of customers). Meyer-Stamer (2003) added to this importance of SMMEs visibility (achieved through branding) through the use of the diagram below which demonstrates that without adequate branding, visibility of an SMME becomes questionable as does its existence

Figure 3.1: Some obstacles for entrepreneurship in SA



Source: Meyer-Stamer 2003

In the figure above, arrows pointing to low visibility are the advantages organisations can yield from low visibility belief and overly trusting in the service and/or product provided (Meyer-Stamer, 2003). The diagram depicts that achieving low visibility does little for the success of the organisation, unlike high visibility achieved through appropriate branding.

SMMEs need to work on building strong brands that compete locally and globally in both the short and long term (Lassen, Kunde & Gioia, 2008). This is more important as majority of

organisations world-wide are actually SMMEs with economic power as mentioned in chapter two. The more globalisation becomes a part of all existence, the concept of marketing and appropriate branding becomes vital for organisations to survive and to stay competitive and relevant (Abimbola & Vallaster, 2007).

That being said, there is therefore a need for studies of this nature focusing on brand research on small businesses as opposed to using research conducted for large corporations which could be and usually is unrealistic for smaller organisations (Lassen *et. al.*, 2008). The reality is that the purpose of branding by SMMEs should be managed in the following manner if SMMEs wish to complete on par with other organisations in their prospective markets.

According to Lassen, *et.al.* (2008) brands require unique value for them to prosper. This value can only be reached when managers adopt a culture that promotes brand value chain rather than product value chain as is usually the case. The power of the brand is therefore viewed as reliant on the internal culture, and the external positioning where these have a relationship as shown above (Kunde, 2002). It is the relationship that exists between the internal culture and the external positioning that allows for a brand to prosper. This whole model and how it is conceptualised is highly dependent on the existence of a brand name. Lassen *et.al.* (2008) further contend that in dealing with SMMEs, brand essence is essential as it promotes product uniqueness whilst allowing for the brand to be preferred.

Branding is rooted in marketing (Wong & Merrilees, 2005). With SMMEs the concept of marketing should not be understood as a complete separate function, however it is essentially a

core function of the overall strategic activity of an organisation (Wong & Merrilees, 2005; Betton, Ewing & Napoli, 2008).

Even though there is not that much research as already indicated for the field, it is essential to admit that the most influential hindrance in the branding processes for SMMEs lies in the lack of abundant financial reserves (Wong & Merrilees, 2005). Small firms have limited financial reserves with limited human resources as well as limited time. Based on these limitations, Wong and Merrilees (2005) created a model to investigate the nature of SMME branding for a better understanding. In their research they identified four constructs in the understanding of branding for SMMEs. These were:

Brand Barrier	: Perception of insufficient resources blocking the branding process
Brand Distinctiveness	: Uniqueness of brand
Brand Marketing Performance	: Increased financial value
Brand Orientation	: Level the marketing strategy is centred on the brand.

Source: Wong and Merrilees (2005)

All of these four stages of branding are found to be relevant for SMMEs. Some are more important than others at different stages. This is an in-depth discussion which stretches beyond the purpose of this study. The brand-marketing performance is the construct which all SMMEs wish to fulfil. This fulfilment will only exist if an appropriate brand name is selected.

In 2005 Wong and Merrilees loosely suggested that branding is at times informal, possibly even optional, involving a narrow range of promotional tools (2005:404). This marks an important concern for SMMEs when branding and the role it plays in an organisation is as important as it has been said. With such thinking then there will be failures due to a lack of branding strategies for SMMEs. Again this suggests that the solution for SMMEs begins with the brand naming process itself prior to strategy formulation taking place.

3.4 Institutionalisation of Branding for SMMEs in South Africa

SMMEs like any other organisation need to adhere to legal frameworks like trademark laws when engaging in the brand naming process. Abimbola and Vallaster (2007) elaborate on this by adding that this consideration for brand naming processes requires that legal, cultural and regulatory challenges are met.

In South Africa there are a number of avenues from the legal perspective that are made available to organisation to register their business entities. All organisations have to follow the provisions by the companies act. This act uses the Companies and Intellectual Property Commission (CIPC) to assist with the registration process, (CIPC, 2013). Registering with the CIPC, however, does not guarantee legal protection of a brand name until such time as when the appropriate name is selected the number is allotted to the organisation (Companies Act of 2008).

As mentioned above, organisations are still expected to register their copyright protected name. According to the Copyright Act 98 of 1978, in South Africa organisations are expected to

comply with the Berne Copyright Convention, which covers most countries, by protecting the reproduction and use of original work by a second party (Nieman & Nieuwenhuizen, 2011).

3.5 Significant Traits in Brand Naming

Creation of a brand requires a complicated decision making process as whatever name is finally chosen will, over time, embody the product for that entity which it was created for (Levy, 1978 as cited in Kohli & LeBahn 1995). Researchers like Collins (1978) Vanden Burg, Adler and Oliver (1987) have in the past and currently, been compiling and completing research to study what the meaning of the branding process is, linguistically, culturally and in the context of the business environment. Their research has pioneered and developed theories that seek to understand the brand naming processes and/or strategies.

Roszokwski in (2013) postulates that, to have a brand name or rather to choose a brand name is a process embedded in the concept of memory. Robertson (1992) as cited by Angus and Oppenheim (2004) had previously supported the notion that memory, usually referred to as ease of recall, and the ability to easily encode a brand name were vital factors in the brand naming process.

Vanden Berg *et.al.*(1984) and Collins (1977) in their linguistic theory application through the use of language for brand naming processes, they concluded by agreeing with Robertson (1992) and Roszokwski (2013) on ease of recall and ability to remember being of essence. Boyd in (1985) raised ease of recall as being significant and extrapolated these findings through the

adoption of alphanumeric based theory (numbers and letters combination), in understanding brand naming strategies.

The ease to remember is a common thread that is of utmost importance. This marks the first aspect of the theoretical framework placing an emphasis on memory. The process which is therefore used to make decisions on brand names is imperative. Guided by the need to achieve ease of recall, McNeal and Zaren (1981) and later Shipley, Hooley and Wallace (1988) agreed that to build a brand that carried ease of recall and stuck to memory required process to be designed and followed. Such a process would require certain vital stakeholders to be consulted in order for it to be completed and for it to carry the ease of recall and memory factors that had been raised by linguistic researchers. In 1995, improving on already existing theories, Kohli and Lebahn (1995) created a six stages process that considered linguistics and stakeholder involvement in the creation of a brand name process.

As already noted above Roszokwski (2013) emphasis on the ease of recall and memory encapsulates most of the previous theories. His perspective together with Kohli and Lebahn (1995) process findings are therefore found to be most appropriate in answering the aim and purpose of this study, which is dealt with in detail in the discussion covered in this chapter.

3.5.1 Brand naming strategies and the process of brand naming

When viewing most literature on branding, popular scholars in the field of branding one discovers that there is dearth in literature defining brand naming strategies for SMMEs. For instance, Kotler (2003) in his research only ever approaches the concept for the brands that

already exist and are looking to extend their line or redefine them. Such thinking is similar to that by a world renowned author on branding, Kapferer (2004), whose advice on brand naming strategies is designed for extensions. It is significant to note that paramount to his theory is the relationship between the brand and the product mix as being essential in the brand naming process. Both these authors place an emphasis on exclusivity and uniqueness in branding (Kotler, 2003 & Kapferer, 2004).

To begin the process of branding, it is essential to identify who is going to brand (Turley & Moore, 1995). To solve this, the question that should be posed is, whose task is it to allocate a brand? Is this the task of the employees, founders, suppliers? For most large corporations who have the funds, they can afford to invest on consumer research and even varied consumer research in the processes of trying to find the appropriate brand name. (Mcneal & Zaren,1981). McNeal and Zaren (1981) found that most of the Fortune 500 companies use the marketing departments in choosing a brand. In a study conducted by Shipley, Hooley and Wallace, 1988 in the UK this thinking was supported in their research as they found that brand naming was a task that should be performed by the marketing and the executive management team. This has been the case throughout the years hence the leading and trusted research is based on work performed two decades ago.

Regardless of who names the brand, the success of an organisation is embedded on the brand name. It is vital to note and advise all SMMEs that where the brand name chosen has no inherent meaning, large amounts of funds would be required to promote the brand (Turley & Moore, 1995). Large amounts of funds as referred to be by Turley and Moore (1995) are not a favourable

scenario, therefore Kohli and LeBahn's study on effective brand naming processes (1995) is one that can minimise incurring high costs when establishing a brand. Their theory is combined with work completed by Kollman and Suckow (2007) and Roszkowski (2013) to create a robust study that has considered varied perspectives to assist the SMME industries, which have never had such research conducted in aid of their survival. The Kohli and LeBahn's study is the template on which this study was created, as revealed in chapter one. It would be the basis on which the research instrument was embedded for this study. They identified stages crucial to the brand naming process.

Proposition put forward by Kohli and LeBahn's (1995) identified Branding objectives; sometimes referred to as brand naming objectives, and explained as the establishment of a specific image. These begin to engage in the construction of the six step process of brand naming as a well thought out strategy:

- **Branding Criteria;** referred to the brand name being compatible with the brand image as well as memorability.
- **Generation of New Brand names;** creation of a 'long list of possible names' (Kohli & LaBahn, 1995:16)
- **Screening the name appropriateness;** from the process above, choosing the names that are more suitable.
- **Researching consumers' preferences;** through the application of various research methods in which the most preferred names should be selected

- **Conducting a trademark search;** submission of four or five chosen names to the patent and/or trademark office for registration. Submitting more than one guards against the possibility of the name you want already being unavailable.

These steps are the basis of the six stage process Kohli and LeBahn (1995) later develop as seen below and embedded in the research instrument that serves to review the concept of brand naming activities for SMMEs in this chosen geographical area.

3.5.2 Developing a Brand Name

The starting point of developing a brand is based on finding a brand for one's organisation (Turley & Moore, 1995). Roszkowski (2013) claims brand name success is dependent on memorability, pronunciation and ease of spelling amongst other factors.

According to Robertson (1992 as cited in Angus and Oppenheim, 2004:13) the desirability of a brand should be assessed according to the following criteria:

- The brand name should be a simple word
- The brand name should be a distinctive word
- The brand name should be a meaningful word
- The brand name should be verbal or sound associate of the product class
- The brand name should elicit a mental image
- The brand name should be an emotional word
- The brand name should make use of the repetitive sounds generated by alliterations, assonance, consonance, rhyme and rhythm

- The brand name should make use of morphemes
- The brand name should make use of phonemes

Source: Robertson (1992 as cited by Angus and Oppenheim, 2004:13)

Adding to the theory above, Vanden Berg in (1984) and later McCune (2011) emphasize that brands which carry plosives are easier to remember than those that did not. According to McCune (2011:14), 'plosives are sounds in which the airflow is stopped and then released with some force'. They are identified as the following consonants, namely, B, C, D, G, K, P and T, Gunasti and William (2010). It is important to use alphanumeric brand names, as they are regarded as easier to recall and are of more sustenance.

Chan and Huang (1997) warned that it is essential to adhere to linguistic elements found to be present in human languages. The linguistic debate on language is one that stretches beyond the purpose of this paper, however, it is important to highlight that language is highly important in choosing a brand name as it emphasizes concepts of ease of recall and remembrance. All stakeholders involved in the process of choosing the brand name should have knowledge language and linguistics has in the process of choosing brand names (sentence unclear). Inherent ability of the name to be easily encoded into, retained in and retrieved from memory is closely linked to choice of brand name which supports or enhances the planned strategic positioning or image of the product, Angus and Oppenheim (2004:13).

3.5.2 Selecting a Brand Name

Kohli and LaBahn used the stages below to conduct their research. A combination of McNeal and Zaren's research from 1981 and Shipley *et.al*'s research from 1998 were used as the foundation for their research. In this important study by Kohli and LeBahn (1995:6-7) companies listed in the American Marketing Association in the year 1994 were used for the study that asked how they created their brand names and what influences were crucial in the naming process. A hundred and one organisations completed the questionnaire. In this study, sixty percent of the respondents felt that brand names were important for the sale of goods, suggesting that the brand naming activity was important. However the very same companies were found not to have clear brand name evaluation processes in place and this was accredited to issues of time constraints and knowledge of the brand naming process as established in the seven stages above (Kohli & LeBahn, 1995:15). The stages led to the creation of the brand naming process shown in the diagram below:

Figure 3.2: Brand Naming Process



Source: Kohli and LeBahn (1995)

The above diagram can thus be translated in the following manner for better comprehension in the context of this study:

- Step One

Set out clear objectives for the naming process. This can be drawn from the marketing strategy, especially the positioning statement
- Step Two

Create a reasonably long list of candidate brand names, this will ensure a good pool of alternatives.
- Step Three

Conduct a thorough evaluation of the candidate names; consider each criterion deemed appropriate for the product being introduced
- Step Four

Systematically apply the objective and criteria specified in the earlier steps in choosing the final brand name
- Step Five

Choose four to five names for submission to the patent and trademark office registration.

Source: Kohli and LeBahn (1995)

According to Kohli and LeBahn (1995), most authors who had written on the concept of brand naming had done so with no real empirical evidence. Their research sought to change this, which it did for large corporations as shown above. This thesis is designed to bring about similar changes for SMMEs.

3.6 Conclusion

Through this review of literature, it becomes apparent that the brand naming process is one that is influenced and guided by various branding theories. The process of branding it seems, is the most powerful and important process for branding to occur and for marketing to take place. This process embeds achievement of growth therefore it is critical that the selection of the brand name considers various theories and strategies in the naming process. It is these strategies and theories that are vital for an SMME because just like big business, this entity also seeks to grow. The next chapter guided by the known literature and the aim of this study provides a research methodology to assist in finding the meaning of brand naming for an eThekwinini SMMEs.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 Introduction

The previous chapter discussed the theoretical literature on which this study is based on. The key objectives of this study were presented in Chapter One. This chapter discusses the research methods that can assist in collecting data to give responses to the set objectives. Included on here is the description of the analysis techniques and all the ethical issues that were taken into consideration. This section begins with the discussion of objectives.

4.2 Research Objectives

There has been no research in the past that pertains directly to the naming procedures of SMMEs in the eThekweni region and South Africa at large, which is empirical in nature. Thus this research will also engage other sub areas of brand naming strategies for SMMEs in the eThekweni Municipal area within the unique tapestry of the business environment they exist in.

As a reminder these are:

RO1 : To probe brand naming strategies prevalent in the eThekweni Municipal SMME environment.

RO2 : To identify various stakeholders found to be responsible for the brand naming process by SMMEs in this area.

RO3 : To identify trait relationships considered to be of significance in the brand naming process by SMMEs.

RO4 : To ascertain whether the brand naming strategies implemented by SMMEs are the same as those implemented by large corporations.

RO5 : To review the current demographic dimensions that could have an impact on the brand naming process.

4.3 Research Design

There are three research forms that are usually used in conducting research, they are; Hypothesis Testing; Descriptive Research and Exploratory Research. Sekaran and Bougie's (2010) definition of hypothesis testing is deeply embedded in the notion of a relationship between variables. The core principle of this research form is in the understanding of the relationship between these variables, depicting how two or more variables impact each other (Babbie & Mouton, 2007). According to Babbie and Mouton (2007), these variables are probed, with an assumption that the one will have a causal impact on the other. The objectives of this study are not to explore a causal relationship. However as depicted below, the study borders more on a combination of exploratory and a descriptive perspective

According to Ghauri and Gronhaug (2010), descriptive research is used in environments that are well understood and known where accuracy and procedure form the basis of the research. Usually, descriptive research is often referred to as statistical in nature, where statistical representations serve to summarise data collected, as per Sekeran and Bougie (2010). According to Sekeran and Bougie (2010), descriptive statistics serve as the rawdata required for statistical analysis. Even though the parameters of the population of this study are not fully understood;

statistical inferences are none the less applied to complete this research thus borrowing on principles of descriptive research to complete the study. This is accepted practise as descriptive research is used to define a phenomenon, according to Acker & Irving (1998). In Chapter three there was an extensive discussion on the theoretical framework that guides this research, namely Kohli and LeBahn's (1995) theory on brand naming strategies. By conducting this research, Kohli and LeBahn theories are compared and contrasted to the actual reality of SMMEs in eThekweni to provide meaningful conclusions for development of these entities to their full potential. This is the first reason for the use of descriptive research principles.

Based on the previous chapter thus far it is clear that there are no definitive parameters and no readily available variables that define the brand naming process within SMMEs. Ordinarily descriptive research would not be suitable in exploring the phenomenon involved. However, the second reason for the choice of this method is based on the preliminary informative conversations with possible research participants that took place which revealed, although not conclusively, that there would be difficulty in acquiring information from identified respondents, that is SMME operators in eThekweni, using known exploratory methods like focus groups and in-depth interviews. There was a general mistrust in research activities, thus most found comfort in the anonymity that numbers and statistics provided. It was this information that guided the use of descriptive methods for an exploratory research study.

As already mentioned a number of times above, this research is embedded in the notion of exploration. These research aims, are driven by the need to understand the brand naming

strategies that are followed by SMMEs in the eThekweni area. It serves to best describe and find common practise to better understand the SMME environment and to identify wrongs that need to be corrected and rights that practitioners, academics, economic policy developers must capitalise on.

Sekaren and Bougie (2010) stipulate that exploratory methodology is best applied when there is limited information in that particular field. Kotler and Armstrong (2006) advise that through the use of exploratory research, information collected could be used to inform causal research and relationship based research through the formulation of hypothesis. Through such, an understanding could later yield appropriate policies and procedure for SMME.

4.3.1 Data Type

Due to the importance of the generalizability of the study, this research should be described using: (1) ontological assumptions, that stress that the reality of the research should be objective;(2) epistemological assumption, where the researcher is independent from that which is being researched and (3) axiological assumption, which stress the unbiased nature of quantitative research applied (Firestone (1987); (Guba & Lincoln (1988) and McCracken (1988)) as cited by Creswell, 2003:5). It is on this premise that quantitative methods of research were used to conduct this research where statistical inferences were implemented eliminating the possibility of human preferences and perceptions that could influence the data captured and the analysis thereof (Cant, Gerber, Nel, Kotze, 2003).

Creswell (2003) asserts that quantitative methods allow for the data to be analysed using statistical theorems which allow for the results to be generalisable. This research uses quantitative methods of research where numeric symbols, as suggested in the research, are used to ascertain the various phenomena that exist (Matveev, 2002). According to Morgan and Smircich (1980) as quoted in (Matveev 2002), quantitative research is based on the assumption that social reality has an objective ontological structure and that individuals are responding agents to this objective environment. This paradigm exists on the notion that the measure of 'being' is that which can in fact be measured scientifically (Matveev, 2002)

4.4 Sampling

The sample, on which the research was based on, was randomly selected within the geographical area of eThekweni Municipality. This area includes the actual Central Business District (CBD); the surrounding residential and industrial suburbs as well as the locations/townships. The SMMEs were approached by field workers individually, for face to face contact. SMMEs approached were sourced through availability and consent to participate. No distinction was made between formal and informal SMMEs as they both were active participants in the economy of Durban.

The actual population, which is referred to as the overall combined number of respondents that exist within predefined perimeters from which a researcher wishes to draw information from (Cooper & Schindler, 2001) of SMMEs in the area is more or less unknown. The Durban Chamber of Commerce estimated the population size to be over 3000, an estimation based on

their registered membership provided telephonically by an employee at Durban Chamber of Commerce in 2011. Given the size of the estimated population, a sample was used to represent it.

Through the use of a sample, the completion of the research would be cheaper (Magnani, 1997), as the researcher would not attempt to locate and contact each and every SMME in the eThekweni area. Based on this number, a 341 sample size was determined, informed by Krejcie and Morgan's (1970) which has been supported by Sekaren and Bougie (2003) sampling table, constituting more or less ten percent of the population, translating to three hundred respondents. Sampling could be viewed as the process of gathering data from subset representative variables instead of using the whole population (Magnani, 1997). However, most importantly, a sample could allow for research results to be generalised for the whole population (Bless, *et.al.* 2006) provided appropriate sampling techniques are applied. According to Hopkins (2000), to be safe, it is best to use random sampling techniques when selecting a sample as each and every variable of the population would have the same chance of being selected. It should be noted in research, unlike in layman's, random is 'chance, likelihood or probability of being chosen for the sample and can be calculated for each element of the population,' (Bless, *et.al.* 2006:101). Bless *et. al.*(2006) and Babbie & Mouton (2007) agree that probability sampling allows for all variables of a population to have an equal chance to be included in the research.

In terms of sampling decisions for this research, the following was concluded and decided on. The method of sampling that was used was probability sampling, using simple random sampling,

allowing for the study to be more generalisable to the population. All members of the population were therefore afforded a chance of being selected.

4.5 Data Collection

There are two main areas of consideration be noted that advised the process of data collection below. These are the research instrument used and how the data was collected using this instrument.

4.5.1 Research Instrument

A survey consisting of questions designed by Kohli and LeBahn (1995) was used to extract data from the chosen sample. The questionnaire (Please refer to Appendix I) has been designed to fit the South African environment as well as the objectives of this study. The instrument will consist of questions that define the main stages of brand naming procedures clarifying each of the key objectives and key research questions most importantly.

For this research to be completed it was essential to devise an instrument that would be used to collect the data. Data is important as it is the source from which factual content can be extracted (Babbie & Mouton, 2007). It should be noted that this methodology is not without its faults, like those of validity and reliability (Babbie & Mouton, 2007). These are discussed further in the chapter. The instrument designed was used to collect raw data, which was represented by numbers and/or characters as they exist prior to any analysis taking place.

The literature review revealed through the literature framework in chapters two and three the important areas that were used to construct the research instrument. Work completed by Kohli and LaBahn (1995) was used to construct the survey instrument. The various layers of their model in brand naming strategies were used to construct this research instrument. However, the dual nature of this research ensured that within the survey, general structures that govern SMMEs in South Africa were also planned for and provided for. Demographic elements were regarded as an important element of defining SMMEs in the South African and eThekweni context.

To gather information pertaining to the decision processes as well as the evaluation of branding by SMMEs in the eThekweni Municipal region, a survey questionnaire was created. According to Bless *et. al.* (2006), surveys are one of the various methods of collecting data. Survey instruments with closed ended questions like those provided by this research, are a collection instrument that is written providing predetermined answers to questions for the respondent (Sekaren, 2003). This is essential as discussed by Walonick (2003) in completing research studies where the researcher knows exactly what they seek to find, as is the case in this study. A combination of a structured technique of an interview process with the use of a survey questionnaire allows for the appropriate comprehension and interpretation of the data collected (Kvale, 2006). Given the discussion above, it therefore can be said that this research follows closely on the ethos provided by both the interview techniques and those applied in conducting survey questionnaires. Bless *et.al.* (2006) describe these as, ‘scheduled, structured interviews.’ (2006:117).

According to Aitchison and Harley (2006), 48% of the South African population was illiterate in 2001, with less than Grade nine or its equivalence of education. Due to such a phenomenon, the literacy levels need to be factored into the design of research instrument as there are possible literacy barriers as expected in dealing with some of the illiterate SMME owners in the eThekweni region. As such, it was essential that data collectors were hired to conduct the survey supporting the use of interviewers to collect the data. This was essential in avoiding any incorrect entries on the questionnaires and unreturned surveys. Common practice in dealing with survey has always relied and defined questionnaires to be written questions sent to the respondents using the mail (Bless, *et. al.* 2006). For these reasons, the survey questionnaires were completed using the ethos of an interview where there was direct personal contact with each of the participants that formed the sample (Bless, *et.al.* 2006). However, the data collectors were in this instance tools for the correct collection of information without any bias. The collectors, over a period of six months, collected data using the research instrument provided in the various sub regions of the eThekweni municipality

4.5.2 Data Collection

As already mentioned, two data collectors with extensive data collection experience, previously involved with the census collection process in South Africa were acquired. They were trained in a one day workshop designed by the researcher, where all questions were scrutinised and the overall study was discussed and explained - a practise supported by the Haiweb Manual (2008). This practice emphasizes that the training of data collection personnel ensures the quality and

that correct data is collected for the research. The second criteria that was important in this research was that of language.

South Africa has eleven official languages. KwaZulu-Natal, where eThekweni is situated, uses two of those languages frequently, namely English and isiZulu. Due to this, it was important that the collection process was completed by individuals who had the full comprehension of both languages. To close the gap that could be created by linguistic barriers in the research when translation takes place (Cole & Graham, 2012), the instrument in itself was also sent in to a specialist translator. Through this practice the presence of error due to language was thus minimised.

4.6 Data Analysis

Data analysis allows for inferences to be deduced about the data with the purpose of describing the phenomenon (Frank & Althoen, 1994). According to Frank and Althea (1994), it is important in the collections phase that there are no preconceived ideas about the phenomenon being researched influencing the statistics.

To measure descriptive variables, percentile and frequency analysis was applied using the Statistical Package for Social Sciences (SPSS). Similarly, through SPSS individual variables were also measured using percentile and frequency distribution for all the SMMEs that were part

of the sample. The SPSS programme is easier to use when wanting to depict descriptive statistics (Healey, 2014)

The inferential variables were analysed further to find relationships between variables defining the behaviour by SMMEs, using correlation. Pearson's Correlation which can be found in SPSS was used. According to Healey (2014) inferential statistics will provide us with outcomes that define the probable scenario for the population. Pearsons Correlation analysis in its application allows for as many variables as possible, thus giving rise to the data guiding the research itself without the researcher influence (Frank & Althoen, 1994).

4.7 Validity and Reliability

It is important that the research instrument being used is appropriate for the study being conducted. Bless *et.al* (2006), imply, in their book, that it is important to recognise in doing research that there is usually, more often than not, some degree of error when research is performed. Therefore, the instrument has to be tested for reliability and validity. Reliability is the measure of how well the instrument measures what it purports to measure (Suhr & Shay, 2009). Validity examines whether or not the instrument used does in fact measure what it is intended to measure (Tavakol & Dennick, 2011). According to Nunnally & Bernstein (1994), validity depends on reliability; however the same cannot be said vice versa. The validity of an instrument is not depended on its reliability. Due to the fact that it may prove to be difficult due to time constraints and availability of participants, the method of reliability testing suggested by Babbie and Mouton (2006) of test and retest where the survey is conducted to the same group more than

once was not realistic as participants may not be able to avail themselves the second time, thus Cronbach's Alpha a statistical method was used. It should be noted that there are other reliability tools that can be used, namely the generalisability theory and the item-response theory (Tavakol & Dennick, 2011). However, for the purposes of this research, the latter theories will not be discussed any further as they were not applied in this study.

Cronbach's alpha was used as a diagnostic measure of reliability which measures the consistency of the entire scale (Hair et al, 1998). This method is commonly used and it relies on correlation theories. Correlation is and can be performed on the SPSS system. For the results of Cronbach's alpha to be acceptable they should be between .60 and .70. (Hair *et al*, 1998 and Babbie & Mouton, 2006). There are varying reports with regards to the acceptable value of Cronbach's alpha that should be noted (Tavakol & Dennick, 2011). Some state that the alpha value of .70 and above is regarded as acceptable (Pallant, 2005), however, for exploratory research the value of .60 can also still be accepted (Hair *et al*, 1998). By default, this research also has a reliability that is already supported as the measures are those used in similar research by Kohli and LeBahn (1995) and Kollman and Suckow (2007). The difference is that they used the research for large corporations as opposed to small medium and micro enterprises as this study does.

As already stated through reliability testing, validity of the study can thus be determined (Nunnally & Bernstein, 1994). To further test whether or not the measure used is representative of what is being studied, a validity test was conducted. Nomological validity, a method that relies on identifying 'theoretically supported relationships from prior research or accepted

principles used to assess whether the scale has corresponding relationships' (Hair *et al*, 1998:118-119) was used. This means that the measurement instrument will be compared to existing theories upon which the framework of this research is based (Hair *et al*, 1998).

4.8 Ethical Issues

Ethical clearance is designed to provide protection mechanisms in research (Aguinis & Henle, 2002). Due to the fact that there was a face to face interaction between the data collectors and the participants there had to be an environment of trust created which has the concept of confidentiality embedded within (Corbin & Strauss, 2015). Due to this understanding of ethics within research, the study had to comply with the University of KwaZulu-Natal ethical procedures (See Appendix IV), to protect the rights of the respondents. Due to no single gate-keeper being available, the ethical committee agreed instead to include a consent form as a permission request letter that was shared with each respondent; (see appendix for both these documents in the ethical clearance section. According to Corbin and Strauss (2015) one as a researcher cannot pick and choose aspects of a methodology that suit him or her but chosen methodologies need to be applied in their holistic manner. This was done within the study and all results thereof are considered in describing the phenomenon studied.

4.9 Conclusions

This chapter explored the steps and strategies used to research the aims and objectives of this study. With all the steps detailed out the field work could therefore take place followed by the analysis process which produced results discussed in the following chapter.

CHAPTER FIVE

DATA ANALYSIS AND PRESENTATION OF RESULTS

5.1 Introduction

In this dissertation, the nature of brand naming is probed specifically for SMMEs in the eThekweni area in South Africa. The literature has assisted in guiding how the research was conducted leading to fieldwork that took place as depicted in the previous chapter. The objectives were centred on the issue of knowledge about brand naming; how it is completed and whether or not chosen brand naming processes applied are benefiting these organisations.

In this chapter, the results obtained from the research process are analysed and presented. They are presented in a manner that defines the phenomenon of brand naming for SMMEs. The chapter that follows, which is chapter six then provides a discussion linking these findings to the objectives of the study. Due to the study using a sample as opposed to the whole population, inferential statistics are used as there is a need to take into account and acknowledge that the data relies on estimation thus runs the risk of error (Lund Research Ltd, 2013). The chapter therefore begins by presenting descriptive statistics followed by inferential statistical results.

5.1.2 Reliability and Validity

The following results were received, testing validity and reliability of the study. Based on the data collected, only 30% of the cases were excluded in the research, ensuring that the instrument was in fact 70% valid and appropriate to research this study.

Table 5.1.2: Validity

		N	%
Cases	Valid	7	70.0
	Excluded ^a	3	30.0
	Total	10	100.0

a. Listwise deletion based on all variables in the procedure.

Cronbach's Alpha was calculated at 0.892 for this research which is above 0.7, so the scale can be considered reliable (Pallant, 2005). This meant that the research was both reliable and valid.

Table 5.1.3: Reliability

Cronbach's Alpha	N of Items
.892	66

The results from the above calculation show that the research tool and the results are reliable and valid thus can be used to draw adequate conclusions and recommendations (Pallant, 2005).

5.2 Descriptive Statistics: Demographics

Table 5.2.1 and Figure 5.2.1 reveal the gender of the owners of the SMMEs who were being investigated. The largest percentage of the respondents fell in the male category with a percentage of 66.3%, followed by females at 27.4%, and an unanswered percentage of 6.3%. It therefore can be concluded that male owners had the highest participation rate in this study.

Figure 5.2.1: Gender

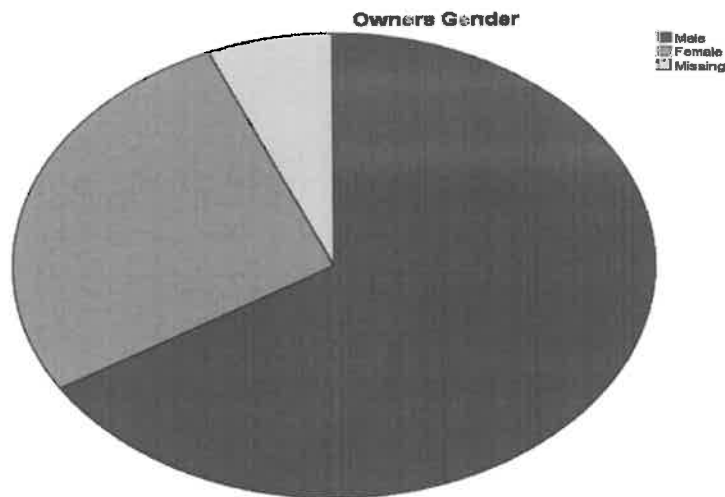


Table 5.2.2 (see Appendix II) and Figure 5.2.2 depict the Owners home language distribution of respondents. The largest percentages from respondents showed that English was the most spoken language amongst the owners of the SMMEs in this area, with a high level percentage of 47.4%; followed by Zulu at 23.7%; Afrikaans at (13.7%); Xhosa at 2.1%; other languages at 9.5%, with 3.7% left as unknown.

Figure 5.2.2: Owners Home Language

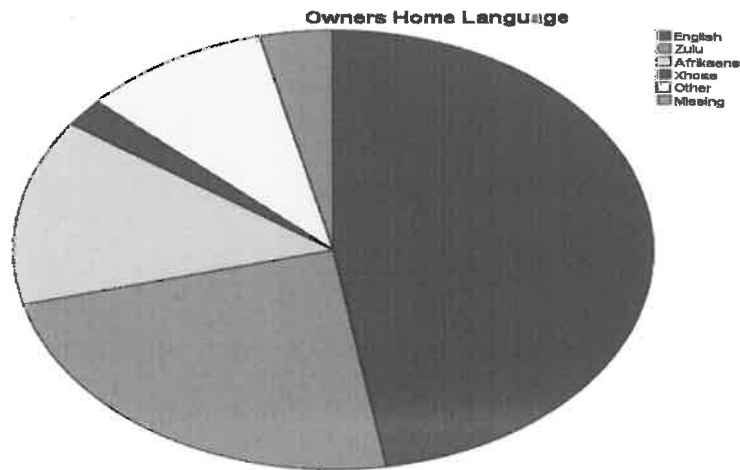


Table 5.2.3 (see Appendix II) and Figure 5.2.3 reveals the age distribution of respondents. The largest percentages of the respondents fell in the age of 51- above category, with a high level percentage of 34.2%, this was followed by the 41- 50 who ranked at 32.1%, 31- 40 was at 22.1%; 26-30 at 5.3%, 18-25 at 2.1%, and there was an unknown age bracket at 4.2%.

Figure 5.2.3: Owners Age

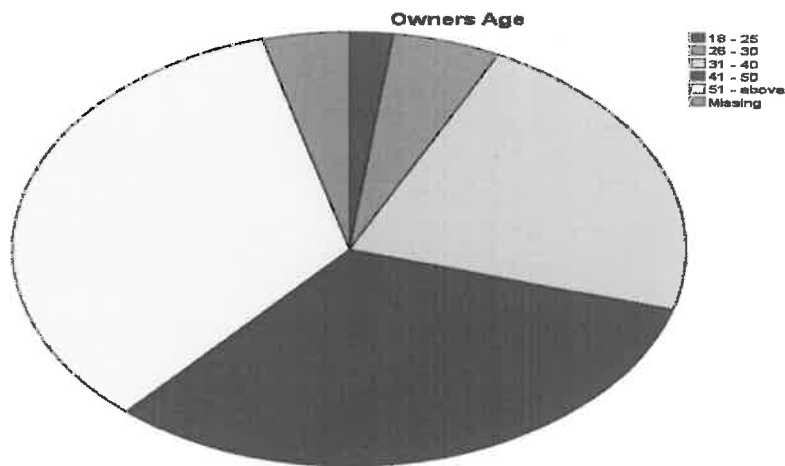


Table 5.2.4 (see Appendix II) and Figure 5.2.4 reveal the highest grade passed by owner, within the basic education structures available in South Africa range from Grade 1 until Grand 12 of schooling. The largest percentages of the respondents were in grade 8-12 with a high level percentage of 50.0%, followed by an unanswered percentage of 44.7%, grade 1-4 at 2.6%, and grade 5-7 also at 2.6%. This meant that 50% of the eThekweni SMME owners could be regarded as literate.

Figure 5.2.4: Highest Grade Passed By Owner

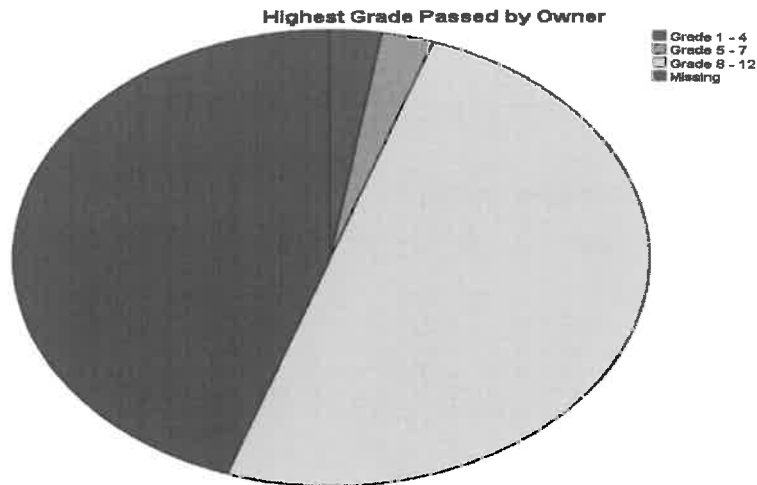


Table 5.2.5 (see Appendix II) and Figure 5.2.5 reveal the highest obtained tertiary qualification by the respondents. This ranges from undergraduate level study to post graduate study. The largest percentages of the respondents fell in the unanswered percentage with a high level percentage of, 39.5%, followed by undergraduate at 37.9%, masters at, 7.4%, post graduate at 6.8% and doctoral also at 4.2%.

Figure 5.2.5 Highest Tertiary Qualification Obtained

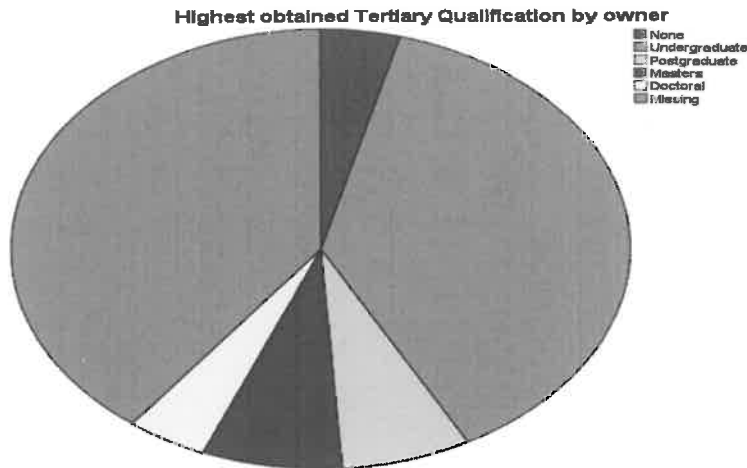


Table 5.2.6 (see Appendix II) and Figure 5.2.6 reveal annual turnover distribution of respondents. This is the amount of money that these business entities would be making over within a financial year. The largest percentages of the respondents fell in R50 001, 00 - R200 000, 00 with a high level percentage of 29.5%, followed by R200 001, 00 - R1000 000, 00 at 26.3 %, 0 - R50 000, 00 at 15.8%, R1 000 001, 00 - R2 000 000, 00 at 15.3%, R2 000 001, 00 - above at 9.5%, and an unanswered percentage of 3.7%. Most of the participating businesses had a turnover ranging between R50 000.00 to R200 000.00.

Figure 5.2.6: Annual Turnover

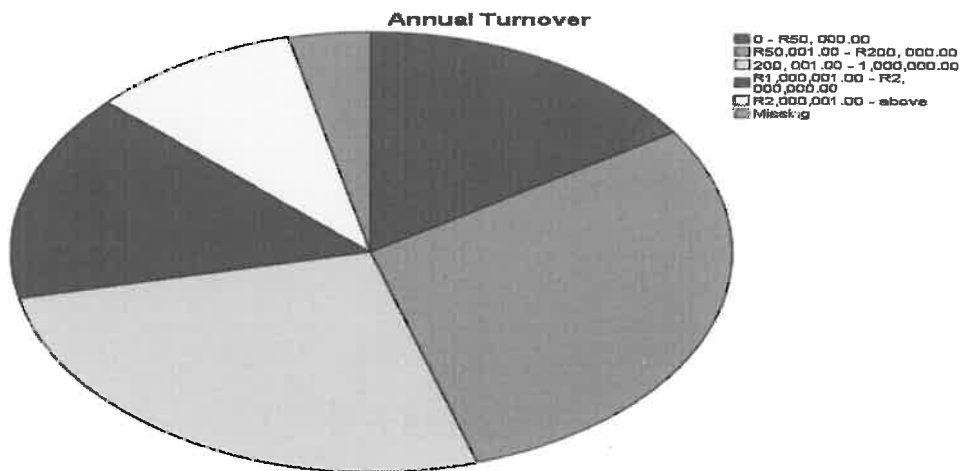


Figure 5.2.7 below shows the location of business's the physical location this is also depicted in Table 5.2.7 as seen in Appendix II. The largest percentages of the respondents were found in the in Glenwood suburb of eThekweni Municipality at 19.5%, this was followed by Umgeni at 17.4%, city centre at 16.8%, Umlazi at 13.2%, Morningside at 7.9%, Isipingo at 7.9%, Point waterfront at 6.3%, Phoenix/Mount Edgecombe at 3.2%, Amanzimtoti at 3.2%, and Springfield at 0.5%. 4.2% was unclear.

Figure 5.2.7: Location of Business

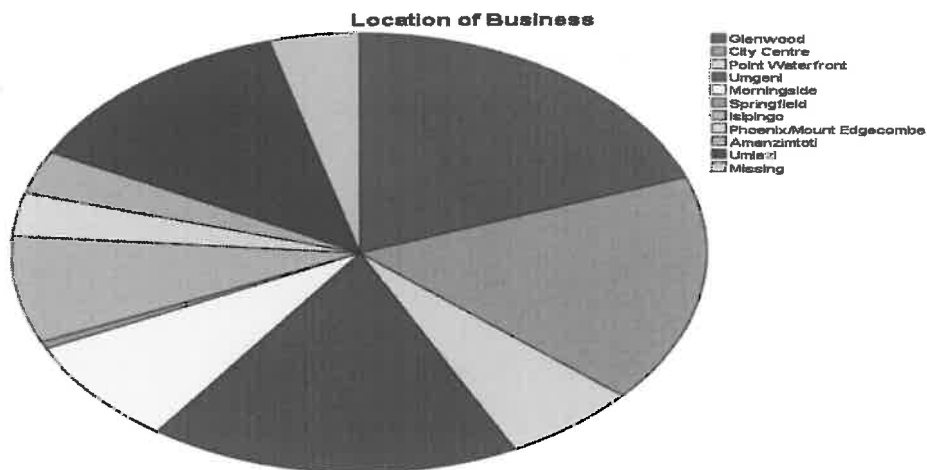
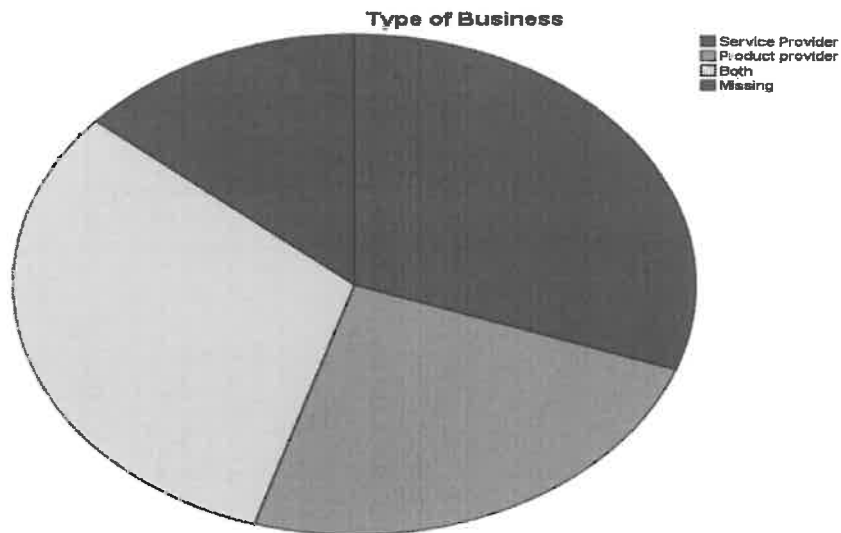


Table 5.2.8 (see Appendix II) and Figure 5.2.8. reveal the type of businesses these entities were involved in, whether they were service providing or product providing businesses. It was found that the largest percentages of the respondents fell at a percentage of 31.6%, which provided both service and product as their commodity, followed by service provider at 30.5%, product provider at 24.2%, and an unanswered percentage of 13.7%.

Figure 5.2.8: Type of Business



As shown by the table below, a cumulative percentage of 60.2% in the SMMEs that were part of the study employed 1-6 individuals, 6.6% employed between 10 and 12 and 15.1 % of the SMMEs employed 13 or more individuals, with 24 missing.

Table 5.2.9 Number of Employees

	Frequency	Valid Percent	Cumulative Percent
Valid	1 – 3	50	30.1
	4 – 6	50	60.2
	7 – 9	30	78.3
	10 - 12	11	84.9
	13 and over	25	100.0
	Total	166	100.0
Missing	System	24	
Total		190	

5.3 Inferential Statistics: Brand Naming Perceptions and Processes

The research framework in chapter one and three revealed four important points. 1. The brand naming process and/or strategies are driven by objectives; 2. There are individuals or a group of individuals who are usually given the task of brand naming; 3. As Kohli and LeBahn's (1995) model reveals, there is a process that is followed when brand naming takes place; and 4. The identification and presence of certain pre identified traits and the relationship they have in the brand naming process. The data to understand these was collected using the research instrument, below is the results set out.

5.3.1 Brand Naming Objectives

Table 5.3.1 reveals brand naming objectives as understood by the SMMEs and what they view and understand their objectives to be. Using the objectives set out in the literature above, it was found that the largest percentages of the respondents, 21.6%, felt that being easily identifiable was the main purpose to engage within the brand naming process. This was followed by those who did not answer the question of objectives who made up 21.1%. Eighteen point nine percent of the respondents were driven by the need to establish product differentiation at. Sixteen point eight percent of the respondents did it to convey intended position; 10.0% engaged with brand naming in order to establish a distinct segment; 8.4 % used it to establish a distinct image whilst 3.2 % viewed the purpose to engage with brand naming processes necessary to make trading easier.

Table 5.3.1: Brand Naming Objectives

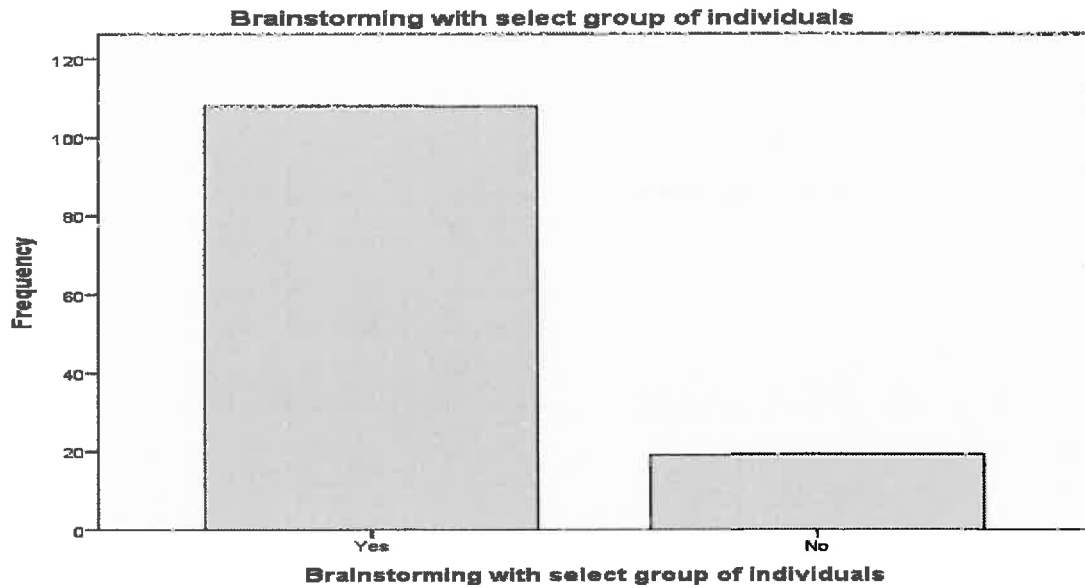
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Convey intended position	32	16.8	21.3	21.3
Establish product differentiation	36	18.9	24.0	45.3
Establish a distinct segment	19	10.0	12.7	58.0
Establish a distinct image	16	8.4	10.7	68.7
Identification only	41	21.6	27.3	96.0
Ease of trade	6	3.2	4.0	100.0
Total	150	78.9	100.0	
Missing				
System	40	21.1		
Total	190	100.0		

5.3.2 Brand Naming Responsibility

It is important to grasp how SMMEs in the eThekweni region reached the brand names that they were using for their organisations. Knowledge of who is responsible is vital in the conceptualising of brand naming strategies by SMMEs in eThekweni.

Figure 5.3.2 and Table 5.3.2 reveal the use of brainstorming techniques with selected groups of individuals. Fifty six point eight percent of the respondents use this brainstorming method. This was followed by an unanswred percentage of 33.2%, and 10 % do not use this method.

Figure 5.3.2: Brainstorming with a select group of Individuals



A cumulative percentage of 85% validates the higher ranking of brainstorming with a select group of individuals as shown in Table 5.3.2 below.

Table 5.3.2: Brainstorming with a select group of Individuals

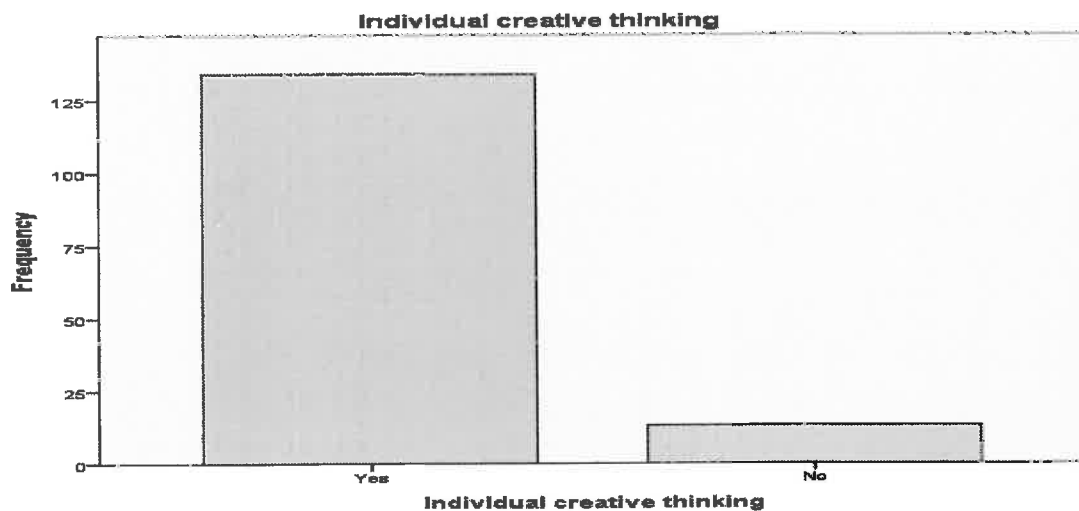
Brainstorming with a select group of individuals

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	108	56.8	85.0	85.0
Valid No	19	10.0	15.0	100.0
Total	127	66.8	100.0	
Missing System	63	33.2		
Total	190	100.0		

Figure 5.3.3 reveals that individual creative thinking played a role in the process of brand

naming, with 70.5% of the respondents agreeing to this and only 6.8% disagreeing. 22.6% of the respondents did not answer.

Figure 5.3.3: Individual Creative Thinking



With regards to an existing name of another company product being utilised, the largest percentages of the respondents fell in the unanswred percentage with a high level percentage of 60.0%, followed by 21.1%ve that answered in the negative, and 18.9% that answered in the affirmative. With regards to the use of Outside Agencies the largest percentages of the respondents fell in the unanswred percentage with a high level percentage of 42.1%, followed by “yes” at 40.0%, and “no” at 17.9%.

The use of an existing bank/pool of names was mostly unanswred at 63.2%.Twenty three point seven percent responded in the negative while 13.2% responded in the affirmative. The probe into the use of reference books also had the majority of the respondents not answer to it. An open invitation of suggestions from employees as an option was not responded to by majority of the

sample (62.6%), however those who did respond, responded negatively at 25.8%, and affirmatively at 11.6% Table 5.3.3 reveals suggestions from customers' distribution of respondents. The largest percentages of the respondents fell in the unanswered percentage with a high level percentage of 61.6%, followed by "no" at 22.6%, and "yes" at 15.8%.

Table: 5.3.3: Suggestions from Customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	30	15.8	41.1	41.1
	No	43	22.6	58.9	100.0
	Total	73	38.4	100.0	
Missing	System	117	61.6		
Total		190	100.0		

Table 5.3.4 reveals existing names purchased from another company distribution of respondents. The largest percentages of the respondents fell within the unanswered percentage with a high level percentage of 61.1%, followed by "no" at 26.8%, and "yes" at 12.1%.

Table 5.3.4: Existing Name Purchased from Another Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	23	12.1	31.1	31.1
	No	51	26.8	68.9	100.0
	Total	74	38.9	100.0	
Missing	System	116	61.1		
Total		190	100.0		

Computer software programmes as a question posed Table 5.3.5 had the largest percentage of the

respondents. These respondents fell in the unanswered percentage with a high level percentage of 70.3%, followed by “no” at 25.8%, and “yes” at 3.7%.

Table: 5.3.5: Computer Software Programmes

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	7	3.7	12.5	12.5
Valid No	49	25.8	87.5	100.0
Total	56	29.5	100.0	
Missing System	134	70.5		
Total	190	100.0		

Outside Trademark Attorney use the largest percentage of respondents fall in the unanswered percentage with a high level percentage of 58.9%, followed by those who thought the option was “not at all useful” at 27.4%, and “extremely useful” at 13.7%.

Sixty three point two percent of respondents did not answer the category about advertising agency playing a role in the brand naming process. It was found that, 35.3% of the respondents said Advertising Agencies were not useful whilst only 1.6% thought it useful. Marketing research was another area where respondents did not respond, with the largest percentage of the respondents falling in the unanswered percentage with a high level percentage of 56.8%, followed by “not at all useful” at 34.7%, and “extremely useful” at 8.4%.

There was a difference with regards to specialised naming consulting firms. The largest percentage of the respondents found them to be useful, with a high level percentage of 47.9%, followed by an unanswered percentage of 32.1%, and “not at all useful” at 20.0%. The use of

marketing/product/brand was not responded to by 57.4%, of that percentage 31.1% did not consider it useful whereas 11.6% found it was extremely useful. Fifty three point seven percent of the respondents believed that the decision by senior marketing management had an impact in the brand naming process, 33.2% thought it not to be useful whilst 13.2% found it to be extremely useful.

Fifty seven point seven percent of the respondents did not respond to whether or not this was a function or should be a function of a select team of individuals from marketing distribution of respondents. Thirty three point seven percent of the respondents who did answer felt it was not useful at all, whereas 8.9 % thought it to be extremely useful.

Fifty two point one percent of the respondents felts that the product development teams were instrumental in the brand naming process. This was followed by 30.5% who thought it not to be as useful. The company legal counsel option had the largest percentage of respondent fall in the “extremely useful” category with a high level percentage of 43.7%, followed by an unanswered percentage of 30.5%, and “not at all useful” at 25.8%.

Table 5.3.6 reveal marketing research development department distribution of respondents. The largest percentages of the respondents fell in the unanswered percentage with a high level percentage of 55.3%, followed by not at all useful at 32.6%, and extremely useful at 12.1%.

Table: 5.3.6: Marketing Research Development Department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all useful	62	32.6	72.9	72.9

	Extremely Useful	23	12.1	27.1	100.0
	Total	85	44.7	100.0	
Missing	System	105	55.3		
Total		190	100.0		

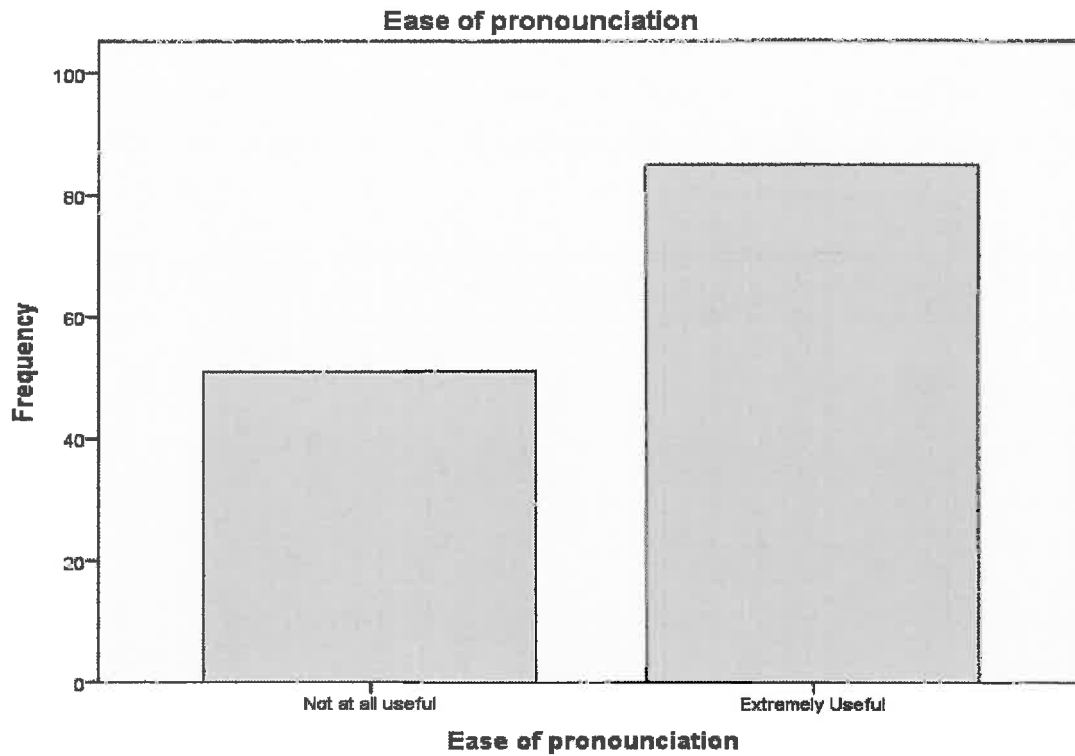
5.3.3 Brand Naming Process

It was important to then reveal the actual processes and decisions made in brand decision processes. Sixty two point one percent of the respondents said the overall liking trait was useful in the brand naming process, whereas 17.9% did not think so. The largest percentages of the respondents who thought ease of recognition was extremely useful, with a high level percentage of 71.6%, followed by an unanswered percentage of 15.3%, and not at all useful at 13.2%. Distinctive Distribution had the largest percentage of the respondents fall in the “extremely useful” category at 54.2%, followed by an unanswered percentage of 23.7%, and “not at all” useful at 22.1%. Consistency with exposing product line depicted the largest percentage from respondents, falling in the “extremely useful” category at a high percentage level of 63.7%, followed by ‘not at all useful’ at 23.7%, and an unanswered percentage of 12.6%.

When it came to consistency with company image, a distribution of respondents revealed that the largest percentages of the respondents fell in the “extremely useful” with a high level percentage of 65.8%, followed by “not at all useful” at 20.5%, and an unanswered percentage of 13.7%. Ease of recall distribution of respondents revealed that the largest percentages of the respondents fell in the “extremely useful” division with a high level percentage of 55.8%, followed by “not at all useful” at 23.7%, and an unanswered percentage of 20.5%.

Figure 5.3.8 reveals the ease of pronunciation distribution of respondents. The largest percentages of the respondents fell in the “extremely useful” with a high level percentage of 44.7%, followed by an unanswered percentage of 28.4%, and “not at all useful” at 26.8%.

Figure 5.3.8 Ease of Pronunciation Distribution of Respondents.



Profane or negative connotation has the largest percentage of the respondents fall in the “not at all useful” with a high level percentage of 36.8%, followed by an unanswered percentage of 33.7%, and “extremely useful” at 29.5%.

Table 5.3.9. reveals consistency with the existing product line. The largest percentage of the respondents fall in the unanswered percentage with a high level percentage of 65.3%, followed by “not at all useful” at 18.9%, and “extremely useful” at 15.8%.

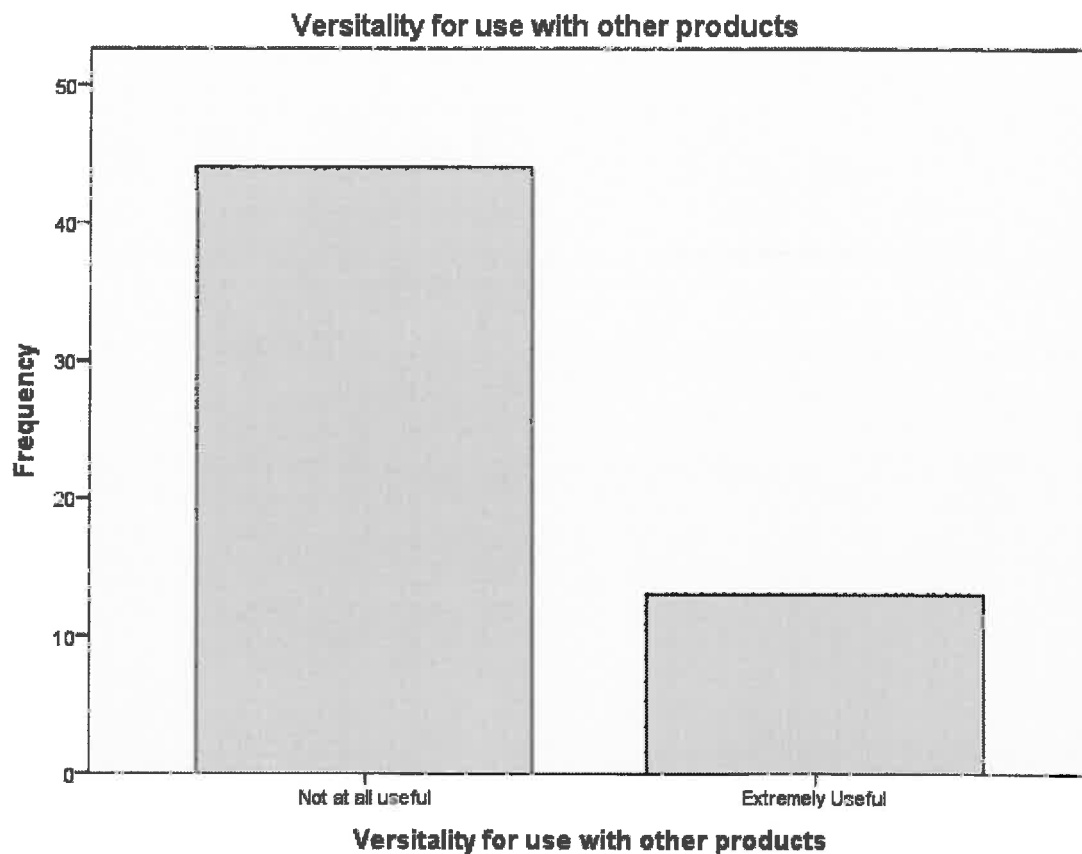
Table:5.3.9: Consistency with Existing Product Line

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all useful	36	18.9	54.5	54.5
	Extremely Useful	30	15.8	45.5	100.0
	Total	66	34.7	100.0	
Missing	System	124	65.3		
Total		190	100.0		

Distinctive distribution has the largest percentage of the respondents fall in the unanswered percentage with a high level percentage of 68.9%, followed by “not at all useful” at 23.7%, and “extremely useful” at 7.4%. Ease of recall was not determined as the largest percentage of respondents fell in the unanswered percentage with a high level percentage of 70.0%, followed by “not at all useful” at 23.7%, and “extremely useful” at 6.3%. Profane or negative connotation had the largest percentage of the respondents fall in the unanswered percentage with a high level percentage of 67.9%, followed by “not at all useful” at 23.2%, and “extremely useful” at 8.9%.

Figure 5.3.10 reveals that versatility for use with other products is important in the brand naming process, whether or not the naming of SMME brand was in any way influenced by other products and brands.

Figure 5.3.10 Versatility for Use with other Products

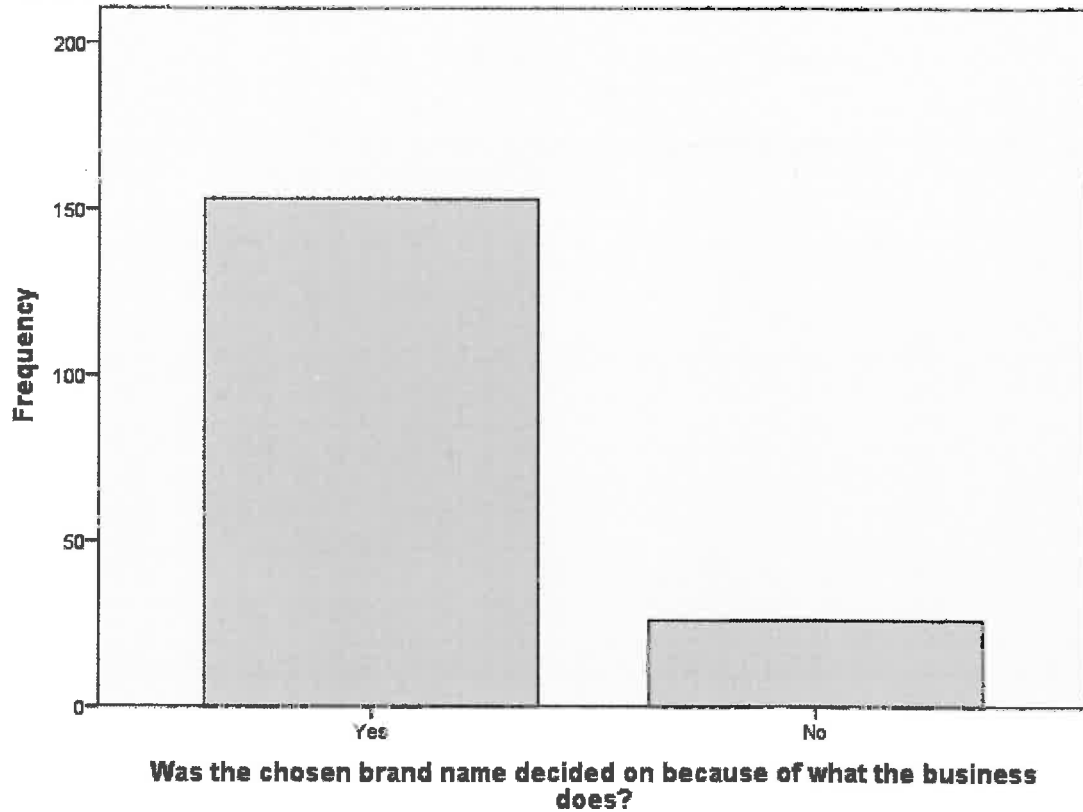


The largest percentages of the respondents fell in the unanswerd percentage with a high level percentage of 70.0%, followed by “not at all useful” at 23.2%, and “extremely useful” at 6.8%. Ability to carry well to other languages had the largest percentage of the respondents fall in the unanswerd percentage with a high level percentage of 70.5%, followed by “not at all useful” at 24.2%, and “extremely useful” at 5.3%.

In Figure 5.3.11 the largest percentages of the respondents fell in the “yes” category with a high level percentage of 80.5% when it came to choosing a brand name based on what the business does. This was followed by “no” at 13.7%, and an unanswerd percentage of 5.8%.

Figure 5.3.11 Chosen Brand Name decided on because of what the business does?

Was the chosen brand name decided on because of what the business does?



The existence of another business with the same name that has the same business activity was responded to with the highest percentage of the respondents falling in the “no” category at a percentage of 58.9%, followed by “yes” at 35.8%, and an unanswered percentage of 5.3%.

5.3.4 Trait Relationships

Above, the various mechanisms and/or traits that are used in the brand naming process are weighed out according to their use by respondents. For purposes of conceptualising the brand naming phenomenon further, it was vital to use correlation to establish relationships that exist

and define the brand naming process. In the studies previously conducted on this phenomenon, the options were compared and contrasted using correlations. This is to determine the factors that SMMEs choose over others in the brand naming process.

Table 5.3.10 Existing name purchased from another company vs Existing name of another company product

		Existing name purchased from another company	Existing name of another company product
Existing name purchased from another company	Pearson Correlation	1	-.081
	Sig. (2-tailed)		.539
	N	74	60
Existing name of another company product	Pearson Correlation	-.081	1
	Sig. (2-tailed)	.539	
	N	60	83

The correlation (r) between the existing name purchased from another company and the existing name of another company product is -0.081 . This coefficient shows that there is a weak relationship between the existing name purchased from another company and the existing name of another company product. The probability (p) of this correlation coefficient which is 0.539 is greater than 0.05 thus implying that there is no statistically significant relationship between the existing name purchased from another company and the existing name of another company product ($r=-0.081, p>0.05$).

Table 5.3.11: Consistency with existing product line vs Consistency with company image

		Consistency with existing product line	Consistency with company image
Consistency with existing product line	Pearson Correlation	1	.597**
	Sig. (2-tailed)		.000
	N	166	159
Consistency with company image	Pearson Correlation	.597**	1
	Sig. (2-tailed)	.000	
	N	159	164

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation (r) between consistency with existing product line and consistency with company image is 0.597. This coefficient shows that there is a strong and positive relationship between consistency with existing product line and consistency with company image. The probability (p) of this correlation coefficient which is 0.000 is less than 0.05 thus implying that there is a statistically significant relationship between consistency with existing product line and consistency with company image ($r=0.597, p<0.05$). This strong relationship proved the impact that the product offering and company image has on the final decision making process for SMME brand names.

Table 5.3.12 Ease of Recognition vs Overall liking

		Ease of recognition	Overall liking
Ease of recognition	Pearson Correlation	1	.667**
	Sig. (2-tailed)		.000
	N	161	146
Overall liking	Pearson Correlation	.667**	1
	Sig. (2-tailed)	.000	
	N	146	152

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation (r) between ease of recognition and overall liking is 0.667. This coefficient shows that there is a strong and positive relationship between ease of recognition and overall liking. The probability (p) of this correlation coefficient which is 0.000 is less than 0.05 thus implying that there is a statistically significant relationship between ease of recognition and overall liking ($r=0.667, p<0.05$). SMMEs are found, in this research, to relate recognition and overall liking of brand names chosen. This relationship therefore has a significant impact in the decision process for brand naming process.

The correlation (r) between relevance for product category and connotations is 0.289. This coefficient shows that there is a strong and positive relationship between relevance for product category and connotations. The probability (p) of this correlation coefficient, which is 0.006, is less than 0.05 thus implying that there is a statistically significant relationship between relevance for product category and connotations ($r=0.289, p<0.05$).

Table 5.3.14 Distinctive vs Profane or Negative Connotations

		Distinctive	Profane or negative connotation
Distinctive	Pearson Correlation	1	.301**
	Sig. (2-tailed)		.001
	N	145	122
Profane or negative connotation	Pearson Correlation	.301**	1
	Sig. (2-tailed)	.001	
	N	122	126

** . Correlation is significant at the 0.01 level (2-tailed).

The probability (p) of this correlation coefficient which is 0.006 is less than 0.05 thus implying that there is a statistically significant relationship between distinctive and profane or negative connotation ($r=-0.301$, $p>0.05$). SMMEs viewed that which is profane to have a relationship with being distinctive. This was significant, as the knowledge of this suggests the thought process that owners of SMMEs have with regards to the brand naming process.

In Table 5.3.15, the correlation (r) between consistency with existing product line and consistency with company image is 0.597. This coefficient shows that there is a strong and positive relationship between consistency with existing product line and consistency with company image.

Table 5.3.15 Consistency with Existing Product Line vs Consistency with Company Image

	Consistency with existing product line	Consistency with company image
Consistency with existing product line	Pearson Correlation	.597**
	Sig. (2-tailed)	.000
	N	159
Consistency with company image	Pearson Correlation	.597**
	Sig. (2-tailed)	.000
	N	164

** . Correlation is significant at the 0.01 level (2-tailed).

The probability (p) of this correlation coefficient which is 0.000 is less than 0.05 thus implying that there is a statistically significant relationship between consistency with existing product line and consistency with company image ($r=-0.597$, $p>0.05$).

In Table 5.3.16 the correlation (r) between ease of recall and ease of pronunciation is 0.845. This coefficient shows that there is a strong and positive relationship between ease of recall and ease of pronunciation.

Table 5.3.16 Ease of Recall vs Ease of Pronunciation

		Ease of recall	Ease of pronunciation
Ease of recall	Pearson Correlation	1	.845**
	Sig. (2-tailed)		.000
	N	151	136
Ease of pronunciation	Pearson Correlation	.845**	1
	Sig. (2-tailed)	.000	
	N	136	136

** . Correlation is significant at the 0.01 level (2-tailed).

The probability (p) of this correlation coefficient which is 0.000 is less than 0.05 thus implying that there is a statistically significant relationship between ease of recall and ease of pronunciation ($r=0.845$, $p<0.05$). As defined by a number of authors above, in the brand naming process, the ability to remember and easily say the brand name is significant.

The correlation (r) between versatility for use with other products and carries well to other languages is 0.810. This coefficient shows that there is a strong and positive relationship between versatility for use with other products and carries well to other languages.

Table 5.3.17 Versatility of use with other products vs Carries well to other languages

		Versatility for use with other products	Carries well to other languages
Versatility for use with other products	Pearson Correlation	1	.810**
	Sig. (2-tailed)		.000
	N	132	126
Carries well to other languages	Pearson Correlation	.810**	1
	Sig. (2-tailed)	.000	
	N	126	131

** . Correlation is significant at the 0.01 level (2-tailed).

The probability (p) of this correlation coefficient which is 0.000 is less than 0.05 thus implying that there is a statistically significant relationship between versatility for use with other products and carries well to other languages ($r=0.810$, $p<0.05$). Versatility in the context of this study refers to the multi-faceted use of the name which has an important relationship with being transferable across many languages as is found in the South African context where there are eleven official languages.

The correlation (r) between outside trademark attorney and advertising agency is 0.197. This coefficient shows that there is a weak relationship between outside trademark attorney and advertising agency.

Table 5.3.18 Outside Trademark Attorney vs Advertising Agency

		Outside trademark attorney	Advertising agency
Outside trademark attorney	Pearson Correlation	1	.197
	Sig. (2-tailed)		.105
	N	78	69
Advertising agency	Pearson Correlation	.197	1
	Sig. (2-tailed)	.105	
	N	69	70

The probability (p) of this correlation coefficient which is 0.105 is greater than 0.05 thus implying that there is no statistically significant relationship between outside trademark attorney and advertising agency ($r=-0.197$, $p>0.05$).

The correlation (r) between advertising agency and marketing research agencies is 0.215 in Table 5.3.19. This coefficient shows that there is a weak relationship between advertising agency and marketing research agencies

Table 5.3.19 Advertising Agency vs Marketing Research Agencies

		Advertising agency	Marketing research agencies
Advertising agency	Pearson Correlation	1	.215
	Sig. (2-tailed)		.074
	N	70	70
Marketing research agencies	Pearson Correlation	.215	1
	Sig. (2-tailed)	.074	
	N	70	82

The probability (p) of this correlation coefficient which is 0.074 is greater than 0.05 thus implying that there is no statistically significant relationship between advertising agency and marketing research agencies ($r=-0.078$, $p>0.05$).

The correlation (r) between specialised naming consulting firms and marketing/product/brand manager is 0.408, as it appears in Table 5.3.20. This coefficient shows that there is a strong and positive relationship between specialised naming consulting firms and marketing/product/brand manager.

Table 5.3.20 Specialised Naming Consulting Firms vs Marketing/Product/Brand Manager

		Specialised naming consulting firms	Marketing/Product/Brand manager
Specialised naming consulting firms	Pearson Correlation	1	.408**
	Sig. (2-tailed)		.000
	N	129	77
Marketing/Product/Brand manager	Pearson Correlation	.408**	1
	Sig. (2-tailed)	.000	
	N	77	81

** . Correlation is significant at the 0.01 level (2-tailed).

The probability (p) of this correlation coefficient which is 0.000 is less than 0.05 thus implying that there is a statistically significant relationship between specialised naming consulting firms and marketing/product/brand manager ($r=0.408$, $p<0.05$).

The correlation (r) between senior marketing management and select team of individuals from marketing is 0.880. This coefficient shows that there is a strong and positive relationship between senior marketing management and a select team of individuals from marketing.

Table 5.3.21 Senior Marketing Management vs Select Team of Individuals from Marketing

		Senior marketing management	Select team of individuals from marketing
Senior marketing management	Pearson Correlation	1	.880**
	Sig. (2-tailed)		.000
	N	88	79
Select team of individuals from marketing	Pearson Correlation	.880**	1
	Sig. (2-tailed)	.000	
	N	79	81

** . Correlation is significant at the 0.01 level (2-tailed).

The probability (p) of this correlation coefficient which is 0.000 is less than 0.05 thus implying that there is a statistically significant relationship between senior marketing management and a select team of individuals from marketing (r=0.880, p<0.05).

The correlation (r) between product development team and company legal counsel is 0.735 in the table below. This coefficient shows that there is a strong and positive relationship between product development team and company legal counsel

Table 5.3.22 Product Development Team vs Company Legal Counsel

		Product development team	Company legal counsel
Product development team	Pearson Correlation	1	.735**
	Sig. (2-tailed)		.000
	N	91	83
Company legal counsel	Pearson Correlation	.735**	1
	Sig. (2-tailed)	.000	
	N	83	132

** . Correlation is significant at the 0.01 level (2-tailed).

.The probability (p) of this correlation coefficient which is 0.000 is less than 0.05 thus implying that there is a statistically significant relationship between product development team and company legal counsel ($r=-0.735$, $p>0.05$).

The correlation (r) between marketing research development department and the chosen brand name decided on because of what the business does is 0.033. This coefficient shows that there is a weak relationship between marketing research development department and the chosen brand name decided on because of what the business does. The probability (p) of this correlation coefficient which is 0.764 is greater than 0.05 thus implying that there is no statistically significant relationship between marketing research development department and the chosen brand name decided on because of what the business does ($r=-0.764$, $p>0.05$).

Table 5.3.23 Marketing Research Development Department vs Chosen Brand Name Decided on Because of What the Business Does

	Marketing research development department	Was the chosen brand name decided on because of what the business does?
Marketing research development department	Pearson Correlation Sig. (2-tailed) N	1 .033 85
Was the chosen brand name decided on because of what the business does?	Pearson Correlation Sig. (2-tailed) N	.033 1 83
		179

Within this subsection on processes and perceptions, five were found, when measured, to have missing values that were over 55%, a number that is significant and could have implications on the conceptualisation of the brand naming phenomenon in this area. The five were:

1. Consistency with existing production line;
2. Marketing research development department;
3. Computer Software;
4. Existing name purchased from another company and
5. Suggestions from customers.

5.4 Conclusion

Presented data found that the majority of the respondents were males, of mixed races, with most being educated. The study was conducted over various regions of the municipality with businesses involved in service and/or production trade. No single process was found to be of significance instead different processes and sources for brand naming were applied by the respondents some being more popular than others. It seems, based on the results, most of the chosen processes and sources are those that require minimal investment in resources. This is why the result shows that individual creativity is the most trusted source for brand naming. With these results in place, the next chapter provides the link between the findings and the objectives to assist with answering the overall question.

CHAPTER SIX

DISCUSSION OF RESULTS

6.1 Introduction

In the previous chapter the results are revealed that define the research question and objectives of this study to satisfy the aim of the study. This chapter will discuss the findings in relation to the objectives of the study. The findings are linked to literature and used to solve the objectives of the study.

6.2 RO1: To Probe Brand Naming Strategies Prevalent in the eThekweni Municipal SMME Environment.

When viewing literature on actual branding strategies, Robertson (1992) as cited by Angus and Oppenheim (2004) divulge various traits that are important when brand naming. Amongst these traits they place an emphasis on simplicity, meaningfulness and distinctiveness. The three mentioned traits are observed in this study through the inclusion of the following traits in the research instrument based on Kohli and LeBahn's (1995) study (1) ease of pronunciation (2) consistency with image (3) ease of recognition, and (4) the relationship between the chosen brand and business activity. As revealed by the study these four traits are found to be relevant and significant in the brand naming process for SMMEs. Ease of recognition and ease of pronunciation define the simplicity trait by Robertson (1992) and the meaningfulness trait is described using trait four; the relationship between the chosen brand and business activity. Lastly, the meaningfulness is described as consistency with image.

The conceptualisation of this objective is embedded on answering the first research question on, what the most prevalent brand naming strategies for SMMEs in the eThekweni area are? The research found that the most important strategies in brand naming, scoring at a percentage of 80.5% by the respondents, was the relationship between chosen brand and the business activity. This trait was followed by ease of recognition at 71.6% and consistency with image distribution at 65.8%. The trait that appears least is the ease of pronunciation at 44.7%.

One of the first and foremost drivers of brand naming, as discussed by most authors including Kohli and LeBahn (1995) and Roszkowski (2013), is embedded in the notion that brand naming stems from the understanding and use of brand naming objectives. It is quite interesting that, according to this research, this is not the case. The most important reason for brand naming for these SMMEs seems to be the need to set oneself apart from competitors. Only 21.6% of the respondents found the brand naming objectives to be of importance and significance. There are many authors who support this notion as being of utmost importance in the brand naming procedure. Krishan and Hartline (2001) are adamant in pointing out that the brand naming process should be to establish a distinct identity. In literature shared by Lassen *et al.* (2008) and Kunde (2002) emphasis is placed on uniqueness of brands as pivotal in the brand naming process by SMMEs. With these revelations thus far it is imperative to unveil that a significantly high number of respondents did not answer to the questions of objectives. This could possibly explain a lack of knowledge about the concept of branding itself. Using the responses at hand and these results, brand naming strategies that are used could be tabulated in the order of their importance as depicted in the table below.

Table: 6.1 Significant Brand Naming Strategy Traits for SMMEs in the eThekweni Municipal Area- in order of importance

Order of Importance	Trait
1	Relationship between chosen brand and business activity
2	Ease of recognition
3	Consistency with image distribution
4	Ease of pronunciation

The cumulative results in the previous chapter also revealed that SMME objectives were different from those used by large successful organisations. These objectives are ranked in order of importance below, with the need to achieve easier trade being more important at a 100% response. The second reason is achievement of the businesses identification, which is ranked second at 96%, followed by establishment of a distinct segment and image.

6.2 Significant Brand Naming Objectives by eThekweni SMMEs

Order of Importance	Objectives
1	Ease of Trade
2	Business identification
3	Establishment of a distinct segment
4	Establishment of a distinct image

Continuing with the process of brand naming by Kohli and LeBahn (1995), the next step which requires choosing a good pool of brand names alternatives did not seem to be the practice by SMMEs differing from the concepts shared by Kohli and LeBahn (1995). When observing results from this study, it is clear that this step is one that is not used nor most considered. Only 13,2% of the SMME respondents admitted to relying on this method. Brainstorming was also found to be used quite significantly for the brand naming process with 70.5% of respondents

agreeing to this. That said, it is important to identify who the brainstorming individuals would be.

For a strategy to exist, it is guided by objectives. Successful companies in their brand naming process use specific objectives that appear in the previous chapter under the heading Brand Naming Objectives. It is these objectives that are found to be fundamental in achieving success in the brand naming process. These are; conveying intended position; establishing a product differentiation; establishing a distinct image ; identification and ease of trade. SMMEs were only found to rate ease of trade identification and establishing a distinct image as important. All these are as important for a successful brand name to be established.

6.3 RO2: Identification of various stakeholders found to be responsible for the brand naming process by SMMEs in this area.

The second question that this research probes is the brand naming responsibility in support of this objective. In the literature chapter above, Turley and Moore (1995) ask the question of who should carry the responsibility of branding naming. They identify various sources for this function ranging from employees, trademark specialists and brand naming consultants, to name but a few (Kohli and LeBahn, 1995) . The one source of this action mentioned by all who have written on the field of brand naming is the identification of the marketing departments as the custodian of the brand naming function, McNeal and Zaren (1981).

This practice varies, other authors lend this responsibility to executive management and the marketing department. The empirical study assesses all the various roles of responsibility

ranging from consumers to specialists in branding and employees. With all these various possibilities probed, owners and specialised naming consultants were found to be of more significance, owners being the highest point of reference. With regard to other possible role players of importance in brand naming, the respondents did not answer at all, which raises the question of awareness and adequate skills or lack thereof which the SMME industry is marred by, as Dube (2001) purports.

Interestingly the role that names of other businesses had, in the naming process was limited. This means that the brand naming process by SMMEs was not dependent on previously owned names. This could be attributed, as discussed in earlier chapters, to the laws that govern and protect brand names using the CIPC.

6.4 RO3: Identification of Trait Relationships Considered to be of Significance by SMMEs in the Brand Naming Process

Various factors are identified as important in the brand naming process. To summarise these and choose the most significant traits, those with relationships were identified as they defined how the SMMEs thought of and worked with brand naming strategies. Kohli and LeBahn (1995) identify influential traits in the brand naming process that are universal. Using Pearson's correlation the relationships between these traits are explored to find the most important traits in this process for SMMEs. This section of the study manifests important relationships that are significant in the conceptualisation of brand naming strategies by SMMEs. Relationships that were found to be relevant in defining and the understanding of the psyche that leads to the brand naming decisions for SMMEs were:

- Consistency with existing product line & consistency with company image;
- Ease of recognition & overall liking;
- Relevance for product category & connotations;
- Distinctive and profane or negative connotation;
- Consistency with existing product line & consistency with company image;
- Ease of recall and ease of pronunciation;
- Versatility for use with other products and carries well to other languages;
- Specialised naming consulting firms and marketing/product/brand manager;
- Senior marketing management and a select team of individuals from marketing and
- Marketing research development department and was the chosen brand name decided on because of what the business does.

With these relationships identified, using correlation methods between the various traits and using the results, it was also possible to place these in the order of how they rank in importance according to SMME practitioners. Below is the table representation of these relationships in accordance to SMMEs preferences. For ease of use, a relationship trait title has been coined for each.

Table 6.3 Trait Relationships Significance in Brand Naming for SMMEs

Order of Importance	Relationship Trait Title	Trait relationship significant in branding
1	Marketing Department	Senior marketing management and select

		team of individuals from the marketing department
2	Recognisable and Likable	Ease of recognition and overall liking
3	Language and Product Flexibility	Versatility for use with other products & carries well to other languages
4	R&D and Legal Department	Product development team and company legal counsel
5	Recallable and Easy to Enunciate	Ease of recall and ease of pronunciation
6	Based on product line and Company Image	Consistency with existing product line and consistency with company image
7	External Branding Experts	Specialised naming consulting firms and marketing/product/brand manager
8	Different and Profane	Distinctive and profane or negative connotation
9	Product category and connotations	Relevance for product category and connotations
10.	Marketing department and Core Business activity	Marketing research development department and was the chosen brand name decided on because of what the business does

The following two relationships did not have a statistical relationship with regards to the brand naming process: (1) Outside trademark attorney vs Advertising agency; (2) Advertising agency vs Marketing research agencies and (3) Existing name purchased from another company vs existing name of another company product. The traits mentioned in these relationships are the very same traits that are important in supporting successful brand and marketing strategies. Unfortunately it is these structures that require financial investment in them for them to yield positive results, this is especially more so for relationship 1 and 2. With relationship 3 the lack of this relationship can be accredited to the strong belief as found by this research to achieve uniqueness. As such, any action that could be dubbed as copying is regarded as failure in the quest to be distinct as an SMME organisation. Some would argue that legal counsel should also have no significance, however the ambiguity of this relationship could be understood as from within the current structures of an organisation.

6.5 RO4: Ascertaining whether the Brand Naming Strategies implemented by SMMEs are the same as those Implemented by Large Corporations

Most of the research previously completed on brand naming strategies is based on large organisations. If similarities exist with regards to behaviour and/or differences, this directly affects the process of brand naming for SMMEs. Identification of these can allow for the adjustment of the existing processes and tailor them for SMMEs in SA. The biggest difference between these two business entities lies in the fact that large corporations have a financial advantage where they can invest in services provided by experts, a luxury as viewed by SMMEs which they cannot afford as discussed above. Large corporations are able to conduct research and hire agencies and attorney firms to assist them with making final decisions.

The brand naming process discussed in the study by Kohli and LeBahn (1995) identifies five steps of importance as followed by large corporations. They begin with the first step which covers brand naming objectives; a concept which is not as well understood or rather conceptualised and understood differently by SMMEs as shown in table 6.1 above. Out of the various traits that are significant in brand naming, the following usually used by large corporations have no significance in the brand naming process for SMMEs as shown by this research:

- Outside trademark attorney;
- Advertising agency;
- Marketing research agencies;
- Existing name purchased from another company and
- Existing name of another company product.

This also resembles and is presented by some of the processes and perceptions that had missing values therefore a comprehensive list should add to the above the following traits:

- Consistency with existing product line
- Computer Software
- Suggestions from customers

6.6 RO5: To review the current demographic dimensions that could have an impact on the brand naming process.

Demographics provide a unique and precise definition of a phenomenon. To understand brand naming strategies for SMMEs requires the exploration of the relationships and impact they have on behaviour. From a geographical standpoint this study is spread out covering most of the areas and ward sections of the eThekweni Municipal area. The City centre constituted 17.4 % of the research whilst Umlazi Township, which has the highest number of the previously disadvantaged individuals had only 13.2% participants.

The majority of the businesses that were approached for the study employed between 1 and 5 individuals. They were micro entities as stipulated by the national small business amendment Act of 2003. This size is further supported by the turnover that they make which is between R50, 000.00 and R200, 000.00 further attesting to the small size of the organisation.

Quite a significant number of businesses did not respond to the question defining the activities of the business. This could either mean they were not aware of what their core product was suggesting a lack of a fundamental skill in running a business which is defining, comprehending and articulating the core activities of one's business.

Forty four point seven percent of the respondents did not provide information about the highest education level passed which manifests the possibility of a lack of formal education. Amongst other possibilities this would explain and support Dube (2001) who supports the notion of skills development as being paramount to the development of SMMEs in South Africa. These results

confirm the SMME background described in chapter two. This suggests that there could be a country wide understanding of this phenomenon still open to further investigation.

6.8 Conclusions

In this chapter, the results of the empirical study are discussed linking theoretical facts defining this phenomenon. Similarities and dissimilarities between SMMEs and large corporations are manifested. The various traits and processes that are responsible in the branding process are revealed. These outcomes describing the phenomenon of brand naming strategies for SMMEs allow for certain conclusions to be made. The chapter that follows draws final conclusions for this study.

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

This study set out to investigate the brand naming strategies used by SMMEs in the municipal area of eThekweni in South Africa. The study was prompted by the importance of branding for all organisations in creating a profit generating organisation. Previously such studies had been completed for large corporations but never for SMMEs, especially within the African context. Due to this, the process began with deciphering that which is called an SMME entity, discussing relevant literature, concluding an empirical study and presenting results. In this chapter conclusions are provided based on the objectives of the study and research conducted. Recommendations are then presented and further research possibilities in this field provided.

7.2 Study Conclusions

It is also very important to acknowledge that majority of these entities involved in this study are owned by those of the previously disadvantaged groups. Some of these SMMEs were found at some point to lack the ability to define what they do. Although similar traits were used in both entities, their role and importance was understood differently in SMMEs. For instance, this the study displays a different procedure applied in the brand naming process. Brand naming objectives are of importance for large corporations and are the starting point for brand naming as a process. Achieving uniqueness is the starting point for SMMEs in the process of brand naming. This raises questions of whether or not the lack of knowledge of branding and basic management

skills is a problem for SMMEs stagnating their growth, if they are not using a formulae that has been approved and proven by both researchers and practitioners in the field of SMME

The first research objective (RO1) of the study which investigated brand naming strategies for SMMEs also found that even though some of the vital traits and strategies were present most of the important traits were still not considered and possibly not known. The study reveals that ease of trade, business identity reasons, establishment of a distinct segment and image do not form part of the brand naming decision by SMMEs.

Embedded within the objectives was the existence of certain traits found to be important in this process. Again for SMMEs there were concepts found to be lacking, specifically, positioning, which embodies the essence of branding and marketing. The second being product differentiation, an important trait in brand strategy formulation therefore in the process of brand naming as well. The knowledge aspect is further supported by the fact that the results of this study also reveal that most of these organisations cannot articulate what the core of their business is, which is a fundamental aspect in becoming efficient and effective in running a business.

Within these traits RO3 revealed trait relationship found to be important in the SMME brand naming processes by the SMMEs themselves. These were ranked into 10 traits as discussed in the previous chapter, however, they lacked in traits that require resource investment which were (1) Outside trademark attorney vs Advertising agency (2) Advertising agency vs Marketing research agencies and (3) Existing name purchased from another company vs Existing name of another company product.

The results then reviewed and measured the role of the brand naming process; RO2, which showed that most businesses chose the brand name they chose, purely based on the owners decision without consultation. Looking at RO2 and RO3 it is eminent that the use of other important variables is not considered, i.e. the consumer, legal and other relevant experts in the field of branding and marketing environment.

The question of resources is one that appears a number of times when reading the research results. This can firstly be seen when the question of who is responsible for the brand naming process comes up. Even though SMMEs recognise the existence of important supplier organisations like agencies, trademark specialist, research agencies, etc, they are however not used. Given the turnover of most of these entities (RO5), the financial resource availability could be the reason for not using these entities in the brand naming process, as the owners are constantly attempting to bootstrap. Again, the question of a lack of knowledge and skill is to blame, because if these organisations understood the financial power carried by a brand, they would in reality invest more and realise that brand naming and branding expenditure is in fact an investment for their organisation. Language was found to be pivotal when strategising for brand naming processes. In a country with eleven official languages, the most important trait to consider was that of ease of recall, followed by easy to pronounce, then transferability to other languages. Results show that language usage is a great concern for SMMEs when brand naming. It seems to be the most important drive behind choice of brand.

Most of what is revealed in RO4 informs readers that there is a difference between what large and small organisations are doing in the process of brand naming. SMMEs still have gaps that

they need to fulfil and this will happen as they begin to learn from the large organisations and improve their skill and resource investment decisions

7.3 Recommendations for SMMEs and the Municipality

Given the findings of this study, the following is advised and recommended:

- There is a need for SMMEs to emulate the processes by large successful organisations through investing in resources required for the brand naming process, ranging from hiring of experts and their expertise, i.e. use of attorneys, advertising agencies, purchase of certain assets, like existing brand names, amongst other possible brand names
- Municipality and government should create/implement branding and marketing development programmes which teach purpose and use of branding particularly the objectives that are part of the brand naming process
- Municipalities, governments, large organisations and SMMEs need to engage and develop mentorship programmes to assist SMMEs learn from their more successful counterparts; the large Organisations.
- A business that cannot define what it actually does is in danger when strategy has to be formulated. In designing development programmes, business profiling and/or business plan drafting need to be included. These are the blueprints for any business and they advise the business in all spheres of running a business including the brand naming process.

- SMMEs fail to understand the value of the consumer and forget that they serve the consumer. Without a consumer then there is no business. SMMEs need to be more consultation with their consumers and/or targeted consumers.

7.4 Recommendations for future research

Varying gaps are identified by this research, even though the traits that are important in brand naming are revealed, it is important to advise that there needs to be a multivariate study designed towards the confirmation and formulation of a concrete model that describes the brand naming strategies for SMMEs. It is essential to note that a study that identifies the process of brand naming is essential where various steps are manifested clearly. In this study various important aspects of brand naming are unveiled without a clear process set out. Although there are similarities between brand naming processes that large corporations and SMMEs use, there is a significant difference which requires further probing.

The phenomenon study could gain from a geographically wider study defining the brand naming objectives within a context of the whole of SA country as opposed to a single province as is the case in this study.

In chapter three there was a discussion of brand names that span beyond the behaviours and included the concept of the use of linguistic elements in the brand naming process. It is important that linguistic aspects of branding are probed and understood in detail. This study merely identifies whether there is knowledge of linguistic elements. Critical in creating a successful

brand name language, particularly the use of plosives is discussed numerous times, however, this study does not probe the depth of its understanding and implementation. There is therefore a need to conduct research that will conceptualise the role of language in the brand naming process in SA.

There is a need to assess; using research, the impact that inadequate skills and knowledge has on the brand naming process. Similarly there is a need for research to be conducted using different sampling techniques to increase the probability of the results being applicable

7.5 Limitations of the study

Most of the factors that affect and describe SMMEs in South Africa are normally understood universally, as confirmed by the discussion on research results on point 7.6 above. However it is still necessary and imperative that a study assessing and defining the brand naming behaviour be conducted with a greater sample from all regions of the country for it to be recognised as applicable to all SA SMMEs. This study does not identify a brand naming process for SMMEs further; however it does identify some of the criteria that are important in this process. Though this study does not create a model the information here within could be used to develop a model to identify the actual steps and process which SMMEs could use.

Use of a multivariate analysis method could have defined the relationship between demographics and the various traits better towards the conceptualisation of the brand naming strategies used by SMMEs.

7.6 Value of the study

The study has value in the comprehension of the behaviour of SMMEs in South Africa as this is the beginning towards the creation of branding and marketing strategies that are more relevant and more successful for a country that is heavily reliant on SMMEs for economic growth and regeneration.

The findings and conclusions of this study help with the creation of better support services by government SMME intervention support organisations, also allow for better policy

Lastly, the study generates a South African specific conceptualisation of brand naming strategies which has never been compiled before.

7.7 Conclusion

SMME practise, as revealed here, can be understood in the context of their perpetual need to constantly save and bootstrap in order to increase profits, not recognising that by investing in branding they could yield higher profits. A lack in creating adequate brand names is further perpetuated by insufficient knowledge and skill required to create and manage brands. There is a need to provide programmes on marketing and branding knowledge to develop SMMEs. That said, for the first time there is now information, made available by this research to guide the brand naming processes and strategies for SMMEs.

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APPENDIX I

QUESTIONNAIRE

Questionnaire No:

BRAND NAMING STRATEGIES-QUESTIONNAIRE

Section A-Demographics

(to choose please insert an X in the appropriate box)

Brand Name of Business :

Location of Business :

Number of Employees :

Annual Turnover:

0- R50,000.00	R50,001- 200,000.00	200,001.00- 1,000,000.00	1,000,001.00- 2,000,000.00	2,000,001.00- above
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Type of Business :

Product provider	Service Provider	Both
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Age of the owner:

18-25	26-30	31-40	41-50	51-above
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Owners Gender :

Male	Female
------	--------

Owners home Language :

English	Zulu	SiSwati	Sotho	Venda	Tsonga
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Afrikaans	Xhosa	Ndebele	Tswana	Pedi	Other
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Highest grade passed by owner :

None	Grade 1-4	Grade 5-7	Grade 8-12
------	-----------	-----------	------------

Highest obtained tertiary qualification by owner :

None	Undergraduate	Honours/Btech	Masters	Doctoral
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Section B-Brand Naming objectives

When deciding on a brand name which brand objective is the most important?

(Choose not more than 2)

Convey intended positioning

Establish product differentiation

Establish a distinct segment

Establish a distinct image

Identification Only

Ease of trade

Section C-incidence of sources of brand name creation

(to choose please insert an X in the appropriate box)

Brainstorming with select group of individuals

Y	N
---	---

Individual creative thinking

Y	N
---	---

Existing name of another company product

Y	N
---	---

Outside agency

Y	N
---	---

Existing bank/pool of names within the company

Y	N
---	---

Reference books

Y	N
---	---

Open invitation of suggestions from employees

Y	N
---	---

Suggestions from customers

Y	N
---	---

Existing name purchased from another company

Y	N
---	---

Computer Software programs

Y	N
---	---

Section D-Usefulness of sources of brand name creation

(Choose on a scale between 1 and 7. 1= 'not at all useful' to 7 'extremely useful')

Brainstorming with select group of individuals

Individual creative thinking

Existing name of another company product

Outside agency

Existing bank/pool of names within the company

Reference books

Open invitation of suggestions from employees

Suggestions from customers

Existing name purchased from another company

Computer Software programs

Section E-Importance of criteria in the evaluation of brand name

(Choose on a scale between 1 and 7. 1= 'not at all important' to 7 'extremely important')

Relevance for product category

Connotations

Overall Liking

Ease of recognition

Distinctive

Consistency with existing product line

Consistency with company image

Ease of recall

Ease of pronunciation

Profane or negative connotation

Versatility for use with other products

Carries well to other languages

Section F-Testing brand name on the various criteria

(Choose on a scale between 1 and 7. 1= 'not at all tested' to 7 'extensively tested')

Relevance for product category

Connotations

Overall Liking

Ease of recognition

Distinctive

Consistency with existing product line

Consistency with company image

Ease of recall

Ease of pronunciation

Profane or negative connotation

Versatility for use with other products

Carries well to other languages

Section G-Participants in the choice of final brand name

(Choose on a scale between 1 and 7. 1= 'not at all involved' to 7 'extensively involved')

Outside trademark attorney

Advertising agency

Marketing research agencies

Specialised naming consulting firms

Marketing/product/brand manager

Senior marketing management

Select team of individuals from marketing

Product development team

Company legal counsel

Marketing research department

Section H-brand name chosen due to the appropriateness of objective it serves.

(Answer yes or no)

Was the chosen brand name due to what the business does?

Yes	No
-----	----

Is there another business with the same name that exists that has the same business activity?

Yes	No
-----	----

APPENDIX II

RESULTS GRAPHS AND TABLES

5.2.1 Owners Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	126	66.3	70.8	70.8
Valid	Female	52	27.4	29.2	100.0
	Total	178	93.7	100.0	
Missing	System	12	6.3		
Total		190	100.0		

5.2.2 Owners Home Language

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid English	90	47.4	49.2	49.2
Zulu	45	23.7	24.6	73.8
Afrikaans	26	13.7	14.2	88.0
Xhosa	4	2.1	2.2	90.2
Other	18	9.5	9.8	100.0
Total	183	96.3	100.0	
Missing System	7	3.7		
Total	190	100.0		

5.2.3 Owners Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18 – 25	4	2.1	2.2	2.2
26 – 30	10	5.3	5.5	7.7
31 – 40	42	22.1	23.1	30.8
41 – 50	61	32.1	33.5	64.3
51 – above	65	34.2	35.7	100.0
Total	182	95.8	100.0	
Missing System	8	4.2		
Total	190	100.0		

6.2.4 Highest Grade Passed by Owner

--	--	--	--	--

	Frequency	Percent	Valid Percent	Cumulative Percent
Glenwood	37	19.5	20.3	20.3
City Centre	32	16.8	17.6	37.9
Point Waterfront	12	6.3	6.6	44.5
Umgeni	33	17.4	18.1	62.6
Morningside	15	7.9	8.2	70.9
Valid Springfield	1	.5	.5	71.4
Isipingo	15	7.9	8.2	79.7
Phoenix/Mount Edgecombe	6	3.2	3.3	83.0
Amanzimtoti	6	3.2	3.3	86.3
Umlazi	25	13.2	13.7	100.0
Total	182	95.8	100.0	
Missing System	8	4.2		
Total	190	100.0		

6.2.7 Location of Business

5.2.4 Highest obtained Tertiary Qualification by owner

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	None	8	4.2	7.0
	Undergraduate	72	37.9	62.6
	Postgraduate	13	6.8	11.3
	Masters	14	7.4	12.2
	Doctoral	8	4.2	7.0
	Total	115	60.5	100.0
Missing	System	75	39.5	
Total		190	100.0	

5.2.6 Annual Turnover

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 - R50, 000.00	30	15.8	16.4
	R50,001.00 - R200, 000.00	56	29.5	30.6
	200, 001.00 - 1,000,000.00	50	26.3	27.3
	R1,000,001.00 - R2, 000,000.00	29	15.3	15.8
	R2,000,001.00 – above	18	9.5	9.8
	Total	183	96.3	100.0
Missing	System	7	3.7	
Total		190	100.0	

5.2.8 Type of Business

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Service Provider	58	30.5	35.4	35.4
Product provider	46	24.2	28.0	63.4
Both	60	31.6	36.6	100.0
Total	164	86.3	100.0	
Missing				
System	26	13.7		
Total	190	100.0		

APPENDIX III :GATEKEEPERS LETTER

**UNIVERSITY OF KWAZULU-NATAL
School of Management Studies**

Dear Respondent,

M Com Research Project

Researcher: Lindiwe Kunene 031-260 7152

Supervisor: Dr. M. Phiri 031-260 5843

Research Office: Ms P Ximba 031-260 3587

I, Lindiwe Kunene am an MComm student in the School of Management Studies, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled: *Brand naming Strategies by Small Medium and Micro Enterprises in the eThekweni Municipal area.*

The aim of this study is to investigate the processes and procedures used by SMMEs in establishing their brand names which will advise whether or not SMMEs are using methods that are universally regarded as being more lucrative for businesses when choosing a brand name.

Through your participation I hope to understand the current methodology used in the Durban area for branding. The results of this survey is intended to contribute to the overall understanding of SMMEs in the Durban area with the aim of making available information that will assist them in the future towards profitable businesses in the long run.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Management Studies, UKZN.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

It should take you about 10 minutes/s to complete the questionnaire. I hope you will take the time to complete the questionnaire.

Sincerely

Investigator's signature _____ Date _____

**UNIVERSITY OF KWAZULU-NATAL
School of Management Studies**

M Com Research Project

Researcher: Lindiwe Kunene 031-260 7152

Supervisor: Dr. M. Phiri 031-260 5843

Research Office: Ms P Ximba 031-260 3587

CONSENT

I _____ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Signature of Participant

Date

APPENDIX V

ETHICAL CLEARANCE PERMISSION

APPENDIX VI

TURN IT IN REPORT

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Draft by L Kunene

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APPENDIX VII

EDITORS LETTER