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[Review]

Success Factors of Immigrant-Owned Informal Grocery Shops in South African Townships: Native Shop-Owners' Account

Josephat Mukwarami,* Robertson Khan Tengeh**, Chux Gervase Iwu***

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Abstract

Purpose - This paper explores the perceptions held by native grocery shop-owners of their foreign counterparts to ascertain if there are lessons to be shared especially regarding operational/survival strategies.

Research design, data and methodology - A questionnaire was used to collect data from 121 subjects who were purposively selected. The data was processed and analysed with the aid of Statistical Package for the Social Sciences(SPSS) software.

Results - The study found that native South Africans hold the perception that immigrants have operational advantage over them. The study also found that with bulk buying, immigrants' stores stock a larger variety of groceries while their items are sold cheaper. It is also arguable from the standpoint of the findings that immigrant grocery store owners avoid expensive lifestyles which often is common among natives who own informal grocery shops.

Conclusions - It is the position of this paper that adopting the strategies utilized by immigrant entrepreneurs, informal grocery shops owned by native South Africans are likely to see an improvement in their township-based grocery stores. A major merit of this study beyond its novelty is its potential to advance learnership and collaboration between immigrant entrepreneurs and their native counterparts.

Keywords: Informal Grocery Outlets, SMMEs, Immigrant Entrepreneurs, Spaza Shops, South Africa.

JEL Classifications: J6, J15, L26, M16, M21, O12.

1. Introduction

As part of the small, micro medium entrepreneurs (SMMEs) cohort, informal grocery outlets(The terms informal grocery outlet and spaza shop are used interchangeably in this paper to represent an informal business which operates in a South African township) have a vital contribution to make to the socioeconomic development of South Africa. Arguably this is attributable to the significant number of people who are dependent on it for their livelihood. Although the engagement of micro businesses in local economic development(LED) is not something new in most developed nations, it is nonetheless an emerging initiative in a number

of developing countries including South Africa(Mensah, Bawole, & Ahenkan, 2013).

Drawing lessons from LED programmes elsewhere, the South African government has seen the need to promote the growth of informal grocery shops within the townships. This renewed focus nonetheless has its roots in the capacity of SMMEs to provide employment opportunities as well as alleviate poverty especially in the townships(Chimucheka, 2013; Nyawo & Mubangizi, 2014). Interestingly, despite government's efforts to support businesses in economically deprived communities, especially those operated by native South Africans, the struggle to survive is rife(Hartnack & Liedeman, 2016). According to Mbata(2015), instead of the taking responsibility for the checkered pace of development of their small informal entities, native South African grocery shop owners blame immigrants for their inability to compete and for taking away opportunities from them. Holding an almost similar view, the Deputy Minister of Trade and Industry, once said:

* First Author, Graduate Student, Cape Peninsula University of Technology, South Africa.

** Co-Author, HoD, Entrepreneurship and Business Management, Cape Peninsula University of Technology, South Africa.

*** Corresponding Author, Assistant Dean, Research, Faculty of Business and Management Sciences, Cape Peninsula University of Technology, South Africa. E-mail: TengehR@cput.ac.za

“The scourge of South Africans in townships selling and renting their businesses to foreigners unfortunately does not assist us as government in our efforts to support and grow these informal businesses ... You still find many spaza shops with African names, but when you go in to buy you find your Mohammeds and most of them are not even registered,”

(Minister Thabethe City Press, 10 October 2013).

The aforementioned quotation is a significant example of the extent to which the South African government grapples with how best to support small business owners especially considering the status of the native-owned informal grocery sector, which is largely undeveloped in comparison to its African-immigrant counterparts (Liedeman, Charman, Piper, & Petersen, 2013). In fact, it is common knowledge that with such desperate feelings of inequality, Black South Africans resort to violent protests (Dlanga, 2011) which often result in xenophobic attacks (Fayomi, Chidozie, & Ayo, 2015) and generalised incidents of violence in townships (Charman, Petersen, & Piper, 2012). South Africa remains a safe haven for many in Africa. This is owed to among others, its buoyant economy and practice of democracy (Adams & Iwu, 2015; Isaacson, 2017). In fact, this reputation has endeared it to the Western world (Brand South Africa, 2017) landing it prime accolades by the United Nations and securing a place at the BRICS (Fakir, 2014; *The Economist*, 2013). Unfortunately, incidences of xenophobia and ethnic tensions continue to corrode this colourful outlook. The dent caused these needs to be wiped out. An understanding of the ways to prevent and manage conflicts within the context of xenophobia and South African townships justifies the position of this paper. Recent works of Hartnack and Liedeman (2016) and Charman, Petersen and Piper (2012) also testify to the need for sustained inquiry into (1) how native South Africans perceive the success of their immigrant counterparts; and (2) what lessons are there to be shared between native grocery shop owners and their immigrant counterparts. Beyond the aforesaid, this study will help to uncover the challenges faced by small grocery shops owned by native South Africans. As indicted a priori, this is against the backdrop of the scantiness of scholarly resources on the subject, notwithstanding that Gugulethu and Nyanga townships in the Western province have yet to be studied.

2. Literature Review

In this section, the different themes which underpin this study are discussed with the intention of identifying and motivating the need for this study.

2.1. Informal grocery outlets

An informal grocery outlet is a spaza shop which exists

and operates in disadvantaged communities of South Africa where owners depend on makeshift structures to conduct their businesses. This view is supported by Basardien and Friedrich (2014) who indicated that spaza shops mostly operate in poor communities of South Africa. Ligthelm (2008) defines a spaza shop as an informal business operating in a section of an occupied residential home or in any other structure on a stand in a formal or informal township which is zoned (or used) for residential purposes and where people live permanently. Napier and Mthwa's (2001) definition of a spaza shop describes it somewhat as a small business which is located in the front room of a house, used specifically for selling basic grocery items. Therefore, a spaza shop can be loosely characterized as a small convenience store which is located in townships of South Africa and sells basic grocery items such as bread, sugar and non-alcoholic beverages. According to Perks (2010), if a spaza shop is a very small business or a micro-business, it is an informal business which does not offer self-service to its customers, who are instead required to buy from outside over a counter or through a small opening. Spaza shops may be regarded as small grocery shops which provide essential services in most of the South African townships and belong to the SME sector (Sunter, 2006). Charman (2012) characterizes spaza shops as home-based grocery shops which are found mostly in poor communities, such as townships. The general consensus appears to be that spaza shops are associated with the business of selling grocery items, mainly in the informal economy.

Mindful of the above descriptions of the spaza shop, some features stand out. According to Charman (2012), notable features include long operating hours, the sale of mainly grocery items, and the owners stay on the premise which are more present in the disadvantaged communities. The others are that many of these operate from makeshift structures such as containers or part of a house structure where customers purchase items through a well-structured window or opening. Finally, these shops are not formally registered.

The existence of spaza shops in South African townships is supported by the national government as to some extent they represent economic empowerment especially among previously disadvantaged communities. This form of economic transformation has created thousands of jobs for the people who could not get jobs in the formal sector. In fact, according to Peberdy (2016), total jobs created by informal businesses in Gauteng province is estimated at 1586 of which 825 were full-time while 761 were part-time.

According to Mathenjwa (2007), although spaza shops represent a source of livelihoods, particularly for the poor people in the townships, the owners of these shops are faced with challenges which retard the growth of the entities. Among them is competition from immigrant-owned spaza shops as well as from large scale wholesalers, crime, limited growth capital, high security costs and poor business

management skills (Mukwarami & Tengeh, 2017). The need to sustain spaza shops is not in question rather overcoming the barriers faced by operators is crucial especially considering their benefit to communities.

2.2. Immigrant entrepreneurs

Within the context of this study, immigrant entrepreneurs are non-South Africans who use innovative and creative skills to establish and run new businesses in a host country. For many, South Africa became a haven after it gained independence in 1994. Thus, the country experienced an influx of people especially from other African countries who saw opportunities for survival and economic emancipation. The initial steps for those who stepped into country constituted firstly obtaining legal residence status and subsequently seeking survival through the establishment of informal grocery outlets in where the legal and formal requirements for starting small business entities are not very restrictive (Tengeh et al., 2012). The flurry of these outlets in South has spurred both social and economic transformation in South African townships. Some developed countries have even expressed the need to appreciate the benefits of immigrant entrepreneurs by providing foreign immigrants with special visas to establish business entities (Fairlie et al., 2013).

Most immigrants do not embark upon entrepreneurial activities by choice, rather as a response to a lack of other opportunities, which makes establishing a business appear to represent the only viable option (Barrett, Reardon, & Webb, 2001). Several factors initiate the reason for starting a business, chief among them is the difficulty of securing worthwhile employment. Therefore, in order to survive, non-South Africans are motivated to establish a business (Kelley, Singer, & Herrington, 2012). When people become entrepreneurs as a result of unemployment, a lack of upward mobility, loss of employment or poor salaries, the influence of push factors becomes pronounced, effectively "pushing" individuals to establish micro-business enterprises. While push factors are motivated by necessities, pull factors tend to centre on the satisfaction of individual drive, such as the desire to be self-employed, the wish to maximise wealth and the need to make use of own knowledge and experience (Benzing, Chu, & Kara, 2009; Matlala, Shambare, & Lebambo, 2014).

2.3. The role of immigrants

There is empirical evidence which confirms that immigrant entrepreneurs create employment for natives of host countries and also for themselves (Peberdy, 2016). It has also been found that immigrants are particularly likely to be self-employed and that rates of self-employment among people who are born to immigrants are generally higher than among the members of indigenous populations (Pinkowski,

2009). This assessment is shared by Fatoki (2014), who explains that a number of immigrant entrepreneurs create employment for South Africans and also for themselves, which encourages the support of immigrant-owned businesses, as they tend to contribute to the reduction of local levels of unemployment.

Thomas J. Donohue, the president and CEO of the United States Chamber of Commerce, speaking at one of its events on January 12, 2012, said:

"We should allow the world's most creative entrepreneurs to stay in our country. They are going to contribute and succeed somewhere—why shouldn't it be in the United States? America's prosperity has always depended on the hard work, sacrifice, drive, and dreams of immigrants. Our future will depend on them even more" (Hohn, 2012:3).

The statement above shows the extent to which some developed countries value immigrant entrepreneurs. The numbers of businesses started by immigrants in America are growing and they continue to make meaningful contributions to reducing unemployment. In 2005, 450,000 workers were employed by technological companies, which generated revenues of R52 billion (Hohn, 2012). Immigrant-owned businesses contribute enormously to economic success in America, as most immigrant entrepreneurs locate businesses in low-rent suburbs where economic activity is low. As former New York City Mayor Michael Bloomberg said on March 23, 2011:

"Immigrant entrepreneurs and the businesses they launch have long been drivers of innovation and enterprise in New York City and across America. We need the federal government to fix our immigration system, but New York City can't afford to wait. Today, we are taking another step to help our economy by promoting immigrants' enterprise and entrepreneurship across our five boroughs" (Hohn, 2012:3).

2.4. What drives immigrants into entrepreneurship?

Because entrepreneurship can be an engine for sustainable economic growth, numerous studies have centred on factors which induce people to become entrepreneurs. According to Hohn (2012), there are several reasons for which both immigrants and members of indigenous populations elect to embark upon entrepreneurial ventures. The common reasons immigrants or other people may attempt entrepreneurial activity tend to be associated with their cultural and personal predispositions, regulatory environments which are supportive of entrepreneurship, commercially viable business ideas, access to capital and alternative employment options.

2.4.1. Social networks

Social networks play a very important part in determining the decisions of people to become entrepreneurs. Immigrants tend to create strong networks with people from their native countries, which enable them to take advantage of existing customer bases, support, capital and knowledge to start own businesses. As immigrants who arrive in host countries tend to experience difficulty in learning the language of the host country, understanding local regulations and being accepted by the local people, they tend to connect well with people from their home countries who are fairly established to serve as mentors and are able to provide capital. Saxenian(2002) explains that some of the Chinese and Indian business associations in various countries offer seminars to Chinese and Indian immigrants, to enable such individuals to cope with the language of the host country, to negotiate successfully and manage the stress which accompanies working in the markets of the host country.

2.4.2. A lack of other employment options

When immigrants arrive in a host country often it is difficult to secure suitable employment, which is further complicated by other problems, such as language barriers, a lack of contacts and questionable qualifications. Even if employment was obtainable, the work is very often lowly paid. In order to overcome all of the barriers which are encountered in specific host countries, entrepreneurship often presents the most attractive option for immigrants. Also, as most unskilled immigrants find it difficult to obtain employment which pays well, starting new businesses offers a form of employment with improved prospects of generating good incomes(Fairlie, 2012).

2.4.3. Regulations in the host country

When the regulations which govern the starting of new businesses are not particularly stringent, people, immigrants or natives of the host country, are encouraged to start new business ventures. When the regulatory costs of starting businesses are minimal, there is an incentive for unemployed people to venture into business(Phayane, 2014). Regulations which impose high costs on those who aspire to start businesses tend to discourage the emergence of new entrepreneurs. For instance, in Italy, prohibitive institutional barriers have resulted in the country having a significantly lower rate of new enterprises starting than the United Kingdom, France or Germany(Fairlie, 2012).

2.4.4. Culture

Culture plays a significant role in determining whether people decide to start new businesses. Family-owned businesses tend to have a strong influence on the children who often aspire to become entrepreneurs themselves(Hout,

Michael, & Rosen, 1999). Basically, people who come from entrepreneurial cultures are particularly likely to start own business ventures.

2.5. Strategies employed by immigrants to run their spaza shops

Foreign owners of spaza shops employ several business strategies thereby having an edge over their South African counterparts. These strategies include bulk buying, which results in larger discounts from suppliers(Liedeman et al., 2013; HSRC, 2014). Buying in bulk has an advantage in terms of obtaining larger discounts, enabling entrepreneurs to offer products to consumers at lower prices than competitors.

In addition, foreign owners have a strict culture of saving and very often choose to forego all luxuries in the interest of ensuring the growth of businesses. Immigrant traders tend not to lead extravagant lifestyles and, as a consequence, are usually able to save money in order to finance the expansion of their ventures. The money which is saved by foreign owners of spaza shops is used to buy delivery vehicles, further expansion of the businesses and also to invest in marketing strategies such as the use of billboards.

The extension of credit to customers is used to strengthen social ties with the members of the communities they serve and also to strengthen the loyalty of the customers(HSRC, 2014). The overall result is increased volumes of sales, which, in turn, result in improved profit margins. Immigrant entrepreneurs have forged strong social relationships with the people in the local communities by learning the local languages, which has enabled business operation to become less stressful. Strong business networks have enabled foreign owners to network in order to obtain supplies at the lowest possible prices.

Immigrant owners of shops tend to support fellow countrymen by advancing startup capital. Once in business, the people who have borrowed startup capital are allowed to operate businesses for a certain period, in order to allow the loans to be repaid completely, after which they are enabled to make the transition from renting businesses from the people who have supplied the startup capital to outright buying of the business(HSRC, 2014). Although it is true that crime constitutes a significant constraint for small businesses in South Africa, immigrant traders have invested in security, by ensuring that the shops have burglar bars and small windows.

Another strategy used by immigrant traders, is explained by Gumbo(HSRC, 2014) to include positioning of shops near street corners, in order to improve visibility for customers and, by doing so, increasing the attraction which their shops have for customers. Immigrants use brightly painted graphic billboards and also the use of local names for shops, in order to create a sense of belonging and familiarity.

Foreign owners of spaza shops use a pricing strategy

which South African owners are unable to understand. Research has proved that the prices of items such as bread, rice, maize meal, milk, and eggs are generally lower than those of South African counterparts, which has attracted customers to a significant degree, to the disadvantage of South African owners of spaza shops (HSRC, 2014). The pricing strategy used by non-South Africans has strained the resources of South African owners as they try to compete with little success, which indicates why some have decided to rent out premises. According to Liedeman et al.(2013), Somalians have a huge advantage over South Africans with respect to certain key items as they purchase directly from wholesalers, items such as sugar, and instances of bulk procurement ultimately determines the prices at which the products can be sold.

According to the HSRC(2014), the business strategies used by immigrant owners of spaza shops include strategic locations(street corners for visibility), and huge stocks which cater for a wide variety of demands. Others include the practice of strict saving, the use of mentors and networks (social, religious, relatives and business ties), aggressive marketing(advertising and promotions using bright paintings, product names and local shop names) and small profit for quick returns.

The most effective way to attract customers is to stock a wide variety of products. According to Liedeman et al.(2013), immigrant owners of spaza shops are dominating the market because of ability to diversify the product ranges. After the democratically-elected government of South Africa came to power, there were generally improved income levels for the households in the townships, which resulted in an increased demand for and consumption of certain products. Consequently, the spaza shops, particularly the foreign-owned ones, began to invest in diversifying the ranges of products, in order to cater for the increased needs of households whose levels of income had increased.

The non-South African owners are able to obtain cheap labour by employing citizens of the former countries, who are often prepared to earn low wages in order to secure employment. As foreign owners are generally financially better equipped than South African counterparts, they are able to take advantage of supply chain. On average, foreign owners of spaza shops have startup capital amounting to R45, 000, compared with an average startup capital of R1, 500 for South African owners(HSRC, 2014). This competitive advantage, coupled with ethnic business networking, has promoted the growth of the foreign-owned shops who buy collectively in bulk from the manufacturers and wholesalers in order to receive increased discounts leading to correspondingly increased profits.

A business cannot survive if it ignores the importance of mixed business strategies, as the application of different strategies energizes the growth of businesses(Bowen et al., 2009). The business strategies identified by Bowen et al. (2009) include special offers and discounts, high quality

customer services and offering a comprehensive variety of products. If a business is not doing well in a specific area, it needs to relocate to an area more favourable to the market. Entrepreneurs need to place emphasis on fast-moving items, in order to avoid incurring losses as a result of products reaching expiry dates and fast-moving goods ensure that large storage spaces become of little importance(Bowen et al., 2009; Tengeh, 2013).

3. Research Methodology

3.1. Methodology

The quantitative research method was adopted for this study owing to its capacity to gather data from a large population. Therefore, questionnaires were administered to township grocery shop owners who operate their business entities in Gugulethu and Nyanga townships. Furthermore, data collected from township grocery shop owners were analysed using the Statistical Package for Social Sciences (SPSS version 23) software.

3.2. Target population

In this study, the population related to South African locally owned spaza shops in Gugulethu and Nyanga townships. Gugulethu Township has six sub-locations, while Nyanga has eleven.

The researchers selected Gugulethu and Nyanga because they are the oldest townships in Cape Town where trend, dynamics and development in spaza industry can easily be traced and compared. Constraints related to time and financial resources were some of the reasons why the researchers could not study the entire population of the spaza industry in South Africa.

3.3. Sample methods

Convenience sampling is a non-probability sampling technique where participants are chosen because of their convenient accessibility and proximity to the researcher (Farrokhi, 2012). The researchers preferred this method because it is fast, cost saving, easy and the subjects are readily available. In pilot studies, convenience sample is usually applied because it allows the researcher to obtain basic data and trends regarding his study without the complications of using a randomized sample(Etkan et al., 2016). The researchers preferred this technique as it will allow the selection of the spaza owners that are known to have operated for three years and above to be part of the sampling frame. This because the researchers believed that the spaza shops that had been in existence for more than three years could provide far more detailed and richer

information on the factors that are affecting the growth of their businesses, compared with new entrants in the spaza industry.

3.4. Sample Size

Welma and Kruger(2001) stressed the importance of having a large enough sample so as to represent and generalize the entire population. With the help of Raosoft Calculator, the researchers made use of a 5% margin of error with a confidence level of 95%, all based on an estimated population of 3,920 spaza shops and using a response distribution of 50%. The appropriate sampling frame used in the Gugulethu and Nyanga townships became 346. Due to limited cost associated with covering all 346 spaza shops, the whole population could not be studied. Therefore concentration was on a sample size of 130 which were chosen based on their accessibility and proximity to the researcher.

4. Results and Discussion

4.1. Perceptual challenges faced by native South African informal grocery outlets

4.1.1. Cheaper grocery items

The results indicate that 81% of the respondents believed that spaza shops which are owned by non-South Africans sell their products cheaper than those owned by South Africans. As has been noted, non-South African owners employ several business strategies which give them an advantage over their indigenous counterparts, such as buying in bulk, in order to obtain increased discounts (Liedeman et al., 2013; HSRC, 2014). The point has already been made that the larger discounts which are made possible by bulk purchasing enable foreign entrepreneurs to adopt a pricing strategy to which South African owners of spaza shops are unable to respond to in a competitive manner, which severely undermines the growth of their shops.

Research has shown that items such as bread, rice, maize meal, milk, and eggs are generally cheaper when they are purchased from foreign-owned spaza shops than when they are purchased from their South African counterparts, which has attracted significant numbers of customers to the foreign-owned shops, to the detriment of the growth of South African-owned ones(HSRC, 2014).

4.1.2. Competition from spaza shops owned by non-South Africans

Competition from spaza shops which are owned by non-South Africans has had a pronounced negative effect on

the growth of South African-owned spaza shops. This assertion is in line with the significant majority of 75.2% of the respondents who believed that the growth of their spaza shops was being particularly negatively affected by competition from spaza shops which are owned by non-South Africans. Only 14.1% did not perceive spaza shops which are owned by non-South Africans to pose a threat to the growth and the survival of their businesses.

A case in point could be provided by the township of Delft on the outskirts of Cape Town, where competition between non-South Africans and South Africans resulted in most South African owners of spaza shops losing their businesses to foreigners(Liedeman et al., 2013; HSRC, 2014).

4.1.3. Having extended business hours

The study also reveals that a total of 69.4% of the respondents are in agreement that they operate for long hours often only closing shops after 9 pm.

This finding aligns with the report of the HSRC(2014), which reveals that non-South African owners of spaza shops usually open their shops as early as 6 am and close at approximately 9 pm. Their long operating hours enable them to achieve high volumes of sales, thereby garnering high profits. Extended business hours often result in increased revenue and improved services for customers.

4.1.4. Stock variety of grocery items

A total of 76.6% of the respondents either agreed or strongly agreed that they maintain high levels of stock, as they sell a variety of items which are generally favoured by South African consumers.

This finding concurs with that of Liedeman et al.(2013), who explain that non-South African owners of spaza shops make use of distribution networks to buy a variety of items cheaply in bulk, which gives them a competitive advantage over their South African counterparts. This strategy improves the potential gross profits of foreign-owned spaza shops, as lower prices promote increased turnover, a pricing strategy which is known as Small Profit Quick Return. If stock is bought in bulk and the increased discounts passed on to the customers, there is usually great potential for increased volumes of sales. High stock levels ensure customer satisfaction, promote confidence and protect owners against the possibility of shortages of stock owing to delayed deliveries.

4.1.5. Living simple and austere lifestyles

A total of 76.86% of the respondents either agreed or strongly agreed that non-South African owners of spaza shops led simple and austere lives and adhered to saving practices by foregoing all of the luxuries which could jeopardise the growth of their businesses. An insignificant

proportion(14.05%) of the respondents reported otherwise, while 9.09% were neutral. The findings align with the report of HSRC(2014), which explains that as immigrant entrepreneurs in the informal sector do not have extravagant lifestyles, they are able to save their financial resources in order to maintain and expand their businesses. The money which is saved by foreign owners of spaza shops is often used to make infrastructural purchases, such as delivery vehicles and increased trading space, and also to invest in marketing strategies such as the use of billboards.

4.1.6. Making use of associations to buy cheaply in bulk

Non-South African entrepreneurs in the spaza sector tend to adopt a more collectivist approach in the running of their businesses than their South African counterparts, whose approach thus far has generally been more individualistic. The distinct differences between the business practices of the two groups have resulted in differences in buying methods, with non-South Africans practising collective buying in order to qualify for bulk discounts, which have a direct influence on their pricing strategies and their competitiveness. It was found that a significant majority of 78.5% of the respondents were aware that their non-South African counterparts used their trading associations to buy cheaply in bulk, in order to achieve the competitive edge which is associated with doing so. There is a striking relationship between this finding and that of Ohene-Marfo(2012) who found that Lebanese immigrants demarcate between the different forms of social capital i.e. they source resources for their ventures based on who they can get help from. Whether South African entrepreneurs in the spaza sector are to make the best possible use of this awareness remains to be seen.

5. Conclusion

The desire to earn a sustainable income often propels most township dwellers to engage in entrepreneurial activities with the operation of spaza shops being the most visible in post-apartheid era. In an effort to promote broad-based growth, the government of South Africa embarked on pro-small business policies aimed at the transformation and empowerment of previously disadvantaged communities. It is understood that interventions at the appropriate level(small grocery shops) would provide opportunities for job creation and self-employment where it really matters. However, the fact that small businesses more especially spaza shops are underperforming, has generated significant interest among researchers. Igniting more speculations is the success enjoyed by immigrants operating spaza shops in these townships. This is against the backdrop of the fact that native-owned spaza shops face a myriad of challenges, which impede their growth and

survival. It is therefore, no surprise that South African spaza shop owners would have their own understanding with regards to the success of the spaza shops operated by their immigrant counterparts. This paper sought to avail perceptions that indigenous South Africans who own spaza shops in Gugulethu and Nyanga Townships have towards immigrants who run small grocery outlets. The findings indicate that native South Africans hold the view that immigrants have an upper hand over them because of among other factors, immigrants avoid an expensive lifestyle, depend on effective network, offer lower prices, know how to position their shops, work for extended business hours and stock a wide variety of grocery items.

5.1. Research implications

The study was purely quantitatively descriptive utilizing self-administered questionnaire. Studies of this nature produce simple statistics which offer basic insight to a phenomenon(Burnham et al., 2008). Therefore, descriptive statistics provide the basis for explaining and drawing inferences about situations. It is advisable, especially considering the nature of South African economy and its international image, for a future study to examine the nexus between xenophobia and how native South African entrepreneurs perceive their immigrant counterparts.

Concurring with the growing projection of immigrants as much more aspiring entrepreneurs, this paper contributes to the business development discourse in South Africa in view of what natives can learn from their immigrant counterparts and how the government can facilitate or promote this learnership.

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