

## **CHAPTER 6**

### **CONCLUSION AND RECOMMENDATIONS**

## CHAPTER 6

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## **6.1 INTRODUCTION**

Chapter 6 is the final chapter, which is divided into three main sections.

The first deals with a revisit to the research objectives in which each of the objectives identified in the study are highlighted and thereafter specific detail is given explaining clearly **how** each was achieved.

Secondly, conclusions and recommendations, linked to the analysis in Chapter 5 are explained in detail. This is done by following an overview of each of the key elements exposed and analysed in this research. These include a profile and demographic overview, a marketing concept application overview, a societal marketing concept application overview, a marketing mix application overview, the overview of the marketing tactics applied, noted and prioritised by the hawkers and finally selected correlation analysis. For a comprehensive picture, much of the above can be viewed in conjunction with section 5.3 in Chapter 5.

Thirdly, some concluding observations and generalised final comments are made.

## **6.2 REVISIT OF THE RESEARCH OBJECTIVES**

The objectives of this study centred around the unveiling of information gathered through scientific marketing research on questions relating to strategic planning issues in the context of, and relevant to the marketing tactics applied (known and unknown), and marketing orientation applied in the hawker market of the East London CBD hawkers.

### **6.2.1 THE PRIMARY OBJECTIVE**

The primary objective of the study was to determine the extent if any, of the use of conventional marketing by the hawkers of the East London CBD in their daily business operations. It was evident that one could not simply ask the hawkers what marketing they were implementing and thus the method used to achieve this objective was to question the hawkers as to the extent to which specific activities were

applicable to their daily functioning. Each of these activities reflected, by implication, the use of a particular element of the marketing mix. As previously explained, the questionnaire uses a four-point scale in order to force a choice between performing a function actively to not at all. The order of the questions was random with a number of questions measuring the application of each of the elements of the marketing mix, as well as a number reflecting the marketing orientation of the hawkers. These questions were recorded in section B of the questionnaire and consisted of questions relating to **known**, (conventional, common) marketing tactics.

## **6.2.2 SECONDARY OBJECTIVES**

The secondary objectives of this study focussed on the attempt to uncover any new, (unrecorded in modern marketing literature), activities which hawkers may be using in their marketing effort. Also besides gathering a demographic breakdown of the hawker population (see section A of the questionnaire), the final objective was to identify any factors which could be defined as "influencing factors" which could be regarded as being of relevance to the marketing effort of the hawkers.

The gathering of data of marketing tactics which were "not known" was done through questions which required unstructured responses, thus requiring the hawkers to simply make a note of those marketing tactics which they applied. (See section C of the questionnaire.) It was also felt that it would be useful to know which of these tactics were regarded as being most important. For this reason the final question required the respondents to rank each of the tactics they had listed in order of priority. From these lists, each would be scrutinised to see if there was any evidence of the use of any unknown tactics. In this way it was hoped to uncover any "different" activities which could be reflected as being new marketing tactics.

## **6.3 CONCLUSIONS AND RECOMMENDATIONS**

The order of the main topics listed for discussion below follow the same order as per the questionnaire. Overall, there is no significance associated to the order used in that there is no degree of importance associated to this order. The idea is to simply give an ordered structure to the discussion. One will note also that the same order was

applied in Chapter 5 and although a thorough analysis of every question was covered in detail in Chapter 5, the aim of this section is to take cognisance of the analysis done in Chapter 5 and to now add meaning and significance to the analysis. As explained by Welman and Kruger (2001:228), the idea is to interpret the results in terms of the research problem introduced at the beginning of the report. The goal is to explain the meaning of the results and their implication in the light of the purpose for which the research was undertaken in the first place. Taking this further, they argue that we should discuss whether we agree or disagree with the findings of previous research and that we should consider alternative interpretations of the results obtained and evaluate them objectively.

### **6.3.1 PROFILE AND DEMOGRAPHIC OVERVIEW**

Looking at the results of the data collected in the section A of the questionnaire and simply highlighting those elements which represented the most prolific variable, i.e. that variable which the majority of respondents responded positively to, give a profile and demographic composition as follows:

The hawkers in the East London CBD interviewed in this research sell mainly shopping goods in one-man businesses and thus do not employ anyone to assist them. They operate from very small "shop floor" areas which they started themselves and have run them for more than 3 years. They run sole trader businesses with a daily turnover of R300 to R400 which they own themselves. They are overwhelmingly female in number, are younger than 40 years old, are single and speak Xhosa. They obtain their supplies for their outlets directly from factories.

One could generate various assumptions as to **why** the above picture exists, for example, that black females are more entrepreneurial than their male counterparts or that as a result of them being single, most likely supporting children, need to assume the hawker position as a matter of survival in an environment which offers few employment opportunities in an already overflowing job market. The question as to their lack of growth also needs investigation. Are the hawkers simply happy with the turnover they achieve daily? Are there no opportunities for growth at all? Is there no opportunity here to create employment so desperately needed? Is there any vision or

planning for growth on the part of any of the hawkers? Is competition too tight? (Although competition as known/defined in a free market does not appear to follow the same rules in the hawker market.) The question is also posed as to the motivation from the factories in selecting hawkers as a means of distribution? How does this affect their traditional channels of distribution? How would this affect their marketing plans where, in the hawker market, their control of any form of price or promotion strategy would be very limited? Overall, it would be interesting to make a comparison between the profile depicted here and those of other towns and cities in South Africa to see if they are the same or they differ and if so, to be able to explain the reason(s) for this. This research looks at **what** the situation is and offers information to prompt options for further research, especially in connection with all the above why's.

### **6.3.2 MARKETING CONCEPT APPLICATION OVERVIEW**

In order to clearly depict the extent to which the East London CBD hawkers applied the marketing concept in their businesses, each of the marketing tactics being most applicable to the respondents are noted below. This will give an overview of the application of the marketing concept in this hawker market. Once again, that variable, to which the majority of respondents responded to positively, is the one noted as depicting the hawkers overall position.

Firstly, it is clear that the vast majority of the hawkers indicated a great concern for their customers. The word indicated is used purposefully here as it is not clear, (as discussed in section 5.3.1) that the hawkers actually **show** great concern for their customers. The majority had no policy to deal with customer complaints. This could be supported further by the fact that the majority of hawkers do not try to be flexible when it comes to tailoring their products to meet unique customer needs. One could also argue this point as it may very well be possible that the hawkers are very limited in their ability to make any changes to their "product".

However, emphasis in the interview was placed on the word "try" as an indication was simply sought as to the willingness to focus on the customer and the orientation of the hawker on customer needs. They did not even bother to ask customers if they were

happy with their services or range of products. In the same vein the majority of hawkers did not monitor **how** new customers were obtained or ask whether their customers needed any other additional products or services. They indicated a very weak position in their being perceptive to suggestions from customers and had no system of identifying **where** their customers come from. Again here it could be argued that even although they may not have had a specific system of identifying where their customers come from, they may, as a result of the close ties they had with their communities, know pretty well where their customers come from. Also their customers seemed to be regular and loyal. Maybe this could explain why the majority of the hawkers did not actively go out to look for potential customers but waited to be approached by them for sales. They did not however indicate that it was wise to know regular customers faces and even call them by their names. This also tends to support the idea that the customers were indeed known by the hawkers.

Overall it is argued that the hawkers do not display behaviour that could reflect a high degree of marketing orientation. The one variable which showed a positive indication of marketing orientation related to the fact that they tried to achieve set goals for each day. This too seemed to be focussed more on a desperately needed daily turnover goal rather than to any more long term goal orientation focus. Essentially, the hawkers do not show that they apply the principles of the marketing concept to any significant degree.

The above overview shows clearly how the primary data gathered has exposed information leading to the formulation of opinions and the exposure of many questions supporting the achievement of the primary objective of this research.

### **6.3.3 SOCIETAL MARKETING CONCEPT APPLICATION OVERVIEW**

The responses recorded from the hawkers, taking the variable which the majority responded positively to, gives the following overview:

Just under half of the hawkers indicate a moderate concern for the impact which they had on the environment. This result thus reflects that the majority of the hawkers in the East London CBD do not really care about their impact on the environment

although a large majority indicated that they did keep their place of doing business clean and tidy. A slight majority indicated that they were involved in some form of community welfare and that they were concerned about what the community thought of them. They were very supportive of the idea that personal hygiene and cleanliness were able to lure customers to their stand.

Although these results indicate an overall application of the societal marketing concept, it was clear that the emphasis was far stronger in their concern for positive opinions from the community rather than on any concern for the environment. As pointed out in the discussion in 5.3.2, much of the concern expressed was more lip service than action as very little of what they voiced concern about was supported by any physical action evidence in support of such opinions.

Essentially, concerns of hygiene and cleanliness were major issues of contention shrouding the hawkers in the East London CBD. Of great interest here would be the question of how to convert these hawker expressed opinions into positive action. Why should they say cleanliness and hygiene are important in their businesses and yet at the same time, do nothing about keeping it so? One possible answer to this question was that they expected this task to be performed by the local authority. They did not feel it was their responsibility but that it was the responsibility of the municipality to keep their areas clean. This opinion was supported by the fact that the hawkers expressed their dismay at what a poor job the municipality were doing of keeping their areas clean. The question of hygiene and cleanliness, addressed positively, may very well change the negative attitude towards the hawkers continually expressed in the press. Further investigation into this could prove to be fruitful.

#### **6.3.4 MARKETING MIX APPLICATION OVERVIEW**

The overview of the marketing mix as depicted by giving consideration to the responses of each of the elements of the marketing mix (4 Ps) first and thereafter having a look at their combined resultant extent of application.

Once again in all of the following analyses, use of the four point scale is made to force a choice and then highlight the variable responded to positively by the majority of the hawkers.

Considering the first P, product, the hawkers liked to stick to the products they were selling, they did not like to try to sell products they had never sold before, they were very strong on offering after sales supporting services e.g. carry bags, wrapping paper or guarantees and did not really consider too closely the choice of products on offer.

The above results support the opinion that the hawkers, once settled with a product that is working for them, stick to it with little investigation or thought put into identifying additional or further opportunities. The fact that the majority of the hawkers have been in business for 4 to 6 years (30% for longer than 6 years) could strongly support this view. Also, because of the zero tolerance for competition attitude, there is little motivation to try to do things differently. Through this approach, the status quo would be very entrenched supported by a natural resistance to change and strong traditional alignment. From a marketing point of view, it is apparent that the required/expected evaluative approach to the hawkers product is not applied. Of interest here would be the question of what the effect would be if it was. Or, are hawkers simply selling whatever they are able to, based on limited sources of supply? How much say do they really have in what their product offering is?

The second P, price, was given a little more attention. Here the hawkers indicated that they did not give credit freely to their customers, they used the offer of a discount to create loyalty and were very concerned as to the prices charged by their competitors. This was supported by the fact that they indicated that they charged the same price as that charged by other similar businesses. At the same time they took the cost involved into account when deciding on price.

From this overview and also from observation, the hawkers' prices were not primarily based on cost. Everyone appeared to be aware of the "going price" and this price was charged by everyone. This almost appeared to be monitored? At the same time a discount was offered but this was done on a selection basis and was not offered to everyone. Thus, although price was used as a marketing tool, it was limited in its

application and although it is not clear as to the mechanism of control, there appears to be "unwritten rules" in place directing the pricing structures. As discussed in the analysis section 5.3.3.2, even the "discount" was given in the form of product rather than a reduction in price. Once again, much further investigation is required to clarify the above assumptions.

The third P, promotion, appears to carry the same characteristics and opinions as those expressed for the hawkers' application of the societal marketing concept. That is that the hawkers **say** they are performing activities which imply an application of the variable, promotion, but show little evidence of the activity being actually done.

At the same time the majority of the hawkers responded negatively to actions which would show some degree of their using promotion as a marketing tool. Their responses thus indicate that they do not allocate part of their budget to promotion. They do not run any form of sales promotions and do not try to differentiate themselves from other similar businesses offering similar products. They did indicate however that they were concerned about the layout and presentation and packaging of their products. To this end it was difficult to see any evidence of this concern. Once again, the issue of promotion raises a number of questions. Was little promotion done because the risk of not getting a return on such an investment was high or not known? Is there a concern for a possible negative response from their competitors? Is the lack of evidence in their actual layout/presentation/packaging of their products simply a matter of standards? Is their regard for word of mouth promotion so high that they feel it is the only option to follow? Why does their promotion appear to be focussed on customers they know? Acceptance/approval from their association appears to be of prime promotional importance/significance. Although much insight has been gained from this research, it is clear there is still a lot more to find out.

The fourth P of the marketing mix relates to distribution and it is clear from the responses received from the hawkers that position is important to them. Although they did not give time to consider alternative ways of getting goods to customers they did analyse their area of operation and carefully selected a good place from where to operate. The impression gained was that there was far more demand for good sites than were available and it was assumed that those hawkers who responded negatively

to the above questions did so purely because they felt they had no chance of obtaining an alternative, better site. Thus, they did not spend time considering alternative sites, almost as if it were not really for them to be making such a decision. This opinion obviously needs testing and it would be interesting to determine exactly how the prime sites are allocated. Is it simply first come first served? Is it handed down to other family or friends? Is it decided by the associations? As with most businesses, the effect of position is an important one and as there is no apparent “price” that can be associated with a good site, it certainly has value. The question is how this value is determined, by whom, and how these sites change hands.

### **6.3.5 MARKETING TACTICS APPLIED AND PRIORITISED OVERVIEW**

The marketing tactics which the hawkers noted down as being those that they actively used, ended up being a relatively short repetitive list. The total number of recordings was 244 which translates to just over two tactics listed per hawker. The end result shows that the hawkers in the East London CBD find customer service most important (rated 1<sup>st</sup> and listed by the most hawkers). Thereafter the importance of the tactics is regarded as much less important based on the number of times they were listed in total. These included:

- presentation            making sure their stall looked good and that their products were well presented.
- discount                actively offering customers discount in order to motivate loyalty
- product selection      trying to ensure one had the best products
- approach customers    being active in trying to coerce customers to buy your products
- position                selecting the best possible position from which to operate
- competition            ensuring that no competition positions itself anywhere near your site or your customers.

The above overview clearly shows a high degree of importance being placed on the customer. The question is posed however as to whether the emphasis is on offering

customers the best possible benefits in an attempt to expose the value of the products to him or whether his approach it is simply to “currie favour” with his customers with tactics which have the message, “you owe me one”? This approach supports the concept of needing “political” support and being accepted by the community and by the associations. Thus, the customer service tactic is not applied in an atmosphere of being competitive or in terms of applying one of the elements of the marketing concept. This is supported by the fact that competition is not tolerated. The marketing tactic of offering a discount appears to be applied in exactly the same way, i.e. it is not a competitive marketing tool, it is rather a tool used selectively to entrench customer support, not only for their decision to buy from them, but also for their political support to entrench their “authority” in the position they want to be.

The “careful selection of products” listed as a marketing tactic was listed by the hawkers who sold fresh fruit and vegetables. Thus although this is an obvious, warranted approach used by them, it does not apply to other hawkers who have indicated their lack of application of this tactic through questions 16, 27 and 36.

The main question, exposed by this study, is whether or not the principles of a free market enterprise, within a competitive environment, apply in this hawker market or not? Are these principles actively applied in any of the hawker markets or in fact in any of the township markets in South Africa? If not, what principles are being applied? What would be the appropriate strategies one would need to implement in order to survive? The lack of tolerance for competition also poses questions of how standards are maintained and improved? Would this lack of competition be a cause for the poor standards that do exist? How should one approach/deal with the situation should it exist? If it is not as per taught theory, then what should the lessons be which will ensure success for the hawkers? This is an important question as it exposes a possible reason as to the poor state of the condition of the hawkers. This also bears direct impact on the state of the economy, community and environment. Could competition encourage the fruit and vegetable hawkers for example to create the beautiful, clean “works of art” displays found in cities like London, Sydney and Perth?

Once again, the exploration of this research has exposed a number of questions which could prove invaluable to our understanding of the hawker market through further future research.

### **6.3.6 SELECTED CORRELATION ANALYSIS OVERVIEW**

The correlation analysis, as explained in section 5.4, was included to simply determine whether any correlations existed between any of the demographic variables and the application of the marketing tactics or concepts. Initially the statistician performed a large number of correlation tests which showed very little, if any evidence of any correlation. Thus, the demographic variables gender, age, marital status and home language were selected and a correlation analysis was conducted on each with the marketing concept and 12 selected marketing tactics. In each case no correlation was found. Essentially this means that there is strong uniformity in the way the hawkers apply marketing practice in their businesses. Thus, no matter the gender, age, marital status or home language of the hawkers, they all operate their businesses in a similar manner. More specifically they implement the specific marketing tactics and the marketing concept in much the same way. This result is interesting as it also supports the notion of the hawkers seemingly to need to follow one and the same set of “unwritten rules”. If so, where do these rules come from? Do the associations set them or are they set by the hawkers in the market? Is it simply a case of peer/social pressure? Is this is how all markets operate? This list of questions follow exactly the same thread as those posed in the previous section where the zero tolerance for competition was discussed. Either way, the uniformity should possibly be questioned. The conditions, standards and prosperity of the hawker market as exhibited by the East London CBD hawkers is to say the least, unpleasant. The perpetual conflict, apparent poor results and unhealthy environment currently experienced almost demand that an alternative method of doing things should be sought. A further challenge for future research.

## 6.4 SUMMARY AND FINAL COMMENTS

Chapter 6 covered the objectives of the study and stated how each was met. An overview of all the results was analysed, giving meaning to them all as well as stating conclusions, recommendations and uncovering a host of assumptions and questions.

Here follows the final synopsis of the main issues explored:

In Chapter 1 the objectives of the study were noted in three main categories, namely:

Primary objectives, secondary objectives and general observations.

The primary objective of this study was to determine the extent of the use of generally accepted principles of common (conventional) marketing in primarily black owned or managed hawker businesses in the East London CBD area.

To this end it was clear that the hawkers did not use generally accepted marketing principles in this hawker business. The extent of their use of these principles was limited.

The secondary objectives were noted as centring around the degree to which the stated hawkers are implementing unknown, or new, marketing tactics. Also of interest is the identification of other influencing factors, and the relevance of these to marketing.

To this end it was found that there were no unknown or new specific activities that could be defined or categorised under any marketing heading. The closest one could get was the possibility of categorising the behaviour where support is gained on a quid pro quo basis under the heading , relationship marketing. There were however three major influencing factors shaping the behaviour of hawkers, these being:

1. Zero tolerance for any form of competition
2. Short term focus and lack of long term planning
3. Desperate need to be accepted to be part of a group or association.

The final category sought a general assessment of the marketing orientation displayed by the hawkers and an analysis of selected demographic factors to determine possible correlations.

Here, it was clear that no significant correlation existed between the demographic statistics and the application of any particular marketing tactic. To add a bit more detail, it was found that in primarily black owned or managed hawker businesses in the East London CBD, it can be concluded that the extent of the use of generally accepted common (conventional) marketing principles is fair, (just under 30%). Application of the societal marketing concept achieved slightly more support (just less than 50%) where the link to the giving of discount and customer service could be made. The idea "I'll help you, you support me" was evident here. The application of the marketing mix achieved a score of 38,6% and looking at the individual mix elements, distribution, then promotion scored the least application and pricing the highest. The top three marketing tactics ranked as being the most important for achieving marketing success were, in order, customer service, stall/product presentation and the offering of discounts or discounted prices. After applying weightings to the ranking positions of the respondents, the offering of discounts moved to second place

Overall it would appear that the hawkers in the East London CBD could be doing a lot more to apply conventional marketing tactics. It would be interesting to compare their results with the results of a more developed group or a group of slightly larger small businesses. One begs an answer to the question of what it is that takes one from "hawker" to "small business". Could it possibly be a greater degree of application of conventional marketing tactics or does the apparent existence of the "crab syndrome", where no one should be seen to be succeeding too much more than all the rest, really exist?

This research also identified the fact that there are some significant **influencing factors** noted which are well worth mentioning again and in fact deserve further research. The first is the obvious zero tolerance of any competition. Once "accepted", your position and status as a hawker becomes entrenched so long as

adherence to a set of unwritten rules is upheld. “Do not be seen to be doing too well!” “Do not charge different prices to your competition.” “Be kind and caring to the community,”... are the kind of unwritten rules that appear to exist. The second is the apparent lack of any form of long term planning. Total emphasis seems to be placed on surviving today only. “Tomorrow we will worry about tomorrow.” Delayed gratification or the building of capital were concepts which were very foreign here. The third factor centres around the fact that much strength appears to be derived by being part of an association or group. Being an individual in the hawker market could be a threatening experience. It seemed as if as long as you were part of a group you would be protected by that group. (The concept had a mafia ring to it?)

Although a much more thorough investigation of the individual results could be applied, it is felt that for the purpose of this study the more important and pertinent aspects have been covered sufficiently and that the exploration uncovered many relevant questions. It is strongly recommended that more be done to gather clearer explanations as to the **why's** of many of the actions noted and to test all of the assumptions gleaned. It is also recommended that methods of improving the standard and status of our hawkers should be investigated. Possibly improving the application of conventional marketing tactics could assist in uplifting the industry. An analysis of the observed influencing factors noted is well worth investigating as these influencing factors may have the strongest hold over all attempts to prosper. It is believed that these areas for future research would not only offer a positive contribution but are becoming more and more important as the pressure builds to find solutions to the problems posed by the South African hawkers, economically, politically and socially. The idea that we now really do live in a democracy seems to need exposure. Within what is fair and just, we do not need to wait for someone to tell us how we should live our lives and run our businesses. We are now responsible for our own success or failure and thus we should test our ability to uncover new ways of making our hawker businesses more viable and profitable for the benefit and welfare of all. Above all, we could encourage and educate everyone on the fact that this is what a democracy requires. Make decisions for yourself and take responsibility for them. In the hawker environment, it is believed that this approach would generate the relevant synergistic benefits required in an atmosphere embracing free market principles, open competition and motivated entrepreneurial decision making. "Dare to be different!"