

A Study on the Level of Educational Background of Owner/Manager of Small Businesses as a Factor Related to the Practice of Marketing Research: Hair Salons Perspective

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Abstract:- This exploratory study is about small businesses, like hair salons. The study employed mainly quantitative approach to analyse interview data that emerged from 280 salon operators. It focused on the educational background of the owners/managers as a factor related to the engagement in the marketing research within hair salon business in Dr. R.S Mompoti district in the North-West Province of South Africa. The findings revealed that even though majority of the operators did not engage in marketing research, those who collected information on certain marketing research activities may have been influenced by their educational background. Thus, the higher the educational background the more likely it is that hair salon owner/manager would conduct marketing research. The authors conclude with practical implications and recommendations for further research.

Keywords:- Marketing Research, Marketing Research Activities, Hair Salons, Dr. R.S Mompoti District.

I. INTRODUCTION

There is no precise quantitative estimate of the socio-economic role hair salons play in the economy of Dr. Ruth Segomotsi Mompoti district, in South Africa because it is precluded by non-availability of comprehensive statistical data about these informal activities at the national level. Nonetheless, one can judge their contribution to economic growth in general and creation of self-employment in particular to alleviate the level of unemployment and poverty from the emergence of many hair salons in the province, especially by the unemployed school leavers. This proliferation of hair salons has created challenges of fierce competition in the salon business environment, survival, growth, sustainability, profitability among them. This situation has called for one of the success factors for large organizations such as marketing research activities for the salon operators to engage in to be competitive. However, one of the core antecedents of marketing research is the level of education which is related to acquisition of knowledge and skills that allow entrepreneurs to be able to know the type of

data to collect and how to gather marketing information. Lack of education becomes an obstacle to knowing how to conduct a meaningful marketing research.

It is evident that the influence of the owners/managers on the success of small businesses has been acknowledged as pervasive throughout all businesses and impacts on all spheres of small business management including the area of marketing (Elliott & Boshoff, 2017). Therefore, hair salons and marketing research activities are no exception.

However, little is known about the practice of marketing research activities within small businesses let alone that of informal sectors such as hair salons. Literature review suggests that compared to larger organizations, marketing research is hardly an activity that small businesses engage in. Among the reasons for lack of the practice of marketing research within small businesses is the fact that most of the owners/managers possess low-level of education. This inhibits them from knowing more about marketing research, talk less in engaging in it and to even accept its importance. Due to their low educational background, it will be difficult to convince small businesses like hair salons that do not have much money to play with, let alone knowing the value of marketing research without empirical evidence, to embrace the concept of marketing research and engage in it.

II. THE PROBLEM STATEMENT

Considering hair salons' socio-economic role and the potentiality of the operators becoming emerging entrepreneurs in the district, these informal economic activities must be sustained and grow. This requires owner/managers engaging in marketing research as a marketing tool to know more about their customers, competitors and market trends, to be competitive. This is however embedded in an individual's educational background of which majority of the owner/managers lack, hence not engaging in marketing research. Against this backdrop, it is important to know how educational level of the owner/managers relates to the engagement in the

marketing research activities in small businesses such as hair salons.

III. THE OBJECTIVES OF THE STUDY

Specifically, the focus of this study was to investigate and empirically test the relationship between owners/managers' educational background and the engagement in marketing research activities in their salon business.

IV. LITERATURE REVIEW

A. Defining Marketing Research

There are numerous definitions of marketing research to the extent that it is not possible to review all of them. As a result, attention is paid to a limited number of definitions that are considered useful for this study. For a start, Tustin et al. (2010:7) regard marketing research as the systematic and objective collection, analysis and interpretation of information for decision making on marketing problems of all kinds by recognized, scientific methods. McDaniel & Gates (2010:7) see the concept as the planning, collection, and analysis of data relevant to marketing decision making and communication of the result of this analysis to management. According to Wiid & Diggins (2011:5) marketing research is the systematic collection, analysis and interpretation of information ...in the decision-making process. While the American Marketing Association (AMA) (2004), perhaps the most influential and authoritative body on marketing and related activities in the world defines marketing research as the function that links the consumer, customer, and public to the marketer through information...information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyses the results, and communicates the findings and their implications.

Critical examination of the definitions reveals the following activities common to marketing research: systematic gathering of data; recording the data; analysing the data; interpreting information to guide decision making, and adherence to scientific method. Therefore, for the purpose of this study, marketing research in hair salons is operationally defined as the systematic gathering, recording, and analysing of data relating to the services provided by hair salons.

B. Marketing Research in Small Businesses

Dzansi and Amoakoh (2014, p. 8) contend that there are some misconceptions and barriers to small businesses engagement in marketing research. The authors further cited

the following as misconceptions and barriers: (i) a small business should only conduct marketing research when it is making profit with the belief that marketing research requires large amount of money; (ii) one cannot do research unless one is a sophisticated researcher, therefore small businesses are skeptical about the benefits of marketing research as they regard it to be cost-prohibitive and non-value adding.

Venkatesan and Soutar (2014) in their study on market research in Australian SMEs reported that generally, Australian SMEs view market research as too involved and too complicated, exclusively in the realm of educated market researchers and generally used by consultants to make money. Some respondents who attempted market research with consultants appeared to have spent money without getting positive results, adding to their negative perceptions. The same authors concluded that many SMEs also perceived market research to be an abstract concept and could not see how it could help them. They felt that most of their income was generated from personal contacts and word of mouth. Consequently, there was no need for generalised market research. The SMEs believe that, as long as personal contacts were maintained and word of mouth channels were open, there was no problem. Berton et al. (2008) and Jones and Rowley (2011) on the other hand, posit that SMEs perception on marketing research are the main reasons why they do not engage in the concept. In any case, several authors have touted marketing research as providing great opportunities for business survival and growth.

C. Importance of Marketing Research

Allen (2016) posit that for any business, market research is vital for survival and growth. Not only does it allow the business to reduce business risks, it also helps to improve the competitive nature of your SME. Thus, market research is the foundation of marketing. According to Crane (2010), marketing research is a useful tool to promote entrepreneurial success by providing a means to understand customers, competitors and the industry. Burns and Bush (2006) add that marketing research can be used to identify market opportunities; generate, and evaluate potential marketing actions; monitor marketing performance; improve the marketing process; and to monitor customer satisfaction. Young and Javalgi (2007:114) mention the following benefits of marketing research which although not specifically for small businesses can be useful to hair salons. The list includes: (i) serving as a vital link between the business and its customers; (ii) helping the business to interpret consumer behavior and translate the perspective of key customers into actionable marketing strategies; (iii) assisting the business to keep in touch with vital consumer behavior trends and other influences that affect the customer of a business; and (iv) providing a clue to uncovering specific segment needs and perceptions to help avoiding the risk of failure.

D. Educational Background and Business Success

Several research papers have exemplified educational background of owner/managers as one of the determinants of business success such as: Research papers of Aqeel, Awan and Riaz (2011:101) mention that 161 small enterprises in Bangladesh succeeded through management education and training among others; Islam, Khan and Obaidullah (2011:291) cite the role of the individual characteristics of an entrepreneur which includes the educational background as core success factors of business in small and medium enterprises; and a study conducted by Riyanti (2004:2) on entrepreneurs disclosed that successful entrepreneurs. The researcher emphasized that seventy per cent of successful entrepreneurs were University graduates.

There can be little doubt from these few empirical evidence education provided knowledge and modern managerial skills, it makes owner/managers more conscious of the reality of business world and thus they are in a position to use their learning capability to manage business. This does not mean that owner/managers of salons should necessarily be University graduates, but at least they must attain a certain level of education that can enable them to understand what marketing research is all about, its importance and how to collect such information.

V. RESEARCH METHODOLOGY

A. Research Design

This was an exploratory and descriptive study to investigate the role educational background of the owner/manager plays in hair salon marketing research activity. Mainly positivist (quantitative) research paradigm was used as the methodology because it lends itself to the systematic collection, organization, and interpretation of data gained from the questionnaire, it deals with large sample which could be representative of the population and most of the data collected are numerical; (Welman, Kruger and Mitchell, and Pradeep, 2010:4). It is exploratory because until this study and to the best knowledge of the author, marketing research activity within hair salons in the South African context has been a virgin territory. This study is also interspersed with a few interpretivism (qualitative) research paradigms, because informal interviews were initially conducted on a few selected hair salon operators.

B. Population and Sampling Method

The target population for this study was all hair salons in the district, both registered and non-registered. Since many of the hair salons were unregistered, a sample frame was not readily available. In a preliminary investigation, 989 hair salons both registered and unregistered were identified in the region. This list constituted the sample frame for this study. Free software that calculates required sample size was used. The software called sample size calculator is available at <http://www.macorr.org>. The calculation process requires setting confidence level was set at 95% and the confidence

interval at 5. With a population size of 989, a required sample size of 277 was arrived at. The decision was however made to round up this figure to 280.

Probability sampling method was chosen for this study for three reasons: 1). It deals with large sample which is ideal for this study because 989 hair salons in the region were initially identified and thus requires a large sample to be representative; 2). The results are generalizable, meaning its results are reliable, which is also suitable for this study, because eventually, the results will be applied to other hair salons in other provinces, and 3). It deals with well-defined population which is also suitable for this study because the population of this study is well defined as all the hair salons in Dr. Ruth Segomotsi Mompati District.

C. Pre-testing of Questionnaire

As there was little information on marketing research activity on hair salon business, there was the need to pre-test the questionnaire by applying two of the various options recommended by Cooper and Schindler (2011), namely researcher pre-testing and participants pre-testing. These choices were also informed by the absence of previous questionnaire on the topic to study from. Therefore, the first level of the pre-testing, i.e. researcher pre-testing, involved fellow research colleagues who were on their doctoral studies, in order to solicit their opinions and suggestions for improvement in the research questionnaire. The second level of the pre-testing was participants pre-testing where the questionnaire was field-tested on sampled hair salon operators.

D. Data Collection and Analysis

Data were collected with the aid of a self-administered structured questionnaire. The quantitative data obtained by the Likert type of questionnaire was statistically analyzed. Frequency tables, and bar charts, were used to summarize and display the data collected. Chi-square test statistics and cross-tabulation analysis were done to determine if relationships existed between owners/managers' educational background and marketing research activity. Appropriate tests of significance were done for any observed differences. Where such differences were significant, further analysis such as cross-tabulation was done to explore these differences further. The qualitative was grouped into themes that emerged.

VI. MEASURING CREDIBILITY OF THE STUDY

According to Bryman and Bell (2011), credibility has something to do with how believable the findings from research activities are, and that it has all to do with validity of the research. Dzansi (2006) also explains credibility as practicality, reliability and validity aspects of the measuring instrument. Therefore, for this study to be credible and acceptable, validity and reliability which appear to be much

mentioned in terms of credibility (Blumberg, et al, 2005; Cooper and Schindler, 2003) are discussed below.

A. Validity of the Questionnaire

Cronbach's Alpha was used to validate the reliability of the questionnaire which resulted in a value of 0.81. Literature

on the subject shows that Cronbach's Alpha coefficients range from zero (0) to one (1). Blumberg et al. (2008) contend that a score of 0.7 is an acceptable reliability coefficient. Therefore, with R as 0.81, the questionnaire was deemed to be reliable.

VII. MEASUREMENT, ANALYSIS, AND DISCUSSION

Person chi-square test for relationship between education and marketing research was used. The study researched on marketing research on customers, competitors and market trends to ascertain the relationships.

Demographic characteristics		Frequency Percentage
1. Nationality	South Africa	23.7
	Ghanaians	23.7
	Zimbabwe	28.8
	Zambia	22
	Other African	1.6
2. Gender	Male	48.3
	Female	51.6
3. Age	16-19	0.8
	20-25	33.8
	26-29	47.4
	30-35	12.7
	36-39	3.3
	40-45	1.6
4. Educational status	No formal education	0.8
	Primary Level	23.7
	Matric Level	75.4

Table 1:- Results of demographic characteristics

Frequency of collecting marketing information on customers	Chi-square	Df	Sig.	Results
Information on salon's prices	11.490	6	.074	No relations
Information on type of hair styles	10.305	6	.112	No relations
Information on hair chemicals used	43.541	6	.000*	Relations
Information on the work of hair stylists	12.554	6	.051	No relations
Information on customers complaints	21.588	8	.006*	Relations
Information on customers' impression of salon environments	20.640	8	.008*	Relations
Information on competitors				
Information on competitors' hair chemicals	9.347	6	.155	No relations
Information on competitors' hair styles	17.299	6	.008*	Relations
Information on competitors' promotion activities	10.344	6	.111	No relations
Information on competitors' prices	8.006	8	.433	No relations
Information on effectiveness of competitors' promotion activities	11.721	8	.164	No relations
Information on market trends				
Information on modern equipment	13.192	8	.105	No relations
Information on current hair chemicals	11.320	8	.184	No relations
Information on current hair styles	35.145	10	.000*	Relations

Table 2:- Pearson chi-square test for relationship between respondent's educational status and marketing research activities

From Table 2, responses to questions regarding the items on engaging in marketing research activities namely: information on chemicals, customer complaints, salon's environment, competitors' hair styles and current hair styles vary significantly at 0.05

significant levels according to respondents' educational status. Cross tabulation was used to investigate further the differences and the results are found in table 3-7.

A. Education and Marketing Research on Customers

Variables	Level of Education	Respondent's frequency of marketing research information collection on hair chemicals				
		Never	Once a month	Once every two weeks	Once a week	Total
	Count	25	1	2	1	29
Educational Status	Below Matric.	86.2%	3.4%	6.9%	3.4%	100.0%
	Count	61	2	12	14	89
	Matric.	68.5%	2.2%	13.5%	15.7%	100.0%

Table 3:- Cross-tab of education versus collection of data on chemicals

Variables	Level of Education	Respondent's frequency of marketing research information collection on customers' complaints about salon's services					Total
		Never	Once every three months	Once a month	Once every two weeks	Once a week	
	Count	18	1	3	2	5	29
Educational Status	Below Matric.	62.0%	3.4%	10.3%	6.9%	17.2%	100.0%
	Count	41	0	5	18	25	89
	Matric	46.1%	0%	5.6%	20.2%	28.1%	100.0%

Table 4:- Cross-tab of education versus collecting data on customer complaints

Variables	Level of Education	Educational status and frequency of marketing research information collection on salon's environment					Total
		Never	Once every three months	Once a month	Once every two weeks	Once a week	
	Count	25	1	1	0	2	29
Educational Status	Below Matric.	86.2%	3.4%	3.4%	0%	6.9%	100.0%
	Count	64	0	8	3	14	89
	Matric.	71.9%	0%	9.0%	3.4%	15.7%	100.0%

Table 5:- Cross-tab of education versus collecting data on salon's environment

Looking at the data in Tables 3, 4, and 5, it is clear that higher percentages of respondents who are below Matric level of education reported never, for the three customer related marketing research activities when compared to the percentages of Matric holders who said their businesses conducted marketing research on customers. On the other hand, when one looks at those who did some research, the situation is reversed which indicates that the higher the educational level, the more likely it is for a salon operator to engage in marketing research on the customer.

B. Educational and Marketing Research on Competitors

Variable	Level of Education	Respondent's frequency of marketing research information collection on competitors' hair styles				
		Never	Once a month	Once every two weeks	Once a week	Total
Educational Status	Count Below Matric.	24 82.8%	3 10.3%	2 6.8%	0 .0%	29 100.0%
	Count Matric.	61 68.5%	19 21.3%	6 6.7%	3 3.4%	89 100.0%

Table 6:- Cross-tab of education and collecting data on competitor hair styles

Table 6 shows clearly that a higher percentage (31.4%) of respondents who are Matric holders reported their businesses conducted marketing research on competitor hair styles, as compared to the percentage of respondents (17.1%) below Matric who also reported similarly. This simply means that the higher the level of education, the more likely it is for a salon operator to practice marketing research, even though (68.5%) of the Matric holders reported not conducting research on competitor hair styles as compared to the percentage of the respondents below Matric level (82.8%) who form the majority.

C. Education and Research on Market Trends

Variables	Level of Education	Respondent's frequency of marketing research information n collection on current hair styles						Total
		Never	Twice a year	Once every three months	Once a month	Once every two weeks	Once a week	
Educational Status	Count Below Matric.	23 79.3%	1 3.4%	0 .0%	3 10.3%	2 6.9%	0 .0%	29 100.0%
	Count Matric.	56 62.9%	2 2.2%	13 14.6%	15 16.9%	2 2.2%	1 1.1%	89 100.0%

Table 7:- Cross-tab of education and collecting data on current hair styles in the market.

The scenario described in the previous applies when one looks at the data in Table 7. It is also quite clear that a higher percentage (73%) of respondents who are below Matric level of education reported never for the market trend related marketing research activity on hair style when compared to the relatively lower percentage (62.9%) of Matric holders who said their businesses did not conduct marketing research on market trend in hair style. On the other hand, when one looks at those who did some research, the situation is reversed, which indicates that the higher the educational level, the more it is for a salon operator to engage in marketing research on the current hairstyles in the market.

This information shows that even though majority of the hair salons did not engage in marketing research, those that collected information on the three marketing related activities may have been influenced by their educational background. From this premise, it can safely be postulated that the higher the educational level of owner/manager, the

more likely it is that a hair salon conducts research on customers, competitors, and market trends.

VIII. CONCLUSIONS

Based on the findings from the empirical and literature review, conclusions are made on the influence of educational background of owner/managers on marketing research activities for economic performance of hair salons in Dr. Ruth Sogomotsi Mompoti district. The findings were that though majority of the hair salons did not engage in marketing research, those that collected information on the three marketing related activities may have been influenced by their educational background. From this premise, it is postulated that the higher the educational level of owner/manager, the more likely it is that a hair salon conducts research on customers, competitors, and market trends.

IMPLICATIONS

A number of implications are drawn from the findings of this research for salon operators in the district, policy makers and researchers. First, the practice of marketing research (MR) seems very little within salon business according to the findings of the study. Few well established ones practiced marketing research. Second, non-practice of MR and the application of marketing research information (MRI) are dictated by low level of education. Third, non-application of MRI is the result of the fact that some owner/managers do not understand the process and the type of information which could be made available through MR because of the low level of education of some of them.

RECOMMENDATIONS

First, since the results suggest that owner/managers' educational background is linked to marketing research of hair salons, it is imperative that regular training should be directed at improving the cognitive competences of owner/managers of hair salons. Second, it is recommended that the local Municipalities and private sector can corroborate to set up development and training programmes for the owner/managers of these salons to enhance their productivity, growth, survival and to increase job creation.

VALUE OF THE STUDY

The introductory paragraph of this study of this study alluded to the fact that empirical research on hair salons in South Africa is a virgin area, limited if not non-existent. On the other hand if there is such research then the influence on hair salons has not been explored and ascertained. Given their numbers and importance in black communities they need closer attention from researchers. Therefore, this study is an attempt to accord it that attention based on assumption that there is little knowledge on which to build on.

Another significance is that this study is designed to show the importance of education in relation to the understanding of the essence of marketing research, to enable owner/managers to know what type of information needed and how to look for such data.

This study is also intended to encourage an interest, particularly, in those informal hair salons by highlighting the necessity and the prominence of education of owner/managers playing tremendous role in acquiring marketing information for the economic performance of such salons.

Furthermore, this study could promote the understanding and acceptance of the use of marketing research information through the level of educational background of the owner/managers, not only by hair salons

but all other small businesses if it can be shown that marketing research and the use of the information gathered from the research indeed has economic influence on business performance.

Finally, the results of this study would provide a better understanding of small business marketing research activity and how they use the information for competitive advantage with the level of education of the management.

LIMITATIONS

This research was delimited to the following: The population of all 'small salons', both formal and informal, in Dr. Ruth Sogomotsi Mompoti district. There is a risk of geographical bias because the sample in terms of size and ownership may not be representative of hair salons in other districts of South Africa. Generalizability of the results to hair salons across the whole South Africa might therefore be compromised.

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