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FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

AN EVALUATION OF EFFECTIVENESS OF SURVIVAL STRATEGIES OF THE RETAIL HARDWARE SECTOR: CASE OF SHURUGWI

BY

R104616J

THIS DISSERTATION IS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE BACHELOR OF COMMERCE HONOURS DEGREE IN BUSINESS MANAGEMENT AT MIDLANDS STATE UNIVERSITY.

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The undersigned certify that they have read and recommended to the Midlands State University for acceptance, a dissertation entitled; "*An evaluation of survival strategies for the retail hardware sector: case of Shurugwi Town* submitted by *R104616J* in partial fulfillment of the requirements for the Bachelor of Commerce Honors Degree in Business Management

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DEDICATION

This is dedicated to my late mother who was always my inspiration, my family, my beloved husband and above all The God Almighty for being there for me throughout the research.

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ABSTRACT

The study sought to evaluate the effectiveness of the survival strategies employed by the retail hardware sector in Shurugwi, Zimbabwe. The objectives of this study was to establish the challenges faced by SMEs, to establish survival strategies used by SMEs and to establish alternative survival strategies that can be used by SMEs in the retail hardware sector. Descriptive research design was used to provide further insight into the research problem by describing variables of interest. The targeted population consisted of 54 participants.A census sampling technique had 54 participants and was precise, detailed and gave data in great detail for the small domains especially the local areas. The study examined the challenges currently being faced by small businesses for example lack of business experience, owner manager characteristics, knowledge management, stringent procedures to acquire a loan, financial management, lack of ICT, reduced availability of finance, limited information about financing options, political instability, operational space and locational changes, supply chain, Lack of business networks, increasing competition, lack of human resource and lack of customer relationship management systems. The survival strategies were cost reduction, product diversification and payment terms in credits. Pricing strategies, collaboration, buyer-supplier relationship, networking and market segmentation.The alternative strategies were strategic partnership, internationalisation, compliance, temporary closures, promotions, localisation, partnerships, promotions, mergers and advertising. The findings of the study stated that there is a relationship on business experience and performance, business experience and turnover, business age and turnover, respondents' age and performance, education and performance, gender and performance and business review and performance. The challenges which affected SMEs the most was lack of business networks. Survival strategy most implemented is collaboration and the alternative survival strategy implemented is temporary closures. The strategies used yielded negative results and are not effective. This is so because the numbers of retail outlets have decreased and their profits have also decreased. It also shows that survival itself is a struggle in the sector. The recommendations were that Zimbabwean government's economic initiatives to be easily reached and accessible. In addition the government is to provide entrepreneurship training and educational schemes. Ministry of SMEs is to introduce career development schemes and also development female entrepreneurship development models.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study sought to explore the survival strategies employed by SMEs in retail hardware sector to survive the economic pandemonium which plagued the country. The research is also in chapters, chapter 1 is the background of the study, chapter 2 is literature review, chapter 3 is methodology, chapter 4 data presentation and analysis and finally chapter 5 is summary of findings, conclusions and recommendations.

1.1 Background to the Study

The Zimbabwean economy experienced its biggest depression in the year 2007 that resulted in a large-scale business downsizing and in some cases closing down or switching product or service offerings. The high mobility of firms caused by the economic depression led to many people being unemployed with current unofficial estimate at 90 percent. A number of people who were retrenched, school leavers and university graduates in an endeavour to survive established their own small businesses as opposed to seeking formal employment. Such small businesses now play the role that was previously played by large organisations.

Small and Medium Enterprises and Co-operative Development Minister Sithembiso Nyoni said SMEs make up 60 percent of the Zimbabwean population. Minister Nyoni said the economy was growing as a result of the contribution of SMEs. An important strand of empirical research into the relation between new-firm start-ups and regional growth suggests that the main impact of new firms on regional growth is indirect and comes with a time lag. Although new firms have a direct impact by employing workers, the more important impact is assumed to be indirect by stimulating incumbent firms to perform better, (www.ondernemerschap.nl)

The smaller firm and the recognition of its centrality as a necessary competitive instrument in the development of a modern, vibrant and progressive economy have undergone a remarkable renaissance in the last quarter century (Beaver and Prince 2004). Small firms are now the focus of political, business management research and are popularly regarded as a preferred vehicle for the generation of the enterprise economy, (Gavron et al,1998;Carr, 2000; Beaver and Carr 2002) and integral to contemporary economic and social regeneration, (Stanworth and Gray,1991). This is indeed seen by the vibrant contribution of SMEs in the economy and an increase in the establishment of the SMEs.

There is a growing recognition worldwide that small and medium enterprises (SMEs) have an important role to play in the present context given their greater resource-use efficiency, capacity for employment generation, technological innovation, promoting inter-sectoral linkages, raising exports and developing entrepreneurial skills. Zimbabwe and the rest of Africa have come up with programmes to assist the development of SMEs for instance in Zimbabwe there is the Indigenisation Act.

Recently the country launched the ZimAsset economic blueprint. ZimAsset's focus will be on the full exploitation and value addition to the country's own abundant resource. ZimAsset will act towards an empowered society and a growing economy. It is also there to provide an enabling environment for sustainable economic empowerment and social transformation to the people of Zimbabwe .This has an impact on the people of Zimbabwe since it will encourage them to start their own businesses and contribute to employment creation and economic growth.

Zimbabwean statistics (2011) research results also showed that after the economic meltdown between the period 2007 and 2009 most people are now employed by SMEs, this has shown a rapid growth in the number of registered SMEs. The economic transition processes imply an important market selection process by firm creation and destruction affecting both traditional firms and newly established firms (Bojnec and Xavier 2007). With institutional and economic deregulations during the 1990s, the most striking institutional changes in transition economies include increased competition, the hardening of budget constraint for firms and the stipulation of provision of bankruptcy and liquidation of the inefficient enterprises (Bojnec and Xavier 2007).

The increase in numbers has resulted in a high mobility of SME institutions in and out of many industrial sectors in the country. Koster and André van Stel (2012) opined that mobility of firm results in shifts in the composition of the population of incumbent firms. The most competitive entrants and incumbents survive and these businesses grow while the least competitive firms exit the market or are forced to downsize.

In Zimbabwe a record of 75 company closures were recorded last year (2013) amid fears that the trend could escalate this year as the economy continues to shrink (www.zncc.co.zw), with notable worrying trends in the clothing, engineering, furniture, metal, industry, tobacco, textile, chemicals, food, agriculture, catering, pulp and paper industries .(www.zncc.co.zw). According to the 2013 National Social Security Authority Harare Regional Employer Closures and Registrations Report, 711 companies closed shop between July 2011 and July 2013, (News day 23 April 2014). One of the largest and well established SME sector in Zimbabwe is the carpentry industry, and according to statistics compiled by the Ministry of Small to Medium Enterprises, 13 400 people are said to be currently working in the formal carpentry sector countrywide, this is a fall from the 22 132 who worked in the same sector three years ago (News day 23 April 2014).

The result of such a creative destruction process is an ever changing composition of the firm population in an economy where the average quality of the firms continuously increases as the high quality firms survive and grow and the low quality firms decline or exit (Koster and André van Stel 2012) .

For instance in the retail hardware sector in Shurugwi town in the Midlands province of Zimbabwe, there have been a noticeable mobility trend that has affected the operations and competitiveness of the sector. Information extracted from Shurugwi municipality licence registers showed high mobility rates and is resented in table 1 below:

Table 1.1 Hardware Retail SME Mobility in Shurugwi

Year	# of incumbent firms (beginning of year)	# of Hardware entering the market	Hardwares that completely closed	Hardwares that changed line of products	Surviving Hardwares
2009	3	4	6	–	1
2010	4	2	3	–	3
2011	5	3	4	1	3
2012	7	4	5	2	4
2013	8	2	4	1	5
2014	11	4	5	4	6

Source: Shurugwi Municipality Licence Register

This table examined the position of SMEs in Shurugwi in the Retail Hardware sector and its changes from the great depression period experienced in 2008. It focuses on the number of establishments over a period of time. The table also shows changing patterns of entry and exit rates of the SMEs.

The great depression experienced by Zimbabwe in the year 2008 caused a lot of SMEs to close in 2009. This is so because they could not survive the hardships of the economy. The country had not yet fully recovered from the depression to the extent that business could not commence or move smoothly. There was a high risk of businesses closing at an early stage.

During boom period, turnover of the firms through entry and exit becomes high probably leading to the promotion of economic growth (Kawai et al 2001). The observed patterns of the changes on entry and exit rates in the table above seem to indicate that there are correlated. A study by the Small and Medium enterprise Agency (1999) found both entry and exit rates are closely correlated to the rate of economic growth.

Shurugwi town in the Midlands province is a mining town which is rapidly expanding through the resurgence mining activities by big companies such as UNKI Platinum. The mining companies have had a pull factor on other business activities such as the construction of new housing developments. The housing developments and high levels of expenditure from mining employment and related activities have contributed to lucrative new business opportunities in the construction hardware retailing. It has also contributed to the entry of some SMEs and exit of some, hence mobility trend keeps getting bigger every day among small and medium enterprise (SMEs).

The rate at which a market develops is influenced strongly by the number and types of firms that enter the market and their particular strategic choices (Lambkin and Day 1989). An important line of research on turnover has also tracked entrants to determine their subsequent growth and mortality rates (Caves 1998).

1.2 Statement of the problem

There are less retail hardware, showing that survival is itself a struggle in the sector. The researcher therefore sought to establish strategies that firms in the sector can use in order not only to survive but grow as well.

1.3 Statement of Hypothesis

H_0:   There is no relationship between business experience and business performance

H_1:   There is a relationship between business experience and business performance

H_0:   There is no relationship between business experience and business turnover

H_2:   There is a relationship between business experience and business turnover

H_0:   There is no relationship between business age and business performance

H_3:   There is a relationship between business age and business performance

H_0:   There is no relationship between number of outlets and business turnover

H_4:   There is a relationship between number of outlets and business turnover

H_{0:}   There is no relationship between respondents demographics and business performance

H_{5:}   There is a relationship between respondents demographics and business performance

H_{0:} There is no relationship between business review and business performance

H_{6:}   There is a relationship between business review and business performance

1.4 Research objectives

1.4.1 To establish the challenges faced by SMEs in the Retail Hardware Sector

1.4.2 To establish survival strategies used by SMEs in the Retail Hardware sectors.

1.4.3 To establish alternative strategies that can be used by SMEs in the Retail Hardware Sector to enhance their survival.

1.5 Research questions

1.5.1 What challenges are faced by SMEs in the Retail Hardware Sector?

1.5.2 What strategies can best be implemented by SMEs in the Retail Hardware Sector?

1.5.3 What are the alternative strategies used by SMEs to enhance their survival?

1.5.4 Are SMEs in the Retail Hardware Sector adopting to the correct survival strategies?

1.6 Significance (or Importance) of the Study

1.6.1Theoretical

Most of this research was done in developed countries. The research will focus on developing countries so as to analyse the SMEs survival strategies. It will also analyse whether SMEs are using the correct survival strategies.

There has been a tendency to associate business closure with business failure, and to assume that the majority of owners that close a business have some way failed. Much has been written on Small business formation and growth, less is known about the discontinuation of enterprises. Despite the existing literature for the Western economies (Dunne et al., 1988; Baldwin and Gorecki, 1991), relatively little is known about market dynamics, notably firm exit and its determinants in transition countries (Bojnec and Xavier, 2004). Little is known about the experience and attitudes of owners in the closure process, whether they consider the closure as a mark of failure, what they have gained from the experience and what they intend to do next (Strokes et al 2002).

1.6.2 To the researcher

This research will equip the researcher with more understanding on the survival strategies of the retail hardware sector. It will also enable the researcher to see the best alternative survival strategies to be used by SMEs in the Retail Hardware sector. In addition the research adds a developing research skill and knowledge to the researcher. Entrepreneurship is also a key area of interest to the researcher hence the research will help the researcher to have more insight about the survival strategies of small businesses.

This also highlights the importance of having appropriate information surrounding the reasons for the success and failure for similar business enterprises in the geographic area that the researcher is planning to enter (Josiam et al 1996). Eyaa and Ntayi(2010) furthermore states that the motivation for the study was the fact that SMEs are completely closing soon after starting operations, some changing line of products and old ones mostly closing leaving new businesses behind. It has also been noted that the decline rate of SMEs is significantly larger for the entry rate when compared with the exit rate (Kawai et al 2001).

1.6.3To the focal sector

The researcher have seen that there are few construction retail hardware sectors in Shurugwi and the hardware sectors are not familiar with the survival strategies in such an economy we have in Zimbabwe.

There is a high mobility and high mortality in the retail hardware sector which then shows that some SMEs are entering the market, some changing their line of business, some completely closing down and some surviving. Zimbabwe as an economy coming from a recession and has many economic and national policies have to rebuild the nation through SMEs. This research will assist the SMEs to play the anticipated role of economic development through adopting and scatting the best survival strategies.

1.7 Assumptions

1.7.1 The sample used should be representative of the population intended to make inference so as to get the rightful or correct results of the research.

1.7.2 Participants responses to be honest and truthful.

1.7.3 The survival strategies used by SMEs are not effective.

1.7.4 SMEs are unaware of survival strategies.

1.7.5 SMEs feel that survival strategies are important to their business.

1.8 Delimitation of the Study

1.8.1 Theoretical
This research will focus on survival strategies adopted by SMEs in the Retail Hardware Sector.

1.8.2 Time delimitation

It is between 2009 – 2014.This is when the currency hanged from Zim$ to US$. The time is enough in order to deduce trends on research variables.

1.8.3 Physical delimitation

This is going to be in Shurugwi town.

1.9 Limitations

The research limitations are:

➢ Geographical area: The findings are based on research undertaken with the SMEs in a specific geographical area of Shurugwi hence the results may not be conclusive or generalisable to the rest of the country.

➢ Level of literature: Low levels of literacy was a challenge hence the interviews became highly structured and the unwillingness to divulge competitive information. Lack of comprehensive secondary data as most of the data are just meant for compliance purpose with tax authorities. Majority of the small businesses do not have data base hence most of the figures were estimated.

➢ Confidentiality and privacy: There may be some information which is sensitive that the researcher needs to know about for instance why the business closed, what models the business is using to enhance survival. This may result in subjective conclusions being made.

1.10 Chapter summary

The report is divided into five chapters. Chapter one looks at introductory issues such as the background of the study, statement of the problem, objectives of the research, delimitation of the study, significance of the research and limitations of the research

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Literature review is a database report of primary or original scholarship and does not report new primary scholarship, (Copper 1988). The review of related literature provides direction of the research, shows development of knowledge and integrates and summarises what is known as the area of study.

Previous literature has clearly shown that there are indeed different factors affecting the performance and survival ability of firms. It has been acknowledged that sustainability practices are fundamental and can contribute to the success of business in the long term (Perrini&Tencati, 2006). Thus, owners and managers around the world are promoting sustainability initiatives and practices in their companies as they realize the importance of the platform for the survival of their companies in the face of tough global competition, (Eweje, G. 2011)

According to (Ibrahim, 1993), there is a strong relationship between the types of strategies adopted and corporate business performance. Gupta and Somers (1996) have also verified the relationship between business strategy, manufacturing flexibility and business performance as mentioned by (Ibrahim 1993). Chen and Hambrick (1995) also pointed out that the size of the firm is a factor which moderates the relationship between the strategy adopted and business performance.

2.1 Challenges faced by SMEs

Despite the fact that Small businesses play an economic role in a number of countries there are also faced by a number of challenges which affects their ability to function, contribute to economic growth and their survival.

2.1.1 Recession

According to Gnuschke, a recession is "a phase of declining economic activity spread across the economy, lasting more than a few months, normally visible in real Gross Domestic Product (GDP), real income, employment, industrial production, the housing market and wholesale retail sales".

The worst recession since 2008 experienced by Zimbabwe caused a decline in the output and has been followed by prolonged period of low and negative growth in the retail hardware sector. Indeed the recession has affected business performance, level of confidence and growth ambitions, (Price et al 2013). This is shown by the number of SMEs in the retail hardware sector closing for a while, some changing their line of business and some completely closing business. Some of the impacts of recession are listed below:

2.1.2 Stringent procedures to acquire a loan

Price et al (2013) noted that reduced availability of finance affected the SME sector disproportionately, as small firms were identified as a greater investment risk than larger firms, in the 2008-2009 recession, the financial crisis brought about restricted access to mortgage loans and finance for new construction projects. Adepoju (2003) and Osamwonyi (2010) also agree when they say small businesses cannot acquire funds due to stringent conditions set by financial institutions. Small businesses lack the adequate collateral, credit information and the cost of accessing the funds. Financial institutions require more collateral than SMEs can pledge. Most retail sectors in Zimbabwe have limited access to finance hence cannot purchase the products they need in their businesses.

Lack of security has also limited small businesses to borrow from financial institutions, (Mabika et al 2013). Majority of the small businesses are owned by individuals who have an interest in entrepreneurship but do not have securities since they are still starting the businesses. This initiated an early decline in the construction sector, in which SMEs account for 85 per cent of

total employment (Department for Business Innovation & Skills, 2011). The proceedings are seen as cumbersome, over-bureaucratic and collateral demands are as excessive. Osotimehin et al (2012) agrees that funding institutions conditions for equity capital are always dreadful. This has contributed to small businesses to be silent. Growth of most small businesses in the retail hardware sector which are operating in Zimbabwe is at a slow rate due to inadequate funding, (Bukaliya and Hama 2012). Cowling and Westhead (1996) noted that there was a sharp increase in small business lending in the UK in the early 1980s. However, the rise in SME lending was primarily short term in nature and in order to reduce the perceived higher objective risk and more hazard associated with lending to small firms both interest rates and collateral were increasingly utilized by banks (Cowling and Westhead, 1996) .

Most of these SMEs who apply for loans do not present convincing feasibility studies or attractive business plans and those with good business plans are not backed by adequate collateral (Mambula, 2002). In addition most SMEs do not have accounts with banks due to the previous experience when their monies where eroded in banks due to inflation. Small businesses in the retail hardware sector are failing to operate in Zimbabwe due to lack of collaterals which the banks require for one to access a loan. This is a challenge since most of the small businesses n the retail sector are starting from scratch without large sum of money to operate hence they do not have the collaterals required by banks. Small businesses owners also have little access to capital hence they depend on their own little savings, (Okpara and Wynn 2007).

Poor financing has then led these small businesses in the retail sector in the area of study to lack competent management which is the inability of owners to employ the qualified people and expertise in the business. This also leads to lack of access to technology hence the use of old, outdated equipment and procedures. However Manu (1998) does not believe that shortage of funds is a problem but procedures to administer a loan from financial institutions is a problem.

2.1.3 Reduced availability of finance

Late payment of debts is also thought to have severely affected SMEs (small medium enterprise), and the cash flow of small companies in particular, during the recession (Paul and Boden, 2011).

It was also because there was shortage of the foreign currency which the country had adopted to. Bolton Committee (2002) states that small businesses face challenges when their customers do not pay their debts on time. This cause the small businesses to have problems in paying their suppliers hence suppliers charge them a penalty for late payments which can affect the business performance.

Most SMEs are disadvantaged due to: geographic isolation, unfavorable cost structures, outshopping, and restricted population catchments. This indeed has affected small businesses in Retail hardware sector in Shurugwi. Issues that have also contributed to SMEs decline include cultural constraints, community business climate, a lack of networking opportunities, limited technical assistance, and a scarcity of capital (Drabenstott et al.,2003). To date, we know more about why SMEs do not survive as opposed to what they do to survive. This has been noted on retail hardware sectors in Shurugwi in their performance due to such challenges.

2.1.4 Political instability

The political instability in the country shuns away entrepreneurs for they are more worried about the security and safety of their businesses. This indeed contributes to a slow movement and growth of small businesses in the area of study sometimes causing some to even shut down. It also contributes to shortage of finances and hush business environment conditions which are not favorable for business to take place. The current political system in Zimbabwe acts as a double edged sword to SMEs, the country has coined a number of politically driven initiatives that are marred by a lot of technical inconsistencies that have been acting in both the good and negative favor of SMEs.

For instance the Indeginisation and Empowerment Act have seen a number of opportunities being availed to SMEs through the opening of credit lines and market support initiatives. However, the Act also negatively affected the performance of SMEs as it lead to a general decrease in foreign direct investment in the country leading to the unattractiveness of local produce to the international markets amongst other factors.

2.1.5 Operating space and Locational changes

Business location is key to successful operations and overall growth. When choosing company location considers company needs, customers, employees, equipment needed to complete the services. If one's business draws customers to a store location, the site must be convenient to the customer. The location must easily be accessible and provide the customer with a feeling of safety upon their arrival and exit (www.smallbusiness.chron.com).

Stevenson (2012) states that location is important in terms of cost and convenience for the customer. Those small businesses who relocate far from inputs engage in high input costs. Those far from markets engage in higher transport costs and slow delivery times. Small businesses in the retail hardware sector are forced to move from one point to another and it affects their relationships with their valued customers in that sometimes there will move to places which are far from their customers and where it is not conducive to run a business.

Most of the hardware stores are moving from one point to another and this could be having a negative impact on their growth. This is seen with a decrease in their sales. Greasley,(2009) states that a company's competitiveness is affected by locational decisions. It is a challenge to start advertising your new site to the customers, hence this can cause customers to move or shift to your competitors who will be close to them thus affects the business operations. www.sbaer.uca.edu views location issues as more critical to success for retail firms both during early and late stages of the life cycle.

Operating space is also a challenge to most small businesses since there are having difficulties in paying the exorbitant rentals ,this is indeed a big challenge for small business in the retail hardware sector since most do not acquire their own premises. The rentals are high roughly for a hardware shop; it is about $500 per month which is way above their profits. It forces the small businesses to move from one shop to another in search of cheap premises causing a loss in customers, customer loyalty and business in the process.

2.1.6 Supply chain

In today's highly competitive environment, supply chain performance is very vital for the survival of firms because customers judge the performance of firms basing on their supply chain performance. Competition is no longer between firms but between entire supply chains (Veludo et al., 2004). Worldwide, national economies are faced with the challenge of improving their supply chains. Given that majority of the firms in economies today are Small and Medium Enterprises (SMEs), they are the ones that are most affected by the daunting task of improving the performance of their supply chains. SME supply chains in Uganda are characterized by late deliveries, poor quality products or no deliveries at all, which are indicators of poor supply chain performance.

This poor supply chain performance negatively impacts on their performance given that customers today evaluate firms basing on the performance of its supply chain given that competition has shifted from between firms to between entire supply chains (Ntayi et al., 2009). When the supply chain of a firm fails to perform, it is competed out of the market and is therefore likely to "die". Most small businesses in the retail hardware sector in the area of study are affected by the supply chain. Every customer is very particular about receiving their products on time and up to the specifications. If supply chain of a product is poor it dissatisfies the customers and forces the customers to move to the business' competitors.

2.1.7 Financial management

The 2008-2009 recession took place alongside a global recession and, unlike the previous two recessions, the financial sector is identified as the source of the crisis (Athey, 2009; Hills et al., 2010). Chow and Dunkelberg (2011) suggest that recessions initiated by financial crises are unusually severe, and affect the small business sector disproportionately. In the 2008-2009 recession, the financial crisis brought about restricted access to mortgage loans and finance for new construction projects. This initiated an early decline in the construction sector, in which

SMEs account for 85 percent of total employment (Department for Business Innovation & Skills, 2011).

It has also been recognized for many years that financial management in small enterprises plays a critical role in their success and survival, (Bolton, 1971, Birley and Niktari, 1995, Jarvis et al, 1996). Financial management is critical to SMEs success and survival. In 1971 the Bolton Committee reported that financial management practices in SMEs were deficient, a view that was echoed by many subsequent studies (such as Lang 1973, Lewis and Toon, 1986,Storey et al,1987, Nayak and Greenfeild 1994, Poutziouris et al, 1988a) Ho, G. T. S et al (2010) also states that the unstable business environment of today poses a significant threat to companies worldwide thus contributing to the company's survival. Most of the small businesses in the retail sector lack financial management, this is so because there are ignorant or neglect on keeping business records. This has a negative impact on the performance of the business for there will be no records to refer to in the long run.

2.1.8 Owner manager characteristics

According to the results of the survey, the most popular motive, which was noted by 47 percent of the respondents, was to pursue their dreams, (Kawai and Urata 2001). Most small businesses are characterized by higher owner-manager relationship, where the owner of the business is also the manager of the business. Majority of the small businesses which are involved with owner managers who lack skills, knowledge and experience fail and also those who cannot separate being an owner and a manager at the same time are bound to affect the business performance. This non separation of ownership and management tend to affect the survival of the business through the various sets of decision passed in the organization. Most owners or managers are not adequately organized, qualified or trained; this seriously hampers their performance (Mambula, 2002).

An understanding of the determinants of success and failure in new small businesses and the motivations of the founders in establishing a new business should provide valuable insights into the support needs of new businesses and their founders in the early years (Watson, Sandra

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Hogarth-Scott and Wilson 1998). Personal attributes that can affect the survival of any organization includes Experience, Socioeconomic background, Skills and knowledge, Personality attributes, traits Values, and expectations. However Ray (1993) suggests that there is no ideal-type personality or marginal set of attributes that guarantee success for a new venture. Survival of smaller firms is assisted by the instincts of owner managers, who are likely to see the success of their business as personal as well as commercial goal. Anderson and Russell (2009), p. 11 show, from their survey of small UK businesses during recession, that many exhibit resilience, flexibility, adaptability and absorptive capacity underpinned by personal sacrifices of the owners: "survival, almost regardless of personal cost, is instinctive".

There is also some debate in the literature about the extent to which the actions of owner managers influence the survival of SMEs in a recession. Some argue that SMEs have less control over their external environment when compared with larger firms (Smallbone et al., 1999), and that they perceive recessions as "an externally controlled condition over which they have no control" (Stone, 1975, p. 1). Whether this lack of control is real or perceived, both are likely to affect the ability of SME owner-managers to respond to recession. Others argue that survival of smaller firms is assisted by the instincts of owner managers, who are likely to see the success of their business as personal as well as commercial goal.

Majority of the small businesses in the retail hardware sector which are involved with owner managers who lack skills, knowledge and experience fail and also those who cannot separate being an owner and a manager at the same time are bound to affect the business performance. Knowledge contribute to one making the right decisions for the growth and survival of the business. If this lacks thus affects the business performance.

2.1.9 Knowledge Management

Majority of the small businesses which are involved with owner managers who lack skills, knowledge and experience fail and also those who cannot separate being an owner and a manager at the same time are bound to affect the business performance. Knowledge contributes to one making the right decisions for the growth and survival of the business. If this lacks thus

affects the business performance. The major constraint impeding the growth of small businesses and their business operators is the inadequate business management skills and business knowhow, (Bukaliya and Hama 2012). In addition most business owners in the retail sector have poor management skills, lack relevant business and management experience and the knowhow to operate a business, (Reardon 2010).

The world's economy is evolving and this has led to a shift away from traditional forms of tangible economic drivers such as plant, machinery and real estate to an economy driven by the use of intangible resources such as knowledge (Dumay, 2009a). Companies both large and small are finding knowledge management as a critical factor in managing and transforming organizations.

The exploitation of this complex phenomenon can be the difference between the death and survival of an organisation (Stewart, 1997). Human capital has long been identified as a critical strategic resource for new firms, according to Schultz (1994). The many years of economic meltdown experienced in Zimbabwe saw many people being retrenched and taking up small business ownership and development a source of income; however most of these owner mangers do not have adequate human capital development knowledge. Yin (1994) believes that owners who do not have the know-how of running a business causes a negative outcome to the business. McPherson agrees and says the cause of business failure or poor performance is caused by lack of management attention to strategic issues.

Firstly, educational attainment might provide the basis for better learning through life, enabling entrepreneurs to better deal with business problems and giving them a greater openness and more outward orientation. As such the lack of such crucial knowhow has been a huge threat to the survival of most business as human capital becomes the crown jewel of any organization. This is supported by Henry (2013) who opined that from the organisational level, human capital plays an important role in strategic Planning for SMEs as try to create competitive advantages for themselves. For small business to survive there is need to have the knowhow in the field.

2.2.0 Pricing

Kotler, et al (2012) defined price as the amount of money charged for a product or service. It is the sum of the values, money or other considerations that consumers exchange for the benefit of having or using the product. When operating in an unstable business environment that is coming from a massive economic recession and plunging into a liquidity crisis one of the biggest challenges that any form faces is how to price its products. Economic recession coupled by a crippling liquidity crisis makes customer more price sensitive and becomes worse when the sector in open to substitute goods or services.

According to Hinterhubber (2006) and Indounas (2009), there are three pricing strategies and these include: cost based pricing, competition-based pricing and customer based pricing. Failure to choose the right pricing strategy could lead to lose of customers or lose of revenue. SMEs use a variety of pricing methods namely, discounting, credit terms, guarantees and warrantees.

2.2.1 Shortage of raw materials

Suppliers of raw materials may favour big buyers at the expense of small buyers. This indeed has been seen frequently in the shortage of raw materials in the hardware sector. SMEs are mostly disadvantaged by size thus being unable to take advantage of economies of scale in purchasing materials. They buy their materials individually and therefore purchase only small amounts (Mambula, 2002). It is evidenced by a lot of empty shelves in the stores and late deliveries of orders to their respective customers. For SMEs in the Hardware sector in Zimbabwe, these raw materials take the form of supplies of finished hardware products for resale and they also face similar challenges as those referred to by Mambula (2002)

2.2.2 Increasing competition

As the economy is affected by many downfalls most people are engaging themselves in small business operation so as to survive. The increase in the number of small businesses has also contributed to an increase in the number of competition amongst the businesses. According to

Singh et al (2010) because of the globalization of markets, technological advances and the changing needs and demands of consumers forced the nature of competitive paradigms to change continuously. The liberalization and promotion of entrepreneurship has led to an ever growing influx of new entrants in the retail sector also exacerbated by the fact that it is one sector with very minimum barriers to entry.

Singh et al (2010) further noted that, "the initiation of economic reforms through industrial and trade liberalization in 1991-1992 marked the beginning of a new era for industry in India. The measures included industrial de-licensing, the removal of threshold limits on the assets of large enterprises, the implementation of a liberal policy to facilitate foreign direct investment (FDI), the expansion of the open general license (OGL) list, reductions in customs duties and similar actions."

The weakening of entry barriers ushers in a new breed of competitors that bring in new competitive strategies and competences that put the incumbent at a disadvantaged unless they can realign their operations. For instance the following authors all concur that the trading platform will be altered and hence the need to embark on relative changes to business operations. "Major constraints in the competitiveness of SMEs are access to adequate technologies (Gunasekaran et al., 2001), excessive costs of product development projects (Chorda et al., 2002), a lack of effective selling techniques and limited market research (Hashim and Wafa, 2002).

In addition, other constraints include an inability to meet the demand for multiple technological competencies (Narula, 2004), information gaps between marketing and production functions, and lack of funds for implementing software such as ERP systems (Xiong et al.,2006)" Singh et al (2010).Due to lack or no barriers to entry most small businesses face a competitive environment. If one is slow to act upon the competition it leads to failure. Majority of the small businesses lack effective selling techniques in the competitive environment hence it affects the business performance and growth negatively.

2.2.3 Advancement in information communications technology (ICT)

Small businesses do not have adequate resources to engage in ICT. Most small businesses lack or have less formalized planning and control procedures for adapting ICT. They lack the knowhow to use ICT and the experience, (Adepoju 2003). Kaynak et al., 2005; Pavic et al., 2007 cited in Chibelushi and Costello (2009) states that addition is also the advancement in information communications technology (ICT) which has had major influences on globalisation, rapid revolutions in information and knowledge business structural change and the way small to medium-sized enterprises (SMEs) conduct their business activities (including their marketing strategies, service provision, working practices and management).

The preparedness of each SME to respond to these ICT developments vary greatly because their structure and size make the obstacles they face unique, Chibelushi and Costello (2009) In addition, changes in ICT with their impact on the cost and skills of the workforce often cause major challenges for most organizations and these are mostly on human resources (Bee and Bee, 1994 cited in Chibelushi and Costello). Specifically, SMEs have major constraints that are related to their inability to make the necessary investment to adopt new technology and take advantage of the concepts provided by ICT .However, McLarty 2000 cited in Chibelushi and Costello 2009) states that the skills associated with SMEs demands are significantly different from those offered by graduates, and that SMEs expect that the recruitment of graduates will bring into the firm "work-ready" recruits.

Chibelushi and Costello (2009) state that research claims that ICT investment can impact on SMEs performance and that aligning ICT to SMEs business plans can help to understand the relationship between ICT and business performance. Most SMEs recognise this and the opportunity it offers to SME global markets. Consequently, ICT can be used as one of the strategic factors to help improve business processes and change the function of markets , (Chibelushi and Costello 2009) . Carr 2003 cited in Chibelushi and Costello (2009) , many SMEs are still uncertain to adopt new ICT, and do not believe that ICT should be considered as a strategic resource because of its commoditization and have also reported that SMEs are not using ICT fully. It has been suggested that the main reason could be the lack of resources and skills to

do so. Majority of the small businesses in the retail hardware sector lack the resources to adapt to information technology.

2.3.4 Taxation

Tax is a compulsory contribution imposed on the individuals by the state to meet the expenses which are incurred for a common use (www.ijmbs.com). The problem faced due to tax is negative taxes and business growth. SMEs face challenges of high tax rates, multiple taxation, complex tax regulations and lack of knowledge on tax related issues .Factors that can contribute to SMEs close ups are tax related issues that is multiple taxation and enormous tax burdens.

Majority of SMEs are affected by high tax rates hence this affects their growth. SMEs in developing countries often face difficulties when dealing with tax matters. This has the economical impact to the growth of the economy in the given country. In addition taxes are alleged to be a main dilemma for young and old firms. Therefore, taxation has showing a way towards impacting small and medium enterprises.

It has been noted that tax has a negative effect on growth and development of SMEs. A number of the SMEs fail to pay presumptive taxes. It seems the SMEs are struggling to meet their ZIMRA obligations, this cause the authority to charge heavy penalties to those who fail to pay their taxes in time (Nyamwanza et al 2014).Zimbabwe Revenue Authority declares that all operating businesses pay tax. The tax is high compared to what these businesses get as profit. Most of the SMEs are running away from paying taxes because they do not have tax return certificates. This affects the business performance negatively.

2.2.5 Limited information about financing options

Small businesses are the most vulnerable in times of economic hardships. Most of the entrepreneurs lack information about the financing options available. It is very difficult for entrepreneurs to prepare and present applications that the banks need. Limited information about financing options leads to lack of financing which causes small businesses to have a barrier to

market participation hence they will lack financial resources to transport their products and advertise the products as well. Lack of finance can also cause small businesses not to adapt to technology that contribute to improvement on the quality of their products.

Limited access to finance limits small businesses capacity to survive, upgrade technologies, improve management, raise productivity and expand markets, (Osoti et al 2012). Most of the retail hardware sector in Shurugwi do not have proper advertising skills hence this affects their business survival. Technology is still to be practiced in the area and it has also contributed to some customers not to buy from small businesses since they lack technology which help improve the quality of products they offer. Markets are not expanding instead some of the small businesses are closing down.

2.2.6 Limited experience

Majority of the SMEs are started when individuals realize there are good at something and they think they can start a business without considering the aspect of experience and managerial skills, (Myles 2010). Majority of the small businesses do not take into consideration the importance of training and being part of different programmes which enhance growth and survival of their businesses. Nyoni (2007) states that small businesses fail due to lack of management skills or poor management skills. Peake et al (2009) postulates that experience on entrepreneurial performance has been widely tested. They believe that experience is expected to positively impact performance.

Majority of the businesses are also started by entrepreneurs with little or no experience hence leads business to perform poorly. Beckman and Marks (1996) states that business experience is indeed a factor in the success of small businesses. Beaundry et al (2006) cited in Doms et al (2009) are in agreement when they states that highly educated metropolitan areas generally posted above average wage growth over the past decades. Fairlie and Robb (2008) agreed when they acknowledged that businesses with more educated owners have higher sale and profits and are more likely to survive.

Most studies have found that SMEs that are led by educated managers perform better than other firms in all business aspects including exporting and niche marketing, (Goetez,1992, Key et al 2000, Matungul et al 2001). Majority of the SMEs are started when individuals realize there are good at something and they think they can start a business without considering the aspect of experience and managerial skills, (Myles 2010). Van der Sluis, Van Praag and Vijverberg (2003) conducted a meta-analysis of empirical studies exploring the impact of education on entrepreneurship in industrialized countries. One of the most informative conclusions of their research indicated that education positively and significantly influences overall performance.

The owner at most employs relatives, family members and friends and most of them are unskilled. This will then affect the business performance unlike when qualified workforce is in charge. Mambula, (2002) who noted that most owners or managers are not adequately organized, qualified or trained; this seriously hampers their performance. Bosma et al(2004) argues that an entrepreneur's specific competencies positively impacts on firm performance This shows that the greater level of managerial competency the greater the performance and more likely survival of SMEs.

Fatoki (2004) opined that there is relative profits tend to be high when an entrepreneur has more education and experience in the line of business. The results are also supported by Horming et al (2011) who found that managerial competencies as measured by education, managerial experience and knowledge of the industry positively impact performance of SMEs. Poor financing hence leads these small businesses to lack competent management which is the inability of owners to employ the qualified people and expertise in the business. This also leads to lack of access to technology hence the use of old, outdated equipment and procedures. Lack of entrepreneurial skills contributes to a stop up in the SME survival. Rogers (2002) noted that the annoyance of most SMEs is due to poor record keeping and poor management skills. Poor management contributes to poor strategic planning. Business to have a vibrant decision making there should be a vibrant planning.

2.3 Survival strategies for SMEs

Companies pursue survival as their major objective if they are plagued with over capacity, intense competition, or changing consumer wants, (Kotler and Keller, 2012). The company will set prices that will cover its variable and fixed costs so as to stay in business. The objective of survival is used on a short term and temporary basis. Once the situation that initiated the survival pricing has passed, product prices are returned to previous or more appropriate levels, (Giddiness, 2005).

Some existing management researchers urge that a turnaround strategy is required during the phase of recession (Schendel et al., 1976; Hofer, 1980) while some claim that more studies should be done on exploring how firms survive during the period of economic recession (Pearce and Michael, 1997). Upon investigation, it is widely agreed that suitable marketing actions and management planning results in an enhancement of the competitiveness of a firm as well an improvement in its business performance. In other words, a company's marketing strategy is vital in determining a firm's ability to survive. Abonyi (2003) asserts that it is crucial to find different ways that helps SMEs to grow and develop effectively as SMEs comprise over 90 percent of all enterprises in the world and provide the backbone of the private sector in economies.

2.3.1 Cost-reduction strategy

Regarding the cost-reduction strategy, McLaughlin (1990) observed that a cost-reduction orientation plays an important role in helping firms survive during recessions. It favors and is the best way of preparing a firm when it faces negative pressures that stem from an economic recession. According to Amoako-Gyampah and Acquaah (2008), a low-cost strategy leading to an increase in sales, as well as in market share, can improve the efficiency of a firm; while Menguc et al. (2007) revealed that a low-cost strategy relates positively and significantly to business efficiency. Bharadwaj and Saxena (2009) discussed business processes and suggested the cost-reduction strategies such as outsourcing and business process redesign.

Cost cutting approaches include downsizing the workforce. Most SMEs are not exactly downsizing there are employing family members, this is done so as to cut costs like transport costs, housing allowances and incentives. Cost-cutting approaches have been evident in the construction and manufacturing sectors, with many SMEs asking employees to reduce their working hours, take temporary pay cuts, or unpaid leave to survive a period of declining activity (Athey, 2009). SMEs are also more likely to take a cost-cutting approach to finance, with many seeking funds internally or from family sources, thereby reducing their dependence on external finance, which may be more difficult to obtain (Cosh and Hughes, 2000).

Most of the SMEs are indeed employing relatives or family members as a way to survive in the economy. Three quarters of the employees are relative and those who are not occupy a quarter. The sector is having some workers to work two weeks per month ad the other two weeks will be unpaid leave, or some will divide the normal working hours by people thus having 3 shifts per day.

2.3.2 Product diversification

Kitching et al. (2011) found that market and product diversification, including the introduction of new goods/services and attraction of new customers, was the most successful form of SME response. Diversification is not just seen as a survival strategy or mechanism, it promotes the ability to grow rapidly. Some small businesses are offering complementary goods in their businesses. Others just modify the existing ones or add new ones in the range. The new products promote growth and this allows the business to sell a large number of products, www.santanderbreakthrough.co.uk. Small businesses in Shurugwi are now selling building materials, mining materials, farming equipments and stock feeds since there are a variety of activities taking place in the area.

Small businesses are now acting as stockists. It is helping them to keep their customers happy and satisfied since the products are at most available. This reduces shortages and delays. Myles (2010) agrees when he states that small businesses should improve product offering if they wish to survive tough economic periods. A few small businesses have engaged in this strategy in order

to survive some are still ignorant. These hardware stores are also developing products and markets outside their present coverage.

2.3.3 Pricing strategies

Oxenflelt (1983) says the pricing strategies appropriate for the rural areas should have a characteristic of low cost or cheap products, must not be sophisticated, should have refill packaging to cut down on costs and also should apply value engineering whereby costly raw materials are substituted with cheaper ones without compromise on quality or functional efficiency of the good or service

There are many types of pricing strategies that a company can put into practice. Gabbor (1988) says a pricing strategy is an application of a pricing principle over a certain period of time. According to Cavasgil (1996), pricing strategies can be grouped into two which are trivial cost pricing strategy and full cost pricing strategy. Trivial cost pricing strategies are difficult to implement, but generally yield better results than full cost pricing. They are characterized by a market-facing loom that tries to approximate and influence demand for a product.

The business sets manufacturing targets and bases pricing on what it costs to produce additional units at that point. Full cost pricing is inward-looking. It is characterized by a focus on the product or service, and how much it costs to make it or offer the service. Companies and organisations set prices by using the full cost of making the products at the set production volume. Such a strategy does not maximize profits. Kotler (1997) has a different view that a pricing strategy is the task of defining the rough initial price range and planned price movement through time that the company will use to attain its marketing objective in the target market. Nag (2001) defines a pricing strategy as a powerful tool because it has the ability to create and destroy value, increase market share and profit. Oxenflelt (1998) says pricing strategies are the particular policies of action and procedures necessary for reaching the final price.

Oxenflelt (2003) cited in Gregson and Andrew (2008) outlines pricing strategies for products or services to encompass three main ways to improve profits. These are that the business owner can cut costs or sell more, or find more profit with a better pricing strategy. When costs are already at

their lowest and sales are hard to find, adopting a better pricing strategy is a key option to stay feasible. Gregson and Andrew (2008) further states that merely raising prices is not always the answer, particularly in a poor economy. Too many businesses have been lost because they priced themselves out of the marketplace. On the other hand, too many business and sales staff leave "money on the table". One strategy does not fit all, so adopting a pricing strategy is a learning curve when studying the needs and behaviours of customers and clients. The pricing strategies are:

2.3.3.1Market-oriented pricing is another pricing strategy whereby according to Gregson and Andrew (2008) setting a price based upon study and research compiled from the target market. This means that marketers will set prices depending on the results from the research. For instance if the competitors are pricing their products at a lower price, then it's up to them to either price their goods at an above price or below, depending on what the company wants to achieve .

Frenz (2012) talks of market oriented pricing as a strategy which aims at building product features, price, advertising and other variables of marking around the services of consumers who are the target market. She goes on to say it is an ideal cost for the consumer and the organisation and argues that managers should balance the consumers' desired price of the product with the organization's financial needs which will make it reach profitability. Dean (1976) also defines market oriented pricing as charging fairly low prices which is done with the objective of gaining a large market share according to Rowley (1997). However, Inbounds (2005) says it is suitable for companies concentrating on increasing market value through product features hence a larger market share and the company increases its unit sales.

 Indounas (2005) says that most companies think market pricing achieves large sales volume leading to a reduced unit cost and long run profiteering. Nagle (1987) supported Indounas train of thought by outlining conditions that favour market pricing as a market which is highly price sensitive, low prices stimulating more market growth, production costs being swallowed by the production experience.

2.3.3.2Customer-based pricing which according to Jim Riley (2012) is when prices are determined by what the company believes customers will be prepared to pay because they depend on the customers. Christopher (1982) says customer oriented pricing is when monetary pricing is the most determinant value to a customer hence the company focuses on the perceptions of its market regarding pricing. However, Ziethmal (2000) highlighted that with this pricing strategy, the organisation must understand the extent to which their customers know the objective prices of the service.

However, according to Hinterhuber (2006) and Indounas (2009), there are three pricing strategies and these include cost-based pricing, competition-based pricing and customer-value based pricing unlike the pricing strategies by Duke (1994). Hinterhuber and Indounas rather group the strategies into three as above. Cost-based pricing is when prices charged are a reflection of the company's objectives, competitive situation and consumer characteristics. Competitive pricing on the other hand is a pricing strategy requiring players to factor in anticipated movements by other players on price without ignoring costs incurred. Yan (2009) says customer-value based pricing is pricing with customers in consideration and valuing them and creates customer loyalty.

Bamiatzi and Kirchmaier (2014) states that : At the same time, almost all the firms held their costs at the lowest level possible without damaging their reputation by producing subpar products. For example, one manufacturer and wholesaler in the long-troubled clothing industry battled back against shrinking market shares and overseas competition by implementing a cost-efficiency strategy. But the firm also differentiated itself through inventive designs and aggressive marketing approaches. Whereas most of its domestic rivals have folded, not only has the company survived, but it is counted among the leaders in the U.K. clothing market.

2.3.6 Buyer-supplier relationship

The importance of managing buyer-supplier relationships is fundamental for continued organisational success. What is questionable, however, is how the methods used to manage these relationships actually become operationalised in SMEs (Mudambi and Schrunder, 1996). For example, Quayle (2000) proposes that for many SMEs purchasing seems to have received little attention from owner-managers, being ranked 14 out of a total of 19 attributes valued by them

when managing their firms. He also argues (Quayle 2001) that the buyer-supplier relationships that exist tend to be in the traditional adversarial type as opposed to the collaborative type.

2.3.7 Networking

Greasley (2009) states that networks are essential in business. It can increase demand and increase volume. Involvement of networking in business contributes to business continuity, (Miller et al 2010). Networking according to Carson et al (1995),p201 is when entrepreneurs or owners of business build relationships with other individuals who surrounds them. This process allows these individuals to share various details, processes and information that contribute a positive business performance. Networking helps SMEs to engage in ideas and best practices which help them to diversify, move up their value chain, be more innovative, become more productive and generate decent jobs. In addition it will also be an opportunity for the business to find new partnership, tap into new markets and meet potential investments, (Greasley 2009) .

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2.3.8 Collaboration

Furthermore there is collaboration. Alonso and Bressan (2014), state that collaboration among businesses, particularly in the current global economic downturn, can be a key strategy contributing to their survival. Numerous studies have emphasised the importance of collaboration and cooperation, including among SMEs (de Jong and Freel, 2010; Nieto and Santamarı´a, 2010; Ogawa and Tanaka, 2012; Pal et al., 2013; Phillipson et al., 2006; Polenske, 2004; Smith et al.1991). Achievement of SMEs is dependent not only on a combination of marketing behaviour and entrepreneurial behaviour. In business there are crucial factors like interaction of business with other businesses so as to share resources and pool resources as well.

This helps the success of small businesses SMEs can gain an advantage if they collaborate with other businesses if they collaborate in materials, production hence this contributes to a large

outcome. Much more limited, however, is the existing knowledge of collaboration among micro firms, or between these and other business stakeholders, including consumers, suppliers, or government agencies. A knowledge gap also exists with regard to the adoption of theoretical frameworks to facilitate understanding of collaboration among micro firms.

Collaboration, co-operation and alliances involving, for example, complementary activities, are also crucial factors because interaction with other small businesses in order to pool and share resources, facilitates the development of new products and enables small businesses to compete with larger counterparts (Shaw, 1999, p. 25) and other small businesses.

2.3.9 Marketing strategy

Some existing management researchers urge that a turnaround strategy is required during the phase of recession (Schendel et al., 1976; Hofer, 1980) while some claim that more studies should be done on exploring how firms survive during the period of economic recession (Pearce and Michael, 1997). Upon investigation, it is widely agreed that suitable marketing actions and management planning results in an enhancement of the competitiveness of a firm as well an improvement in its business performance. In other words, a company's marketing strategy is vital in determining a firm's ability to survive. Abonyi (2003) asserts that it is crucial to find different ways that helps SMEs to grow and develop effectively as SMEs comprise over 90 percent of all enterprises in the world and provide the backbone of the private sector in economies.

Mohd (2012 :Marketing is regarded as one of the organisational resources. Marketing with special reference to differentiation as competitive strategies of a firm. An effective marketing needs a specialised skill, which allows entrepreneurs to communicate and inform potential customers about their products or services. Thus, effective marketing encompasses one-on-one communication skills and the ability of entrepreneurs to define and target their markets. Examination of British medium-sized firms reveals that firms which give a higher priority to marketing than other business functions achieve higher performance. These firms use annual and longer-term marketing planning, perform marketing research, adopt a proactive approach in

future planning, as well as employ market expansion strategies and clear approaches to manage marketing activities. Marketing is important for business success.

2.4 Competitive strategy

Other than the cost-reduction strategy, some SMEs also adopt the competitive strategy. Spanos et al. (2001) suggested that the competitive strategy is the fundamental direction for a company to enter into the market and to survive. A competitive strategy allows firms to capture certain positional advantages through differentiation or cost leadership (Porter, 1980). However, Singh and Yip (2000) suggested that the most common reaction among firms during the economic crisis is to reduce short-term costs while waiting for the crisis to pass.

2.5 Alternative Strategies

2.5.1 Strategic partnership and alliances

Since most of the businesses are affected by a number of challenges, they do need a strategic partnership and alliances for them to survive in such an economic meltdown especially that which as experienced by Zimbabwe in 2007. Greasley, 2009 encourages organisations to get involved in the long term relationships with other businesses. This allows these organisations to share information on development of products and processes. Partnerships and alliances boost flexibility and innovation in business.

2.5.2 Strategic Procurement

There is an increase use of technology hence many are now using various methods to source resources. Some are using the internet to source raw materials. Outsourcing is promoted as one of the most powerful trends in human resources management. The rationale for outsourcing enable small businesses to develop a closer relationship with supplier, an increased ability to focus on strategic issues, access to technology and specialized expertise, and an ability to demand measurable and improved service levels. However, there are some indications that these benefits are not being realized. Furthermore, there may be a serious impact on employee morale

and a risk of transferring expertise and insider knowledge to vendors. Managing the outsourcing arrangement is critical, (Quayle and Quayle 2000)

2.5.3 Internationalisation

Doyle and Broadbridge, 1999; Lipow, 2002; Chetty and Campbell-Hunt, 2003 cited in Hutchinsan and Quinn (2006) states that SMEs with international operations have overcome such barriers to expansion stimulated by competitive strategies of differentiation, and driven by entrepreneurial vision and networks. Therefore, it is maintained that although smaller retailers cannot compete directly with multiple retailers on price, retail SMEs may be better focused and equipped to serve specific international markets .

SMEs sometimes operate outside their countries, they target a niche market with differentiated and unique products, SMEs can successfully serve a narrowly defined segment and service a small proportion of demand in the international markets, (Hutchinsan and Quinn 2006). Companies like Econet Wireless Company have businesses outside Zimbabwe. Internationalisation permits small businesses to access opportunities in new markets. They do not target the whole market but only a portion of the market.

International orientation of the senior manager/s or entrepreneur has a significant impact upon the company's network relationships in foreign markets, which in turn has a bearing on the direction of international expansion and the subsequent market entry strategy. In the case of international SME studies, competitive advantage may be defined not only by internal resources, but also by interaction and relationships with other firms, (Hutchinsan and Quinn 2006). It was argued that social and business networks have the potential to act as catalysts for international business expansion (Merrilees et al., 1998; Coviello and McAuley, 1999 cited in Hutchinsan and Quinn 2006). This contributes to small businesses having access to knowledge and experience which they do not acquire in their businesses.

Moreover, from a formal perspective, international networking can involve upstream participation in international trade fairs, exhibitions, sharing the same suppliers and buyers, right

through to strategic alliances, joint ventures and change in ownership/management ,(Hutchinsan and Quinn 2006). Business performance is thereby boosted and growth is also experienced. Networks and relationships can be created between smaller retail firms and foreign business partners which can contribute to impulsive development of new expansion opportunities, (Hutchinsan and Quinn 2006).

 Bamiatzi and Kirchmaier (2014) in their study state that internationalization didn't find much support among the companies with high growth. Only a few firms, those that placed the greatest value on expansion, based a large part of their business plan on entering foreign markets—and one of these companies began exporting only because the local textile industry collapsed. Rather, most of the small firms that exhibited high growth decided to focus on the home front, disputing the widely held view that expanding to international markets affords small firms a way out of troubled domestic markets by increasing their total sales and providing new customers.

2.5.4 Localisation

Across the world most economies are seeking industrial growth through the promotion of local products and service consumption. For instance in South Atrica they have adopted a proudly South African stance and in Zimbabwe there is the adoption of the BUY ZIMBABWE CAMPAIGN. The national programmes have led to the rise of localisation as a key strategy for survival. For instance Dawson, (2002) cited on files.placemanagement.org envisaged that we are witnessing a shift in attitudes among British consumers towards and supported this notion by postulating that more community-focused service structures have even led in some cases to the creation of retailer-led town centre management schemes in Spain ,(files.placemanagement.org).

Localisation leads to an organisation having a more local focus that concentrate on the particular requirements of the local client. SMEs worldwide have generally been known for offering highly specialised services and products that would perform well when delivered from a localisation perspective. Big retail institutions have been widely critised for bringing a global view of operations to communities where they do to package products and services to suit the local consumers. Despite this apparent renaissance in local format retailing and promotion, the concept

of "localisation" has received comparatively little attention compared to the more popular "globalisation" strategies pursued by large multinational retailers.

Furthermore, they argue that local dependence is the necessary condition for the formation of local business coalitions. The concept of local dependence can be employed in analysing the relations of enterprises to their local environments. Local shops are embedded in the local economy through their use of other local services – for example accountants. The small retailers can be viewed as part of the glue of society and a source of employment (including entrepreneurial opportunities). With regard to competitive advantage, small local shops can offer diversity (in contrast to the homogeneous high street) as well as providing a test bad for new ideas – owing to their better understanding of the local market.

2.5.5 Compliance

Compliance means meeting all of the legal and business requirements that an organization faces and must demonstrate during the course of operations and in doing business. Compliance also means understanding the legal framework in which judicial and corporate requirements operate (Microsoft IT Showcase, 2005). Compliance cannot be achieved through the implementation of a single solution or process; it must be built into every business section of an organization (Microsoft IT Showcase, 2005).

Nyamwanza et al (2014) states that most of the SMEs relocate to new premises to run away from paying tax remittances. It contributes to SMEs not achieving their desired outcomes, affects their relationships with customers and hence causes customer dissatisfaction.

Businesses which comply with the authority regulation do not face any problems with them. Munnich (2007) states that compliance costs for SMEs are up to 6times higher than those for larger companies. Paying tax in time excludes one from such penalties hence business performance will be good quality. Eventually it is cheaper to comply than running away from compliance.

Rossi (2008) Cost is often cited as a reason not to be at the forefront of compliance and regulation but she suggested that the costs are more akin to R&D for product development (particularly true for financial services), brand investment which is key to marketing, or efficiency investment that avoids costly operational costs such as fines. A fall in the spending of resources or in the production of waste is the initial motivation to practice environmental practices in services. Small businesses regularly agree to this type of environmental practice in order to survive. Operational performance can be affected by environmental management practices.

2.5.6 Franchising

"Venturing into a small business is risky. Approximately 400,000 small businesses fail each year .A conservative estimate of the failure rate of start-up firms in their first 5 years is close to 65% .Between one-quarter to one-third fail in their first year of operation .However, many of the would-be entrepreneurs minimize their business risk by purchasing a franchise rather than starting from scratch. In contrast, only about 2.5% of franchise-owned outlets discontinue operations per year, many for reasons other than economic,(Bracker and Pearson 1986).

Bracker and Pearson 1986 further states that franchising may be one of the most promising hopes for the preservation of the independent small businessman in our society .Given that most research journals on small businesses generally fail within the first five years, franchising could be a suitable solution. During the first five year most small businesses suffer from business risk as individual owner characteristics such as lack of experience lead to failure as well as lack of mature business systems. Once the system matures along the company life cycle the small business can eventually opt out of the franchising agreement or stay on.

Shephen and House (1971), states that "the real unit of competition is obviously the marketing system rather than the individual firm. The competitive strength of the vertically organised networks is substantially in contrast to conventional fragments channels where vertical alignments are loose and individual firms operate autonomously."

2.5.7 Advertising

In the past advertisers could not communicate with customers effectively hence they got to consider alternative methods for communicating with their customers,(Turkey and Shannon 2000).One can increase sales during a low demand periods by advertising the products or services to the market. Advertising gives public a notice of a product or service at offer and it aims at informing and persuading potential customers, (Hannagan 2002). Furthermore it changes customer's perception towards a product, builds long term goodwill between organisation and its customers and it also needs to be reinforced from time to time since markets are not stagnant.

2.5.8 Chapter summary

The chapter sought to explain the challenges faced by small businesses in the retail hardware sector, their survival strategies and their alternative survival strategies.

CHAPTER THREE

RESEARCH METHODOLODY

3.0 Introduction

The chapter presents the methodology which was used by the researcher to gather information on the problem area. It discussed about research philosophy, research design, the population of the study, sources of data, data collection techniques, research instruments, methods used to present and analyse data and the chapter summary. The nature of the data according to Leedy (1980) compels the researcher to use the appropriate research method.

3.1 Research Philosophy

Research methods are underlain by different paradigms. The researcher used the positivism philosophy. Saunders et al (2009) state that research philosophy is the development of knowledge and the nature of that knowledge. The research philosophy one adopts contained important assumptions about the way in which one views the world. Filmer et al (1972) suggested that quantitative researchers are committed to a positivist approach to study the society.

3.1.1 Positivism

Klenke (2008) states that positivism ruled with the assumption that knowledge can be conventionally summarised in the form of time and context free generation. Positivist included the use of precise, objective measures usually associated with quantitative data. It was based on hypothesis testing and the researchers by their nature have a tendency to be deductive rather than inductive (Burns et al 2008). Saunders et al (2009: 113) who noted that the positivist allowed the researcher to generate a research strategy to collect data and by so doing one was likely to use existing theory to develop hypotheses. These hypotheses were tested and confirmed, in whole or

part, or refuted, leading to the further development of theory which was then tested by further research (Saunders et al 2009). In line with this, the researcher developed and tested hypotheses on the effectiveness of the survival strategies adopted by SMEs.

3.1.2 Justification

The positivist philosophy allowed the researcher to deductively accept or reject the outcomes through regression analysis as it produces quantitative data. It also helped the researcher in the contribution to quantitative results since the approach uses statistical and mathematical techniques which allow the approach to be authentic and reliable.

3.2 Research Design

According to Collins and Hussey (2003) methodology is the approach to the entire process of research study. Research methodology has many definitions; Kumar (2005) defined it as a path to discover answers to the research question. Kerlinger (1983) defined it as a trace, arrangement and approach of investigation conceived so as to obtain answers to research questions and control variances. It is also a trail that has all the information about the methods and procedures to be used to collect, analyse the data required by the researcher (Joseph et al 2002).

3.2.1 Descriptive Design

Pennerselvan (2004) says, descriptive research is carried out with specific objectives and hence the results were in definite conclusions. It also provides information or describes an issue. The goal of descriptive research is to paint an accurate picture of the way the world is (Remler and Ryzin 2011), the adoption of survival strategies by SMEs in the hardware retail sector in Zimbabwe has not been richly studied.

In addition the descriptive research design also augments well with the study's philosophical position hence it is an important assumption guiding post-positivist research mandates an objective view of reality, in which research is aimed to measure or explain, creating knowledge that is generalisable across different citizens, point in time, and place. As a result this study is

going to evaluate the adopted survival strategies by SMEs in the Retail Hardware sector by describing relationships, for instance the study is going to show how owner or manager characteristics influence the adoption of survival strategies.

3.2.2 Justification

It was designed to provide further insight into the research problem by describing the variables of interest. The design outlines analyses and examines the relationship between the SMEs challenges and their survival strategies hence descriptive is the best to describe. The researcher used descriptive design because of its versatility across disciplines. It also further examines the problem than other designs.

3.3 Research approach: Deductive and Inductive Approaches

Saunders et al (2003) believe that there are two different research approaches namely deductive and inductive. Deductive approach has theory as a foundation to research, testing if it agrees with reality by testing a hypothesis. Bryman and Bell (2003), in line with Saunders argue that when it comes to deductive approach the research must commonly test an already existing theory whereas as when using inductive approach the theory is the outcome of the research. Neuman (2003, p.51) affirms inductive research to begin with detailed observations of the world, which moves towards more abstract generalisations and ideas. The bottom up approach begins with the observations and theories are formulated towards the end of the research and as a result of observations (Goddard and Melville, 2004). Deductive emphasis is on causality while deductive is focused on exploring new phenomena from different perspective. The researcher used the deductive approach for the research.

3.3.1Justification

The research seeks to explain causal relationships between variables. It may be that the research wishes to establish the reason for survival and non survival of SMEs in the retail hardware sector. After studying the survival patterns, the research is going to establish between owner-

manager characteristics and the effectiveness of the survival strategies. To test this, the researcher collected both quantitative and qualitative data to test, reject or accept the hypothesis. In addition deductive approach was used for it starts with the theory, the theory then is narrowed into more detailed hypothesis that can be tested. After collecting the observations hypothesis is then narrowed down. This allowed the research to test hypothesis with the specific data.

3.4. Target Population

Research population refers to the total number of individual items or units of analysis from which the sample is to be obtained or conducted. The population was studied in two groups consisting of retail hardware sector employees and the management who are the active participants. The population can be finite or infinite. Finite population consists of a limited number of elements that can be counted. Infinite consists of an unlimited population and it cannot be counted. The population consisted of six retail hardwares in Shurugwi and the population is 54 that were owners, managers and their employees.

Table 3.1 Population

Owners	8
Managers	6
Employees	40
Total	54

Source: Survey 2014

3.4.1 Sampling technique: Census

Census is the entire record of universe that is the group of people or the specific locality through which one collects data (Kish 1976). A census was used by the researcher as a sampling technique and all the population was involved that is the number of individuals used to carry out a research. The total number of the participants was 54. Questionnaires were used for collecting

data. The census was used because it allowed the researcher to collect data from a wider or the entire population. It was the most comprehensive source on the population at the level of small groups of population.

3.4.2 Justification

The researcher used census for it submits plentiful geographic details. It was precise, detailed for it gave data in great detail for the small domains especially the local areas. This helped the researcher's outcomes for they were more inclusive in the population selected. Census also contributed by helping the researcher to have an intensive study of the problem area. This also provides a higher degree of accuracy than other methods especially when it is a small population.

3.5 Sources of data

3.5.1 Primary Data

It is unrefined and recent information. This is information that has been collected at the original source. This is data collected by researcher for the particular thesis currently being undertaken which was tailored to meet the needs of the study. The primary data source was used as it results in decision information that could be more accurate, current, sufficient, available and relevant than secondary data. Thus the questionnaire and interviews were used in the research. The participants were the organisations' managers and their subordinates.

3.5.1.1 Justification

Primary data was utilised because most SMEs have challenges of record keeping such data, secondary data might not be reliable for some SMEs. They do not have audited financial statements. Primary data might give the research more valid and reliable information.

3.5.2 Secondary Data

It is information that already exists somewhere, having been collected for another purpose, (Kotler et al 2002:274). Secondary research is also supported by Rudestam and Newton (2001) who says secondary data is perceived as data which has been collected for some purpose other than for which it is being used. This was obtained from journals on SMEs, published books and journal articles.

3.5.2.1 Justification

The researcher used secondary data because it allowed the use of both qualitative and quantitative data. The areas that could not be accessed using primary research were covered using secondary data.

3.6 Data Collection Instruments

3.6.1 Open-ended and Closed Questionnaires

The researcher self administered questionnaires that were crafted for the sole purpose of data collection for the study. These were original questions constructed by the researcher so that participant characteristics and specific business as well as environmental factors that are peculiar to SMEs in the retail hardware in Shurugwi could be clearly captured.

The questionnaires were in standardised format comprising a mixture of both open-ended and closed-ended questions in order to assist the researcher in making refined descriptive assertions and a 5point likert scale was included. Closed ended questions were used in an attempt to reduce the chances of partially completed questionnaires as well as to be able to quantify responses and also to allow for comparison of respondent views. Open ended questions were adopted in order to capture some of the relevant aspects of the research that the researcher could have omitted as well as to capture non guided opinions and views of respondents. Open ended questions also

gave the research insights into survival strategies that were unknown to the research there by allowing the research to carryout follow up interviews.

The questionnaires were distributed to all levels of employees and the managers and the respondents were given 5 days to complete the questionnaire in order to avoid hurried responses especially on closed questions which almost guide the respondents and also to have pure thoughts of respondents on open ended questions. Questionnaires were used because according to Bell (1987:58), "questionnaires are knowledgeable and as long the researcher is sufficiently disciplined to abandoned questions that are superfluous to the main task". Thus the target population in this study was knowledgeable and the researcher was disciplined enough to sail the study through. In addition the questionnaire was used because it covers a large number of subjects and it gives the respondents more time to think and respond to questions, (Fox 1999).

3.6.1.1 Justification

More so the questionnaire was adopted in that according to Borg and Gall (1989), data from questionnaires is quantifiable, thus such data was easily represented on graphs and tables that the researcher used for data analysis.

3.7 Interviews

 Kajornboon (2002:44) states that, "an interview is an exchange of views between two or more people on a topic of mutual interest". This was the other instrument used by the researcher to help in soliciting more information from the respondents. Some of the information that could not be obtained through the questionnaires was possibly obtained through an interview where there were face to face interaction with the hardware employees of all levels and the management of all levels.

After the development of a conceptual model, Jayachandran et al (2004, p. 225) states that were(31) depth interviews that were conducted in their research to triangulate the study findings from the survey data and to generate further understanding of the underlying phenomenon" Since the objective of this (qualitative) phase of the research study was to gain further understanding of

the results phase, they integrated the discussion of the findings from the depth interviews with that of the survey results.

An open-ended form of questioning technique was used as it encouraged the interviewee to respond in his own words. This also helped to provide a greater depth in responses from the subjects. The researcher booked the participants for the interview dates. This was to contribute to the responses. Wang and Saunders (2012) states that the researcher should include use of an advanced letter to pre-warn the respondents if possible, and a short introduction by the interviewer containing statements about who is calling, what is being requested, why the respondent should take part. The researcher offered assurance of anonymity.

Table 3.2 Composition of the interview participants

Job Position	Number
owners	3
Managers	3

Source: Survey 2014

3.7.1 Justification

The use of interview technique was supported by Borg and Gall (1989:447) who explained that it is through an interview that the researcher can maintain rapport and can obtain information that the subjects would probably not circumstances. In addition the interview offers direct interaction with respondents. This allows for greater depth. At times the respondents were giving unclear responses on the questionnaire and these were clarified by the interviews. Interviews are therefore used as a follow up to some responses. More so interviews give room for clarity and flexibility through the face to face interaction. From both the questionnaires and the interviews

the researcher is to secure co-operation from both the employees and management. This is to ensure that all the 54 participants effectively participate and return all the questionnaires

3.7.1.1 Ethical consideration

- The researcher disclosed her identity

- The research obtained authority from the hardware owners
- The researcher guaranteed the participants of confidentiality and anonymity in the research

3.8 Data Presentation and Analysis

3.8.1 Data presentation

Quantitative data from questionnaires was presented using tables through abstraction from the ANOVA. (simple linear regression) statistics. Qualitative data that was obtained from interviews was presented in narrative form and it allowed the researcher to capture important views from respondents. The two data presentation techniques allowed for comparison of responses that facilitated data analysis and the drawing of conclusions.

3.8.1.1 Tables

In a positivist philosophy and a quantitative research design the researcher is going to produce and make use of quantitative data. As such tables were used to present data. Tables were also used in order to show data categories and their variables as well as the descriptive statistics that were then used in hypothesis testing.

3.8.1.2 Justification

The researcher used tables because they added the visibility of variables thereby making it easier to infer research results when analysing data.

3.9 Data analysis technique: Deductive and Inductive Analysis

Deductive begins with a general statement or hypothesis and it examines the possibility to reach a specific conclusion. It is called the top down analysis. This starts from theory and then establish testable hypothesis to determine if theory or hypothesis can be supported or rejected, (Burns and Burns 2008). Inductive makes broad generalisations from specific observations. Its aim is focused on exploring new phenomena or look at previous researched phenomena from different perspectives.

3.9.1 Justification

The researcher is going to use more of the deductive for it uses statistical and mathematical techniques which make the analysis more authentic and reliable.

3.10 Simple linear regression

The positivist philosophy's key corner stone is the formulation and testing of hypothesis through deductive approach by making use of quantitative data. Quantitative data was analysed through simple linear regression by making use of the P value statistic where values that were less than 0,05 reflected a strong significant and those that were greater than 0,05 showed a weaker significance and hence were rejected. These results were then used with literature review to come up with conclusions to the study. The study results were also analysed through ANOVA's T stat analysis were variables that are greater than 2 were accepted as significant to the hypothesis and those that were less than 2 were rejected. Theories on survival strategies by

small businesses were then used to further analyse the basis for rejection or acceptance of hypothesis and to make conclusions.

3.10.1 Justification

The researcher used Anova (simple linear regression) for it enables us to test for significant differences between two or more groups as well as look at the interaction of two independent variables on the dependent variable (Burns and Burns 2008).

3.11 Data reliability and validity

3.11.1 Pre test of instruments

After constructing the questionnaires the researcher administered a pilot survey using the two retail hardware that is Summit Distributors and Avenue Motors Hardware in Gweru CBD. Comments were collected from business owners, managers and employees about the interpretation of the questions, response categories, layout and design and comments on any ambiguities or difficulties they found. After adjustment and amendment of the questionnaire, a final version of the questionnaire was finalized. This questionnaire is divided into three parts, which are:

(1) challenges

(2) survival strategies

(3) alternative survival strategies

The responses from the pilot study enabled the researcher to modify the questionnaires as well as the data collection plan and the data analysis procedures. The researcher then personally administered the questionnaires to the survey participants and collected the complete questionnaires after one week and this method was to ensure a 100% return of the questionnaires.

3.12 Data Validity

Validity relates to the appropriateness of the measure to assess the construct it purports to measure (Burns and Burns 2008).Data was validated through the use of a heterogenous sample that included owners, managers and employees as well as secondary data. This was done in order to compare despondence results with each other. The research made use of follow up interviews on partially completed questionnaires and uncompleted questionnaires as well as some open ended questionnaire responses. All this was done to authenticate the research results before making any conclusions.

3.12.1 Data Reliability

This refers to the quantity of measurement procedure that provides repeatability and accuracy, (Kumar 1998). Moser and Kalton 1989:353 agrees when they state that a scale or test is reliable to the extent that repeat measurements made by it under good conditions will give the same results. Burns and Burns (2008) states that reliability refers to the consistency and stability of findings that enable findings to be replicated. It also relates to accuracy and stability of a measure.

3.13 Summary of the chapter

In this research the researcher sighted the different research designs which were used. Targeted population was identified, different source of data were highlighted and the different presentation techniques were mention in the research.

CHARPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter presents and analyses the data that the researcher collected through primary and secondary data on the evaluation of the survival strategies by retail hardware sector in Shurugwi. Primary data was collected through the use of interviews plus open-ended and closed questionnaires while secondary data was obtained from SMEs journals, academic journal articles and published books. The feedback from the retail hardware sectors is analysed using ANOVA (simple liner regression statistics) and the data was presented using tables.

4.1 Response Rate

Table 4.1.1 Response rate of the questionnaires and the interviews

Category responses	Number of questionnaires distributed	Number of questionnaires completed and returned	In-depth interviews targeted	In-depth interviews completed	Percentage of response rate %
Owner-manager	n/a	n/a	3	3	1000%
manager	n/a	n/a	3	3	100%
employees	54	34	n/a		63%
Total	**54**	**34**	**6**		**63%**

Source: Survey 2014

The target population was 54.The researcher had 6 interviews which were all successful. The questionnaires distributed were 54-6=48. Returned questionnaires were 34 and not returned were 14.The total is 34+6=40. This gave the researcher a response rate of 63%. Berg (2001) states that an excellent response rate ensures a representative sample. A response rate of 50% is regularly considered adequate for analysis and reporting.   Rubin, A (2009) opined that a response rate of at least 60% is good, a response rate of at least 70% is considered very good.

The researcher is very grateful for the 100% participation from the owners and the management. This indicated to the researcher that these respondents appreciated and is interested in knowing or learning more from the research hence their contribution percentage. The questionnaire response rate did not reach 100% due to some employees who were ignorant; some did not understand the research purpose and some did not even appreciate the importance of the research.

The response rate of the questionnaires was large enough to generalise results. Mhonde et al (2011) in their research used 40% response rate as viable. The researcher has 63% response rate which is above 40% hence it is consider to be a very good response rate, Rubin,A (2009).

4.2 The relationship between business experience and business performance.

The research sort to establish the relationship between business experience and business performance as an indicator of survival in the retail hardware sectors in Shurugwi and the results are presented in **table 4.2.1** below:

Table 4.2.1: The relationship between business experience and business performance

	Business Performance						
Business Experience	**Low**	**% frequency**	**average**	**% frequency**	**High**	**% frequency**	**Total**
less than 5 yrs	11	28%	10	25%	7	18%	28
5-10yrs	2	5%	4	10%	0	0%	6
above 10yrs	2	5%	3	8%	1	3%	6
Total	**15**	**38%**	**17**	**43%**	**8**	**21%**	**40**

Source: Survey 2014

The research results indicated that 28%, 5% and 5% of the respondents had less than 5years , between 5-10years and above 10 years of business experience respectively. However, majority of these respondents agreed that their businesses were operating at average. This is so because most of the businesses are started by entrepreneurs with little or no experience hence leads business to

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perform poorly. The research carried out by Beckman and Marks (1996) states that business experience is indeed a factor in the success of small businesses.

From the study, 25%, 10%, and 8% had less than 5 years, between 5-10years and above 10 years of business experience respectively and they all opined that their businesses had an average performance. Only 18% of the respondents had less than 5years business experience, this indicated that their businesses were performing above the average whereas there were zero respondents with between 5 – 10years experience. Out of the total respondents only 3% had more than 10 years business experience and had businesses that were experiencing high performance. Those businesses with entrepreneurs with experience a bound to have a favorable business performance. This is seconded by Dyke, Fischer and Reuben (1992) when they state that success or successful performance is due to management experience.

Table 4.2.2:Regression results on the relationship between business experience and business performance

Bussexp	Coef	Std Err	t	P>/t/	95%Conf	Interval
Busperformance	.010333	.2192409	0.05	0.963	-.433497	.4541629
_cons	2.156142	.4315761	5.00	0.000	1.282462	3.029822

Source: Survey 2014

Peake et al (2009) states that experience on entrepreneurial performance has been widely tested. They believe that experience is expected to positively impact performance. The study also sort to test the null hypothesis that business experience has no relationship with business performance using the results presented above. They were tested for significance using the Anova simple linear regression model where, values greater than t- stat 2 and less than p-value 0.05 are noted as being significant. The study obtained a t-stat of 5.00 which was greater than 2 and a P-value of 0.000 which was less than 0.05 **(seeTable 4.2.2)** as such this was an indication that there is a strong relationship between business experience and business performance hence the rejection of the null hypothesis. Fatoki (2004) opined that there is relative profits tend to be high when an entrepreneur has more education and experience in the line of business. The results are also supported by Horming et al (2011) who found that managerial competencies as measured by

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education, managerial experience and knowledge of the industry positively impact performance of SMEs.

The acceptance of the alternate hypothesis is cemented by Mambula, (2002) who noted that most owners or managers are not adequately organized, qualified or trained; this seriously hampers their performance. Bosma et al (2004) argues that an entrepreneur's specific competencies positively impacts on firm performance This shows that the greater level of managerial competency the greater the performance and more likely survival of SMEs.

4.3 The relationship between business experience and turnover

The research sort to establish the relationship between business experience and turnover as an indicator of survival in the retail hardware sectors in Shurugwi and the results are presented in **table 4.3.1 b**elow:

Table 4.3.1: Relationship between business experience and turnover

	Turnover						
Business experience	**0-1000**	**% frequency**	**1001-2000**	**% frequency**	**Above 2000**	**% frequency**	**Total**
Less than 5years	12	30%	10	25%	6	15%	28
5-10years	2	5%	4	10%	0	0%	6
Above 10years	2	5%	3	8%	1	3%	6
Total	**16**	**40%**	**17**	**43%**	**7**	**15%**	**40**

Source: Survey 2014

The results showed that 30%, 5% and 5% of the respondents had less than 5years, 5-10years and above 10years business experience respectively. Only 25% of the participants had less than 5years business experience, 10% and 8% of the respondents had a business experience of 5-10years and above 10years respectively. Only 15% had a business experience of less than 5years, 0% and 3% of the respondents had a business experience of 5-10years and above 10years business experience respectively. The less the experience the less the turnover. Majority of small

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businesses have less than 5years business experience and given that research states that business fail within the first 5years.Many small businesses will struggle to survive.

Table 4.3.2: Regression results on the relationship between business experience and turnover

Busexperince	Coef	Std Err	T	P>/t/	95%Conf	Interval
Turnover	.0215311	.1118403	0.19	0.848	-2048778	.24794
_cons	2.119019	.3327133	6.37	0.000	1.445476	2.792562

Source: Survey 2014

Phillips (2005) cited in Hayes and Miller (2011) denotes that as revenue manager the individual or team responsible for ensuring that a company's prices match a customer's willingness to pay. According to Rouse et al. (2010) income supervision aims at improving an organisation's performance, profitability and cash flows by obtaining the best revenue streams possible from its resources. Revenue is regarded as a lead indicator in understanding business performance, Tsang (1998, 2000) describes that performance drivers can be explained as lead indicators, which have the ability to predict future outcome. The results were then tested for significance using the Anova simple linear regression model where, values greater than T stat 2 and less than p-value 0.05 were noted as being significant. Using simple linear regression the study obtained a T-value of 6.37 which was greater than 2 and a P-value of 0.000 which was less than 0.05 (**seeTable 4.3.2**) as such this was an indication that there is a strong relationship between business experience and business turnover.

4.4 The relationship between business age and business performance

The research sort to establish the relationship between business age and business performance as an indicator of survival in the retail hardware sectors in Shurugwi and the results are presented in **table 4.4.1** below

Table 4.4.1: Relation between business age and business performance

	Business performance						
Business age	Low	% frequency	Average	% frequency	High	% frequency	Total

Less than 2years	5	13%	5	13%	3	8%	13
3-4years	4	10%	5	13%	2	5%	11
Above 5years	6	15%	7	18%	3	8%	16
Total	15	38%	17	44%	8	21%	40

Source: Survey 2014

The results showed that 13%, 10% and 15% of the participants had businesses ages of less than 2years, 3-4years and above 5years respectively. Majority had businesses that were performing at average. This is so because it is believed by Dun and Bradstreet (1989) that about 51.8% of firms fail during the first 5years. 13%, 13% and only 18% had businesses ages less than 2years, 3-4years and above 5years respectively and 8%, 5% and 8% had businesses ages of less than 2years, 3-4years and above 5years respectively. Bates and Nucci (1989) states that age and size of a firm has an impact on survival and performance. Older firms are more likely to remain in business, the longer the small business has been operating, the better the chance that it will stay in business (Boyle and Desai 1991)

Table 4.4.2: Regression results on the relationship between business age and business performance

Bussage	Coef	Std Err	T	P>/t/	95%Conf	Interval
Busperformance	.0459242	.2141698	0.21	0.831	-.38764	.4794884
_cons	2.916188	.4215938	6.92	0.000	2.062716	3.76966

Source: Survey 2014

The results were then tested for significance using the Anova simple linear regression model where, values greater than T stat 2 and less than p-value 0.05 were noted as being significant. Using simple linear regression the study obtained a T-value of 6.92 which was greater than 2 and a P-value of 0.000 which was less than 0.05(**seeTable 4.4.2)** as such this was an indication that there is a strong relationship between business age and business performance.

However they are some other like Arrow (1962), Jovanovic (1982) and Ericson and Pakes (1995) disagree that firms do best when there are young. They revealed that overtime firms discover what they are good at and learn to be more efficient. On balance, it is unclear whether aging helps firms prosper or whether it dooms them.

4.5The relationship between number of outlets and turnover

The research sort to establish the relationship between number of outlets and turnover as an indicator of survival in the retail hardware sectors in Shurugwi and the results are presented in **table 4.5.1**below

Table 4.5.1: Relationship between number of outlets and turnover

	Turnover						
# of outlets	0-1000	% frequency	1001-2000	% frequency	Above 2000	% frequency	Total
1-2	14	35%	10	25%	2	5%	26
3-4	2	5%	7	18%	1	3%	10
Above 4	0	0%	0	0%	4	10%	4
Total	16	40%	17	43	7	18%	40

Source: Survey 2014

The results showed only 35% of the respondents with outlets from 1-2, 5% and 0% of the respondents had outlets from 3-4 and above 4 respectively. 25%, 18% and 0% of the participants had outlets from 1-2, 3-4 and above 4 respectively. 5%, 3% and only 10% of the respondent had outlets from 1-2, 3-4 and above 4 respectively. Failure to anticipate or understand changes in the market has the potential to lead an organisation to fail. In the current competitive business environment the market dynamic keeps on changing and as such there is wide call for enhanced distribution.

Chung (2001) postulated that it does not matter how well the product meets the demand of the market nor how high the quality of neither the product nor how well the promotion is designed the product must be delivered to the right people at the right time and at the right place. For the long-term survival businesses may need to enhance their distribution by increasing the number of distribution outlets as shown by the respondent's opinions above.

Table 4.5.2:Regression results on the relationship between number of outlets and turnover

numoutlets	Coef	Std Err	T	P>/t/	95%Conf	Interval
turnover	.2655502	.0614727	4.32	0.000	.1411053	.3899952
_cons	.7595694	.7595694	4.15	0.000	.3893587	1.12978

Beckham's (1974) view is that distribution is a customer- satisfying process in response to a marketing initiative, or a consumer demand. In view of these sentiments shared by researches on distribution the research sort to test the null hypothesis that business performance is not influenced by the number of distribution outlets. Using simple linear regression the study obtained a t-stat of 4.15 which was greater than 2 and a p-value of 0.000 which was less than 0.05 (**seeTable 4.5.2)** as such this was an indication that there is a strong relationship between number of outlets and turnover. Effective and efficient channels of distribution are always considered necessary tools for competing successfully in highly competitive markets. (Rosenbloom, 1999)**.**

4.6 Relationship between age and business performance

The research sort to establish the relationship between respondents age and business performance as an indicator of survival in the retail hardware sectors in Shurugwi and the results are presented in **table 4.6.1**Below

Table 4.6.1: Relationship between respondents age and business performance

	Business performance						
Respondents Age	**Low**	**% frequency**	**Average**	**% frequency**	**High**	**% frequency**	**Total**
Below 30years	9	23%	8	20%	3	8%	
31-50years	3	8%	9	23%	2	5%	
Above 50years	3	8%	0	0%	3	8%	
Total	15		17		8		40

Source: Survey 2014

The results showed that 23%, 8% and 8% of the respondents had an age below 30years, 31-50years and above 50years. 20%, 23% and 0% of the participants had an age below 30years, 31-50years and above 50years. 8%, 5% and 8% of participants had an age below 30years, 31-50years and above 50years. Majority of the respondents below 30years have higher sales. According to Yearta and Warr (1995) "it became clear that younger applicants were believed to have greater sales potential than older ones. It was felt that younger applicants would be more energetic and more willing to adhere to the organization′s standard selling procedure. Burns (2008) states that the age which is associated with the growth and performance of the business is the middle aged. It brings experience, credibility and financial resources. Middle aged entrepreneurs dedicate more time and resources to the organisation.

Table 4.6.2: Regression results on the relationship between respondents age and business performance.

Age	Coef	Std Err	T	P>/t/	95%Conf	Interval
busperformance	**.2135476**	**.2528632**	**0.84**	**0.404**	**-.2983472**	**.7254425**
_cons	**2.560276**	**.4977618**	**5.14**	**0.000**	**1.552609**	**3.567942**

Source: Survey 2014

The above results were then tested for significance using the Anova simple linear regression model where, values greater than T stat 2 and less than p-value 0.05 were noted as being significant. Using simple linear regression the study obtained a T-value of 5.14 which was greater than 2 and a P-value of 0.000 which was less than 0.05 (**seeTable 4.6.2**) as such this was an indication that there is a strong relationship between owner or manager's age and business performance.

Selectors expressed the view that some limited previous experience of selling was desirable, but that older and more experienced people would tend to be ineffective in the special conditions of the company" Nyamwanza et al (2012) in a research on financial management by women entrepreneurs concluded that age does determine asset acquisition "54% of the women entrepreneurs who are less than 30 years old acquired home furniture and other things whilst only 46% acquired business furniture and equipment. We found that 15% of the respondents, who are between 30-39 years old bought home furniture and other commodities whilst 85%

bought business vehicle, furniture and equipment. Of those who are between the ages of 40-49 only 14% group bought home furniture whilst 86% bought business equipment. 100% of the 50+ age group bought business furniture and equipment".

However, old age may make knowledge, abilities, and skills obsolete and induce organizational decay (Agarwal and Gort 1996, 2002). This performance and ability to survive in retail hardware SMEs could truly be influenced by the kind of assets that the owners decide to invest in where personal assets not usable in business may lead to failure or business assets my lead to survival.

4.7 Relationship between education and business performance

The research sort to establish the relationship between education and business performance as an indicator of survival in the retail hardware sectors in Shurugwi and the results are presented in **table 4.7.1**Below

Table 4.7.1: Relationship between education and business performance

Education	Business performance						Total
	Low	% frequency	Average	% frequency	High	% frequency	Total
Secondary	5	13%	3	8%	3	8%	13
Certificate	7	18%	5	13%	1	3%	13
A'Level	1	3%	5	13%	2	5%	8
Undergraduate	2	5%	2	5%	1	3%	5
Postgraduate	0	0%	0	0%	1	3%	1
Total	15	39%	17	39%	8	22%	40

Source: Survey 2014

The results showed that 13%, 18%, 3%, 5%, and 0% of the respondents had secondary education, certificate, A'level, undergraduate or postgraduate respectively. From the study 8%, 13%, 13%, 5% and 0% had secondary education, certificate, A'level, undergraduate or postgraduate respectively. Only 8% of the respondents had secondary education and the business performance is high. 3%, 5%, 3% and 3% had certificate, A'level, undergraduate or postgraduate respectively. Beaundry et al (2006) cited in Doms et al (2009) are in agreement when they states

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that highly educated metropolitan areas generally posted above average wage growth over the past decades.

Table 4.7.2: Regression results on the relationship between education and business performance

education	Coef	Std Err	t	P>/t/	95%Conf	Interval
busperformance	.2479908	.2384839	1.04	0.305	-.2347945	.7307762
_cons	1.747417	.469456	3.72	0.001	.7970529	2.697781

Source: Survey 2014

Rorbert et al (2013) opined that education levels of business owners have of been shown to have a positive association with business performance and growth. In addition, Kangasharju pointed out that higher education and advanced training of small business owners/managers increased the likelihood of achieving business growth. The above relationship was then analyzed through regression analysis and the researcher sought to establish the impact of education on the survival of the business.

 The relationship was tested using the linear regression where T stat values are suppose to be greater than 2 to be significant and P values are suppose to be less than 0,05 to be significant. The research results obtained a T stat of 3, 72 and a P value of 0,001. This shows that there is a strong relationship between education and business performance.Van Der Sluis et al (2003) carried out a research of empirical studies exploring the impact of education on entrepreneurs in industrialised countries. One of the most informative conclusions of their research indicated the education positively and significantly influences overall performance. Fairlie and Robb (2008) agreed when they acknowledged that businesses with more educated owners have higher sale and profits and are more likely to survive.

4.8 :Relationship between gender and business performance

The research sort to establish the relationship between gender and business performance as an indicator of survival in the retail hardware sectors in Shurugwi and the results are presented in **table 4.8.1**Below

Table 4.8.1: Relationship between gender and business performance

Gender	Low	% frequency	Average	% frequency	High	% frequency	Total
	Business performance						
Female	4	10%	6	15%	3	8%	13
Male	11	28%	11	28%	5	13%	27
Total	15	38%	17	43%	8	21%	40

Source: Survey 2014

From the study 10% of women owned businesses have a low business performance Given the total figures most businesses are male dominated, there are 27 male and 13 are female. Male dominated businesses have 28% business performance at average and 13% business performance at high level. It seems that females are struggling to survive as compared to those of male counterparts for example there are more males than females from average business performance to high business performance.

Table 4.8.2: Regression results on the relationship between gender and business performance

Gender	Coef	Std Err	T	P>/t/	95%Conf	Interval
busperformance	-.0585534	.102541	-0.57	0.571	-.2661367	.1490299
_cons	1.78186	.2018521	8.83	0.000	1.373232	2.190488

Source: Survey 2014

Fischer (1992) study found that businesses owned by women tended to perform less well in terms of sales and growth**.** There is a relationship between gender and performance. The study also aimed to test the above results to see if there is a relationship between the two variable as noted by Hisrich et al (1990) who postulates that there is an empirical evidence that suggests that women owned businesses earn less money and do not grow as rapidly as male owned businesses, (Klleberg and Leicht 1991). The above results were then tested for significance using the Anova

simple linear regression model where, values greater than T stat 2 and less than p-value 0.05 were noted as being significant.

Using simple linear regression the study obtained a T-value of 8.83which was greater than 2 and a P-value of 0.000 which was lesser than 0.05 **(seeTable 4.8.2)** as such this was an indication that there is a strong relationship between gender and business performance. Thus the alternate hypthosis that gender has an impact on business performance was accepted whereas the null hypothesis was rejected. These results are supported by Olm et al (1988) who states that it is that women have difficulty penetrating informal financial networks due to lack of experience and skills hence this the affects business performance.

Research on the goals of men- and women-led ventures finds that woman business owners frequently pursue both economic and social goals, which may detract from economic performance or growth (Bird and Brush 2002). Nyamwanza et al (2012) seem to confirm the above statement that women business are not generally well managed as evidenced by the way the money generated by the business were applied mostly to social causes rather than re-investment in the business.

4.9:Relationship between business review and business performance

The research sort to establish the relationship between business review and business performance as an indicator of survival in the retail hardware sectors in Shurugwi and the results are presented in **table 4.9.1**Below

Table4.9.1: relationship between business review and business performance

	Business performance						
Review	**Low**	**% frequency**	**Average**	**% frequency**	**High**	**% frequency**	**Total**
Monthly	11	28%	11	28%	2	5%	24
Quarterly	3	8%	5	13%	6	15%	14
½ yearly	1	3%	1	3%	0	0%	2
Total	15	39%	17	44%	8	20%	40

Source: Survey 2014

The results showed that 28%, 8% and 3% of the participants reviewed their businesses monthly, quarterly and half yearly respectively. Only 28% of the participants review their businesses monthly and the business performance is average, 13% and 3% of the participants review their businesses quarterly and half yearly respectively. 5%, 15% and 0% of the participants reviewed their businesses monthly, quarterly and half yearly respectively. From the above results it seem that most businesses are being reviewed monthly which could be a reflection of the volatility of the business environment which affect business performance. It could also mean that the owner and managers in the sector view business survival as an important aspect as their businesses are reporting marginal sales.

Table 4.9.2:Regression results on the relationship between business review and business performance

Review	Coef	Std Err	t	P>/t/	95%Conf	Interval
busperformance	.1905855	.1258679	1.51	0.138	-.0642208	.4453918
_cons	1.102181	.2477713	4.45	0.000	.6005947	1.603768

Source: Survey 2014

The evaluation of corporate performance is a subject of crucial concern to the managers of an organization, to its shareholders and investors, and, increasingly, to a whole range of other stakeholders of that organization, not least of which are its employees and the com- munity within which it is operating (Crowther 1996). Performance evaluation according to Ferreira and Otley (2009), identify the key success factors and illustrate how they can be brought to the attention of managers and employees. Given the above assertions the study tested the null hypothesis that business review did not influence business performance. The hypothesis testing through regression analysis obtained a t-stat of 4.45 which was greater than 2 and a p-value of 0.000 which was less than 0.05 (**seeTable 4.9.2)** as such this was an indication that there is a strong relationship between business review and business performance hence the rejection of the null hypothesis.

Schalfke et al (2013) declared that performance management (review) is the extensive use of data and analytical methods to understand relevant business dynamics, to effectively control key performance drivers, and to actively increase organizational performance. They further noted

that, as a consequence of increased competition, performance management (review) can be a potential success factor (Schalfke et al (2013). The frequency of review is of importance to the survival of the business as campaigned for by Schalfke et al (2013), Crowther 1996 and Ferreira and Otley (2009), as it allows a business to quickly identify current and future challenges of the business and to take corrective as well as preventive measures to facilitate business survival.

4.10: Responses on the challenges affecting retail hardware sector

The research sort to establish the challenges affecting the retail hardware sectors in Shurugwi and the extent to which they affect the business. The challenges are written in descending order and figures are round off to 1decimal place and presented in **table 4.10.1**Below

Table 4.10.1: Responses on the challenges affecting retail hardware sector in descending order

Variables	Total responses	95% Configeration
Lack of business networks	110	93
Lack of finance	108	92
Lack of Human Resource	106	90
Lack of ICT	104	89
Lack of customer relationship management systems	97	81
Supply chain	82	70
Political instability	76	60
Competition	75	63
High taxation	65	55
Operational challenges	63	50

Source: Survey 2014

The study results indicate that with a total descriptive statistics frequency distribution of 110 and a confidence interval of 93% lack of business networks are predominantly affecting small businesses in the construction retail hardware sector. Furthermore, Parida and Kumar (2006), Parida and Chattopadhyay (2007) have discussed a number of performance killers, which are unavailability of resources, materials, spares, personnel, IT support, project support, time, etc., i.e. a performance killer can be non-availability of resources. Most studies have found that SMEs

that are led by educated managers perform better than other firms in all business aspects including exporting and niche marketing, (Goetez,1992, Key et al 2000, Matungul et al 2001). Majority of the SMEs are started when individuals realize there are good at something and they think they can start a business without considering the aspect of experience and managerial skills, (Myles 2010).

This hence contributes to the challenge having highest responses in the retail hardware sector. Majority of the small businesses which are involved with owner managers who lack skills, knowledge and experience fail and also those who cannot separate being an owner and a manager at the same time are bound to affect the business performance. Knowledge contributes to one making the right decisions for the growth and survival of the business. If this lacks thus affects the business performance.

Networks are essential in business. It can increase demand and increase volume. Involvement of networking in business contributes to business continuity, (Miller et al 2010). Networking according to Carson et a (1995),p 201 is when entrepreneurs or owners of business build relationships with other individuals who surrounds them. This process allows these individuals to share various details, processes and information that contribute a positive business performance.

4.11: Responses to strategies enhancing survival on retail hardware sectors

The research sort to establish the current strategies being used by small businesses in the construction hardware retail sector and the extent to which they are being utilized and the results obtained are presented in descending order (from the most frequently used to the least) the **table 4.11.1** below

Table 4.11.1: Responses on the strategies that enhance survival in retail hardware sector

Variables	Total response (frequency distribution)	95% confidence
Collaboration	96	80
Market oriented pricing	85	73
Market Segmentation	76	61
Customer based pricing	75	64
Cost reduction	74	61
Payment terms e.g credits	73	60
Product diversification	72	58
Buyer-supplier relationship	71	57
Networking	70	61

Source: Survey 2014

According to (Ibrahim, 1993), there is a strong relationship between the types of strategies adopted and corporate business performance. The study results indicate that with a total descriptive statistics frequency distribution of 96 and a confidence interval of 80% collaborative networks are predominantly being utilized by small businesses in the construction retail hardware sector. For instance interviews with 100% of the owners and managers indicated that they had signed a memorandums of understanding with one or two of their main distributors of related stocks who are now buying from the manufacturer and delivering right into their warehouses but still paying the wholesale price. Alonso and Bressan (2014), state that collaboration among businesses, particularly in the current global economic downturn, can be a key strategy contributing to their survival.

Numerous studies have emphasised the importance of collaboration and cooperation, including among SMEs (de Jong and Freel, 2010; Nieto and Santamarı´a, 2010; Ogawa and Tanaka, 2012; Pal et al., 2013; Phillipson et al., 2006; Polenske, 2004; Smith et al.1991). Collaboration, co-operation and alliances involving, for example, complementary activities, are also crucial factors because interaction with other small businesses in order to pool and share resources, facilitates

the development of new products and enables small businesses to compete with larger counterparts (Shaw, 1999, p. 25) and other small businesses.

Shone and Gulbro (1998) believes that age, gender, race, strategic issues and owner characteristics are the categories for success to emerge. These authors believe that in any business there is no one set of reliable variables that will always time and again promote success, hence the different outcomes collected by the researcher. Hand, Sineath and Howle (1987) concurred when they stated that victorious strategies used in one business may not be the best for another, as business and people are different.

4.12 Responses to alternative survival strategies on retail hardware sectors

The research sort to establish the current strategies being used by small businesses in the construction hardware retail sector and the extent to which they are being utilized and the results obtained are presented in descending order (from the most frequently used to the least) the **table 4.12.1** below

Table 4.12.1: Responses to alternative survival strategies on retail hardware sectors

Variables	Total response (frequency distribution)	95% confidence
Temporary closure	133	117
Internationalisation	120	103
Partnerships	106	94
Promotions	97	80
Mergers	95	85
Industrial clusters Location	88	74
Advertising	78	65
Strategic procurement	73	62

Source: Survey 2014

The study results indicate that with a total descriptive statistics frequency distribution of 133 and a confidence interval of 117% temporary closure are predominantly being utilized as alternative survival strategies by small businesses in the construction retail hardware sector. Pomodoro, S

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(2013) states that pop-up or temporary closures opens and closes for a limited period of time. This started in 2003 in Great Britain then spread to various countries in the world. The temporary closure has now entirely entered into the strategic mix. In order to achieve a step-reduction in capacity small businesses are engaging in temporary closure. Temporary closures offer new products and products that are limited. Most of the small businesses close because they will be no business activities taking place.

Besides these advantages temporary stores has its weakness in that less is known about them by researchers (Niehmel et al 2007, Marciniak and Budnarowska, 2009, Zorzetto, 2010, Cottaneo and Costa, 2010, Surchi, 2011). In addition closures may cause a negative impact, it requires one to consider it and effectively manage it. This closure may cause employees to seek employment from elsewhere or competitors. Customers may move because of the unreability of the operations and the inconsistence of the operations of the business. It also contributes to brand name suffering.

4.13 Chapter Summary

This chapter focused on the presentation, interpretation and analysis of the data collected by the researcher through primary and secondary data. Primary data was collected through the use of open ended and closed questionnaires, while secondary data was collected from academic journal articles, published books and journals on SMEs. The data which was collected was presented using tables and analysed using ANOVA.

CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION

Small businesses in the retail hardware sector are experiencing a high mobility rate. This chapter is to bring to light the major conclusions from the research on the evaluation of the survival strategies by small businesses in the retail hardware sector. It also sought to identify the challenges faced by small businesses, survival strategies that can be employed by small businesses for them to stay in business or to survive and the alternative survival strategies that they can use to enhance survival.

5.1 Summary of findings

The research endeavored to establish the challenges faced by small businesses in operating their businesses, the current survival strategies that keep them in business and the alternative survival strategies. The study found out that small businesses have different challenges, survival strategies and alternative survival strategies due to different people and different operations they have in their businesses.

5.1.1 The response rate was high. It was 63% obtained from 40/54*100

5.1.2: there is a positive relationship and significant between business experience and business performance. The t-stat value was 5.00 and the p value was 0.000.

5.1.3: there is a positive and significant relationship between business experience and turnover. The t-stat value was 6.37 and p value was 0.000.

5.1.4: there is a positive and significant relationship between business age and business performance. The t-stat value was 6.92 and p value was 0.000.

5.1.5: there is a positive and significant relationship between number of outlets and turnover. The t-stat value was 4.15 and p value was 0.000.

5.1.6: there is a positive and significant relationship between respondents age and business performance. The t-stat value was 5.14 and p value was 0.000.

5.1.7: there is a positive and significant relationship between education and business performance. The t-stat value was 3.72 and p value was 0.001

5.1.8: there is a positive and significant relationship between gender and business performance. The t-stat value was 8.83 and p value was 0.000.

5.1.9: there is a positive and significant relationship between business review and business performance. The t-stat value was 4.45 and p value was 0.000.

5.1.10: The challenge which had the greatest response was lack of networks and the one with the least response was operational challenges. The results were 110 total responses, 93% configuration and 63 total responses, 50% configuration respectively.

5.1.11: Collaboration had the highest responses and networking had the least responses on the survival strategies by small businesses. The results were 96 frequency distribution,80% configuration and 70 frequency distribution, 61% configuration respectively.

5.1.12: Temporary closure had the greatest responses and strategic procurement had the least responses on the alternative strategies for small businesses. The results were 133 frequency distribution,117% configuration and 73 frequency distribution, 62% configuration respectively.

5.2: Conclusions

5.2.1: Main Conclusion

The conclusion of the research on the evaluation of the survival strategies by small businesses in the retail hardware sectors in Zimbabwe yielded negative results and are not effective. This is so because of the number of small businesses operating in the sector and a decrease in profits. In addition it is so because there are less retail hardware, showing that survival is itself a struggle in the sector. The researcher therefore sought to establish strategies that firms in the sector can use in order not only to survive but grow as well.

5.2.2: Conclusion on objectives, research questions and hypothesis

The researcher evaluated the challenges faced by small businesses and they had different frequency distribution. Previous literature has clearly shown that there are indeed different factors affecting the performance and survival ability of firms. It has been acknowledged that sustainability practices are fundamental and can contribute to the success of business in the long term (Perrini&Tencati, 2006). The challenge which had the highest frequency was lack of networks and the least was operational strategies.

Some of the current survival strategies used by small businesses were very effective and some were not this might be due to management not properly imposing the strategies. The most effective one being used is collaboration which had 96 frequency distribution and the least was networking which had 70 frequency distribution. Alternative survival strategies used by small businesses in the retail hardware sector had different impact on different businesses. The one with the highest frequency distribution was temporary closure and the least was strategic procurement.

The different small business in the retail sector encounters different challenges, survival strategies and alternative survival strategies. The challenges encountered are as follows: lack of business networks, lack of finance, lack of Human Resource, lack of ICT, lack of customer relationship management systems, supply chain, political instability, competition, high taxation, operational challenges. Survival strategies used are as follows:

The searcher tested the relationship between business experience and business performance and the regression results showed a t-stat value of 5.00 and p value of 0.000. The study concludes that there is a positive relationship between the two variables.

The searcher tested the relationship between business age and business performance and the regression results showed a t-stat value of 6.92and p value of 0.000. The study concludes that there is a positive relationship between the two variables.

The research tested the relationship between respondents age and business performance and the regression results showed a t-stat value of 5.14 and p value of 0.000. The study concludes that there is a positive relationship between the two variables.

The research tested the relationship between education and business performance and the regression results showed a t-stat value of 3.72 and p value of 0.001. The study concludes that there is a positive relationship between the two variables.

The study tested the relationship between business experience and business performance and the regression results showed a t-stat value of 5.00 and p value of 0.000. The study concludes that there is a positive relationship between the two variables.

The study tested the relationship between gender and business performance and the regression results showed a t-stat value of 8.83 and p value of 0.000. The study concludes that there is a positive relationship between the two variables.

The research tested the relationship between business review and business performance and the regression results showed a t-stat value of 4.45 and p value of 0.000. The study concludes that there is a positive relationship between the two variables.

The researcher obtained a high frequency distribution on lack of business network of 110 and the least frequency distribution of 63 on operational challenges. This has shown that it is the major constrain in small businesses.

The researcher obtained a high frequency distribution of 96 and 80% configuration on survival strategies of the small businesses. The least was networking which had 70 frequency distribution and 61% configuration.

The researcher obtained a high frequency distribution of 133 and 117% configuration on alternative survival strategies of the small businesses. The least was strategic procurement which had 73 frequency distribution and 62% configuration.

5.3: Recommendations

There are a number of policies that affect small businesses hence the Zimbabwean government's economic initiatives must be easily reached and accessible to all SMEs in policy formulation for the small sector since they are key stakeholders. Discussing issues with owners and managers of

small businesses which affect small businesses in their operations and the challenges they encounter could be influential in their survival.

Due to lack of business management skills in small businesses Zimbabwean government should provide entrepreneurship training and education to potential and existing entrepreneurs. Davies, Hides and Powel (2002) in their annual Global Entrepreneurship Monitor (GEM) reported that there is an overall lack of entrepreneurship elements in the education system in most countries. Small businesses to survive and to remain competitive there is need for continuous development and empowerment through equipping the group with relevant information, (Gray 2006). Msipa et al (2013) state that the ability for small businesses to adapt to training and development would allow owners and managers to gain the requisite skills needed for development.

To enhance survival in small businesses education is of importance. Most of the businesses managed or owned by those who are not highly educated have a poor performance. Only 8% of the respondents had secondary education and the business performance is high. Beaundry et al (2006) cited in Doms et al (2009) states that highly educated metropolitan areas generally posted above average wage growth over the past decades. Ministry of small businesses should train entrepreneurs by introducing career development schemes which enhance on their business know-how and business experience.

Financial management is deficient in small business hence there is need for financial management practices. It has also been known for many years that financial management in small enterprises plays a vital role in their success and survival, (Bolton, 1971, Birley and Niktari, 1995, Jarvis et al, 1996). Financial management is a problem in the retil hardware sector because of ignorance of keeping records of the businesses.

Mboko and Hunter states that women entrepreneurs are strong entrepreneurs but face a number of obstacles that cause their businesses not to grow or perform well. Male businesses are the one which are dominant. Ministry of small to medium enterprises and the corporate business world should introduce female entrepreneurship development models. The government can establish policies that enhance or supports women entrepreneurs businesses. Individuals who work with women entrepreneurs should teach them how to access information and educate them on how to

operate their businesses. In addition women entrepreneurs should seek training in those areas they do not perform well.

Small business are faced be stringent requirements from banks where they want to borrow from them. Banks require collaterals which small businesses do not have. When they have collateral the amount of fund disbursed is not enough to recapitalise their operations. To help small businesses the government should act on behalf of the small businesses and act as a guarantee to credit institutions in the same way that they have been doing for Youth Projects. The banks are assured that failure of small businesses to pay back the government will pay back the owing.

SMEs in the retail hardware sector are also recommended to establish collaborative networks with their suppliers in order to have supply chain benefits such as supply guarantee, and special discounts that big retailers are already enjoying. In addition given their small size, SMEs in construction retail hardware sector can also collaborate with their fellow competitors of the same size in order to avoid unhealthy competition amongst them and to be able to sustain their operations in the face of cheap imports. For instance they can share premises to reduce rental costs, share distribution systems in order to reduce distribution costs amongst other benefits

5.4 Further research

A further research on the evaluation of the survival strategies by small businesses outcomes to see if they are consistent and if they can be generalised in other sectors besides the retail hardware sector in Zimbabwe. In conclusion, this study can also be carried out in other parts of Africa for assessment purposes.

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Source: Shurugwi Municipal Licence Register

Questionnaires

Please tick in the column and explain in the space provided

1 Please indicate your gender.   Female [   ] Male [   ]

2 Please indicate your age

Belo w 20years	
21-30years	
31-40years	
41-50years	
Above 50years	

3 Please indicate your highest level of education

Secondary	
Certificate	
A'level	
Undergraduate	
Postgraduate	

4 Please indicate your position in the organisation

Owner-manager	
Manager	
Employee	

5 How many employees do you have?

Less than 6	
7-10 employees	
more than 10	

6 How long has the business been operational?

Less than a year	
1-2years	
3-4yars	
Above 5years	

7 What changes have occurred ever since the business started? (Please indicate)

	At the beginning	Current
Number of employees		
Turnover(in dollars)		
Number of Shops		

8 What factors caused the above changes? (Please explain)

1.…………………………………………………………………………………………………
……………………………………………………………

2.…………………………………………………………………………………………………
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3.…………………………………………………………………………………………………
……………………………………………………………

4………
………………………………………………………………………

5………
………………………………………………………………………..

9 Did you have any prior business management experience before starting or joining this organisation?

YES ☐   NO ☐

If the answer is yes, state your area of experience

……
……
…………………………………………………………………………………

10 Please indicate your years of experience in business

Less than 2years	
3-5years	
5-10years	
10years+	

11 Do you feel that the experience indicated above is useful to the business? (If it external)

Yes ☐   No ☐

12 If your answer to the above question is yes, in what way is it useful? (Please explain)

……
……
……
……………

13 To what extend are the following challenges affecting your business?

Use the scale provided, 1-strongly agree, 2-partily agree, 3-agree, 4-disagree, 5-strongly disagree

Variables	1	2	3	4	5
Operational challenges eg cost of rental					
Supply chain					
Lack of business experience					
Political instability					
Competition					
Lack of ICT					
Lack of customer relationship management systems					
Lack of finance					
Lack of Human Resource					
Lack of business networks					
High taxation					

Any other (please specify)

………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
……………

14 To what extend are the following strategies enhancing survival?

Variables	1	2	3	4	5
Cost reduction					
Product diversification					
Payment terms e.g credits					
Customer based pricing					
Market oriented pricing					
Collaboration					
Buyer-supplier relationship					
Networking					
Market Segmentation					

Any   other   (please   specify)

……………………………………………………………………………………………………

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15 How frequently do you review your business performance?

Monthly	
Quarterly	
Half yearly	
Never	

Any other (please specify)

……………………………………………………………………………………………………

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……………………………………………………………………………………………………

……………

16 To what extend do you feel the following alternative strategies can enhance business survival?

Variables	1	2	3	4	5
Strategic partnership					
Internationalisation					
Industrial clusters Location					
Temporary closure					
Promotions					
Partnerships					
Mergers					
Advertising					

Any other please specify

17 What other factors affect the performance of your business apart from those identified above?

1……………………………………………………………………………………………………
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2……………………………………………………………………………………………………
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3……………………………………………………………………………………………………
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4……………………………………………………………………………………………………
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5……………………………………………………………………………………………………
……………………………………………………………

18 How do these factors as identified above affect you? (Please explain)

1……………………………………………………………………………………………………
……………………………………………………………

2……………………………………………………………………………………………………
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3.……………………………………………………………………………………………………
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4.……………………………………………………………………………………………………
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5.……………………………………………………………………………………………………
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19 What strategies can be used to try and reduce the impact of the above factors (if negative)?

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…………………………………

APPENDIX 2

Interview Guide

1 What is your highest level of education?

2What is your age?

3 What is your position in the organisation?

4 How many employees do you have?

5 How long has the business been operating?

6 Do you have any prior business management experience before forming or joining this organisation?

7 How many years of experience do you have?

8 Is your experience useful to the business?

9 What changes have occurred since the business started?

10 What factors contributed to the changes in business?

11What changes are affecting your business?

12 What challenges are you facing as retail hardware sector?

13 To what extend are the challenges affecting your business survival or performance?

14 What strategies are you using to enhance survival of the business?

15 How effective are the strategies you have implemented?

16 Are there any alternative strategies you are aware of?