



Cape Peninsula
University of Technology

**FRANCHISING AS A STRATEGY FOR JOB CREATION IN THE CLOTHING
SECTOR: A CASE STUDY OF WALVIS BAY**

by

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ABSTRACT

The franchise business model enjoys much support in developed and developing countries. It is regarded as a key contributor to economic growth and is also seen as an essential vehicle for job creation. In Namibia, where unemployment is high, franchising can be a potential strategy that can be utilised to support the job creation efforts of the Namibian government. However, while franchising as a business model has seen areas of growth in several sectors in Namibia, empirical research into the viability of the franchise business model within the clothing sector specifically or an evaluation of its capacity to support job creation efforts has not been undertaken. The study employed a mixed-methods research design to investigate the suitability of franchising as a strategy to create jobs in the Walvis Bay area. The study population included store managers, franchise staff members, professionals, entrepreneurs, communication officers, and consumers. Non-probability sampling strategies were used to select the 122 study participants. Data collection methods included both a survey instrument and semi-structured interviews. Thematic analysis was used, and the quantitative data was analysed using SPSS and Excel as analysis tools. The key findings of the study established that franchise businesses appear to contribute toward job creation in the Walvis Bay area. Additionally, franchise businesses offer specific benefits and advantages compared to informal businesses or those operated by sole owners. Franchise-run businesses are thus better able to respond to poor trading conditions, such as those experienced during the COVID-19 pandemic. Further results from the study indicate the rapid growth of the franchising sector and suggest that these types of businesses are expanding more rapidly than traditional businesses. The study has implications for business stakeholders in the Walvis Bay area, including the Municipality, who are keen to drive investment and job creation in the region. The study offers the following recommendations: 1) the increased provisions of specific training and development opportunities for all stakeholders involved in this sector, such as franchisees and franchise staff. Such training should address multiple aspects of the franchising business model. 2) Additional regulatory support to enable more accessible finance opportunities, 3) increased provision of municipal land to encourage franchise business development and 4) promotion of local franchise business.

KEYWORDS: franchising business model, economic growth, job creation strategy, Namibian context, franchise law.

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DEDICATION

This thesis is dedicated to those who believed in me
even during times when I did not believe
I was going to complete this journey.

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ABBREVIATIONS AND ACRONYMS

AI	Artificial Intelligence
BEE	Black Economic Empowerment
BON	Bank of Namibia
CMA	Common Monetary Area
CPA	Consumer Protection Act
DBN	Development Bank of Namibia
EPZ	Export Processing Zones
FAI	Franchise Association of India
FNB	First National Bank
GDP	Gross Domestic Product
KPI	Key Performance Indicators
KPMG	Klynveld Peat Marwick Goerdeler
MOFCOM	Ministry of Commerce
NFA	Namibia Franchise Association
NIPDB	Namibia Investment Promotion and Development Board
NLFS	Namibia Labour Force Survey
NPL	Non-performing Loans
POS	Point-of-Sale
SACU	South African Customs Union
SME	Small to Medium Enterprise
SOP	Standard Operating Procedures
SPSS	Statistical Package for the Social Sciences
SWOT	Strengths, weaknesses, opportunities and threats

GLOSSARY

Term	Definition
Business model	It is a detailed strategy of how a certain company will make income from a specific target market through sales of a product (Kriss, 2020).
Business venture	is a startup enterprise that is created with a strategy and with the intention that financial gain will accrue (Taylor, 2021).
Corporate Stores	is a chain business, whereby its solely owned and the parent company owns and operates the corporate stores (Price, 2020).
Effective	is the capability of successfully producing and accomplishing a desired or intended output that one wants (Wikipedia, Effectiveness, 2021).
Entrepreneur	an individual who sets up a new business, bearing most of the financial risks in the hope of profit (Hayes, Entrepreneur, 2021).
Fiscal policy	is the process the government takes to make legislative action in order to readjust its economy to acquire growth and mitigate poverty through spending and tax cuts (Schmidt, 2021).
Franchisee	(the entrepreneur/individual granted the rights) usually pays the franchisor an initial start-up fee and annual licensing fees for operating a business selling a product or providing a service using the franchisor's business system and brand (Khartit, 2021)
Franchising	is when a franchisor conducts business by applying conditions to how a business should operate and allows the franchisee to lawfully use the franchise business model in exchange for an emolument (Terril, 2018).
Franchisor	(The businessman who sells the rights) develops a business model and then sells the rights to an entrepreneur known as the franchisee to conduct business with this model in exchange for payment of fees and royalties (Kahlessenane, 2018).

Monetary policy	refers to the central banks tasks and operations that are mandated to control the amount of money and credit in an economy (Institute C. , 2021).
Strategy	it is the measures of a goal that an organization will take to obtain the stated objectives and mission (Ulwick, 1999).
Strategy execution	the decisions and activities that an organization undertakes to grow the implemented strategy into organizational success (Favaro, 2015).
Strategy formulation	is a way of creating or selecting the best course or action to achieve the organizational goals (Ulwick, 1999).
Strategy implementation	is the method that transforms strategies and goals into actions and activities as to direct the organization in the direction set out for it to accomplish strategic objectives and goals (Institute C. M., 2014).
Unemployed	is a person above a specified age (16 and up), who is jobless, though willing, able, and available to work and actively seeking suitable employment (Wikipedia, Employment, 2021).

CHAPTER 1

INTRODUCTION

1.1 Background

The unemployment rate in Namibia in 2018 was 33.4%, and even though it was slightly down from 34% in 2016 (Agency, Namibia Labour Force Survey 2016, 2019), making it one of the highest rates in the world, it has increased significantly since the 27.4% of 2012 (Agency, The Namibia Labour Force Survey 2012 Report, 2013). The adoption of franchising as a business model is growing to dominate in various sectors like retailing, trade and service companies such as health, real estate, business services, hotels, restaurants and wholesales (Abizadeh, 2009). However, the current status of franchising in Walvis Bay/Namibia has indicated that the concept's potential is currently being underutilized (Namibia Competition Commission, 2017). Further the Namibia Competition Commission (2017) was unable to locate any local successful franchised businesses in the area; however, certain foreign businesses, on the other hand, indicated potential. Some of the potential economic impact ascribed to franchising in the Namibian context are; its job creation potential, entrepreneurship and small business development, a favourable balance of payments adjustments, increasing the tax base, and economic capabilities and enhanced skills development of the labour force. Additional factors such as expertise, training in diverse areas, and the expansion of talent are all injected into franchising development (Namibia Competition Commission, 2017).

Namibia has faced several challenges and crises since independence, such as widespread poverty, famine, income inequality, various endemic diseases, floods and the impact of HIV/AIDS. These factors have contributed to the phenomenon of unemployment and underemployment, which has played a central part in the Namibian economy (Mwinga, 2012). Mwinga (2012) states that social instability, misery, death, erosion of human capital, economic welfare, crime and social exclusion are the catastrophic effects of the high unemployment affecting half of Namibia's economically active population. This creates a situation such as significant social, political and economic risks. The researcher observed how small businesses could expand, and because of their location, on every street corner, they had ready access to many customers. The informal sector in Namibia lost close to 90 000 jobs, while the formal sector lost 12 500 workers. Thus a total of over 100 000 workers lost their jobs (Mwinga, 2012).

According to Brandt (2020), in the early months of 2020, the COVID-19 lockdown negatively impacted the Namibian economy. Many businesses failed, and the unemployment rate increased, especially in Walvis Bay. Between April and September, the Erongo Region reported the highest

COVID-19 infections in Namibia. Eight thousand eight hundred eighty-one employees at 607 companies lost their jobs (Foundation, 2021). When presenting annual statistics, the Labour Minister, Utoni Nujoma, reported that 12,198 people were retrenched by 896 employers between 1 January to 15 December 2020 (Foundation, 2021). According to Utoni Nujoma, of those retrenched, 8,803 were “due to economic reasons”, while 2,842 were retrenched because of “COVID-19 related reasons” (Institute for Public Policy Research, 2020). Due to the increased levels of unemployment, the Namibian government needs to develop and implement a strategy to encourage and promote a franchised business model for the clothing sector.

Fitch Solutions (2021) observes that, in the current environment, real household spending in Namibia recovered in 2021, growing by 3.9% year-over-year. This represents an increase after the COVID-19 pandemic led to an estimated contraction of -3.6% year on year in 2020. However, most of this growth was driven by low base effects, following the sharp fall in spending seen in 2020. Therefore, it is not the most affected in terms of employment, but financially the franchises are struggling to make ends meet since the buying power within the town has reduced. As a result, some employees were retrenched, and some transferred to other stores within the group.

The Namibian government is determined to provide job opportunities for its citizen to alleviate the economic hardship that comes with unemployment. Franchising is considered a strategic option to address the unemployment challenges (Bobek, 2019). With more people employed, the economy can function better. Job creation is necessary for the welfare of a stable economy, and this has become a high priority nationally, particularly following the recent financial crisis and the Covid-19 pandemic (Lowrey, 2011). The severe recession and business closures caused by Covid-19 resulted in high unemployment. As a result, businesses were pressured and encouraged to increase productivity. However, increasing numbers of companies employed fewer workers due to rising costs. New employment was strongly discouraged due to the growing cost during the Covid-19 pandemic. While many businesses were facing contraction pressures, technological and job market innovations, such as outsourcing and contracting, meaning that higher outputs were possible without increasing staff. Outsourcing was used to fulfil administrative functions, security, engineering, maintenance, sales, data processing, software development, legal services, accounting services, and food services, thus creating employment indirectly.

This study is inspired by the researcher’s early exposure to business environments run by her parents. She experienced first-hand a clear appreciation for the self-generation of wealth. As a teenager living in Cape Town, South Africa, the researcher directly observed the rapid expansion of markets and the different kinds or levels of businesses: small, medium and big, cheap and expensive. She noted that the small/cheap products grew much faster than the big businesses

since everyone had access and most people could afford them. These observations allowed for the identification of an opportunity to start a clothing selling business in the small diamond town of Oranjemund, which at the time only had one clothing outlet—Woolworths. This clothes-selling business started in 2007, and by 2011, it had expanded to include the distribution of stock to entrepreneurs across Namibia and the appointment of sales agents resulting in a national footprint. Consequently, these activities allowed for the identification of a clear gap in the market to introduce a franchise business model.

The researcher's passion for working with people and an appreciation for clothing and fashion goods assisted in exploring ways to incorporate this type of business model in the retail clothing sector. This business model with the potential to contribute positively to increasing employment opportunities is a viable means whereby the economic welfare of communities can be improved (Lower, 2011).

The objectives of this study are to investigate and evaluate whether franchising as a strategy can contribute to job creation in the clothing retail sector of Walvis Bay. However, the research was more generally motivated by a concern about the high unemployment rates, particularly in Walvis Bay and Namibia. Franchising is thus seen as an important way to stimulate business activities, especially in an environment where businesses are becoming more competitive and complex. It was, therefore, essential to investigate levels of effectiveness and what impact the franchising model might have on job creation strategies in Walvis Bay.

Walvis Bay is a port town on the coast of Namibia in the Erongo Region, which is one of the 14 regions of Namibia. The region comprises seven constituencies, including Walvis Bay Rural and Walvis Bay Urban. Walvis Bay has a total population of 52 058. The wholesale and retail trade provides up to 11.9% of jobs in the workforce (Phosphate, 2012).

1.2 Background to the Research Problem

Namibia's population is estimated to be around 2,413,643 (Survey, 2018). However, growing unemployment in Namibia has meant that a strategy to support and promote the franchising business model to create jobs was identified as an option. There have been more instances of business failure, job losses, and job cuts in Namibia. About 20 000 people were unemployed in 1970, but that number rose to about 223 000 (36.7%) in 2004 (Asemota, 2008). Also, Namibia's unemployment rate increased between 2001 and 2004. Franchising has been recognised in developed countries of North America, Europe and developing countries like India as a good source of employment (Michael, 2013). Entrepreneurship development was prominent in the

Namibia 1997 NDP2 (National Development Plan II) report and is also one of the priority areas of Vision 2030. Consequently, the Government of Namibia adopted the Strategic Interventionist Model to ensure training, research, finance, marketing, know-how, and business support. The essence of the above model adoption was to create jobs (Asemota, 2008).

Franchising is a form of business whereby an arrangement between two firms is agreed upon; the contractual business relationship between the franchisor and the franchisee is ongoing, and this arrangement is governed by a franchise agreement (Nijmeijer, Fabbriotti, & Huijsman, 2013). The importance of franchising is presented in many research outcomes, indicating the importance of employment creation within the clothing sector. Franchisors and Franchisees are expected to address business challenges and solve the sector's complex business problems, especially in smaller economies such as Namibia (Commision, 2017). Finding franchise solutions to typical business problems include dealing with new and unique customer needs and complex employee situations, delays because of Covid-19, lockdowns/logistics, facing new demands regarding system information and data analysis, developing business plans for franchise business ventures, being creative in strategic planning, SWOT analysis, tactical planning, advertising, marketing and selling products/services, merchandise stock management, international purchasing, human resources planning, recruitment, and staff development (Pengilley, 1985). Therefore, franchising is one of the critical management attributes in providing a business with a competitive advantage over its competitors (Pengilley, 1985). Furthermore, franchise businesses should do everything possible to reduce costs. Thus, franchise managers are also required to become efficient and effective in utilizing cost-saving methods to ensure better profits for the business.

Franchising is a business system that creates a network of interdependent business relationships that allows several small business people to share a common brand identity, a tried and tested successful method of doing business, a proven marketing and distribution and logistics system and sometimes a common financing method for their business (Mphambela, 2015).

Characteristics of franchising: For a franchise that sells to the public, an excellent location is critical, a dedicated franchisor is always best to improve the chances of success and, to add to that, if the parent company has a proven track record with multiple franchises, it dramatically increases the chances of success for the franchises as well.

Competition is rarely a good thing for profits: It is crucial to determine whether the market can carry multiple competitors without saturation, as one franchise will garner the more significant portion of business over the other ones. Franchising that thrives during bad economic times is usually profitable and known for its low prices (recession-resistant). It is worth a little research to

ensure there is no pending litigation or convictions against the franchise's parent company, which may result in higher costs or more restrictive regulations down the road. A franchise business must always embrace innovation and update the business to keep up with current needs and opportunities. Lastly, it is essential to get the pricing right (Baldwin, 2015).

One of the main problems faced by franchises is that the approval process can be long and intensive. In addition, higher than expected operating costs may occur, between upfront licensing fees and operating costs. Furthermore, while there is an advantage in recognition and brand affinity, less control is exercised over the brand, as the entire brand reputation suffers if one franchisee besmirches the reputation. Another problem is the restricted decision-making power regarding what happens within the business and not having control over the business. Moreover those working with international brands can find that different regulations in different countries force a franchisee to adhere to an extra set of rules. What is more is that franchises typically encounter high employee turnover. Added to these problems is the potential for brand dilution due to too many stores in one location which reduces the unique characteristics of stores (Beltis, 2022).

Franchising is a strategic alliance between groups of people with specific relationships and responsibilities with a common goal to dominate a specific market by getting and keeping more customers than their competitors (Mphambela, 2015). SME is a business that maintains revenues, assets or a number of employees below a certain threshold (Liberto, 2022). Franchising is undoubtedly a new opportunity for growth for SMEs and small businesses. The future of SMEs in Namibia's pertinent areas can be secured through cooperation. Similar businesses can group their assets, create and agree on one brand and invite other minor players to become part of a more extensive business network, be it in fast foods, printing, real estate services, or small accounting firms (Mphambela, 2015).

The Namibian fashion industry is still in its infancy (Shikololo, 2021). According to the Namibian Statistics Agency, fashion apparel costs the country more than N\$740 million annually through imports (Erastus, 2021). On the other hand, neighbouring South Africa benefits significantly from rebates and, in turn, ends up dressing Namibians through its well-distributed clothing retailers in the country (Erastus, 2021). With all these economic changes (COVID-19 with its combatting regulations set by the government and inflation increasing), the retail world is struggling, and it is starting to show (Misika, 2017). While the country is slowly recovering from the impact of COVID-19, fashion may just be the answer to upskill, create jobs and boost the retail clothing sector into further growth (Shikololo, 2021). As a result, the wholesale and retail trade sectors are estimated to have recorded a strong growth of 17.3 per cent in real value added during the second quarter

of 2021 compared to a decline of 25.4 per cent registered in the corresponding quarter of 2020 (Agency, Gross Domestic Product, 2021).

1.3 Statement of the Research Problem

Namibia is currently facing high unemployment levels exacerbated by the Covid-19 pandemic. New business models, such as franchising, hold the promise of contributing to job creation. However, limited empirical evidence is available about the impact of the franchising business model on increased employment opportunities more generally and also in the retail clothing sector in the Walvis Bay area of Namibia. Additionally, Namibia has no legislative or economic policies aimed at stimulating local franchising businesses that might allow black entrepreneurs and women, in particular to become franchisees. Evaluating the capacity of the franchising model generally across all retail sectors will offer strategies that can assist in addressing low employment levels in such business environments and other regions in Namibia.

1.4 Research Questions and Objectives

There are three research questions and three sub-objectives.

1.4.1 The research objectives

The following are the main research objectives for the study

1. Investigate perceptions of the franchising business model
2. Conduct a competitive market analysis
3. Develop a job creation strategy using franchising as a business model for the business sector in Walvis Bay

1.4.2 The research questions and sub-objectives

The research poses three questions. Table 1.1 below summarises the research questions and sub-objectives and how they relate to research objectives and methods.

TABLE 1.1: RESEARCH QUESTIONS, RESEARCH METHOD AND OBJECTIVES RELATIVE TO THIS STUDY

Research Questions	Research method(s)	Research Objectives
What are the primary perceptions of franchising as a strategy for job creation in the Walvis Bay area?	Questionnaire survey Interviews	Investigate perceptions of the franchising business model.
What competitive advantage does franchising have as a job creation driver?	Questionnaire survey Interviews	Conduct a competitive market analysis
How can a franchising model be introduced as a job creation strategy in the Walvis Bay area?	Questionnaire survey Interviews	Develop a job creation strategy framework using franchising as a business model for the business sector in Walvis Bay.

1.5 Research Design, Methodology and Methods

1.5.1 Research design

Research design is a detailed plan and an overall strategic approach to data collection, analysing, describing of data in research studies (Boru, 2018). The research used a mixed methods approach using both a survey questionnaire and semi-structured interviews. The survey aimed to extract specific information from the target population using questions (Glasow, 2005).

The research is descriptive in nature as a descriptive research design assisted in describing and analysing a problem in a more straightforward manner rather than attempting to explain why it occurred (Shuttleworth, 2008).

1.5.2 Research methods

Research methods are referred to as the plan of action or methodology utilized in collecting data or evidence for analysis to uncover new information or gain a better knowledge of a topic is referred to as research methods (Newcastle, 2019). Research methods include surveys,

questionnaires, interviews and observations (Newcastle, 2019). For this study, a survey was used to collect quantitative and qualitative data from participants in order to answer the research questions are outlined above. A quantitative method relies on numerical data collected using structured questions such as surveys. Such questionnaires typically take the form of closed-end questions.

The raw data is then transformed into usable statistics describing knowledge, opinions and consumer behaviour. Qualitative methods rely on non-numeric data and semi or unstructured questions like interviews or by asking open-end questions. This form of data collection can produce results that offer rich information and meaning linked to the topic of study. One of research instruments used was a survey questionnaire that consisted of 10 questions that sought to establish participants knowledge about franchising. Semi-structured interviews were also conducted with a smaller group of purposively selected participants. Here open-ended questions were posed.

1.5.3 Sampling

Sampling refers to selecting participants from whom the researcher collects data (McCombes, Scribbr, 2019). Participants for the survey questionnaire were randomly selected from the population of Walvis Bay in the Erongo Region of Namibia (Hayes, 2020). Attempts were made to ensure that the sample was representative of the population with respect to race, gender and age range. A total of 110 participants completed the survey questionnaire. Interview participants were selected using a purposive sampling strategy. The criteria used to inform the sampling process included adults over 18 years, understanding of the franchise business model, professional experience in either franchising, entrepreneurial interests, the banking sector or local municipality.

The questionnaires on the impact of franchise business model as a job creation strategy was analysed using tables, graphs, themes, codes, and statistical analysis using Excel. Using the interviews, a SWOT matrix analysis technique was conducted to produce a competitive market analysis of the leading franchise businesses established in Walvis Bay. Excel was also used to capture the qualitative data generated from the survey questionnaires and Statistical Package for Social Sciences (SPSS) was used to produce a crosstabulation analysis and present the data. Descriptive and inferential statistics also formed part of the analysis tools used in this study. For the purposes of data presentation and information comparison, statistical information generated were converted into graphs, charts and tables. Interview transcripts were coded using Excel and presented thematically.

1.5.4 Ethical consideration

The moral rules governing how researchers conduct their job are known as research ethics (Trust, 2014). Conducting research requires expertise, diligence, honesty, and integrity to protect the research participants from any harm caused by the research. The main ethical principles used in the study were informed consent, confidentiality and anonymity. All research participants were asked to provide their consent and complete an informed consent form (see APPENDIX A: PARTICIPANT INFORMED CONSENT FORM). The procedures and instructions were explained to each participant at the start of the interviews. The participants were also informed that their participation was voluntary and that they could withdraw from the study at any point without consequences. Participants' confidentiality and privacy were also assured. All recordings and transcriptions of the interviews were stored in a password-protected folder on the researcher's laptop. In addition, participants' privacy was protected by using pseudonyms for individuals and organisations.

1.6 Contribution of the Research

The research aimed to investigate whether franchising as a strategy can contribute to job creation in the clothing sector of Walvis Bay. In addition, this research study aims to contribute to the existing body of knowledge by 1) providing a thorough literature review that highlights the current status regarding the importance of franchising and employment in Walvis bay, as well as the lack of economic and educational development, 2) analysing the data collected to provide empirical evidence on, among other things, the research problem, and 3) making relevant recommendations and conclusions to mitigate the current lack in knowledge of franchises and employment among the Walvis Bay community.

The value above added is beneficial to the following entities:

- **Franchises:** It is essential that franchise operation is successful and should be able to solve some challenges like staff-related problems, operational issues, and using various technologies to solve complex business problems.
- **Unemployed individuals of Walvis Bay:** Insight is provided regarding the importance of unemployment in Walvis Bay. Franchises will further assist individuals with employment and train them for better skill development.
- **Banking Institutions:** Insight is provided regarding the importance of Banking Institutions in funding entrepreneurs who want to enter the franchise business.

- **Local Entrepreneurs:** Insight is provided regarding the importance of local entrepreneurs willing to start a franchise business to make responsible and sound business decisions, solve complex business problems, give the company/franchise a competitive edge over its competitors and evaluate the franchise business.
- **Academic:** Enables the students to develop more profound knowledge and understanding of the research topic, i.e., franchising as a business model and its capabilities to create job opportunities within the Walvis Bay area. Additionally, the student's capabilities and attitudes to undertake scientific research are developed.
- **Knowledge contributions:** For businesspeople, investors, government, and students. This knowledge will be helpful to them.

1.7 Chapter Conclusion

This chapter outlines a brief overview of the main background factors informing the research study. First, the research problem was identified, and the research objectives and questions were presented. Next, a summary of the research design and the methods and strategies employed were presented, along with a description of the main contributions made by the study.

1.7.1 Outline of the dissertation

Chapter 2: LITERATURE REVIEW

A detailed literature review is presented that addresses the prominent topics relevant to the research study. Topics reviewed include franchise as a job creation strategy and the role of the franchise business model and job creation.

Chapter 3: RESEARCH DESIGN, METHODOLOGY AND METHODS

This chapter provides a detailed explanation of the research design, methodology, and methods employed by this investigation.

Chapter 4: DATA ANALYSIS, RESULTS AND DISCUSSION

This chapter presents the data collection and analysis results through descriptions and includes statistical figures and graphs.

Chapter 5: KEY FINDINGS, RECOMMENDATIONS AND LIMITATIONS

This concluding chapter summarises the key findings and recommendations made by the study. Suggestions for further research are also offered.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter provides a detailed literature review that addresses the topic of franchising as a strategy for job creation. It has been established that clothing franchises are an important component needed to create decent employment opportunities within the clothing sector in Walvis Bay. Growth in franchise businesses might have a direct impact on economic growth.

The literature study is a significant component of any research report and provides a critical analysis of existing literature to determine and clarify the research questions. Winchester (2016) concluded that the literature review is "an evidence-based, in-depth analysis of a subject" and further added, "an extension on information gathered to get a personal insight to the background of a topic". In addition, (Waller, 2011) opined that earlier scholarly material that relates directly or indirectly to the researcher's area of study is vital for any study undertaken.

The literature review is organised as follows; first, the topic of franchising as a job creation strategy is discussed. Here the key definitions and historical description of the franchising model are presented. A review of the expected benefits and barriers to franchising is also discussed. Second, the link between franchising and job creation is discussed, and a review of how empirical research on this topic is presented. Also described are the requirements for franchising to yield jobs and its role in developing the economy. Finally, a discussion of the mission and vision associated with franchising and its importance is offered. The effectiveness and growth of franchised clothing stores in the Walvis bay area, and their contribution to job creation, are also discussed.

2.2 Franchise as a Job Creation Strategy

Job creation is an import way in which economic growth can be stimulated during times of economic recession. Governments play an important role in helping to stimulate the economy through both the formal and informal sectors. Creating opportunities for small businesses to flourish is also an important component of any job creation strategy. Small and Medium Enterprises (SMEs) are said to contribute over 10% to the GDP of Namibia and 20% to employment creation (Luvindao, 2019). However, franchising in Namibia, as a means of getting into business, has increased significantly in recent years (Luvindao, 2019). Franchising is a relatively quick way to start a business (Luvindao, 2019). (Direct, What is Franchising, 2021) defines franchising as a form of marketing and distribution in which the owner of the business system (the franchisor) grants to an individual or group of individuals (the franchisee) the right to

run a business selling a product or providing a service using the franchisor's business system. The franchisee typically pays the franchisor an initial start-up cost and annual licensing fees to obtain a franchise (Khartit, 2021). The sale transaction could result in a single brick-and-mortar franchise store, an online website, a catalogue, or even a smartphone. This is done to satisfy the need of the consumer who continues to purchase the franchise product and for the franchisor and franchisee to make a turnover resulting in a profit. A franchisor is an entity which sells the licenses to a franchisee for the use of the franchisor's business brand change. In other words, the rights and trademarks to do the business are rented under legal, contractual terms and conditions by the franchisee from the franchisor who owns the full rights and trademark of the business. The franchising process requires the franchisee to commit to operating the business under these regulations as a franchisor acts as a salesperson attempting to attract other entrepreneurs to invest in the franchise system. The franchisor also commits to supporting the franchisee and helping them become successful. The franchise sector is generally confronted with numerous challenges such as altering the buying habits of consumers, government incentives such as tax, reduced buying power due to Covid-19, more knowledgeable customers, the competition between the different types of franchises, and the prominent entry of large international franchises into the Namibian franchise sector (Namibia Competition Commission, 2017). Additionally, the country has also been experiencing increased cases of business failure, job losses and job cuts.

Gandhi (2014) suggests that the franchising business model came about in the mid-1800s. The word "franchise" originates from the French, meaning a free person or free to do something. The English word "franchising" refers to a "document" which contains all the rules and regulations to which the franchisee is obliged to adhere (Kahlessenane, 2018). Franchising as we know it today is widely accredited to Isaac Merrit Singer, the founder of the world-renown Singer Sewing Company (Gandhi, 2014). Singer is credited with being the first person in the United States to establish franchise contracts with local business people interested in purchasing the rights to sell his machines in given geographical areas. This essentially was the first licensing system. In the early 1900s, Singer's system of licensing, i.e. franchising, was adopted by retail establishments, restaurants and automobile manufacturers and paved the way for the formal development of the franchising concept (Gandhi, 2014).

Franchising can comprise any business activities that involve selling goods or services to consumers for personal, family, business use or household use. Franchising can encompass tangible and intangible objects, but it frequently involves operating a store. It has also been noted that franchising is pivotal as the business model faces numerous challenges.

Based on the discussion above, it can thus be concluded that the franchisor and franchisee need to understand the consumer, the franchising business model and how it can become an employment creation strategy. Furthermore, six critical factors appear to impact the ability of the franchising model to be used as a job creation strategy, namely, risks, cost, competition barriers, technology, unstable economy and COVID-19.

The (Namibia Competition Commission, 2017) stipulates that franchise businesses in Walvis Bay are resilient entities. However, they also concede that such businesses, while having many opportunities, are confronted by many challenges. Among these factors influencing the industry are new international entrants to the Namibian franchise market, providing new franchising products and consumer experiences. This has resulted in employment growth which has, in turn, boosted the economy. Boyle (2020) defines a job creation strategy as stimulating healthy economic growth when the economy contracts into a recession. The government must find and generate solutions to unemployment by providing expansive monetary and fiscal policy.

2.2.1 What is franchising?

A franchise is established when the franchisor (for example, a business person who sells the rights of the business) develops a business model and then sells the rights of this model to an entrepreneur, who is then called the franchisee. This allows the franchisee to conduct business with this model in exchange for payment of fees and royalties to the franchisor (Kahlessenane, 2018). Franchising also describes a business arrangement when two independent firms enter a business relationship grounded by a licensing agreement (Dixon, 1991). The licensing agreement might stipulate whether one of the firms can market, distribute and sell products or offer services. A study by Alon (2001) reported that over the past 40 years, two primary forms of franchising existed. One form involves product distribution, such as Pepsi and Coca-Cola distributors, and the other takes the form of business format franchising, for example, KFC or Nando restaurants. Alon (2001) also noted that research into franchising is undertaken predominately in the business format of franchising rather than product distribution. For example, in the middle of the twentieth century, A & W Restaurants developed a business format or "package" franchise (Preble, 1993). The above franchising business model looks for franchisees who can duplicate the model in their local community. More than 2,000 franchisors use business format franchising (ibid.).

"Franchise" refers to a long-term business agreement between two parties. It provides a comprehensive range of services in which one party, the franchisee, sells items or performs services supplied or approved by the franchisor (Alon, 2001). Franchising is a business format used for market penetration and has become an accepted strategy for business growth, job

creation and economic development. As a result, the popularity of franchising across the globe has grown tremendously. In part, this is due as a result of the enormous influence of the processes of globalization.

Franchises are a part of our daily life and have come to greatly influence our lives in ways of which most people might not be readily aware. Franchises exist everywhere, from a cup of coffee at McDonald's in the morning, having a meal at restaurants like Dros, Mugg & bean or Wimpy, to hotel or holiday bookings.

Franchising as a business model has the necessary resources to enable companies to expand and develop into foreign markets. It also makes it easier and helps companies to adapt to the different cultures and business rules in the different countries. As a result, franchising has become a dominating distribution tool for goods and services in many sectors, especially making it possible to purchase a wide range of products and services from all over the world (Abizadeh, 2009). This is particularly applicable in developing countries. As such, it has become both a recognised and reputable way of doing business. Franchising as a means of growing international entrepreneurship and new ventures in various industries should, therefore, not be underestimated (Abizadeh, 2009).

Many leading international businesses have expanded through franchising. The franchise model enables franchisors to expand their business in partnership with independent entrepreneurs or franchisees while retaining control of the franchise model. However, according to Abizadeh (2009), the agreement between franchisor and franchisee is influenced by different factors, including technical complexity, brand name, unstable environment, cultural diversity and opportunistic behaviour.

2.2.2 Franchising in the 21st century

Life in the late twentieth century is characterized by constant change (Preble, 1993). As a result of job transfers and new work prospects, many people relocate yearly to a new town or nation (ibid.) services can be obtained in various locations (ibid.). Franchising is the fastest-growing business expansion strategy that has ever been created (Tadarakov, 2013). When franchises and independent business ventures were compared, researchers established that franchises demonstrated a five-year survival rate of 85.7% versus 23% for independent business ventures (Preble & John, 1993). This suggests franchising as a business model can provide suitable long and sustainable employment.

2.2.3 Advantages and disadvantages of franchising

Franchising is a business growth model that considerably decreases risk throughout the most precarious stages of growth, namely the start-up and rapid growth periods (Kahlessenane, 2018). There are various benefits and barriers associated with franchising.

Advantages of franchising

Franchising provides the advantages of a unified consumer experience across time and space and offers a single trademark across several units. According to (Michael, 2013), a fundamental rationale for choosing franchising as an organizational form is because franchising makes it easier to utilize advertising to distinguish the products sold and their trademark from those of independent enterprises. A second significant advantage is that the franchisor has devised a set of standard operating processes and standards or routines in which the franchisee is trained. Typically, these processes are beneficial to the franchise. Michael (2013) further adds that such routines typically yield higher performance for the franchisee relative to independent business ownership.

When commenting on aspects influencing the decision to franchise internationally, Delaney (2018) identifies three significant factors. These are network spread, expansion of ethos and the process of learning. International franchising is a strategic way to reduce dependence on domestic demand and grow new, future revenue and profit centres worldwide. Extending a brand globally through franchising involves low risk, requires little financial outlay, and has an enormous potential for growth (Delaney, 2018).

Disadvantages of franchising

A key disadvantage of franchising is associated with cost. According to Holmes (2003), the process of preparing and completing agreement documents in various locations can amount to significant expenses. Furthermore, additional legal costs are liable to the franchisee if a separate legal entity is used for the franchising program (ibid.). Developing international operations also presents a key obstacle: incomplete or insufficient local knowledge regarding customers' tastes, culture and customs and, importantly, their language.

Bhasin (2019) reports on several issues that impact the costs associated with the franchise model. The high initial investment is a further major drawback of franchising as it requires setup costs to start the venture (ibid.). While the parent company provides training, the new franchise must follow these prescriptions diligently. There is also the factor of decreased profits as the new franchise must share profits with the franchisor. Furthermore, a new franchise must use the supply network

dictated by the franchisor even at the cost of their profit. Finally, sharing information includes a risk of third parties gaining information and a franchisee not having the authority to make changes (ibid.).

2.3 Franchise Model and Job Creation

Franchising has been with us since the early 1800s and has become an important business model. Franchising draws together knowledge, experience, abilities and skills from diverse countries (Namibia Competition Commission, 2017). Franchising is more than simply a business focused on a new product or service. Operating a franchising business can enhance the self-confidence of a franchisee and staff members of a franchise business. Through engagement in staff training, staff are able to improve their knowledge and skills. Training interventions can also result in higher sales growth (Weaven, 2017). As established above, franchising skills can be acquired through experience and training. Franchisees can become more competent in, for example, decision-making and problem-solving. As a result of their use of technology, they might even be responsible for new technology generation through gaining an understanding of working with technologies and knowledge and experiences. Developing franchising skills could thus involve acquiring knowledge through experience, study to attain formal qualifications, or through on-the-job training and development. This explanation, therefore, affirms the importance of franchising as a business model. Franchising includes identifying the best alternative solutions for solving common business problems experienced by modern-day businesses, especially during the start-up period (Glen, 2021). These skills are essential for future franchisees and could include unravelling a novel and unique problem for a customer, such as altering products or services to meet the need of customers better. This was evident in the types of creative strategies developed in response to the challenges presented by COVID-19 and its impact on businesses. Therefore, it is essential to incorporate the right skills into a franchise business and develop staff members to ensure that they effectively apply their skills in solving the demanding challenges that franchises face.

Franchises generate long-term job opportunities, stability, and a secure position for individuals. They can expand into new geographical locations faster than other types of businesses (Direct, A Look at How Franchises Impact the U.S. Economy, 2022). New franchises are assisting in lowering local unemployment statistics by offering jobs for various people. Usually, many franchises become involved in their communities by supporting non-profit organizations and schools (ibid.). Many companies use the franchise as a model for growth, to prosper, maximize profits, and achieve a solid return on investment, name recognition, and market position. To add to the above, the franchise model seeks to encourage and assist in expanding the business and

improving franchising programs to meet critical job creation needs and economic growth (Baresa, 2017).

Franchising as a business model can therefore contribute to meeting employment needs in society. Franchising also assists countries in sustaining their economies through increased employment levels which in turn assists with alleviating poverty. In the Namibian context, franchising can also be a mechanism through which the country can cope with the increased global competition. Namibia has a rich and diverse culture and heritage; however, to compete in the global economy, it has to foster strategies to build wealth and develop capable human capital. Franchising as a business model can play an essential role in this process and help create jobs and alleviate unemployment rates.

When the COVID-19 pandemic emerged in the early months of 2020, most companies were negatively affected by lockdowns. In some cases, shops and companies were forced to close down. The economic situation has been negatively affected by these lockdowns, with the impact of COVID-19 significantly decreasing employment rates as businesses struggle to reach their pre-COVID performance.

2.3.1 Comparing SMEs and franchising

Small or Medium Enterprise

Entrepreneurship has a significant role in the growth of economic riches in a community. The identification of the development of entrepreneurial talents is necessary for the improvement of SMEs and franchise firms. The establishment of resilient SMEs and franchises is essential to Namibia's economy's continuing expansion. Franchising is crucial in business development, employment equity, and ownership. The franchising sector has enormous potential for business growth and job creation (Lewis, 2009). A summary follows, with a brief overview of comparing franchises and independent businesses.

According to (Al-Herwi, 2019), a SME is a business with fewer than 250 employees. The goal of SME business development is to support viable small and medium-sized businesses (SMEs), which will then lead to the creation of job opportunities (Lewis, 2009). Small and medium-sized businesses can be defined according to size (turnover, assets), structure (formal or informal) and number of employees. Since they give individuals possibilities for work and money, SMEs are known to be the foundation of most economies. In comparison to other African nations, Namibia's SME sector is small.

SMEs contribute significantly to a country's gross domestic product. Schoneburg-Schultz (2006) and Legge & Hindle (2004) have indicated that the majority of employment growth in developed nations comes from a minority of high-growth, small- and medium-sized entrepreneurial firms who are in the process of expanding to become the large corporations of tomorrow.

SMEs can also become valuable and sustainable investment targets for larger firms, create networking SMEs in sustainable market spaces, and become sustainable suppliers in global supply chains (Lewis, 2009). The use of outsourcing as an option for SMEs as it can result in cost reduction and revenue growth. Some of the benefits of outsourcing for SMEs is that it results in resource-saving, thus allowing SMEs to focus on their core competencies. Outsourcing may also lead to quality improvements, as the owners can choose suppliers whose products or services are considered among the best in the world.

The SME owner-manager is frequently the key decision-maker and in charge of overseeing and managing a variety of organizational responsibilities, including banking, advertising, recruitment, or even stationary purchases. Consequently, using specialists, such as advertising or recruitment agencies, is rare (Culkin & Smith, 2000).

Franchise business

Timmons & Spinelli (2004) state the following:

Franchising is the act of collaborating to realize a common entrepreneurial idea. Franchisees and the franchisor must have faith in not only their company but also in one another. The potential for unlimited personal, professional, and financial progress is enabled by the strength of committed and motivated partners.

When describing the defining elements of franchising, the following elements identified by Good (1989) still hold ground. The four elements include; 1) a continuing relationship between two parties; 2) a legal contract which describes the responsibilities and obligations of each party; 3) Tangible and intangible assets (such as services, trademarks and expertise, provided by the franchisor for a fee); 4) and the operation of the business by the franchisee under the franchisor's trade name and managerial guidance (Good, 1989).

Furthermore, Dixon (1991) identifies the following benefits derived by the franchisee: 1) the substantial efficiencies in promotion and advertising by leveraging the value of a trademark and brand image that the franchisor has developed; 2) the permission of the franchisee to operate under control of the franchisor and the branding; 3) the benefit from the goodwill associated with

the business systems that have been developed and are owned by the franchisor; and finally, 4) bulk buying and inventory control. The franchisor therefore owns the business system and associated trademarks or trade names. Franchisors furthermore assist their franchisees in establishing and running their businesses. Franchisees, therefore, are essential ingredients in their franchisors' success (Ketchen, 2017).

Challenges in the Namibian context

Mwinga (2012) identified various challenges franchising businesses face in the Namibian context. These include barriers in the legal and regulatory frameworks and a lack of access to finance. He further found that the administrative procedures for business registration and establishing a franchise are too cumbersome, lengthy and expensive. Additionally, due to the lack of information and experience, potential franchisees must rely on intermediaries, even when they have the necessary funding (ibid.). These regulatory, legal and administrative barriers are regarded as too high and can dissuade people from pursuing this business model. The lack of access to credit and funding is another major stumbling block for entrepreneurs. It is recognised that many Namibians lack the collateral banks require to secure loans. As a result, many entrepreneurs are likely to rely on their informal networks, such as family and friends. Mwinga (2012) reported that due to the borrowing system, the size of activity and the magnitude of growth prospects for young local entrepreneurs were limited. Improved monetary and fiscal policies might be a means where public or government loans for businesses could help to support and stimulate economic growth.

Factors that inform the structure of franchising

Waters (2014) has identified five significant factors in the franchising business. These factors are pertinent to the way franchisees are currently organised.

- **Standardisation** – The franchisor's role in every franchise agreement is to offer a robust template from which franchisees can build a strong business. Everything has to be considered, so there is no room for error if franchisees follow the guidance.
- **Adapting to Market position/changes** – adapting to change is one of the most critical things any franchise needs to do. It is essential to stay updated with fundamental changes and customer habits within the sector. Refusing to adapt to changing customer habits could see one lose business and risk becoming obsolete. It is also important that a franchisee keeps their eyes open to ways in which they can improve their businesses.

- **Brand names or recognition / Leading in a crisis** – A small or isolated incident at one franchise could negatively affect franchisees globally simply by association. Swift action is needed in the event of any controversy. Issue an apology that fits the gravity of the situation and take decisive action quickly to stop it from happening again. An established brand is the most valuable asset a franchise can have. This will ensure that clientele remains interested in the product or service.
- **Maintaining strong franchise relationships** – Franchisees are the heart of the franchise business; therefore, the franchisor must ensure that the relationship is valued. The franchisor can usually answer franchisees' questions regularly, thus why it is vital to put together a support team. Nurturing franchisee relationships are significant and can help to retain high-performing franchisees and talented entrepreneurs.
- **Ability to make tough decisions** – The franchisor and franchisee need to be able to make tough decisions in order to ensure the survival of their businesses. Occasionally it may also include knowing when a franchise venture is not working.

Shifts are needed in the way the franchise model is implemented. The need to adjust from more traditional ways of operating a franchise to embracing technology as an essential part of running a franchise was first recognised by Lorinda Church (2011), who provides specific guidelines that could lead to a productive franchising environment. A summary of the six elements that support a technology-infused approach to franchising is presented below:

- KPI tracking refers to tools and procedures used to track and analyse the success of all business projects. Setting goals and the required level of performance alongside tracking progress toward meeting those goals are vital aspects of managing KPIs.
- Advanced POS tech refers to the time and places a retail transaction is completed. For example, a customer pays the retailer in exchange for products or services. Payments can be made via touch screens, payment terminals and other hardware and software options and keep all transactions running smoothly at business sites. It also allows for real-time royalty and co-op tracking, resulting in increased sales, improving venue operations and boosting customer loyalty.

- **Social Media and Social Networks:** Marketing provides the franchise business with highly effective ways of engaging customers regularly. It also creates opportunities to respond to customer feedback and suggestions on improving the business.
- **Cloud Computing:** This technology gives franchisors the unique advantage of using software to improve communication between franchisees and their customers and streamline employee tasks.
- **Mobile apps and online ordering:** One such technology breakthrough that can provide higher efficiencies, lower costs, and greater client loyalty is applications for smartphones (mobile apps). Franchisors, for instance, can encourage system homogeneity by implementing a single app across the board. In addition, online ordering streamlines the ordering process for customers while generating revenue for franchise owners.
- **Back-of-house management** refers to tasks and procedures that allow a manager to take responsibility for ensuring the smooth execution of various day-to-day operations. It could also include the correct hiring, training and management of staff.

Link between franchise and job creation

Some developed countries identified the importance of franchising as having distinct economic benefits and a strategy for job creation. It was also regarded as significant for boosting entrepreneurial and managerial capabilities and the skill set of the labour force. In these ways, franchising was seen as a necessary means of fighting high unemployment rates. (Seibeb, 2015) evaluated the context of franchising and its impact on job creation and development.

In the publication, Direct, *A Look at How Franchises Impact the U.S. Economy (2022)*, it was stated that franchises have generated employment locally and abroad. Each business site has employees, but some workers carry items, provide materials, run the warehouses where their supplies are stored, and operate the factories or farms where their products are produced.

Individual franchises contribute to their local communities by paying taxes. Franchises also provide a lot of jobs and enterprises. The franchise gives money back to the community and supports the local economy by regularly acquiring goods or using local services. 90% of franchise-generated revenue stays in the local area, as opposed to corporations, according to published studies. Usually, the money they make goes to the corporate office of the business. Approximately 72% of voters say small firms are more likely than giant corporations to contribute to their community (Direct, 2022).

As one of the largest employers, franchises offer many employee benefits that extend into the community. Franchises are known for their consistent training processes set by the parent company. People can learn new skills and trades through on-the-job training whether or not they have post-secondary education. As a result, the local economy gains more skilled and semi-skilled workers that earn an income and create an output of labour (ibid.).

2.3.2 Franchising in Developed Countries

Various countries have identified the value associated with franchising and have accordingly created specific policies and procedures to guide their franchising industry. Table 2.1 summarises how developed countries have incorporated job creation into the franchise structure. This summary seeks to offer a global perspective on the impact of franchising on job creation.

TABLE 2.1: SUMMARY OF JOB CREATION IN FRANCHISING IN DEVELOPED COUNTRIES

Country	Description
Germany	<p>In terms of economic performance, Germany is one of the strongest countries in the world. Unlike other countries, Germany does not have a franchise law. Since the 1980s, the franchising industry in Germany has been consistently developing and growing. This is due to the fact that Germany offered good general conditions for companies.</p> <p>In 2018, sales generated by the German franchising industry grew by 9.4%, reaching a total of EUR 122.8 billion. A total of approximately 9 993 franchisors and 130,000 independent franchisees who employed over 700,000 people operated in Germany in 2018. Franchise businesses further accounted for 24% of food service, tourism, leisure and retail businesses. The service sector comprised the largest segment of franchise businesses, followed by those in the retail sector, the second largest distribution of franchising by sector. (Lindel, 2021)</p>
Hong Kong	<p>While Hong Kong has no specific franchising law for local or international franchises, its franchising industry has shown slow but steady growth since the early 1970s. Currently, Hong Kong has around 75 franchise operators. 43% of franchises in Hong Kong are in catering businesses, with 37.3% in the service sector and 20% in retail. (Ho, 2021)</p>

China	<p>China is one of the fastest and most populated growing markets. In 1997, China adopted its first franchise law. In 2005 new laws were announced that significantly eliminated legal restrictions on foreign franchise investment. Records indicated that by January 2019, 4,368 franchisors registered with the Ministry of Commerce. However, at the same time, unofficial statistics indicated that China already had over 4,500 franchise systems and 400,000 franchised outlets in over 70 industries. This suggests that China has one of the largest franchise markets globally. (Zhang, 2019)</p>
Singapore	<p>Companies in Singapore do not need to register as a franchise. Without any franchise-specific laws, there are also no disclosure requirements. Franchising in Singapore contributes more than S\$8 billion to the economy. There are 500 different types of franchises. (Schwarzer, 2017).</p>
United Kingdom	<p>According to the 2013 British Franchise Industry report, the franchising industry contributed \$21.9 billion to the United Kingdom economy. However, there are no specific franchise laws. In 2012, there were 930 franchise systems in the United Kingdom, with 37,300 franchised units that employed approximately 594,000 staff. The largest nine systems operate just under 7,000 units between them. Units franchise means allowing the franchisee to run one unit of the franchise business. Franchise businesses operate across nearly all sectors and are highly diversified. (Joan, 2019)</p>
New Zealand	<p>According to Edwards Global Services, New Zealand is ranked among the top five countries operating franchise businesses (Kieran, 2020). New Zealand also does not have any specific legislation relating to franchising. However, franchising has developed relatively rapidly, with a survey in 2017 showing that franchised businesses contribute approximately \$27.6 billion to the New Zealand economy. With about 631 business format franchisors and 37,000 franchise units around the country, these businesses employ about 124,200 people. Local New Zealanders found 72% of franchises. (Germann, 2020); (Lord, 2021); (Kieran, 2020)</p>
United States of America	<p>The United States is home to the ten largest franchise systems in worldwide sales. Franchising is regulated at both the federal and state levels. Before COVID-19, the United States was home to 2,500 franchise systems operating 800,000 franchise establishments in 300 different industries. The franchise businesses supported over 7.6 million direct jobs. It was estimated that franchising accounted for 50% of all retail sales in the United States. Franchises create an economic output of \$1.6 trillion and account for 5.8% of</p>

	GDP in the United States. (Direct, Franchise Direct, 2020); (Feirman, 2021); (Key, 2020)
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2.3.3 Franchising in Developing Countries

In order to offer a balanced view of the impact of franchising on job creation in the developing world, Table 2.2 offers a summary of the role played by franchising in creating employment opportunities in developing countries.

TABLE 2.2: SUMMARY OF JOB CREATION IN FRANCHISING IN DEVELOPING COUNTRIES

Country	Description
Namibia	The SME sector contributes over 10% to GDP and 20% to employment creation. There is no franchise law in Namibia. (Julia, 2022); (Luvindao, 2019)
South Africa	Franchises in South Africa are regulated by the South African Consumer Protection Act 68 of 2008 (CPA) (Honey, 2019). In addition, franchise businesses are also required to comply with Black Economic Empowerment (BEE) regulations, which means that such companies must have a black South African on their board. Franchising with an annual R721 billion turnover accounts for 15.7 per cent of South Africa's GDP. There are approximately 850 franchise brands and 41,000 outlets, but this number is growing annually. (Moyes, 2020)
Egypt	Egypt has no specialised franchising laws, but it has shown significant growth. This has posed various challenges to investors seeking to franchise their businesses in the country. There are over 600 franchisees in Egypt, and the industry employs an estimated 800,000 people directly and 1.5 million indirectly. (Elsaman, 2017)
Ghana	Ghana is fertile ground for the franchising industry, as the concept is relatively new in Ghana. (Commerce, 2020)

India	<p>The Indian franchise business is worth \$13.4 billion and has the potential to grow to \$51 billion in 2017 according to a recent KPMG and Franchise Association of India (FAI) research (2016). India has the world's second-largest franchise market, with 4600 active franchisors and approximately 200,000 units run by nearly 170,000 franchisees. (Marya, 2019).</p> <p>According to Franchise India (2022), franchising has witnessed an impressive growth of around 30 – 35%. The estimated turnover is around INR 938 billion. The franchise sector contributes nearly 1.8% to the Indian GDP. In 2017, it was predicted that the franchise sector would employ 14 million people, thus accounting for about 10% of the workforce. Figures suggest that around 7.7 million individuals were needed in retail franchises alone in 2017. (Reddy, 2020)</p>
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Additionally, Chinyoka (2008) researched the extent of entrepreneurial skills within franchising businesses in Botswana. The findings suggested that franchisees have low skill levels compared to non-franchised entrepreneurs. However, franchises perform better than their non-franchised counterparts despite these low skill levels. Chinyoka (2008) also established that within the Botswana context, franchises performed better than other business types, even though non-franchised entrepreneurs were rated higher than franchisees.

2.3.4 Franchising and job creation in Namibian context

There are several challenges specific to the Namibia context that create barriers to expanding franchising as a business model. Although franchising is crucial for the development of towns, contribution to GDP (economy) and creation of jobs, it should follow franchise laws. However, many franchise systems in developed and developing countries do not have franchise laws (Abell, 2022). This has led to the identification of some common concerns and challenges. These include the lack of regulation in Namibia, control of the sector by certain companies, restrictions in franchising contracts that impede competition and access to franchise opportunities and the perceived promotion of dominance of specific franchise models, among others (Namibia Competition Commission, 2017).

In the Namibian context, franchise systems are underperforming or not operating as effectively as they may be for nine reasons. These are: competition, failing to consider the human element, poor location, lack of an effective strategic plan by franchisors, changes in digital and technological

infrastructure, diminished purchasing power, lack of regulatory or legal frameworks to direct franchising, and population size (Seibeb, 2015), (Mwinda, 2012), (Asemota, 2008).

Competition is an important way to stimulate businesses to perform better. However, there is no franchise law in Namibia, and there is no control of monopolies, such as big family-owned businesses like O & L that operate Pick n Pay stores across the country. These big family-owned businesses come across as significant competition to the smaller franchisees, as it is challenging to compete with them. Moreover, mergers and cartels restrict new entrants from entering the market and gaining franchise experience (Seibeb, 2015).

Ignoring the human factor, many franchisees have the notion that franchises survive independently and thus encounter personnel problems. Such personnel problems include absenteeism or employees taking long coffee breaks. Experience over the years has shown that dissatisfied workers not only waste time and materials of the organisation but also tend to drive away customers. As franchisees tend to spend most of their time concentrating on sales and finance, personnel problems are only addressed when they reach crisis levels (Aardt, 1997).

The question of the location of a franchise business is critical. Choosing the right location is partly an art and partly a science to ensure the success of any franchise and cannot be based on a trial-and-error method. Location is crucial for retailing franchises, as the lifeblood of such businesses is related closely to customers frequenting the business (Aardt, 1997).

When commenting on the frequent failure of the franchisor to develop an effective strategic plan, Scarborough (2002) states the following:

Some franchisors assume that contingency planning is only applicable to large business organisations. However, they do not realise that failure to plan for contingencies usually results in their failure to survive. If a franchise does not have a clearly defined strategy, it does not have a sustainable basis for creating and maintaining a competitive edge in the marketplace. When a franchisor establishes a strategic plan, they are forced to assess the potential of the business. This is usually in the form of looking into issues such as whether the customers are able to buy a particular product or service and in terms of whom their target customers are.

The introduction of digital resources and the increased use of new technologies such as artificial intelligence have led to changes in how businesses operate, and customers interact with these businesses. Many workers have been required to learn new skills associated with these technologies. Adapting to these technologies has forced franchise businesses to adopt new

employment strategies, recruit more technologically aware staff or reassign staff to new positions (Peters, 2020).

COVID-19 has had a marked impact on the purchasing power of customers. These effects have also been felt by fishermen, tourism sector employees and construction workers, who have lost their jobs during the COVID-19 lockdown.

The absence of the franchise law in Namibia is a challenge and presents such businesses with a huge stumbling block. Without a franchise law, transnational entities can dictate the business environment. It might also create a situation where individuals are able to accumulate all popular franchises. Reduction in local ownership is harmful and could also simulate the creation of small business elite groups, who own large segments of the economy. This will worsen income distribution and decrease competition (Seibeb, 2015). The franchise laws are, therefore, a way in which local business people are protected. Within the African context, eight countries have specific franchise laws. For example, South Africa and Tunisia have expressly regulated franchising. While Kenya, Uganda, Nigeria, Egypt, Angola and Cape Verde regulate franchising through technology transfer legislation, agency laws, or consumer protection legislation (ibid.).

Namibia's population of roughly 2.5 million people is relatively small. Additionally, the population is widely dispersed around the country (Henderson, 2020). At the same time, there are more populous areas, such as the bigger cities of Windhoek, Walvis Bay, and Swakopmund at the coast. The country has 14 regions, with the Northern regions stretching from Kunene to Zambezi with Omusati, Ohangwena, Oshana and Oshikoto. While the population density here is greater than the remainder of the country, it is still widely dispersed across villages.

Value of using SWOT analysis—Namibian context

According to Shaw (2020), conducting a SWOT analysis of the franchising business is crucial to advance the company's competitive position. It can also be a way to undertake strategic planning aimed at increasing growth and the potential for growth and job creation in the clothing sector of Walvis Bay. However, before conducting a SWOT analysis, consideration must be paid to market, customer, and competitor analysis results. In addition, a self-analysis or personal SWOT analysis is a critical analysis of the business, which is also deemed a necessary task.

A market analysis forces companies to consider how their products make their consumers feel and the degree to which that feeling drives the purchase decisions (White, 2022). The significant role played by a good market analysis cannot be overemphasized. Irrespective of the size of the organization or company, a clear understanding of a market will help identify the different factors

that can impact the business or its clients (Nale, 2007). Nale (2007) further suggests four points of consideration that can be obtained from information provided by state or federal agencies. This includes an economy overview, shift-share analysis, occupational changes and strategic advantages. These can be for workforce planning or clients and business development processes.

Customer analysis can be described as knowing the customers. It is also a key element of marketing. Understanding customers leads to crafting services that meet their needs. Customer analysis includes a review and evaluation of their buying behaviour, total purchase value, consideration of influencing factors which motivated their purchases and finally, the levels of satisfaction achieved during the purchases (Dan, 2013). Competitor analysis is a strategy involving researching significant competitors in order to gain insight into their products, sales, and marketing tactics. White (2021) notes that some of the benefits associated with conducting a competitive market analysis include warding off competitors and capturing market share.

Conducting a self-analysis or personal SWOT involves performing a critical analysis of the business with the aim of business performance. While a business plan provides insights into the business, a self-analysis reveals how well the franchisee and franchisor are doing. It also suggests how improvements associated with management competencies, admin competencies, willingness and readiness can be implemented (Nawaz, 2022). A SWOT analysis is a vital decision-making support tool for assessing the four aspects of a business, namely its strengths, weakness, opportunities and threats. It is frequently utilised to analyse strategic situations systematically, taking into account external and internal environments and identifying the level of organisations.

Domanico (2014) provides a summary of the four aspects that define the SWOT analysis.:

- Strengths are objectives the business achieves with the help of internal capabilities.
- Weaknesses refer to the internal limitations to the achievement of the company objectives.
- Opportunities are external variables of which a company might be able to take advantage.
- Threats are existing or emerging external elements that could test the company's performance.

Undertaking a SWOT analysis helped franchisors and franchisees to evaluate the potential and existing risks and rewards concerning doing business in Namibia (Mwinga, 2012; Namibia

Competition Commission, 2017; Luvindao, 2019). The aspects listed below in Table 2.3 outline the potential and existing risks and rewards related to franchises in Namibia.

TABLE 2.3: SWOT ANALYSIS

<p>Strengths</p> <ul style="list-style-type: none"> Established business market Marketing and customer engagement Service above the rest Quality product Brand familiarity Lower risk of failure Easy setup Ready customer portfolio Easy to acquire financial help Franchises do not compromise on health and safety. Employees are paid on time, and the rules are clear. Correct number of people employed. Right people with suitable qualifications Communication with customers 	<p>Weaknesses</p> <ul style="list-style-type: none"> Logistics late due to Covid-19 regulations. High franchise cost Start-up fees and start-up costs Royalties and continuing expenses costs Dissatisfied franchisees Lack of product creativity Prices can be too high Dependency Franchises have strict rules Demographics
<p>Opportunities</p> <ul style="list-style-type: none"> Entrepreneurs have the opportunity to be their own bosses. Franchise opportunity Customer service Create decent and long-term sustainable employment. 	<p>Threats</p> <ul style="list-style-type: none"> COVID-19 Technology (AI) Existing franchised competitors among all sectors Few barriers to entry Rental costs high

<p>Improve skills and development for employees or new employees.</p> <p>Better chance of success.</p> <p>Current services must meet user requirements</p>	<p>Business closing</p> <p>Suppliers increasing prices due to inflation</p> <p>Poor economic situation</p> <p>Small population</p> <p>Little buying power</p> <p>Foreign franchisors dominating the market</p> <p>Politics</p> <p>High Tax rates in Namibia</p> <p>Funding from Banks</p> <p>Family-owned businesses</p> <p>The economy in a recession</p> <p>Stealing</p> <p>No franchise law in Namibia</p> <p>Starting capital is high</p> <p>Competition</p> <p>Funding opportunities for the franchisee</p>
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One of the strengths of franchising is that an established business market comes with the business. This is good, especially for a first-time franchisee, as many things will be set up and structured for the franchise. As for opportunities, the franchise creates decent and long-term sustainable employment, which is good for the community by improving skills and development opportunities for people within the community (Direct, 2022). In terms of weaknesses, franchises have stringent rules, which dissatisfy franchisees and staff members. Additionally, there are the royalties and continuing expense costs that come with this business agreement. The high costs of purchasing a franchise are a threat, as is the small size of the Namibian population, which acts as a threat as there is little buying power.

2.4 Job Creation and Mission and Vision Statements

One of the fundamental issues is that franchising places too much emphasis on people and personal contact and much less on procedures and rules. Positive growth in franchising has caused many franchises to be innovative and discover better ways of doing things. (Chinyoka, 2008) reported that being an entrepreneur does not necessarily make you a franchisee, nor is it a precondition for becoming a franchisee. However, many researchers have concluded that franchising is a form of doing business in an organised and well-structured way (Abizadeh, 2009), (Bekhouche & Kahlessenane, 2018), (Elsaman, 2017), (Gandhi, 2014) and (Namibia Competition Commission, 2017).

Teixeira (2018) opines that an assessment of a franchise opportunity and how this business model works are essential steps in deciding whether to invest in a business or not. Further more, he identified ten preliminary steps for evaluating a franchise opportunity (ibid.). These steps are summarized in Table 2.4.

TABLE 2.4: TEN PRELIMINARY STEPS FOR EVALUATING A FRANCHISE OPPORTUNITY

Number	Step Name	Step Description
1	Franchisor Management	Individual's ability to: Support the Franchisee Review the franchisee's background and experience of the franchisor executives and support staff.
2	Franchise Territory	Individual's ability to: Consistently operate a franchised business and allow for franchisee growth.
3	Franchisee Fees	Individual's ability to: Make sure financial statements are correct

		<p>Keep up to date with the fees</p> <p>Ensure the initial franchisee and continuity fees are comparable to franchises in the same sector.</p> <p>Determine if the franchisor charges additional fees for services above any royalties and ad fund fees.</p>
4	Franchisees Performance	<p>Individual's ability to:</p> <p>Analyse and evaluate the growth of new franchisees and compare it to franchisee terminations.</p> <p>Obtain facts and data which can show positive and negative performance results.</p>
5	Financial Reports and Data	<p>Individual's ability to:</p> <p>Find available audited financials</p> <p>Obtain from the franchise royalties and continuing costs of expenses that promote a continuing and growing stream of revenues.</p>
6	Required Suppliers and Rebates	<p>Is it essential for the franchisor to purchase from specific merchants?</p>
7	Intellectual Property	<p>Does the franchisor have confidential, proprietary information or trade secrets that differentiate the franchise from the competitors?</p> <p>Ensure there are no potential trademark ownership disputes and that the franchisor legally and properly controls the brand name.</p>

8	Financial Information	Ensure detailed financial information is provided.
9	Franchisor Litigation	Establish if the relationship between franchise-franchisor is positive or negative.
10	Franchisor and Franchisee Training Programs	Is onsite training for new franchisees provided?

Teixeira (2018) acknowledges that the preliminary steps will remain important before investing money and time. However, if the preliminary steps are not considered properly, it could cost the investor much money, time and confidence. Also potentially compromised might be the availability of bank finance or the impact on economic growth and the interest rate linked to the loans.

The behaviour of franchisors, staff members and the franchisee was found to impact the climate and organisation culture. These factors are seen to be conducive to the development of franchise stores within the franchising systems. MacDonald (2019) identified four fundamental factors required to develop franchises. The first of these is the Influence on decision-making. This refers to personality, the propensity for risk, the potential for the dissonance of the decision and the behaviour of people. Second, he refers to the response to change management observing that, to be an effective change manager, staff must be understood, and appropriate strategies to deal with staff must be adopted. He also highlights the influence of organisational culture, which includes management and leadership styles, the organisation's values and traditions, the employees' behaviour and attitudes, the system and processes by which work is carried out and the organisation's structure adopted. Culture creates the environment in the organisation and moves the organisation towards its vision by influencing the nature of the long-term plans. Lastly he reflects on the use of reward systems wherein employees need other motivational elements besides earning a salary to ensure they perform to the best of their ability. Employees feel motivated when they are appreciated for their effort and are rewarded accordingly. A reward system should be fair and equitable to inspire them to increase performance.

When considering the views of franchisors regarding the evaluation and development of staff, (Timms, 2017) suggests there are four distinct groups. The first group believes that staff members and franchisees are given sufficient opportunity to provide evidence of their training and

development skills through everyday work. Group 2 considers it possible to evaluate and assess the skills of the staff members and franchisees. Alternatively, the third group values training and development as an essential outcome for franchising. In contrast to this, group 4 values franchising as a crucial outcome for decent job creation mainly because it offers the necessary training for skill advancement and knowledge development and the time and resources to improve the skill levels of employees and franchisees in order for the franchise to achieve a better business outcome.

Stemming from the above, it is evident that franchisors and the franchisee always see the importance of training and development and thus often do have the necessary skills or resources to assess the skills of staff members. Therefore, their skills are developed, and they can cope with the demands of unique and complex business problems placed on them during working hours. Staff development is frequently seen as a vital component of business success and providing opportunities to support franchise staff to remain at the cutting edge of information technology innovation and improving their expertise and knowledge through formal training is a clear way to meet the demands of vibrant franchise industry (Timms, 2017). Menshikov (2017) proposed that any assessment tool used for determining employees' existing or new skill levels should incorporate five key considerations. These considerations are summarised in Table 2.5 below.

TABLE 2.5: ASSESSMENT TOOLS FOR DETERMINING EMPLOYEES' SKILLS

Give your employee a test	Ask to prepare a self-assessment	Get feedback from the team	Put a team in real situations	Ask for customer's feedback
Check technical and theoretical knowledge Check capabilities	Show abilities Show self-preparation	Feedback from the team	Take risks Challenge the team Check proficiency	Communicate with customer Ensure sufficient skills

Timms (2017) stipulates that when franchising skills are developed, it is necessary to assess the appropriate and applicable franchising levels. Thus, assessed franchising skills must be suitable for the environment in which the results will be applied. These environments within the franchising

sector include the provision for staff members and franchisees. Thus, to develop their skills and experience through focused activities incorporated in the system, a safe environment to apply their knowledge and skills, suitable methods to assess their skills, and timeous feedback on their development.

Mathews (2006) lists three terms related to determining the franchise goals for staff members and franchisees to achieve, namely:

- **Measurement:** There should be a measurement system of individual and business performance by creating a tracking system.
- **Attainable:** Goals should be worthwhile and attainable by staff members.
- **Realistic Timetable:** Goals must have a deadline or date.

He further concluded that determining the franchising goals of the business can assist in recognising abilities, determining characteristics of individuals or realising how franchising as a strategy can effectively contribute to job creation. Therefore, this is a critical factor for the objective of this research study.

It is essential to know which aspects of franchising are being assessed. Furthermore, it is helpful to be aware of the types of assessments available to determine the franchising goals, what these assessments measure, and how they will be assessed. Below is a summary of the key approaches used to evaluate franchising goals.

TABLE 2.6: SUMMARY OF KEY APPROACHES TO EVALUATE FRANCHISING GOALS

Title	Ranking	Evaluation Areas
1. Store Manager	Executives	Skills required
2. Store Supervisor	Skilled Worker	Effort required
3. Teller/Cashier	Semi-skilled Worker	Responsibility
4. Cleaner	Less Skilled Worker	Working condition

2.4.1 Assessing the growth of franchising in creating jobs

It could be argued that various franchising job creation and growth methods were identified. Consequently, franchisors often tend to assess the effectiveness and growth of franchising. Assessing the effectiveness and growth of franchising in creating jobs can be done by posing the following question: “How effective is franchising in creating jobs, and at what rate does it contribute to creating jobs in Walvis Bay?” This problem stipulates that the answer to this question could suggest a “unitary of job creations”, which would suggest that franchising is a steady and promising firm; therefore, it will not close overnight. Thus, job creation measurements are often interpreted as pure measures of growth. However, many characteristics may be used to measure the effectiveness and growth of job creation in franchises.

Persky (2006) cautioned that assessing the growth of creating jobs in franchises is not an easy task, proposing the adoption of a cautious stance and noting that the assessor and staff members might encounter many challenges. In the list below, some of the more common challenges Persky (2006) identified that might impact the assessment of job creation growth are:

- Improve business operations and individual performance in franchises.
- Assessing the growth of job creation should be an indicator of an individual’s livelihood in the community improving.
- Assessing the growth of job creation if the unemployment rate is decreasing.

- The assessment tool should take into consideration that the right skills and development are assessed and not only focus on the franchise goals. In addition, participants should be assessed in an uncontrolled environment; observation does not need to form part of the assessment.
- Deliberate efforts to nurture franchising skills are essential components of an excellent training program. Therefore, an assessment should determine the outcome of the business. Furthermore, the assessment should generate data to evaluate the continued development of staff members' franchising skills.
- A more accurate method for evaluating the growth of franchising for job creation is required.
- Efforts to identify training and development skills and franchising strengths of staff members should be connected closely to the efforts to assist in applying and improving their skills. Assessments and development activities should be linked to what is expected from the franchise store or goals to ensure the most effective assessment and development methods for franchising staff members.

Tade (2015) found that an essential factor associated with the franchising assessment tools is “diversified”, which indicates the complexity of assessing, defining, measuring and evaluating job creation. In addition, these instruments have limitations, such as measuring trivial aspects of skills and development or lacking ways to improve franchises' growth. It can, therefore, be concluded that any form of franchising assessment will face critical factors in the development and assessment of the data. The data will define the growth of job creation in franchising within the parameters of the assessment needs, what characteristics, factors, and features of growth should be assessed, and how data should be interpreted to reach the required outcomes.

2.4.2 Importance of mission and vision in franchising

The significance of the mission and vision statement is well-known in problem-solving the challenges of the business, but the question remains whether mission and vision will be a critical factor for modern-day franchisors and franchisees. This is indicated by the need for mission and vision problem-solving of business challenges. More mission and vision insight is required to find suitable solutions for today's complex business environment. It could be argued that finding

mission and vision solutions for complex business problems will provide franchisees with a competitive advantage over their competitors.

Tsourakis (2018) defines the mission as the company's purpose, markets and competitive advantages. It is thus a short-written statement of the business goals and philosophies. The vision statement points to a vivid mental image of what the franchise should be in the future, based on the franchise targets and aims. A vision statement captures, in writing, the essence of where one wants to take the franchise and how to reach the franchise goals. It can thus assist modern-day Namibian entrepreneurs to overcome difficulties in leading complex franchise businesses. Edwards (2014) believes that mission and vision are vital management tools that cannot be separated from a corporate strategy. It also assists franchisees in attaining high performance and surviving during a long duration of difficult times such as COVID-19 and when the country is in a recession. Kraaijenbrink (2021) explains that a poor mission and vision statement does not paint a specific picture of the desired visionary goals of the franchise and will distract the franchisee's attention away from those goals, resulting in the scattering of the company's efforts. It was emphasised that a mission and vision statement in franchising is crucial and gives the franchise focus, coherence, and direction.

Willoughby (2020) identified the risks that misalignment between the vision and mission of a business creates, namely that there is no clear future direction or clear current objectives or measures for success; there is an absence of a real nucleus for unity or team cohesion. Furthermore, the symptoms associated with the misalignment between vision and mission can include a subdued financial performance where there is either a very low or very outstanding financial performance. Business failures dropped to their lowest point in some nations while businesses rose to their highest in others. Additionally, high customer and staff attrition results due to a number of factors, including compensation (employees feel they are not paid enough), recognition (employees do not feel appreciated), career advancement (the opportunity for growth and development is significant to retain employees), company culture (providing a positive company culture), and stress. These could contribute to the number of people leaving a company and not being replaced (employees that often feel overwhelmed by the workload or experience extreme stress situations). The symptoms of the misalignment further impacts on brand and reputation where the reputation of a company can be very fragile. Poor customer service and communication are bad for the business often resulting in not dealing with negative reviews from customers in a good way. Concerning a company's online presence, being inactive on the business social media page, poor branding, and design are a few things that can turn the casual

web searcher away from a company website. Also problematic are cold email campaigns and poor customer website experiences (ibid.).

TABLE 2.5: ORIGINS, ELEMENTS AND CONSEQUENCES OF CULTURE

Inception of culture	Geography is a term that refers to the study of geography (for example, climate). History, technology, political economy, and social institutions are just a few of the subjects covered (for example, family, religion, school)
Components of culture	Language, conventions, legislation, prohibition, and technology are all examples of values, rituals, symbols, beliefs, and thought processes.
Outcome of culture	Consumption decisions & Behaviours, Leadership Style

For franchising systems to successfully expand in a country depends on its cultural “context” (Abizadeh, 2009). Franchisors must improve their understanding of the diverse cultural forces at work around the world to ensure success in international markets. Not all concepts will fit in a foreign culture lifestyle. For example, a well-known American bagel franchisor sold its rights to development in Lima, Peru, without realising that Peruvians did not eat breakfast (ibid.). Hence in the target market company, it is vital to know the factors of culture.

New trends in delivery methods could force franchises to use automated electric drones rather than vehicles driven by humans. In addition, franchises could use robots/humanoids to act as customer liaisons and security staff and new generation AI software used for customer profiling and to establish pay-point-less shops (Trim, 2002). These risks can be addressed by applying a more rigorous management discipline and integrity. Alternatively, a mission and vision will be required to successfully navigate an increasingly complex franchise business world. Employment is a critical factor for the well-being of the community of Walvis Bay as the impact of globalisation and economic conditions on individuals is vast. However, humans must advance their skills to become employable in challenging times. This requires franchises to “adapt their resources to changing demands to remain competitive”. In the changing world, many franchises and governments do not perceive employment as vital since it is expensive for the business long term; however, the most effective franchises recognise its importance and develop positive attributes.

In addition to the above, Survey (2018) revealed the most severe threats franchisors and franchisees would have to deal with in the world:

- Social instability
- Increase in tax burden
- Uncertain economic growth
- Technology (AI)
- Political uncertainty
- Cyber Threats
- Unemployment/retrenchment

In a country like Namibia with a small economy, it is difficult to overcome the above threats and, as such, requires suitable and developed franchisees that can use their experience to become effective and efficient business leaders that can take the lead in overcoming these difficulties and threats (Luvindao, 2019). The political system should be fair and stable (Mwinga, 2012). Franchisors are also doing everything possible to reduce costs and not put too much strain on the franchisee (Seibeb, 2015). Therefore, franchisors must become financially adept in cost-solving methods to ensure the franchisee can survive in tough business-challenging times. A further challenge is the development of local franchisors as the majority of franchise operations originate in South Africa. This is particularly evident in Walvis Bay, where this research investigation was located. In this respect, commentary by the Namibia Competition Commission (2017) that the potential of using franchising as a job creation strategy remains underutilised is justified.

2.5 Chapter Conclusion

In this chapter, the literature review addressed whether franchising as a business model is a strategy for job creation in the clothing sector. The discussion focused primarily on franchising, job creation and the mission and vision of franchising. Franchising may be an alternative for many entrepreneurs in Walvis Bay; however, most would be foreign franchisees. Franchising is known for long-term gains in terms of business and employment. However, the franchising system circumvents many of the issues that are sometimes encountered when beginning a business and

offers a far simpler path to self-employment and the attendant social respect (Dixon, 1991). A review of franchising cases was provided, indicating that franchising can bring skill sets to the community of Walvis Bay and be more competitive than other types of businesses. Furthermore, focusing on job creation allows for more employment, thus growing the economy. In order to build profitable franchise networks and thrive in the modern economy, franchising is crucial. Therefore, knowledge of factors affecting franchise, franchisee performance or the mission and vision could also help franchisors adopt supportive policies.

The next chapter describes the empirical research undertaken to investigate franchising as a strategy for job creation in Walvis Bay using a survey and questionnaire.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter details a description of the research methodology. The mixed methods research design will be discussed, along with the sampling strategy employed. The primary data collection methods used were a survey questionnaire and qualitative interviews. These methods will be described, and the data analysis approach will be presented. Strategies used to strengthen the validity of the research approach and ethical considerations taken will also be described. Finally, the limitation of the research will be discussed.

This study was interested in evaluating the capacity of franchising as a business model to contribute toward job creation. In the previous chapter, it was noted that limited empirical investigation into the potential economic contribution of franchising within the Namibia context had been undertaken. This study attempts to address this particular gap in the research and focuses specifically on the retail clothing sector in the Walvis Bay area. In addition, the study attempted to offer concrete strategies to link franchising to addressing unemployment rates in the Walvis Bay area.

3.2 Research Design and Methodology

The research approach used in the study is that of a mixed-method design. Kumar (2011) describes research design as how the answers to the research question will be found, the logical arrangement that one proposes to undertake, the measurement procedures, the sampling strategy, the frame of analysis and the time frame. Similarly, Boru (2018) suggests that the research design is a detailed plan and an overall strategic approach to data collection, analysing and description of data in research studies. Additionally, Newcastle (2019) opines that research methods outline the processes and techniques used in collecting and analysing data to uncover new knowledge or get a better understanding of a topic. While typically, research is categorised into either qualitative or quantitative research, a mixed-method design accommodates elements from both types of research (Creswell, 2014). Qualitative research relies on descriptive data, like interviews and allows the researcher to gather rich information from participants and carry this meaning into the study results (Welman, Kruger, & Mitchell, 2005). In contrast, quantitative research relies on numerical or statistical data (Schindler, 2011).

Key characteristics of quantitative research

Singh (2007) outlines some of the key characteristics associated with quantitative research. Firstly, the study is carefully designed before data collection commences with a clearly defined research question to which objective answers are sought. Data is gathered using structured research instruments, with researchers likely to use tools such as questionnaires or computer software to collect numerical data. Secondly, results are typically based on larger sample sizes representative of the population. Additionally, the study can be replicated and repeated and thus ensuring high reliability. Furthermore, this leads to research projects that seek to generalize concepts, predict future results, or investigate causal relationships. Finally, numerical results are often arranged in tables, charts, figures or other non-textual forms (Singh, 2007).

Table 3.1 below presents a summarised overview of the key characteristics that distinguish between the qualitative and quantitative research approaches.

TABLE 3.1: COMPARISON OF DISTINGUISHING FEATURES OF QUALITATIVE AND QUANTITATIVE RESEARCH

Criteria	Qualitative research	Quantitative research
Purpose	To comprehend and analyse	To investigate, assess, and analyse
Group studied	Small scale and not randomly nominated.	Large scale and randomly nominated.
Type of data collected	Words	Number and statistics
Form of data collected	Open-ended responses, interviews, and participant observations are examples of qualitative data.	Quantitative data collected with standardized and approved data gathering tools based on accurate measurements (closed-end responses)
Type of data analysis	Recognize patterns and themes in responses.	Recognize statistics

Sampling Type	Probability Methods (Purposive)	Non-probability Methods (Simple random)
Objectivity and subjectivity	The participants in the study may be aware of the researcher's prejudices. The researcher is aware of the characteristics of the participants.	The researcher is not biased toward the participants, and the individuals' characteristics are kept hidden from the researcher.
Position of researcher	Participants in the study may be aware of the researcher and their prejudices, and the researcher may be aware of the features of the participants.	Participants in the study are unaware of the researcher's prejudices, and the researcher is unaware of the features of the participants (double-blind studies)
Outcome	Findings that are more specific or specialized and are less generalizable.	Findings that can be applied to different populations are generalizable.
Scientific method	Descriptive	Descriptive and Inferential
Most common research objectives	Investigate, discover, and construct	Explain, describe, and forecast
Nature of observation	Investigate behaviour in a natural setting.	Investigate behaviour in a controlled environment and look for unintended consequences.
Nature of reality	Subjective; many realities	There is only one reality; objective
Final report	A narrative report featuring a conceptual description and direct quotes from study participants.	Correlations, mean comparisons, and statistical significance of data are included in this statistical report.

Source: Adapted from Schindler (2011)

3.2.1 Mixed-methods data research design

The research study used a combination of qualitative and quantitative data and can thus be described as a mixed-methods research design. The complex and diverse nature of the franchise business model made a mixed-method design more suitable for collecting qualitative and quantitative data to offer and evaluate insights. Additionally, Harwell's (2014) comments that researchers can improve the ability of research designs to better support the study by using quantitative, qualitative or mixed-methods research were accepted.

A mixed method research design can be defined as research that incorporates multiple methods to address research questions in an appropriate and principled manner. It involves the collection, analysis, interpretation and reporting of both qualitative and quantitative data (Bryman, 2012, Creswell, 2015 & Clark, 2011). These authors further note that a key value associated with mixed methods research design is that combining methodologies and using both qualitative and quantitative data provides enormous potential for understanding the nuances and contexts of social experience. Mixed method research can help the researcher produce a more complete picture and provides an opportunity for a more significant assortment of divergent or complementary views. This is particularly valuable as it can lead to extra reflection and enrich the researcher's understanding of a phenomenon (Clark, 2011).

3.3 Research Objectives

The research sought to achieve the following objectives:

1. Investigate perceptions of the franchising business model
2. Conduct a competitive market analysis
3. Develop a job creation strategy using franchising as a business model for the business sector in Walvis Bay

3.4 Research Questions

The research study attempted to address the following main research questions to address the above research objectives:

1. What are the main perceptions of franchising as a strategy for job creation in the Walvis Bay area?
2. What competitive advantage does franchising have as a job creation driver?
3. How can a franchising model be introduced as a job creation strategy in the Walvis Bay area?

Table 3.2 presents a summary of how the research objectives, research questions, and data collection strategies were aligned.

TABLE 3.2: ALIGNMENT OF RESEARCH OBJECTIVES, QUESTIONS AND DATA COLLECTION STRATEGIES

Research sub-questions	Research method(s)	Objectives
What are the main perceptions of franchising as a strategy for job creation in the Walvis Bay area?	Questionnaire survey Interviews	Investigate perceptions of the franchising business model.
What competitive advantage does franchising have as a job creation driver?	Questionnaire survey Interviews Report/Document Analysis	Conduct a competitive market analysis
How can a franchising model be introduced as a job creation strategy in the Walvis Bay area?	Questionnaire survey Interviews Reports/Documents Analysis	Develop a job creation strategy framework using franchising as a business model for the business sector in Walvis Bay.

3.5 Sampling

Sampling is the process of selecting a small number or sample from a larger group, the sampling population to serve as the foundation for estimating or forecasting the prevalence of an unknown fact, circumstance, or result with relation to the larger group. A sample is a subgroup of the population one is interested in (Kumar, 2011).

According to Schindler (2011), there are two major types of sampling: probability and non-probability. Probability sampling is associated with quantitative research and involves simple or more complex forms of random sampling (ibid.). Probability sampling ensures that individuals in the population have an equal chance of being included in the sample. Non-probability sampling is commonly used in qualitative research and involves several techniques such as convenience, purposive or snowball sampling (ibid.). Non-probability sampling can be advantageous to a researcher as the sampling method is it responsive to time pressures and places less financial strain on the researcher (Etikan, 2016).

In this study, due to the mixed-methods design, both probability and non-probability sampling was used. The sample for this study was drawn from a general population that included consumers, entrepreneurs, store managers and other business stakeholders in the broader Walvis Bay area.

In this research, a purposive sampling technique was used to select six participants who were interviewed as part of the study (Simkus, 2022). This type of sampling technique was selected as the study sought to elicit the views of those familiar with franchising within the Walvis Bay area and thus needed to target a specific group of people which knowledge about this phenomenon. The criterion used to purposively select the interview participants included adults over 18 years of age, having an understanding of the franchise business model, professional experience in either franchising, entrepreneurial interests, the banking sector or local municipality. Participants were selected based on their knowledge of franchise polices and operations. This sampling technique was deemed appropriate to understand, expand and strengthen the study conclusion.

Simple random sampling was used to recruit a total of 110 participants who completed the survey questionnaire of the study. This helped to ensure that the sample was representative of the general population of Walvis Bay in terms of demographic factors including, race, gender, age distribution and awareness of famous franchise brands in the retail sector.

3.6 Data Collection

According to Kabir (2016), data collection is collecting and analysing information from all relevant sources that seek to answer all research questions and evaluate the results to find a solution to the research problem. Data collection is a unique way of collecting information relevant to the research study. Thus, data collection is a process of gathering data that could be analysed into information to answer the research questions posted. The data collection instruments used in this study were a survey questionnaire and semi-structure interviews.

3.6.1 Survey Questionnaire

A survey questionnaire was used to collect quantitative data from the study participants. A survey questionnaire is defined as any text-based instrument that gives survey respondents a series of questions to answer or statements to respond to either by indicating a response, by marking a page, writing a number or checking a box on paper or online (Brown, 2001). Preston (2009) further notes that survey questionnaires are effective only when respondents have knowledge of the topic and are competent to answer the questions. Surveys help describe the characteristics of a large population, increasing knowledge and assessing individuals' thoughts, opinions and feelings (Straits, 2009).

A print-based, self-administrated questionnaire was used for the survey. This allowed the participants to complete the questionnaire without the researcher's assistance, but also ensured that completed questionnaires were immediately returned to the researcher. This helped to increase the response rate.

The questionnaire was composed of mainly close-ended questions and also used an attitudinal scale (Dwyer, 1993). The Likert scale used to design this questionnaire offers five different options from which respondents can choose. In the questionnaire used in this study, the ranked response for the Likert scale was (1) strongly disagree, (2) disagree, (3) indifferent, (4) agree and (5) strongly agree. This allowed for the easy operationalisation of personality traits and perceptions and was easier for participants to understand the questions posed. Participants answers could also be quantified and in this way ensured that objective and truthful answers were obtained.

The questionnaire is available in APPENDIX B: SURVEY QUESTIONNAIRE and consisted of 10 statements related to the degree to which participants felt franchising was an effective strategy for job creation.

3.6.2 Semi-structured Interviews

Interviews entail verbal dialogue between the researcher and the subject (Mathers, 2000). Interviews can be classified as structured, semi-structured, or unstructured, according to Fauvelle (2020). Structured interviews help evaluate candidates according to the qualifications needed for the job. This can be achieved by creating an evaluation system for the answers, such as a scale. Unstructured interviews are better suited for job interviews in which the interviewer spontaneously enquires about a candidate's skill set. This sort of interview does not have a set grading system; instead, the interviewer proceeds according to how effectively the candidates respond to the questions. In a semi-structured interview, the interviewer has some questions or themes they want to cover with the candidates but also has the freedom to ask additional questions. While the interviewer asks all candidates some of the same questions, this form of interview allows the conversation to be tailored to suit the particulars. Depending on the candidate's responses to questions, the interviewer has the option to explore different subjects. In this study, semi-structured interviews were used which enabled the researcher to probe interviewees for further explanations and discuss additional crucial matters that were relevant to the phenomenon under investigation. The interview guide used in this study is provided in APPENDIX C: INTERVIEW GUIDE.

3.7 Data Analysis

Data analysis is the process of collecting, modelling, and analysing data to extract relevant information that supports decision-making (Karin, 2022).

Survey

The survey questionnaires were coded in Microsoft Excel (see APPENDIX D: EXCEL CODING) and analysed in SPSS. The graphs used to present the data were completed using Microsoft Excel. Examples of the cross-tabulation results that show the relationship between the two variables across the research sample can be found in APPENDIX E: RESULTS FROM CROSS TABULATION – SEX VS THE TEN VARIABLES and APPENDIX F: RESULTS FROM CROSS TABULATION: PARTICIPANTS VS THE TEN VARIABLES. Cross tabulations were used to determine the relationship between biographical variables, i.e. sex (females and males) and the ten other variables. It was also used to describe participants (consumers and entrepreneurs) distribution across the ten other variables. Cross-tabulation is utilised as a technique for comparing two or more distribution variables. For statistical testing, tables are constructed. For relative comparisons, percentages are used for two reasons: to break down by minimising all numbers to

a span of 0 to 100 and, secondly, to translate the data into a standardised form, with a base of 100. Cronbach Alpha tests was used to establish the reliability of the Likert scale used in the survey questionnaire (Goforth, 2015). The Cronbach's Alpha measures how well a set of items (or variables) measures a single uni-dimensional latent construct. By using SPSS, the researcher was able to conduct relevant descriptive analyses. Results from the descriptive statistical analysis were presented using tables and graphs.

Interviews

All interviews were transcribed verbatim. The transcripts were coded using Excel (see APPENDIX G: QUALITATIVE CODING). Basic themes were devised from the codes and the findings based on interviewee responses were presented in Chapter 4.

3.8 Research Validity

The validity of an instrument is the degree to which an instrument measures what it is intended to measure (Hungler, 1993). The administration of the questionnaires and the interviews conducted were all completed by the researcher. The questions were formulated in simple language for clarity and ease of understanding. Clear instructions were given to the participants when completing the questionnaire, which was done in the presence of the researcher. This measure ensured that participants did not pass on the questionnaire to people who were not part of the research sample.

For this study, only construct and content validity will be clarified. Construct validity is the accumulation of evidence of causes, effects, settings and participants to support the interpretation of what a measure reflects (Reichardt, 2005). Content validity is the degree to which a test or assessment instrument evaluates all aspects of the topic, construct, or behaviour that it is designed to measure (Frost, 2022). This process compares the test against its goals and the theoretical properties of the construct. Researchers systematically determine whether each item contributes, and that no aspect is overlooked (Frost, 2022). The construct validation, on the other hand, should demonstrate that scores on a particular test do predict the theoretical trait it says it does (Ginty, 2013). Construct validation should be considered at the survey's planning stages as well as when the questionnaire is being developed.

TABLE 3.3: RELIABILITY TESTS FOR THE ROLE

Concepts	Cronbach Alpha coefficients	Internal Consistency
Factor 1 - Effectiveness of franchise as a strategy for job creation in Walvis Bay	0.636	Acceptable

In addition, reliability will be addressed in the analysis phase of the data. The reliability test (Cronbach's Alpha coefficient) was performed on the questions on a Likert scale that measured how much respondents agreed or disagreed with the views of each question.

The results would show the correlation between the respective items (statements) and the total sum score (without the respective item) and the internal consistency of the scale (coefficient alpha) if the respective item were to be deleted. If items are removed, the alpha increases. The scores for the statements in factor 1 are presented, and the factor "internal consistency" is acceptable. Even though 0.8 or greater indicates a very good level, the Cronbach Alpha value between 0.6 – 0.7 indicates an acceptable level of reliability (Hulin, 2001). While the sample size of the interview participants was relatively small, the principle of data saturation was achieved.

3.9 Research Ethics and Informed Consent

In addition to knowledge and diligence, research also calls for honesty and integrity. To acknowledge and defend the rights of participants this is done. To make the study ethical, the rights to informed consent, anonymity, and confidentiality were upheld (Showkat & Nayeem, 2017). Research ethics may be referred to as doing what is morally and legally right in research (Showkat, 2017). They define the norms for conduct for the researcher that distinguish between right and wrong and acceptable and unacceptable behaviour. Researchers need to act in an ethical way to avoid facing ethical dilemmas. The researcher is required to ensure that the rights and culture of participants should be respected and that the study does not pose any risks of harm to either the participants or the researcher.

The research should also be fair and inclusive, thus ensuring that no section of a community or population is deliberately left out. The principles of research ethics applied in this study are that the researcher obtained informed consent from participants knowingly and intelligently, giving

consent to participate in the research. Informed consent is related to the autonomous right of the individual to participate in the research. Participants' consent was obtained before they completed the questionnaires or attended the interviews. Grove (1993) defined informed consent as the perspective of participants' agreement to participate voluntarily in a study, which is reached after they fully understand the essential information about the study. In addition, participants were informed of their rights to consent or decline to participate voluntarily and their right to withdraw participation at any time without penalty.

The researcher ensured that participants' identities were protected and kept anonymous by not revealing their names or any specific information. Furthermore, the researcher protected any confidential information, such as personal records. Participants were asked to volunteer and therefore participated freely in the study. They were informed that they could withdraw from the study at any time without any consequences. Furthermore, the research reassured participants that they would not suffer any form of discrimination because of their participation or non-participation. The participants were allowed to give encouraging comments, and the researcher accepted constructive feedback.

Participants are guaranteed confidentiality when they agree that their information will not be used to personally identify them in any public reports (Hungler, 1993). By keeping the data acquired in this study private and not disclosing the participants' identities while reporting or publishing the study, confidentiality was maintained (Grove, 1993). The questionnaires did not contain any personal information, and they were not numbered until after the data had been gathered (Hungler, 1993). Throughout the study, anonymity and confidentiality were upheld. Anonymity is a situation in which subjects cannot be connected to their responses, not even by the researcher (Grove, 1993). By withholding the participant's identity from publication, anonymity was maintained in this study. The researcher acted with honesty and integrity and did not under-report or distort the research methodology findings. Furthermore, all agreements and promises were fulfilled in their dealings with participants, and no false expectations or promises were made. Finally, the researcher avoided bias in the data analysis and interpretation activities and reporting of the research findings.

Request to collect data at various companies was also sought. The access letter used can be found in APPENDIX H: ACCESS LETTER, while the permissions received can be viewed in APPENDIX I: GRANTED PERMISSIONS. These permissions also indicate that these companies agreed to disclose their company details either as part of the thesis or further publication that might derive from this research study. Interview participants were asked to complete a signed consent form, see APPENDIX A: PARTICIPANT INFORMED CONSENT FORM.

3.10 Limitations of the Research

The limitations experienced within this research study are threefold: Firstly, while the sample size was suitable, a higher participation rate, primarily defined within the prescripts of qualitative research, was expected. This might have resulted in better gender and ethnicity representation. Secondly, due to Covid-19, some franchise stores in the Walvis Bay area, like Queenspark and John Craig, were closed at the end of 2020 and the beginning of 2021. Finally, interview participants representing politicians, lawyers and economics withdrew their participation at the last minute due to schedule clashes and time constraints.

3.11 Chapter Summary

This chapter describes the research approach and design of this research investigation. A discussion of the mixed-methods research design was presented, and why this approach was selected was provided. The research objectives and research questions were presented along with a summary of how these aspects of the study design aligned with the data collection activities, as seen in Table 3.2. A review of the data collection and analysis methods used was also provided. A discussion of the strategies used to ensure validity was offered before a description of how the research applied the necessary ethical principles of confidentiality, anonymity and informed consent was provided. Finally, some of the limitations associated with this study were discussed. The findings of the data analysis activities will be presented in the next chapter.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter will present the findings related to the data analysis. The chapter is structured as follows; first, a brief overview of the participants will be presented before the survey results are discussed. Thereafter, the analysis of the interview data will be presented.

4.2 Overview Of The Participants

4.2.1 Survey participants

As discussed in Chapter 3, basic random sampling and purposive sampling techniques were used to select 110 participants who completed the survey questionnaire and six interview participants. In Table 4.1 below, a summary of the study sample who completed the survey is presented.

TABLE 4.1: SUMMARY OF THE STUDY SAMPLE

No.	Type of Study	Participants	Total number of participants	Intended Sample	Actual Sample	Sample Realisation
1	Quantitative	Consumers including Entrepreneurs	110	110	110	100%
2	Qualitative	Professionals	6	12	6	50%

The biographic characteristics of the study sample are discussed below. In Table 4.2, a summary of the frequency analysis that details the biographic profile of the respondents who completed the survey is presented. These respondents consisted primarily of consumers (96.4%), and 60% were male. Most respondents were classified as African (83.6%) and within the age bracket of 32-45 years old (combined total of 63.6%).

TABLE 4.2: FREQUENCY ANALYSIS OF THE RESEARCH SAMPLE

Variables	Categories	Frequency	Percentage out of total
Participants	Consumers	106	96.4%
	Entrepreneurs	4	3.6%
Gender	Female	44	40%
	Male	66	60%
Age	18 – 24 years	4	3.6%
	25 – 31 years	21	19.1%
	32 – 38 years	45	40.9%
	39 – 45 years	25	22.7%
	46 – 51 years	6	5.5%
	52 – 58 years	6	5.5%
	59 – 60 years	3	2.7%
Race	African	92	83.6%
	Mixed race	8	7.3%
	Indian	0	0%
	White	10	9.1%
	Other	0	0%

The above figures are graphically represented in the figures below. Figure 4.1 shows the gender distribution of the survey respondents, which indicated a 60:40% male-to-female ratio.

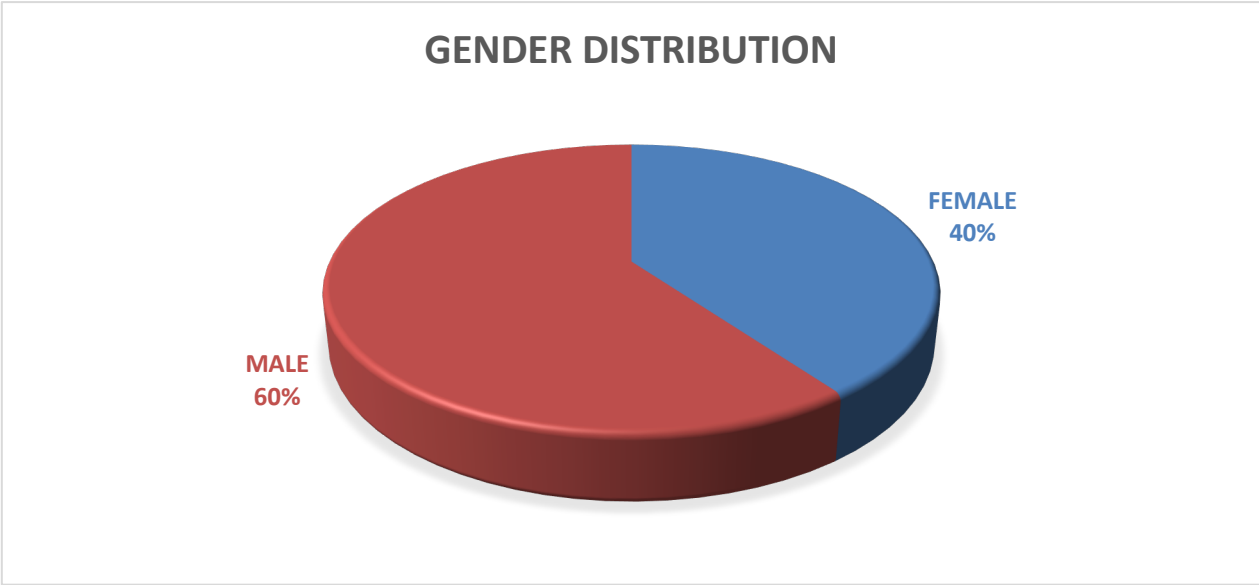


FIGURE 4.1: GENDER DISTRIBUTION OF PARTICIPANTS

The racial distribution of the sample is represented in Figure 4.2, which suggests that Africans constituted the majority of respondents at 83.6%, with White and Mixed-Race respondents accounting for 9.1% and 7.3%, respectively, of the total sample.

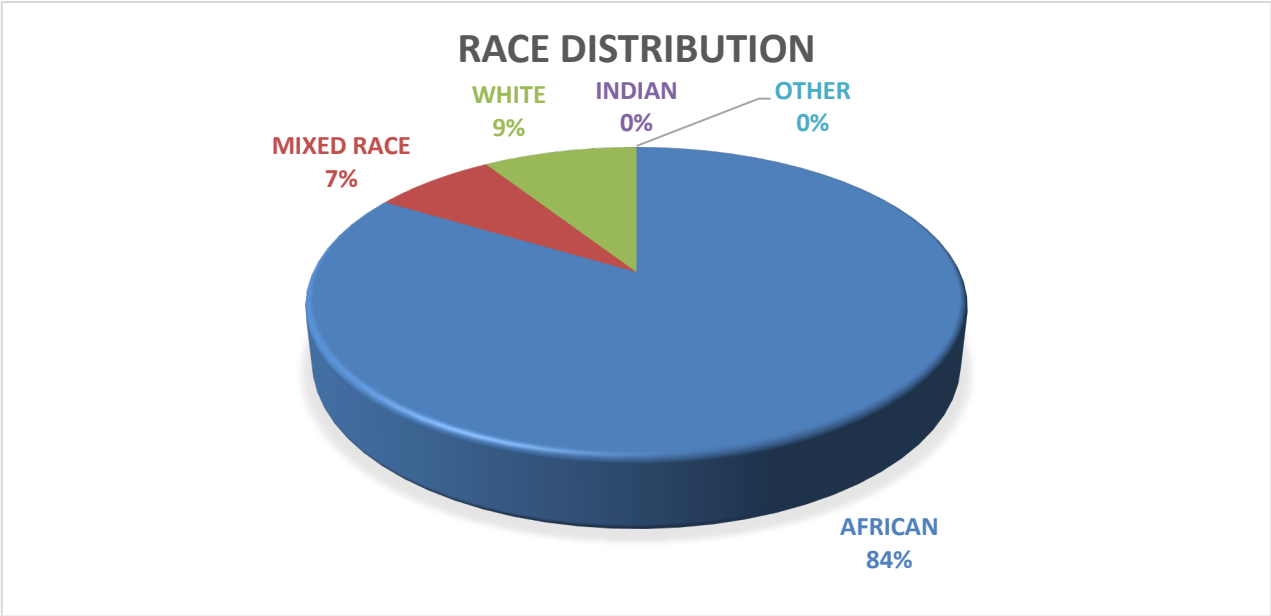


FIGURE 4.2: RACIAL DISTRIBUTION OF SURVEY RESPONDENTS

The age distribution is illustrated in Figure 4.3 and shows that 40.9% of the participants were in the age range of 32 – 38 years, and only 2.7% fell within the 59 – 60 age group.

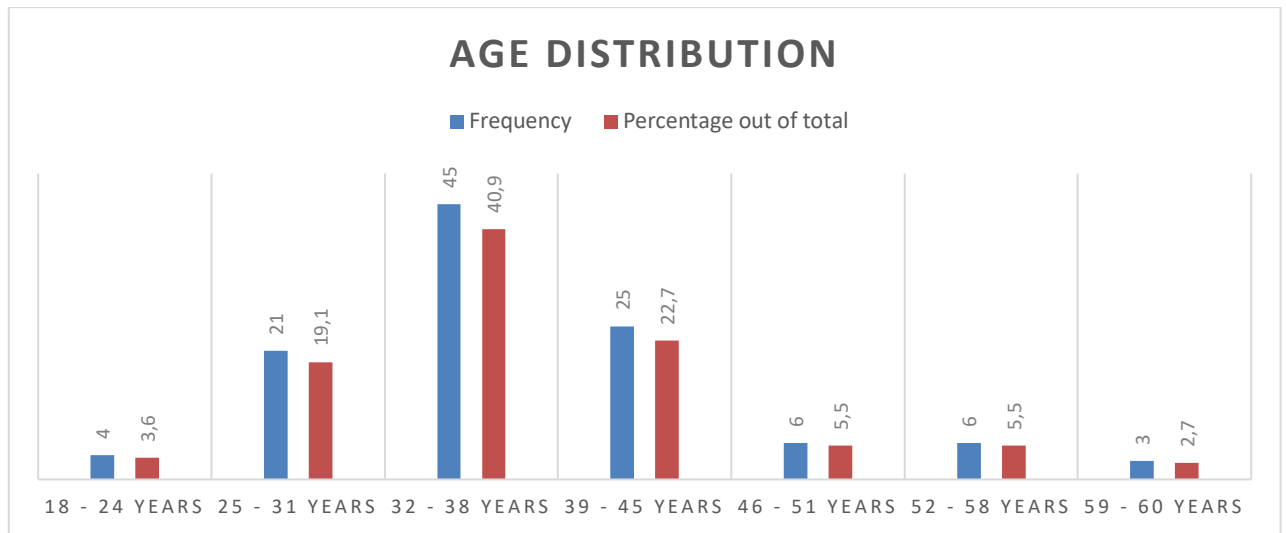


FIGURE 4.3: AGE DISTRIBUTION BAR GRAPH

Finally, Figure 4.4 indicates that the majority of the respondents (96.4%) self-identified as consumers, with only entrepreneurs making up only 3.6% of the total survey sample.

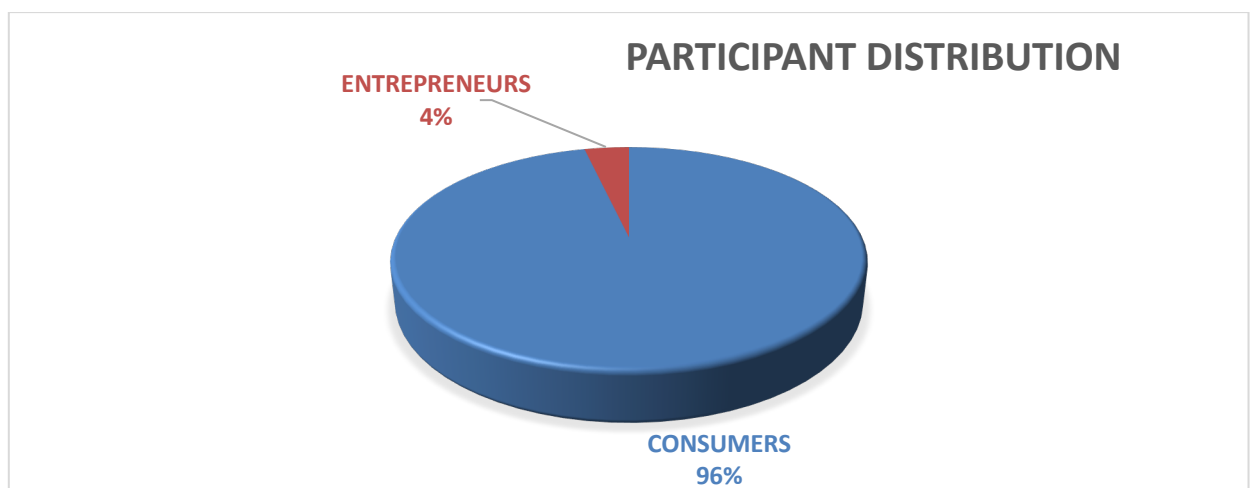


FIGURE 4.4: TYPE OF PARTICIPANTS

When cross-analysis of race, gender and type of respondents are considered, the following distributions are noted. Of the female respondents, 38.7% were Consumers, and 75% were Entrepreneurs; the distribution of male respondents was 61.3% Consumers and 25% Entrepreneurs (see Figure 4.5). Concerning racial categorisation, 84% of Consumers and 75% of Entrepreneurs were African, and 7.5% of Consumers were Mixed Race, with Whites accounting for 8.5% of Consumers and 25% of Entrepreneurs (see Figure 4.6).

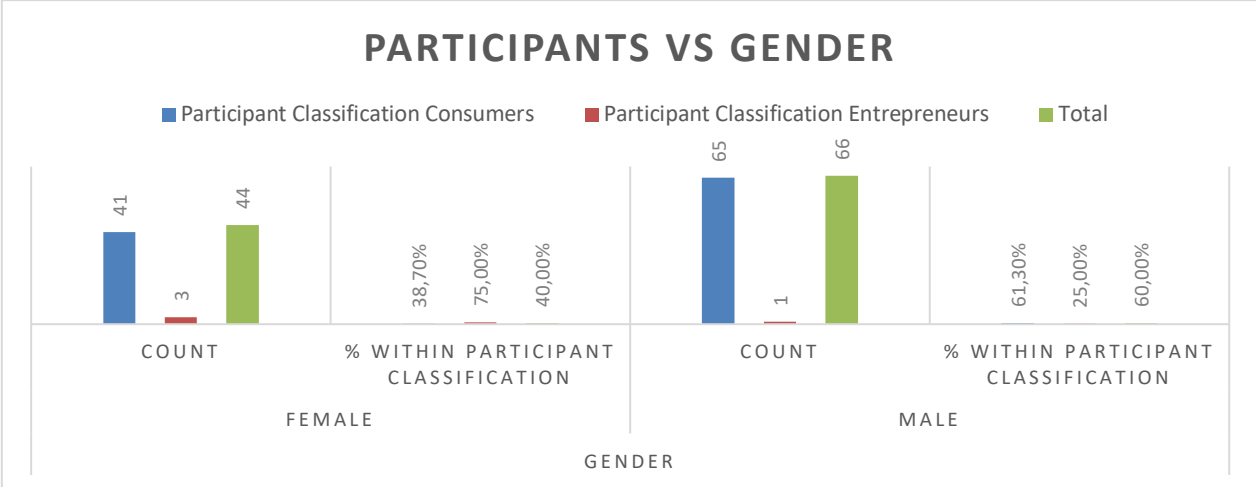


FIGURE 4.5: DISTRIBUTION ACROSS GENDER AND RESPONDENT TYPE

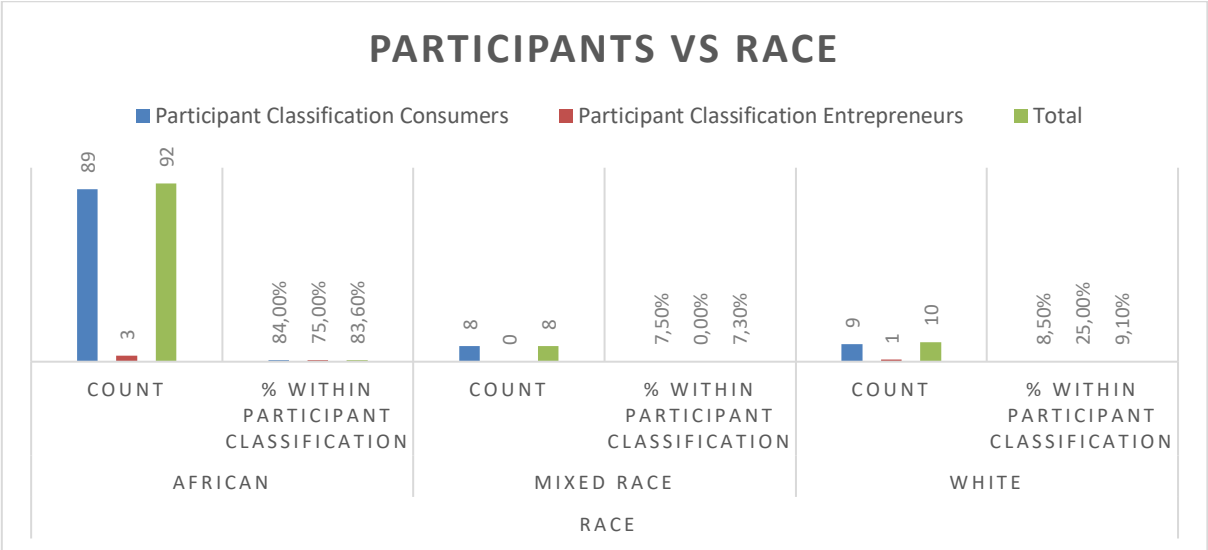


FIGURE 4.6: DISTRIBUTION ACROSS RACE AND RESPONDENT TYPE

4.2.2 Interview participants

Purposive sampling was used to recruit a total of six participants. Semi-structured interviews were conducted, a summary of the biographic profile of the participants is offered in Table 4.3.. The interview participants were mostly male (66.7%) and classified as African (50%). Women accounted for 33.3% of participants and 33.3% identified as Mixed Race, and 16.6% as White.

TABLE 4.3: BIOGRAPHIC PROFILE OF INTERVIEW PARTICIPANTS

Name of Participant	Race	Gender	Function
Participant 1	Mixed Race	Female	Store Manager
Participant 2	Mixed Race	Male	Supervisor
Participant 3	Black	Male	Store Manager
Participant 4	Black	Female	Communication Officer
Participant 5	White	Male	Director
Participant 6	Black	Male	Executive for Financial Services

4.3 Survey Results

The survey questionnaire consisted of 10 questions that sought to establish the perceptions of the franchise business model and its potential impact on job creation opportunities in the Walvis Bay area. The responses to these questions are presented below.

4.3.1 Question 1: Ease of starting a new franchise business in Walvis Bay

The responses to question 1, as shown in Table 4, indicated that most participants (44.6%) agree that starting a new franchise business in Walvis Bay is easy. Fewer participants (34.5%) were indifferent to the question, possibly indicating that there are aspects of a start-up process that are easy and difficult. The remaining 20.9% do not agree and believe that starting a franchise business in Walvis Bay is difficult.

TABLE 4.4: SURVEY QUESTION 1 RESPONSES

Question	Categories	Frequency	Percentage out of total
1. It is easy to start a new franchise business in Walvis Bay	Strongly disagree	3	2.7%
	Disagree	20	18.2%
	Indifferent	38	34.5%
	Agree	39	35.5%
	Strongly agree	10	9.1%

4.3.2 Question 2: Influence of franchise on job creation in Walvis Bay

An overwhelming majority, thus 84.5% of respondents, agree that franchises create jobs in Walvis Bay, as shown in Table 4.5. A relatively small number of participants were neutral (9.1%) or disagreed (6.37%) that franchises created jobs.

TABLE 4.5: SURVEY QUESTION 2 RESPONSES

Question	Categories	Frequency	Percentage out of total
2. Franchises are creating jobs in	Strongly disagree	3	2.73%

Walvis Bay	Disagree	4	3.64%
	Indifferent	10	9.1%
	Agree	58	52.7%
	Strongly agree	35	31.8%

4.3.3 Question 3: Effectiveness of job creation strategy effective

Table 4.6 suggests that more than half (52.7%) of the survey respondents agree that franchises create jobs in Walvis Bay. Almost the same percentage (40%) are neutral in their opinion, and the least (7.3%) strongly disagree about franchises creating jobs.

TABLE 4.6: SURVEY QUESTION 3 RESPONSES

Question	Categories	Frequency	Percentage out of total
3. The job creation strategy implemented is effective	Strongly disagree	2	1.8%
	Disagree	6	5.5%
	Indifferent	44	40%
	Agree	44	40%
	Strongly agree	14	12.7%

4.3.4 Growth of franchises

The results presented in Table 4.7 suggest that (13.6%) of the participants disagree that franchises grow faster than other types of businesses. Additionally, (27.3%) are indifferent, and most participants (59.1%) affirm respectively that franchises grow faster than other types of businesses.

TABLE 4.7: SURVEY QUESTION 4 RESPONSES

Question	Categories	Frequency	Percentage out of total
4. Franchises grow faster than other business types	Strongly disagree	2	1.8%
	Disagree	13	11.8%
	Indifferent	30	27.3%
	Agree	48	43.6%
	Strongly agree	17	15.5%

4.3.5 Advantages of the franchising business model in creating jobs

Table 4.8 indicate responses to whether franchising offers more advantages than other types of businesses do. The findings suggest that 9.1% of the participants perceive that franchising is not advantageous compared to other business types in creating jobs. 28.2% were indifferent. Nevertheless, 62.7% of the participants agree that franchising has more advantages than other types of businesses in creating jobs. This implies that most of the participants gave affirmative responses.

TABLE 4.8: SURVEY QUESTION 5 RESPONSES

Question	Categories	Frequency	Percentage out of total
5. Franchising has more advantages than other business types in creating jobs	Strongly disagree	3	2.7%
	Disagree	7	6.4%
	Indifferent	31	28.2%
	Agree	56	50.9%
	Strongly agree	13	11.8%

4.3.6 Question 6: Management skills and their benefit to franchisees

The other question the participants answered wanted to confirm if the franchisor imparts management skills which benefit franchisees in their operations. The results shown in Table 4.9 show that franchisors impart management skills by 1.8%, 3.6%, 17.3%, 54.5%, and 22.7% strongly disagreed, disagreed, were indifferent, agreed and strongly agreed respectively and benefit franchisees in their operation. The results show that the majority of the participants (77.2%) agree with the initial idea.

TABLE 4.9: SURVEY QUESTION 6 RESPONSES

Question	Categories	Frequency	Percentage out of total
6. The franchisor imparts management skills that benefit franchisees in their operations	Strongly disagree	2	1.8%
	Disagree	4	3.6%
	Indifferent	19	17.3%
	Agree	60	54.5%
	Strongly agree	25	22.7%

4.3.7 Question 7: Level of human development training programmes for entry-level employees

Table 4.10 summarizes the responses regarding a human development training programme for entry-level employees to obtain success in the franchise. The results show that most of the participants (73.6%) believe that franchises have a human development training programme for entry-level employees whereas (18.2%) are indifferent, and (8.2%) have an opposing view.

TABLE 4.10: SURVEY QUESTION 7 RESPONSES

Question	Categories	Frequency	Percentage out of total
7. The franchise has a human development training programme for entry-level employees to obtain success in the franchise	Strongly disagree	1	0.9%
	Disagree	8	7.3%
	Indifferent	20	18.2%
	Agree	54	49.1%
	Strongly agree	27	24.5%

4.3.8 Question 8. Qualification levels of franchise employees

Most participants (41.5%) agree that most franchise employees have no formal qualifications, as noted in Table 4.11. Almost the same percentage (39.1%) disagree about the statement, and a relatively small number of participants are indifferent (19.1%).

TABLE 4.11: SURVEY QUESTION 8 RESPONSES – NO QUALIFICATIONS

Question	Categories	Frequency	Percentage out of total
8. The majority of franchise employees have: No qualification	Strongly disagree	23	20.9%
	Disagree	20	18.2%
	Indifferent	21	19.1%
	Agree	30	27.3%
	Strongly agree	16	14.5%

TABLE 4.12: SURVEY QUESTION 8 RESPONSES – PRIMARY SCHOOL LEVEL

Question	Categories	Frequency	Percentage out of total
8. The majority of franchise employees have: Primary school level	Strongly disagree	15	13.6%
	Disagree	24	21.8%
	Indifferent	20	18.2%
	Agree	40	36.4%
	Strongly agree	11	10.0%

Most participants (46.4%) agree the majority of franchise employees have no qualifications. A similar percentage (35.4%) disagree, and a small number of are indifferent (18.2%).

Overwhelmingly, the majority (76.4%) of participants agree that most franchise employees have: a high school level (see Table 4.13). A relatively small number of participants are indifferent (13.6%) or disagree (10%) about the high school level.

TABLE 4.13: SURVEY QUESTION 8 RESPONSES – HIGH SCHOOL LEVEL

Question	Categories	Frequency	Percentage out of total
8. The majority of franchise employees have: High school level	Strongly disagree	6	5.5%
	Disagree	5	4.5%
	Indifferent	15	13.6%
	Agree	64	58.2%
	Strongly agree	20	18.2%

Respondents indicated that they perceived that the majority of franchise employees have: university or college degrees, as shown in Table 4.14. The findings show that 33.6%, 29.1% and 37.3% disagreed, were indifferent and agreed, respectively, that the majority of franchise employees have a university or college degree. The findings show that the majority of the participants agree with the initial idea.

TABLE 4.14: SURVEY QUESTION 8 RESPONSES - UNIVERSITY/COLLEGE DEGREE

Question	Categories	Frequency	Percentage out of total
8. The majority of franchise employees have: University/college degree	Strongly disagree	16	14.5%
	Disagree	21	19.1%
	Indifferent	32	29.1%
	Agree	34	30.9%
	Strongly agree	7	6.4%

4.3.9 Question 9: Role of financial institutions to boost franchise growth and create jobs in Walvis Bay

Table 4.15 show 69.1% agreed that franchisees prefer financial institutions' funds to boost franchise growth and create jobs in Walvis Bay compared to those who are neutral (26.4%) with a smaller number (4.5%) disagreeing.

TABLE 4.15: SURVEY QUESTION 9 RESPONSES

Question	Categories	Frequency	Percentage out of total
9. Franchisees prefer financial institutions funds to boost franchise growth and create jobs in Walvis Bay	Strongly disagree	3	2.7%
	Disagree	2	1.8%
	Indifferent	29	26.4%
	Agree	48	43.6%
	Strongly agree	28	25.5%

4.3.10 Question 10: Age and gender as critical factors when employing individuals for different positions

In response to the question if age and gender played a critical role in employing individuals, the results show 6.4% of the participants strongly disagreeing while 12.7% disagreed (Table 4.16). Additionally, 28.2% were indifferent, while 38.2% and 14.5% agreed and strongly agreed, respectively, with the statement. Most (52.7%) of the participants affirm that age and gender are considered critical factors when employing individuals.

TABLE 4.16: SURVEY QUESTION 10 RESPONSES

Variables	Categories	Frequency	Percentage out of total
10. Age and gender are considered critical factors when employing individuals for different positions	Strongly disagree	7	6.4%
	Disagree	14	12.7%
	Indifferent	31	28.2%
	Agree	42	38.2%
	Strongly agree	16	14.5%

4.4 Summary of Survey Results

This chapter gathered information that helped draw a profile of a typical franchise business in Walvis Bay. Questions that have been used in the questionnaire were based on the 5-point agreement-disagreement Likert format, varying from strong agreement to strong disagreement. Participants were asked to complete the questionnaire. The questionnaire consisted of questions regarding biographical information of the participants, information about the business and job creation of the franchise. The results from the questionnaire were analyzed and graphically displayed above. Below, the results of the interviews will be discussed.

4.5 Findings from Interviews

This section presents the findings from the analysis of the semi-structured interviews. The six interview participants were asked a set of nine questions. An overview of how the interview responses were analysed was previously discussed in Section 3.7.

4.5.1 What are the advantages and disadvantages of franchising in terms of job creation in Walvis Bay and Namibia?

In response to this question, many participants were able to identify various advantages linked to franchising and how they contributed to job creation. Interviewees mentioned that franchises when they became operational, they contribute to employment creation, as noted by Participants 1 and 4 below.

“So a franchise would be a great investment because you are bringing job creation, you bringing, in most cases adding value to the community so the municipal, what we usually do, especially with; we try to attract local investments and investors by basically getting into partnerships or will land allocation.” (Participant 4)

“Franchising is a good thing, in terms of employment. If you get an open vacancy in one of the other branches, we do promotions; we do transfers, so it’s a good thing for me. And its also promoting our staff, in a sense of at management level. When we promote, we make space for new employment.” (Participant 1)

Often when employees are promoted, new positions at the bottom of the organogram become vacant. Participants also spoke about training and development and how important it was for the franchise’s success. They mentioned getting support with staff development and training. Learning is something that comes with the job once employed; however, all employees must be trained and know what is required of them. A further distinct advantage was the support provided at the start-up stage, as noted by Participants 4 and 5 below.

“Well, the advantage would be as a business owner getting that support and starting up but rather just planting the franchise, your branding sorted out, you got certain regulations in which you set your shop, that already done for you and you also have the community and assistance from the main company.” (Participant 4)

“In addition, the package usually comes with bookkeeping, administrative, human resource function included so that the entrepreneur can buy into that know-how or that technology and literally get their business up and running straight away.” (Participant 5)

Additionally, the business owners get support from the franchisor. The franchisee provides the guidelines and specific regulations on setting up the store, making this process easier for the franchisee and their staff.

The participants mentioned how franchises contribute to the community and development. They added that such businesses add value to the community when the area is developed and is thus able to attract local investments, which in turn boosts economic development. This is particularly important for the municipality, as described by Participant 4 below. There were suggestions that the municipality could help facilitate the promotion of such businesses and attract investors through the allocation of favourable land for such investments as land allocation and location are essential to the business. It is important where the business is allocated and must be in a busy area.

“One of the things the Municipal Council is looking for is investments in Walvis Bay, so a franchise would be a great investment because you bringing job creation, you bringing, in most cases you adding value to the community so the Municipal, what we usually do, especially with; we try to attract local investments and investors by basically getting into partnerships or will land allocation. When an organization, a franchise company comes, and they want to establish a place, they're identified a site; they make a submission to the council, the council considers it and looks at okay, what are they trying to achieve, how does this benefit the people of Walvis Bay? So we try to facilitate that process, to see where we can sort of boost economic development for our people and at the same time also ensure that you know we are also adding value; that the franchise would add value. So those are the main ways that we actually trying to facilitate that to encourage.” (Participant 4)

Many of the franchises in Namibia are brands from South Africa, and these are established brands which makes it easier for local franchisees to promote and advertise their business. As noted by Participant 4 above, branding and advertising are standard components of a franchise agreement.

“Ok, a franchisor normally has a proven business model and that business model can generally be easily transplanted or transferred to somebody else, transplanted in another location.” (Participant 5)

The location of Walvis Bay was also seen as an important aspect that could encourage franchising as a business model; as Participant 4 notes, when they say,

“So I think that is a very huge one and especially in a place for example like Walvis Bay, we linked to the port, things for example importing your product and all that, it comes at an advantage.” (Participant 4)

Interviewees were, however, able to highlight some of the clear disadvantages associated with the franchise business model.

Lack of decision-making by franchisees and staff members

“So it's difficult as the owner of the franchise here. You might struggle with the ability to make your own decisions about what happens in the business. And you have to follow suit with whatever is happening or is it sorted from the Master Franchise or the owner regardless of whether you agree with the decisions or not.” (Participant 6)

Many franchise owners are not Namibian, and the brands do not reflect the Namibia context.

“Moving on to the disadvantages, obviously having a brand that its origins, are not sort of Namibian so to speak, for example, coming from South Africa that brand ultimately does uhm, it supports South Africa more than it does Namibia. Yes, of course, the local market will get it to participate in it, but in terms of where the products are created, where they are coming from, the type of uhm branding that your branding messages, all of these things tend to have more with South Africa feel, so that might not always make things as relate-able to Namibia and uhm I mean in some cases, what you, yes.” (Participant 4)

“We got a lot of South African franchises in Namibia but let's face it, South Africa and Namibia are two very different markets. It's not a copy-and-paste situation.” (Participant 6)

Dealing with legal implications

“So there are some drawbacks to franchises that need to be considered very carefully and also to be seen the legal implications for it; you know uhm you don't want to be in a situation where as a franchise you put in all the money and at the end of the day, you end up paying it all away in royalties and there's no investment from the Master Franchisor so all of those things I think are critical things to consider before entering into a franchise.” (Participant 6)

Small market in Namibia thus potential high failure rate

“The disadvantages is that in a country like Namibia, where the population is rather small, the feet aren't always there so I have seen very few franchisees succeeding in the country; I've seen many failures and of course, the cost implications are also there. So if your start-up costs are high, that means you need to get the turnover to recover that investment and with a low volume in Namibia, it does become a

problem. I've seen many sad stories where people have borrowed to set up a franchise, only to be disappointed and then lumbered with huge debt which often has resulted in those who have provided the guarantee having to carry the can or shield the responsibility." (Participant 5)

"I think one of the disadvantages tends to be that uhm, we've got very few if any uhm maybe now, I think we might have few Master Franchise holders in Namibia but I think most of the franchise owners are usually foreign, but I think that tends to have a negative impact sometimes because they not in touch with the market so they don't know what exactly the market is like local; what the needs of the market are, the needs of the labour force is and I think if you dealing with somebody who is making decisions that are removed from what's the real happenings on the ground, you might have some challenges there around labour relations around uhm sometimes the loyalty, payments that need to be paid can be a bit predatory, so I think that is another concern with franchises." (Participant 6)

Unemployment and growth

"If you look to the economic crisis at the current stage, with many retrenchments of the mines, including COVID-19, it has a negative impact on the growth; it's a challenge. This was not part of our plan and have to deal with it." (Participant 3)

Below is the SWOT analysis for question 1.1

Table 1	Strengths	Opportunities	Weaknesses	Threats
Final coding framework	Initial coding framework			
Location and Land (Positioning)	Harbour Importing products	Harbour Good for importing		
Brand	Training & Support Sustained period Setup Setting up the business Established branding sorted Package Regulations Proven business model Transplanted or transferred	Learn Training Trained employees Eligible for promotion		Having a brand that originates in South Africa and not Namibia means that greater support given to South Africa than Namibia. Economic downturn Negative impact on the growth of franchises

<p>Investors and Franchisors</p>	<p>Sustainable business</p> <p>Poor trading conditions</p> <p>Municipal Council encourages and promotes investments</p> <p>Significant investment</p> <p>Create jobs</p> <p>Adds value to the community</p> <p>Land is allocated</p> <p>Municipality tries to facilitate</p> <p>New franchises</p> <p>Boost economic development</p> <p>Offering land at a lower price</p> <p>Depending on the proposal</p>	<p>Municipal facilitates new franchises</p> <p>Municipality encourages and promotes investment</p> <p>Job transfers are encouraged</p> <p>Employees are promoted</p> <p>Positions at the bottom become vacant.</p>	<p>Most franchisors are South African</p> <p>Not all Master franchisors provide the same amount of support</p> <p>Nor pass on enough knowledge</p> <p>Crucial to understand the legal implications</p> <p>Confidence in sustainability</p> <p>Despite initial low turnover</p>	<p>Very few franchises have succeeded in Namibia</p> <p>Many failures have been observed</p> <p>Cost implications</p> <p>People have borrowed funds to set up a franchise</p> <p>Disappointed</p> <p>Saddled with enormous debt when business fails</p> <p>Few master Franchise holders in Namibia</p> <p>Most Franchise owners are foreign</p> <p>Negative impact</p> <p>Foreign franchise owners are not in touch with the market.</p> <p>Market needs</p> <p>Needs of the labour force</p> <p>Challenges around labour relations</p> <p>Challenges around labour loyalty</p>
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				<p>Challenges around payments</p> <p>Decision making which lead to drawbacks in the franchise</p> <p>Agreement</p> <p>Those who provided debt guarantee have to carry the responsibility if the franchise fails</p> <p>The expertise of the Franchisee is hindered</p> <p>Whether one agrees with the decision or not</p> <p>Fits the environment</p> <p>Fit for purpose</p>
Population			<p>Job creation is stunted</p> <p>Local staff members</p> <p>Do not make a decision</p> <p>The South Africa population much larger than in Namibia</p> <p>Not a copy-and-paste issue</p>	<p>Namibia's small population</p> <p>Namibia's buying power is low</p> <p>Current economic crisis</p> <p>Many retrenchments</p> <p>Occurring at the mines</p> <p>Reduced buying power</p> <p>The negative impact of Covid-19</p> <p>Cost implications</p>

4.5.2 What competitive advantage does franchising have?

In response to this question, many participants were able to identify the competitive advantage that a franchise has.

Some interviewees were keen to suggest that participants perceived franchising packages as offering a distinct advantage, especially when setting up a business.

“The fact that you get support to setup, like to train your employees, to help manage or put processes in mind, in place, help run your business, getting that support from what you call it, your franchisee and franchisor, really helps a lot.” (Participant 4)

“The franchisor provides that sort of complete ready package just to get going. So there are certain advantages in the business model, especially for those I find who are more mature in age. Let's say they've worked in the public sector or they worked in corporate world or they've been an employee of somebody, have accumulated some savings, they've always had a yearning to go on their own, they've always had that desire, and then they finally yield to the entrepreneurial pool. So its generally considered lower risk in the sense that you then buy and bottle everything that comes with it and you can get going; you don't have to pay what we call “school fees”, the cost of actually having made incorrect decisions.” (Participant 5)

“I've seen some instances, to help you get up and running, they can provide support in the way of systems, billing systems, integrated power point of sale systems that could help the business really move it to the next level from the get-go, there's support that can be provided as far as marketing and advertising champion.” (Participant 6)

Interviewees pointed out that franchising represented better product prices when compared to other business types.

“Franchises buy on a bigger scale, the bigger or more items you buy, the better discount you get. At the end of the day, the franchises prices will be better off compared to competitors.” (Participant 3)

“Looking at our current climate, usually products that come from, created in South Africa that compare to Namibia tend to be seen as lower in price, so they more affordable.” (Participant 4)

Established market and proven and stabilized business model

“Well, definitely an already established brand, an already established business model.” (Participant 4)

“Well, as I said in the response to the first question, is generally a proven business model so the franchisor or the initial entrepreneur who starts that business will have learned and corrected as they went along over the years until they got the model working well and yielding the desired outcomes in terms of profitability, service delivery, product quality, service quality and so forth.” (Participant 5)

Support

“Its better support, stabilized and are already on our feet.” (Participant 1)

“The fact that you get support to setup, like to train your employees, to help manage or put processes in mind, in place, help run your business, getting that support from what you call it, your franchisee and franchisor, really helps a lot.” (Participant 4)

“I think obviously from a advise and mentoring perspective; there's a lot of support that can be provided from a mentorship agreement where it could send a resource was signed to the franchisor for three months, six months, I've seen some instances, to help you get up and running, they can provide support in the way of systems, billing systems, integrated power point of sale systems that could help the business really move it to the next level from the get-go, there's support that can be provided as far as marketing and advertising champion.” (Participant 6)

Analysing and Risks

“So it's generally considered lower risk in the sense that you then buy and bottle everything that comes with it and you can get going; you don't have to pay what we call “school fees”, the cost of actually having made incorrect decisions or so on.” (Participant 5)

“You know that the business has a better likelihood of success then it would otherwise and then you got all this access to tried and tested products, its not new products that are off the or that are coming out of development that you testing for the first time. (Participant 6)

Rules and regulations

“No look, there's no legislation, there's no franchise association, but I mean Namibia has like Zambia, Zimbabwe and you know other countries, Angola, Botswana. They have laws that regulate how businesses operate, so there is a degree of protection for consumers, for entrepreneurs and so on. There's regulations, bank regulations and so on. So while say, might not be something specific for franchises, it doesn't pose any major challenge, usually there, when a legal dispute comes about, it's usually between the franchisor and the franchisee.” (Participant 5)

Below in s the SWOT analysis for question 1.2

Table 2	Strengths	Opportunities	Weaknesses	Threats
Final coding framework	Initial coding framework			
Established market	<p>Franchises are stabilised</p> <p>Clear idea how the business operates</p> <p>Already established brand</p> <p>Already established business model</p> <p>No need to spend money on Architects.</p> <p>Plan/setup includes specifications</p> <p>This negates the need for getting consultants.</p> <p>SADC countries have laws that regulate how businesses operate.</p> <p>So, there is a degree of protection for Consumers and Franchisees.</p>			<p>The Namibian market is relatively small</p> <p>Population of about 2.5million</p> <p>Population is widely dispersed around the country</p> <p>Population concentration in places like Windhoek, Walvis Bay and Swakopmund</p>
Franchising packages	<p>Support from Franchisors to Franchisees</p> <p>Franchisee gets support from the Franchisor</p>			

	<p>Franchisor shows Franchisee how to set up the franchise.</p> <p>Franchisee has to train the employees.</p> <p>Different support can be provided.</p> <p>Resources are signed.</p> <p>Advertising is done for the franchise.</p> <p>Support assurance is there.</p> <p>Training packages for employees and franchisees.</p> <p>Franchisors provide visibility studies.</p> <p>The Franchisor will help manage the franchise.</p>			
Risks	<p>Tried and tested products</p> <p>Products are known in the market</p> <p>Franchises have a proven business model</p> <p>Franchisor will have learnt and corrected with time.</p> <p>Matured entrepreneurs have accumulated savings.</p> <p>Entrepreneurs can yield to the entrepreneurial pool.</p>			<p>The country has 14 regions</p> <p>The Northern region's population density is greater than the remainder of the country</p> <p>Northern population widely dispersed in villages.</p> <p>Franchises like Spur seem to be holding their own, but the rest are struggling.</p> <p>Risk of franchise failing.</p> <p>Franchisor asked to be lenient</p>

	<p>Lower risk when a ready package is purchased</p> <p>Cost of having made incorrect decisions is reduced.</p> <p>Namibian (employed) population concentration is in places like Windhoek and at the coast, Walvis Bay and Swakopmund.</p>			<p>If negotiations do not work, they look for an exit arrangement.</p> <p>SADC countries have no legislation and no franchise association.</p>
Better prices / Negotiations	<p>Franchises buy or stock up on large scales</p> <p>Better discount for franchises</p> <p>Lower franchise prices</p> <p>Most franchises come from South Africa.</p> <p>South African products tend to be power in price and more affordable.</p>			<p>Landlords are asked to reduce the rental rate</p>

4.5.3 Are existing franchises growing rapidly, and are they a threat to new franchise competitors entering the market?

In response to this question, many participants were able to identify the competitive advantage that a franchise has. Factors contributing to existing franchising growing rapidly and whether existing franchises are a threat to new franchises were discussed by participants. Half of the interview participants suggested that franchise businesses were experiencing rapid growth.

Half of the interviewees agreed that franchises are growing rapidly

“Yes” (participant 1)

“Yes, they’re growing.” (Participant 3)

“Yes, definitely.” (Participant 4)

In response to this question, many participants were able to identify the competitive advantage that a franchise has. Participants raised some of competitive advantages associated with franchising.

Half of the interviewees agreed and disagreed that existing franchises are and are not a threat to new franchise competitors entering the market.

“Yes, there is a threat to someone starting up, but they also doing their research at the end of the day, to help them grow also.” (Participant 1)

“No, I don’t see a threat for that.” (Participant 2)

“Yes, they are a threat.” (Participant 3)

“So to some extent, yes, but on the flip side as well, you used to that shop, you’ve built relationships with the tellers or the manager and all of that. Like some customers, that it might not necessarily be such a big deal, so I suppose partly, yes.” (Participant 4)

“No” (Participant 5)

“...I don’t believe that existing franchises are a threat or that they view new franchises as a threat, I think possibly when the economy recovers, ... [we] might see a change ... but I think for now ... there’s [no] such concerns.” (Participant 6)

Below in s the SWOT analysis for question 1.3

Table 2	Strengths	Opportunities	Weaknesses	Threats
Final coding framework	Initial coding framework			
Franchises growing rapidly	<p>Franchises are familiar to people</p> <p>The word will spread a lot faster</p> <p>Competitive advantage</p> <p>Well established</p>	<p>Franchises are familiar to people</p> <p>Franchises are growing rapidly.</p> <p>Franchises are growing</p> <p>More products at a lower price</p> <p>Other forms of businesses</p>	<p>No major growth seen</p> <p>No significant growth</p> <p>Franchise growth</p>	<p>South African franchisors dominate the market</p>
Existing Franchises	<p>Pizza Inn from Zimbabwe</p> <p>Linked with a fuel retailer.</p> <p>Existing franchises are not a threat.</p> <p>Financial institutions would rather lend to existing businesses</p> <p>Proven, tried and tested products</p> <p>Easier to decide</p> <p>Franchises from South Africa</p> <p>Mugg & Bean</p>		<p>Only two Franchises around Windhoek seem to make quite an impact</p> <p>Spur group</p> <p>Dros</p> <p>Not just franchises struggling</p> <p>Businesses in general</p>	<p>Prices</p> <p>Wages</p> <p>Yes</p> <p>Existing franchises are a threat.</p> <p>Easy to monopolise one area</p>

	<p>Dros</p> <p>Spur</p> <p>Ocean Basket</p> <p>Panarottis</p> <p>Cape Fish Market</p> <p>John Dory</p> <p>OK Food</p> <p>Spar</p> <p>Tyre ones</p> <p>Autoparts</p> <p>Queenspark</p> <p>John Craig</p> <p>Pick n Pay</p> <p>Shoe City</p>			
Market		<p>Moves are being made to make Namibia a business-friendly climate.</p> <p>NIPDB was recently established</p>	<p>Namibia has a population of 2.7/2.8 million</p> <p>Majority of people are located in rural areas</p> <p>800,000 / 900,000 people in the urban areas</p>	<p>Namibia is not a business-friendly climate</p> <p>Current market</p> <p>Current economy</p> <p>Drought</p>

		NIPDB has to create a more business-friendly conducive environment.	<p>Urban areas</p> <p>Not that big</p> <p>Namibia's government is not business-friendly</p> <p>No big market for new franchises</p> <p>Namibian government</p> <p>Not created a conducive environment</p> <p>Entrepreneurs to thrive</p>	<p>Economy in recession</p> <p>Covid-19</p>
New franchise competitors	<p>New franchises not a threat</p> <p>Financial institutions are more reluctant</p> <p>Lend to new businesses</p> <p>New franchises might struggle to get lending</p>		<p>Not many new ventures</p> <p>Not many people looking to start up new franchises</p> <p>Do not see new franchises starting up.</p>	Fill missing gaps

4.5.4 How is franchising different from other forms of business when it comes to employment creation?

In response to this question, many participants were able to identify the competitive advantage that a franchise has. Participants shared how franchising is different compared with other types of business in terms of employment creation.

Qualifications and interviews

“They take qualifications for three years and above. You just go for the interview. Mostly, they are taking it internally.” (Participant 2)

“Whereas the franchise business model would normally say we want people who have this qualification, who meet these criteria’s and so on.” (Participants 5)

Training and development

“From there, we train you so that you can know what to do and what the procedures are. The company provides us with emails, we have our SOP (Standard Operating Procedures), what trainings to give for new employment, and we have basically all the training on the systems. I just take the training for new employment, and there’s stages or steps that I follow, and we go over those steps.” (Participant 1)

“Yes, we get training.” (Participant 2)

Employment

“Because there is a lot of people, like I said it’s almost like the first question, there’s a lot of space, job creation in franchise and on a daily and monthly basis ne, because some people are getting other jobs and move out and then we can employ, the more we can employ, the more people we can train, the better for us and Namibia.” (Participant 1)

“Creating like employed people. So they promote internally and the new employees start at the bottom.” (Participant 2)

“Well, its probably no different when it comes to employment creation except that the franchisors, their model would normally look for individuals who are the right people or suited for the job, whereas an entrepreneur starting a business might be tempered to employ unemployed family members and friends and so forth. (Participant 5)

“I think to a large extend franchises are very good for employment, I think they are able to create employment very quickly if you compare setting up a franchise to

setting up brand new venture, green field venture, I think a franchise stand a better chance of success, so the possibility for more long term sustainable employment uhm is better I believe with a franchise than it is with a brand new venture, so I think there's a lot of positives to franchises as far as employment is concerned.” (Participant 6)

Franchise policy and procedures

“Our company has a policy, for example, you must have Grade 12; at least you must read and write and understand English proper so that I can communicate with you.” (Participant 1)

“Where as franchises, the rules of the game will be more clear, and they're probably more protection for employees and safety and health in the work place, protective clothing and things like that.” (Participant 5)

Franchises vs other types of businesses

“Franchise it normally operate by, we have the structure and within the structures are different departments that is running the operation. In franchise, you have like IR department, which is running the employment issues, related issues. You have finance department which is running the finances. That is in a franchise. What they also do is, in franchises you try to have the same level of treatment. But going other side, for a Sole Trader, he does everything; he employ, recommend the salary, everything it's his, only it's him.” (Participant 3)

“So a franchise definitely I think it would, franchises are considered to be more - they – what the word I'm trying to say – I'm trying to say that yes they do tend to create more employment, I think because the brand is well known. Yes, compare to somebody who just starts up something now. So yes.” (Participant 4)

“Well, it's probably no different when it comes to employment creation except that the franchisors, their model would normally look for individuals who are the right people or suited for the job, whereas an entrepreneur starting a business might be tempered to employ unemployed family members and friends and so forth. Whereas the franchise business model would normally say we want people who have this qualification, who meet these criteria and so on. so you probably find the staffing numbers, the ratios would be more realistic in a franchise business where they say for that size of operation, you gonna need ten people whereas if a civil business starts up you might end up with fifteen people. Franchisors would generally not compromise; they would say this is how it's going to be, and that's it. Whereas you know if it's an entrepreneur who just starting their business, they might start cutting corners.” (Participant 5)

“I think a franchise stand a better chance of success so the possibility for more long-term sustainable employment uhm is better I believe with a franchise than it is with a brand new venture, so I think there's a lot of positives to franchises as far as employment is concerned.” (Participant 6)

Decision Maker

“I think franchises are different because very often you sit in a situation where ultimately the decision maker can be like I mentioned earlier, quite far removed from what the reality on the ground is, and I think that could cause some challenges from an employment perspective uhm, so you sitting with that as a challenge.” (Participant 6)

Health and Safety

“Where as franchises, the rules of the game will be more clear, and they’re probably more protection for employees and safety and health in the work place, protective clothing and things like that.” (Participant 5)

Below is the SWOT analysis for question 2.1

Table 2	Strengths	Opportunities	Weaknesses	Threats
Final coding framework	Initial coding framework			
Employment	<p>Franchises have an organogram</p> <p>Different departments</p> <p>HR department</p> <p>Recruitment & employee issues</p> <p>Finance Department</p> <p>Same level of treatment</p> <p>Employees are provided with emails</p> <p>Communication made easier</p> <p>Training</p> <p>Provided with SOPs</p> <p>Decent employment</p> <p>Long-term sustainable employment</p> <p>No differences in employment creation</p>	<p>Franchises stimulate employment.</p> <p>Job creation</p> <p>Daily or monthly</p>		

	<p>Franchises look for individuals who are right</p> <p>Suited for the job</p> <p>Franchises want people with qualifications</p> <p>Meet the criteria</p> <p>Little stricter in that sense</p> <p>Franchise staff ratios are more realistic</p> <p>All staff are trained</p> <p>Mainly promote internally</p> <p>New employees started at the bottom</p> <p>Improves the community skills</p> <p>Do not consider gender or age when employing.</p> <p>Consider qualifications and 3 years or more of experience</p> <p>All suitable candidates attend an interview.</p>			
Franchise Establishment	<p>Franchises stand a better chance of success</p> <p>Franchises are solid</p>			

	<p>Trust established businesses</p> <p>Stable</p> <p>Guaranteed security</p> <p>Not fail overnight</p>			
Franchise policies and Procedures	<p>Emails</p> <p>SOPs</p> <p>All trainings are on the system</p> <p>Have policies</p> <p>Be able to read, write and understand English</p> <p>Procedures</p> <p>Franchise rules are clear</p> <p>More protection for employees</p>			<p>Franchisors can be far-removed</p> <p>Reality on the ground</p> <p>Challenges</p>
HSE	<p>Safety and health</p> <p>Protective clothing</p> <p>Franchises do not compromise</p>		<p>Entrepreneurs might start cutting corners</p> <p>Compromise</p>	

Table 4 – Weaknesses	
Final coding framework	Initial coding framework
Other forms of business - Employment	<ul style="list-style-type: none"> • Long-term sustainable employment is not guaranteed in most informal businesses. • Entrepreneurs might employ unemployed family members and friends. • Staff members are not realistic • Over employ at times • Creating more jobs • Business under strain • Employees not paid regularly • Not paid on time • Salaries are cut
Other forms of business - Establishment	<ul style="list-style-type: none"> • Sole Trader does everything • General operations • Finances • Dealing with issues • Employment needs • Recommending salaries

	<ul style="list-style-type: none">• Can fail overnight• Not solid
Other forms of business - Policies and Procedures	<ul style="list-style-type: none">• Do not have to attend an interview• No paperwork

4.5.5 What are the obstacles faced in franchising that hinder the business from exploiting or dominating the market?

In response to this question, many participants were able to identify the competitive advantage that a franchise has. An overview of obstacles faced in franchising that hinder the business from exploiting or dominating the market was raised by participants. Interviewees were, however, able to highlight some obstacles faced in franchising that hinder the business from exploiting or dominating the market.

Prices and current conditions

“Maybe the price range. They are in between. But compare to other stores, they are more than the others.” (Participant 2)

“One of the things is the prices. Price is a big challenge. Unfortunately, you cannot be cheapest on every item.” (Participant 3)

“Well, I mean now in the current sort of economic climate, ok if you look in context with like example COVID because there’s been lockdowns, uhm the transport industry has been affected so products are not arriving as fast as they used to for a franchise so that might hinder the way which they currently operating because you know you won’t get your products on time at the right with fashion.” (Participant 4)

Logistics

“The borders are backed up; obviously, it hinders that right.” (Participant 4)

Funding (financing)

“I think another one can be financing because I think franchises are not easy or cheap to buy into.” (Participant 6)

Competition

“We also need shoes everyday on our feet, uhm so the competition will be a little bit tough, you see.” (Participant 1)

No franchise law in Namibia

“I think at the moment in Namibian context, there is nothing specific like you have in South Africa that deals specifically with franchises. We speak a lot about you know improving access to finance” (Participant 6)

Market Size

“Look, it's just purely the market size. Its more difficult for the franchise to come in and get a share of the market” (Participant 5)

“I think the other thing maybe that hinders the success of franchises is the fact like I said earlier is Namibia is only so big, there isn't really such a big market for a lot of these things.” (Participant 6)

Below is the SWOT analysis for question 2.1

Table 2	Strengths	Opportunities	Weaknesses	Threats
Final coding framework	Initial coding framework			
Rules & regulations			Lack of franchise regulations Protect employee's rights Labour challenges	Namibia as a whole No franchise regulations Govern franchises Shortcoming from regulators Abuse from Franchise holder Rights of the franchise is not protected
Population			Namibia has a limited population Not a big market for many franchises in one town	Namibia has a limited population Does not allow a big market for many franchises in one town. Market size
Financing	The cheaper the product, the better	Cheaper models Smaller Cost of capital		5 / 6 years ago Website KFC – N\$5.5 million liquid assets

		<p>Low</p> <p>N\$ 150 000.00 or N\$ 200 000.00</p> <p>A lot easier to contribute</p> <p>Franchises would be more prevalent</p> <p>Namibian community</p>		<p>Spar – 10 million liquid assets</p> <p>Big Franchises require significant amounts of money, so if sufficient liquid assets are not readily available, consideration will not be given to a budding Franchisee.</p>
Challenges		<p>Offering should be different</p> <p>Competitive advantage</p>	<p>Franchises cannot be the cheapest on every item.</p> <p>Namibian context</p> <p>Nothing like what is found in South Africa</p> <p>Deals specifically with Franchises</p> <p>NIPDB needs to explore</p>	<p>Franchises cannot be the cheapest on every item.</p> <p>Competition is tough</p> <p>Different business stores</p> <p>Expensive stores, few customers</p> <p>Battle to source customers</p> <p>Business not far away</p> <p>Provides same service</p> <p>Current economic climate</p> <p>Covid-19</p> <p>Lockdowns in different regions</p> <p>Borders backed up</p> <p>Transport industry affected</p>

				<p>Products are delayed</p> <p>Prevailing fashion</p> <p>Right season</p> <p>Prevailing fashion</p> <p>Support</p> <p>Local entrepreneurs</p> <p>Price of products</p> <p>Price of franchise</p> <p>Franchises not easy or cheap to purchase</p> <p>Expensive franchises</p> <p>KFC</p> <p>Spar</p> <p>Not an average person will get into franchising very easily.</p> <p>Namibia has some well-established family-owned businesses</p> <p>Different sectors</p> <p>Brewing</p> <p>Meeting processing</p> <p>Leather goods</p>
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				Retailing Auto repairs Including tyres Engineering plumbing Get a share of the market Monopolise the market
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4.5.6 Do local entrepreneurs have a chance to own a franchise?

In response to this question, many participants were able to identify if local entrepreneurs have a chance to own a franchise. Participants raised the factors that contributed to entrepreneurs standing a chance to own a franchise this included access to capital, finance security and the relative low cost of the franchising model. The impact of the South African penetration into the Namibian market was also identified. All the participants firmly believed that local entrepreneurs stand a chance of owning a franchise; however, a few factors act as barriers that prevent local entrepreneurs from owning a franchise.

Capital

“You must have capital to start your business but I believe if you start small and you help yourself to save your money and do the right thing, you will definitely grow and when you grow, you will reach the top.” (Participant 1)

“Its all about do you have starting capital.” (Participant 3)

“I mentioned your Spar and your KFC’s and I’m just using them as an example but the barrier to enter there from a capital perspective is really high.” (Participant 6)

Financing surety

“So I’m not going to say they don’t have a chance, plus look you find those SMEs with family members or investors that are quite well off, able to sign surety. I’ve worked with some of those, so there’s always a chance definitely, but I don’t think it’s easy.” (Participant 6)

Low-cost franchises

“I believe if you start small.” (Participant 1)

“I think most SME’s just based on the cost of most of these well-known franchises are already disqualified, they will never qualify for it again it might be worthwhile like I said earlier, to look at some of these not cheaper but some of these low-cost type of retail type of franchises like your “Papa G’s”, like your “Burger”, I forget the name because King Pie is also actually quite expensive, you will be surprised, but there’s this Burger place in Wernhill Mall that closed down recently I think those kind of franchises that are low cost to set up and I think those give a better chance for entrepreneurs.” (Participant 6)

South African and Master Franchisors

“As I said earlier, most franchisors come from South Africa.” (Participant 5)

“When it comes to KFC, that’s run out of the Master Franchisor is in Natal, I understand, Kwa-Zulu Natal and that has also had its own complications, and there might be from what we hear some changes on the landscape.” (Participant 5)

“The other one that is also being run through, which is now no longer around, is the other food one, what was it called; closed down actually. Was also run out of, I think the Western Cape. The Master Franchisor was in the Western Cape, was in the food business.” (Participant 5)

“I forget now, it's one of those food type of franchises, did quite well in the beginning but again, if you have that sort of triangle arrangement then, the Master Franchisor probably has an operation in South Africa and wants to maximize on profit.” (Participant 5)

“So you find that a lot of the South African companies who were franchises here like Woolworths was a franchise here, they converted to Corporate stores. Pick n Pay is a franchise, but I can see that will soon convert to Corporate as well. As currently, franchise in the Othlaver & list stay or the Othlaver & List is the largest family-owned business in the country, but I think you will see, sooner or rather and later, that Pick n Pay will probably convert to Corporate Stores like they’ve done in Zimbabwe, where they moved out with TN group and formed a separate entity.” (Participant 5)

“You know, I just feel that the market is; Namibia is just not right for franchises, unfortunately. Until the situation, the economy grows, and the people have more spend because you don’t only have a small population 2.5 million but you actually have little spending power, and so it's and throw in the logistics and so on, it becomes really difficult. I don’t see the franchise model having a wonderful rosy future in Namibia for the next decade, quite frankly.” (Participant 5)

SACU

“Namibia’s part of the South African Customs Union and South Africa the Common Monetary Area – the SACU area and the CMA, so that makes it very easy for a South African franchisor to come in here; they can do business in any of the five countries in the SACU region, Namibia included, with Botswana, the Kingdom of Eswatini, Lesotho and South Africa with minimal hinders or restriction and when it comes to transferring of loyalties and payments and so on, because Namibia is one of the four countries on the CMA, again there's no exchange control; there's free movement of money between the countries; there are only four countries in the CMA because of Botswana is not part of that; so if the franchise came from Botswana, it would be slightly more challenging on the payment side or say from Zimbabwe or Zambia or any of those other countries that are not part of SACU.” (Participant 5)

Below is the SWOT analysis for question 2.3

Table 2	Strengths	Opportunities	Weaknesses	Threats
Final coding framework	Initial coding framework			
Franchise	<p>Local entrepreneurs</p> <p>Own a franchise</p> <p>Agreed</p> <p>Yes</p> <p>Hard work</p> <p>Commitment</p> <p>A little bit of research</p> <p>Franchises are strict</p>	<p>Yes</p> <p>Depends how they start operating</p> <p>Own a franchise and be an employee at the same time</p> <p>Two or three years</p> <p>See how the business is operating</p> <p>Backing of an already established business model</p> <p>Localise it a little</p> <p>Low-cost type of retail franchising</p> <p>Better chance</p> <p>Local entrepreneurs</p>	<p>Yes</p> <p>Local entrepreneurs stand a chance</p> <p>Owning a franchise</p> <p>Law does not preclude local entrepreneurs</p> <p>From owning</p>	<p>Not easy</p> <p>Bigger, more well-known franchises</p> <p>Spar</p> <p>KFC</p> <p>Rosey future in Namibia</p> <p>Next decade</p> <p>South African franchises in Namibia</p> <p>Woolworths</p> <p>Have converted</p> <p>To corporate stores</p> <p>Corporate decision</p> <p>Run the stores better through ownership</p> <p>Certain controls</p> <p>Accompanying limitations</p>

				<p>That sort of triangle arrangement</p> <p>Master franchisor probably has an operation in South Africa</p> <p>Maximise profit</p> <p>Drains local operation</p> <p>Puts pressure on the local operation</p> <p>Eliminates the chance for a local Entrepreneur</p> <p>To owning a franchise</p> <p>Most franchisors are South African</p> <p>Ran out of the Master Franchise</p> <p>KwaZulu-Natal</p> <p>A fast-food outlet burger</p> <p>Used to be in Maerua Mall, Windhoek</p> <p>Ran out of the Western Cape</p> <p>Diina Tshiti</p> <p>Namibia is not suitable for Franchises</p>
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<p>Capital</p>	<p>Introduction of the new credit guarantee scheme.</p> <p>From DBN and BoN</p> <p>Assisting</p> <p>Financing</p> <p>6% of the amount</p> <p>Can be guaranteed</p>	<p>Starts small</p> <p>Saves money</p> <p>Definitely grow</p> <p>Later invest in a bigger franchise</p>	<p>Starting capital</p> <p>Significant role</p> <p>Not many Namibians</p> <p>Have ten million dollars</p> <p>Bank account</p> <p>Banking perspective</p> <p>Qualify for a 10 or 5 million loan</p>	<p>Banking perspective</p> <p>Qualify for a five or ten million loan</p> <p>Driving factor</p> <p>Prevents local entrepreneurs</p> <p>From owning a franchise</p> <p>Barrier to enter</p> <p>Capital perspective is high</p> <p>Not many have</p> <p>Ten million laying in a bank account</p> <p>Cost (capital)</p> <p>Low-cost type</p> <p>Retail franchising</p> <p>Present a better chance to local entrepreneurs</p> <p>Most SMEs, just based on the cost</p> <p>Most of these well-known franchises</p> <p>Already disqualified</p>
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Market & population				<p>Until economy grows</p> <p>Small population of 2.5 million increases</p> <p>More spending power</p> <p>Logistics improve</p>
Family-owned business	<p>Some franchises</p> <p>SMEs with family members or investors</p> <p>Quite wealthy</p> <p>Sign surety</p> <p>Franchises in the Othlaver & List</p> <p>Still operate in Namibia</p> <p>Othlaver & List largest family-owned business</p> <p>In Namibia</p>			<p>SMEs with family members or investors</p> <p>Quite wealthy</p> <p>Sign surety</p> <p>Sooner rather than later</p> <p>Financial commentators suspect</p> <p>Pick n pay – O & L owns</p> <p>Namibian franchise</p> <p>Probably convert to Corporate Stores</p> <p>Done in Zimbabwe</p> <p>Moved out from the TN Group</p> <p>Formed a separate entity</p>

<p>SACU & CMA</p>	<p>Namibia is part of</p> <p>Very easy</p> <p>South African franchisor</p> <p>Come to Namibia</p> <p>Any five countries</p> <p>In the SACU region</p> <p>Do business</p> <p>Namibia</p> <p>Botswana</p> <p>Kingdom of Eswatini</p> <p>Lesotho</p> <p>South Africa</p> <p>Minimal hindrances or restriction</p> <p>Transfer of royalties and payments</p> <p>Namibia is one of the four countries on the CMA</p> <p>No exchange control</p> <p>Free movement of money</p>			
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	<p>Between the countries</p> <p>Botswana not part of CMA</p> <p>Slightly more challenging on the payment side</p> <p>Any other country not part of SACU</p>			
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4.5.7 Do the high costs of purchasing a franchise hinder many entrepreneurs from doing business in this sector?

In response to this question, many participants were able to identify if the high costs of purchasing a franchise hinder many entrepreneurs from doing business in this sector. The high costs of purchasing a franchise is raised and this was identified as hindering many entrepreneurs from doing business in this sector.

“Not really, because in Walvis Bay itself, there is a lot of small entrepreneurship and they doing really good. So it's not that, I think in somehow the small entrepreneurs is doing much better than the stabilized business.” (Participant 1)

“I think so.” (Participant 2)

“Yes, it does.” (Participant 3)

“I think on some level, yes, it does play a role, but more than anything I think if I look at our current context, I know that one of the reason why a lot of franchises don't come to Namibia is because of our population is very small. So the buying power to them is very low.” (Participant 4)

“Yes, definitely. You know the franchise sectors which could probably have done quite well, it would be things like beauty care, you know hair, hair care, beauty care, some of the services, plumbing, light engineering, windows – aluminum windows especially at the coast where they got corrosion problem, glazing, those sort of things, thee, there would be, cost would be the obstacle there. You know, the ice cream, the frozen yoghurts, the drinks, the subway sandwiches and the fast food and that. The cost is an inhibitor there actually.” (Participant 5)

“Ja, look I believe so; I don't believe there's a lot of small uhm clothing franchises uhm not at all, so I think definitely it does hinder from the perspective that the cost to get involved in these kind of franchises are quite exorbitant so ja it does hinder.” (Participant 6)

The participants were asked to comment on the role of the high cost of purchasing a franchise. The responses suggest that most of the participants perceive the high costs as a hinderance for many entrepreneurs from doing business in this sector.

Below is the SWOT analysis for question 3.1

Table 2	Strengths	Opportunities	Weaknesses	Threats
Final coding framework	Initial coding framework			
Entrepreneurs in franchising	<p>No</p> <p>High costs</p> <p>Do not hinder</p> <p>Many entrepreneurs</p> <p>Doing business</p> <p>This sector</p> <p>Takes a long time</p> <p>To build the business</p> <p>Acceptable level</p> <p>Starting a franchise</p>			<p>Hinder many entrepreneurs</p> <p>High cost for setting up a franchise</p> <p>Hinder the way a franchisor and franchisee do business.</p>
Franchise model	Walvis Bay is a fast-growing urban area		<p>Impressed by the model</p> <p>Nedbank looked at the fuel side</p> <p>Different brands for fuel</p> <p>Engen</p> <p>Puma</p>	<p>Services like Estate Agencies</p> <p>Remax</p> <p>Pam Golding</p> <p>Does not see a bright future</p> <p>Walvis Bay</p>

			Total	Less so throughout the country
			A little distorted	Very much focused on Tourism and Logistics
			Long distances between towns	Franchises in those sectors might do well sometime in the future
			Much travelling and movement of good	There would be gaps
			People by car	To come in
			Fuel consumption in Namibia per capita	Limitations
			Much higher	Namibia's tourism is very specific
			Other countries	German connection
			Fill up often	From its early colonial days
			A little misleading	Very much dominates
			Nedbank	Does not believe there are many small clothing franchises
			Carried away	Franchise sector could have done well
			A decade ago	Ice cream
			Liquid fuel side	Frozen yoghurt
			Not necessarily	Drinks
			Same situation	Subway sandwiches
			Other franchise areas	Fast food

				<p>Beauty care</p> <p>Hair care</p> <p>Plumbing</p> <p>Light engineering</p> <p>Aluminium windows</p> <p>Glazing</p> <p>Coast where there is a corrosion problem</p> <p>Does not see the Franchise model being a significant creator of jobs and wealth in Walvis Bay or anywhere else in the country.</p>
Population				<p>Namibia's current context</p> <p>Many Franchisors</p> <p>Do not come to Namibia</p> <p>Population is tiny</p> <p>Namibian buying power</p> <p>To foreign Franchisors is meagre</p>

Costs			Banks Nedbank Eager to provide funding Learnt the hard way	Yes High costs Purchasing a franchise From doing business in the sector Cost implications Prime factors Cost is quite exorbitant
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4.5.8 What are the risks involved when setting up a franchise?

In response to this question, many participants were able to identify if the high costs of purchasing a franchise hinder many entrepreneurs from doing business in this sector.

Franchisee and franchisor

"I think when setting up a franchise, like I mentioned, you need to be careful of who you partner with. So really careful thoughts and consideration need to go into that to the extent that I think in the article I spoke about, uhm, having a Lawyer review the franchise agreement before you actually sign it. So there is a significant risk; I had a personal experience of a young entrepreneur who got involved with the wrong partner, and at the end of the day, obviously, from a banks perspective, you only find out about these matters after the fight but; you know when you got into bed with a shark, and at the end of the day he lost his business. I mean, this guy literally just took the business away from him. So I think at the end of the day, we need to be careful as an SME not to get into a franchise where you end up giving all your profits away as form of loyalties or where you will get the necessary support where you not set up for failure. Where there's people give you high cost in the beginning and they get your money from you and then they leave you to survive on your own. I think those are some of the risks that I can explain to you." (Participant 6)

Logistics

"You have to look for someone, some business there other side, you have to transport your things from there to the other country." (Participant 2)

Risks

"Like I said, the risk involved is in all businesses, yes, if you take stealing from the business, that is a big risk and not honest enough and to break this property, you get children who not look after the business, breakdown, that is the risk. Stealing is everyday.." (Participant 1)

"The thief is one of the biggest risks, its a challenge, even the person you appointing, you don't know their purpose of that person. The dishonesty of the employees is also a risk. (Participant 2)

"Small population, high costs, maybe, those are the two things popping out of my mind. Politics would play a big role." (Participant 4)

"Well risks are like in any business, you know are you going to achieve the turnover, are you gonna generate the cashflow. If you take your pension money and invest it and there's no borrowings, it's probably okay you know, you won't make a huge living out of it, you can probably make a decent living out of it, but the risks involved is if

you borrowing hey, you going to find it very difficult to service that loan from the cash that you generating from the business. So that's the biggest risk and that's why the failure rate has been so high." (Participant 5)

"It depends on how the financing was done because then you get your Non-recourse Loans which are the loans given in the name of your company on its own as you as the personal owner has no surety or anything linked to it at all. But very often, especially with start-up businesses, the business doesn't have any assets of its own, and unfortunately, you, as the owner or whoever is signing surety for you, will have to sign in your personal capacity surety for this loan, so that if the business is not able to pay or deliver or needs to get liquidated and the bank is not able to recover what they need to recover from the business, they have recalls legally against you as the owner of the business or against the surety the investor of the business so in most instances; look you know banks have a fiduciary responsibility against their depositors, so they will do whatever it is they need to do, to ensure that they are able to get their the depositors money back and that includes having SMEs, entrepreneurs sign suretyship in the personal capacity of these loans. So very often, what you end up finding, especially with your start-up and SME businesses, is that as the owner, it's very difficult to separate you from the business; as the business fails, there is usually some sort of personal liability that you carry." (Participant 6)

Support

"So I think at the end of the day, we need to be careful as an SME not to get into a franchise where you end up giving all your profits away as form of loyalties or where you will get the necessary support where you not set up for failure." (Participant 6)

Costs

"Where there's people give you high cost in the beginning and they get your money from you and then they leave you to survive on your own." (Participant 6)

Below is the SWOT analysis for question 3.2

Table 2	Strengths	Opportunities	Weaknesses	Threats
Final coding framework	Initial coding framework			
Risks	Any business	Rental space Setting up the business Be careful Partnership is entered Careful thoughts Careful consideration Franchise agreement Reviewed Signs Lawyer	Find a Franchisee Owner has to find employees Stock has to be transported From one country to another country Loss of business Business taken away Franchise not successful Borrows money Difficult to service that loan From the cash generated	All businesses Stealing Dishonesty Damage to property Stock loss No service to the customer No cameras No security Land availability Marketing costs New employees Does not know the purpose Into a franchise Start-up businesses Owner is signing surety

				Personal capacity Not able to pay or deliver Needs to get liquidated Bank Not able to recover Recourse legally against the owner Complicated Separate
Population				Small population
Costs	Turnover must be achieved Cash flow generated			High costs All the profits Form of royalties Necessary support Not set up for failure Which financing is procured Careful consideration

				To guard against Non-recourse loans Being secured In the company's name Owner has no surety Linked to it
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4.5.9 Since Namibia is in a recession, does it provide comprehensive monetary policy or expansive fiscal policy to franchises to stimulate job growth and does the Government and Banking institutions take necessary steps to provide loans at cheaper rates?

In response to this question, participants were able to identify whether Namibia provides comprehensive monetary policy or expansive fiscal policy to franchises to stimulate job growth and if the Government and banking institutions take necessary steps to provide loans at cheaper rates. The majority of the participants were indifferent about the impact on policy.

“They are giving out at a low rate. Jobs are created.” (Participant 2)

“The Government assist the low class with loans so that they can also enhance themselves, to reach a certain level.” (Participant 3)

“Within mind of the recession at the moment, I don’t see Government as being as proactive as I would maybe want them to be.” (Participant 4)

“Ja, look, the country has eight commercial banks, of which four are sort of the better-known ones, and they have facilities backed by a credit guarantee scheme that provides commercial loans not generally at any preferential interest rate, but the advantage is that the collaterals, security requirements are lower. So that favours historically disadvantaged Namibians who are finding it difficult to access the collateral or find somebody to back the security for them. So on the Government side, the banks, there are three Government banks or financial institutions, excluding the Central Bank. There's the Agricultural Bank, there's the Namibia Nampost Savings Bank, and then there's the Development Bank. The Development Bank was mainly set up to focus on infrastructure, so working with Municipalities, to develop infrastructure, and so on, but with the collapse of the SME bank, they have taken over that as part of their mandate now. So they have been giving funding on loan to entrepreneurs or SMEs at a relaxed level of security. The interest rates are really no different from commercial rates, so again as I say, it's risky for entrepreneurs to buy a franchise and borrow to fund that franchise because the chances are they gonna get hurt. So the Namibian Government has not made franchise as an incentive to encourage entrepreneurship, and I think because they don't really see any value in it. They see it by franchise; they perceive it more to be taking more money out of the country than actually retaining in the country. So there is nothing that exists and I doubt something will be put in place because the Government from my interaction with decision-makers, don't see franchise model as the panacea for employment creation and economic growth. “ (Participant 5)

“Monetary and Fiscal Policies I think there's a lot that been done already, I think from Monetary perspective, interest rates have been kept quite flat for a while. I think from a Monetary perspective that's being done to sort of try to assist you know make it cheaper, make leading cheaper, make you know payments cheaper for the public to try you know encourage spending, improve the public propensity to spend on all these things, so I think in that sense

there's been something done about it and obviously you know cost of funds, cheaper products. But if you look at for example your Government debt at the moment, being as high as it is now, it's a very difficult time to expect from a fiscal perspective for taxes to be brought down. I mean we sitting with a deficit we need to consider how we going to finance that, so all of these things are things that you know we really need to just consider very carefully, I think from a Government perspective and private sector, we need to see what we can do to make sure that the existing SME's survive COVID. I don't think it serves any purposes at this point in time to invest money in new businesses because it's the wrong time to invest in them, but I think if we don't do anything to support the existing businesses, we will be in a much worse situation and this recession is going to last; it will become a depression. It's gonna last a lot longer. So I think that would be my complicated answer to your question." (Participant 6)

Below is the SWOT analysis for question 3.3

Table 2	Strengths	Opportunities	Weaknesses	Threats
Final coding framework	Initial coding framework			
Banks (Monetary policy)	Eight commercial banks Four are better known Facilities backed Credit guarantee scheme Commercial loans Preferential interest rates Advantage Collaterals Security requirements Lower Favours	Interest rates Relatively flat Not to be seen as low as they currently are Repo rate at 3.75% Nine to twelve months Not guaranteed Assist Make leading Make payments cheaper Public Encourage spending	FNB Standard Bank Bank Windhoek Financials show a spike Non-Performing Loans NPLs increasing Break on the leading People struggling Pay back loans	Comprehensive monetary policy Reunite Invest money New businesses Wrong time to invest Worsen Recession will last longer

	Historically disadvantaged Namibians Finding it difficult Access	Improve General propensity Loans Low rate Cost of funds Cheap Lead		
Government (Fiscal policy)		Loans Low rate	Recession Government is not proactive Participants do not see Huge improvement Cheaper/lower rates Stimulus Assist people Some businesses	Recession Namibia Tricky time economically Debt is high Difficult Financial perspective Taxes Brought down Deficit Economic crisis

				<p>Three Government Banks or financial institutions</p> <p>Excluding Central Bank</p> <p>Agricultural Bank</p> <p>Nampost Savings Bank</p> <p>Development Bank</p> <p>Infrastructure</p> <p>Municipalities</p> <p>Collapse</p> <p>SME Bank</p> <p>Funding to entrepreneurs or SMEs</p> <p>Relaxed level of security</p> <p>Interest rates</p> <p>No different</p> <p>Commercial rates</p> <p>Risky for entrepreneurs</p> <p>Borrow to fund</p> <p>Hurt</p>
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				<p>Namibian Government</p> <p>Not prioritised franchises</p> <p>Incentive</p> <p>Encourage entrepreneurship</p> <p>Do not see value in it</p> <p>Take more money out</p> <p>Retain in the country</p> <p>Pinaster</p> <p>Employment creation</p> <p>Economic growth</p>
Covid-19			<p>Pandemic currently</p> <p>Government focus</p> <p>More on people's health</p> <p>Lockdown</p>	<p>Regulations</p> <p>People not allowed to gather</p> <p>Curfew</p> <p>Downwards pressure</p> <p>Existing SMEs</p> <p>Survive</p> <p>Reluctant to spend</p>

				<p>First year</p> <p>Reserves and savings</p> <p>Close down</p> <p>Several poorly performing businesses</p>
Employment	Is created		Namibia not an entrepreneurship nation	Not many recruitments

4.6 Chapter Summary

This chapter presented the findings from the data collection activities and attempted to respond to the research objectives and questions. The findings suggest that while Walvis Bay presents multiple advantages for new business investments, for example, its geographical location as a port city, having available land, an expanding population and thus consumer base and its appeal as a tourist destination, various factors hinder such business development. In particular factors such as high taxes, political instability, lack of government proactive strategies in relation to business and especially entrepreneurial support have seen the underutilisation of the city's business development potential.

The results of the SWOT analysis illustrate some of the key strengths and opportunities associated with franchise development. A direct relationship between increasing franchising and job creation is also evidenced. This business model provides multiple advantages for the business owner through the various areas of support received through the franchisor and franchisee relationship. This helps to offset initial start-up costs and investments. This potential can also be realised in the clothing retail sector.

Furthermore, key in driving these opportunities to leverage franchising as a viable job creation strategy is the need for relevant policies, legislative frameworks and appropriate financing arrangements from both the public and private sectors. The availability of municipal land and the supportive interest from the municipality is an important opportunity identified. The identified threats and weaknesses, however, point to sluggish support for the franchising business model and small businesses more generally.

There is limited interest or investment in local franchising brands with the Namibian market dominated by master franchisees originating in South Africa. This has particular consequences in relation to attempts to establish locally focused clothing retail franchising opportunities. The availability of finance whether through bank loans or government support for small business was seen as a major threat to expanding the franchising model in the Walvis Bay area. Coupled with limited legislative guidelines to protect the franchisee, meant this model was less likely to gain traction.

In the final chapter various concluding commentary is offered and recommendations aimed at key stakeholders are discussed.

CHAPTER 5

DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

The main purpose of the research study was to conduct an investigation into franchising as a strategy to create jobs in the clothing sector of Walvis Bay. The study surveyed the literature on franchising and job creation and used empirical methods.

The study consists of five chapters: In Chapter 1, the problem statement and the goal and objectives were outlined; Chapter 2 discussed the literature study; Chapter 3 presented a detailed description of the research methodology; In Chapter 4, the data analysis, results, and discussion resulting from the survey questionnaires and interviews conducted in the Walvis Bay area were provided. Finally, this chapter offers the discussion, recommendations and conclusions derived from the research investigation.

Specifically, the discussion in this chapter interprets the trends highlighted by the graphs and tables in the previous chapter and presents it in relation to the research study's sub-objectives. Additionally, the secondary objectives are summarised focusing mainly on whether franchising as a strategy can contribute to job creation in the clothing sector of Walvis Bay. Finally, recommendations for future research are made and a final concluding summary of the study is presented.

5.2 Discussion

The results that have been obtained from the study are covered under the experience and viewpoint of the participants. A mixed-methods empirical study was conducted which consisted of 110 consumers and entrepreneurs in the Walvis Bay area who completed a quantitative survey and six interview participants, also from the Walvis Bay area who were part of the qualitative data collection segment of the study. The discussion presented here is based on the findings analysed in Chapter 4.

5.2.1 The experience of the franchisee at the start-up of the business

a) Limited ownership

For the agreement to remain in effect, franchise enterprises must adhere to certain regulations and procedures. Territorial limitations will set a ceiling on the market's size. Even when some goods, campaigns, or regulations might be acceptable in the same contexts, there is nothing that can be done once the franchise agreement has been signed.

b) The problem of the immediate capital outlay

The results show that the immediate capital outlay is enormous. Thus, purchasing a franchise has a cost in addition to the service, support, and assurance it offers. Each franchisor will demand a fee and a certain share of sales revenue. Buying into franchises is, therefore, not easy or cheap.

c) Namibia's population

Namibia has its unique challenge in that the market is relatively small as the population size of 2.5 million is relatively small and widely dispersed across the country. Furthermore, due to high unemployment, there is very little buying power.

d) Franchise law and politics in Namibia

Namibia has no legislation or a dedicated franchise association. In comparison, some laws regulate how businesses operate, which afford a degree of protection for consumers and entrepreneurs. However, such legislation does not specifically relate to franchises. This lack of regulation of the franchising sector opens up the sector to abuse, especially from the franchise holder and means that the rights of the franchisee are not protected. Due to limited regulations in Namibia, it is seen as having an unfriendly business climate. The establishment of the Namibia Investment Promotion and Development Board, with this mandate of working towards creating a more business-friendly and conducive environment, is attempting to change this situation.

5.2.2 The relationship between the franchisee and franchisor and the franchise business

a) Support and guidance with the start-up of the franchise and ongoing management

Franchisees require help and assistance during the start-up phase and for the duration of running their franchise. A franchisor can provide managerial and technical assistance to the franchisee. The franchisee can benefit from the accumulated years of experience and knowledge that the franchisor possesses. Depending on the agreement signed, most franchisors provide training in

preparation for running the business and instruction when the business is already running. This training can allow a franchisee without prior experience to successfully own a franchise. In addition, franchisees can receive a great deal of technical assistance concerning the store layout and design, location, purchasing and equipment. Results show that the participants agree that franchisors impart management skills which benefit franchisees in their operations.

b) Support in terms of hiring and training practices

The research participants who completed the survey questionnaires and interviews held positive views regarding the support provided in hiring and training practices. The greatest advantage of buying a franchise, compared with that of a sole owner, is that the franchisor usually provides training and guidance to the franchisee. For example, the franchise has a Human Resources department that provides recruitment services and ensures that the criteria for particular positions are adhered to and that the correct number of people are recruited. Training is also completed according to the SOPs provided. As a result, franchisees who have received assistance are more likely to succeed. In addition, the results demonstrated that participants agreed that the franchise has a human development training programme for entry-level employees, which helps to ensure the success of the business.

c) The success of franchises in Walvis Bay

Very few franchises do well in Namibia due to a combination of factors. Until the economy grows and the small population has more spending power, the incentives for the franchise will be complex. Namibia is also not regarded being an entrepreneurial nation. Moreover, due to a triangle arrangement of a Master Franchisor having an operation in South Africa and operating a unit in Namibia from South Africa while wanting to maximize profit, which, unfortunately, only drains the local operation and puts it under pressure. Therefore, the participants did not see the franchise model as enjoying a rosy future within the next decade in either Walvis Bay or Namibia. However, franchises do stand a better chance of success, and the possibility for more long-term sustainable employment is better realised through a franchise than when compared with a brand-new venture.

d) Marketing and Human Resource Management

Participants agreed that age and gender are key factors when employing individuals for different positions. A franchise has various departments, such as marketing or human resources, unlike a sole trader who would do all the work.

e) Job creation

The majority of participants agreed that franchises create employment just like any other business. However, franchises have more advantages in terms of decent employment; for example, employees can improve their skills through training programmes. A participant mentioned that the Namibian government did not see the franchise model as a panacea for employment creation and economic growth. In contrast, another participant indicated that they did not see the franchise model as a significant creator of jobs and wealth in Walvis Bay or elsewhere in the country. While franchises are able to create employment very quickly compared with setting up a brand-new venture, they are, however, probably no different when it comes to employment creation. One exception might be that for the franchisors, their model normally looks for individuals who are well suited for the job and meet the job criteria, whereas entrepreneurs starting a business might be tempted to hire unemployed family members and friends. In addition, franchises are strict because the ratios would be more realistic.

f) Limited access to suitable sources of financing

When considered from the financial institutions' perspective, they are currently more reluctant and careful about new franchises due to the current economic recession. With existing businesses with a proven or tried and tested track record, it is easier to make a decision, but the new business might struggle with securing finance. The new credit guarantee scheme introduced by the Development Bank of Namibia and Bank of Namibia might go a long way towards financial assistance for start-ups like franchises. Up to 6% of the amount needed to start a business can be guaranteed, suggesting that the guarantee scheme can go a long way in providing assistance. Family members or investors who are quite well-off, able to sign surety – based on the cost of most well-known franchises; most people are already disqualified. Well-established family-owned businesses are well funded, and it is difficult for a franchise to come in and unseat them. It is difficult for the franchise to come in and get a share of the market. Non-recourse loans are given in the company's name because the owner has no surety or anything linked to it. Often, especially with start-up businesses, there are assets, and unfortunately, owners have to sign surety for loans in their personal capacity. When such businesses default on their loans and face liquidation, the bank is unable to recover their investment. Banks have a fiduciary responsibility against the depositor, so they will do whatever it takes to ensure they can get their money back.

g) Establishing brand awareness

Establishing brand awareness is not hard for a franchise business. An individual who buys a well-known, established and reputable international franchise has a good chance of success. The franchise's name serves as a draw card. People are often more aware of the products or services offered by national franchises and prefer those compared to lesser-known outlets. Usually, South African products have a lower price point and are more affordable than their Namibian counterpart. For example, if a franchisor opens a South African store in Walvis Bay, the brand's reputation is already established and known to customers.

h) The benefit of collective buying power

Franchises benefit from collective buying power. Centralised purchasing of products and suppliers allows franchisors to take advantage of volume discounts as they buy for all franchise locations. This raises profit margins while keeping franchise costs low. This also allows for more competitive prices for the franchises, and the franchise benefits from cheaper costs than an independent store.

i) Risk is reduced

Risks are reduced for franchises when compared with individually owned businesses. Through the franchise agreement, the franchise benefits from the parent company's expertise, experience, management systems, marketing, human resources and financial help. This helps to reduce the risk of failure.

j) Understanding the risk of losing key staff

Franchise businesses understand the risk of losing staff members, especially after investing in their training and development. Therefore, maintaining a capable workforce is a must for franchisees. In addition, employees are valuable assets as their skills, knowledge, and information ensure that the business is successful.

k) Salaries and remuneration

In franchises, the rules of the game will be more precise when it comes to remuneration. Salaries are paid on time. When a sole trader might create more jobs than a franchise, it can strain the business; sometimes, employees are not paid on time, or their salaries are cut.

l) High Taxes

While Namibia's taxes are slightly higher than in South Africa, businesses can extract some relief through, for example, the Export Processing Zones.

m) Qualification level

According to participants, the majority of franchise employees have high school-level qualifications.

n) Growth in Franchises

Based on the results of this study, 43.6% of participants agreed that franchises grow faster than other business types. When participants' perceptions were considered, 50% indicated that franchises grow rapidly. However, one of the participants indicated that there are not a lot of small clothing franchises growing rapidly, maybe in other sectors like the food sector.

o) Employee treatment

Franchises attempt to treat all employees equally.

p) Expansive Fiscal Policy and Expansive Monetary Policy

Due to the financial recession, economic policy is not as proactive as is demanded. The country's eight commercial banks have facilities backed by a credit guarantee scheme. These banks provide commercial loans, and while not generally at any preferential interest rate, their advantage is that their collateral and security requirements are lower. The three Government Banks and financial institutions in Namibia, excluding the Central Bank, have provided entrepreneurs with funding at a relaxed level of security. However, the Namibian Government has not incentivised franchising to encourage entrepreneurship as they do not see the value. Franchises are perceived as taking more money out of the country than retaining it in Namibia. From a financial perspective, interest rates have been kept flat for a while, with the repo rate low at 3.5%. Currently, government debt is high due to complex economic pressures, and from a fiscal perspective, it is unlikely that taxes will be reduced in the short term.

5.2.3 Strategic framework for franchising in Walvis Bay

Based on the data analysis process and the development of the SWOT the following strategic framework was developed. This framework aims to outline the significant factors required to productively leverage the franchising business model as a job creation strategy, with specific reference to the clothing retail sector in Walvis Bay. Figure 5.1 below provides an illustrative

representation of this framework. The framework identifies four factors for improving core business functions, these are markets, policy, skills and competition. The identification of these factors suggests that opportunities and expansion possibilities exist for the expansion of job creation and retail clothing franchises. Additionally, the framework takes into account potential risks and how such risks impact the franchising sector. For example, if the buying power and population of Walvis Bay and Namibia expand, so would the growth of franchises, leading to job creation. In this way, the participation of the franchise sector would be encouraged and strengthened, especially for local entrepreneurs, who would benefit economically. The framework identifies the pivotal role that government can play in strengthening the franchise sector and creating specific opportunities for the expansion in the retail clothing sector. The introduction of legislative policies that can guide franchising can assist in reducing or eliminating the dominance of international entities in the Namibian sector. This will unlock more opportunities for especially young entrepreneurs to access lucrative franchising licenses. Furthermore, it is imperative that such government participation ensures that local Namibian businesses adhere and follow coordinated policies with respect to the regulation of trade, franchising and employment creation. The enactment of a specific franchising legislation will enhance the prospects not only for job creation, but of positive balance between job quality and quantity. Balancing the support provided via government regulation and the franchisor will assist in the development and expansion of franchising opportunities within the apparel retail sectors. In this way Walvis Bay can improve its competitiveness and create jobs in the garment sector. The strategy framework therefore provides guidance on how franchising as a job creation strategy can be successfully implemented if the Namibian government is serious about implementing franchising policies.

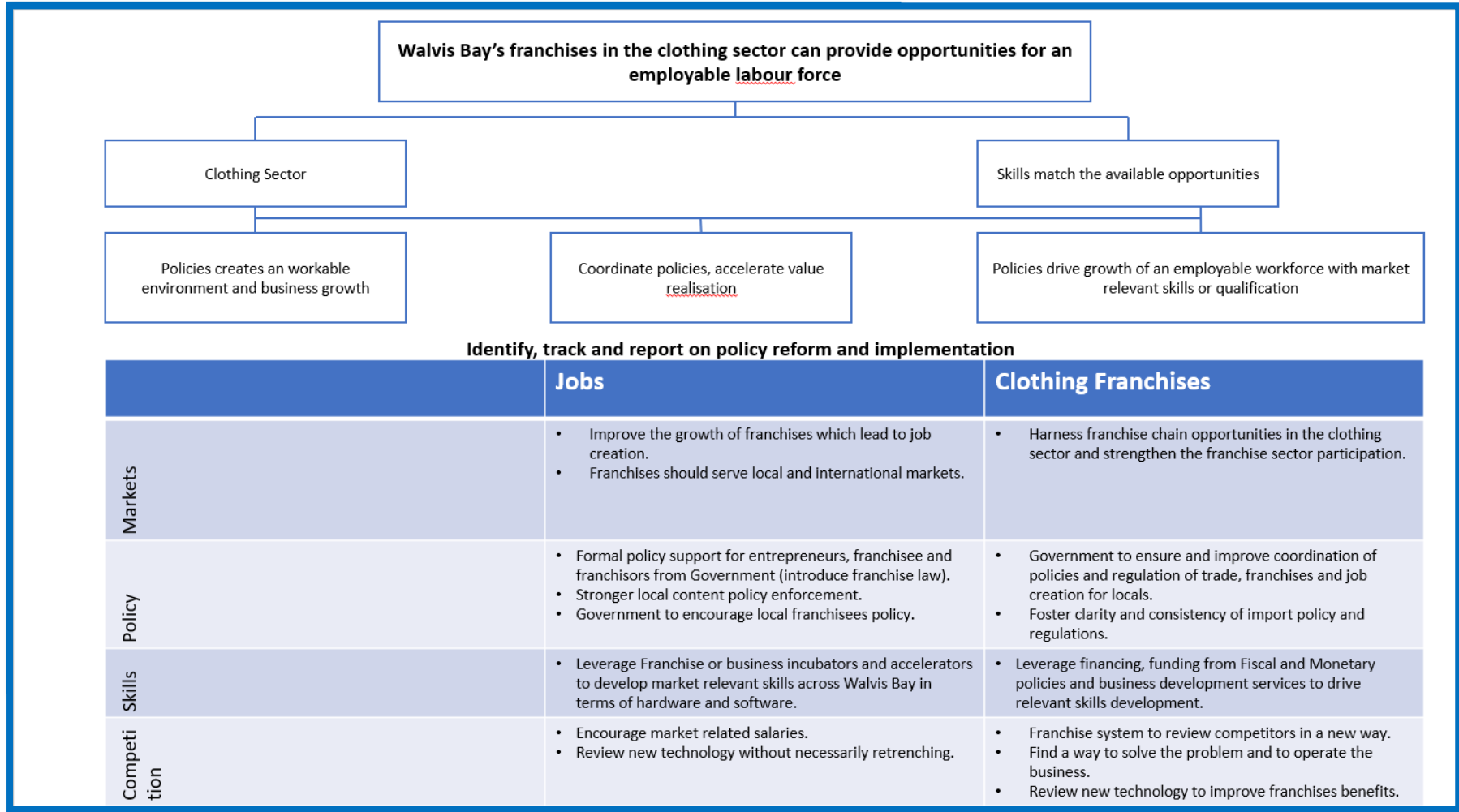


FIGURE 5.1: STRATEGIC FRAMEWORK FOR JOB CREATION IN WALVIS BAY

5.3 Recommendations

The following interventions are proposed to address some of the challenges expanded upon above and enhance the prospects of franchising in the clothing sector of Walvis Bay. These proposals are also seen as helping to increase employment and skills to ensure that franchisees are adequately prepared to address complex business problems in the franchise environment:

- a. Sell cheaper franchise stores or more affordable ones
- b. Move stores online: have employees work on other jobs, like delivering orders and working with Artificial Intelligence Technology to receive orders. This will reduce theft in stores and rental costs, and less money will be spent on security guards and cameras. It will also allow the franchise to expand online using different platforms (Website, Twitter, Facebook and Instagram).
- c. Introduce ordering points: Place some machinery in town for those who do not have internet and, at the same time, create employment for technical individuals to service the machinery.
- d. Promote franchises and franchisee support through multiple government ministries and agencies and provide financing, expertise, and other assistance to new franchisees.
- e. The Namibian government should examine the regulatory, legal, and administrative hurdles to franchising.
- f. Easier access to lower-cost financing. Since Namibians lack the collateral that banks require for a loan, they mostly rely on informal borrowing.
- g. Lastly, since limited studies have been conducted on franchising in the clothing sector in Walvis Bay and Namibia, this research study, as a result, will contribute to expanding knowledge about the status of franchise systems in Walvis Bay and Namibia.

The main recommendations derived from this study are:

- 1 The Government of the Republic of Namibia and NIPDB should implement the Namibia Franchise Association (NFA) so that franchising becomes effective and efficient and their growth and employment generation potential is unlocked. Furthermore, policymakers can enhance the current laws and regulations that favour starting new franchises in Walvis Bay

and other towns to expand franchising nationwide. By further promoting franchising growth, Walvis Bay will be able to resolve its problem of lack of insufficient business and unemployment.

- 2 The Franchise businesses should be encouraged as a franchised network of businesses allows the franchisor to acquire local knowledge and rapidly penetrate local markets. This permits the franchisee to gain the advantage of national name recognition, marketing and the goodwill of a larger business. Franchise businesses will then be able to grow faster and thereby create employment while also minimizing their failure rates.
- 3 Namibia and other countries facing challenges in creating and developing new enterprises should be aware that managing franchisees does not necessitate having very strong entrepreneurial skills. These countries can save the resources they usually use to develop entrepreneurial skills by deploying their citizens as franchisees.
- 4 Incentives such as lower taxes and government-guaranteed loans should be considered to encourage more potential entrepreneurs to opt for the franchising type of business. A combination of low educational background and low capital requirements with the above-mentioned incentives should lead to franchise growth and job creation.

5.4 Suggestions for Further Studies

Fresh concepts were emphasised during this research study which may encourage further investigations and studies. The following, among others, could be explored further in future research undertakings:

- Investigate franchising in other parts of Namibia, such as Oshakati and Keetmanshoop, and explore particular laws and guidelines.
- Determine which factors have the more significant impact on the franchising sector, i.e., the relatively low population numbers or the suppressed buying power of the community.
- Investigate whether online stores work, how many employees can be employed and what the cost savings might be.
- Determine how decisions and demographics (age, race and level of education) of a franchisee impact the business quality and performance in the franchise in Namibia.

- Identify the methods used by franchisors or franchise systems to improve business or staff members' skills.

Future researchers should also extend the current research by including variables such as revenue generation, franchises up north and the profitability of franchises. Future researchers should also extend their research to include the whole country, as this has the potential to produce more reliable results.

5.5 Conclusion

The research findings suggest a general positive perception of franchising as a business model and means to improve job creation and employment in the Walvis Bay area. As such the research confirms and is supportive of existing research into this business model. Franchising represents a business model with many advantages to other more traditional business approaches and appears to be positively correlated with job creation. This is particularly important in the Namibian context plagued by high poverty and unemployment rates.

These factors furthermore contribute to franchising having a global reputation as a vibrant and expanding sector. However, the findings of this study noted that various barriers exist within the Namibian context, with a key hinderance being the lack of government support and regulation. These are all challenges that could stymie the growth of the franchising business model and prevent its uptake within, especially, the clothing retail sector.

The presentation of a strategic framework developed as a result of this research is therefore aimed at identifying the key business elements that could contribute towards promoting the benefits of the franchising model. This is particularly worthwhile within the clothing retail sector in the Walvis Bay area and can act as a beneficial tool able to assist various stakeholders championing this business model and its job creation potential.

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APPENDICES

APPENDIX A: PARTICIPANT INFORMED CONSENT FORM



Faculty of Business and Management Sciences

Ethics Informed Consent Form

CONSENT TO PARTICIPATE IN A RESEARCH STUDY

Category of Participants (tick as appropriate):

<i>Staff/Workers</i>		<i>Teachers</i>		<i>Parents</i>		<i>Lecturers</i>		<i>Students</i>	
<i>Other (specify)</i>									

You are kindly invited to participate in a research study being conducted by **Kristina Shitemba (208017097)** from the Cape Peninsula University of Technology. The findings of this study will contribute towards (tick as appropriate):

<i>An undergraduate project</i>		<i>A conference paper</i>	
<i>An Honours project</i>		<i>A published journal article</i>	
<i>A Masters/doctoral thesis</i>		<i>A published report</i>	

Selection criteria

You were selected as a possible participant in this study because you are:

The information below gives details about the study to help you decide whether you would want to participate.

Title of the research:

A brief explanation of what the research involves:

To investigate and evaluate whether franchising as a strategy can contribute to job creation in the clothing sector of Walvis Bay.

Procedures (*Interview or Self-administer questionnaire otherwise create your own*)

If you volunteer to participate in this study the following will be done:

Describe the main research procedures to you in advance, so that you are informed about what to expect.

Treat all interviewees with respect by arriving on time for all the interview schedules and well prepared.

Conduct an introduction with the interviewee in order to break ice.

All the interviewees will be asked for permission to record the interviews and also take some note where applicable.

In a case where there is no clarity, the interviewees will be allowed to ask for confirmation or clarity of words/sentences/phrases to ensure accuracy of the data collected.

Participants will be told that their data will be treated with full confidentiality and that, if published, it will not be identifiable as theirs.

Participants will be given the option of omitting questions they do not want to answer or feel uncomfortable with.

Participants will be told that questions do not pose any realistic risk of distress or discomfort, either physically or psychologically, to them.

At the end of each interview all the interviewees will be thanked for their time and information provided for this study.

Participants will be debriefed at the end of their participation (i.e., give them a brief explanation of the study).

You are invited to contact the researchers should you have any questions about the research before or during the study. You will be free to withdraw your participation at any time without having to give a reason.

Kindly complete the table below before participating in the research.

Tick the appropriate column		
Statement	Yes	No
I understand the purpose of the research.		
I understand what the research requires of me.		
I volunteer to take part in the research.		
I know that I can withdraw at any time.		
I understand that there will not be any form of discrimination against me as a result of my participation or non-participation.		
Comment:		

Please sign the consent form. You will be given a copy of this form on request.

Signature of participant	Date

Researchers

	Name:	Surname:	Contact details:
1.			

2.			
3.			

Contact person:	
Contact number:	Email:

Franchising as a strategy for job creation in the clothing sector: The case study of Walvis Bay

Dear Respondent: *this questionnaire is an academic exercise to develop a strategy for job creation in the clothing sector using franchising business model. Data will be collected from consumers and entrepreneurs. To investigate and evaluate whether franchising as a strategy can contribute to job creation in the clothing sector of Walvis Bay.*

Please do not put your name or any form of identification on the questionnaire.

Please respond by circling the correct item

Gender: Male / Female

Age: 18 – 24 / 25 – 31 / 32 – 38 / 39 – 45 / 46 – 51 / 52 – 58 / 59 – 60

Race: African / Mixed race / Indian / White / Other

Please respond to all questions by putting an X in the respective boxes (numbers) corresponding to each statement. Use the following scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Indifferent, 4 = Agree and 5 = Strongly Agree.

A- Effectiveness of franchise as strategy for job creation in Walvis Bay

Questionnaire

Franchise strategy		Strongly disagree	Disagree	Indifferent	Agree	Strongly agree
1	It is easy to start a new franchise business in Walvis Bay					
2	Franchise are creating jobs in Walvis Bay					
3	The job creation strategy implemented is effective					
4	Franchises grow faster than other business types					
5	Franchising has more advantages than other business types in creating jobs					
6	The Franchisor impart management					

	skills which benefit franchisees in their operations					
7	Franchise has a human development training programme for entry level employees in order to obtain success in the franchise					
8	The majority of franchise employees have: No qualification					
	Primary school level					
	High School level					
	University/college degree					
9	Franchisee prefer financial					

	institutions funds to boost franchise growth and create jobs in Walvis Bay					
10	Age and gender are considered as a key factor when employing individuals for different positions					

B- Competitive advantage analysis of all other franchises sector and job creation contribution (SWOT analysis)

Competitive advantage and contribution to job creation: **Interview guide**

What impact does the continued growing of existing franchises have on new franchise competitors in the market?

1.1 What are the advantages/disadvantages of franchising in terms of job creation in Walvis Bay and Namibia?

1.2 What competitive advantage does franchising have?

1.3 Are existing franchises growing rapidly and are they a threat to new franchise competitors entering the market?

What are the key opportunities and threats faced by your franchise which hinder job creation?

2.1 How is franchising different from to other businesses in terms of employment creation?

2.2 What obstacles faced in franchising hinder it from exploiting or dominating the market?

2.3 Do local entrepreneurs have a chance to owning a franchise?

Is franchising an easy setup to create a business and create jobs within Walvis Bay?

3.1 Do the high costs of purchasing a franchise hindering a lot of entrepreneurs from doing business in this sector?

3.2 What are the risks involved when setting up a franchise?

3.3 Since Namibia is in a recession, does it provide expansive monetary policy or expansive fiscal policy to franchises to stimulate job growth and does the Government and Banking institutions take necessary steps to provide loans at cheaper rates?

APPENDIX D: RESULTS OF EXCEL CODING

Identification	Participant	Gender	Age	Race	Variable 1	Variable 2	Variable 3	Variable 4	Variable 5	Variable 6	Variable 7	Variable 8a	Variable 8b	Variable 8c	Variable 8d	Variable 9	Variable 10
1	1	2	4	1	4	4	3	3	4	5	5	1	4	2	5	4	3
2	1	2	3	1	4	3	4	4	4	4	4	4	2	4	5	4	2
3	1	1	3	1	4	4	5	2	5	4	4	5	5	4	5	1	5
4	1	1	4	1	3	5	3	3	5	5	5	5	5	5	5	5	3
5	1	1	3	1	5	5	5	5	5	5	5	5	5	5	5	5	5
6	1	2	4	1	2	5	3	1	5	3	5	5	5	5	5	5	5
7	1	1	4	1	4	4	3	4	4	5	5	5	4	5	5	5	1
8	1	2	4	1	3	4	4	3	3	4	4	1	1	1	4	4	4
9	1	2	3	1	2	5	5	4	4	5	3	1	2	3	4	5	2
10	1	2	6	1	4	5	4	4	4	4	4	1	2	3	4	5	4
11	1	2	3	1	3	4	3	3	3	4	4	3	3	3	4	4	3
12	1	2	3	1	3	4	3	2	4	4	3	1	1	4	4	4	4
13	1	2	7	4	3	3	3	3	3	4	4	2	1	4	4	3	3
14	1	1	3	1	3	3	2	4	3	5	4	4	1	4	4	3	4
15	1	2	3	1	3	3	4	4	3	3	4	1	2	4	4	3	3
16	1	2	4	1	3	4	4	4	4	4	3	2	2	4	4	4	3
17	1	2	2	1	4	4	4	3	3	4	4	2	2	4	4	4	3
18	1	1	6	4	3	4	4	4	3	4	4	2	2	4	4	4	3
19	1	1	7	4	4	4	3	3	4	3	4	2	2	4	4	4	4
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21	1	2	4	1	2	3	4	4	4	4	3	3	4	4	4	3	3
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23	1	2	3	1	4	4	4	4	3	4	4	3	4	4	4	4	4
24	1	1	1	1	2	4	4	2	2	4	2	4	4	4	4	4	2
25	1	1	3	1	5	4	1	4	3	5	4	4	4	4	4	3	2
26	1	1	3	1	2	4	4	2	4	4	2	4	4	4	4	2	1
27	1	2	4	1	3	4	4	4	3	4	4	4	4	4	4	3	3
28	1	2	4	1	5	4	3	2	2	1	4	4	4	4	4	4	4
29	1	1	2	2	4	4	4	4	4	4	4	4	4	4	4	4	4
30	1	2	3	1	3	3	4	2	4	2	4	4	4	4	4	2	4
31	1	2	6	1	5	5	5	5	4	4	5	5	4	4	4	5	5
32	1	2	3	1	4	4	5	5	4	4	4	2	3	4	4	4	4
33	1	1	3	1	2	4	3	3	4	4	3	3	3	4	4	3	2
34	1	2	2	1	4	4	4	4	4	4	3	3	3	4	4	3	3
35	1	2	2	1	4	4	4	4	4	3	3	3	3	4	4	4	4
36	1	1	5	1	4	1	3	3	4	4	4	3	3	4	3	4	4
37	1	2	7	4	3	4	4	4	4	5	5	2	3	4	3	4	4
38	1	2	3	2	4	4	3	3	4	4	4	4	4	4	3	3	4
39	1	2	3	1	3	4	2	2	4	4	3	4	4	4	3	5	4
40	1	1	1	4	3	4	3	4	3	5	5	4	4	4	3	4	3
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45	1	2	2	1	4	5	4	5	4	4	4	1	4	4	3	5	1
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56	1	2	6	1	4	2	2	3	2	4	3	3	3	3	3	4	2
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92	1	2	4	1	2	3	3	4	3	3	3	4	4	4	1	5	5
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94	1	2	4	1	2	4	3	4	4	4	5	2	4	4	1	3	3
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96	1	2	4	2	3	5	5	5	3	3	5	1	4	4	1	5	1
97	1	2	3	1	3	4	3	4	3	5	4	1	2	4	1	3	2
98	1	2	3	1	4	5	3	4	4	5	5	1	2	4	1	3	4
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100	1	1	2	1	4	5	3	4	4	4	4	2	4	1	1	3	4
101	1	2	3	2	3	2	1	3	3	3	4	2	2	1	1	3	4

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61	1	1	2	1	5	2	3	3	4	4	4	3	3	5	4	4	1
62	1	1	5	1	5	5	5	5	5	4	4	4	4	5	4	5	4
63	1	2	4	1	3	5	3	5	5	3	3	5	5	5	4	5	3
64	1	2	4	2	3	5	5	5	4	3	5	1	1	5	4	5	5
65	1	2	2	1	5	4	4	3	4	5	4	1	1	5	4	5	3
66	1	2	5	1	4	4	4	3	5	4	3	3	3	4	4	4	4
67	1	2	2	1	4	4	4	3	3	4	5	1	5	5	2	4	5
68	1	1	2	1	3	4	4	4	4	4	3	4	3	4	2	3	3
69	1	2	5	1	4	4	3	4	4	4	4	5	4	4	2	3	3
70	1	1	2	1	2	5	4	4	4	4	3	4	4	4	2	3	5
71	1	1	2	1	3	4	3	4	4	3	4	4	4	4	2	3	3
72	2	1	3	1	2	1	2	4	4	5	5	4	4	4	2	4	2
73	1	1	3	1	2	4	2	4	2	4	3	4	4	4	2	4	2
74	1	2	2	1	4	4	3	2	4	5	3	4	5	4	2	4	5
75	2	1	3	1	4	4	3	5	3	5	5	5	5	4	2	5	3
76	1	2	3	1	3	5	4	4	4	4	4	2	2	4	2	4	4
77	1	2	6	1	2	4	3	4	4	4	4	2	2	4	2	4	4
78	1	1	4	4	3	4	4	3	2	3	4	1	2	4	2	3	4
79	1	1	4	2	4	5	3	4	4	5	2	2	1	4	2	3	4
80	1	2	1	1	4	4	3	2	2	3	4	2	1	4	2	3	4
81	1	1	4	1	3	4	3	4	4	4	4	1	1	4	2	4	2
82	1	2	4	1	4	5	4	5	4	4	4	4	4	3	2	3	3
83	1	1	2	1	4	5	3	5	5	3	3	4	4	3	2	4	2
84	1	2	3	1	3	4	3	2	3	3	1	2	2	3	2	5	5
85	1	1	5	1	4	4	3	4	4	5	5	2	2	2	2	4	4
86	1	1	3	1	4	4	5	1	4	4	4	1	2	2	2	1	4
87	1	2	4	1	4	4	4	5	4	4	4	2	1	2	2	4	4
88	1	1	3	1	3	5	3	4	5	4	2	5	3	5	1	5	5
89	1	1	3	1	1	4	3	2	4	2	2	5	2	5	1	4	4
90	1	1	2	1	2	5	3	3	4	5	5	1	1	5	1	4	3
91	1	2	3	1	5	5	5	5	5	5	5	1	1	5	1	5	3
92	1	2	4	1	2	3	3	4	3	3	3	4	4	4	1	5	5
93	1	1	3	1	3	3	3	3	3	2	4	4	4	4	1	3	3
94	1	2	4	1	2	4	3	4	4	4	5	2	4	4	1	3	3
95	1	2	3	2	2	5	5	3	5	3	2	1	4	4	1	5	5
96	1	2	4	2	3	5	5	5	3	3	5	1	4	4	1	5	1
97	1	2	3	1	3	4	3	4	3	5	4	1	2	4	1	3	2
98	1	2	3	1	4	5	3	4	4	5	5	1	2	4	1	3	4
99	1	2	3	1	2	4	3	4	3	2	4	2	3	3	1	5	5
100	1	1	2	1	4	5	3	4	4	4	4	2	4	1	1	3	4
101	1	2	3	2	3	2	1	3	3	3	4	2	2	1	1	3	4
102	1	2	4	1	4	5	4	4	4	4	5	5	1	1	1	3	4
103	1	1	3	1	5	5	3	3	5	5	5	1	1	1	1	5	4
104	1	2	3	1	4	5	4	4	4	4	5	3	4	5	3	4	5
105	2	1	3	1	2	5	4	3	3	4	4	5	5	5	3	3	3
106	2	2	4	4	3	5	3	5	3	5	2	5	5	5	3	5	3
107	1	2	3	1	4	5	5	3	3	4	5	4	2	5	3	3	4
108	1	2	3	1	4	5	5	4	5	4	5	2	2	5	3	5	5
109	1	2	3	1	3	5	4	4	4	5	5	1	2	5	3	5	4
110	1	1	2	2	4	4	4	3	3	4	4	4	3	4	3	4	3

It is easy to start a new franchise business in Walvis Bay * Participant sex Crosstabulation

			Participant sex		Total
			Female	Male	
It is easy to start a new franchise business in Walvis Bay		Count	3	0	3
	Strongly disagree	Expected Count	1.2	1.8	3.0
		% within Participant sex	6.8%	0.0%	2.7%
		Count	9	11	20
	Disagree	Expected Count	8.0	12.0	20.0
		% within Participant sex	20.5%	16.7%	18.2%
		Count	13	25	38
	Indifferent	Expected Count	15.2	22.8	38.0
		% within Participant sex	29.5%	37.9%	34.5%
		Count	13	26	39
	Agree	Expected Count	15.2	22.8	38.0
		% within Participant sex	29.5%	37.9%	34.5%
Count		13	26	39	

		Expected Count	15.6	23.4	39.0
		% within Participant sex	29.5%	39.4%	35.5%
		Count	6	4	10
	Strongly agree	Expected Count	4.0	6.0	10.0
		% within Participant sex	13.6%	6.1%	9.1%
		Count	44	66	110
Total		Expected Count	44.0	66.0	110.0
		% within Participant sex	100.0%	100.0%	100.0%

Franchise are creating jobs in Walvis Bay * Participant sex Crosstabulation

			Participant sex		Total
			Female	Male	
Franchise are creating jobs in Walvis Bay		Count	3	0	3
	Strongly disagree	Expected Count	1.2	1.8	3.0
		% within Participant sex	6.8%	0.0%	2.7%
		Count	2	2	4
	Disagree	Expected Count	1.6	2.4	4.0
		% within Participant sex	4.5%	3.0%	3.6%
		Count	2	8	10
	Indifferent	Expected Count	4.0	6.0	10.0
		% within Participant sex	4.5%	12.1%	9.1%
		Count	23	35	58
Agree	Expected Count	23.2	34.8	58.0	

		% within Participant sex	52.3%	53.0%	52.7%
		Count	14	21	35
	Strongly agree	Expected Count	14.0	21.0	35.0
		% within Participant sex	31.8%	31.8%	31.8%
		Count	44	66	110
		Expected Count	44.0	66.0	110.0
Total		% within Participant sex	100.0%	100.0%	100.0%

The job creation strategy implemented is effective * Participant sex Crosstabulation

			Participant sex		Total
			Female	Male	
The job creation strategy implemented is effective	Strongly disagree	Count	1	1	2
		Expected Count	.8	1.2	2.0

		% within Participant sex	2.3%	1.5%	1.8%
		Count	3	3	6
	Disagree	Expected Count	2.4	3.6	6.0
		% within Participant sex	6.8%	4.5%	5.5%
		Count	20	24	44
	Indifferent	Expected Count	17.6	26.4	44.0
		% within Participant sex	45.5%	36.4%	40.0%
		Count	15	29	44
	Agree	Expected Count	17.6	26.4	44.0
		% within Participant sex	34.1%	43.9%	40.0%
		Count	5	9	14
	Strongly agree	Expected Count	5.6	8.4	14.0
		% within Participant sex	11.4%	13.6%	12.7%

	Count	44	66	110
Total	Expected Count	44.0	66.0	110.0
	% within Participant sex	100.0%	100.0%	100.0%

Franchises grow faster than other business types * Participant sex Crosstabulation					
			Participant sex		Total
			Female	Male	
Franchises grow faster than other business types	Strongly disagree	Count	1	1	2
		Expected Count	.8	1.2	2.0
		% within Participant sex	2.3%	1.5%	1.8%
	Disagree	Count	5	8	13
		Expected Count	5.2	7.8	13.0
		% within Participant sex	11.4%	12.1%	11.8%

	Indifferent	Count	13	17	30
		Expected Count	12.0	18.0	30.0
		% within Participant sex	29.5%	25.8%	27.3%
	Agree	Count	18	30	48
		Expected Count	19.2	28.8	48.0
		% within Participant sex	40.9%	45.5%	43.6%
	Strongly agree	Count	7	10	17
		Expected Count	6.8	10.2	17.0
		% within Participant sex	15.9%	15.2%	15.5%
Total	Count	44	66	110	
	Expected Count	44.0	66.0	110.0	
	% within Participant sex	100.0%	100.0%	100.0%	

**Franchising has more advantages than other business types in creating jobs * Participant sex
Crosstabulation**

			Participant sex		Total
			Female	Male	
Franchising has more advantages than other business types in creating jobs	Strongly disagree	Count	2	1	3
		Expected Count	1.2	1.8	3.0
		% within Participant sex	4.5%	1.5%	2.7%
	Disagree	Count	3	4	7
		Expected Count	2.8	4.2	7.0
		% within Participant sex	6.8%	6.1%	6.4%
	Indifferent	Count	12	19	31
		Expected Count	12.4	18.6	31.0
		% within Participant sex	27.3%	28.8%	28.2%
	Agree	Count	20	36	56

		Expected Count	22.4	33.6	56.0
		% within Participant sex	45.5%	54.5%	50.9%
		Count	7	6	13
	Strongly agree	Expected Count	5.2	7.8	13.0
		% within Participant sex	15.9%	9.1%	11.8%
		Count	44	66	110
Total		Expected Count	44.0	66.0	110.0
		% within Participant sex	100.0%	100.0%	100.0%

The Franchisor impart management skills which benefit franchisees in their operations * Participant sex Crosstabulation

			Participant sex		Total
			Female	Male	
The Franchisor impart management skills which benefit franchisees in their operations	Strongly disagree	Count	1	1	2
		Expected Count	.8	1.2	2.0
		% within Participant sex	2.3%	1.5%	1.8%
	Disagree	Count	2	2	4
		Expected Count	1.6	2.4	4.0
		% within Participant sex	4.5%	3.0%	3.6%
	Indifferent	Count	6	13	19
		Expected Count	7.6	11.4	19.0
		% within Participant sex	13.6%	19.7%	17.3%
	Agree	Count	22	38	60

		Expected Count	24.0	36.0	60.0
		% within Participant sex	50.0%	57.6%	54.5%
		Count	13	12	25
	Strongly agree	Expected Count	10.0	15.0	25.0
		% within Participant sex	29.5%	18.2%	22.7%
		Count	44	66	110
Total		Expected Count	44.0	66.0	110.0
		% within Participant sex	100.0%	100.0%	100.0%

Franchise has a human development training programme for entry level employees in order to obtain success in the franchise * Participant sex Crosstabulation

			Participant sex		Total
			Female	Male	
Franchise has a human development training programme for entry level employees in order to obtain success in the franchise	Strongly disagree	Count	0	1	1
		Expected Count	.4	.6	1.0
		% within Participant sex	0.0%	1.5%	0.9%
	Disagree	Count	5	3	8
		Expected Count	3.2	4.8	8.0
		% within Participant sex	11.4%	4.5%	7.3%
	Indifferent	Count	7	13	20
		Expected Count	8.0	12.0	20.0
		% within Participant sex	15.9%	19.7%	18.2%
	Agree	Count	21	33	54

		Expected Count	21.6	32.4	54.0
		% within Participant sex	47.7%	50.0%	49.1%
		Count	11	16	27
	Strongly agree	Expected Count	10.8	16.2	27.0
		% within Participant sex	25.0%	24.2%	24.5%
		Count	44	66	110
Total		Expected Count	44.0	66.0	110.0
		% within Participant sex	100.0%	100.0%	100.0%

The majority of franchise employees have: No qualification * Participant sex Crosstabulation

	Participant sex		Total
	Female	Male	
Count	5	18	23

The majority of franchise employees have: No qualification	Strongly disagree	Expected Count	9.2	13.8	23.0
		% within Participant sex	11.4%	27.3%	20.9%
		Count	5	15	20
	Disagree	Expected Count	8.0	12.0	20.0
		% within Participant sex	11.4%	22.7%	18.2%
		Count	8	13	21
	Indifferent	Expected Count	8.4	12.6	21.0
		% within Participant sex	18.2%	19.7%	19.1%
		Count	18	12	30
	Agree	Expected Count	12.0	18.0	30.0
		% within Participant sex	40.9%	18.2%	27.3%
		Count	8	8	16
Strongly agree	Expected Count	6.4	9.6	16.0	

Total	% within Participant sex	18.2%	12.1%	14.5%
	Count	44	66	110
	Expected Count	44.0	66.0	110.0
	% within Participant sex	100.0%	100.0%	100.0%

The majority of franchise employees have: Primary school level * Participant sex Crosstabulation

			Participant sex		Total
			Female	Male	
The majority of franchise employees have: Primary school level	Strongly disagree	Count	5	10	15
		Expected Count	6.0	9.0	15.0
		% within Participant sex	11.4%	15.2%	13.6%
	Disagree	Count	5	19	24
		Expected Count	9.6	14.4	24.0
		% within Participant sex	11.4%	28.8%	21.8%
	Indifferent	Count	10	10	20
		Expected Count	8.0	12.0	20.0
		% within Participant sex	22.7%	15.2%	18.2%
	Agree	Count	19	21	40

		Expected Count	16.0	24.0	40.0
		% within Participant sex	43.2%	31.8%	36.4%
		Count	5	6	11
	Strongly agree	Expected Count	4.4	6.6	11.0
		% within Participant sex	11.4%	9.1%	10.0%
		Count	44	66	110
Total		Expected Count	44.0	66.0	110.0
		% within Participant sex	100.0%	100.0%	100.0%

The majority of franchise employees have: High School level * Participant sex Crosstabulation

			Participant sex		Total
			Female	Male	
The majority of franchise employees have: High School level	Strongly disagree	Count	2	4	6
		Expected Count	2.4	3.6	6.0
		% within Participant sex	4.5%	6.1%	5.5%
	Disagree	Count	3	2	5
		Expected Count	2.0	3.0	5.0
		% within Participant sex	6.8%	3.0%	4.5%
	Indifferent	Count	6	9	15
		Expected Count	6.0	9.0	15.0
		% within Participant sex	13.6%	13.6%	13.6%
	Agree	Count	24	40	64

		Expected Count	25.6	38.4	64.0
		% within Participant sex	54.5%	60.6%	58.2%
		Count	9	11	20
	Strongly agree	Expected Count	8.0	12.0	20.0
		% within Participant sex	20.5%	16.7%	18.2%
		Count	44	66	110
Total		Expected Count	44.0	66.0	110.0
		% within Participant sex	100.0%	100.0%	100.0%

The majority of franchise employees have: University/college degree * Participant sex
 Crosstabulation

			Participant sex		Total
			Female	Male	
The majority of franchise employees have: University/college degree	Strongly disagree	Count	6	10	16
		Expected Count	6.4	9.6	16.0
		% within Participant sex	13.6%	15.2%	14.5%
	Disagree	Count	12	9	21
		Expected Count	8.4	12.6	21.0
		% within Participant sex	27.3%	13.6%	19.1%
	Indifferent	Count	12	20	32
		Expected Count	12.8	19.2	32.0
		% within Participant sex	27.3%	30.3%	29.1%
	Agree	Count	10	24	34

		Expected Count	13.6	20.4	34.0
		% within Participant sex	22.7%	36.4%	30.9%
		Count	4	3	7
	Strongly agree	Expected Count	2.8	4.2	7.0
		% within Participant sex	9.1%	4.5%	6.4%
		Count	44	66	110
Total		Expected Count	44.0	66.0	110.0
		% within Participant sex	100.0%	100.0%	100.0%

Franchise prefer financial institutions funds to boost franchise growth and create jobs in Walvis Bay

*** Participant sex Crosstabulation**

			Participant sex		Total
			Female	Male	
Franchise prefer financial institutions funds to boost franchise growth and create jobs in Walvis Bay	Strongly disagree	Count	3	0	3
		Expected Count	1.2	1.8	3.0
		% within Participant sex	6.8%	0.0%	2.7%
	Disagree	Count	1	1	2
		Expected Count	.8	1.2	2.0
		% within Participant sex	2.3%	1.5%	1.8%
	Indifferent	Count	13	16	29
		Expected Count	11.6	17.4	29.0
		% within Participant sex	29.5%	24.2%	26.4%
	Agree	Count	19	29	48

		Expected Count	19.2	28.8	48.0
		% within Participant sex	43.2%	43.9%	43.6%
		Count	8	20	28
	Strongly agree	Expected Count	11.2	16.8	28.0
		% within Participant sex	18.2%	30.3%	25.5%
		Count	44	66	110
Total		Expected Count	44.0	66.0	110.0
		% within Participant sex	100.0%	100.0%	100.0%

Age and gender are considered as a key factor when employing individuals for different positions *
Participant sex Crosstabulation

			Participant sex		Total
			Female	Male	
Age and gender are considered as a key factor when employing individuals for different positions	Strongly disagree	Count	5	2	7
		Expected Count	2.8	4.2	7.0
		% within Participant sex	11.4%	3.0%	6.4%
	Disagree	Count	7	7	14
		Expected Count	5.6	8.4	14.0
		% within Participant sex	15.9%	10.6%	12.7%
	Indifferent	Count	11	20	31
		Expected Count	12.4	18.6	31.0
		% within Participant sex	25.0%	30.3%	28.2%
	Agree	Count	17	25	42

		Expected Count	16.8	25.2	42.0
		% within Participant sex	38.6%	37.9%	38.2%
		Count	4	12	16
	Strongly agree	Expected Count	6.4	9.6	16.0
		% within Participant sex	9.1%	18.2%	14.5%
		Count	44	66	110
Total		Expected Count	44.0	66.0	110.0
		% within Participant sex	100.0%	100.0%	100.0%

It is easy to start a new franchise business in Walvis Bay * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
It is easy to start a new franchise business in Walvis Bay	Strongly disagree	Count	3	0	3
		% within Participant classification	2.8%	0.0%	2.7%
	Disagree	Count	18	2	20
		% within Participant classification	17.0%	50.0%	18.2%
	Indifferent	Count	37	1	38
		% within Participant classification	34.9%	25.0%	34.5%
	Agree	Count	38	1	39
		% within Participant classification	35.8%	25.0%	35.5%

		Count	10	0	10
	Strongly agree	% within Participant classification	9.4%	0.0%	9.1%
Total		Count	106	4	110
		% within Participant classification	100.0%	100.0%	100.0%

Franchise are creating jobs in Walvis Bay * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
Franchise are creating jobs in Walvis Bay	Strongly disagree	Count	2	1	3
		% within Participant classification	1.9%	25.0%	2.7%
	Disagree	Count	4	0	4
		% within Participant classification	3.8%	0.0%	3.6%
	Indifferent	Count	10	0	10
		% within Participant classification	9.4%	0.0%	9.1%
	Agree	Count	57	1	58
		% within Participant classification	53.8%	25.0%	52.7%
		Count	33	2	35

	Strongly agree	% within Participant classification	31.1%	50.0%	31.8%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

The job creation strategy implemented is effective * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
The job creation strategy implemented is effective	Strongly disagree	Count % within Participant classification	2 1.9%	0 0.0%	2 1.8%
	Disagree	Count % within Participant classification	5 4.7%	1 25.0%	6 5.5%
	Indifferent	Count % within Participant classification	42 39.6%	2 50.0%	44 40.0%
	Agree	Count % within Participant classification	43 40.6%	1 25.0%	44 40.0%
		Count	14	0	14

	Strongly agree	% within Participant classification	13.2%	0.0%	12.7%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

Franchises grow faster than other business types * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
Franchises grow faster than other business types	Strongly disagree	Count	2	0	2
		% within Participant classification	1.9%	0.0%	1.8%
	Disagree	Count	13	0	13
		% within Participant classification	12.3%	0.0%	11.8%
	Indifferent	Count	29	1	30
		% within Participant classification	27.4%	25.0%	27.3%
	Agree	Count	47	1	48
		% within Participant classification	44.3%	25.0%	43.6%
		Count	15	2	17

	Strongly agree	% within Participant classification	14.2%	50.0%	15.5%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

Franchising has more advantages than other business types in creating jobs * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
Franchising has more advantages than other business types in creating jobs		Count	3	0	3
	Strongly disagree	% within Participant classification	2.8%	0.0%	2.7%
		Count	7	0	7
	Disagree	% within Participant classification	6.6%	0.0%	6.4%
		Count	28	3	31
	Indifferent	% within Participant classification	26.4%	75.0%	28.2%
		Count	55	1	56
Agree	% within Participant classification	51.9%	25.0%	50.9%	
	Count	13	0	13	

	Strongly agree	% within Participant classification	12.3%	0.0%	11.8%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

The Franchisor impart management skills which benefit franchisees in their operations* Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
The Franchisor impart management skills which benefit franchisees in their operations		Count	2	0	2
	Strongly disagree	% within Participant classification	1.9%	0.0%	1.8%
		Count	4	0	4
	Disagree	% within Participant classification	3.8%	0.0%	3.6%
		Count	19	0	19
	Indifferent	% within Participant classification	17.9%	0.0%	17.3%
	Count	59	1	60	
Agree	% within Participant classification	55.7%	25.0%	54.5%	
	Count	22	3	25	

	Strongly agree	% within Participant classification	20.8%	75.0%	22.7%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

Franchise has a human development training programme for entry level employees in order to obtain success in the franchise * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
Franchise has a human development training programme for entry level employees in order to obtain success in the franchise		Count	1	0	1
	Strongly disagree	% within Participant classification	0.9%	0.0%	0.9%
		Count	7	1	8
	Disagree	% within Participant classification	6.6%	25.0%	7.3%
		Count	20	0	20
	Indifferent	% within Participant classification	18.9%	0.0%	18.2%
	Count	53	1	54	
Agree	% within Participant classification	50.0%	25.0%	49.1%	
	Count	25	2	27	

	Strongly agree	% within Participant classification	23.6%	50.0%	24.5%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

The majority of franchise employees have: No qualification * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
The majority of franchise employees have: No qualification	Count		23	0	23
	Strongly disagree	% within Participant classification	21.7%	0.0%	20.9%
	Count		20	0	20
	Disagree	% within Participant classification	18.9%	0.0%	18.2%
	Count		21	0	21
	Indifferent	% within Participant classification	19.8%	0.0%	19.1%
Count		29	1	30	
Agree	% within Participant classification	27.4%	25.0%	27.3%	
Count		13	3	16	

	Strongly agree	% within Participant classification	12.3%	75.0%	14.5%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

The majority of franchise employees have: Primary school level * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
The majority of franchise employees have: Primary school level	Strongly disagree	Count	15	0	15
		% within Participant classification	14.2%	0.0%	13.6%
	Disagree	Count	24	0	24
		% within Participant classification	22.6%	0.0%	21.8%
	Indifferent	Count	20	0	20
		% within Participant classification	18.9%	0.0%	18.2%
	Agree	Count	39	1	40
		% within Participant classification	36.8%	25.0%	36.4%
		Count	8	3	11

	Strongly agree	% within Participant classification	7.5%	75.0%	10.0%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

The majority of franchise employees have: High School level * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
The majority of franchise employees have: High School level	Strongly disagree	Count	6	0	6
		% within Participant classification	5.7%	0.0%	5.5%
	Disagree	Count	5	0	5
		% within Participant classification	4.7%	0.0%	4.5%
	Indifferent	Count	15	0	15
		% within Participant classification	14.2%	0.0%	13.6%
	Agree	Count	62	2	64
		% within Participant classification	58.5%	50.0%	58.2%
		Count	18	2	20

	Strongly agree	% within Participant classification	17.0%	50.0%	18.2%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

The majority of franchise employees have: University/college degree * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
The majority of franchise employees have: University/college degree	Count		16	0	16
	Strongly disagree	% within Participant classification	15.1%	0.0%	14.5%
	Count		19	2	21
	Disagree	% within Participant classification	17.9%	50.0%	19.1%
	Count		30	2	32
	Indifferent	% within Participant classification	28.3%	50.0%	29.1%
Count		34	0	34	
Agree	% within Participant classification	32.1%	0.0%	30.9%	
Count		7	0	7	

	Strongly agree	% within Participant classification	6.6%	0.0%	6.4%
		Count	106	4	110
Total		% within Participant classification	100.0%	100.0%	100.0%

Franchise prefer financial institutions funds to boost franchise growth and create jobs in Walvis Bay * Participant classification
Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
Franchise prefer financial institutions funds to boost franchise growth and create jobs in Walvis Bay	Strongly disagree	Count	3	0	3
		% within Participant classification	2.8%	0.0%	2.7%
	Disagree	Count	2	0	2
		% within Participant classification	1.9%	0.0%	1.8%
	Indifferent	Count	28	1	29
		% within Participant classification	26.4%	25.0%	26.4%
	Agree	Count	47	1	48
		% within Participant classification	44.3%	25.0%	43.6%
	Strongly agree	Count	26	2	28

	% within Participant classification	24.5%	50.0%	25.5%
	Count	106	4	110
Total	% within Participant classification	100.0%	100.0%	100.0%

Age and gender are considered as a key factor when employing individuals for different positions * Participant classification Crosstabulation

			Participant classification		Total
			Consumers	Entrepreneurs	
Age and gender are considered as a key factor when employing individuals for different positions	Strongly disagree	Count	7	0	7
		% within Participant classification	6.6%	0.0%	6.4%
	Disagree	Count	13	1	14
		% within Participant classification	12.3%	25.0%	12.7%
	Indifferent	Count	28	3	31
		% within Participant classification	26.4%	75.0%	28.2%
	Agree	Count	42	0	42
		% within Participant classification	39.6%	0.0%	38.2%
	Strongly agree	Count	16	0	16
		% within Participant classification	15.1%	0.0%	14.5%

	Count	106	4	110
Total	% within Participant classification	100.0%	100.0%	100.0%

FIRST TO NINTH INTERVIEW

The researcher indicated to the participants that the recordings will only be shared between the Researcher and the University. Please refer to the six interviews word documents

QUESTION 1.1

no.	Responses	Themes	Codes	Statistics	Statistics - Advantages
	Advantages	Employment	a	Frequency	Frequency
1	Learning	Training and Development	b	Employment	Employment
2	Promoted	Area	c	Training and Development	Training and Development
3	Creating Employment	Community and Economic Development	d	Area	Area
4	Employment	Investors	e	Community and Economic Development	Community and Economic Development
5	Promotions			Investors	Investors
6	Transfers			Decisions by Franchisor	Brand
7	Space for new employment			Brand	Total
8	Training			Population	
9	Support			Unemployment and growth	
10	Branding sorted out			Finances	Proportion - Advantages
11	Regulations			Total	Employment
12	Shop setup				Training and Development
13	Established brand			Proportion	Area
14	Creating more jobs			Employment	Community and Economic Development
15	Proven business model			Training and Development	Investors
16	Location			Location and Land	Brand
17	Buys package			Community and Economic Development	Total
18	Shop Layout			Investors and Franchisors	
19	Investments in Walvis Bay			Decisions by Franchisor	
20	Job Creation			Brand	Statistics - Disadvantages
21	Adding value to community			Namibia's Population	Frequency
22	Attract local investments			Unemployment and growth	Decisions by Franchisor
23	Investors getting into partnership			Finances	Brand
24	Land allocation			Total	Population
25	Boost economic development				Unemployment and growth
26	Land at a lower price				Finances
					Total
27	Disadvantages	Decisions	f		
28	Can't make decisions	Brand	g		
29	Brand of SA origin	Population	h		Proportion - Disadvantages
30	More support for SA than Namib	Conditions leading to unemployment and growth	i		Decisions by Franchisor
31	Economic Crisis	Finances	i		Brand
32	Retrenchments				Population
33	Covid-19				Unemployment and growth
34	Impact of growth				Finances
35	Namibia's population is small				Total
36	Franchise failures				
37	Cost Implications				
38	Borrowed Funds				

QUESTION 1.2

no.	Responses		Themes	Codes	Statistics	
	Competitive Advantages					
1	Run specials	a	Prices & Sales	a	Frequency	
2	Architect design	b	Franchising Packages	b	Prices & Sales	5
3	Plans with specifications	b	Established Market	c	Franchising Packages	12
4	Visibility studies	b	Analysing and Risks	d	Established Market	3
5	Invested interest in the success	b	Rules and Regulations	e	Analysing and Risks	4
6	Assurance	b	Support	f	Rules and Regulations	2
7	Tried and Tested products	d	Proven & Stabilized Business Model	g	Support	4
8	Known market	c			Proven & Stabilized Business Model	2
9	Proven Business Model	g				
10	Learned and corrected mistakes	d			Total	32
11	Training packages	b				
12	Lower risks	d				
13	Drive rescue and save	d				
14	Law	e				
15	Franchises buy on a bigger (larger) scale	a				
16	Better discount	a			Proportion	
17	Franchise price are better off	a			Prices & Sales	16%
18	Better support	f			Franchising Packages	38%
19	Stabilized	g			Established Market	9%
20	Know how to operate	b			Analysing and Risks	13%
21	Established brand	c			Rules and Regulations	6%
22	Established business model	c			Support	13%
23	Support to setup	f			Proven & Stabilized Business Model	6%
24	Train your employees	b				
25	Help manage	b			Total	100%
26	Put processes in mind	b				
27	Help run the business	b				
28	Affordable	a				
29	Support to setup	f				
30	Mentorship agreement	e				
31	Provide support in the way of systems	f				
32	Marketing and advertising	b				

QUESTION 1.3

no.	Responses		Participants	Threat	
	Yes	No		Yes	No
1	1		1	1	
2			2		1
3	1		3	1	
4	1		4	1	
5		1	5		1
6		1	6		1
Total	6	6	Total	6	6
	3	2		3	3
	50.00%	33.33%		50.00%	50.00%

QUESTION 2.1

Themes	Codes	Statistics	
Qualifications & Interviews	a	Frequency	
Training and development	b	Qualifications & Interviews	8
Employment	c	Training and development	2
Franchise policy & procedures	d	Employment	8
Frachises vs other types of businesses	e	Franchise policy & procedures	4
Brand well known	f	Frachises vs other types of business	8
Decision maker	g	Brand well known	1
Success	h	Decision maker	1
Health and Safety	i	Success	1
		Health and Safety	3
		Total	36
		Proportion	
		Qualifications & Interviews	22.22%
		Training and development	5.56%
		Employment	22.22%
		Franchise policy & procedures	11.11%
		Frachises vs other types of business	22.22%
		Brand well known	2.78%
		Decision maker	2.78%
		Success	2.78%
		Health and Safety	8.33%
		Total	100.00%

QUESTION 2.2

no.	Responses	Themes	Codes	Statistics	
	Obstacles in franchising	Prices & current conditions	a	Frequency	
1	Price range	Logistics	b	Prices & current conditions	6
2	Current sort of economic climate	Funding (Financing)	c	Logistics	2
3	Covid-19	Competition	d	Funding (Financing)	2
4	Lockdowns (Covid-19)	No franchise law in Namibia	e	Competition	2
5	Transport industry	Products	f	No franchise law in Namibia	2
6	Time (products arrive on time)	Market size	g	Products	1
7	Price	Family owned businesses	h	Market size	2
8	Financing			Family owned businesses	1
9	Sufficient liquid assets				
10	Pricing of the franchises			Total	18
11	Competition			Proportion	
12	Support local entrepreneurs			Prices & current conditions	33%
13	No regulations			Logistics	11%
14	No protection			Funding (Financing)	11%
15	Namibia's small population			Competition	11%
16	Products aren't that much different			No franchise law in Namibia	11%
17	Market size			Products	6%
18	Well established family owned businesses			Market size	11%
				Family owned businesses	6%
				Total	100%

QUESTION 3.2

no.	Responses		Themes	Codes	Statistics	
	Risks		Franchisee & franchisor	a	Frequency	
1	Have to look for a franchisee	a	Logistics	b	Franchisee & franchisor	2
2	Transport your stock	b	Rental space & land	c	Logistics	1
3	Rental space	c	Risks	d	Rental space & land	2
4	Risk involved is in all businesses	d	Support	e	Risks	13
5	Stealing	d	Costs	f	Support	1
6	Dishonesty	d	Employment	g	Costs	6
7	Damage to property	d	Population	h	Employment	1
8	Stock loss	d			Population	1
9	No cameras	d				
10	No security	d			Total	27
11	Loss of profits	d				
12	Enough support	e				
13	Non-recourse loans	f				
14	Well risks are like in any business	d			Proportion	
15	Namibia has a small population	h			Franchisee & franchisor	7%
16	High costs	f			Logistics	4%
17	Land availabilities	c			Rental space & land	7%
18	Marketing costs	f			Risks	48%
19	Thief (stealing)	d			Support	4%
20	Appointed people	g			Costs	22%
21	Dishonesty	d			Employment	4%
22	Damage	d			Population	4%
23	Who is your business partner	a				
24	Loss of business if not successful	d			Total	100%
25	High costs	f				
26	Personal capacity surety for loans	f				
27	Borrowing (money)	f				

QUESTION 3.3

no.	Responses			
	Cheaper rates			
Participants	Yes	Maybe/Don't know	No	
1	1			
2			1	
3				1
4			1	
5			1	
6				1
Total	6		6	6
	1		3	2
	17%		50%	33%



Dr Darlington Onojaefe
Coordinator: Business Administration

Graduate Centre for Management
Room 4.1B, Commerce
Cape Town Campus
Tel: 0(12) 460 9019; Fax: 0(21) 460 3717
Email: onojaefd@cput.ac.za

September 04, 2020

To Whom It May Concern

Research participation request – Kristina Shitemba

The study on Franchising as a strategy for job creation in the clothing sector: the case study of Walvis Bay is a research project conducted by Kristina Shitemba. This study is in fulfilment of the requirement for the M Tech: Business Administration. The perceived decent jobs shortage for Not in Education, Employment or Training youth in Walvis Bay is a concern that would be reviewed.

This is to formally request your interest and willingness to participate. This request is aligned with ethic requirement for which the Project Leader and M Tech candidate, Kristina Shitemba requires written permission. In return for your participation, the finding and outcome of the study would be made available on request.

Please note that all information supplied would be used for the stated purpose of academic research only – and would be kept in strict professional confidence.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Darlington Onojaefe", written in a cursive style.

PO Box 1906 Bellville 7535 South Africa
086 123 2788



Date: 24 September 2020

I Graham April in my capacity as HR Business Partner at Pick n Pay Namibia give consent in principle to allow Kristina Shitemba, a student at the Cape Peninsula University of Technology (CPUT), to collect data in this company as part of his/her Master of Technology research. The student has explained to me the nature of his/her research and the nature of the data to be collected.

This consent in no way commits any individual staff member to participate in the research, and it is expected that the student will get explicit consent from any participants. I reserve the right to withdraw this permission at some future time.

In addition, the company's name may or may not be used as indicated below. (Tick as appropriate).

	Thesis	Conference paper	Journal article	Research poster
Yes	X	X	X	X
No				

Graham April

24 September 2020

23 September 2020

TO WHOM IT MAY CONCERN

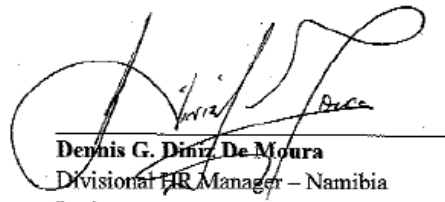
I, Dennis Diniz De Moura, in my capacity as Divisional HR Manager - Namibia at Shoe City Namibia (A division of Pepkor Speciality Stores/Group) give consent in principle to allow Ms Kristina Shitemba, Student Number: 208017097, a student at the Cape Peninsula University of Technology (CPUT), to collect data in this company as part of his/her Master of Technology research.

The student has explained to me the nature of his/her research and the nature of the data to be collected.

This consent in no way commits any individual staff member to participate in the research, and it is expected that the student will get explicit consent from any participants. I reserve the right to withdraw this permission at some future time.

In addition, the company's name may or may not be used as indicated below. (Tick as appropriate).

	Thesis	Conference paper	Journal article	Research poster
Yes	Yes	Yes	Yes	Yes
No	Yes	Yes	Yes	Yes



Dennis G. Diniz De Moura
Divisional HR Manager – Namibia
Pepkor Speciality Stores/Group (Namibia)
Cell: +264 811 55 0707
Email: dennisd@speciality.pepkor.co.za
Fax2Mail: +27 864 80 6498



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Windhoek, Namibia
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Fax: +264 (0)61-226500
www.nampost.com.na

Directors: E.N. Hamunyela (Chairperson),
Dr. P.J. Boer, I.U.D. Kalenga,
J.A. Cumming
Company Secretary: E.C Harmse

30 March 2021

I, Mbo Mena Luvindao; in my capacity as Executive: Financial Services at Nampost give consent in principle to allow Kristina Shitemba (Student Number: 208017097) , a student at the Cape Peninsula University of Technology (CPUT), to collect data in this company as part of his/her Master of Technology research. The student has explained to me the nature of his/her research and the nature of the data to be collected.

This consent in no way commits any individual staff member to participate in the research, and it is expected that the student will get explicit consent from any participants. I reserve the right to withdraw this permission at some future time.

In addition, the company's name may or may not be used as indicated below. (Tick as appropriate).

	Thesis	Conference paper	Journal article	Research poster
Yes	X			
No		X	X	X

Mbo Mena Luvindao

SMEs COMPETE

SMEs Competitiveness Consultancy (Pty) Ltd
 Enterprise House, 123 Sam Nujoma Drive, Windhoek West
 P.O. Box 29112, Mail Centre, Windhoek, Namibia
 Tel. +264+ (0)61+24 7129 Email: reception@smecompete.com

22 September 2020

TO WHOM IT MAY CONCERN

I, Danial Ronald Meyer, in my capacity as a director of this business give consent in principle to allow Kristina Shitemba (student no.208017097), a student at the Cape Peninsula University of Technology (CPUT), to collect data in this company as part of her Master of Technology research. The student has explained to me the nature of her research and the nature of the data to be collected.

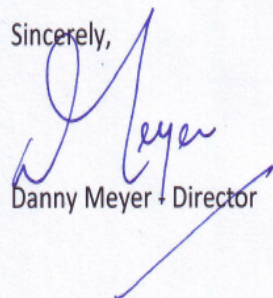
This consent in no way commits any individual staff member to participate in the research, and it is expected that the student will get explicit consent from any participants. I reserve the right to withdraw this permission at some future time.

In addition, the company's name may or may not be used as indicated below.

	Thesis	Conference paper	Journal article	Research poster
Yes	✓	✓	✓	✓
No				

We wish Kristina Shitemba success in her studies.

Sincerely,



Danny Meyer - Director



30 March 2021

I, Caty Sheya, in my capacity as Communication Officer at Municipality of Walvis Bay give consent in principle to allow Kristina Shitemba, 208017097 a student at the Cape Peninsula University of Technology (CPUT), to collect data in this company as part of his/her Master of Technology research. The student has explained to me the nature of his/her research and the nature of the data to be collected.

This consent in no way commits any individual staff member to participate in the research, and it is expected that the student will get explicit consent from any participants. I reserve the right to withdraw this permission at some future time.

In addition, the company's name may or may not be used as indicated below. (Tick as appropriate).

	Thesis	Conference paper	Journal article	Research poster
Yes				
No				

Mrs Caty Sheya

30.03.2021

Name	Participant	Position	Organization
Mrs Mowada Clark	Participant 1	Store Manager	Shoe City
Mr Erwin Lombaardt	Participant 2	Supervisor	Shoe City
Mr Engelhard Striemann Awaseb	Participant 3	Store Manager	Pick n Pay (clothing)
Mrs Katy Sheya	Participant 4	Communication Officer	Municipality of Walvis Bay
Mr Danny Meyer	Participant 5	Director	SMEs COMPETE
Mr Mbo Luvindao	Participant 6	Executive for Financial Services	Nampost

