



**The impact of selected characteristics on the financial bootstrapping methods
adopted by immigrant entrepreneurs in the retail clothing sector of the Cape
metropole**

by

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ABSTRACT

The metropolitan city of Cape Town is host to a significant number of immigrant entrepreneurs. These entrepreneurs encounter many challenges in conducting their business activities, including limited access to formal financial institutions. As a result, they turn to alternative sources for capital. Financial bootstrapping methods enable businesses to raise resources or stretch available ones without using debt or equity. The characteristics of the individual business owner often affect the way in which these methods are used. This study therefore investigates the extent to which selected characteristics of immigrant entrepreneurs in the retail clothing sector (bootstrap awareness, survival goal and education) influence their use of financial bootstrapping methods.

A quantitative research approach was used to collect and analyse data. The study was limited to immigrants involved in retail clothing businesses within the Cape Metropolitan area. Data was collected in the specific areas of Bellville, Parow, Cape Town (CBD) and Wynberg due to the concentration of immigrant retail clothing businesses in these areas. Through self-administered questionnaires, 135 respondents participated in the study. The data obtained was analysed using the Statistical Package for the Social Sciences (SPSS) software, version 24. The frequency and Pearson chi square results displayed in contingency tables were interpreted and discussed to established meaning.

According to the findings, extended working hours, negotiations with customers and suppliers, obtaining stock on credit, charging lower prices, changing product offerings and keeping business records are the strategies most frequently used by respondents. Most respondents are unaware of the concept of financial bootstrapping methods despite using some of the strategies in their businesses. The need to survive significantly influences the use of financial bootstrapping methods. Level of education was also found to have a significant influence on immigrant entrepreneurs' use of financial bootstrapping methods. Recommendations to address these challenges are directed to immigrant entrepreneurs themselves and to the government.

Key Words: financial bootstrapping methods, immigrant entrepreneurs, retail clothing, Cape Town metropole.

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- All those who contributed in whatever manner to the realisation of this thesis, thumbs up

DEDICATION

This thesis is dedicated to my late father and mother who instilled in me a culture of hard work. Their parental guidance and endless support has led to the realisation of this thesis. Dad and Mom, may your souls rest in peace.

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CLARIFICATION OF BASIC TERMS AND CONCEPTS

Acquisition: the act of acquiring or gaining possession of something.

Awareness: To be knowledgeable, have appreciation or information about something.

Business resources: This refers to the totality of resources that a business uses in order to create valuable output. It includes human, information, physical and financial resources.

Cape metropole: A large area of settlement within the Western Cape province of South Africa with a central or core city and surrounding suburbs.

Characteristics: For the purpose of this study, characteristics refer to the personal traits of a business owner which may affect the way an individual conducts his or her business.

Education: This refers to the level of education or any form of training possessed by an individual.

Financial bootstrapping: Financial bootstrapping methods refer to creative ways of acquiring and managing resources within a business usually when capital from financial institutions is difficult to obtain.

Immigrant entrepreneur: An immigrant entrepreneur is a person who has immigrated to a new country and started a business. This study excludes entrepreneurs who belong to ethnic minority groups that have been living in the country for several generations.

Informal: When things are done not according to the prescribed, official, or customary way or manner.

Informal resource acquisition strategies: Strategies involving creative ways of raising business resources without recourse to formal structures or traditional sources.

Informal sector: The informal sector, informal economy, or grey economy is the part of an economy that is neither taxed nor monitored by any form of government. Unlike the formal economy, activities of the informal economy are not included in the gross national product (GNP) and gross domestic product (GDP) of a country.

Necessity immigrant entrepreneur: These are immigrants who conduct business for the purpose of acquiring the basic necessities for life. In other words, they are pushed into business for reasons of survival.

Opportunity immigrant entrepreneur: These are immigrants who initiate a business after having identified an opportunity. They are driven by a desire to achieve and grow their businesses.

Retail clothing sector: In this study, this refers to the sale of clothing in small quantities for the purpose of consumption rather than resale.

Survival goal: Survival goal refers to the ultimate purpose for an individual to be involved in business.

Strategy: A plan of action designed to achieve a long-term or overall aim.

Use: in this study the word use refers to the putting into action or the application of strategies within the business operation.

GLOSSARY

Terms/Acronyms/Abbreviations	Definition/ Explanation
BRICS:	Brazil, Russia, India, China and South Africa
CBD:	Central business district
CPUT:	Cape Peninsula University of Technology
DRC:	Democratic Republic of Congo
DTI:	Department of Trade and Industry
FBM:	Financial bootstrapping methods
FBMS:	Faculty of Business and Management Sciences
GEM:	Global entrepreneurship monitor
GDP:	Gross domestic product
GGP:	Gross geographic product
HDC:	Higher Degrees Committee
NSBA:	National Small Business Act
NSFAS:	National Student Financial Aid
NPO:	Non-profit organisations
SA:	South Africa
SEDA:	Small Enterprise Development Agency
SEFA:	Small Enterprise Finance Agency
SMME:	Small, medium and micro enterprises
SPSS:	Statistical Package for the Social Sciences
SSA:	Statistics South Africa

TERPS: Technology in Education Research Postgraduate Students

VAT: Value-added tax

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

Small businesses are widely recognised as economic drivers, yet they face formidable financial and other challenges. Van Vuuren and Groenewald (2007) highlight the ability of small businesses to create employment, thereby boosting the economy and alleviating poverty. The small business sector is credited with helping to create an entrepreneurial environment that enables innovation and job creation (Szerb and Acs, 2011). Regardless of these contributions, small businesses are constrained by limited access to external capital which – in the present context – is made worse by the owners' immigration status (Neeley & Van Auken, 2009; Ebben & Johnson, 2006; Winborg & Landström, 2001). This obliges these owners to seek alternative financing, referred to in this study as financial bootstrapping. Winborg and Landström (2001) and Ebben and Johnson (2006) describe financial bootstrapping methods as highly creative ways of acquiring and managing resources within a business, usually when capital from financial institutions is difficult to obtain.

Capital acquisition challenges can be mitigated through the use of financial bootstrapping by most small businesses (Carter and Van Auken, 2005). SMMEs often depend on entrepreneurial expertise to manoeuvre their way through difficult times, especially during the start-up phase (Neeley and Auken, 2009). Lahm and Little (2005) suggest that the true form of entrepreneurship is demonstrated in bootstrapping, which is about transforming human capital into financial capital. Kloosterman and Rath (2001) distinguish the entrepreneurial attributes of immigrant entrepreneurs from those of the indigenous population. A study by Kalitanyi and Visser (2010) found that immigrant entrepreneurship in South Africa is a means of reducing unemployment within the immigrant population. This assertion is endorsed by Dana (2007), who acknowledges the contribution of immigrant entrepreneurship in creating jobs and developing the economy, and suggests that with better planning and support, immigrant entrepreneurship could be a catalyst for growth. It is for this reason that some countries have introduced policies to promote immigrant entrepreneurship (Clydesdale, 2008). Despite this, immigrant entrepreneurship is still heavily discriminated against. Fatoki (2014) reports that immigrants face obstacles in obtaining resources

from external sources of finance, yet this does not discourage them from venturing into business: they turn to bootstrapping for their financial needs.

According to Tengeh (2011), the characteristics of immigrant entrepreneurs have the potential to influence their business operations, especially when it comes to financial decisions. In 1998 Honig (1998) recognised the importance of the relationships between the use of financial bootstrapping methods and the characteristics of entrepreneurs/owners, like gender, age and education, and lamented the absence of research on this topic. Several studies have since attempted to fill the gap, but they do not go far enough in probing the link between bootstrap usage and the awareness of financial bootstrapping methods, survival goals and the education of immigrant entrepreneurs. This is what the current study sets out to achieve (Neeley & Van Auken, 2010; Hanlon & Saunders, 2007; Brush et al., 2006; Carter & Van Auken, 2005; Adler & Kwon, 2002). Due to fewer entry requirements, the South African retail sector (including the retail clothing trade) attracts a huge number of immigrant entrepreneurs.

1.2 CONTEXT OF THE STUDY

The government of South Africa has extended support to small businesses and entrepreneurship in particular over the past couple of years. However, no attention has been given to immigrant entrepreneurship, despite recognition of its role in the economy. Immigrant entrepreneurs are known for introducing new products at lower prices to consumers, in the process opening up trade links between nations (Kloosterman & Van Der Leun, 1999). Kalitanyi and Visser (2010) and Gebre et al. (2011) highlight the positive impact of immigrant entrepreneurship as it pertains to job creation and poverty eradication. Immigrant-owned businesses locate themselves near consumers, bringing services to their doorstep and providing rental income to landlords in local communities (Tengeh, 2011). A study by Kalitanyi (2007) found that immigrants transfer business skills to locals who work in their businesses. Dana (2007) advocates support for immigrant entrepreneurs due to their vital role in the host country's economic development. It is on this basis that one of the renowned authors in this field, Tengeh (2013), has called for government support for immigrant entrepreneurs faced with resource acquisition challenges. South Africa's rate of unemployment, hovering at around 26.6% (Statistics South Africa, 2014), is another source of motivation for state intervention in SMMEs. In 2013 South Africa scored a shallow entrepreneurial activity level of 9.1% (Global Entrepreneurship Monitor, 2013), far less than a number of other

countries. South Africa has a very low level of competitiveness in relation to other developing countries. A significant share of employment opportunities in South Africa emanates from entrepreneurial activities, yet there are very few successful entrepreneurs within the country. It is of enormous concern that this situation has not improved much under the new dispensation. In addition, the unemployment rate remains very high in South Africa, especially among black South Africans (Global Entrepreneurship Monitor, 2013). One can see why, among other initiatives, the government of South Africa committed R50 million to economic infrastructure aimed at supporting small and informal businesses (South Africa, 2003).

Government support does not explicitly address the unique challenges faced by immigrant-owned businesses, and these enterprises generally remain small. Rametse et al. (2016) point out that immigrant businesses are mostly small-scale with regard to resources and turnover. They are mostly retail businesses due to the lower start-up capital and other entry requirements (Adepoju, 2006). For instance, the availability of cheap Chinese clothing for lower-end consumers provides opportunities for immigrant retailers.

Jiang et al. (2016) found that immigrants are disadvantaged in respect of accessing human, social and financial resources. Tengeh and Lapah (2013) identify the following as barriers to immigrant entrepreneurship: insufficient demand, lack of skilled workers, inappropriate documentation, lack of business space, inadequate information and insufficient funds. Other challenges to immigrant entrepreneurship include xenophobia, crime, high taxes, overregulation, communication difficulties, police harassment, harassment from local government officials, accommodation, education and healthcare (Vargas, 2005; Dana, 2007; Fatoki, 2014).

In a nutshell, immigrant entrepreneurs encounter significant obstacles in the way of accessing business resources from formal sources like business angels, banks and venture capitalists. This obliges them to rely on informal and unconventional means (referred to in this study as financial bootstrapping methods) for their business resources. Financial bootstrapping methods enable small businesses to acquire resources or stretch available resources without turning to debts, venture capital or other external means (Neeley & Van Auken, 2009). These strategies include family credit, business credit, personal savings, loans from informal financial institutions, and assistance from friends, co-ethnics and rotating credit associations (Fatoki, 2014).

Carter and Van Auken (2005) observe that small businesses resort to financial bootstrapping methods to deal with resource acquisition challenges. They note that bootstrapping methods are easily accessible and more convenient for small business owners than external debt and equity. According to Neeley and Van Auken (2009), entrepreneurs will do well if they are able to secure a reasonable amount of capital for their business. With financial bootstrapping methods, a small business can gain a competitive edge, creating an environment in which resources are optimally utilised and every cent of the business counts. But despite the significance of bootstrapping and the fact that most small businesses use some form of bootstrapping, Tomory (2014) points out that these strategies are underexploited and not appreciated, even by academics.

Authors such as Chaganti et al. (1996), Berger and Udell (1998), Orser et al. (2006) and Coleman (2007) have established that the individual characteristics of small business owners and structural issues within the business affect financial decisions. Tengeh (2011) found that certain attributes of entrepreneurs with a foreign background affects their resource acquisition ability. Another study conducted by Neeley and Van Auken (2009) in the USA found that characteristics of small business owners like their age, gender and level of education have an effect on their use of financial bootstrapping methods.

Previous studies acknowledge that there has been little scholarly work on financial bootstrapping methods, even though the practice is common among small businesses (Lahm & Little, 2005; Van Auken, 2005). Even the available research on bootstrapping focuses on formal sources like equity and debt financing (McNally, 1995; Carter et al., 2003, Fabowale et al., 1995; Lahm & Little, 2005; Van Auken, 2005; Carter & Van Auken, 2005). Authors like Kalitanyi and Visser (2010) and Tengeh et al. (2011) who have extensively investigated immigrant-owned businesses in South Africa note the absence of literature in this field. It is thus clear why Ebben (2009) and Fatoki (2013) see the need for an inquiry into the use of financial bootstrapping strategies in relation to business performance.

A study by Schinck and Sarkar (2012a) aims at understanding the relationship between the business owner's age, gender, business size, level of internationalisation, and the use of financial bootstrapping. Fatoki (2013) has investigated bootstrapping strategies used by immigrant entrepreneurs in South Africa, while Schofield (2015) has examined how effective bootstrap strategies are in relation to the number of workers employed and years of operation. Chipunza

and Chipunza (2014) explore how the experience, gender, age and education of small business owners in Zimbabwe affect their use of bootstrap financial strategies, while Neeley and Van Auken (2009) have, as mentioned above, looked at the relationship in the US between education, age, and gender, and financial bootstrapping methods. This condensed survey of the current literature on this topic reveals the lack of attention to bootstrap financing strategies in relation to the characteristics of immigrant entrepreneurs in terms of bootstrapping awareness, survival goal and education. There is certainly nothing that concentrates on the retail clothing sector of the Cape Town metropolitan area in South Africa, thereby indicating a gap that this study sets out to fill.

Table 1.1: Previous studies on financial bootstrapping methods

	author	Title	Purpose	Location	Year
1	Olawale Fatoki	An investigation into the financial bootstrapping methods used by immigrant entrepreneurs in South Africa	To investigate empirically the bootstrapping strategies employed by immigrant entrepreneurs in South Africa	South Africa	2013
2	Lynn Neeley & Howard Van Auken	The relationship between owner characteristics and use of bootstrap financing methods	To examine the relationship between education, age, and gender relative to financial bootstrapping methods	United States of America	2009
3	Anabela Schinck &Soumodip Sarkar	Financial bootstrapping: acritical entrepreneurship skill	To understand relations between business owners age, gender, business size, level of internationalisation and the use of financial bootstrapping methods	Portugal	2012
4	Robin Marie Schofield	Relationship between bootstrap financing, number of employees, and small business success	To assess the effectiveness of bootstrapping and no of employees in determining company success in relation to business age	USA	2015
5	L. T. Chipunza And C. Chipunza	The influence of selected demographic	To explore the influence of age, gender, level of	Zimbabwe	2014

		variables on the choice of bootstrap financing methods in small owner-managed Businesses in Zimbabwe	education and experience on the use of bootstrapping by owner/mangers of small businesses		
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Source, (compiled by researcher)

The table above indicates published research germane to the present study's area of enquiry.

1.3 RESEARCH PROBLEM STATEMENT

A significant proportion of immigrant entrepreneurs use financial bootstrapping methods to support their business enterprises (Tengeh et al., 2012, Fatoki, 2014). Unfortunately, these resource acquisition strategies remained underexploited (Haileselasie Gebru, 2009, Bakari and Diala-Nettles, 2015, Van Auken, 2015). Van Auken (2015) acknowledges that resource acquisition challenges leave small businesses under-capitalised and with sub-optimal structures, while Haileselasie Gebru (2009) also notes that micro and small business entrepreneurs perform at sub-optimal financial levels.

By under-utilising financial bootstrapping methods, immigrant entrepreneurs do not adequately exploit the benefits of these strategies in developing their businesses. Ram et al. (2001) and Adepoju (2006) recognise that immigrant businesses in South Africa are usually small-scale activities like petty trading, flea markets and street vending. Khosa and Kalitanyi (2014) found that African immigrant businesses, including those in the retail clothing sector of Cape Town, are survivalist and micro in nature.

However, with skills and effective resource usage, entrepreneurs can optimise the capital level of their ventures and ease resource constraints (Barney, 1991; Åstbro & Bernhardt, 2005; Bakari & Diala-Nettles, 2015). Bakari and Diala-Nettles (2015) suggest that the optimal use of internal resource acquisition strategies can enhance the development of immigrant businesses, while Ebben (2009) and Fatoki (2013) recommend further inquiry into the use of financial bootstrapping methods in relation to business performance. In sum, despite an increase in studies of immigrant entrepreneurship and, lately, financial bootstrapping methods, not much is known about the use of financial bootstrapping methods and immigrant entrepreneurs' bootstrapping awareness in

relation to their goal of survival, their educational qualifications and their experience in the retail clothing sector of the Cape Town metropolitan area.

1.4 THE RESEARCH QUESTION

The research question is divided into a main research question and four research sub-questions.

1.4.1 Main research question

What impact do selected characteristics of immigrant entrepreneurs (bootstrapping awareness, survival goal and level of education/experience) have on the use of financial bootstrapping methods in the Cape Town metropole?

1.4.2 Research sub-questions

- What are the financial bootstrapping methods used by immigrant entrepreneurs in the retail clothing sector in the Cape Town metropole?
- Does immigrant entrepreneurs' bootstrapping awareness have an impact on their use of financial bootstrapping methods?
- Does immigrant entrepreneurs' goal of survival have an impact on their use of financial bootstrapping methods?
- Do immigrant entrepreneurs' experience and educational qualifications affect their use of financial bootstrapping methods?

1.5 THE RESEARCH OBJECTIVE

The research objective is divided into the main research objective and four research sub-objectives.

1.5.1 Main objective

To determine the impact of selected characteristics of immigrant entrepreneurs (bootstrapping awareness, survival goal and level of education/experience) on the use of financial bootstrapping methods.

1.5.2 Sub-objectives

- To identify financial bootstrapping methods used by immigrant entrepreneurs in the retail clothing sector of the Cape Town metropole
- To determine the impact that immigrant entrepreneurs' bootstrapping awareness has on their use of financial bootstrapping methods
- To determine the impact that immigrant entrepreneurs' survival goal has on their use of financial bootstrapping methods
- To determine the impact that immigrant entrepreneurs' experience and level of education have on their use of financial bootstrapping methods

1.6 RELIABILITY AND VALIDITY

1.6.1 Reliability

Reliability is a measure of the extent to which another study or researcher can achieve similar results using the same data collection and analysis techniques. Roberts et al. (2006) maintain that a research instrument should produce the same results under similar conditions, whether used by different researchers or by the same researcher at different times. Gerrish and Lacey (2010) argue that reliability can be achieved for research findings by using a good questionnaire devoid of error, ambiguity and bias.

To ensure reliability in this study, participants were afforded the opportunity to fill out the questionnaires at a time most convenient to them, so as to avoid potential error or bias in their responses. The researcher both conducted a pilot study and asked other researchers in cognate fields of study within the CPUT postgraduate research forum to examine and correct the questionnaire where necessary. The suggestions obtained in this way assisted the researcher to eliminate error and bias, thus improving the data collection process a great deal.

1.6.2 Validity

Validity pertains to the correctness of the study instrument and its ability to perform the function or measurement it is intended to perform (Adams & Cox, 2008). Broadly speaking, validity can be

measured in two ways, internally and externally. A research outcome which shows a correlation between variables is said to have internal validity, while the degree to which results obtained can be generalised indicates external validity (Burns & Grove, 2003). In the case of the current study, the research supervisor confirmed that the research objectives and the research instrument were congruent. It was also confirmed that the literature reviewed was aligned with the problem statement and research questions. The result was that the research instrument was deemed valid for collecting the data needed for the research.

1.7 ETHICAL CONSIDERATIONS

Research ethics relates to a set of principles or behaviour upholding high moral standards (Blumberg et al., 2011). According to Brynard and Hanekom (2006), for research to be ethical, the research process must be honest and confidential, while Greener (2011) elaborates these principles in the context of dealing with research subjects or participants as informed consent, protection from harm, voluntary participation, privacy, confidentiality and anonymity.

Informed consent: the researcher obtained informed consent from potential participants by securing signed letters of consent from them beforehand.

Protection from harm: the researcher ensured that there was zero chance of harm to the participants by cooperating fully with them and exhibiting high standards of professionalism, for example by showing up for appointments on time. As a quantitative social research project, the study does not present a meaningful risk factor, as compared to, say, experimental research.

Voluntary participation: Participants voluntarily agreed to take part in this study. They were also given the opportunity to pull out whenever they wanted to, with no ensuing consequences for them.

Privacy, Confidentiality and Anonymity: The researcher made sure that individual participants were guaranteed their privacy by not divulging any information about engagements with them to a third party. Every meeting and item of information sourced from participants was kept confidential, and their personal details remained anonymous.

The researcher adhered strictly to the above ethical standards and abided by the code of conduct of the faculty of Business and Management Sciences of the Cape Peninsula University of Technology (CPUT).

1.8 DELINEATION OF THE RESEARCH

The research investigates the use of bootstrap strategies by entrepreneurs with foreign citizenship in the retail clothing sector of the Cape Town metropolitan area. It does not deal with traditional and formal sources of capital like banks, venture capitalists and business angels. Nor does it focus on the quality of the methods or strategies per se, but rather on how attributes of the business owner affect their use of these strategies. The study population comprised immigrant clothing retailers in Bellville, Parow, Cape Town (CBD) and Wynberg because of the concentration of immigrant retail activities in these areas.

1.9 SIGNIFICANCE OF THE RESEARCH

The research contributes to the existing body of knowledge on the relationship between the characteristics of immigrant entrepreneurs and their use of bootstrap financing strategies in the retail clothing sector in the Cape Town metropolitan area. It creates awareness of bootstrapping strategies so as to enable businesses to maximise the benefits thereof.

1.10 RESEARCH OUTCOMES

This research identifies the bootstrap financing strategies used by immigrant entrepreneurs in the retail clothing sector of the Cape Town metropolitan area. It also determines the relationship between immigrant entrepreneurs' characteristics, such as bootstrapping awareness, survival goal, educational qualification and experience, and the use of bootstrap financing strategies.

1.11 STUDY LAYOUT

Chapter One: This chapter offers an introduction and discusses the study background. It also formulates the problem statement, research questions and research objectives, and discusses

validity and reliability and ethical issues. It delineates the study and describes its outcomes and significance.

Chapter Two: This chapter discusses relevant literature on the topic in question.

Chapter Three: This chapter addresses the methodology of the study. It provides a rationale for the adoption of a quantitative method and describes the processes of collecting and analysing the data.

Chapter Four: The results of the study are presented and discuss in this chapter.

Chapter Five: The last chapter presents the conclusions reached and offers practical recommendations including areas for further research.

1.12 CONCLUSION

Although immigrant-owned businesses play an important role in the host country's economy, no particular attention is given to the sector, especially in South Africa. Immigrant entrepreneurs like those in the retail clothing sector can boost economic growth, if given the necessary support. The aim of this research was to establish the relationship between immigrant entrepreneurs' bootstrapping awareness, survival goal, educational qualifications and experience, and their use of bootstrap financing strategies. The opening chapter has introduced the research problem, provided some contextual background, set out the research questions and objectives, adumbrated the research findings and significance, and provided a chapter-by-chapter outline. The next chapter surveys the existing literature on the phenomenon under investigation.

CHAPTER TWO

SURVEY OF PREVIOUS STUDIES

2.1 INTRODUCTION

This portion of the study presents and analyses literature relevant to the research problem. A literature review seeks to position a study in a particular field by exploring multiple sources like books, journals and the internet for relevant information (Kaniki, 2006).

This chapter therefore reviews published sources pertaining to the influence of immigrant entrepreneurs' characteristics, such as their bootstrapping awareness, their survival goal and their educational standards and experience, on their use of bootstrapping strategies. The following sources were consulted: journal articles, books, government gazettes, theses, working papers, newspapers and YouTube videos. This part of the research is structured into the following sections: overview of entrepreneurship, small business classification in South Africa, financial bootstrapping methods, characteristics of immigrant entrepreneurs concerning the use of FBM, overview of immigrant business resources, the retail clothing sector, and theories underpinning the study.

2.1 Overview of entrepreneurship

To provide an understanding of entrepreneurship, the following concepts are examined below: entrepreneur, entrepreneurship, immigrant entrepreneurship and immigrant entrepreneur, challenges to immigrant entrepreneurship, the importance of immigrant entrepreneurship, support for immigrant entrepreneurship and push/necessity versus pull/opportunity immigrant entrepreneurship.

2.2.1 Entrepreneur

Scholars and policymakers agree that the role of entrepreneurs in boosting a country's economy is overwhelming. Yet this shared belief does not necessarily connote agreement on how an entrepreneur should be defined. For example, Cole (1999) conceives of an entrepreneur as a

person who assembles the necessary resources to start and run a business. Cunningham and Lischeron (1991) define an entrepreneur as an individual who identifies a business opportunity and goes on to assemble resources necessary for the smooth running of the business. Shifting the emphasis, Cronje et al. (2003) describe an entrepreneur as a person who pulls resources together for the production of goods and services within a community. Such an individual is responsible for identifying the opportunity, bears the risk and thus enjoys the profit.

Due to their innovative efforts and ability to establish a new customer base, entrepreneurs are seen as change agents in the economy (Minard, 2009). The term comes from the French verb *entreprendre*, which means "to undertake" (Singh & Belwal, 2008; Barringer & Ireland, 2010). Accordingly, Nieman and Nieuwenhuizen (2009) maintain that every entrepreneur is unique in the sense that he or she is defined by their ability to undertake the process of creating a venture. Thus entrepreneurs are characterised by qualities such as creativity and innovation, passion, willingness to take calculated risks, self-confidence, determination and perseverance, resourcefulness, the need for independence, persuasiveness, tolerance for uncertainty and ambiguity, imagination, an internal locus of control and a strong desire for achievement (Nieman et al., 2003; Burke et al., 2008; Nieman & Nieuwenhuizen, 2009). Most immigrants undertaking self-employment or involved in the creation and running of a business possess such traits.

2.2.2 Entrepreneurship

One might assume that anyone described as an entrepreneur would be practising entrepreneurship. However, Venkataraman (1997) argues that it is misleading to demarcate the field of entrepreneurship merely by describing an entrepreneur. He contends that economists do not define economics through the person who allocates the resources, and sociologists do not define the subject by defining society. In this way, several different definitions of entrepreneurship have been proposed. Burger et al. (2004) consider the identification of a business opportunity in the market and the assembling of necessary resources to come up with a new venture as entrepreneurship. Rigwema and Venter (2004) emphasise the characteristics of the individual as conducive to entrepreneurship, such as the ability to initiate, innovate, organise, and to process and nurture an opportunity into a viable business. Lumpkin and Dess (1996) distinguish entrepreneurial orientation from entrepreneurship. According to them, entrepreneurship is about activities carried out in the entrepreneurial process, whereas processes that are vital for the

establishment and running of a venture relate to entrepreneurial orientation. Entrepreneurial orientation is characterised by five dimensions: (1) competitive aggressiveness; (2) risk-taking; (3) innovativeness; (4) autonomy and (5) pro-activeness.

Despite elements of broad general agreement, there is no consensual definition of entrepreneurship. Kobia and Sikalieh (2010) argue that the reason for this is because entrepreneurship extends to many disciplines, resulting in the rise of many opinions regarding its meaning. This study aligns itself for reasons of practicality with the definition provided by Dana (2007), which indicates that entrepreneurship is an entrepreneurial initiative aimed at attaining self-employment. This definition complies with the status of a significant proportion of entrepreneurs of foreign provenance in Cape Town, whose main driver for entrepreneurship is simply to make a living. The challenge remains to develop their entrepreneurial initiatives from survivalist and micro enterprises, where they begin and mostly remain, to small and sustainable businesses.

2.2.3 Immigrant entrepreneurship and immigrant entrepreneurs

Immigrant entrepreneurship is also known as ethnic entrepreneurship and minority entrepreneurship, and in this study the researcher will use the terms interchangeably.

The concept of immigrant entrepreneurship has attracted massive interest around the world due to its role in job creation, social integration and the economic development of host countries (Pécoud, 2005; Wangunyu, 2016). The entrepreneurial activities of immigrants are promoted by official policies in several countries. But what does immigrant entrepreneurship entail, and who is an immigrant entrepreneur? Dalhammar (2004) regards the process through which immigrants create and run their businesses in their country of residence as immigrant entrepreneurship. Nestorowicz (2011) regards immigrant entrepreneurship as self-employment within the immigrant population, while Khosa and Kalitanyi (2014) associate immigrant entrepreneurship with the business activities of immigrants in their country of residence.

When a person with immigrant status undertakes entrepreneurial activities, the individual is termed an immigrant entrepreneur. For example, Vinogradov (2008) observes that a business owner of immigrant descent involved in value creation activities is an immigrant entrepreneur. Aaltonen and Akola (2012) define an immigrant entrepreneur as an individual who migrates to

another country and establishes a business where he and sometimes others are employed, while Chand and Ghorbani (2011) acknowledge that immigrant entrepreneurs tend to associate and transact in the main with co-ethnic communities when they settle in other countries.

To explain the entrepreneurial process, Timmons (1999) has proposed a model that applies also to immigrant entrepreneurship. He claims that there are three forces that interact to create value and bring about entrepreneurial success: opportunity, resources and a team. First, an opportunity is recognised by an immigrant entrepreneur; then, funds are put together (usually through bootstrapping), and finally a team of dedicated workers is assembled to exploit the opportunity and create value. Such a team, particularly in the startup phase, often includes the founder, family members and co-ethnics who are committed to achieving the business objectives.

Bhide (1992) regards bootstrapping as entrepreneurship in its purest form. This assertion is supported by Brush (2008), who claims that successful entrepreneurs are likely to possess three main skills: social skills, visioning and bootstrapping.

2.2.4 Challenges to immigrant entrepreneurship

The literature in this field reveals that local entrepreneurs can obtain business resources from established financial institutions with ease compared to immigrant entrepreneurs, who are constrained by their immigration status (Tengeh et al., 2012). The bank of England conducted a study in 1999 which revealed that ethnic minorities and foreign nationals often lack the requisite collateral or legal documentation to access finance from formal institutions (Tengeh et al., 2012). A study by Bollingtoft et al. (2003) concurs, finding that small businesses owned by immigrants and others tend to fail due to their inability to raise sufficient business capital. However, some entrepreneurs (immigrants included) may deliberately decide not to seek external funding for fear of losing control of their venture, and instead turn to informal financial sources (Cassar, 2004).

According to Chrysostome (2010), the challenges faced by immigrant entrepreneurs in accessing formal financial help force them to seek ethnic resources. Stokvels or rotating credit associations are among the other means through which immigrant entrepreneurs obtain capital from their ethnic community (Yoon, 2006). The rotating credit association is classified as a financial bootstrapping method to which immigrant entrepreneurs generally turn in the absence of formal, external sources of capital. Besides access to finance, there are other challenges which sway

immigrant entrepreneurs into financial bootstrapping. In the case of Finland, for example, immigrant business owners encounter unique challenges such as language barriers, lack of trust from locals, and cultural differences (Aaltonen & Akola, 2012). Difficulties experienced by migrant traders in South Africa pertain to harassment by police, city council authorities and criminal elements; access to business spaces, health services and accommodation; and educational challenges (Fatoki, 2014). Vargas (2005) and Dana (2007) similarly conclude that immigrant entrepreneurship typically encounters challenges such as discrimination, inadequate funds, language difficulties, overregulation, lack of expertise, high taxes, high crime rates, unavailable support structures and high costs of operation.

2.2.5 Importance of immigrant entrepreneurship

The contribution of immigrant entrepreneurship to the host nation is unquestionable. Immigrants' entrepreneurial attributes are known to differ from those of natives, which gives them an edge in starting new businesses (Tengeh et al., 2011). As Vinogradov and Jørgensen (2017) indicate, these businesses support both the immigrant and local population. Adepoju (2006) highlights the tremendous role that immigrant entrepreneurs have played in South Africa. He notes the contribution of immigrant-owned businesses in the distribution of products to consumers. These goods and services are usually offered to consumers with the added convenience of time, place and price. According to Peberdy (2000), the majority of such businesses are run by African immigrants. Kloosterman and Van Der Leun (1999) observe that businesses owned by immigrants contribute significantly to their host economy by revitalising neighborhoods, providing new and cheaper products to consumers and establishing business relations between countries. Dana (2007) claims that immigrant entrepreneurs boost the economy of their country of residence.

Contrary to certain beliefs, studies have shown that a significant population of immigrants is skilled and educated. Some of these immigrants establish small businesses which benefit the economy of their host countries (Saxenian, 2007; Wadhwa et al., 2007; Liu et al., 2014). The creation of small businesses and other immigrant activities have the potential to reduce unemployment, according to a South African study by Kalitanyi and Visser (2010). Due to the lack of job opportunities and a commensurate increase in job seekers, with a 26.6% rate of unemployment in South Africa (Statistics South Africa, 2014), increased emphasis is being placed on entrepreneurship (immigrant entrepreneurship included) (Herrington et al., 2009).

2.2.6 Support for immigrant entrepreneurship

Despite the barrage of challenges that it faces, immigrant entrepreneurship is vital in many ways. Job creation and an increase in tax revenue are among the benefits that it can bring. Immigrants' entrepreneurial activities need to be protected and supported to guarantee growth and sustainability, which is why Tengeh (2013) has called for government support in South Africa for immigrant-owned businesses. Pinkowski (2009) similarly contends that immigrant businesses should not be treated like mainstream businesses, as they experience different challenges and thus require a different manner of intervention.

Authors like Marlow (1992) and Ram and Sparrow (1993) acknowledge that, even when interventions are put in place, immigrant entrepreneurs may still rely on themselves or informal sources for assistance. Blackburn and Rutherford (1999) suggest that a lack of awareness of the existence of support structures may be the reason why immigrants do not make full use of them. The question of language and channels of communication to the immigrant business community are among other concerns. These can be addressed by intensifying the use of both mainstream and social media channels known to the immigrant communities to spread information on business support programmes.

Desiderio (2014) has proposed certain measures to support immigrant-owned businesses. First, he suggests that there should be training courses aimed at supporting immigrant entrepreneurs. Such training can provide immigrant entrepreneurs with advisory services, assistance with startup processes, business incubation, the establishment of business connections and help in the acquisition of funds. Secondly, he advocates the introduction of structures that are favourable to entrepreneurial activities, like sound monetary policies, business friendly labour regulations, and the promotion of an entrepreneurial culture.

2.2.7 Push/necessity versus pull/opportunity immigrant entrepreneurship

Entrepreneurship literature has established that immigrants generally undertake entrepreneurial activities as a result of push (necessity) or pull (opportunity) factors. Necessity entrepreneurship is thus focused primarily on needs, whereas opportunity entrepreneurship is based on voluntary engagement resulting from a perceived market opportunity (Hay et al., 2002).

2.2.7.1 Necessity immigrant entrepreneurship

When immigrants embark on a business venture for the purpose of survival, they are referred to as necessity immigrant entrepreneurs. They are usually forced into self-employment because they are unable to find job opportunities in their new countries of residence (Chrysostome, 2010). Habiyakare et al. (2009) concur that immigrants usually conduct businesses as a means to sustain their livelihood. Generally speaking, immigrants from less developed countries constitute the majority of necessity entrepreneurs in recent times (Rumbaut, 1995; Massey, 1999). An employed individual can also become a necessity entrepreneur due to the risk or threat of future unemployment. Insufficient funds, especially during the creation of a business, is something that permeates necessity immigrant entrepreneurship. Because they lack access to financial institutions, the majority of necessity immigrant entrepreneurs source capital from their ethnic community. Stockvels are a good example of how these entrepreneurs raise capital (Light, 1972; Bonnet, 1980; Light & Bonacich, 1991; Yoon, 2006).

The ultimate goal for necessity immigrant entrepreneurs is to survive. This type of entrepreneur typically possesses the following unique combination of characteristics: they are mostly from developing countries, they are generally unskilled and less educated, they have few funding opportunities, they spend long hours on conducting their business, they employ fellow ethnics with whom they have relationships of real solidarity, and they maintain ties with their fellow immigrant population. Members of the research population in this study possess similar characteristics and can be characterised as necessity immigrant entrepreneurs.

2.2.7.2 Opportunity immigrant entrepreneurship

Opportunity immigrant entrepreneurs are individuals with foreign citizenship whose motive for engaging in business stems from identifying a business opportunity in their country of residence (Chrysostome, 2010). Chrysostome and Arcand (2009) note that opportunity immigrant entrepreneurs undertake entrepreneurial activities because of identified gaps in the market. This group of entrepreneurs also possesses specific characteristics. They engage in business because of an identified opportunity, they usually have significant business resources, they are mostly from developed countries, highly educated, proficient in English, and they hire host country employees.

Table 2.1: Comparison of necessity immigrant entrepreneurs with opportunity immigrant entrepreneurs

push Immigrant Entrepreneurs	pull Immigrant Entrepreneurs	
Age	Middle age	Middle age
Gender	Male	Male
Education	High school to college degree	College degree
Marital Status	Married	Married
Professional experience	Limited	Good
Host-country language proficiency	Limited	Functional
Home country	Developing countries	Developing and developed countries
Country of education	Home country	Home and Host Country
Country of employees	Home country	Host country
Target market	Ethnic market	Mainstream market
Target industry	Challenging to mainstream entrepreneurs	Mainstream industries
Access to start-up capital	Limited	Good
Access to financial system	Limited	Good
Sources of capital	Social network	Formal financial system
Level of integration	Limited to ethnic community	Good
Source: Chrysostome (2010)		

2.3 SMALL BUSINESS CLASSIFICATION IN SOUTH AFRICA

The classification of small businesses varies from country to country, though it usually depends on the size of the business, measured in terms of the number of employees, turnover and possessions (Rwigema & Karungu, 1999). Storey (2016) notes that businesses regarded as small in some sectors might in other sectors be perceived as big. In South Africa, the acronym SMME is used to denote the category of small, medium and micro enterprises. The National Small Business Act, No. 102 of 1996, amended in 2003 and 2004, describes an SMME as an independent business organisation operating as a single unit or as multiple units, within a particular sector (South Africa, 2003). The national Small Business Act categorises South African small businesses as survivalist, micro, very small, small and medium-sized, but all resort under the label of SMME.

SMMEs have become a significant source of employment in South Africa, fortunately at a time when the large enterprise sector is experiencing a steady fall in employment opportunities (Monks, 2010). In 2012 SMMEs accounted for about 61% of employment in South Africa, an increase from 57.3% in 2002 (Nkonde, 2012). According to Abor and Quartey (2010), SMMEs contribute about 57% of the country's GDP annually. In the view of Nieman and Nieuwenhuizen

(2009), entrepreneurship is vital because through SMMEs a country's economy can be boosted. They also report that SMMEs are likely to last for only a few years, and indeed, the SMME failure rate in South Africa remains high.

Authors like Burns and Grove (2003) note that SMMEs possess specific characteristics which constrain their activities compared to big businesses. For example, they cannot raise capital in the same way that a big company can. It is even worse for immigrant small business owners, owing to the discrimination they face in the money market on the basis of their nationality. Faced with this challenge, immigrant entrepreneurs running SMMEs, particularly those in the retail clothing sector, have resorted to other means to finance their businesses. They have adopted an approach which establishes close ties with customers and entices them to remain loyal and make advance payments. Unfortunately, SMMEs often depend too much on a few customers, and in the case of immigrant entrepreneurs, theirs is usually an ethnic market. This increases their vulnerability, even to the loss of a single customer.

2.3.1 Survivalist and micro enterprises

Micro and survivalist business activities are usually not registered nor taxed, and operate in the informal sector (Woodward et al., 2011). The Western Cape Provincial Economic Review and Outlook (Wyngaard, 2006) indicates that microenterprises can be classified as non-survivalist enterprises when they employ no more than four regular workers, and survivalist when there are no full-time paid employees. Examples of this latter category are hawkers, vendors, spaza shop owners and lower-end clothing retailers. Interestingly, Iwu et al. (2015) regard both categories distinguished above as survivalist enterprises.

2.3.2 Very small enterprises

These businesses usually employ about ten employees, and in sectors like manufacturing, electricity, construction and mining, the limit is 20 employees. Very small enterprises are often

constrained by a lack of skills, despite operating in the formal sector with VAT registration (Cupido, 2003, SEDA, 2014). This category of business appears to be very common in South Africa.

2.3.3 Small enterprises

Small enterprises are usually well established with sophisticated management structures and business practices, despite the prevailing trend of owner management (South Africa, 2003). They typically employ fewer than 50 people, have developed entrepreneurial skills and maintain a partnership to broaden their resource base (SEDA, 2014). The majority of these businesses operate in commercial areas, recording about R5 000 000 in yearly sales.

2.3.4 Medium-size enterprises

Medium-size enterprises are more advanced than the other categories of SMMEs. They enjoy more growth, financial expansion and better skills, and employ between 100 and 200 full-time paid employees (SEDA, 2014). The National Small Business Amendment Act, 26 of 2003 (South Africa, 2003), estimates a yearly turnover of less than ten million rand (excluding fixed property) for these businesses. According to Tustin (2003), power in these enterprises is often decentralised to other divisions, and the classification of SMMEs differs, depending on industry and sector.

Table 2.2 Thresholds for SMME classification in South Africa

Sector/sub-sector in accordance with the standard industrial classification	Size or class	The total full-time equivalent of paid employees Less than:	Total amount turnover Less than:	Total gross asset value (fixed property excluded) Less than:
Agriculture	Medium	100	R4.00m	R4.00m
	Small	50	R2.00m	R2.00m
	Very small	10	R0.40m	R0.40m
	Micro	5	R0.15m	R0.10m
Mining and Quarrying	Medium	200	R30.00m	R18.00m
	Small	50	R7.50m	R4.50m
	Very small	20	R3.00m	R1.80m
	Micro	5	R0.15m	R0.10m
Manufacturing	Medium	200	R40.00m	R15.00m
	Small	50	R10.00m	R3.75m
	Very small	20	R4.00m	R1.50m
	Micro	5	R0.15m	R0.10m

Electricity, Gas and Water	Medium	200	R40.00m	R15.00m
	Small	50	R10.00m	R3.75m
	Very small	20	R4.00m	R1.50m
	Micro	5	R0.15m	R0.10m
Construction	Medium	200	R20.00m	R40.00m
	Small	50	R5.00m	R1.00m
	Very small	20	R2.00m	R0.40m
	Micro	5	R0.15m	R0.10m
Retail and Motor Trade and Repair Service	Medium	100	R30.00m	R5.00m
	Small	50	R15.00m	R2.50m
	Very small	10	R3.00m	R0.50m
	Micro	5	R0.15m	R0.10m
Wholesale Trade, Commercial Agents and Allied Service	Medium	100	R50.00m	R8.00m
	Small	50	R25.00m	R4.00m
	Very small	10	R5.00m	R0.50m
	Micro	5	R0.15m	R0.10m
Catering, Accommodation and other Trade	Medium	100	R10.00m	R2.00m
	Small	50	R5.00m	R1.00m
	Very small	10	R1.00m	R0.20m
	Micro	5	R0.15m	R0.10m
Transport, Storage and Communication	Medium	100	R20.00m	R5.00m
	Small	50	R10.00m	R2.50m
	Very small	10	R2.00m	R0.50m
	Micro	5	R0.15m	R0.10m
Finance and Business Service	Medium	100	R20.00m	R4.00m
	Small	50	R10.00m	R2.00m
	Very small	10	R2.00m	R0.40m
	Micro	5	R0.15m	R0.10m
Community, Social and Personnel Service	Medium	100	R10.00m	R5.00m
	Small	50	R5.00m	R2.50m
	Very small	10	R1.00m	R0.50m
	Micro	5	R0.15m	R0.10m

Source: Adapted from Asoba and Tengeh (2016)

2.4 FINANCIAL BOOTSTRAPPING METHODS

In order to ventilate this key concept, this section includes sub-sections covering the definition of financial bootstrapping methods, motives for bootstrapping, types of bootstrapping strategies, clusters of bootstrapping strategies, advantages of bootstrapping methods, disadvantages of bootstrapping methods, and the characteristics of immigrant entrepreneurs in relation to the use of FBM.

2.4.1 Definition

According to the *Oxford English Dictionary*, bootstrapping is the ability to “pull oneself up by one’s bootstraps, improve one’s position by one’s efforts”. Bootstrapping as self-help has been a

business practice for a very long time, though the concept was first introduced into academic literature under this name by an article in the *Harvard Business Review* in 1992 (Bhide, 1992). Since then, several authors have sought to explain the practice of bootstrapping in business operations. Freear et al. (1995) describe bootstrap financing as "highly creative ways of acquiring resources without borrowing money or raising equity finance from traditional sources". Barringer and Ireland (2010) likewise observe that through the frugality, prudence, creativity and cost-reduction measures that characterise bootstrapping, entrepreneurs are able to minimise the need for cash. Fatoki (2013) considers bootstrapping to be a situation where only the most critical resources are employed to attain a particular outcome. Financial bootstrapping can also refer to the prudent management and assessment of resources required to sustain the business, both by reducing the fund levels desired and by providing other sources of capital (Harrison et al., 2004).

This study posits as a working definition the following: financial bootstrapping refers to strategies that minimise the cost of running a business without obtaining capital from formal financial sources. This usually involves a variety of strategies, pulled together by entrepreneurs according to their specific business needs. Through such frugal management of available resources, SMMEs – including immigrant-owned businesses – can gain an edge over their competitors (Schinck & Sarkar, 2012).

Though there are many possible definitions of financial bootstrapping, they all recognise as essential to the concept the use of strategies to minimise cost and to increase cash-inflow. Brush (2008), for instance, highlights three main abilities that micro-entrepreneurs should possess in order to succeed: they should be able to convince people to support their venture, they should have a vision and they should develop strategies to access funding outside of traditional sources.

2.4.2 Motives for bootstrapping

The main reasons for bootstrapping are a lack of capital and a desire to lower costs and reduce risk. There are several other reasons for the practice: a desire to run the business without debt or equity, to save time, a passion for what you do, a desire to work independently, willingness to break new ground, confidence in one's co-ethnic colleagues and a desire to remain authentic (Winborg, 2009). For most immigrants, getting into business is usually a matter of survival and

lack of resources (Ram et al., 2008; Blackburn & Ram, 2006). In a situation of financial distress and lack of access to financial markets, bootstrapping may be the only option (Ebben, 2009).

2.4.3 Types of bootstrapping strategies

Several studies identify the strategies generally used by bootstrapping entrepreneurs as loans from friends and relatives, the use of personal income and credit cards, trade by barter, grants, sales credit and pre-payment from customers, minimisation of accounts receivable, delaying payment to suppliers and employees, sharing equipment and premises, hiring temporary employees, cross-subsidising, assistance from relatives and co-ethnics, leasing, a rotating credit association, and gifts from family & friends (Bates, 1997; Bond & Townsend, 1996; Sequeira et al., 2007; Perry et al., 2011; Vanacker et al., 2011; Winborg, 2000; Winborg & Landström, 2001; Ram et al., 2008).

Chandra et al. (2001) surveyed SMMEs in South Africa and identified the following chief sources of capital: personal savings, income from another business and loans from relatives. Capital can also come from sources such as places of worship and NGOs, retirement payouts and state agencies. Tengeh et al. (2012) found that with loans and hand-outs from relatives and (at times) friends, immigrants can easily start and run small businesses in the host country. According to Kushnirovich and Heilbrunn (2008), sources of finance for immigrant entrepreneurs differ from ethnic group to ethnic group. For example, Korean and Japanese entrepreneurs focus on personal savings, the Taiwanese rely on family loans, and Korean entrepreneurs enter into rotating credit associations, which make up about 14 % of their start-up capital.

Table 2.3 Bootstrapping methods identified by Winborg and Landström (1997, 2001)

Bootstrapping methods with the purpose of reducing the need for capital
1. Buy used equipment instead of new.
2. Use routines to speed up invoicing.
3. Obtain equipment on loan from other businesses.
4. Use interest on overdue payment from customers.
5. Hire personnel instead of employing permanently.
6. Use routines to minimise capital invested in the stock.
7. Co-ordinate purchases with other businesses.
8. Lease equipment instead of buying.
9. Avoid business dealings with late paying customers

10. Offer the same conditions to all customers.
11. Practice barter instead of buying/selling goods.
12. Offer customers discounts if paying cash.
13. Buy on consignment from supplier/s.
14. Deliberately choose customers who pay quickly.
15. Share premises with others.
16. Employ relatives or friends at non-market salary.
17. Run the business entirely in the home.
18. Share equipment with other businesses.
19. Share employees with other businesses.
Bootstrapping methods with the purpose of meeting the need for capital
1. Secure better deals with suppliers.
2. Withhold manager's salary for shorter/ longer term periods.
3. Deliberately delay payment to supplier/s.
4. Obtain payment in advance from customers.
5. Use personal credit cards in business transactions
6. Invest into the business salary obtain form other businesses.
7. Obtain loan from relatives/friends.
8. Deliberately delay payment of value-added tax.
9. Obtain subsidy from County Administrative Board.
10. Seek subsidy from relevant institutions
11. Obtain subsidy from Swedish National Board for Industrial & Technical Development.
12. Raise capital from a factoring company.
13. Obtain subsidy from the foundation Innovations centrum.

2.4.4 Clusters of bootstrapping strategies

The above table arises from research conducted by Winborg and Landström (2001) on Swedish small businesses. They identified 32 bootstrapping strategies and grouped them into six categories: (1) personal income, (2) minimising costs of operation, (3) sharing resources, (4) delaying cash outflow, (5) minimising stock, and (6) grant income. This classification can be narrowed to four basic bootstrapping methods: (1) strategies that have to do with customers, (2) strategies dealing with payments that are not made on time, (3) strategies to do with the use of the owner’s personal resources, and (4) strategies to do with the sharing of resources with other businesses. Strategies to do with customers include those that increase cash inflow from customers, like receiving payment before delivery of goods or services, imposing a fine for late payment from customers, or terminating transactions with such customers. Strategies relating to payments that are not made on time include arrangements with suppliers to accept payment over an extended period of time, and obtaining equipment on lease agreement instead of buying. Strategies to do with the use of the owner’s personal resources include, among others, finances

obtained from the owner's savings, private loans obtain by the owner, or borrowing money from the owner's friends or family. Strategies to do with the sharing of resources with other businesses include using the same employees and/or assets as other businesses, and sharing the same business space. They also include buying stock together with other businesses in order to gain via economy of scale from bulk buying.

In another study, Winborg (2000) suggests that bootstrapping strategies can better be categorised with respect to their impact on the finances of a business. In this perspective, the following categorisation can be applied: getting rid of cash outflow, holding up cash outflow, curtailing cash outflow, and enabling a quick inflow of cash. Similarly, for Payne (2007), the categorisation of financial bootstrapping strategies can take the form of cash-increment or cost-reduction. Strategies that generate cash for the business are as follows: remain employed in another business during the early stage of your own business; borrow money from your spouse, friends, or other relatives to invest in the business; take out another mortgage; use personal credit cards and private funds. These strategies pull cash into the business to be directed into various business activities, taking the place of traditional forms of capital raised from financial institutions.

Cost-decreasing strategies, on the other hand, include paying suppliers late, carrying salaries forward, using second-hand equipment, and getting expert services free of charge. The amount of cash required by a business can be minimised through cost-reducing strategies which add value to the business. Cost-decreasing methods like free advice and deferred salaries are task-specific, meaning that they cannot be spread across a variety of tasks and cannot replace conventional sources of capital. Hence, saving cost is the by-product of cost-decreasing strategies whereas cash inflow is the by-product of cash-increasing strategies.

Cash-Increasing

<ul style="list-style-type: none"> • utilise entrepreneurs' private credit card • obtain capital via entrepreneurs assignment in other businesses • withhold owners' salary for longer/shorter periods of time 	<ul style="list-style-type: none"> • obtain loans from family or friends • obtain payment in advance from customers • obtain subsidies • raise capital from a factoring company • seek out best conditions possible with suppliers • delay VAT payment • delay payment to suppliers
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internal
strategies

external
strategies

<ul style="list-style-type: none"> • frequently send out invoices • hire temporary personnel • run the business completely from home • employ relatives or friends at non-market salaries • use routines to minimise the capital invested in stocks. • offer discounts if paying in cash • cease relations with customers who do not pay on time • raise interest on overdue payments • offer the same conditions to all customers • deliberately choose clients who pay quickly 	<ul style="list-style-type: none"> • use barter • buy on consignment from suppliers • coordinate purchases with other businesses • share premises with other businesses • share employees with other businesses • borrow equipment from others • share equipment with other businesses • purchase used equipment instead of new • use leasing services
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Cost-Reducing

Figure 2.1: A model of bootstrapping categories

Some bootstrapping strategies that are typically part of a normal business operation, like paying suppliers late and deferring owners' wages, are not as creative as they are sometimes perceived to be. However, strategies like the joint use of equipment or workers with other businesses are highly creative (Carter & Van Auken, 2005). As hinted by Ebben (2009), certain bootstrapping strategies are more suitable for some businesses than others. It is therefore imperative for a business to select the right mix of strategies that will advance the business's interests. When Brush et al. (2006) studied businesses owned by women, they established that at different stages of the business, there are significant differences in the use of bootstrap strategies. Ebben and Johnson (2006) add that in the life time of a small business, several bootstrapping methods can be used. Some of these strategies may not be documented (Van Auken, 2003).

2.4.5 Advantages of bootstrapping methods

Financial bootstrapping methods are credited for their ability to facilitate the emergence and survival of small businesses. These methods enable businesses to survive difficult founding conditions, in the sense that they facilitate the acquisition of necessary resources in ways that circumvent the effects of resource constraint. They also help in creating an environment where, regardless of size, businesses are able to survive due to prudent use of the little resources available. Beside boosting their sustainability, businesses also benefit from their environment and

develop routines, thus reducing the risk and liability associated with newness (Patel et al., 2011). Bootstrapping can also show to funders that an entrepreneur will manage their investment with care, as he or she has already demonstrated this care through bootstrapping in the beginning phase of the business (Patel et al., 2011). About 35 percent of initial business capital comes from financial bootstrapping strategies (Udell, 1998) that are used by about 95 percent of new businesses (Harrison et al., 2004).

The comparative ease with which entrepreneurs can obtain bootstrap funding may encourage new businesses to operate with very few resources (Vanacker et al., 2011). The convenient nature of bootstrap strategies means that entrepreneurs do not require collateral securities and a business plan to gain resources (Van Auken, 2003). Another advantage is that businesses can gain access to resources that cannot be bought. Through financial bootstrapping, entrepreneurs can obtain unique competencies and other resources, enabling them to gain a competitive edge (Winborg, 2003).

According to Baker and Nelson (2005), businesses can do well if they judiciously utilise resources ignored by other business. In such an environment, entrepreneurs may develop specialised skills to deal with issues which would not have been noticed and settled if the need for cash was resolved through an inflow of outside finance (Bhide, 1992). Given their unique skills, bootstrapping entrepreneurs can enable an environment where everyone within the business uses the resources in the most effective manner (Timmons, 1999; Harrison et al., 2004). This may lead to a competitive edge, especially when the venture finds ways to leverage and stretch its limited resources in its business operations (Baker et al., 2000; Mosakowski, 2017; George, 2005). Such efforts conduce to a lean operation and increase the legitimacy of the venture and its chances of acquiring external finance (Ram et al., 2008).

Bootstrap entrepreneurs enjoy ownership and control, which affords them the chance to determine the direction of the business without scrutiny from external investors. The business is likely to flourish in a situation like this (Shimizu & Hitt, 2004). The focus on bootstrap resources implies that time is saved by not seeking external finance to be directed to core business activities. By not accessing external finance, the venture avoids premature funding and demonstrates how much confidence bootstrap entrepreneurs have in the prospect of their business success (Bhide, 1992; Steier & Greenwood, 1995).

2.4.6 Disadvantages of bootstrapping methods

Despite the overwhelming benefits of financial bootstrapping, many drawbacks can still be identified. For example, fewer resources can be acquired through financial bootstrapping, which serves to constrain business growth (Holtz-Eakin et al., 1994). The inability of these strategies to scale up the acquisition of financial resources inhibits the business from adequately exploiting market opportunities. As a result, bootstrap ventures are unable to compete meaningfully with well-resourced businesses since they are unable to reap the benefits of large-scale production and market domination (Bhide, 1992; Kerin et al., 1992).

Less personal stress in the business operation is one of the benefits of adequate capitalisation, and stress is a problem for owners/managers of bootstrap ventures that greatly affects the growth of a business (Gersick et al., 1997). Due to the lack of financial slack, bootstrap ventures do not have the scope to experiment or take the sort of risks associated with innovativeness (Nohria & Gulati, 1996). Bootstrap ventures' lack of external finance also means that such businesses do not benefit from the value-added services provided by investors that help to enable growth (Davila et al., 2003).

Bootstrap businesses may waste significant time dealing with marginal resources at the expense of vital business activities like identifying and exploiting new opportunities. In the view of Baker and Nelson (2005), resources that are obtained through bootstrapping could be defective. For example, businesses with up-to-date-equipment can produce quality goods and services that will enhance growth, whereas bootstrap businesses may be stuck with second-hand equipment that constrains growth. When businesses depend on bootstrap resources, they may be stuck with free, cheap and inferior resources from their communities which other businesses would ignore (Baker and Nelson, 2005).

According to Ebben (2009), certain bootstrapping strategies that are unfavorable to growth are likely to be used by businesses with financial constraints. Bootstrap financial methods like late payment to suppliers may lead to a breakdown in relationship (Winborg & Landström, 2001). When the relationship with suppliers collapses due to late payment, the business will have to pay instantly for supplies, which is likely to constrain growth. Since there is no requirement for a formal

arrangement to be reached before bootstrap resources are accessed, entrepreneurs may obtain resources through their networks without commitments, which can be detrimental to the business (Starr & MacMillan, 1990). For example, when there is no legally binding contract with suppliers, they may abruptly terminate or alter the supply conditions that are in place.

The gains from bootstrap strategies may be undone at some point by the cost of bootstrapping. When bootstrapping becomes intense, the marginal gains to be made are likely to be undermined by higher costs (Patel et al., 2011). Bootstrap entrepreneurs may incur a cost by identifying, engaging and obtaining resources through bootstrapping. The main disadvantages of bootstrap transactions are that they not only blur the business's focus on essential commercialisation or profit-making activities, but also create uncertainty regarding the value of resources obtained. Because of illegitimacy and bootstrapping costs, there may be an inverse relationship between bootstrapping and growth. Though businesses can benefit from the use of bootstrapping, caution in the choice and manner of use of these strategies is essential for the survival and growth of the business.

2.4.7 The effective selection and use of financial bootstrapping methods

Authors like Baker and Nelson (2005), George (2005), Fatoki (2013) and Mosakowski (2017) argue that businesses can perform better despite owning a limited resource base if they bootstrap effectively. What is vital is the effective selection and combination of bootstrapping strategies. It is in this regard that Katila and Wahlbeck (2012) acknowledge the achievement of immigrant entrepreneurs in harnessing social resources for the benefit of their businesses. In markets where stakeholders are too cautious in dealing with businesses that are not well-known, especially at the beginning stage, it is advisable to exploit embedded relational ties (Hite & Hesterly, 2001; Aldrich, 1999; Larson and Starr, 1993).

Roberts et al. (2006) are of the view that fiscal discipline and frugality with resources constitute a means of achieving effective bootstrapping. In an environment where fiscal discipline and frugality reign, employers are likely to fully exploit the limited resources available (Timmons, 1999; Harrison et al., 2004). Åstbro and Bernhardt (2005) express the view that entrepreneurial skills enhance the resource pool of a business. The existence of support structures to assist

entrepreneurs to acquire and use resources is another way of ensuring effective bootstrapping, but the lack of awareness about these support agencies is a challenge common within the immigrant community (Blackburn & Rutherford, 1999). What is required is the vigorous dissemination of information about the existence of support agencies in appropriate languages and through appropriate communication channels to immigrant businesses.

According to Gibb (1997) and Ram et al. (2001), the ability of entrepreneurs to make sound decisions and to survive depends on their experience, networks and lessons learned from mistakes. Networks play vital roles like helping entrepreneurs obtain information and advice, optimising their resources, creating more demand and facilitating product development (Wiklund et al., 2009; Robert et al., 2013). Skills in financial accounting and business management can greatly augment financial bootstrapping strategies (Seghers et al., 2012).

Van Auken (2015) suggests that financial bootstrapping methods may not all be documented. Moreover, some entrepreneurs do not even realise that the methods they use in raising resources are referred to as bootstrapping (Ebben, 2009). This is what prompted Vanacker et al. (2011) to advocate raising awareness of financial bootstrapping methods, so that they can be widely and effectively utilised.

Figure 2.2: Framework for the effective selection and use of financial bootstrapping methods by immigrant entrepreneurs (compiled by the researcher, 2018)

The figure above highlights a situation in which immigrant businesses can develop through choosing and effectively using financial bootstrapping methods. As can be seen, the characteristics of immigrant entrepreneurs impact their choice and use of financial bootstrapping methods. To select and use financial bootstrapping methods effectively, immigrant entrepreneurs need to be fully aware of the range of these methods. They must also have aspirations for growth rather than mere survival, and some meaningful level of education and experience. Meeting all three requirements can propel immigrant entrepreneurs to choose and use financial bootstrapping methods effectively, leading to the development of their businesses.

2.5 CHARACTERISTICS OF IMMIGRANT ENTREPRENEURS IN RELATION TO THE USE OF FBM

Investigations of the factors affecting the use of financial bootstrapping methods have generally focused on the characteristics of the business rather than the individual characteristics of the business owner (Ebben & Johnson, 2006; Winborg & Landström, 2001). Honig (1998) observes that although studies have acknowledged the effect on businesses of the characteristics of individual business owners such as age, education and gender, thus far only a handful of authors have tried to clarify this relationship. Vanacker et al. (2011) concurs, indicating that the use of financial bootstrapping methods does not only depend upon venture characteristics, like growth level, innovation, risk and business size, but also on the individual owners' traits in the form of their sex, level of education and growth aspirations. Winborg and Landström (2001) note that different types of businesses and entrepreneurs differ in their use of bootstrapping strategies. Tengeh et al. (2011) studied this issue from the perspective of immigrant entrepreneurs and report that they possess certain characteristics that are crucial for the performance of their businesses, and that these entrepreneurial attributes differ from those of the indigenous population. Churchill and Thorne (1989) remind us that the true character of an entrepreneur is demonstrated in his or her ability to locate and exploit opportunities.

2.5.1 Bootstrap awareness

Schinck and Sarkar (2012a) found that most small and start-up business owners do not know the term financial bootstrapping as referring to methods of raising funds through less expensive and non-conventional means, yet nevertheless utilise one or more of these methods. This is backed up by anecdotal evidence that small business owners are relatively unaware of bootstrapping methods and merely bootstrap as a survival tactic; that is, they do not regard their behaviour in any way as strategic, but are simply doing whatever it takes to get by (Bhide, 1992). Van Auken (2015) notes that small businesses may underperform due to lack of capital and inadequate information, especially inadequate information about other sources of finance and financial methods. This ignorance constrains small business owners' efforts to obtain sufficient capital for their businesses (Gibson, 1992). Holmes and Kent (1991) have also pointed to small entrepreneurs' limited awareness of capital alternatives to fill a financing gap.

Tengeh and Lapah's (2013) study of immigrant entrepreneurs found that they encounter several challenges, including a lack of access to business-related information. Baycan Levent et al. (2003) point out that, in addition, the inability of immigrant entrepreneurs to communicate effectively in the language of the host country deprives them of the benefits of integration, access to bank loans and access to business advice. Immigrant businesses are most likely to access information via a convenient medium of communication like ethnically-based media. Blackburn and Rutherford (1999) found that most immigrant-owned business owners did not know about agencies that support small and emerging businesses, and as a result very little help was sought from these agencies. Instead, assistance from ethnic group members, friends and family characterise immigrant business activities.

2.5.2 The survival goal/growth ambitions

Watson and Wilson (2002) observe that survival rather than wealth maximisation is the primary objective of most small businesses, including immigrant-owned ones. This is confirmed by other studies, including those of Kushnirovich and Heilbrunn (2008) and Tengeh et al. (2011). Van Delft et al. (2000) note that immigrant entrepreneurship gives immigrants the opportunity to sustain their livelihood through self-employment, especially when there is very little or no support from the state.

De Blij (1982) observes that the principal motives for migration are the desire for economic opportunities and a peaceful political atmosphere. However, in foreign countries immigrants are often subjected to discrimination, especially in the job market, and entrepreneurship offers them a means to escape the hardship that is at times more severe than in their home country (Gebre et al., 2011). In light of this, they become focused on sustaining a livelihood, which explains why immigrant-owned businesses usually take the form of necessity-based entrepreneurship (Chinomona & Maziriri, 2015), characterised by the use of financial bootstrapping methods (Van Auken, 2015). Ram et al. (2001) and Adepoju (2006) support this view, pointing out that immigrant businesses in South Africa usually involve small-scale activities like petty trading, flea markets and street vending, enterprises classified as survivalist and/or micro businesses.

Given the survivalist and micro nature of immigrant-owned businesses, decisions regarding the choice and use of financial bootstrapping methods are seldom rational and are typically shaped by the entrepreneur's personal traits like beliefs, perceptions and personal values (Jarvis et al., 1996). Petty and Bygrave (1993) add that business owners' decisions are usually affected by lifestyle preferences. In light of these factors, the researcher argues that immigrants' attitude towards financial bootstrapping is inclined toward achieving a "good-enough" outcome rather than optimising the benefits of the practice in their business operations. Deakins (1999) explains that the history of disadvantage and discrimination, which sees immigrants' businesses concentrated in marginal areas of economic activity, tends to limit their horizon of expectations to what it takes to survive. Coupled with the sheer lack of resources, this inclines the entrepreneur to seek creative ways to make do or do without.

2.5.3 Education and experience of the entrepreneur

It is believed that higher levels of education enhance entrepreneurs' ability to obtain external funding, accumulate personal wealth and increase financial support from stakeholders (Hanlon & Saunders, 2007). Haileselasie Gebru (2009) claims that small business owners' financial preferences hinge on their level of education. Small business owners with less education are more likely to behave strictly according to the pecking order theory than those with advanced education. Indeed higher education and skills are associated with greater access to capital (Carter et al., 2003). Chandler and Hanks (1998) suggest that education can to some extent be a substitute for education; for instance, when external finance is unavailable, entrepreneurs may figure out other ways of acquiring capital, given their unique skills like ingenuity. To the extent that entrepreneurship itself (including immigrant entrepreneurship) is constituted by ideas, innovation and the ability to organise resources for the startup and operation of a business, a better education clearly enhances the entrepreneur's chances of success.

Liu et al. (2014) hold the view that the educational standard of a significant percentage of immigrants is advanced, which is a boost to the host country's economy through the creation of businesses and intellectual property. This perception may be the result in part of the fact that entrepreneurial resources can vary considerably in different regions (Liu et al., 2014; Saxenian,

2007; Wadhwa et al., 2007). Immigrant entrepreneurship should be most valued as a factor of production for its role in organising and combining disparate resources to run a business. But unfortunately, employers within the host country do not value the human capital of immigrants and instead rely on their experience and educational qualifications as proxies to measure skills and potential productivity (Sanders & Nee, 1996; Dallas, 2010). Entrepreneurship nevertheless serves as a means for the socio-economic integration of immigrants without education, enabling them to escape poverty (Serrie (1998).

Seghers et al. (2012) note that business education, networking in the financial community and experience in accountancy or finance are associated with more significant insights into financial alternatives. The actions and decisions of small business owners are influenced by their experience and dealings with stakeholders (Ekanem, 2015). In the interests of survival, small business owners' decisions are necessarily informed by their previous decisions, mistakes and networks (Gibb, 1997). Prior knowledge facilitates venture creation, as individuals conceive and actualise business ideas due to their experience and skills (Dencker et al., 2009; Baron et al., 1999). On the other hand, as Baker et al. (2000) point out, there are instances where capital is available but poorly invested due to a lack of expertise and over-assertiveness, thereby increasing cost and depriving the business of growth opportunities. Also, Nieman and Nieuwenhuizen (2009) report that favouritism and nepotism are likely to surface as negative factors, since immigrant entrepreneurs often employ co-ethnics who do not have the requisite skills.

2.5.4 Age of the entrepreneur

Chandler and Hanks (1998), Adler and Kwon (2002) and Neeley and Van Auken (2010) all agree that capital acquisition chances for entrepreneurs are enhanced by increasing age. Fabowale et al. (1995) also point to the entrepreneur's age as a facilitator in securing finance. Some authors believe that people of advanced age have more experience, which increases their chances of accessing resources due to the association of age with higher social capital (Hanlon & Saunders, 2007; Adler & Kwon, 2002; Fabowale et al., 1995). It is common knowledge that experience comes with age. That is why a small business owner with many years in business has the necessary experience in sourcing funding as well as resolving issues pertaining to the business.

Basic information about business operations also becomes more accessible with advancing age. However, there are different opinions with regard to the relation between the age of the business owner and the performance of the business, with no relationship reported by some studies, and a positive correlation reported by others (Collins-Dodd et al., 2004; Coleman, 2007). The likelihood of starting a business is greatest among people between the ages of 45 and 54 (Bates, 1990), and mostly involves males (Delmar and Davidsson, 2000).

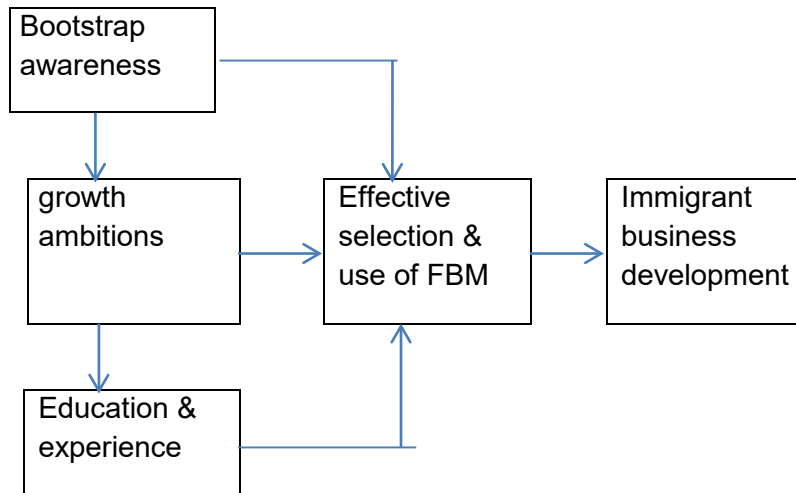
2.5.5 Gender of the entrepreneur

Studies show that women prefer to use private capital, personal funds, or resources from friends or family (Coleman & Robb, 2009; Orser et al., 2006; Carter et al., 2003; Chaganti et al., 1996). Coleman (2000) emphasises the likelihood that women's businesses will meet their financial needs through private funding rather than traditional sources. Women can avoid the need for external finance because of their extensive involvement in the retail and service sectors, which require fewer resources than other sectors (Orser et al., 2006). Verheul and Thurik (2001) and Watson and Wilson (2002) found that women often used less capital in their businesses, and that this may be as a result of risk avoidance and/or lower personal income previously earned.

Women-owned businesses are generally smaller at the initiation stage due to the significant constraints on resources available (Greene et al., 2003). Carter et al. (2003) and Brush et al. (2006) acknowledge that the use of financial bootstrapping is affected by the gender of the business owner. Brush et al. (2006) in fact observe dissimilarities in the use of bootstrapping strategies adopted by women-led ventures at various stages of the business.

On the other hand, Neeley and Van Auken (2010) disagree that gender influences the use of financial bootstrapping strategies. The differences that they found were rather a function of disparities in age, overdraft privileges, sales and education. Coleman and Kariv (2013) also found no evidence that gender difference is a relevant factor.

Characteristics of
immigrant entrepreneurs



2.6 OVERVIEW OF IMMIGRANT BUSINESS RESOURCES

Resources are vital for the existence of any business. Bollingtoft et al. (2003) state that different types of resources are needed for a business to operate. These resources have different functions within the business and usually take the form of financial resources, information resources, physical resources and human resources.

2.6.1 Human Resources

Immigrants, like locals, have the task of assembling resources to run their businesses. Entrepreneurial skills are required when deciding how to acquire resources, the types of resources needed and the timeframe for acquisition (Timmons & Spinelli, 2007). Entrepreneurship is about risk-taking, innovation, and exploring new ideas. Tengeh (2011) observes that the ability of immigrants to pull business resources together is dependent on the host country's current conditions, the immigrant community and the characteristics of the immigrant business owner. Immigrants typically turn to bootstrapping as a means to raise business resources given the hostile circumstances in their host countries. But, as the famous saying goes, "a disadvantage is a blessing in disguise": Bhide (1992) and Lahm and Little (2005) explain that somehow the discrimination preventing immigrants from gaining access to resources places them in an advantageous position. They are forced to develop skills to make do with the little they have or do without.

But regardless of the abilities of immigrant business-owners, they often need other people to assist in their businesses. Usually, it is businesses that are expanding that recruit people to help out. The size and nature of the business determines what kind of workers and how many of them should be employed in the business. In the case of immigrant businesses, lower paid workers from the immigrant community are sourced through ethnic ties (Basu & Goswami, 1999). This helps to lower their costs and give them a competitive edge over local businesses. Zhou (2010) also recognises that culture and ethnic affinity provide a vehicle through which immigrant businesses find workers. The immigrant community does more than just provide ethnic workers to immigrant businesses: they also play a part in advising the entrepreneurs where to start a business, what kind of goods to trade in and where to purchase those goods.

2.6.2 Information resources

Robert et al. (2013) and Wiklund et al. (2009) report that ethnic networks enable immigrant entrepreneurs to find markets, optimise their resources and gain access to advice and information resources. This is made possible by the use of a common language and a shared system of meaning. People are able to understand each other, learn, gain knowledge and access information where there is a common language and a shared system of meaning (Nonaka, 1994; Inkpen & Tsang, 2005). Thus members of a particular ethnic group can receive and share business-related information in a way that would otherwise be difficult. Social relationship is the only source of capital through which minorities can generate more resources than wealthy majority communities (Granovetter, 1995). By interacting with one another, immigrant entrepreneurs can observe and learn how other immigrants conduct their business activities, and make use of this knowledge in their own businesses. When immigrants become aware of where, when and how to access business resources, it obviously becomes easier for them to acquire these resources.

2.6.3 Physical resources

Tengeh (2011) concludes that immigrant entrepreneurs access physical resources either by buying them with their hard-earned personal savings or through one or a combination of the following: using family-owned resources, hiring resources, getting resources donated and using

a bank loan to purchase resources. Elfring and Hulsink (2003), Chrysostome and Arcand (2009) and Tengeh et al. (2012) assert that immigrant entrepreneurs are good at networking to obtain discounts and trade credit from suppliers. According to Charman et al. (2012), strong network ties between immigrant entrepreneurs and suppliers within the spaza or grocery business sector are forged in order to generate discounts and economies of scale for bulk buying. Baker and Nelson (2005) caution that defective resources can be obtained through social contacts, like defective second-hand equipment, which might prove to be counter-productive.

2.6.4 Financial resources

Financial resources are vital as they are used to acquire other resources for the business (Jacobs, 2003). According to Eisenhardt and Martin (2000), financial resources like fixed assets and working capital are essential for emerging businesses due to the opportunity they afford of gaining a competitive edge. For immigrant entrepreneurs, the primary source of financial resources is personal savings or money from other people, which may include trade credit, friends or family, and loans from informal financial institutions (Tengeh, 2011). Bhide (1992) and Winborg and Landström (2001) suggest that small business owners' financial resources often include their wealth, reputation, goodwill, friends and family, and shared facilities. These are bootstrap financing methods which are funding sources outside of traditional corporate financial structures.

Timmons (1999) and Brush (2008) claim that most financial challenges can be taken care of through the use of bootstrapping. According to Roberts et al. (2006), bootstrapping enables fiscal discipline which encourages entrepreneurs to be frugal with resources. Accordingly, Bhide (1992) suggests that businesses can identify and resolve problems that would have remained hidden without the discipline of bootstrapping. The ability of financial bootstrapping methods to find resources can enable a business to gain an edge over its competitors. The strategy works by creating an atmosphere where the resources at hand are judiciously utilised by everybody within the business (Harrison et al., 2004; Timmons, 1999).

2.7 THE RETAIL CLOTHING SECTOR

This section includes subsections devoted to: the clothing and textile industry in South Africa, the surge of Chinese clothing imports into South Africa, the retail clothing industry in Cape Town, profiling immigrant clothing retailers in the Cape metropole, and immigrants' business clusters, according to their origins.

2.7.1 The clothing and textile industry in South Africa

South Africa's textile and clothing sector has a unique history that helps to account for recent developments in the industry. Before the advent of democracy and integration into the global economy, the clothing and textile industry focused on import substitution, concentrating almost exclusively on the domestic market. The industry did not keep up with advancement in technology and fashion trends around the world, which allowed local stakeholders incorrectly to assume that the industry was secured (Nevin, 2010). The lack of investment in the sector failed to attract the highly skilled workers required to raise quality standards or to bring about high value-added production. The weak value chain extended to the entire industry and compromised the competitiveness of the sector. Partly because production was mainly driven by local customers, it was difficult for the industry to achieve the economies of large scale production. Once the South African economy was exposed internationally, the industry was revealed to be comparatively inefficient, lacking capital, state-of-the-art technology and innovation, with a high cost of labour relative to output (Wesgro, 2002).

Currently, the prevailing higher cost structure makes it difficult for South African clothing and textile companies to compete favourably with low production-cost countries like China, India, Indonesia, Turkey and Pakistan. Nwati (2007) observes that both customers and workers are exploited by free-market practices promoted by international trade policies that value profits more than human beings. International trade has enabled an influx of clothing products to the South African market, but some of these products come through illegal means and some are subsidised beyond the country's potential to compete. There is a huge disadvantage to local products when goods are illegally brought into the country. Many jobs are lost due to the shortage of local fabrics and limited variety of materials, which force companies to import from overseas.

2.7.2 The surge of Chinese clothing imports into South Africa

Bilateral trade between China and South Africa has grown over the past few years, with Chinese imports into South Africa dominating the trade. Netshiozwi and Edoun (2015) note that this situation has resulted in the closing down of several domestic clothing and textile entities, with a commensurate loss of jobs. The sector recorded about 60 000 job losses between the period 2003 to 2006 as a result of the rapid increase in imports (Edwards & Morris, 2006). During the first and second quarters of 2010 in South Africa, a further 74 000 jobs were lost in the clothing manufacturing sector (Joubert, 2010), while between 2003 and 2009 clothing imports from China surged by 110% (Fedderke & Szalontai, 2009). Commensurately, according to unofficial sources approximately 10 years ago, 15 000 jobs were lost in South Africa's textile industry. Chinese producers are able to compete favourably because of subsidies they get from their government, like other far eastern countries. China has a poor record in terms of workers' rights and an undervalued currency which is unlikely ever to be the case in South Africa. This type of competition is unhealthy and has destroyed many clothing sectors around the world.

In order to address the situation, the South African government put in place a two year quota system in 2007 with the aim of limiting Asian clothing imports into the country. However, the system did not allow enough time for the industry to restructure and improve production capacity, nor could it control the importation of similar goods from other countries. The quota system aimed to boost local manufacturing, but the move did not assist in curtailing the import flood. In fact Chinese imports were substituted with similar products from other low-cost producing countries like Vietnam, Bangladesh and Malaysia. The quota system also prevented the purchase of some vital textile material by local manufacturers. This resulted in an increase in the importation of prohibited goods and fraudulent activities by customs officials. Despite calls from local manufacturers for the quota system to be renewed, the system was ultimately abolished in 2008 (Joubert, 2010).

According to Nevin (2010), the increase in Chinese products in South Africa should be welcomed, for the simple reason that they are affordable and can lead to more jobs for sales persons. Chinese products are usually associated with high sales volumes, which can generate more tax, particularly value-added tax (VAT) which enables the government to provide public services. Chinese products are usually fairly priced, enabling consumers to save cash for other basic

necessities. This has the potential to improve living standards, especially those of lower income earners.

As a myriad of Chinese products continues to enter South Africa, concerns about the closure of SA textile and clothing firms, with consequent job losses, remain undiminished. However, there are diverse views within South Africa as to the best approach to resolving this issue. The government is backed into a corner, with local manufacturers accusing them of not doing enough to protect local industries, while proponents of free trade want them to do more to liberalise the economy, especially given the country's commitments to international treaties and the BRICS bloc. The fact that the South African clothing and textile industry was heavily protected during the apartheid era, and as a result did not keep up with trends in fashion and technology, remains a major reason why it cannot compete favourably with countries like China.

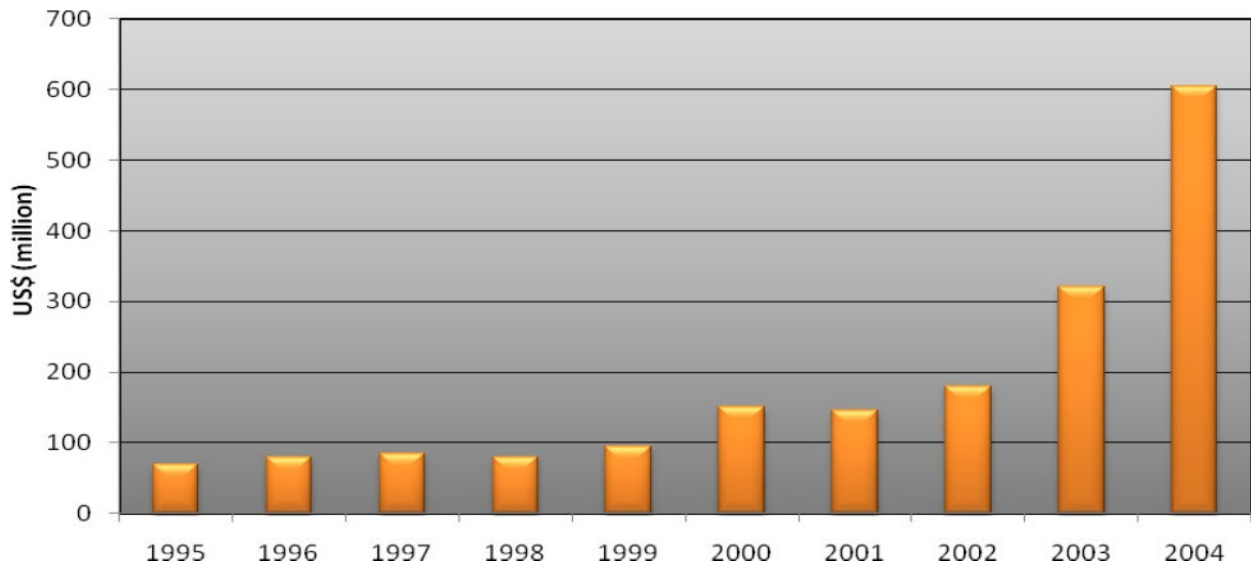


Figure 2.3: Growth of Chinese clothing imports into South Africa

Figure 2.3, above, shows the growth of Chinese imports into South Africa, especially of clothing, between 1995 and 2004.

2.7.3 The retail clothing industry in Cape Town

Cape Town is a world-class city, with a vibrant retail sector servicing a vast and diversified population. Retail clothing, tourism and wine production contribute immensely to the city's economy (Banda, 2006). The city is ranked second after Johannesburg in the clothing and textile

industry in South Africa, contributing 19% of the output and 33% of the employment (Wilkinson, 2000). In 2013, the city of Cape Town reported that small, medium and microenterprises (SMMEs) dominate the city's economic activity, and that approximately 10% of the gross geographic product (GGP) of the ten economic sectors is generated from wholesale and retail clothing. The clothing industry in Cape Town is a source of income for both locals and non-locals, either through self-employment or being employed. It also caters to customer's needs, promotes fashion and design, the distribution of products from wholesalers to customers, and tax revenue (Nyathi, 2015).

Cape Town retail clothing encompasses male, female and unisex garments, comprising workwear, festive garments, undergarments, sportswear, outdoor garments, daywear, nightwear, and uniforms (Holmes et al., 1988; Bennett, 2003; Steffen, 2009; Bossard et al., 2012; Snodgrass, 2015). In the womenswear market, the three most significant dealers in terms of market share are Edcon (22.6%), Foschini (12.9%) and Wooltru (37.9%). Significant dealers in the menswear market are Mr Price (12.4%), Wooltru (30.4%) and Edcon (27.6%). An independent company by the name of Research Surveys conducted market research for Ackermans in which these figures are ventilated (Keevy, 2011). The statistics indicate that the clothing industry produces and supplies clothes to a wide range of markets (Bennett, 2003). Clothing can serve to denote social status, modesty, culture, lifestyle, art or attraction (Twigg, 2007; Kisfaludy, 2008; Steffen, 2009; Bossard et al., 2012). Also, human apparel covers and protects the human body in both hospitable and inhospitable climates (Steffen, 2009; Bossard et al., 2012; Snodgrass, 2015). For all these reasons, the volatile clothing market is complex and segmented according to the four seasons, fashion, design, demographics and income levels (Rogerson, 2001).

Substantial value chain power in the clothing and textile industry is held by retailers. For instance, 70% of formal South African clothing sales come from the top five retailers (Vlok, 2006). The sector is dominated by large national independent stores like Queenspark, Woolworths, Mr Price, Jet, Edgars, Clothing City, Markham, Foschini and Truworths (Keevy, 2011). These companies are all represented in Cape Town and control the retail clothing space, with only minimal space available for micro and self-employed clothing retailers to play in, usually at the lower end of the market. In terms of demographics, the big and well-established retail clothing businesses in the city are owned mainly by whites, while blacks and immigrant entrepreneurs do business at the lower end of the market, which is usually informal, with fewer entry barriers.

Table 2.4: Retail operating profit before tax for four major retailers for the 2003 to 2007 financial years

	2003	2004	2005	2006	2007	2011
Mr Price Group Ltd	274	324	426	563	639	1 484
Foschini Ltd	435	589	697	910	990	2 051.1
Truworths International Ltd	405	615	816	954	1272	2 860
Woolworths Holdings Ltd	352	512	623	727	878	1 480

Source, (Adapted from McGregor, 2007; Foschini, 2012; Mr Price, 2012; Truworths, 2012; Woolworths, 2012)

Cheap imports from far eastern countries enabled South African retailers to set high margins and realise increased profits, as seen above. If the sector continues along its current trend, most local clothing manufacturers will be obliged to shut down, leading to an increase in unemployment.

2.7.4 Profiling immigrant clothing retailers in the Cape metropole

A study conducted in Cape Town by Khosa and Kalitanyi (2014) revealed that immigrants, mainly from other parts of Africa, run small businesses for survival. Kalitanyi and Visser (2010) identified these immigrants as coming from Rwanda, Democratic Republic of Congo, Burundi, Somalia, Zimbabwe, Angola and other West African countries. Peberdy (2000) observes that the informal sector in South Africa has many African immigrant entrepreneurs, substantial numbers of them in the retail clothing business. This view is endorsed by Volery (2007), who indicates that entry requirements such as capital, competition, educational qualifications, production scale and value added, are generally low in markets occupied by immigrant entrepreneurs.

Ngwema (1998) and Kalitanyi and Visser (2010) suggest that about 30% of African immigrants in South Africa have tertiary education qualifications and more than 80% have a minimum of 10 to 12 years of education. Khosa and Kalitanyi (2014) found that 68.8% of immigrant entrepreneurs were male and 31.2% were female, while 59.1% experienced local languages as a challenge in doing business, and 40.9% did not. Fatoki and Patswawairi (2012), on the other hand, found that 56% of immigrants can speak English, 5% are in close corporations, 88% are sole proprietors and 7% are in partnerships. They report that 97% of immigrant entrepreneurs in South Africa are between the ages of 24 and 44 and have been in business for more than three years.

Table 2.5: Immigrants' business clusters according to their origins

Sector	Activity	Origin of immigrant
Retail	Curio selling	Malawi, Mozambique & Zimbabwe
	Selling ethnic clothing	West Africa
	Food retail	West Africa
Service	Motor-car repairs/panel beating	Mozambique & Zimbabwe
	Hairdressing	West Africa
	Operating restaurants	All
Production	Traditional clothing	West Africa
	Wedding dresses	West Africa
	General tailoring	Malawi
Other business sectors	Nightclubs	West Africa
	Cafes	West Africa
	Several import/export	West Africa
	Music shops	Central Africa, West Africa
	Traditional healing	East Africa, West Africa

Source: Table adapted from Rogerson (2001)

The table above indicates groups of immigrant entrepreneurs per their business sector, activities and origin.

2.8 THEORIES UNDERPINNING THE STUDY

The theoretical framework for this study is supported by two main theories, capital structure theory and pecking order theory, both of which help to shed light on the phenomenon under investigation.

2.8.1 Capital structure theory

Modigliani and Miller undertook an in-depth study of capital structure theory in the 1950s. This theory suggests that businesses should choose a financing mix that minimises the cost of capital acquisition by identifying optimal levels of equity and debt. Ease of access to and full participation in financial markets is an underlying assumption of this theory. However, small immigrant-owned firms face unique challenges like information asymmetry, lack of access to capital markets and unavailability of capital (Van Auken, 2005).

Issues like ownership structure, risk, sales history, stage of product development and firm type affect the acquisition of external capital for small businesses (Timmons, 1999). Hence small businesses are often unable to raise funds from traditional sources and are forced to seek

alternative sources of finance (Storey, 2016; Schinck & Sarkar, 2012a). Alternative sources of finance or financial bootstrapping allow small businesses to gain access to capital at little or no cost. According to Van Auken and Carter (1989), personal savings, life insurance pay-outs, income from selling personal belongings and loans through home equity, provide sources of equity, while family members and friends are sources of debt for small businesses. Small businesses' appetite for capital that is readily available and easy to obtain emanates from inherent limitations in respect of financing choices (Gregory et al., 2005). It is for this reason that Vos et al. (2007) suggest that the financial preferences of small businesses follow the pecking order theory.

2.8.2 The pecking order theory

Donaldson (1961) introduced pecking order theory, and it was further developed by Myers (1984). The theory suggests that businesses will choose internal and short-term rather than external and long-term funding sources. When internal financing sources are exhausted, they will choose debt over equity financing (Myers, 1984). However, Howorth (1999) argues that small businesses can alter the pecking order at any time and that they differ in their risk aversion.

Often small businesses (including immigrant-owned ones) are unable to obtain funding from traditional external sources due to information asymmetry and high transaction costs (Winborg & Landström, 2001). As a result, they will prefer to plough back profits as a financing option rather than chase outside investors who require high returns and interest rates. Once internal financing is no longer available, small businesses turn to external sources, thereby validating the pecking order. In this way, the business makes a conscious decision to accept debt before approaching private investors and venture capitalists. According to Vanacker et al. (2011), small businesses will only accept new equity as a last resort, and the pecking order is more applicable to big businesses than small ones. But Winborg and Landström (2001) insist that small businesses follow the pecking order when they choose personal savings and income over debts and outside investors.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 OPENING REMARKS

The research methodology and design of the study are discussed in this chapter. A research design is a blueprint detailing the manner in which data collection and analysis should take place in order for the research question to be answered (Flick, 2015), whereas the research methodology is the strategy employed to conduct the research in order to realise the research design (Jensen & Laurie, 2016). This chapter offers a description of the philosophical orientation of the study, an account of the research design and methodology, and descriptions of the sampling techniques, population under study, data collection techniques, ethical considerations, and data analysis.

3.2 RESEARCH PHILOSOPHY

A belief system or worldview guiding the researcher in the choice of methods to be used and the ontological and epistemological perspectives of the study is referred to as the research philosophy or paradigm (Guba & Lincoln, 1994). In order to define a particular way of viewing the world, researchers argue according to what they believe the nature of reality to be – their ontological perspective – and about how knowledge or truth about that reality can be known – their epistemological position. This will lead to an account of how the knowledge is to be accessed, the research methodology (Burrell & Morgan, 2017). Accordingly, Greener (2011) and Du Plooy-Cilliers and Cronje (2014) identify ontology, epistemology and methodology as the three philosophical issues to be decided in conducting any piece of research.

3.2.1 Ontology

The ontological perspective is concerned with whether one perceives reality as essentially objective, independently existent, or as subjective, constructed by acts of human perception. These perspectives can be labeled objectivism and subjectivism (Saunders et al., 2009).

Objectivist researchers believe in a single truth that can be uncovered independently of the researcher, whereas subjectivists view reality as a social construct that cannot be separated from the researcher's acts of cognition. The researcher's findings are in this sense created rather than discovered.

This study adopted an objectivist view of reality in order to collect the right data to solve the research puzzle. The researcher assumed that the social world is external to individual cognition and that the world is real, made up of real and relatively fixed phenomena (Burrell & Morgan, 2017). There are objective and independent laws of nature and patterns in social and economic reality to which human life is subjected. The purpose of research is to discover and describe these laws and patterns.

3.2.2 Epistemology

Epistemology describes the way in which humans create knowledge of phenomena in the world (Denscombe, 2014). In other words, epistemology is concerned with how truths or facts can be discovered and disclosed. Generally speaking, there are two epistemological schools of thought, positivism and interpretivism.

According to positivist researchers, knowledge can be discovered through the use of scientific methods. In the social sciences, this perspective holds that knowledge should be acquired through defined objectives and the use of quantifiable instruments (Mouton & Babbie, 2001). Interpretivists, on the other hand, hold the view that the world is made up of people with values, beliefs, intentions, attitudes and assumptions, and that the way to come to know reality is to explore human experience regarding a specific phenomenon. This approach results in qualitative research studies, aimed at understanding how individuals have constructed a reality based on their experiences.

This study adopted a positivist perspective as appropriate to the investigation of the selected phenomenon. Neuman (2013) describes positivism as an approach through which deductive reasoning is fused with observation. This has the potential of unearthing behavioural patterns by analysing probable causal relationships. With this in mind, the researcher concluded that the use of alternative capital acquisition methods by immigrant entrepreneurs could best be investigated through a positivist lens, so that reliable and generalisable findings could be achieved.

3.3 RESEARCH METHODOLOGY

Research methodology provides structured guidelines for the activities to be performed that will generate valid and reliable research results (Mingers, 2001). According to Saunders et al. (2007), the purpose of research is to seek answers to or an explanation of a phenomenon through a systematic approach, thereby producing new knowledge. Welman et al. (2005) agree, cautioning that opinions and personal feelings should not influence research methods and procedures. Research methods and procedures should be purposeful and systematic (Ruhode, 2011). There are three primary research methods used by researchers to find answers to research questions: quantitative, qualitative and mixed-method approaches (Saunders et al., 2009).

Quantitative research is often associated with a deductive approach that involves theory testing. That is, a researcher uses an existing theory to test its application or relevance to a phenomenon of interest. This begins with the formulation of a hypothesis, proceeds to the collection of data in the form of numbers, and concludes with analysis of the data using statistical methods that either confirms or refutes the hypothesis (Burger, 2007). Results obtained through this research approach should be valid, reliable, and generalisable from the sample to the population as a whole.

Qualitative research is linked to an inductive approach, in terms of which the researcher goes into the field, collects data, and from the data extrapolates a theory. This approach allows the researcher to adopt a person-centred, holistic and humanistic perspective, so as to make sense of experiences of the research subjects (Burns & Grove, 2003). Usually a small sample is used, and the findings cannot be generalised to the entire population. Mixed method research brings together components of both qualitative and quantitative methods (Bricki & Green, 2007).

The researcher adopted a quantitative approach to address the research question. Quantitative research allows for an examination of people's attitudes, characteristics, previous experiences or opinions by posing questions, the answers to which are quantified to produce numerical data (Leedy & Ormrod, 2005). This study used statistical analysis of numerical data to identify trends and patterns and enable a systematic evaluation of relationships within the data (Sousa et al., 2007). Due to the large sample size and the structured instruments for data collection,

generalisable conclusions about the phenomenon were obtained that can be replicated in another study in the same context (Watson et al., 2002).

3.4 PLAN OF THE STUDY

Yin (2009) notes that a research plan identifies the instruments for data collection, as well as the way in which the research questions link to the data collected and eventually to its conclusions. In other words, a research design is a fundamental plan in which research methods and procedures are linked together to obtain data, from which valid and reliable results are obtained. Mouton (1996) understands research methodology as concerned with tools and procedures, as well as the entire research process. The research onion (below) gives a clear picture of the roles played by these concepts in a research project.

According to Mouton (1996), the research design makes it possible for a researcher to anticipate suitable research decisions, and also to take full advantage of the soundness of the results. Based on these considerations, a quantitative approach was deemed necessary to collect and analyse data relating to the relationship between selected characteristics of immigrant entrepreneurs and the use of financial bootstrapping methods within the Cape metropolitan area.

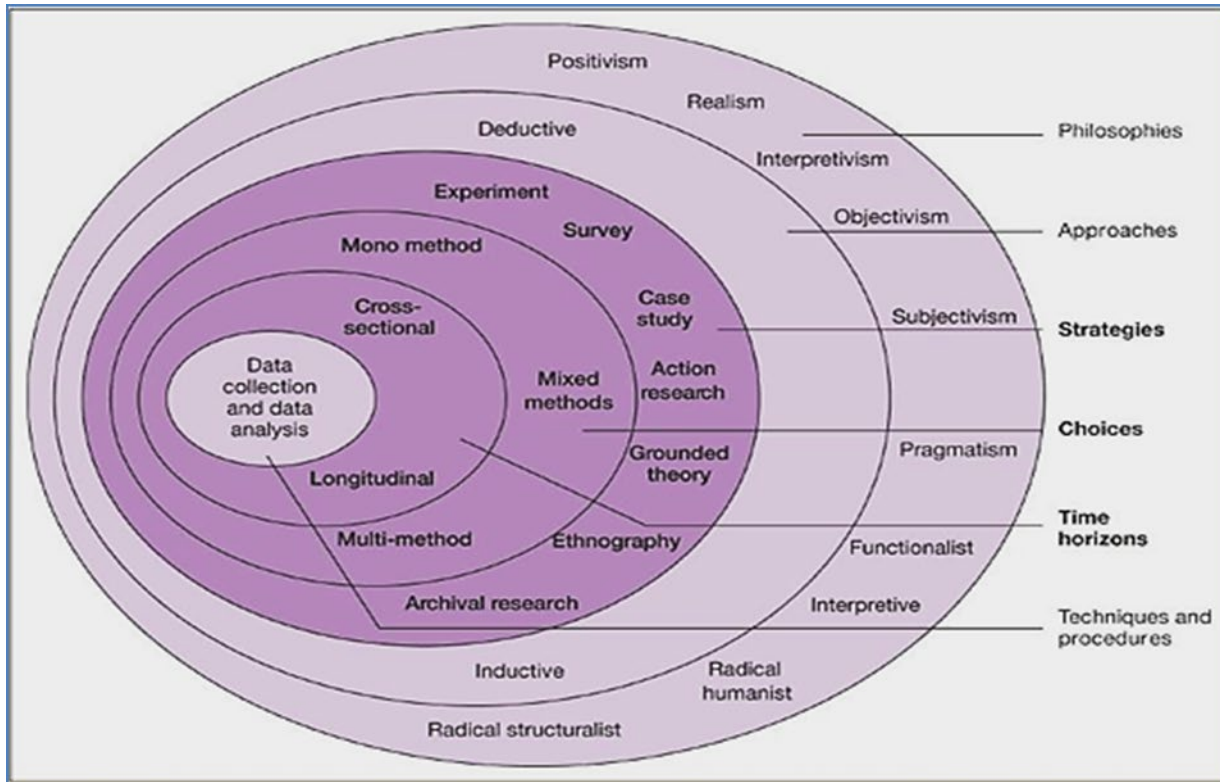


Figure 3.1: Research onion (Saunders et al., 2009)

3.4.1 Study area and justification

The study took place in the metropolitan area of Cape Town in South Africa. South Africa is a country in the southern region of Africa and a member of the Southern African Development Community (SADC) bloc of countries. The country's historical background has conducted to its unique position within the SADC region and the continent at large. After the country's transition to democracy in the early 1990s, the abolition of sanctions imposed during the apartheid regime meant that the economy grew rapidly. South Africa currently has the 3rd largest economy in Africa, with Egypt and Nigeria occupying the 2nd and 1st positions, respectively (Shapshak, 2016). The country has the largest economy in the SADC region, and it is no coincidence that the huge immigrant population living in the country is from the SADC region as well as other parts of the continent.

Cape Town has its fair share of the immigrant population, given its status as the mother city. Cape Town is among the top tourist destinations in the world, with a diverse natural and cultural setting

such as Table Mountain that also attracts immigrants to the city. The unique characteristics of the city saw the International Council of Societies of Industrial Design pronouncing the city as the world design capital in 2014. In that same year, both the British *Daily Telegraph* and the American *New York Times* named Cape Town as the best place to visit in the world (Van der Post, 2014).

Landmarks in the area like Table Mountain, Robben Island and Cape Point are appreciated all over the world. The city is the second largest in South Africa (in terms of population) after Johannesburg, being home to about 3.74 million people. A significant proportion of this population is comprised of immigrants, and many of them are involved in business activities including retail clothing.

The clothing and textile industry has a long history in Cape Town and used to employ thousands of residents. Unfortunately, trade with China and other countries has led to a shutdown of local clothing firms. South Africa and Cape Town, in particular, continue to experience an influx of clothing products from abroad, and growing numbers of entrepreneurs – including a significant proportion of immigrants – who have established small businesses to distribute these products to consumers. Cape Town's retail clothing industry is dominated by big businesses like Mr. Price, Foshini, Markham, Truworths and Woolworths, leaving very limited space, usually at the tail-end of the market, for small businesses to operate in.

3.4.2 Population study

A complete set of elements (objects or persons) that possess some common characteristic as envisaged in the sampling criteria established by the researcher is referred to as a population. Zikmund and Babin (2010) explain that persons participating in a study are each referred to as a population element. Churchill and Thorne (1989) define a target population as that part of the total population towards which the study is directed. It is from this group that the sample is obtained (Tustin et al., 2005). The current study obtained its sample from the immigrant population involved in the retail clothing business within the Cape metropolitan area. This population is engaged in retailing clothing products, mostly at the lower end of the market, some in temporary shelters at flea markets and others in brick and mortar clothing stores. These businesses operate mainly in the informal sector and employ various financial bootstrapping methods to sustain their activities.

Immigrant businesses serve as a source of income for the entrepreneurs and also offer job opportunities to both locals and non-locals.

3.4.3 The eligibility criteria

Eligibility criteria function to specify the conditions under which participants can be selected for a study (Polit & Hungler, 1999:278). In line with Tenge (2011) the following criteria were set for the current study:

- immigrants
- operating small-scale retail clothing businesses
- running their businesses within the Cape metropolitan area
- who must have been in business for at least one year .

3.4.4 Sampling frame

According to Polanczyk et al. (2015), institutions, individuals or households belonging to a list of those within a population suitable for sampling is call a sample frame. By selecting a sample from within the frame, the researcher can manage the challenges posed by the time and budget it would take to include the total population in the study, let alone the complex ensuing processes of interpretation and analysis (Hair et al., 2000). In this study, the sampling frame comprises immigrant entrepreneurs retailing clothes within the Cape metropolitan area. These entrepreneurs are required to have been in business for at least one year, giving them time to have settled into retailing clothing and acquired some understanding of the business in question.

3.4.5 Sampling method

A sampling method is a research technique used to select a sample population (Denscombe, 2014; Brynard & Hanekom, 2006). In this study, the researcher employed a purposive sampling technique, deliberately choosing participants in order to attain a representative sample. As noted by Alvi (2016), a non-probability sampling technique in terms of which the preferred sample is subject to the researcher's judgment is called purposive sampling. According to Oppong (2013), this technique is appropriate when the researcher possesses prior knowledge of the respondents

that enables him or her to select participants with adequate insight into the issues being investigated. In this study, the researcher possessed huge experience of the industry as he has over eight years of business experience in the retail clothing sector within the Cape metropolitan area. As a result, participants running retail clothing businesses, either in shops or stalls within the research area, were identified according to their known knowledge or experience of the industry.

3.4.6 Sample size

The portion of a population selected for study is called a sample, a fraction of the whole (Brink et al., 2006; Polit & Hungler, 1999). Choosing a sample size is one of the critical decisions that researchers face, in that the sample needs to be manageable but at the same time generalisable to the whole population.

As Tengeh (2011) notes, there is no official estimate of the number of businesses currently owned by immigrants in South Africa. This holds true for immigrant retail clothing businesses in the Cape metropolitan area. Given the challenge of ascertaining the approximate number of immigrant businesses involved in retail clothing within the study area, the researcher turned to previous scholarly work done in this area: Kalitanyi and Visser (2010) with 120 respondents, Fatoki and Patswawairi (2012) with 150 respondents, Khosa and Kalitanyi (2014) with 93 respondents, and Tengeh and Nkem (2017) with 123 respondents. These studies averaged 121.5 participants, but to make sure of satisfactory results, this study utilised 135 participants.

In the Cape Town metropolitan area, a significant population of immigrants is engaged in businesses across various sectors. However, there is a huge concentration of immigrant business activities in certain districts within the city. A similar study by Kalitanyi and Visser (2010) was conducted in Nyanga, Bellville, Cape Town CBD, and Wynberg. Another study by Tengeh and Lapah (2013) researched the suburbs of Wynberg, Cape Town CBD, Bellville, Mitchells Plain and Parow, which are areas noted for immigrant business activities. Given the focus of this study, the suburbs of Bellville, Parow, Cape Town CBD and Wynberg were chosen because of the high numbers of immigrant retail clothing businesses in the areas.

Table 3.1: Sample size per data collection site

	Area	Sample
1	Bellville	54
2	Cape Town CBD	36
3	Parow	27
4	Wynberg	18
	Total	135

Source, (compiled by researcher)

3.4.7 Data collection

The process of data collection aims at capturing quality and reliable data so that the research question can be answered (Blanche et al., 2006). A researcher should seek to collect enough data to meet the objectives of the research project, neither too little nor too much. Data for this study was obtained using a survey questionnaire. A survey is a useful instrument for collecting quantitative data, given its cheap, quick and efficient way of obtaining information from respondents (Zikmund & Babin, 2010). Saunders et al. (2009) concur that a survey using a questionnaire is the most suitable tool for collecting data from respondents in business sciences and management studies.

3.4.8 Development of the questionnaire

A survey tool containing a number of questions seeking information from respondents is called a questionnaire. Zikmund and Babin (2010) caution that the information collected from a questionnaire is only as good and valid as the questions asked. The questionnaire contained predominantly closed-ended questions and was carefully structured. The researcher personally distributed printed questionnaires via drop-off.

The questionnaire was constructed such that the cover page highlighted the aim of the study and certain ethical considerations, to give participants an understanding of the project and elicit their consent before they engaged with the questionnaire. The questionnaire comprised six sections, with sections A to D pursuing the four sub-objectives of the study (with Likert-scale type

questions), section E seeking demographic information and section F eliciting the participant's business profile.

In designing the questionnaire, the researcher sought input from various sources including similar previous studies (Neeley & Van Auken, 2010; Schinck & Sarkar, 2012b; Fatoki, 2013; Chipunza & Chipunza, 2014; Schofield, 2015). The first draft was discussed with student colleagues and some adjustments made. Thereafter the questionnaire was submitted to the supervisor, who suggested further changes. These were made and the document was submitted to the CPUT Higher Degrees Committee (HDC) for approval. The committee asked for further corrections to be made, after which the questionnaire was resubmitted and approval to proceed was obtained.

3.4.9 Pilot testing the questionnaire

A small-scale study is usually conducted before a large-scale research project, with the aim of exposing any elements that require adjustment in the research instrument. A pilot study enables researchers to identify and refine flawed research questions and to establish what is required to complete the larger version (Crossman, 2017).

A pilot study was thus conducted on a 10% sample population of immigrant entrepreneurs retailing clothes in Malmesbury, where it was established that certain questions were being misinterpreted. Ambiguous questions were rephrased and modified, while others were eliminated. It was also determined that some of the language used in the questionnaire was too academic: the researcher adjusted this, replacing complex phrases and words with more simple ones for easier understanding. The pilot test also established that it took 15 to 20 minutes to complete each questionnaire.

3.4.10 Administering the questionnaire

Before the start of data collection, the researcher spent four days visiting the locations where data was to be collected. The intention was to identify participants, solicit their participation and create a rapport with them. Issues highlighted by the pilot test were attended to, and the questionnaire finalised. Thereafter, the actual data collection process began. The questionnaire, predominantly made up of closed-ended questions in a 7-page document, was distributed to immigrant clothing

retailers in the suburbs of Bellville, Parow, Cape Town CBD and Wynberg for completion. While some accepted the questionnaires, others declined to participate in the study. Some participants opted to complete the questionnaire at a more convenient time and return it on a specific date, while others completed the questionnaire in the presence of the researcher.

This process encountered enormous challenges, as participants who opted to complete the questionnaire in the presence of the researcher at their business premises took more time than expected. In most cases, the researcher had to wait longer as the participants attended to customers, phone calls or display of stock. However, the researcher exercised patience, finding it necessary to clarify certain questions that were not understood. Participants who elected to fill out the questionnaires in their own time often forgot or misplaced the questionnaires. A significant number of them had to be provided with copies of the questionnaire a second time, and were required to fill them out in the presence of the researcher.

Data collection lasted for about 12 weeks, from November 2017 to January 2018. A total of 170 questionnaires were printed and distributed, and 145 were returned. Of the 145 questionnaires returned, ten were unusable either because they were incomplete or the respondents failed to follow instructions. In the end, 135 questionnaires were utilised for the study, amounting to a 79.4% return rate.

3.4.11 Data preparation before analysis

It is essential for some preparatory activities to take place before data analysis can ensue. Aaker et al. (2013) indicate that prior to analysis through statistical techniques, the raw data must undergo preliminary preparation. Preparatory activities may include data coding, data capturing and data cleaning.

Hair et al. (2000) assert that numerical values should be assigned to all response categories to enable data input into an electronic data file. This process can be described as data coding, which is when the respondents in the survey are awarded a number for every single response. (Jensen & Laurie, 2016). In this study, the raw data was group together and assigned codes in a manner that covered all the research variables and suited the SPSS software used in data analysis.

The coded data was entered into the Statistical Package for the Social Science (SPSS) program manually. This enabled the information obtained from the questionnaire to be converted into a format readable by computer. Each question from the questionnaire was coded as a single variable. The variables were placed in nominal and ordinal levels of measurement.

McDaniel and Gates (2010) highlight the need for data cleaning before data analysis. At this stage, the researcher embarked on checking for and correcting potential errors and omissions. This process was facilitated by the CPUT statistician, who passed the data through the SPSS software program for cleaning.

3.4.12 Analysis of data

When the researcher embarks on a process of assessing and attributing meaning to the data collected from the field, this is described as data analysis. It involves the drawing of conclusions through the identification of patterns, trends and correlations, in order to answer the research question(s) (Mouton & Babbie, 2001). In other words, data analysis is a process through which data is reduced to a more controllable and convenient size, enabling the researcher to identify trends and patterns and draw conclusions using statistical techniques (Cooper & Schindler (2008).

Quantitative research is associated with statistical data analysis, which can provide excellent results if applied correctly (Bryman & Cramer, 1999). SPSS is the most appropriate software for use in analysing quantitative data in social science and business research. Through its Syntax files, it produces output that contains statistical and analytical material such as tables, graphs, and charts (Wagner, 2014; Jensen & Laurie, 2016). Denscombe (2014) observes that descriptive statistics allows the researcher to analyse the data critically, examine the interconnections within the data and come to a meaningful conclusion.

The researcher made use of descriptive statistics in order to examine and interpret information from the field in a meaningful way, showing frequencies, percentages, and means. This process included other techniques to enhance understanding of the contents of the data (Maree, 2007). Quantitative analysis provided an invaluable overview of possible relationships between the use of financial bootstrapping methods and the characteristics of immigrant entrepreneurs.

Within a quantitative design, research can be conducted in four ways: descriptive, experimental, quasi-experimental or correlational. This study employed a descriptive, correlational quantitative research method with a cross-sectional survey design (Williams, 2007). The design allowed inferences to be drawn about the relationship between immigrant entrepreneurs' characteristics and the use of financial bootstrapping methods in their businesses within the retail clothing sector of the Cape metropolitan area. The researcher made use of SPSS version 25 software for statistical analysis of the data, and presented the results in a tabulated format. A quantitative research design has been used in similar studies (Neeley & Auken, 2009; Chipunza & Chipunza, 2014; Schofield, 2015).

3.4.13 Collection of secondary data

The researcher collected secondary data from the following sources:

- Journal articles
- Unpublished Master's and PhD theses
- Electronic databases
- Books
- Internet sources
- Government publications
- Conference papers
- working papers

3.5 RELIABILITY AND VALIDITY

3.5.1 Reliability

The possibility of obtaining consistent results through another researcher or on another occasion using similar analytic processes and data collection techniques determines the reliability of the study. A well-designed research instrument should produce the same results whether used by different researchers or at different times under similar conditions (Roberts et al., 2006). Gerrish

and Lacey (2010) note that the reliability of a study and the quality of its results can be improved with the use of a good quality questionnaire, free of ambiguity, bias and error.

For reliability's sake and to minimise potential error or bias in their responses, participants were afforded the opportunity to fill out the questionnaires at their convenience. The researcher conducted a pilot study as well as engaged other researchers in the CPUT postgraduate research forum to review the questionnaire to identify and fix wrong and biased questions. The suggestions obtained from this forum undoubtedly assisted the researcher to eliminate error and bias and thus improve the data collection process.

3.5.2 Validity

Validity in research is demonstrated by the ease with which the research instrument is able to perform the measurement it is intended to perform (Adams & Cox, 2008). According to Joppe (2000), validity is an assessment of what the research was intended to measure compared to the research results and/or how accurate the research results are. There are two broad measures of validity, internal and external. A research outcome that shows a correlation between variables is said to have internal validity, while the degree to which the outcome of a study can be generalised is a measure of external validity (Burns & Grove, 2003). In the case of this study, the instrument used was validated by the supervisor of the research as congruent with the research objectives. Additionally, the research problem statement and the research questions were assessed to determine whether they were aligned with the thread of enquiry in the study's literature review. As a result, the research instrument was deemed valid for collecting the data needed for the study.

3.6 DELINEATION OF THE RESEARCH

The research deals with the relationship between immigrant entrepreneurs' characteristics and the use of financial bootstrapping methods in the retail clothing sector of the Cape metropolitan area. The study does not deal with traditional and formal strategies of resource acquisition like banks, venture capitalists and business angels. The research does not focus on the quality of the strategies *per se*, but rather on how these strategies are used. The investigation was conducted among selected immigrant retailers in Bellville, Parow, Cape Town CBD and Wynberg because of the concentration of immigrant retail activities in these areas.

3.7 SIGNIFICANCE OF THE STUDY

This study seeks to augment knowledge about the use of financial bootstrapping methods by immigrant entrepreneurs, particularly in the retail clothing sector. The researcher provides recommendations and proposes a more effective way of utilising financial bootstrapping methods.

3.8 ETHICAL CONSIDERATIONS.

Ethics is a code of conduct that requires high moral standards on the part of the researcher, especially with regard to honesty and confidentiality (brynard & hanekom, 2006). greener (2011) outlines the main ethical issues to be considered by researchers when dealing with participants as informed consent, protection from harm, voluntary participation, privacy, confidentiality and anonymity

Informed consent: the researcher obtained informed consent from potential participants by securing approval letters beforehand.

Protection from harm: the researcher ensured that there was zero chance of harm to the participants by cooperating with them and evincing high standards of professionalism, for example showing up for appointments on time. Because this is quantitative research, the nature of the study does not possess a meaningful risk factor as compared to experimental and some types of qualitative research.

Voluntary participation: participation in this study proceeded according to the free will of those involved. Participants had the option freely to pull out from the survey if they so wished, with no consequences for them.

Privacy, confidentiality and anonymity: the researcher made sure that individual participants were guaranteed their privacy by not divulging any information about his engagement with them to a third party. Every meeting and information sourced from participants was kept confidential, and their details and personalities remain anonymous.

The researcher strictly adhered to the above ethical principles and fully complied with CPUT's ethical code for researchers.

CHAPTER FOUR

DATA PRESENTATION AND DISCUSSION OF FINDINGS

4.1 OPENING REMARKS

In this portion of the thesis, the data gathered is presented and findings emanating from the data are discussed. Presenting the data means arranging, displaying and interpreting it in a manner that achieves a full meaning through visual or textual means (Badenhorst, 2008). Here, as is typical in quantitative studies, tables and charts are used to summarise the data. The surrounding discussion aims to make sense of the results presented (Zikmund & D'amico, 2001). This is done by dissecting the results and making reference to previous findings on similar issues.

Data analysis was achieved through frequencies and percentages, and also through the chi-square test, which comprise the two main sections of this chapter. The frequencies and percentages are divided into six sub-sections under the following headings: demographic information about immigrant clothing retailers in the Cape Town metropole; business profile of immigrant clothing retailers in the Cape Town metropole; financial bootstrapping methods used by immigrant entrepreneurs in the retail clothing sector of the Cape Town metropole; the relationship between immigrant entrepreneurs' bootstrapping awareness and the use of financial bootstrapping methods; the relationship between immigrant entrepreneurs' survival goal and the use of financial bootstrapping methods; and the relationship between immigrant entrepreneurs' education and the use of financial bootstrapping methods. The chi-square test is presented under the following three sub-headings: the relationship between immigrant entrepreneurs' bootstrapping awareness and the use of financial bootstrapping methods; the relationship between immigrant entrepreneurs' survival goal and the use of financial bootstrapping methods; and the relationship between immigrant entrepreneurs' education and the use of financial bootstrapping methods. The findings for each section are presented in tables and discussed. A summary of each category is given at the end of each major section.

4.2 FREQUENCY ANALYSIS

4.2.1 Demographic information on immigrant entrepreneurs in the Cape metropole

Demographic data on immigrant entrepreneurs has a bearing on their entrepreneurial activities. This is why the following variables were included in the study: country of origin, gender, age, marital status, official home language and education.

Table 4.1: The country of origin of respondents

Country of origin		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TANZANIA	1	.7	.7	.7
	BANGLADESH	1	.7	.7	1.5
	BURUNDI	1	.7	.7	2.2
	CAMEROON	19	14.1	14.1	16.3
	CONGO	1	.7	.7	17.0
	DRC	4	3.0	3.0	20.0
	ETHIOPIA	3	2.2	2.2	22.2
	ETHIOPIA	23	17.0	17.0	39.3
	GHANA	2	1.5	1.5	40.7
	INDIA	2	1.5	1.5	42.2
	KENYA	2	1.5	1.5	43.7
	MALAWI	2	1.5	1.5	45.2
	MALI	2	1.5	1.5	46.7
	MOZAMBIQUE	1	.7	.7	47.4
	NAMIBIA	1	.7	.7	48.1
	NIGERIA	20	14.8	14.8	63.0
	SENEGAL	5	3.7	3.7	66.7
	SOMALIA	36	26.7	26.7	93.3
	SUDAN	1	.7	.7	94.1
	TANZANIA	2	1.5	1.5	95.6
UGANDA	1	.7	.7	96.3	
ZIMBABWE	5	3.7	3.7	100.0	
Total	135	100.0	100.0		

Somalians comprised the largest cohort in this study, at 36 (26.7%). Immigrants from Ethiopia (26 or 19.2%) were the second most represented national group, followed by Nigerians (20 or 14.8%) and Cameroonians (19 or 14%), respectively. Participants from Zimbabwe and Senegal came next, with each having 5 (3.7%) respondents, followed by immigrant entrepreneurs from DRC (4, 3.0%). There were two respondents (1.5%) from each of Tanzania, Mali, Malawi, India, Ghana

and Kenya. Finally, there was one participant (0.7%) from each of the following countries: Uganda, Sudan, Namibia, Mozambique, Congo Republic, Burundi and Bangladesh.

Table 4.2: Gender of respondents

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	97	71.9	71.9	71.9
	Female	38	28.1	28.1	100.0
	Total	135	100.0	100.0	

The majority of respondents, 97 (71.9%), were males, while a smaller but significant number of respondents (38 or 28.1%), were females. Khosa (2014) has noted that men run the majority of immigrant retail clothing businesses in the Cape metropole. It has already been seen that the respondents were in the main from other African countries. In African society, men are seen as “bread-winners”, and most respondents were males who had migrated to support their families back home.

Table 4.3: Age range of respondents

Age group		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 - 18	1	.7	.7	.7
	19 - 29	16	11.9	11.9	12.7
	30 - 39	75	55.6	56.0	68.7
	40 - 49	37	27.4	27.6	96.3
	50 or above	5	3.7	3.7	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

The majority of respondents fell into the age group 30-39 (75 or 56.0%). Respondents aged 40-49 made up the second biggest group of 37 (27.6%). This was followed by the age groups 19-29 (16 or 11.9%), 50 & above (5 or 3.7%) and 0-18 (1 or 0.7%). As can be seen from the Tables above, mostly young, male immigrants are involved in retail clothing businesses within the Cape metropole. Several authors in this field have made a similar finding (Rogerson, 1997; Kalitanyi, 2007; Chrysostome, 2010; Tengeh, 2011).

Table 4.4: Marital status of respondents

Marital Status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	32	23.7	23.7	23.7
	Married	96	71.1	71.1	94.8
	Divorced	5	3.7	3.7	98.5
	Widowed	2	1.5	1.5	100.0
	Total	135	100.0	100.0	

As seen in Table 4.4, above, 96 (71.1%) of respondents were married, 32 (23.7%) were single, and 7 (5.2%) either divorced or widowed. The majority of immigrant entrepreneurs trading in retail clothing in the Cape Town metropolitan area are thus married. This finding resonates with that of Tengeh (2011), who found that 69.6% of immigrant participants were married. This result is to be expected, since many immigrants get married once they arrive in their host countries either to gain legal status or to ease the stress arising from their migration situation.

Table 4.5: Official language of respondents

Official Language					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	English	127	94.1	94.1	94.1
	French	8	5.9	5.9	100.0
	Total	135	100.0	100.0	

According to the Table above, 127 (94.1%) respondents declared English to be their official home language, having originated from Anglophone African countries like Nigeria, Cameroon, Ghana, Somalia, Zimbabwe and Zambia. Only 8 (5.9%) indicated that French was their official home language. Even though English was the official language in countries from where most respondents had come, the majority of them were not fluent in English and could not adequately express themselves in local South African languages such as Xhosa, Zulu, Afrikaans and Sesotho. In a similar study, Hunter and Skinner (2001:26) noted that the language barrier hinders good customer relationships. Habiyakare et al. (2009) describes the language barrier as a huge challenge to immigrant entrepreneurs, who sometimes spend several days concluding a business

transaction. The lack of effective communication skills on the part of immigrant entrepreneurs, whether spoken or written, prevents them from integrating into the community, assessing business advice and obtaining bank loans (Baycan Levent et al., 2003).

Table 4.6: The level of education of respondents

Highest Qualification		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No formal schooling	8	5.9	6.1	6.1
	Primary School	31	23.0	23.5	29.5
	High School	41	30.4	31.1	60.6
	College	31	23.0	23.5	84.1
	Bachelor's Degree	17	12.6	12.9	97.0
	Master's Degree	2	1.5	1.5	98.5
	Doctorate Degree	2	1.5	1.5	100.0
	Total	132	97.8	100.0	
Missing	System	3	2.2		
Total		135	100.0		

The largest cohort of 41 respondents (31.1%) had had a high school education, while 31 (23.5%) had had either primary or college education. As many as 17 (12.9%) had a bachelor's degree, while 8 (6.1%) had had no formal schooling at all. There were even 2 Master's degree holders (1.5%) and 2 with Doctorates (1.5%). Thus the majority of immigrant clothing retailers in the Cape metropole have at least a high school-level education that was most likely obtained in their home countries before travelling. If creativity, innovation, determination, and the ability to take risks are necessary attributes of the entrepreneur (Janse van Rensburg, 2014), it is arguable that immigrant entrepreneurs with at least a high school level of education are more likely to have the confidence to exhibit these traits.

Summary of the demographic information pertaining to immigrant entrepreneurs in the Cape metropole

In this section males were reported as the majority of the respondents (97, 71.9%) who were in their thirties (75, 56.0%) and were married (96, 71.1%). The participants were found to be mainly from Somalia (36, 26.7%), with a high school level education (41, 31.1%) and English as their official home language (127, 94.1%).

4.2.2 Business profile

This section reports information about the individual businesses of respondents. Questions were asked about the age of the business, number of employees, the specific location of the business, type of retail clothing business, business ownership and yearly sales.

Table 4.7 The business duration

Duration of Business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	3.0	3.1	3.1
	2	16	11.9	12.5	15.6
	3	12	8.9	9.4	25.0
	4	12	8.9	9.4	34.4
	5	16	11.9	12.5	46.9
	6	11	8.1	8.6	55.5
	7	9	6.7	7.0	62.5
	8	9	6.7	7.0	69.5
	9	2	1.5	1.6	71.1
	10	13	9.6	10.2	81.3
	11	2	1.5	1.6	82.8
	12	2	1.5	1.6	84.4
	13	2	1.5	1.6	85.9
	14	2	1.5	1.6	87.5
	15	6	4.4	4.7	92.2
	17	2	1.5	1.6	93.8
	18	2	1.5	1.6	95.3
	20	5	3.7	3.9	99.2
	25	1	.7	.8	100.0
	Total	128	94.8	100.0	
Missing	System	7	5.2		
	Total	135	100.0		

There were 16 (12.5%) respondents with two years in business and the same number with five years. The total for 2-5 years' experience was 56 (44.8%). There were 13 that had 10 years' business experience (10.2%), and a total of 44 with 6-10 years' experience (34.4%). Those with 15-20 years in business amounted to 15 (11.8%). There were even 6 with 20 and more years of experience (4.7%). Only 4(3.1%) of respondents had only one year of business experience. The majority of the respondents had been in business between 2 and 5 years. This resonates with Fatoki and Patswairi (2012)'s finding that 97% of immigrant entrepreneurs in South Africa had been in business for over 3 years.

Table 4.8: The number of employees per respondent

Number of employees		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	32	23.7	24.1	24.1
	1	43	31.9	32.3	56.4
	2	35	25.9	26.3	82.7
	3	11	8.1	8.3	91.0
	4	4	3.0	3.0	94.0
	5	5	3.7	3.8	97.7
	6	1	.7	.8	98.5
	7	1	.7	.8	99.2
	8	1	.7	.8	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

As shown in the table above, 43 respondents had 1 employee each (32.3%), followed by 35 respondents with 2 employees each (26.3%). On the other hand, 32 or 24.1% respondents employed no-one. While 11 (8.3%) respondents had 3 employees each, the remaining 12 had between 4 and 8 employees each (9.2%). Thus most of the respondents had only one employee in their business. This outcome is in line with the National Small Business Amendment Act (South Africa, 2003), which indicates that a survivalist or micro business usually involves family members and fewer than five paid employees.

Table 4.9: Specific site where respondents conduct their businesses

The specific location of the business		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BELLVILLE	54	40.0	40.0	40.0
	CBD	36	26.7	26.7	66.7
	PAROW	27	20.0	20.0	86.7
	WYNBERG	18	13.3	13.3	100.0
	Total	135	100.0	100.0	

A preponderance of 54 (40%) respondents' businesses were situated in the area of Bellville, while 36 (26.7%) operated in the Cape Town CBD area, 27 (20.0%) in Parow, and 18 (13.3%) in Wynberg. It is fair to say that in Cape Town, immigrant businesses are concentrated in Bellville, especially retail clothing. A similar study by Kalitanyi and Visser (2010) on African immigrants, chose to study the areas of the Cape Town Foreshore, Wynberg, Bellville and Nyanga.

Table 4.10: Specific type of retail clothing business of the respondents

Type of retail clothing business		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Men's clothing	112	83.0	83.0	83.0
	Women's clothing	13	9.6	9.6	92.6
	Traditional clothing	3	2.2	2.2	94.8
	Other	7	5.2	5.2	100.0
	Total	135	100.0	100.0	

A vast majority of 112 or 83.0% of respondents sell men's clothing, 13(9.6%) deal with women's clothing, 7(5.2%) sell other types of clothing and only 3(2.2%) are involved in trade in traditional clothing.

Table 4.11: The business ownership

ownership of the business		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Owner	123	91.1	92.5	92.5
	Running on behalf of the owner	10	7.4	7.5	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

Most respondents (123 or 92.5%) were found to be the business owners themselves, while 10 were running the business on behalf of the owner (7.5%). Immigrants often start businesses as an alternative to unemployment, where they identify and exploit opportunities. This is why Statistics South Africa (2014) and Fatoki (2014) acknowledge the significant role of immigrant entrepreneurs in starting new businesses. The unemployment rate in South Africa currently estimated at 25.6% can meaningfully be reduced through the creation of such businesses.

Table 4.12: Annual sales of respondents

Sales per year		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Up to R25000	19	14.1	17.4	17.4
	R25 001 - R50 000	27	20.0	24.8	42.2
	R50 001 - R100 000	19	14.1	17.4	59.6
	R100 001 - R200 000	18	13.3	16.5	76.1
	R200 001 - R300 000	15	11.1	13.8	89.9
	R300 001 - R400 000	6	4.4	5.5	95.4
	R400 001 - R500 000	2	1.5	1.8	97.2
	R500 001 - R1 000 000	2	1.5	1.8	99.1
	R1 000 001 or above	1	.7	.9	100.0
Total	109	80.7	100.0		
Missing	System	26	19.3		
Total		135	100.0		

Respondents with yearly sales of between R25 001 and R50 000 numbered 27 (24.8%). Those with annual sales of R50 001 to R100 000 and under R25 000 each comprised 19 or 17.4% of the total number of respondents. A sum of 18 respondents (16.5%) reported yearly sales of R100 001 to R200 000, while a further 15 reported figures of R200 001 to R300 000 (13.8%). There were 6 in the bracket of R300 001-R400 000 in annual sales (5.5%), and 2 each in the ranges R400 001-R500 000 and R500 001-R1 000 000 (1.8%). There was one respondent who reported more than R1 000 001 in sales (0.9%). A sizeable percentage of respondents had yearly sales of between R25 001 and R50 000, although a sizeable proportion exceeded that. A similar study by Asoba and Tengeh (2016), which investigated African immigrant craft retailers' growth challenges in the Cape metropole, found that a majority of 50 or 42.0% of respondents had yearly sales of less than R50 000.

Summary of business profile of immigrant entrepreneurs

The majority (54, 40%) of immigrant clothing retailers who participated in this study operated in the Bellville area of Cape Town. They mostly (112, 83.0%) sold men's clothing and had one employee (43, 32.3%) assisting them in their business. Almost all (123, 92.5%) owned the business themselves and had been in business for 2 to 5 years (56, 44.8%). The annual sales income typically obtained by these businesses ranged between R25 001 and R50 000 (27, 24.8%).

4.2.3 Financial bootstrapping methods used by immigrant entrepreneurs in the retail clothing sector of the Cape metropole

This section reports the financial bootstrapping methods used by immigrant entrepreneurs in the retail clothing sector of the Cape metropole. The data was obtained from participants via their response to a Likert scale of options ranging from 1 to 5 (always, often, occasionally, rarely, never). For analytical purposes, the researcher combined always and often into always. Occasionally remained a middle option, while rarely and never were combined into never.

Table 4.13: Loans obtain from family members or friends

loans from relatives and/or friends					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	15	11.1	11.2	11.2
	Often	27	20.0	20.1	31.3
	Occasionally	38	28.1	28.4	59.7
	Rarely	16	11.9	11.9	71.6
	Never	38	28.1	28.4	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

Respondents who did not get loans from relatives or friends to fund their businesses amounted to 54 (40.3%). Those who did borrow often from either family members or friends to finance their businesses numbered 42 (31.3%). Another 38 respondents indicated that they obtained loans from either relatives or friends on an occasional basis (28.4%). The results suggest that a narrow majority of immigrant clothing retailers in the Cape Town metropole do not obtain loans from family or friends. This may be because necessity immigrant entrepreneurs often come from a family that lacks the means to provide them with capital. Most often, these entrepreneurs are the breadwinners in the family. Immigrant entrepreneurs are obliged to lift themselves up by their own efforts and resort to other bootstrapping techniques (Payne, 2007). In an article on “refugee entrepreneurial economies” in SA, Crush & Tawodzera (2017) report that around 20% of participants used loans from relatives, 12-14% loans from non-relatives and 12% gifts from relatives.

Table 4.14: Use of stokvels by respondents

Use stokvels					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	22	16.3	16.5	16.5
	Often	26	19.3	19.5	36.1
	Occasionally	23	17.0	17.3	53.4
	Rarely	18	13.3	13.5	66.9
	Never	44	32.6	33.1	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

Some respondents insisted that they made no use of stokvels to finance their businesses (62, 46.6%). Others reported regularly using stokvels to fund their business activities (48, 36%), while a third group had recourse to stokvels only occasionally (23 or 17.3%). Thus although significant numbers of respondents use stokvels, the majority do not. This may be because they do not altogether trust the financial scheme. Tengeh (2011) found more widespread use of stokvels for raising finance.

Table 4.15: Use of lay-by services in the business

Accept lay-by					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	34	25.2	25.2	25.2
	Often	17	12.6	12.6	37.8
	Occasionally	20	14.8	14.8	52.6
	Rarely	21	15.6	15.6	68.1
	Never	43	31.9	31.9	100.0
	Total	135	100.0	100.0	

Layby (or layaway) is a practice in terms of which an item is reserved for a buyer who makes an initial deposit and then released when full payment is made. This sales method requires the putting in place of terms and conditions to guide the transaction, like a timeframe for payment and penalties for default. A sizeable percentage of respondents (64 or 47.5%) revealed that they did not accept laybys, while those who did amounted to 51 (37.8%). The remaining 20 accepted laybys on an occasional basis only (14.8%). This suggests that most immigrant clothing retailers in the Cape metropole do not use the layby system, as layby sales can be frustrating and better suited to well-established businesses. Most immigrants run their businesses with minimal capital

investment, and given the lengthy periods of layby and the risk of customer failure to honour the collection dates of laybys, the practice may be hurtful to the business's cash flow.

Table 4.16: Extended business hours of respondents

Extend hours of operation		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	30	22.2	22.6	22.6
	Often	59	43.7	44.4	66.9
	Occasionally	29	21.5	21.8	88.7
	Rarely	11	8.1	8.3	97.0
	Never	4	3.0	3.0	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

As many as 89 respondents (67%) opened their businesses for extended periods of time, followed by 29 (21.8%) who occasionally extended their trading hours. Only 15 respondents (11.3%) claimed that they did not extend their trading hours beyond the normal working day. From the results, it is evident that most immigrants retailing clothes in the Cape metropole run their businesses for longer hours than the industry norm. This is so because the competition is less intense at odd hours when more established businesses are closed, giving an advantage to small businesses willing to stay open. In a related finding, Khalitanyi and Visser (2010) reported long hours of work done by single young males with immigrant status: 64 hours per week or over 10 hours a day, six days a week. Their employees, if they have any, are obliged to follow a similar work schedule.

Table 4.17: Price negotiations with customers

Negotiate prices with customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	47	34.8	34.8	34.8
	Often	58	43.0	43.0	77.8
	Occasionally	22	16.3	16.3	94.1
	Rarely	6	4.4	4.4	98.5
	Never	2	1.5	1.5	100.0
	Total	135	100.0	100.0	

Most respondents indicated that they negotiated prices with customers (105 or 77.8%), while some did so only occasionally (22, 16.3%). Those who did not negotiate prices with customers amounted to a mere 8 (5.6%). Therefore, most immigrant clothing retailers in the Cape metropole negotiate prices with customers, seeking to secure their custom with discounts. However, selling at posted prices avoids customer exploitation and makes the store more attractive to potential customers (Gosling et al., 2007).

Table 4.18: Offering credit to customers

Offer credit to customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	3	2.2	2.2	2.2
	Often	16	11.9	11.9	14.1
	Occasionally	42	31.1	31.1	45.2
	Rarely	39	28.9	28.9	74.1
	Never	35	25.9	25.9	100.0
	Total	135	100.0	100.0	

It was revealed that the majority of respondents did not offer credit to customers (74, 54.8%), while some did so only occasionally (42 or 31.1%). Only 19 admitted to providing credit to customers (14.1%). It is apparent that most respondents do not offer credit to their customers. This may be due to bad experiences with customers in terms of debt non-payment. Findings from a study conducted by Rian (2017) on spaza shops run by mainly Muslim immigrants differ from the current result, as he found that these businesses do offer credit to their customers. The outcome of the current study in respect of this issue still seems reasonable because Rian's study does not show a blanket offering of credit. The credit facility that Rian describes is only extended to grannies on pension and other trustworthy professional individuals who have a proven track record of debt settlement. In addition, only basic foodstuffs are considered for credit.

Table 4.19: Charging lower prices than competitors

Keep prices cheaper than competitors.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	14	10.4	10.7	10.7
	Often	58	43.0	44.3	55.0
	Occasionally	36	26.7	27.5	82.4
	Rarely	15	11.1	11.5	93.9
	Never	8	5.9	6.1	100.0
	Total	131	97.0	100.0	
Missing	System	4	3.0		
Total		135	100.0		

A majority of respondents (72 or 55%) regularly charge lower prices than competitors, while 36 (27.5%) do so on an occasional basis. As many as 23 respondents (17.6%) do not attempt to compete by price. In sum, most respondents keep prices lower than competitors to gain patronage and maximise sales. This outcome is to be expected since immigrant clothing retailers operate in a price-sensitive market comprised of lower-end products. The retail industry, which has a significant number of immigrant entrepreneurs, particularly in retail clothing, involves tough competition (Rian, 2017).

Table 4.20: Offer different products according to seasonal changes

Offer different products during different seasons					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	28	20.7	21.2	21.2
	Often	77	57.0	58.3	79.5
	Occasionally	13	9.6	9.8	89.4
	Rarely	9	6.7	6.8	96.2
	Never	5	3.7	3.8	100.0
	Total	132	97.8	100.0	
Missing	System	3	2.2		
Total		135	100.0		

A host of respondents, 105 or 79.5%, indicated that they changed their product lines during different seasons, while a few did not (14 or 10.6%). There were also some respondents who changed their product lines irregularly or on an occasional basis (13, 9.8%). It is apparent, therefore, that most respondents change their stock according to varying business seasons. Such a business move is intended to take advantages of the changes in buying patterns that come with the introduction of seasonal products for a particular period or as a result of a fashion trend.

Immigrant traders offer excellent value for money, and they share information on their cell-phones about what specials are available at the wholesaler (Alcock & Steiner, 2017).

Table 4.21: Keeping records of business transactions

keep business records		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	33	24.4	24.8	24.8
	Often	35	25.9	26.3	51.1
	Occasionally	24	17.8	18.0	69.2
	Rarely	29	21.5	21.8	91.0
	Never	12	8.9	9.0	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

A substantial group of respondents (68, 51.1%) revealed that they kept records of their business transactions, while some did so only occasionally (24, 18.0%). As many as 41 (30.8%) admitted to not keeping business records. A majority of respondents thus kept records of their business transactions. This finding was not to be expected, given the poor organisation and informality of this sector. The ease of stock-taking in clothing products and the untrustworthiness of workers who are often underpaid could be the reason for this. Asoba and Tengeh (2016) suggest that respondents with postgraduate degrees are more likely to keep business records and manage their businesses properly. He argues that one of the reasons why commercial banks hardly ever grant loans to immigrant entrepreneurs is precisely their inadequate record keeping.

Table 4.22: Running the business from home

Run the business from home		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	3	2.2	2.2	2.2
	Often	2	1.5	1.5	3.7
	Occasionally	10	7.4	7.5	11.2
	Rarely	17	12.6	12.7	23.9
	Never	102	75.6	76.1	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

Most respondents shunned the idea of running their businesses from home (119 or 88.8%); 10 did so occasionally (7.5%), and only 5 did so regularly (3.7%). A likely explanation for this could

be the difficulty in securing a sizeable customer base in a residential area, especially for a clothing business as compared to a spaza shop, for instance. Another reason could be the difficulty of adhering to rental terms and conditions, since residential areas are usually not zoned for business. A market or stand-alone or house/yard or garage are places where immigrant traders typically conduct their businesses. Others are more mobile, operating from caravans and vehicles, or working door-to-door (Crush & Tawodzera, 2017).

Table 4.23: Sharing business space

Share space/premises with others					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	8	5.9	6.0	6.0
	Often	12	8.9	9.0	15.0
	Occasionally	9	6.7	6.8	21.8
	Rarely	12	8.9	9.0	30.8
	Never	92	68.1	69.2	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

Winborg and Landström (2001) categorise this activity as one element in the joint utilisation of resources, where businesses engage in sharing employees, assets or business space. Most respondents did not share space with other businesses (104 or 78.2%), though some did so regularly (20 or 15%) and others occasionally (9, 6.8%). Sharing a business space could easily spark conflict between partners, given the need for prominent space in the clothing shop business.

Table 4.24: Use of social media for business transactions

Use social media for business transactions.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	8	5.9	6.0	6.0
	Often	18	13.3	13.5	19.5
	Occasionally	30	22.2	22.6	42.1
	Rarely	21	15.6	15.8	57.9
	Never	56	41.5	42.1	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

The table above indicates that most respondents did not transact their businesses on social media (77, 57.9%). A small but significant percentage of respondents did transact their business on social media occasionally (30, 22.6%). Moreover, a group of 26 respondents reported making frequent or continuous use of social media in their business activities (19.5%). Though most respondents had access to social media, they appeared to be conservative in the sense of not wanting to use it for that purpose (and thereby reap the benefits of the exposure). As Kaplan (2012) has pointed out, social media tools can be used for sales promotions/discounts, marketing research, relationship development/loyalty programmes and communication.

Table 4.25: Sleep at the business place to reduce expenditure

Sleep on business premises					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	3	2.2	2.2	2.2
	Often	3	2.2	2.2	4.5
	Occasionally	5	3.7	3.7	8.2
	Rarely	20	14.8	14.9	23.1
	Never	103	76.3	76.9	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

Most respondents – 123 or 91.8% – did not sleep at their business premises. Some did so regularly (6 or 4.4%), while a few did occasionally (5, 3.7%). This is partly because most clothing businesses are situated in market-places away from residential areas. Other immigrant-owned businesses like grocery stores are usually located in or next to residential areas, allowing shopkeepers to sleep in their shops. Rian (2017) reported that immigrants often sleep and work in their shops, which significantly reduces their expenses.

Table 4.26: Employ relatives or friends at lower rates

Employ relatives/friends for below market wages					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	13	9.6	9.8	9.8
	Often	32	23.7	24.2	34.1
	Occasionally	30	22.2	22.7	56.8
	Rarely	20	14.8	15.2	72.0
	Never	37	27.4	28.0	100.0
	Total	132	97.8	100.0	
Missing	System	3	2.2		

Total	135	100.0		
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A large number of respondents (57 or 43.2%) reported that they did not employ relatives or friends for lower wages in their businesses. On the other hand, 45 respondents acknowledged employing relatives/friends at low wages (34%), and another sizeable group (30, 22.7%) revealed that they employed relatives/friends on an occasional basis. Though most respondents indicated that they did not employ relatives or friends at lower wages, the researcher contends that immigrant business owners do not usually see fellow immigrants, especially relatives and friends, serving in their businesses as a form of employment. The work arrangements, especially with relatives, is such that there is a mutual understanding that it is a family business which caters for the family's needs. In the case of friends and other immigrants, they are often compensated with shelter, basic needs and pocket money. Winborg (2009) makes the point that the level of mutual trust in respect of relatives and friends is high, making it easy for immigrant entrepreneurs to employ them.

Table 4.27: Jointly use workers with other businesses

Share workers with other businesses					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	5	3.7	3.7	3.7
	Often	9	6.7	6.7	10.4
	Occasionally	8	5.9	5.9	16.3
	Rarely	27	20.0	20.0	36.3
	Never	86	63.7	63.7	100.0
	Total	135	100.0	100.0	

A vast preponderance of respondents did not share workers with other businesses to limit expenses (113, 83.7%), while those who did were few in number (14 or 10.4%). Fewer still shared workers with other businesses occasionally (8, 5.9%). The strategy of sharing workers with other businesses does not resonate with immigrant clothing retailers in the Cape metropole. This may be due to the severe competition in the sector. It is possible that respondents fear that workers may leak their business secrets to other businesses.

Table 4.28: Jointly purchase stock with other businesses

Contribute money with other businesses to buy stock in bulk					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Always	13	9.6	9.7	9.7
	Often	32	23.7	23.9	33.6
	Occasionally	26	19.3	19.4	53.0
	Rarely	29	21.5	21.6	74.6
	Never	34	25.2	25.4	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

The majority of respondents (63, 47%) did not use the strategy of pooling money with other businesses to buy stock in bulk at lower prices. Those who did were 45 in number (33.6%), while 26 respondents (19.4%) used the strategy only in rare situations. This strategy works well in circumstances where a particular product item is scarce but not when the product in question is readily available. In the latter case, respondents prefer to buy individually, which gives them the chance to select what they want, in quantities they can afford and at their convenience. Nevertheless, a significant proportion of immigrant entrepreneurs enjoy economies of scale by coordinating purchases with other businesses (Winborg & Landström, 2001).

Table 4.29: Obtain business credit

Obtain Business credit					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	11	8.1	8.3	8.3
	Often	38	28.1	28.6	36.8
	Occasionally	42	31.1	31.6	68.4
	Rarely	16	11.9	12.0	80.5
	Never	26	19.3	19.5	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

A majority of respondents reported obtaining business credit or goods on terms (49 or 36.9%), while a slightly smaller number (42, 31.5%) did not. A similar number, 42, claimed that they sought and obtained business credit only occasionally (31.5%). Immigrant entrepreneurs seek business credit, but they are generally unsuccessful because, among other factors, of a lack of proper documentation, a good business track record and collateral security. Rian (2017) emphasises that business credit is tough to obtain, except in a few cases where the entrepreneurs are deemed sufficiently “reliable.”

Table 4.30: Negotiate prices with suppliers

Negotiate prices with my suppliers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Always	48	35.6	35.8	35.8
	Often	57	42.2	42.5	78.4
	Occasionally	18	13.3	13.4	91.8
	Rarely	6	4.4	4.5	96.3
	Never	5	3.7	3.7	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

According to the table above, the majority of respondents regularly negotiated prices with their suppliers (105, 78.3%), whereas a small percentage did so only occasionally (18, 13.4%) and an even smaller percentage did not use the negotiation strategy at all (11, 8.2%). Negotiating cost with suppliers is vital in a highly pressurised industry where competition is focused on price. Respondents bargain with wholesalers and in turn charge competitive retail prices so that their businesses can remain in tune with their customer base. In a study of refugee business activities in South Africa, Crush and Tawodzera (2017) describe how business owners consult with other entrepreneurs and the media to gain information, then negotiate with suppliers and buy in bulk.

Other business strategies

The following are ad hoc strategies described by immigrant clothing retailers in the Cape metropole as among their business strategies:

- Stock goods that competitors do not have
- Always stock goods that are currently in fashion
- Attend festivals and open on public holidays, including Sundays
- Avoid unnecessary expenses
- Be friendly toward customers and offer incentives
- Conduct frequent sales
- Display stock strategically within the store
- Diversify the business by charging hawkers for storing their goods at the business premises

- Diversify the business by expanding into other product lines
- Employ advertising personnel
- Ensure excellent product selection
- Ensure an excellent display style and the right customer approach
- Extend business hours and maintain a friendly attitude
- Display a sale sign in front of the shop
- Install promotional signage at the shop front
- Keep a regular stock of goods that are in popular demand
- Keep the store display up to professional standards
- Maintain proper communication and a friendly attitude with customers
- Offer better customer care
- Provide quality products to customers
- Put on sale the stock items that stay too long on the shelf
- Regularly change display style within the store to enhance visibility
- Replenish stock regularly
- Sell unique products
- Set prices in comparison to competitors
- Stock the latest fashion trends
- Swiftly resolve customer quarrels
- Use WhatsApp for advertising.

Summary of the use of financial bootstrapping methods by immigrant entrepreneurs in the retail clothing sector of the Cape metropole

The findings in this section reveal that most respondents (54, 40.3%) do not borrow money from friends/relatives nor participate in stokvels (62, 46.6%) to finance their businesses. A large number (64, 47.5%) do not accept laybys and a substantial majority (89, 67%) of them are open for extended trading hours.

The findings also indicate that the majority of respondents negotiate prices with both customers (105, 77.8%) and suppliers (105, 78.3%). Through these negotiations, 49 (36.9%) obtain stock

from suppliers on credit and 74 of them (54.8%) sell this stock to customers on a cash and carry basis. As many as 72 (55%) of the respondents (try to) charge lower prices than competitors, and 105 (79.5%) indicated that they offer different products during different business seasons.

A majority of respondents (68, 51.1%) keep business records, and most of them shun the idea of running their businesses from home (119, 88.8%). Most of them (104, 78.2%) do not share space with other businesses and do not advertise on the social media (77, 57.9%). A large percentage of them do not sleep at their business premises (123, 91.8%), nor do they employ relatives/friends for less than market wages (57, 43.2%). Most (113, 83.7%) do not share workers with other businesses and also do not combine funds with other businesses to buy stock in bulk at lower prices (63, 47%).

4.2.4 The relationship between immigrant entrepreneurs' bootstrapping awareness and the use of financial bootstrapping methods

The objective here was to determine the relationship between immigrant entrepreneurs' bootstrapping awareness and their use of financial bootstrapping methods. To achieve this, the researcher made use of a series of Likert scale questions that measured the range of responses, ranging from 1 to 5 (strongly agree, agree, uncertain, disagree, strongly disagree). The researcher simplified the results by putting together the strongly agree and agree answers as agree; the uncertain answers were maintained as the middle option, while the strongly disagree and disagree responses were conflated as disagree. This approach was also applied in the next two sections. Frequency and percentages were used to discuss the findings.

Table 4.31: Respondents' awareness of the term financial bootstrapping

Knowing the term financial bootstrapping		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	6	4.4	4.6	4.6
	Agree	24	17.8	18.3	22.9
	Uncertain	12	8.9	9.2	32.1
	Disagree	29	21.5	22.1	54.2
	Strongly Disagree	60	44.4	45.8	100.0
	Total	131	97.0	100.0	
Missing	System	4	3.0		
Total		135	100.0		

Large numbers of respondents were unaware of the term financial bootstrapping before the study (89 or 67.9%), while a fair proportion knew the term financial bootstrapping well before the commencement of the study (30, 22.9%). There was also a group of respondents who could not figure out whether they had previously been aware of the term or not (12 or 9.2%). As indicated in the table above, many respondents were not familiar with the term even though they had been using bootstrapping strategies in their businesses. Other authors have also reported the lack of awareness of financial bootstrapping on the part of small business owners (Munyanyi, 2015) and (Zwane & Nyide 2017). A similar view held by Van Auken (2003) suggests that by no means all financial bootstrapping methods are documented. This can be attributed partially to the insufficiency of scholarly work on the informal sector of the economy.

Table 4.32: Challenge of accessing business information

The challenge of obtaining business related information					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	26	19.3	19.4	19.4
	Agree	75	55.6	56.0	75.4
	Uncertain	12	8.9	9.0	84.3
	Disagree	17	12.6	12.7	97.0
	Strongly Disagree	4	3.0	3.0	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
	Total	135	100.0		

Most respondents (101, 75.4%) agreed with the proposition that it was difficult to obtain relevant business information. A small but significant group of respondents (21 or 15.7%) disagreed with the statement, suggesting that they could access business-related information quite easily, especially in this era of social media. Another small group of respondents were uncertain as to the accessibility of business-related information (12, 9.0%). It is mind-boggling to realise that, given the advent of social media and other advances in technology, immigrants are still grossly constrained in accessing business-related information. It should perhaps be added that the cost of obtaining information in South Africa is quite high, for example, the cost of data.

Jeremy (2018) corroborates this finding by pointing out the indispensability of internet connectivity as a business tool for entrepreneurs. He further notes that the productivity and profitability of SMMEs in South Africa might well be hugely affected by the high cost of data. Another general

point about communication in this context is that competition is very strong in the retail clothing sector, forcing respondents to remain tight-lipped about their strategies.

Table 4.33: Language as a barrier to creating awareness of business strategies

Language as an obstacle to creating awareness of business strategies					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	24.4	24.4	24.4
	Agree	63	46.7	46.7	71.1
	Uncertain	5	3.7	3.7	74.8
	Disagree	32	23.7	23.7	98.5
	Strongly Disagree	2	1.5	1.5	100.0
	Total	135	100.0	100.0	

A large majority of respondents (96 or 71.1%) believed that language was an obstacle to creating awareness of financial bootstrapping or business strategies. A much smaller group (34, 25.2%) did not think that language was an issue, whereas a handful of respondents (5, 3.7%) were not sure. The finding by Baycan Levent et al. (2003) corroborates this outcome, noting that the inability of immigrant entrepreneurs to communicate correctly, in either the spoken or written form of the official language in the host country, prevented them from access to bank loans, access to business advice and from enjoying the benefits of integration into the community. Immigrants in South Africa come from countries where different languages are spoken. Even those from English-speaking countries find that some of their customers cannot adequately express themselves in English, given that 11 official languages are spoken in South Africa. All these make communication with stakeholders difficult and affect the use of business strategies.

Table 4.34: Awareness of business support organisations

Being aware of organisations that assist immigrant entrepreneurs with business strategies					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Agree	7	5.2	5.2	5.2
	Agree	19	14.1	14.2	19.4
	Uncertain	21	15.6	15.7	35.1
	Disagree	54	40.0	40.3	75.4
	Strongly Disagree	33	24.4	24.6	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
	Total	135	100.0		

Most of the respondents (87, 64.9%) did not know of any organisations that supported or assisted immigrants in business. A minority of 26 (19.4%) were however aware of organisations that helped immigrant entrepreneurs with business advice. A further group of 21 (15.7%) were not sure about their awareness of these support organisations. Desiderio (2014) notes that immigrants have limited knowledge of mainstream business support infrastructure. Though there may be organisations that assist immigrant businesses, they generally seem to be unpopular within the immigrant community. Zwane and Nyide (2017) urge government and support organisations to spread awareness of financial bootstrapping strategies as a way of promoting entrepreneurial activity.

Summary of the relationship between immigrant entrepreneurs' bootstrapping awareness and the use of financial bootstrapping methods

This section has revealed that the majority of respondents did not know the term financial bootstrapping before the study (89 or 67.9%). A good number of them (101, 75.4%) claimed to find it difficult to access business-related information. The respondents (96, 71.1%) acknowledged that this was exacerbated by language barriers, in terms of which the respondents cannot communicate fluently in the language(s) of the host country. The majority of respondents (87 or 64.9%) also did not know of any organisations that offered support to immigrant businesses.

4.2.5 The relationship between immigrant entrepreneurs' survival goal and the use of financial bootstrapping methods

This section covers responses to questions 24 to 31.

Table 4.35: Relationship between survival goal and the use of business strategies

use of business strategies merely for survival					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	70	51.9	53.8	53.8
	Agree	27	20.0	20.8	74.6
	Uncertain	5	3.7	3.8	78.5
	Disagree	25	18.5	19.2	97.7
	Strongly Disagree	3	2.2	2.3	100.0
	Total	130	96.3	100.0	
Missing	System	5	3.7		
Total		135	100.0		

A large majority of respondents, 97 (74.6%), confirmed that the need to survive influenced their use of business strategies. A much smaller group of 28 (21.5%) respondents did not agree that the goal of survival affected or dictated their business strategies. (There was a tiny group 5 or 3.8% of respondents who were uncertain as to whether or not the goal of survival influenced their use of business strategies.) Jarvis et al. (1996) report that bootstrapping decisions are often not entirely rational, because owners' personal motives, values, beliefs and perceptions enter into the picture and influence the decision-making process. When immigrants arrive in their host countries, they are usually overwhelmed by challenges and all that they wish for is the basic means to survive. Often they start businesses because they cannot find jobs to sustain their livelihood. These businesses are created to cater for the basic necessities of their owners, and therefore their use of business strategies is driven by the need to survive rather than the ambition to grow.

Table 4.36: Effects of the lack of proper documentation on the use of business strategies

Impact of lack of proper documentation on the use of business strategies					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	68	50.4	51.1	51.1
	Agree	45	33.3	33.8	85.0
	Uncertain	9	6.7	6.8	91.7
	Disagree	9	6.7	6.8	98.5
	Strongly Disagree	2	1.5	1.5	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

A very high number of respondents (113 or 84.9%) agreed that a lack of proper documentation affected their use of business strategies; only 11 (8.3%) disagreed, while 9 (6.8%) were uncertain.

The majority of immigrants in South Africa have fled dire economic or political challenges in their home countries. These immigrants find it difficult to obtain residential permits, and some of them apply for refugee status. Chikamhi (2011) conducted a study of the Greenmarket Square and Hout Bay craft markets, where he established that most African immigrants did not have business licenses, which made it difficult for them to open bank accounts and access other valuable services. Not having a South African identity card makes the situation much worse. This lack of proper documentation is a severe hindrance to their use of business strategies.

Table 4.37: Relationship between lack of job opportunities and the creation of businesses

Being in business due to lack of job opportunity					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	24.4	24.6	24.6
	Agree	51	37.8	38.1	62.7
	Uncertain	4	3.0	3.0	65.7
	Disagree	32	23.7	23.9	89.6
	Strongly Disagree	14	10.4	10.4	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

A considerable number of respondents (84 or 62.7%) indicated that they had opted for entrepreneurship in retail clothing because they could not find a job. A smaller group of 46 (34.3%) disputed this assertion, insisting that they had started their business as a matter of choice, not because of the absence of jobs. A last group of 4 (3.0%) were not exactly sure whether they had entered entrepreneurship because of the absence of jobs or not. Immigrants are less likely to secure jobs in their host countries, for several reasons: their lack of proper documentation, the country's employment policies which reserve certain jobs for locals, discrimination and lack of skills. Authors like Tengeh (2013) and Khosa and Kalitanyi (2014) have found that the lack of employment opportunities forces immigrants into self-employment.

Table 4.38: The effect of obtaining a business space and use of business strategies

Effect of business space challenges on the use of business strategies					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	65	48.1	48.1	48.1
	Agree	53	39.3	39.3	87.4
	Uncertain	7	5.2	5.2	92.6
	Disagree	10	7.4	7.4	100.0

	Total	135	100.0	100.0	
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A large majority of respondents (118, 87.4%) were in total agreement that accessing a business space affected their use of business strategies. A mere 10 (7.4%) respondents were of the view that acquiring business premises did not change their business strategies, while 7 (5.2%) were unsure about the impact of finding a particular business space. Securing an appropriate business space is one of the significant challenges faced by immigrant entrepreneurs. Guzy (2006) blames this on discrimination, with owners of business premises making unreasonable demands of potential immigrant tenants. Issues of documentation, lack of a business track record and bias often lead to immigrants' failing to obtain suitable business spaces.

Table 4.39: The customer profile of respondents

Whether most customers are from my ethnic background					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	7	5.2	5.2	5.2
	Uncertain	11	8.1	8.2	13.4
	Disagree	75	55.6	56.0	69.4
	Strongly Disagree	41	30.4	30.6	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

A considerable proportion of respondents (116 or 86.6%) indicated that in the main, their customers did not share their ethnic background. Another group of 11 (8.2%) respondents were uncertain about this, and only 7 (5.2%) stated categorically that their customers mainly came from the same ethnic background. Chrysostome (2010) reported that immigrant entrepreneurs often looked to their ethnic community to raise capital and patronage, especially in the startup face of the business. A consequence is that immigrant entrepreneurs' customer base might initially comprise co-ethnics, but usually quickly grows beyond the ethnic community, especially in the case of non-ethnic products like clothing. The immigrant population is usually too small to sustain the business when the product offering is non-ethnic specific.

Table 4.40: Influence of culture on the use of bootstrap strategies

whether culture influences the way I use business strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	5.9	6.0	6.0
	Agree	27	20.0	20.1	26.1
	Uncertain	16	11.9	11.9	38.1
	Disagree	61	45.2	45.5	83.6
	Strongly Disagree	22	16.3	16.4	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

The greater share of respondents (83 or 61.9%) vehemently disagreed with the idea that culture influenced their use of business strategies, though a small but significant number of 35 (26.1%) thought that it did. A further 16 respondents (11.9%) were uncertain about the influence of culture on their business strategies. Fukuyama (2001) notes that all forms of socio-cultural grouping, like village associations, tribes, religious sects, clans and so forth are based on shared norms that are used to achieve co-operative ends. However, the extent to which cultural norms and traditions are adhered to is no longer the same in the modern era. Immigrants' business practices in their host country mirror that country's business culture and, to an equally significant extent, contemporary business practices generally. South Africa is a state that maintains high standards of business practice. Immigrants in South Africa, especially those trading in non-ethnic products like clothing, are bound to follow modern trends and local conventions in their businesses endeavours.

Table 4.41: Influence of religion on the use of bootstrapping strategies

Whether Religion Influence How I Use Business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	5.9	5.9	5.9
	Agree	26	19.3	19.3	25.2
	Uncertain	15	11.1	11.1	36.3
	Disagree	59	43.7	43.7	80.0
	Strongly Disagree	27	20.0	20.0	100.0
	Total	135	100.0	100.0	

Many respondents (86, 63.7%) did not believe that religion affected their use of business strategies, while a much smaller number of 34 (25.2%) agreed that it did, and 15 (11.1%) were undecided on the issue. Clark and Drinkwater (2000) suggest that religion may be a factor that pulls people into entrepreneurship. Several societies around the world are divided along religious

lines, which affect their business practices. However, South Africa happens to be a diverse and secular country, with religious and cultural tolerance and a broad culture of respect for human rights. Again, immigrants' business decisions and practices typically reflect the prevailing conditions in the host country.

Table 4.42: The impact of xenophobia on the use of business strategies

Impact of xenophobia on the use of business strategies					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	51	37.8	38.1	38.1
	Agree	47	34.8	35.1	73.1
	Uncertain	9	6.7	6.7	79.9
	Disagree	20	14.8	14.9	94.8
	Strongly Disagree	7	5.2	5.2	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

An overwhelming majority of respondents (98, 73.2%) confirmed that xenophobia affected their use of business strategies, while a much smaller number of 27 respondents (20.1%) held a contrary view. A further 9 (6.7%) were uncertain regarding the impact of xenophobia on the conduct of their business. Studies such as that of Crush (2000) suggest that a significant percentage of South Africans perceive immigrants, especially African immigrants, as dangerous and undesirable. Xenophobic attacks on immigrants in South Africa peaked in 2008, when several people lost their lives. Discrimination by nationality and sporadic physical attacks on immigrants and their businesses remain common occurrences in South Africa today. In view of this situation, immigrant entrepreneurs find it difficult to implement certain business strategies.

Summary of the relationship between immigrant entrepreneurs' survival goal and the use of financial bootstrapping methods

The majority of respondents (97 or 74.6%) confirmed that their business strategies were motivated in the first instance by the need to survive. An even higher number, 113 (84.9%), indicated that the lack of proper documentation affected their use of business strategies, while 84 (62.7%) admitted that they had gone into entrepreneurship (specifically retail clothing) because

they could not find a job. A large majority of 118 (87.4%) also emphasised that the difficulty of accessing business space had an impact on their recourse to business strategies.

Most respondents, 116 (86.6%), indicated that their customers did not come mainly from their own ethnic background, and the majority reported that culture (83, 61.9%) and religion (86, 63.7%) did not affect the way they did business. There was also widespread agreement (98, 73.2%) that xenophobia affected their use of business strategies.

4.2.6 The relationship between immigrant entrepreneurs' education and the use of financial bootstrapping methods

In this section, the aim was to determine the relationship between immigrant entrepreneurs' education and their use of financial bootstrapping methods. The section covers the survey questions 32 to 38.

Table 4.43: Relationship between obtaining business training and use of strategies

Whether an immigrant entrepreneur has had any formal training in the use of business strategies					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	34	25.2	25.6	25.6
	Agree	32	23.7	24.1	49.6
	Uncertain	4	3.0	3.0	52.6
	Disagree	43	31.9	32.3	85.0
	Strongly Disagree	20	14.8	15.0	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

There was quite an even division between those who had received training (66, 49.7%) and those who had not (63, 47.3%). There were also 4 respondents (3.0%) who seemed not to know whether they had received formal training or not. Several factors are responsible for the lack of business training among immigrants. First, the cost is a deterrent for immigrants opting to acquire some form of training in business; then there is the issue of time, in terms of which immigrants do not see the value of investing their time in training. An additional point is that immigrant businesses that are survivalist cannot participate in activities of their choice. They generate very little income from very little capital invested, which is why it is unlikely that their owners will spend their limited

capital on skills training, which would in any case lead to limited growth opportunities for them (Tengeh, 2011; DTI, 1995).

Table 4.44: Using different business strategies at different seasons

using different sets of strategies at different business seasons					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	28	20.7	21.1	21.1
	Agree	90	66.7	67.7	88.7
	Uncertain	11	8.1	8.3	97.0
	Disagree	2	1.5	1.5	98.5
	Strongly Disagree	2	1.5	1.5	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

An overwhelming majority of 118 respondents (88.8%) confirmed that they changed their business strategies during different seasons, as the need arose. A small proportion of 11 respondents (8.3%) were uncertain about this, while a mere handful (4, 3%) were sure that they did not change their business strategies to coincide with seasons affecting trade. Oliveira (2004) points to the dynamic character of immigrants' entrepreneurial strategies, which is inherent in their social nature. The clothing business in South Africa is seasonal, requiring businesses to offer different clothing products in different seasons. This necessitates decision making for the implementation of appropriate strategies during the different seasons.

Table 4.45: Assistance obtained from ethnic members on the use of business strategies

Getting help from members of one's ethnic background about the use of business strategies					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	42	31.1	31.3	31.3
	Agree	56	41.5	41.8	73.1
	Uncertain	8	5.9	6.0	79.1
	Disagree	15	11.1	11.2	90.3
	Strongly Disagree	13	9.6	9.7	100.0
	Total	134	99.3	100.0	
Missing	System	1	.7		
Total		135	100.0		

A large majority of 98 respondents (73.1%) agreed that they got assistance with business practice from members of their ethnic group, with a much smaller group of 28 (20.9%) indicating otherwise.

A small group of 8 (6.0%) were uncertain about this. The importance of ethnic networks in helping to minimise the socioeconomic hardships that immigrants experience in host countries has been well documented (Tilly, 1990; Portes & Zhou, 1996; Raijman & Tienda, 2000). Immigrants have a habit of being there for one another, particularly African immigrants who live by the saying "we are our brother's keeper". The case of immigrant clothing retailers in the Cape metropole is no different, with immigrant entrepreneurs collaborating and interacting with one another in their business activities.

Table 4.46: The influence of previous experience on respondents' use of business strategies

Whether the use of business strategies is influenced by previous business experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	63	46.7	47.4	47.4
	Agree	52	38.5	39.1	86.5
	Uncertain	2	1.5	1.5	88.0
	Disagree	12	8.9	9.0	97.0
	Strongly Disagree	4	3.0	3.0	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

A vast number of respondents (115, 86.5%) indicated that their previous experience in business influenced their deployment of business strategies, while a few (16, 12%) felt differently. That left 2 respondents (1.5%) who were uncertain about the relationship between previous business experience and their current use of business strategies. Crush and Tawodzera (2017) found that despite the lack of prior business experience among refugees in South Africa, they quickly developed strategies to maximise their returns. Many immigrants have a family business history, in terms of which their families operated businesses in the country of origin before migration. This experience, therefore, becomes instrumental in immigrants' conduct of business in the host country.

Table 4.47: The challenge of favoritism/nepotism for the use of business strategies

Whether favouritism/nepotism is a challenge due to employing ethnic workers in the business who may not have requisite skills
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		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	12	8.9	9.0	9.0
	Agree	39	28.9	29.3	38.3
	Uncertain	43	31.9	32.3	70.7
	Disagree	26	19.3	19.5	90.2
	Strongly Disagree	13	9.6	9.8	100.0
	Total	133	98.5	100.0	
Missing	System	2	1.5		
Total		135	100.0		

A sizeable number, 51 (38.3%), of respondents acknowledged the problem of nepotism and favouritism in their businesses associated with employing relatives or friends without the necessary skills. A surprisingly large number, 43(32.3%), neither agreed nor disagreed with the proposition. The remaining group of 39 (29.3%) did not see favouritism or nepotism as a challenge in their businesses. One must refer to Nieman and Nieuwenhuizen's (2009) study, which indicates that employing friends or family members without the necessary skills or expertise is a form of favouritism or nepotism that can hinder the growth of immigrant-owned businesses. Most of the immigrant retail clothing businesses in the Cape metropole are informal, which makes it difficult to track business activities. So immigrant business owners prefer to work with relatives/friends with whom they can entrust their businesses. The downside of this decision is that people without the requisite skills are employed, which can be devastating for the business.

Table 4.48: The relationship between the cost of education/training and the use of business strategies

Whether the cost of education and training influences the use of business strategies					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	9	6.7	6.7	6.7
	Agree	74	54.8	55.2	61.9
	Uncertain	21	15.6	15.7	77.6
	Disagree	22	16.3	16.4	94.0
	Strongly Disagree	8	5.9	6.0	100.0
		Total	134	99.3	100.0
Missing	System	1	.7		
Total		135	100.0		

Most respondents (83 or 61.9%) suggested an inverse relationship between the cost of education/training and the use of business strategies. A second group of 30 respondents (22.4%) refuted the existence of this relationship in their businesses; that is, they did not think that the cost

of education/training had anything to do with how respondents went about conducting business. A last group 21 (15.7%) were uncertain about the possibility of any relationship between the two variables. Lending credence to this finding is the indication that a good number of immigrants are unable to pay for education in South Africa (Landau, 2007). The cost of education/training is quite high in South Africa, and immigrants' businesses aimed at survival are faced with the choice of whether to pay for education/training or to provide basic needs for themselves and their family. Given these options, it is evident that they will opt for survival.

Table 4.49: Motive for starting a retail clothing business

Whether the business started as a result of spotting an opportunity in the retail clothing sector					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	62	45.9	47.0	47.0
	Agree	46	34.1	34.8	81.8
	Uncertain	9	6.7	6.8	88.6
	Disagree	11	8.1	8.3	97.0
	Strongly Disagree	4	3.0	3.0	100.0
	Total	132	97.8	100.0	
Missing	System	3	2.2		
Total		135	100.0		

A large majority of respondents (108, 81.8%) started their businesses as a result of an opportunity they noticed in the retail clothing sector. Another 15 respondents (11.3%) did not begin their retail clothing business because of an opportunity identified; instead they were presumably forced into retail clothing as a way of survival. The remaining 9(6.8%) were uncertain as to how they found themselves in the retail apparel trade. It appears therefore that most immigrants started their businesses as a result of noticing an opportunity. There is a general view held by foreigners that there are all sorts of opportunities in South Africa for those willing to start at the bottom or create work for themselves when jobs are not available (Rian, 2017).

Summary of the relationship between immigrant entrepreneurs' education and the use of financial bootstrapping methods

A preponderance of respondents (66 or 49.7%) did not have formal training in how to run a business. This lack of training is partly due to its high cost, as most respondents (83, 61.9%) cited an inverse relationship between the cost of education/training and the use of business strategies.

A majority of respondents, (115 or 86.5%), relied on their previous business experience to navigate business strategies. Most respondents (98, 73.1%) also get assistance from members of their ethnic group on how to run a business.

An overwhelming majority of 118 (88.8%) respondents confirmed that they changed their business strategies during different seasons, as the need arose. A sizeable number of 51 respondents (38.3%) acknowledged the challenge of nepotism and favouritism in their businesses arising from the employment of relatives/friends without the necessary skills. Finally, an overwhelming majority of 108 (81.8%) started their businesses as a result of an opportunity they noticed in the retail clothing sector.

4.3 CHI-SQUARE TEST ANALYSIS

A chi square-test compares two variables in a contingency table to see if they are related. Put differently, it assesses whether the distributions of categorical variables differ from each other. In this study, the test was performed to measure the degree of association between selected characteristics of immigrant entrepreneurs and the use of financial bootstrapping methods. The test was conducted specifically to assess the relationship between immigrant entrepreneurs' bootstrapping awareness and the use of financial bootstrapping methods, the relationship between immigrant entrepreneurs' survival goal and the use of financial bootstrapping methods, and the relationship between immigrant entrepreneurs' education and the use of financial bootstrapping methods. The study adopted a significance level of $p < 0.05$ (Burns & Grove, 2003). A minimal chi-square statistic means that there is a relationship whereas a huge chi-square statistic means that there is no relationship. As is recommended with Pearson chi-square tests, only statistically significant findings are discussed.

4.3.1 The relationship between immigrant entrepreneurs' bootstrapping awareness and the use of financial bootstrapping methods

Table 4.50: Cross-tabulation of the relationship between knowing the term financial bootstrapping method and extending business hours

Crosstab		
	Q4 Extend my hours of operation	Total

			Often or Always	Occasionally	Rarely or never	
Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	Agree	Count	14	14	2	30
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	46.7%	46.7%	6.7%	100.0%
	Uncertain	Count	9	0	2	11
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	81.8%	0.0%	18.2%	100.0%
	Disagree	Count	62	15	11	88
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	70.5%	17.0%	12.5%	100.0%
Total		Count	85	29	15	129
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	65.9%	22.5%	11.6%	100.0%

In the contingency table showing the relationship between "I knew the term financial bootstrapping before this questionnaire" versus "extending business hours", the distribution of responses varies significantly (chi-square = 14.919, df = 4, exact p-value = 0.006). As is evident in the table, a large percentage of the respondents were uncertain or disagreed about having known the term, and about often or always extending business hours (81.8% and 70.5%), whereas less than 50% (46.7%) of the respondents who agreed that they knew the term bootstrapping beforehand extended their hours of business often or always. This sounds logical, since extending business hours is one of the most accessible business strategies to increase sales, irrespective of knowledge of the term bootstrapping.

Table 4.51: Chi square test for the relationship between knowing the term financial bootstrapping method and extending business hours

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact p-value (2-sided)
Pearson chi-square	14.919 ^a	4	.005	.006
N of Valid Cases	129			

- a. 3 cells (33.3%) have expected count of less than 5. The minimum expected count is 1.28.
b. The standardised statistic is -1.128.

Table 4.52: Cross-tabulation of the relationship between knowing the term financial bootstrapping method and keeping prices lower than competitors

Crosstab						
			Q7 Keep prices cheaper than competitors			Total
			Often or Always	Occasionally	Rarely or never	
Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	Agree	Count	15	10	4	29
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	51.7%	34.5%	13.8%	100.0%
	Uncertain	Count	1	6	5	12
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	8.3%	50.0%	41.7%	100.0%
	Disagree	Count	53	19	14	86
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	61.6%	22.1%	16.3%	100.0%
Total		Count	69	35	23	127
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	54.3%	27.6%	18.1%	100.0%

According to the results in Table 4.3, measuring the relationship between "knowing the term financial bootstrapping" versus "charging lower prices than competitors," there is a significant relationship between the variables (chi-square = 13.316, df = 4, exact p-value = .009). Most respondents who either knew the term or did not (61.6% and 51.7%) often or always kept prices lower than competitors, as opposed to those who were uncertain and rarely/never or occasionally kept prices lower (50.0% and 41.7%). This seems reasonable because most consumers are sensitive to price.

Table 4.53: Chi square test for the relationship between knowing the term financial bootstrapping method and keeping prices lower than competitors

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact p-value (2-sided)
Pearson chi-square	13.316 ^a	4	.010	.009
N of Valid Cases	127			

- a. 2 cells (22.2%) have an expected count of less than 5. The minimum expected count is 2.17.
- b. The standardised statistic is -1.006.

Table 4.54: Cross-tabulation of the relationship between knowing the term financial bootstrapping method and keeping business records

Crosstab						
			Q9 Keep records of my business transactions			Total
			Often or Always	Occasionally	Rarely or never	
Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	Agree	Count	26	1	3	30
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	86.7%	3.3%	10.0%	100.0%
		Count	4	0	7	11

	Uncertain	% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	36.4%	0.0%	63.6%	100.0%
	Disagree	Count	34	23	31	88
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	38.6%	26.1%	35.2%	100.0%
Total		Count	64	24	41	129
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	49.6%	18.6%	31.8%	100.0%

The results in Table 4.5, above, indicate that there is a significant relationship between knowing the term “financial bootstrapping” and keeping records of business transactions (chi-square =27.638, df = 4, exact p-value = 0.001). The distribution of responses shows that a considerable percentage of respondents who knew the term often or always recorded their business transactions (86.7%), whereas those who were uncertain about the term rarely or never recorded their business transactions (63.6%). Respondents who did not know the term seemed to be indecisive about the extent to which they were keeping business records as their responses were almost evenly distributed (38.6 %, 26.1%, 35.2%). It makes sense that once respondents are aware of bootstrapping, they increase their recourse to record keeping, given its pivotal role in business success.

Table 4.55: Chi square test for the relationship between knowing the term financial bootstrapping method and keeping business records

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact p-value (2-sided)

Pearson Chi-Square	27.638 _a	4	.000	.000
N of Valid Cases	129			

- a. 2 cells (22.2%) have an expected count of less than 5. The minimum expected count is 2.05.
b. The standardised statistic is 3.564

Table 4.56: Cross-tabulation of the relationship between knowing the term financial bootstrapping method and negotiating with suppliers

Crosstab						
			Q18 Negotiate prices with my suppliers			Total
			Often or Always	Occasionally	Rarely or never	
Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	Agree	Count	18	9	3	30
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	60.0%	30.0%	10.0%	100.0%
	Uncertain	Count	10	2	0	12
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	83.3%	16.7%	0.0%	100.0%
	Disagree	Count	73	7	8	88
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	83.0%	8.0%	9.1%	100.0%
	Total	Count	101	18	11	130
		% within Q20 I knew the term financial bootstrapping method before the completion of this questionnaire	77.7%	13.8%	8.5%	100.0%

With reference to the table above, "I knew the term financial bootstrapping before the questionnaire" versus "negotiating prices with suppliers," there is a significant difference in

responses to the statement "negotiate prices with my suppliers" (chi-square =10.641, df = 4, exact p-value = .033). The table shows that most respondents who often or always negotiated prices with suppliers regardless of whether they knew the term, were uncertain about it or did not know it (60.0%, 83.3%, 83.0%), whereas very few respondents who knew the term, were undecided or did not know the term, occasionally or never negotiated prices with suppliers (30.0% or less). Given the competitive nature of the retail clothing sector, it is of vital importance that price negotiations with suppliers take place, irrespective of knowledge of the term bootstrapping.

Table 4.57: Chi square test for the relationship between knowing the term financial bootstrapping method and negotiating with suppliers

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact p-value (2-sided)
Pearson Chi-Square	10.641 _a	4	.031	.033
N of Valid Cases	130			

- a. 4 cells (44.4%) have an expected count of less than 5. The minimum expected count is 1.02.
- b. The standardised statistic is -1.653.

Table 4.58: Cross-tabulation of the relationship between obtaining business-related information and changing product offering during different business seasons

Crosstab						
			Q8 Change what I sell at different times of the year			Total
			Often or Always	Occasionally	Rarely or never	
Q21 Obtaining business related information is NOT challenging	Agree	Count	13	1	7	21
		% within Q21 Obtaining business related information is NOT challenging	61.9%	4.8%	33.3%	100.0%
		Count	11	0	1	12

	Uncertain	% within Q21 Obtaining business related information is NOT challenging	91.7%	0.0%	8.3%	100.0%
	Disagree	Count	80	12	6	98
		% within Q21 Obtaining business related information is NOT challenging	81.6%	12.2%	6.1%	100.0%
Total		Count	104	13	14	131
		% within Q21 Obtaining business related information is NOT challenging	79.4%	9.9%	10.7%	100.0%

In Table 4.58, above, "obtaining business-related information" versus "changing product offering during different seasons", there is a significant difference with regard to the statement "offer different products during different seasons" (chi-square =15.436, df = 4, exact p-value = .007). The majority of respondents often or always changed their product offering according to season, irrespective of access to information (61.9%, 91.7%, 81.6%), while fewer respondents (33.3% or less) occasionally or never changed their product offering. Retail clothing is a business which requires periodic changes to product offerings – for instance, during winter warmer clothing is needed – regardless of access to information.

Table 4.59: Chi square test for the relationship between obtaining business-related information and changing product offering during different business seasons

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact p-value (2-sided)
Pearson Chi-Square	15.436 ^a	4	.004	.007
N of Valid Cases	131			

a. 4 cells (44.4%) have an expected count of less than 5. The minimum expected count is 1.19.

b. The standardised statistic is -2.675.

Table 4.60: Cross-tabulation of the relationship between obtaining business-related information and negotiating prices with suppliers

Crosstab						
			Q18 Negotiate prices with my suppliers			Total
			Often or Always	Occasionally	Rarely or never	
Q21 Obtaining business related information is NOT challenging	Agree	Count	14	2	5	21
		% within Q21 Obtaining business related information is NOT challenging	66.7%	9.5%	23.8%	100.0%
	Uncertain	Count	9	1	2	12
		% within Q21 Obtaining business related information is NOT challenging	75.0%	8.3%	16.7%	100.0%
	Disagree	Count	81	15	4	100
		% within Q21 Obtaining business related information is NOT challenging	81.0%	15.0%	4.0%	100.0%
Total		Count	104	18	11	133
		% within Q21 Obtaining business related information is NOT challenging	78.2%	13.5%	8.3%	100.0%

The table above indicates a significant relationship between access to information and negotiating prices with suppliers (chi-square =10.480, df = 4, exact p-value = .035). The majority of respondents often or always negotiated prices with suppliers regardless of access to information (66.7%, 75.0%, 81.0%), whereas a much smaller number of respondents occasionally or never negotiated prices with suppliers (23.8% or less). This distribution of responses is logical in that negotiating prices with suppliers is a compelling business activity which enables businesses to charge competitive prices and remain relevant in the marketplace.

Table 4.61: Chi square test for the relationship between obtaining business-related information and negotiating prices with suppliers

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact p-value (2-sided)
Pearson Chi-Square	10.480 _a	4	.033	.035

N of Valid Cases	133			
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- a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .99.
b. The standardised statistic is -2.409.

Table 4.62: Cross-tabulation of the relationship between language proficiency and charging lower prices than competitors

Crosstab						
			Q7 Keep prices cheaper than competitors			Total
			Often or Always	Occasionally	Rarely or never	
Q22 Language is NOT an obstacle to creating awareness of business strategies	Agree	Count	17	10	6	33
		% within Q22 Language is NOT an obstacle to creating awareness of business strategies	51.5%	30.3%	18.2%	100.0%
	Uncertain	Count	0	1	4	5
		% within Q22 Language is NOT an obstacle to creating awareness of business strategies	0.0%	20.0%	80.0%	100.0%
	Disagree	Count	55	25	13	93
		% within Q22 Language is NOT an obstacle to creating awareness of business strategies	59.1%	26.9%	14.0%	100.0%
Total		Count	72	36	23	131
		% within Q22 Language is NOT an obstacle to creating awareness of business strategies	55.0%	27.5%	17.6%	100.0%

The table above displaying the relation between language proficiency and price determination evinces strong evidence of a relationship between the two variables (chi-square =15.114, df = 4, exact p-value = .005). Most of the respondents who agreed or disagreed with the statement that "language is an obstacle to the awareness of business strategies" often or always kept prices lower than competitors (51.5% and 59.1%), whereas those who were uncertain about the statement rarely or never charged lower prices than competitors (80.0%). This relationship is

justified in that both respondents who agree and those who disagree that language is an issue use price as a tool to lure customers to their businesses.

Table 4.63: Chi square test for the relationship between language proficiency and charging lower prices than competitors

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact p-value (2-sided)
Pearson Chi-Square	15.114 ^a	4	.004	.005
N of Valid Cases	131			

- a. 3 cells (33.3%) have an expected count of less than 5. The minimum expected count is .88.
 b. The standardised statistic is -1.123.

Table 4.64: Cross-tabulation of the relationship between awareness of immigrant business support organisations and obtaining business credit (goods on terms)

Crosstab						
			Q17 Obtain Business credit (goods on terms)			Total
			Often or Always	Occasionally	Rarely or never	
Q23 I am aware of organisations that assist immigrant entrepreneurs with business strategies	Agree	Count	16	1	7	24
		% within Q23 I am aware of organisations that assist immigrant entrepreneurs with business strategies	66.7%	4.2%	29.2%	100.0%
	Uncertain	Count	5	8	8	21
		% within Q23 I am aware of organisations that assist immigrant entrepreneurs with business strategies	23.8%	38.1%	38.1%	100.0%
	Disagree	Count	28	32	27	87
		% within Q23 I am aware of organisations that assist immigrant entrepreneurs with business strategies	32.2%	36.8%	31.0%	100.0%
Total		Count	49	41	42	132

	% within Q23 I am aware of organisations that assist immigrant entrepreneurs with business strategies	37.1%	31.1%	31.8%	100.0%
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There is clear evidence displayed in the table above of a relationship between awareness of immigrant support organisations and accessing business credit (chi-square = 14.387, df = 4, exact p-value = .006). The majority of respondents who knew about immigrant business support organisations often or always accessed business credit (66.7%), while 38.1% of those who were unaware of or uncertain about the existence of immigrant business support organisations did not access business credit or did so only occasionally. This relationship is evident because support organisations facilitate and advise businesses on how to obtain business credit.

Table 4.65: Chi square test for the relationship between awareness of business support organisations and obtaining business credit (goods on terms)

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact p-value (2-sided)
Pearson Chi-Square	14.387 ^a	4	.006	.006
N of Valid Cases	132			

- a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 6.52.
- b. The standardised statistic is 1.516

Summary of chi square analysis of the relationship between immigrant entrepreneurs' bootstrapping awareness and the use of financial bootstrapping methods

Most (81.8%) respondents who were uncertain about knowing the term bootstrapping invariably extended their business hours. Respondents (61.6%) who did not know the term bootstrapping often keep prices lower than competitors. A high percentage (86.7%) of respondents who knew the term bootstrapping always kept record of their business transactions. Most respondents often or always negotiated prices with suppliers regardless of whether they knew the term bootstrapping, were uncertain about it or definitely did not know it (60.0%, 83.3%, 83.0%). A large majority of respondents (91.7%) who were uncertain about their access to information often or always changed their product offering during different business seasons. Most respondents

(81.0%) who claimed they had no easy access to information often negotiated prices with suppliers. A large number (80.0%) of respondents were uncertain about the effects of language on their use of business strategies, and these respondents rarely or never kept their prices lower than their competitors. The majority of respondents who knew about immigrant business support organisations often or always accessed business credit (66.7%).

4.3.2 The relationship between immigrant entrepreneurs' survival goal and the use of financial bootstrapping methods

Table 4.66: Cross-tabulation of the relationship between the use of business strategies driven by the need to survive and keeping prices cheaper than competitors

Crosstab						
			Q7 Keep prices cheaper than competitors			Total
			Often or Always	Occasionally	Rarely or never	
Q24 My use of business strategies is driven by the need to survive	Agree	Count	46	28	20	94
		% within Q24 My use of business strategies are driven by the need to survive	48.9%	29.8%	21.3%	100.0%
	Uncertain	Count	3	2	0	5
		% within Q24 My use of business strategies are driven by the need to survive	60.0%	40.0%	0.0%	100.0%
	Disagree	Count	21	5	1	27
		% within Q24 My use of business strategies are driven by the need to survive	77.8%	18.5%	3.7%	100.0%
Total		Count	70	35	21	126
		% within Q24 My use of business strategies are driven by the need to survive	55.6%	27.8%	16.7%	100.0%

As indicated in the table above, "the use of business strategies is driven by the need to survive" versus "keep prices cheaper than competitors", the distribution of responses to the statement "keep prices cheaper than competitors" varied significantly (chi-square = 9.152, df = 4, exact p-

value = .053). A majority of respondents who were either uncertain or disagreed with the statement "my use of business strategies is driven by the need to survive" often or always kept prices lower than competitors (60.0%, 77.8%), whereas 48.9% of those who agreed with the statement often or always kept prices lower than competitors. This appears to show that respondents who use business strategies for reasons other than survival tend to keep prices lower than competitors, while those focused on survival make less use of the pricing strategy.

Table 4.67: Chi square test for the relationship between the use of business strategies driven by the need to survive and keeping prices cheaper than competitors

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	9.152 ^a	4	.057	.053
N of Valid Cases	126			

- a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .83.
- b. The standardised statistic is -2.861.

Table 4.68: Cross-tabulation of the relationship between the use of business strategies driven by the need to survive and negotiating prices with suppliers

Crosstab						
			Q18 Negotiate prices with my suppliers			Total
			Often or Always	Occasionally	Rarely or never	
Q24 My use of business strategies is driven by the need to survive	Agree	Count	73	16	7	96
		% within Q24 My use of business strategies are driven by the need to survive	76.0%	16.7%	7.3%	100.0%
	Uncertain	Count	2	1	2	5
		% within Q24 My use of business strategies are driven by the need to survive	40.0%	20.0%	40.0%	100.0%
	Disagree	Count	27	0	1	28
		% within Q24 My use of business strategies are	96.4%	0.0%	3.6%	100.0%

		driven by the need to survive				
Total	Count	102	17	10	129	
	% within Q24 My use of business strategies are driven by the need to survive	79.1%	13.2%	7.8%	100.0%	

As displayed in Table 4.19, above, the distribution of responses to "the use of business strategies driven by the need to survive" versus "negotiating prices with suppliers" varied significantly (chi-square =14.262, df = 4, exact p-value = .011). A very large percentage of respondents who either agreed or disagreed with the statement "my use of business strategies is driven by the need to survive" often or always negotiated prices with suppliers (76.0%, 96.4%); whereas the responses of those who were uncertain about the statement were evenly distributed between often or always, and rarely or never (40.0%, 40.0%). This result indicates that both respondents whose use of business strategies is geared towards survival and those whose use of business strategies is not merely for survival tend to negotiate prices with suppliers. This proves the point that irrespective of what overall strategy a business is using, securing a good deal with suppliers regarding price is of paramount importance for the wellbeing of the business.

Table 4.69: Chi square test for the relationship between the use of business strategies driven by the need to survive and negotiating prices with suppliers

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	14.262 _a	4	.007	.011
N of Valid Cases	129			

- a. 5 cells (55.6%) have an expected count of less than 5. The minimum expected count is .39.
- b. The standardised statistic is -1.503.

Table 4.70: Cross-tabulation of the relationship between lack of proper documentation and keeping business records

Crosstab

			Q9 Keep records of my business transactions			Total
			Often or Always	Occasionally	Rarely or never	
Q25 The lack of proper documentation affects my use of business strategies	Agree	Count	57	23	31	111
		% within Q25 The lack of proper documentation affects my use of business strategies	51.4%	20.7%	27.9%	100.0%
	Uncertain	Count	2	0	7	9
		% within Q25 The lack of proper documentation affects my use of business strategies	22.2%	0.0%	77.8%	100.0%
	Disagree	Count	7	1	3	11
		% within Q25 The lack of proper documentation affects my use of business strategies	63.6%	9.1%	27.3%	100.0%
Total		Count	66	24	41	131
		% within Q25 The lack of proper documentation affects my use of business strategies	50.4%	18.3%	31.3%	100.0%

The results in Table 4.21 show that "the lack of proper documentation affects my use of business strategies" versus "keeping records of business transactions" reveals a significant difference (chi-square = 11.002, df = 4, exact p-value = .024). There was a majority of respondents who indicated that their use of business strategies was driven by the need to survive and of those who often disagreed or always keep business records (51.4%, 63.6%). The respondents (77.8%) who were uncertain as to whether the lack of proper documentation affected the use of business strategies rarely or never kept business records. Thus both respondents with a strong view that the lack of proper documentation affected their use of business strategies and those who disagreed always recorded their business transactions, while those who were uncertain about the statement never recorded their business transactions. This is again an indication of the strong role that recording business activities has on the success of a business.

Table 4.71: Chi square test for the relationship between lack of proper documentation and keeping business records

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	11.002 ^a	4	.027	.024
N of Valid Cases	131			

- a. 5 cells (55.6%) have an expected count of less than 5. The minimum expected count is 1.65.
b. The standardised statistic is .487.

Table 4.72: Cross-tabulation of the relationship between securing business space and negotiating prices with customers

Crosstab							
			Q5 Negotiate prices with customers			Total	
			Often or Always	Occasionally	Rarely or never		
Q27 Securing business space affects my business strategies	Agree	Count	95	15	8	118	
		% within Q27 Securing business space affects my business strategies	80.5%	12.7%	6.8%	100.0%	
	Uncertain	Count	3	4	0	7	
		% within Q27 Securing business space affects my business strategies	42.9%	57.1%	0.0%	100.0%	
	Disagree	Count	7	3	0	10	
		% within Q27 Securing business space affects my business strategies	70.0%	30.0%	0.0%	100.0%	
	Total		Count	105	22	8	135
			% within Q27 Securing business space affects my business strategies	77.8%	16.3%	5.9%	100.0%

In the Table above, "Securing business space affects my business strategies" versus "Negotiate prices with customers," responses to the statement "Negotiate prices with customers" clearly show a significant difference (Chi-square = 11.690, df = 4, Exact p-value = .030). It can be observed from the table that a majority of the respondents who feel that obtaining a business space is a challenge as well as of those who disagree often or always negotiate prices with customers (80.5%, 70.0%), whereas most of those who were uncertain about the statement always or occasionally negotiated prices with consumers (42.9%, 57.1%). The results are justified

in that respondents who find it difficult to secure a proper business space might well turn to negotiating prices with customers to boost sales. Equally, most respondents who do not think that obtaining an appropriate space for business is a challenge in their use of business strategies nevertheless still negotiate prices with customers, probably due to price sensitivity in the clothing sector.

Table 4.73: Chi square test for the relationship between securing business space and negotiating prices with customers

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	11.690 ^a	4	.020	.030
N of Valid Cases	135			

a. 4 cells (44.4%) have an expected count of less than 5. The minimum expected count is .41.

b. The standardised statistic is .655

Table 4.74: Cross-tabulation of the relationship between securing business space and keeping prices cheaper than competitors

Crosstab						
			Q7 Keep prices lower than competitors			Total
			Often or Always	Occasionally	Rarely or never	
Q27 Securing business space affects my business strategies	Agree	Count	67	32	15	114
		% within Q27 Securing business space affects my business strategies	58.8%	28.1%	13.2%	100.0%
	Uncertain	Count	1	2	4	7
		% within Q27 Securing business space affects my business strategies	14.3%	28.6%	57.1%	100.0%
	Disagree	Count	4	2	4	10
		% within Q27 Securing business space affects my business strategies	40.0%	20.0%	40.0%	100.0%
Total		Count	72	36	23	131
		% within Q27 Securing business space affects my business strategies	55.0%	27.5%	17.6%	100.0%

Given the table above, displaying "Securing business space affects my business strategies" versus "Keep prices cheaper than competitors," the distribution of responses to the statement "Keep prices cheaper than competitors" differs significantly (chi-square = 13.410, df = 4, exact p-value = .010). According to the above table, the majority of respondents who felt that obtaining a business space affected their use of business strategies often or always charged lower prices than competitors (58.8%), whereas only 40.0% of those who disagreed also always kept prices lower than competitors. Those who were uncertain about the statement rarely or never kept prices lower than competitors (57.1%). This serves to show that respondents who believed that securing business space was a challenge to their use of business strategies charged lower prices than competitors as a way to gain patronage in their current business space, which may not have been the most desirable.

Table 4.75: Chi square test for the relationship between securing business space and keeping prices cheaper than competitors

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	13.410 ^a	4	.009	.010
N of Valid Cases	131			

a. 5 cells (55.6%) have an expected count of less than 5. The minimum expected count is 1.23.

b. The standardised statistic is 2.650

Table 4.76: Cross-tabulation of the relationship between having mainly ethnic customers and keeping prices cheaper than competitors

Crosstab						
			Q7 Keep prices lower than competitors			Total
			Often or Always	Occasionally	Rarely or never	
Q28 Most of my customers are from my ethnic background	Agree	Count	1	4	0	5
		% within Q28 Most of my customers are from my ethnic background	20.0%	80.0%	0.0%	100.0%
	Uncertain	Count	2	2	6	10
		% within Q28 Most of my customers	20.0%	20.0%	60.0%	100.0%

		are from my ethnic background				
	Disagree	Count	69	30	16	115
		% within Q28 Most of my customers are from my ethnic background	60.0%	26.1%	13.9%	100.0%
Total		Count	72	36	22	130
		% within Q28 Most of my customers are from my ethnic background	55.4%	27.7%	16.9%	100.0%

According to the Table above, there is a significant relationship between respondents drawing most of their customers from their ethnic community and keeping their prices lower than their competitors (chi-square = 21.521, df = 4, exact p-value = .000). As much as 60.0% of respondents whose customer base is not dominated by ethnic members often or always charged lower prices than competitors, whereas 80.0% of respondents whose customer base comprised mainly co-ethnics charged lower prices than competitors only on an occasional basis. Most respondents who were uncertain as to whether the majority of their customers emanated from their ethnic background or not rarely or never kept prices lower than competitors (60.0%). This shows that respondents with a broader customer base use more business strategies than those with a narrower, more ethnic customer base.

Table 4.77: Chi square test for the relationship between having mainly ethnic customers and keeping prices cheaper than competitors

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	21.521 ^a	4	.000	.000
N of Valid Cases	130			

- a. 5 cells (55.6%) have an expected count of less than 5. The minimum expected count is .85.
- b. The standardised statistic is -2.454.

Summary of Chi square analysis of the relationship between immigrant entrepreneurs' survival goal and the use of financial bootstrapping methods

The majority of respondents (77.8%) who disagreed with the statement "my use of business strategies is driven by the need to survive" often or always kept prices lower than competitors. A

huge percentage of respondents (96.4%) who disagreed with the statement "my use of business strategies is driven by the need to survive" often or always negotiated prices with suppliers. A large proportion (77.8%) of respondents who seemed uncertain about whether or not their use of business strategies was driven by the need to survive rarely or never keep business records. A similar majority (80.5%) of respondents who felt that obtaining a business space was a challenge to their use of business strategies often or always negotiated prices with customers. A smaller majority (58.8%) of respondents who were of the view that obtaining a business space affected their use of business strategies often or always charged lower prices than competitors. Meanwhile, 80.0% of respondents whose customer base mainly comprised co-ethnics charged lower prices than competitors on an occasional basis.

4.3.3 The relationship between immigrant entrepreneurs' education and the use of financial bootstrapping methods

Table 4.78: Cross-tabulation of the relationship between having formal training and keeping prices cheaper than competitors

Crosstab						
			Q7 Keep prices lower than competitors			Total
			Often or Always	Occasionally	Rarely or never	
Q32 I have had no formal training on the use of business strategies	Agree	Count	31	24	9	64
		% within Q32 I have had no formal training on the use of business strategies	48.4%	37.5%	14.1%	100.0%
	Uncertain	Count	1	0	3	4
		% within Q32 I have had no formal training on the use of business strategies	25.0%	0.0%	75.0%	100.0%
	Disagree	Count	38	12	11	61
		% within Q32 I have had no formal training on the use of business strategies	62.3%	19.7%	18.0%	100.0%
Total		Count	70	36	23	129
		% within Q32 I have had no formal training on the use of business strategies	54.3%	27.9%	17.8%	100.0%

As observed in the table above, there is a significant relationship between not having had formal business training and charging lower prices than competitors (chi-square = 14.309, df = 4, exact p-value = .005). A majority of respondents with some level of business training often or always keep prices lower than competitors (62.3%), while only 48.4% of respondents who had received no formal business training often or always charged lower prices than competitors. Another group of respondents who were unsure of having had formal business training rarely or never kept prices lower than competitors. It should be noted that respondents with formal business training tended to keep prices lower than competitors.

Table 4.79: Chi square test for the relationship between having formal training and keeping prices cheaper than competitors

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	14.309 ^a	4	.006	.005
N of Valid Cases	129			

a. 3 cells (33.3%) have an expected count of less than 5. The minimum expected count is .71.

b. The standardised statistic is -.708.

Table 4.80: Cross-tabulation of the relationship between getting help from ethnic members and keeping business records

Crosstab						
			Q9 Keep records of my business transactions			Total
			Often or Always	Occasionally	Rarely or never	
Q34 I get help from members of my ethnic background on the use of business strategies	Agree	Count	41	23	32	96
		% within Q34 I get help from members of my ethnic background on the use of business strategies	42.7%	24.0%	33.3%	100.0%
	Uncertain	Count	6	0	2	8
		% within Q34 I get help from members	75.0%	0.0%	25.0%	100.0%

		of my ethnic background on the use of business strategies				
	Disagree	Count	21	0	7	28
		% within Q34 I get help from members of my ethnic background on the use of business strategies	75.0%	0.0%	25.0%	100.0%
Total		Count	68	23	41	132
		% within Q34 I get help from members of my ethnic background on the use of business strategies	51.5%	17.4%	31.1%	100.0%

The table above shows a significant relationship between getting assistance from members of one’s ethnic group and keeping business records (chi-square = 14.510, df = 4, exact p-value = .005). A high percentage of respondents who were uncertain or disagreed with the statement "I get help from members of my ethnic background on the use of business strategies" often or always recorded their business transactions (75.0%, 75.0%), whereas less than 50% (42.7%) of respondents who agreed with the statement often or always kept business records. These results show that respondents who get help from co-ethnics are less likely to keep business records, either because they are less sophisticated or because of strong bonds of mutual trust.

Table 4.81: Chi square test for the relationship between getting help from ethnic members versus keeping business records

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	14.510 _a	4	.006	.005
N of Valid Cases	132			

- a. 4 cells (44.4%) have an expected count of less than 5. The minimum expected count is 1.39.
- b. The standardised statistic is -2.256.

Table 4.82: Cross-tabulation of the relationship between getting help from ethnic members and negotiating prices with suppliers

Crosstab						
			Q18 Negotiate prices with my suppliers			Total
			Often or Always	Occasionally	Rarely or never	
Q34 I get help from members of my ethnic background on the use of business strategies	Agree	Count	82	9	6	97
		% within Q34 I get help from members of my ethnic background on the use of business strategies	84.5%	9.3%	6.2%	100.0%
	Uncertain	Count	4	4	0	8
		% within Q34 I get help from members of my ethnic background on the use of business strategies	50.0%	50.0%	0.0%	100.0%
	Disagree	Count	19	4	5	28
		% within Q34 I get help from members of my ethnic background on the use of business strategies	67.9%	14.3%	17.9%	100.0%
Total		Count	105	17	11	133
		% within Q34 I get help from members of my ethnic background on the use of business strategies	78.9%	12.8%	8.3%	100.0%

As shown in the table above, there is a significant relationship between obtaining assistance from members of one's ethnic group and negotiating prices with suppliers (chi-square =15.603, df = 4, exact p-value = .006). Most respondents who got help from the ethnic community, those who did not and those who were unsure of getting help in this way, often or always negotiated prices with suppliers (84.5%, 50.0%, 67.9%, respectively). The reason for this result is that respondents who get help from co-ethnics tend to maximise the use of business strategies. However, respondents who do not get help from members of their ethnic group nevertheless negotiate prices with suppliers – although to a lesser extent – because of the price-sensitive nature of the retail clothing trade.

Table 4.83: Chi square test for the relationship between getting help from ethnic members and negotiating prices with suppliers

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	15.603 ^a	4	.004	.006
N of Valid Cases	133			

- a. 4 cells (44.4%) have an expected count of less than 5. The minimum expected count is .66.
b. The standardised statistic is 2.287.

Table 4.84: Cross-tabulation of the relationship between favoritism and nepotism and negotiating prices with suppliers

Crosstab							
			Q18 Negotiate prices with my suppliers			Total	
			Often or Always	Occasionally	Rarely or never		
Q36 Favoritism and nepotism is a challenge in my business due to the employment of members of my ethnic community without requisite skills	Agree	Count	47	2	2	51	
		% within Q36 Favoritism and nepotism is a challenge in my business due to the employment of members of my ethnic community without requisite skills	92.2%	3.9%	3.9%	100.0%	
	Uncertain	Count	32	5	5	42	
		% within Q36 Favoritism and nepotism is a challenge in my business due to the employment of members of my ethnic community without requisite skills	76.2%	11.9%	11.9%	100.0%	
	Disagree	Count	25	10	4	39	
		% within Q36 Favoritism and nepotism is a challenge in my business due to the employment of members of my ethnic community without requisite skills	64.1%	25.6%	10.3%	100.0%	
	Total		Count	104	17	11	132
			% within Q36 Favoritism and	78.8%	12.9%	8.3%	100.0%

	nepotism is a challenge in my business due to the employment of members of my ethnic community without requisite skills				
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As indicated in the table above, there is a significant relationship between favouritism/nepotism in business and negotiating prices with suppliers (chi-square =12.408, df = 4, exact p-value = 0.012). A high percentage of respondents who agreed or disagreed with, or were uncertain about the statement "Favouritism and nepotism is a challenge in my business due to the employment of members of my ethnic community without requisite skills," often or always negotiated prices with suppliers (92.2%, 76.2%, 64.1%, respectively). This distribution of responses makes sense, in that respondents who face the challenge of nepotism/favouritism are obliged to secure better deals with suppliers. Other respondents who do not necessarily have this challenge also negotiate prices with suppliers simply because the retail clothing business is so price sensitive.

Table 4.85: Chi square test for the relationship between favoritism and nepotism and negotiating prices with suppliers

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	12.408 ^a	4	.015	.012
N of Valid Cases	132			

- a. 3 cells (33.3%) have an expected count of less than 5. The minimum expected count is 3.25.
- b. The standardised statistic is 2.683.

Table 4.86: Cross-tabulation of the relationship between motive for starting the business and extending business hours

Crosstab	
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			Q4 Extend my hours of operation			Total
			Often or Always	Occasionally	Rarely or never	
Q38 I started this business because I spotted an opportunity within the retail clothing sector	Agree	Count	74	24	9	107
		% within Q38 I started this business because I spotted an opportunity within the retail clothing sector	69.2%	22.4%	8.4%	100.0%
	Uncertain	Count	5	0	3	8
		% within Q38 I started this business because I spotted an opportunity within the retail clothing sector	62.5%	0.0%	37.5%	100.0%
	Disagree	Count	7	5	3	15
		% within Q38 I started this business because I spotted an opportunity within the retail clothing sector	46.7%	33.3%	20.0%	100.0%
Total		Count	86	29	15	130
		% within Q38 I started this business because I spotted an opportunity within the retail clothing sector	66.2%	22.3%	11.5%	100.0%

Based on the table above, there is a significant relationship between starting a business due to an opportunity identified and extending business hours (chi-square =10.137, df = 4, exact p-value = 0.037). The majority of respondents who started a business because of an opportunity they noticed and those who were uncertain about the preceding statement often or always traded extended business hours (69.2%, 62.5%), whereas less than 50% (46.7%) of respondents who did not start business as a result of an opportunity identified often or always extended business hours. This result shows that entrepreneurs who are attracted into business by an opportunity are committed and more likely to maximise the use of business strategies.

Table 4.87: Chi square test for the relationship between motive for starting the business and extending business hours

Chi-Square Tests				
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)

Pearson Chi-Square	10.137 _a	4	.038	.037
N of Valid Cases	130			

- a. 4 cells (44.4%) have an expected count less than 5. The minimum expected count is .92.
- b. The standardised statistic is 2.053.

Summary of Chi square analysis of the relationship between immigrant entrepreneurs' education and their use of financial bootstrapping methods

Respondents who were uncertain about having received training on business strategies rarely or never kept prices lower than competitors (75.0%). A large percentage of respondents who were uncertain or disagreed with the statement "I get help from members of my ethnic background on the use of business strategies" often or always recorded their business transactions (75.0%). Most (84.5%) respondents who got help from the ethnic community, often or always negotiated prices with suppliers. A huge percentage (92.2%) of respondents who agreed with the statement "Favouritism and nepotism is a challenge in my business due to the employment of members of my ethnic community without requisite skills" often or always negotiated prices with suppliers. A majority (69.2%) of respondents who started a business because of an opportunity in clothing often or always worked extended business hours.

CHAPTER FIVE

CONCLUDING REMARKS AND RECOMMENDATIONS

5.1 OPEN REMARKS

The previous chapter presented the data and discussed the findings arising from its analysis. This chapter offers a conclusion and makes recommendations concerning the findings, which requires summarising the main topics covered in the dissertation. The chapter will endeavour to achieve a synthesis of critical points in the research and make recommendations to improve the situation or highlight best practices, and suggest areas for further study. Summaries of the previous chapters will be presented first, succeeded by a recap of the research objectives in relation to the findings. This is followed by some practical recommendations and, finally, proposals for further research.

5.2 SYNOPSIS OF PREVIOUS CHAPTERS

5.2.1 Chapter 1

The first chapter offers an introduction to the study and describes the background of the research. The research problem, research questions and research objectives are formulated. The research is delineated and its significance suggested. Ethical considerations are highlighted, issues of reliability and validity addressed, and the structure of the study is outlined.

5.2.2 Chapter 2

Chapter Two describes the emergence of entrepreneurship and its pivotal role in developing an economy. Literature pertaining to immigrant entrepreneurship and financial bootstrapping methods is reviewed. The chapter zooms in on financial bootstrapping methods used by immigrant entrepreneurs in the retail clothing sector of the Cape Town metropole, the relationship between immigrant entrepreneurs' bootstrapping awareness and their use of financial bootstrapping methods, the relationship between the survival goal of immigrant entrepreneurs and their use of financial bootstrapping methods, and the relationship between the education/experience of immigrant entrepreneurs and their use of financial bootstrapping methods. For an in-depth understanding of the phenomenon, the scope of the literature review

was broadened to include small business classification in South Africa, an overview of immigrant business resources, the retail clothing sector in Cape Town and theories that underpin the study.

5.2.3 Chapter 3

This chapter deals with research design and methodology. A positivist philosophical approach guided the study, and quantitative research methods were utilised. The choice of the Cape Town metropolitan area in South Africa for the study is explained. The target population and the selection of a sample size of 135 immigrant entrepreneurs are also highlighted. There is a description of the self-administered, structured questionnaires for the data collection process. The SPSS process of data analysis is outlined. The reliability, validity, significance and delineation of the study are revisited, and ethical issues are addressed.

5.2.4 Chapter 4

This chapter presents the data and discusses the findings that emerge from the study. The data is analysed in relation to the research question and objectives. The SPSS software program facilitated data analysis with the help of tables, graphs and charts. The findings, as captured numerically in tables, are sorted by frequency, percent, valid percent, and cumulative percent, while mean and standard deviation are interpreted, discussed and presented in textual format. Comparisons are made between current findings and previous research findings on the topic at hand.

The chapter is divided into six sections: demographic information, business profile, financial bootstrapping methods used by immigrant entrepreneurs in the retail clothing sector of the Cape metropole, the relationship between immigrant entrepreneurs' bootstrapping awareness and their use of financial bootstrapping methods, the relationship between immigrant entrepreneurs' survival goal and their use of financial bootstrapping methods, and the relationship between immigrant entrepreneurs' level of education/experience and their use of financial bootstrapping methods.

5.2.5 Chapter 5

This chapter offers a conclusion to the study, makes recommendations and suggests areas for further research. The research objectives are restated and compared with the findings to determine whether they were achieved. This is done by examining whether relationships exist

among the research question, research objectives, findings, conclusion, and the recommendations. Avenues for further research are proposed.

5.3 OBJECTIVES AND KEY FINDINGS

The main objective of the research was to determine the relationship between selected characteristics of immigrant entrepreneurs (bootstrapping awareness, survival goal and education/experience) and the use of financial bootstrapping methods. This was divided into four sub-objectives:

- To identify financial bootstrapping methods used by immigrant entrepreneurs in the retail clothing sector of the Cape metropole
- To determine the impact that immigrant entrepreneurs' bootstrapping awareness has on their use of financial bootstrapping methods
- To determine the impact that immigrant entrepreneurs' survival goal has on their use of financial bootstrapping methods
- To determine the impact that immigrant entrepreneurs' levels of education and experience have on their use of financial bootstrapping methods.

5.3.1 Sub-objective 1

The researcher sought to identify the financial bootstrapping methods used by immigrant entrepreneurs in the retail clothing sector of the Cape Town metropole.

According to the findings, most immigrant entrepreneurs extend their working hours to boost sales, since more established businesses have standardised operating hours. They often engage in negotiations with suppliers and customers to secure favourable business deals. This negotiation enables them to obtain stock from suppliers on credit for resale to customers on a cash basis. They set prices lower than their competitors to lure customers to their businesses. They usually change their product offering according to seasonal changes. A good number of them revealed that they kept records of their business transactions.

5.3.2 Sub-objective 2

This objective was to determine the impact that immigrant entrepreneurs' awareness of bootstrapping has on their use of financial bootstrapping methods.

According to the findings, most immigrant entrepreneurs in the retail clothing sector of the Cape metropole do not know the term financial bootstrapping. It is also difficult and costly for them to access information that could accelerate awareness of bootstrapping and facilitate their business transactions. Language difficulties further complicate the matter for immigrant entrepreneurs, who barely speak the main South African languages. They are hardly aware of organisations that render help to immigrant-owned businesses.

5.3.3 Sub-objective 3

The objective here was to determine the impact that immigrant entrepreneurs' goal of mere survival has on their use of financial bootstrapping methods.

The findings revealed that the need to survive has a significant impact on how immigrant entrepreneurs choose and utilise financial bootstrapping methods. Their lack of proper or official documentation was shown to affect their use of financial bootstrapping methods. The absence of employment opportunities was also found to push immigrants into self-employment and entrepreneurship (including into retail clothing) as a survival option. Leasing a business space is one of the biggest challenges affecting immigrant entrepreneurs' use of financial bootstrapping methods. It was found that culture and religion do not have a significant effect on immigrant entrepreneurs' financial bootstrapping methods. However, xenophobia was found to be a nightmare for almost all the immigrant entrepreneurs who participated in this study and significantly impacted their use of financial bootstrapping methods.

5.3.4 Sub-objective 4

This objective was to determine the impact that immigrant entrepreneurs' levels of education and experience have on their use of financial bootstrapping methods.

An absence of any form of training in business strategies was found to be prevalent among immigrant entrepreneurs. This may be linked to the cost of education and training in South Africa, which was deemed to be high. Nevertheless, a majority of immigrant entrepreneurs have previous business experience which helps them in their business endeavours and influences their use of financial bootstrapping methods. They often get assistance from members of their ethnic community. It was also discovered that they employ tactics like changing their stock during different business seasons to increase sales. Nepotism and favouritism were also noted as

affecting business in a situation where relatives or friends are employed without having the requisite business skills. The choice of retail clothing was a result of their noticing an opportunity in the sector, and this too affects their use of financial bootstrapping methods.

5.4 RECOMMENDATIONS

The research outcomes necessitate the following recommendations. These are intended to address the issues highlighted by the literature reviewed and by the study itself. The recommendations are directed at the government and also at immigrant entrepreneurs themselves.

5.4.1 Recommendations for the government

Government – through SEDA, SEFA and the Department of Small Business Development – should take deliberate steps to create awareness of financial bootstrapping methods among immigrant entrepreneurs. This could be achieved by, for example, mandating institutions of higher learning to offer courses on financial bootstrapping, or by embarking on a massive bootstrapping awareness campaign through mainstream media and the social media forums of the immigrant community. The government can also use the services of NPOs, incentivising them to spread the word and offer training in financial bootstrapping methods to immigrant entrepreneurs.

The government should extend the use of guarantees and subsidies to immigrant entrepreneurs. This will unlock the financial impasse in which many find themselves and foster growth, thus enabling them to prosper and employ more workers.

The precarious status of immigrant entrepreneurs means that they experience unique challenges relating to documentation, employment opportunities, securing business premises and xenophobia. It is essential for the government to take steps to improve the process of issuing proper documentation to immigrant entrepreneurs. This will boost immigrant entrepreneurial activities as, for instance, they will be able to secure business premises much more easily. Xenophobia may also be curtailed if the government takes decisive action against perpetrators and introduces legislation forbidding the unfair treatment of immigrant entrepreneurs. These measures will enable immigrant entrepreneurs to effectively utilise financial bootstrapping methods and maximise the benefits of their activities well beyond the survival goal.

The cost of education and training in South Africa is deemed to be too high, particularly for immigrant entrepreneurs who are self-reliant. The government should extend its bursary programme through NSFAS to deserving immigrant entrepreneurs who wish to study further. In this way, more immigrant entrepreneurs will be afforded the opportunity to acquire basic business skills, which will enable them to use financial bootstrapping methods effectively.

5.4.2 Recommendations for immigrant entrepreneurs

Financial bootstrapping methods such as extending trading hours, negotiating with customers and suppliers, obtaining stock on credit, charging lower prices than competitors, changing product offerings during different business seasons, and keeping records of business transactions, were found to be those most used by immigrant entrepreneurs in the retail clothing sector of the Cape metropole. Financial bootstrapping methods all have advantages and disadvantages, and some are more suitable for certain businesses than for others. It is important for immigrant entrepreneurs to evaluate and select only those that add value to their businesses, discarding those that do not.

Immigrant entrepreneurs should network with stakeholders to gain access to information that can link them up with suppliers, customers and support organisations. Though immigrant entrepreneurs are usually involved in ethnic networks that function as the initial point of support for them, it is advisable for them to extend this collaboration to local partners, so that specific challenges applicable to immigrants like language barriers can be circumvented.

Although ethnic workers are less costly for immigrant entrepreneurs and can be more reliable in terms of their commitment to the business, some of them may not have the appropriate business skills, thereby hindering business performance and stifling growth. It is, therefore, incumbent on immigrant entrepreneurs themselves to recruit workers who can add value to the business, rather than relying exclusively on possibly unqualified co-ethnic employees. These business strategies, also known as financial bootstrapping methods, if effectively utilised will benefit the business.

5.5 LIMITATIONS OF THE STUDY

Due to constraints of resources, the study was limited to specific locations in the Cape Town metropole with a concentration of immigrant retail activities: Bellville, Parow, Cape Town CBD

and Wynberg. Although the study was open to all immigrant entrepreneurs dealing in retail clothing within these areas, mostly African immigrants participated in the study. This was due to the inaccessibility of, for instance, European immigrant businesses, which are generally situated in malls and other less accessible suburbs.

5.6 SUGGESTIONS FOR FUTURE STUDY

Despite an increase in studies of financial bootstrapping in recent years, not much attention has been given to immigrant entrepreneurs' use of financial bootstrapping methods. There is a need for more scholarly work in this field, given that this is the primary source of capital for immigrant entrepreneurs who are routinely denied the opportunity to access capital from financial institutions.

Since this study was limited to immigrant retail clothing businesses in the Cape Town metropole, future research should be extended to immigrant entrepreneurs all over South Africa as well as the entire retail sector. This will enable more in-depth insights into the nature of the relationship between immigrant entrepreneurs' characteristics and their use of financial bootstrapping methods in the retail sector in South Africa, where most of them operate.

Another study should consider investigating the relationship between using financial bootstrapping methods and the characteristics of immigrant entrepreneurs such as ethnicity and race, factors beyond the scope of this study's focus (education, bootstrapping awareness and the goal of survival).

Because this study focuses almost exclusively on necessity immigrant entrepreneurs, future research should examine the relationship between the use of financial bootstrapping methods and the characteristics of opportunity immigrant entrepreneurs, for comparative purposes.

5.7 CONCLUSION

The purpose of this study was to determine the impact of selected attributes of immigrant entrepreneurs (bootstrapping awareness, survival goal and level of education/experience) on their use of financial bootstrapping methods. Extended working hours, negotiations with customers and suppliers, obtaining stock on credit, charging lower prices, changing product offerings and keeping business records were found to be the strategies most frequently used by

respondents. Immigrant entrepreneurs were found to be unaware of the concept of financial bootstrapping methods, despite using some associated strategies in their businesses. It was revealed that the need to survive has a significant impact on immigrant entrepreneurs' use of financial bootstrapping methods. Levels of education and skills were also determined to have a huge effect on immigrant entrepreneurs' use of financial bootstrapping methods. The cost of business education and training in South Africa was found to be prohibitive for immigrant entrepreneurs. These findings indicate that the aim of the study has been achieved.

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APPENDICES

APPENDIX A: QUESTIONNAIRE



Dear Sir/Madam

RE: SEEKING PARTICIPATION IN A SURVEY

I am a Masters student of Entrepreneurship in the Faculty of Business and Management Sciences of Cape Peninsula University of Technology. I am conducting a survey to determine the extent to which selected characteristics (bootstrapping awareness, survival goal and education) of immigrant entrepreneurs in the retail clothing sector of the Cape metropole influence the choice and use of financial bootstrapping methods (business strategies).

Financial bootstrapping methods refer to creative ways of acquiring and managing resources within a business usually when capital from financial institutions is difficult to obtain.

The title of the project is:

The Use of Financial Bootstrapping Methods by Immigrant Entrepreneurs in the Retail Clothing Sector of the Cape Metropole

Informed Consent (please mark an X in the appropriate box)

1	To ensure the privacy of your responses the researcher do not need to know your name or the name of your business	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
---	---	-----	--------------------------	----	--------------------------

2	I understand that my participation in this survey is entirely voluntary and that I am free to stop at any time	Yes		No	
3	I understand that I do not have to answer any question I do not wish to answer for any reason.	Yes		No	
4	I agree that the information I give may be used in research and that this research will not reveal my personal identity.	Yes		No	
5	I have understood the information regarding my participation in the study and I therefore agree to participate.	Yes		No	

Section A:

This section intends to find out the type of business strategies used by immigrant entrepreneurs in the retail clothing sector of the Cape metropole

To what extend do you use the following business strategies? Please mark an X in the appropriate box

Business strategies		Always	often	Occasionally	Rarely	Never
Cash-increasing strategies						
1	Obtain loans from relatives and/or friends	1	2	3	4	5
2	Use stockfel (njangi) to raise funds for the business	1	2	3	4	5
3	Accept lay-by	1	2	3	4	5
4	Extend my hours of operation	1	2	3	4	5
5	Negotiate prices with customers	1	2	3	4	5
6	Offer credit to customers	1	2	3	4	5
7	Keep prices cheaper than competitors	1	2	3	4	5
8	Change what I sell at different times of the year	1	2	3	4	5
9	Keep records of my business transactions	1	2	3	4	5

	Cost-decreasing strategies					
10	Run the business from home	1	2	3	4	5
11	Share space/premises with others	1	2	3	4	5
12	Use social media for business transactions	1	2	3	4	5
13	Sleep on my business premises	1	2	3	4	5
14	Employ relatives and/or friends at lower wages	1	2	3	4	5
15	Share workers with other businesses to lower cost	1	2	3	4	5
16	Contribute money with other businesses to buy stock in bulk	1	2	3	4	5
17	Obtain Business credit (goods on terms)	1	2	3	4	5
18	Negotiate prices with my suppliers	1	2	3	4	5

19. Other business strategies

Please list other strategies used in your business that has not been mentioned above:

.....

.....

Section B:

This section intends to find out the relationship between awareness and the use of business strategies by immigrant entrepreneurs

Please mark an X in the appropriate box

	Statements	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
20	I knew the term financial bootstrapping method prior to the completion of this questionnaire	1	2	3	4	5
21	Obtaining business related information is challenging	1	2	3	4	5

22	Language is an obstacle in creating awareness of business strategies	1	2	3	4	5
23	I am aware of organizations that assist immigrant entrepreneurs with business strategies	1	2	3	4	5

Section C:

This section intends to find out the relationship between the survival objective and the use of business strategies by immigrant entrepreneurs

Please mark an X in the appropriate box

	Statements	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
24	My use of business strategies is driven by the need to survive	1	2	3	4	5
25	The lack of proper documentation affects my use of business strategies	1	2	3	4	5
26	I am in business because I cannot find a better job	1	2	3	4	5
27	Securing business space affects my business strategies	1	2	3	4	5
28	Most of my customers are from my ethnic background	1	2	3	4	5
29	My culture influence the way I use business strategies	1	2	3	4	5
30	My religion influence the way I use business strategies	1	2	3	4	5
31	Xenophobia affects the way I use business strategies	1	2	3	4	5

Section D:

This section intends to find out the relationship between the level of education/experience and the use of business strategies by immigrant entrepreneurs

Please mark an X in the appropriate box

	Statements	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
32	I have had no formal training on the use of business strategies	1	2	3	4	5
33	I use different sets of strategies at different times in my business	1	2	3	4	5
34	I get help from members of my ethnic background on the use of business strategies	1	2	3	4	5
35	The use of business strategies is influence by my previous experience in business	1	2	3	4	5
36	Favoritism and nepotism is a challenge in my business due to the employment of members of my ethnic community without requisite skills	1	2	3	4	5
37	My use of business strategies is influence by the cost of education and training	1	2	3	4	5
38	I started this business because I spotted an opportunity within the retail clothing sector	1	2	3	4	5

Section E: Demographic Information

This section intends to find out the relationship between demographic variables and the use of immigrants business strategies.

Please complete question 39 by filing in the box with the correct answer and questions 40,41,42,43 and 44 by marking an X in the appropriate box

39. Country of origin!

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40. Gender

Male		Female	
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41. Age

0-18		19-29		30-39		40-49		50-above	
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42. Marital status

Single		Married		Divorced		Widowed	
--------	--	---------	--	----------	--	---------	--

43. Official Home language

English		French		Swahili		Arabic	
Portuguese		Spanish		Other (specify)			

44. Highest Qualification

No formal schooling		Bachelor's degree	
Primary school		Master's degree	
Secondary/high school		Doctorate degree	
College		Others (specify)	

Section F: Business Profile

This section intends to find out the relationship between business variables and the use of immigrant business strategies

Please complete questions 45, 46 and 47 by filling in the boxes with the correct answers and questions 48, 49 and 50 by marking an X in the appropriate box

45. Age of the business (time period in which the business has existed)

46. Number of employees

47. Which area of Cape Town do you conduct your business in?

48. What kind of clothing business are you involved in?

Men clothing		Traditional clothing	
Women clothing		Other (specify)	
Children clothing		

49. Business ownership

Owner		Running the business on behalf of the owner	
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50. Sales per year

R 0 - R25000		R300,001 – R400,000	
R 25,001 – R50,000		R 400,000 – R500000	
R 50,001 – R100,000		R500,001 – R1000,000	

R 100,001 – R200,000		R1000,001 and above	
R 200,001 – R300,000			

Please contact the following; for any clarifications:

Philemon Nji Kum (Researcher)

Email: pnkum@yahoo.com, cell& whatsapp: 0782819042

Supervisors Dr. Robertson K. Tengeh; Prof Chux Gervase Iwu

Email: tengehr@cput.ac.za; iwuc@cput.ac.za

Tel: +27 21 460 3450; +27 21 460 9038

Thank you for your participation in this study!!

APPENDIX B: CONSENT LETTER

CONSENT LETTER -

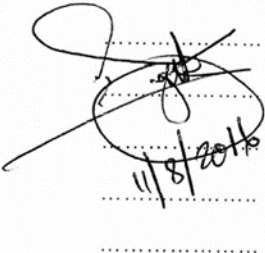
PHILEMON NJI KUM
MASTER'S STUDENT
CAPE PENINSULA UNIVERSITY OF TECHNOLOGY

I NEIL R. ENGELBRECHT in my capacity as Asst. Manager at PRASA CRES give consent in principle to allow Philemon Nji kum ,a student at the cape peninsula university of technology , to collect data at the station deck small business market as part of his Mtech research. The student has explained to me the nature of his 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 any 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 paper
Yes				
No	X	X	X	X



PRASA CRES
 WESTERN CAPE
 Corporate Real Estate Solutions
 A Division of PRASA
 1st Floor
 Administrative Wing, Cape Town Station
 Adderley Street, Cape Town
 Telephone: (021) 449 6430

11 August, 2016

APPENDIX C : ETHICS APPROVAL



P.O. Box 1906 • Bellville 7535 South Africa • Tel: +27 21 4603534 • Email: majamanin@cput.ac.za
Symphony Road Bellville 7535

Office of the Chairperson Research Ethics Committee	Faculty: BUSINESS
--	--------------------------

At a meeting of the Research Ethics Committee on 17 August 2016, Ethics Approval

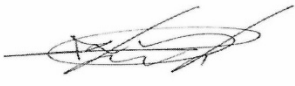
was granted to Philemon Nji Kum for research activities

Related to the MTech/DTech: Mtech Entrepreneurship and Business Management at the Cape
Peninsula University of Technology

Title of dissertation/thesis:	THE USE OF INFORMAL RESOURCE ACQUISITION STRATEGIES BY IMMIGRANT ENTREPRENEURS IN THE RETAIL SECTOR OF THE CAPE METROPOLITAN AREA Supervisor: Dr R Tengeh
-------------------------------	---

Comments:

Decision: APPROVED

	17 AUGUST 2016
Signed: Chairperson: Research Ethics Committee	Date

APPENDIX D: LETTER FROM EDITOR

Epsilon Editing

314 Grosvenor Square
17 College Road
Rondebosch
7700

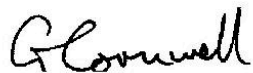
dgncornwell@gmail.com

084-9897977

14 May 2019

TO WHOM IT MAY CONCERN

This serves to confirm that the MTech. thesis by Philemon Nji Kum, "The use of financial bootstrapping methods by immigrant entrepreneurs in the retail clothing sector of the Cape Town metropole," has been edited to my satisfaction for language and presentation.



Professor D G N Cornwell (PhD)