

UDC 332

## THE PERCEIVED VALUE OF BRAND BUILDING: DO SMALL AND MEDIUM ENTERPRISES IN SOUTH AFRICA RECOGNISE ITS VALUE?

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### ABSTRACT

Branding is a crucial resource for small and medium-sized enterprises (SMEs). The aim was to explore SME owners' perceptions of branding, and to determine whether these perceptions had an impact on the marketing focus of the enterprise. Theoretical framework: The theoretical discussion in the first place in the covers SMEs in the South African setting. Secondly it addresses the value and importance of branding. The latter was used in modeling the effect of perceived value of brand on the enterprise marketing orientation. This study uses a quantitative approach with data sources derived from the distribution of self-administered questionnaires which were hand-delivered to SMEs. A total of 265 useful responses were received back, the data was analyzed using SPSS version 28. Findings: SME owners are aware of the value of branding and opine that marketing efforts are geared to establish a branded enterprise. The findings revealed that SME owners' perceptions of branding had no statistically significant effect on the marketing focus of the establishment, yet a positive correlation was identified amongst their perceptions of branding constructs and their marketing focus. It appears that South African SME's owners and managers lacked the skills and knowledge to establish a branded enterprise. SME owners and managers are schooled in branding strategies and that business schools develop tutorial matter in this regard as part of their social corporate responsibility initiatives. Original/value: The study provides some solutions and recommendation for SME's in terms of brand building. Furthermore, it contributes to the conceptualization of branding theory in a SME setting.

### KEY WORDS

Branding, marketing activities, marketing focus, perception, SMEs, South Africa.

Brands have become synonymous with business, which is omnipresent. Understanding how businesses can utilize brands to influence consumers is a critical element of the marketing strategy of any enterprise, large or small. Research into branding and its value is extensive in respect of large businesses and consumers, but the literature on the value and use of brands from the perspective of SMEs (small- and medium-sized enterprises), is much more limited. To date, efforts to determine the perceived value of companies' branding have neglected to investigate the influence this has on the marketing decisions of a business.

While the various facets of branding (e.g., brand equity, brand loyalty, brand value and brand perception) have been studied by a variety of authors (Abril & Rodriguez-Cánovas, 2016; Yeh et al., 2016), little research has gone into how perceptions of branding relate to SMEs' marketing decisions. That presents a significant research gap, which prompted the researcher to determine what impact or influence perceived value has on the marketing actions of SMEs.

Although the field of branding is generally dominated by big business, it allows SMEs to be competitive, and to differentiate their products and services for both sustainability and growth (Odoom & Narteh, 2017). SMEs play a dominant role in many economies, in developing and developed nations alike, as sources of job creation and poverty alleviation. Despite some scholarly attention being paid to the branding of SMEs, the available evidence suggests that the

level of research in this sphere lags behind that which focuses on larger companies (Grant et al., 2014; Odoom, 2016). Notwithstanding the wide range of benefits which branding has for a company's performance, research in the area of SMEs appears to be relatively limited in scope (Asamoah, 2014; Centeno et al., 2013).

As the body of knowledge regarding branding has grown, so different approaches have been put forward, including the economic approach (where the brand is regarded as part of the traditional marketing mix); the identity approach (where the brand is closely aligned with corporate identity); the consumer-based approach (where the brand is linked to consumer associations); the personality approach (where the brand is portrayed as a human character); the relational approach (which sees the brand as a viable relationship partner); the community approach (where the brand is regarded as a pivotal point in the community); and the cultural approach (which regards the brand as part of the broader cultural fabric) (Srivastava, 2016). According to Srivastava (2016), these approaches offer an enterprise different perspective on branding. Once an enterprise starts seeing branding through the lens of different perspectives, it can either use a single approach or a combination of approaches, which may be tailored to meet its needs and aims.

Generally, branding is regarded as an essential marketing tool, as it establishes a distinct identity for a product, service, or the enterprise itself, in the minds of consumers. That involves creating a unique name, logo or design, to distinguish the business from its competitors. Given that SMEs are often more agile and adaptive to changing market conditions, they are better positioned to stay competitive and take advantage of new opportunities. For that reason, SMEs should consider leveraging their branding to improve their marketing focus and strategies. Branding can assist SMEs to make a strong(er) impression on customers, in addition to enabling them to stand out from the competition. This may, for instance, be done by creating a unique message and visuals that emphasise the qualities, values, and benefits of their products or services. In addition, branding can aid SMEs to build recognition, loyalty, and trust in the marketplace. Thus, SMEs that invest in branding can reap numerous benefits, including increased sales, customer loyalty, and a distinct competitive advantage.

The preceding discussion begs the question: How do SMEs perceive branding, and does it have an effect their marketing decisions and focus? The aim here is to explore SME owners' perceptions of branding, and to determine whether those perceptions have an impact on the enterprises' marketing focus, when it comes to establishing a branded enterprise.

This article consists of a theoretical section, which covers SMEs in the South African setting and briefly discusses the value of branding. The theoretical component is followed by a discussion on the methodology, as well as the findings. Once the findings have been discussed, the article terminates with the researcher's conclusions and recommendations.

## **LITERATURE REVIEW**

No universally acceptable definition exists for SMEs, therefore it is necessary to define them by referring to the policies of the country in which they operate. In South Africa, an SME refers to a separate and distinct business entity, together with its branches or subsidiaries (if any), including cooperative enterprises which are managed by one owner (or more), and are predominantly found in any sector or subsector of the economy (South Africa, Department of Small Business Development [SADSBD], 2019). SMEs can be broadly defined by evaluating each entity in terms of two aspects – the number of employees (full-time, paid employees [or the equivalent thereof]), and the total annual turnover generated by the business. The ceiling number of employees, regardless of the industry, for micro- and small-sized enterprises is 1–10 and 10–50, respectively, and for medium-sized enterprises it is up to a total of 250 ([SADSBD], 2019). Annual turnover differs between industries, varying between R5 million and R220 million

(+/- \$0.33 and \$14.7 million; exchange rate 15:1) (Cant & Wiid, 2021; De Wet, 2019; SADSBD, 2019).

Brand perception, in its simplest form, refers to how consumers view a company's products and how they feel about them, how they react to the messaging of the company, their experience with the brand, and how they interpret these actions. It encompasses customers' beliefs about what the brand represents, rather than what the brand claims to represent. Businesses strive to build a well-constructed brand that will enhance customer satisfaction and make it more difficult for competitors to enter the market (Iriawan, 2021). It has increasingly become the norm for businesses to use their brand as a competitive tool – something which, by implication, requires a closer connection between the business and its customers. As Sopiah and Sangadji (2016) indicate, brands offer the market three benefits: assurances about the consistent quality of a product or service; the possibility for consumers to spend their time more effectively, as they are familiar with the brand and its standards, as well as the businesses which offer those brands; and the opportunity for innovation, since brand extensions are easier to effect, if based on an established brand. These benefits enable businesses to establish a loyal customer base, in addition to helping them to better segment the market, and use this information in their marketing actions and focus (Rantung, et al., 2023; Valentina, 2020).

Creating a strong brand can give businesses a competitive edge in the marketplace. A strong brand identity aids SMEs in building client trust and credibility, which are essential for success across virtually all industries. The value of a brand lies in the fact that it is capable of allowing a business to achieve its objectives (Gupta et al., 2020). A strong brand presence can increase client loyalty and enhance revenue. Customers are more likely to buy from companies they are familiar with and trust, thus promoting brand loyalty. In addition, branding increases a company's marketplace visibility and builds customer trust (Tavassoli et al., 2014). An SME can benefit significantly from having a strong brand, as it can draw in investors and establish a platform from which the company can grow.

Recent studies by Napoli et al. (2016) and Odoom and Mensah (2019) have attempted to link brand in its broader sense to value and differentiation, amongst others, but no attempt has been made to look at the relationship between brand perception and differentiation, and their influence on marketing and strategic orientation from a business perspective.

Two-thirds of buyers in the United States are more inclined to purchase from a brand they are familiar with (Venkatesan, 2019). In the United Kingdom, by all accounts customers are increasingly choosing trusted brands, therefore SMEs that can capitalise on a well-known brand name can gain from heightened recognition, which can be useful in selected marketing actions.

The value of a brand in a company's marketing strategy cannot be overstated (Vidic & Vadjal, 2013). The brand is essential to the marketing strategy, as it communicates a coherent and consistent message throughout the client experience. This strengthens recognition and trust, which in turn enhance and improve customer loyalty, and grow revenue for the business. In addition, the brand links the company and the customer, and aids in forging an emotional connection. Since it motivates customers to return and make additional purchases from the company, this emotional connection is essential for customer retention. By setting the company apart from its rivals, a brand also plays a crucial role in marketing, enabling the company to stand out in that industry and helping it to develop a distinctive character that clients can quickly recognise (Alatyat et al., 2023; Mal et al., 2018). If a brand contributes to developing credibility and trust, it may serve to maintain existing customer connections and draw in new ones.

Building brands is vital to SMEs, since it improves their marketing strategy (Boisen et al., 2018). SMEs can distinguish themselves from their rivals and stand out, thanks to a strong brand identity. A strong brand may also assist SMEs in effectively conveying their values and mission to their target market, enabling them to reach more potential customers and clients, and improving their exposure (Gupta et al., 2020). According to a study by Gupta et al. (2020), SMEs are increasingly recognising the value of branding, and investing in building their brands. The

same study found that SMEs understand that branding can help them to differentiate their offerings from those of their competitors, and can aid them in attracting new customers (Gupta et al., 2020).

The aim here is to explore SME owners' perceptions of branding, and to determine whether those perceptions affect their enterprises' marketing focus, as they establish a branded enterprise.

## METHODS OF RESEARCH

The study on which this article is based adopted an exploratory approach, using a survey questionnaire to collect data from various SMEs across townships (a suburb or city predominantly inhabited by black people, and formerly designated for black occupation by apartheid legislation. An example is the central business district (CBD) of the Tshwane metropolitan area in Gauteng province, the economic heartland of South Africa. As the majority (70%) of SMEs in this country are neither registered nor captured in a database (Bureau for Economic Research [BER], 2016), non-probability sampling was used in the form of convenience sampling, to select SMEs in Tshwane metropolitan area.

Table 1 – Demographic profile

n/n		Count	%
Gender	Female	93	35.1%
	Male	172	64.9%
	Total	265	100%
Age	18–24	34	12.8%
	25–29	60	22.6%
	30–34	57	21.4%
	35–39	59	22.6%
	40+	55	20.7%
	Total	265	100%
Position	Owner	107	41.6%
	Manager	83	32.3%
	Both	67	26.1%
	Total	257	100%
Business tenure (years)	1–5	109	41.8%
	6–10	90	34.5%
	11–25	59	22.6%
	25+	3	1.1%
	Total	261	100%
Number of employees	1–10	206	78.9%
	11–20	47	18.0%
	21–50	8	3.1%
	50+	0	0.0%
	Total	261	100%
Business location	Township	122	45.9%
	CBD of town	79	29.7%
	Suburbs	64	24.4%
	Total	265	100%

A total of 300 self-administered questionnaires were hand-delivered by trained fieldworkers to SMEs, and respondents were informed of their right to withdraw from the study at any time without fear of penalty. A total of 265 useful responses were returned to the researcher, representing a response rate of 88 per cent.

Open-ended questions were analyzed by means of directed content analysis. In conjunction with content analysis, basic descriptive statistics were used to calculate frequencies and percentages, to arrive at a graphic presentation of the data.

The overall sample for the study consisted of 265 respondents (n=265), table 1 provides a summary demographic profile of the respondents. In terms of gender, 64.9 per cent (n=172)

were male and 35.1 per cent (n=93) female. The majority (35.47%; n= 94) fell in the age category 18–29, whereas a total of 20.75 per cent (n=55) of the respondents were 40 years or older. The sample predominantly (78.9%, n=206) consisted of small enterprises, with a staff complement of fewer than ten employees per establishment. In total 20.75 per cent (n=55) provided employment to between 11 and 50 workers, meaning by definition their enterprises could be classified as small. The majority (45.9%; n=122) of respondents were located in townships, 29.7 per cent (n=79) were situated in the CBD, and the remaining 24.4 per cent (n=65) in the suburbs. The majority (41.8%; n=109) of the respondents had been in operation for between one and five years, while only three (1.1%) had been in business for more than 25 years. The majority (65.66%; n=174) of the questionnaires were completed by enterprise owners, while the managers of the businesses (32.33%; n=83) completed the remainder. The above provides a brief overview of the target group, which represented a satisfactory mixture of businesses on which to base the findings. The questionnaires asked the respondents about their perceptions of branding, as well as their establishments' marketing focus.

## RESULTS OF STUDY

The questionnaire required the respondents to indicate their perceptions of branding, as well as the marketing actions they undertook in that regard. The relationship between these two concepts was then established from the perspective of the SMEs.

First, the survey sought to determine whether an establishment engaged in marketing activities and, if it did, what those activities entailed. The majority (81.7%; n=214) of the respondents indicated that they performed marketing activities. Although the respondents were asked to indicate – on a five-point Likert scale ranging from “never” to “always” – how often they undertook marketing activities, for ease of reporting the scale was collapsed into a three-point Likert scale, by combining “never” and “rarely” to form the scale labeled “rarely”, and combining “often” and “always” to form the scale “often”. Based on percentages, the top three marketing communication activities in which the respondents participated, were personal selling (70.2%); the use of business cards (58.3%) and the distribution of leaflets (41.5%). The least-used marketing communication activities were mobile apps (98%); door-to-door marketing and SMS (56.3%). Table 2 summarizes these findings.

Respondents were then asked to indicate, on an opposing scale, their marketing focus regarding a branded establishment. The responses in Table 3 show that the marketing actions of the respondents leaned towards the marketing objective of having a *long-term branding strategy* (65.6%); *marketing as an integrated focus for all employees* (60.7%); and *reinforcing the distinctiveness of a product or service* (59.4%).

The items/statements related to *Marketing focus* were subjected to an exploratory factor analysis to determine whether they formed a single construct. Principal axis factoring extraction and (oblique) Oblimin with Kaiser normalisation rotation methods were employed, which yielded one theme that accounted for a 60.78 per cent variation in the data, with an acceptable internal reliability ( $\alpha = .676$ ). The theme was labeled *Marketing focus*.

In determining brand perception, the respondents had to rate statements regarding branding on a five-point Likert scale. For ease of reporting, the scale was collapsed into a three-point Likert scale by combining “strongly disagree” and “disagree” to form the scale “disagree”, and combining “agree” and “strongly agree” to form the scale “agree”. From the responses it was clear that the overwhelming majority of respondents agreed with the following statements regarding branding: It important to brand a business (93.2%); The brand provides an image of reliability (92.3%); A brand adds value that customers are prepared to pay for (91,7%); Brands lead to name awareness (90,6%); and Brands inspire customer loyalty (90,5%). Table 4 shows the findings.

Table 2 – SMEs' marketing-related activities

<i>Engage in marketing</i>				
	N	Percentage		
Perform marketing	214	81.7		
Do not perform marketing	45	17.2		
Missing	6	1.1		
Total	259	100		

  

<i>Marketing activities</i>				
	Rarely	Sometimes	Often	N
	% (n)	% (n)	% (n)	
Advertising in newspapers	46.6 (118)	15.00 (38)	38.3 (97)	253
Personal selling	17.8 (43)	12.00 (29)	70.2 (170)	242
Signs on poles, dustbins	44 (103)	15.40 (36)	40.6 (95)	234
Leaflets	41.1 (97)	17.40 (41)	41.5 (98)	236
Business cards	32.5 (78)	9.20 (22)	58.3 (140)	240
Online advertising (internet & websites)	53.6 (128)	9.20 (22)	37.2 (89)	239
Door to door	74.1 (172)	11.20 (26)	14.7 (34)	232
SMS	56.3 (135)	17.90 (43)	25.8 (62)	240
Social media	39.5 (94)	20.60 (49)	39.90 (95)	238
Mobile apps	98 (244)	2.00 (5)	0.00 (0)	249

Table 3 – Marketing focus

n/n	1	2	3	4	5	N	Result
	% (n)	% (n)	% (n)	% (n)	% (n)		
Daily operations	5.7 (15)	7.9 (21)	20.8 (55)	32.8 (87)	32.8 (87)	265	Long-term branding strategy
Increasing awareness of product	3 (8)	6.4 (17)	30.9 (82)	39.2 (104)	20.4 (54)	265	Reinforcing distinctiveness of the product or service
Marketing is the responsibility of a few employees	6.4 (17)	7.9 (21)	24.9 (66)	35.8 (95)	24.9 (66)	265	Marketing is an integrated focus for all employees

It is evident from the responses that the respondents generally regarded all items listed as either critical or highly critical to the business.

The statements of perceptions on branding, as well as the marketing goals, were subjected to exploratory factor analysis to determine whether underlying sub-themes or constructs could be identified.

Principal axis factoring extraction and (oblique) Oblimin with Kaiser normalisation rotation methods were employed, which yielded four underlying sub-themes accounting for a 59.7 per cent variation in the data.

Table 5 displays the three sub-themes that were identified (note that only factor loadings >0.32 were considered; where both factors had significant loadings, a certain amount of ambiguity exists).

Table 4 – Perceptions of Branding

n/n		Disagree	Unsure	Agree	N
		% (n)	% (n)	% (n)	-
12.1	The brand provides an image of quality	3.5 (9)	6.9 (18)	89.6 (232)	259
12.2	It inspires customer loyalty	3.2 (8)	6.3 (16)	90.5 (229)	253
12.3	The brand provides an image of reliability	3.1 (8)	4.6 (12)	92.3 (240)	260
12.4	The customer will memorize the product/service	1.9 (5)	5.1 (13)	93 (239)	257
12.5	Better access to distribution	5.1 (13)	7.4 (19)	87.5 (224)	256
12.6	It adds value that customers are prepared to pay for	4.2 (11)	4.2 (11)	91.7 (242)	264
12.7	It leads to positive word-of-mouth	1.9 (5)	9.2 (24)	88.8 (231)	260
12.8	Brands lead to name awareness	0.4 (3)	8.2 (21)	90.6 (231)	255
12.9	Branding signals trust	6.2 (16)	12 (31)	81.8 (21)	258
12.10	Brands prompt consumer selection	2.4 (6)	9.8 (25)	87.8 (223)	254
12.11	Branding signals building customer loyalty	3.9 (10)	11.3 (29)	84.8 (217)	256
12.12	It is important to brand a business	3.8 (10)	3.0 (8)	93.2 (246)	264
12.13	A strong brand serves as a platform for expansion	1.6 (4)	8.9 (22)	89.5 (221)	247
12.14	Strong brands exert a halo effect	2.8 (7)	15.7 (39)	81.5 (202)	248
12.15	Strong brands represent different values, traits, and characteristics	3.9 (10)	11.3 (29)	84.8 (218)	257
12.16	An existing retail brand strengthens brand awareness and differentiation from the competition	1.5 (4)	11.1 (29)	87.4 (228)	261

Table 5 – Underlying sub-themes

n/n	Component	1	2	3
12.1	The brand provides an image of quality	.942		
12.2	It inspires customer loyalty	.808		
12.3	The brand provides an image of reliability	.798		
12.4	The customer will remember the product/service	.718		
12.5	Better access to distribution	.680		
12.6	It adds value that customers are prepared to pay for	.677		
12.7	It leads to positive word-of-mouth	.609		
12.8	Brands lead to name awareness		.868	
12.9	Branding signals trust		.786	
12.10	Brands prompt consumer selection		.737	
12.11	Branding signals building customer loyalty		.735	
12.12	It is important to brand a business		.666	
12.13	A strong brand serves as a platform for expansion		.595	
12.14	Strong brands exert a halo effect			.894
12.15	Strong brands represent different values, traits, and characteristics			.724
12.16	An existing retail brand strengthens brand awareness and differentiation from the competition		.355	.377

It is clear from Table 5 that item 12.16, *Existing retail brand strengthens brand awareness and differentiation from the competition*, loaded on factors 2 (.355) and 3 (.377). After analyzing the item and taking the factor loading into consideration, the item was retained as part of factor 3.

The reliability of the identified themes was determined with an item analysis using Cronbach Alpha. The Cronbach's Alpha values provide a guideline in determining the extent of internal consistency: 0–0.6 = unacceptable reliability, 0.6–0.8 = acceptable; > 0.8 = good reliability.

Table 6 – Reliability of underlying sub-themes

Factors	Theme label	Items	$\alpha$	Mean score	Median
1	Customer value	1; 2; 3; 4; 5; 6 & 7	.873	4.30	4.43
2	Business value	8; 9; 10; 11; 12 & 13	.846	4.23	4.17
3	Brand connotation	14; 15 & 16	.717	4.10	4.00

The internal consistency of the responses was accessed by obtaining the Cronbach's Alpha coefficient. Reliability estimates were .873; .846; and .717 for the responses to *Customer value*; *Business value* and *Brand connotation* respectively. This indicated acceptable to good reliability.

By calculating a mean score from the items constituting each theme, the respondents' views on each were represented by a single, continuous value. The mean and medians of all the themes revealed that the average score was very close to 5, indicating a generally "strongly agree" view for that theme. The scores were skewed to the right and non-normal, which implied the use of non-parametric tests.

A series of multiple linear regression (MLR) analyses (F-tests), with *Marketing focus* as dependent variable and *Customer value*; *Business value* and *Brand connotation* as independent variables, were employed to determine whether there were significant statistical differences between the mean critical scores of *Customer value*, *Business value*, *Brand connotation* and *Marketing focus*. The overall model explained the 2.9 per cent variance in relationships, which was revealed not to be statistically significant, ( $F_{2,639} = 2.629$ ,  $p < .051$ .) An inspection of individual predictors revealed that *Customer value* (Beta = -.008;  $t = -.108$ ;  $p = .914$ ); *Business value* (Beta = .072;  $t = .867$ ;  $p = .387$ ) and *Brand connotation* (Beta = .121,  $t = 1.51$ ;  $p < .131$ ) were not significant predictors of marketing focus in establishing a branded SME.

Table 7 – Relationship (correlations) between themes

n/n		Marketing focus	Customer value	Business value	Brand connotation	
Spearman's rho	Marketing focus	Correlation Coefficient	1.000	.133	.192**	.190**
		Sig. (2-tailed)	.	.031	.002	.002
		N	265	265	265	265
	Customer value	Correlation Coefficient	.133	1.000	.622**	.553**
		Sig. (2-tailed)	.031	.	<.001	<.001
		N	265	265	265	265
	Business value	Correlation Coefficient	.192**	.622**	1.000	.655**
		Sig. (2-tailed)	.002	<.001	.	<.001
		N	265	265	265	265
	Brand connotation	Correlation Coefficient	.190**	.553**	.655**	1.000
		Sig. (2-tailed)	.002	<.001	<.001	.
		N	265	265	265	265
* . Correlation is significant at the 0.05 level (2-tailed)						
** . Correlation is significant at the 0.01 level (2-tailed)						

The assumptions of the regression model were adhered to (residuals, normality, homoscedasticity, linearity, independent errors, etc.).

A correlation test (see Table 7) was conducted between the identified themes to determine the strength of the linear relationship between the continuous variables, and yielded correlation coefficient value ranges from -1 to +1. Coefficients of -1 and +1 indicate perfect negative and perfect positive correlations, respectively. The following is a rough guide to interpreting the



correlation coefficient;  $\pm 1.0$  = perfect linear correlation;  $\pm 0.8$  = strong correlation;  $\pm 0.5$  = medium correlation;  $\pm 0.2$  = weak correlation and  $\pm 0.0$  = a total lack of correlation.

A Spearman's correlation analysis was conducted to examine whether there was a relationship between the themes *Marketing focus*, *Customer value*, *Business value* and *Brand connotation*. The results revealed a significant and positive relationship ( $r = 0.622$ ;  $N = 265$ ;  $p < 0.001$ ) between the themes *Customer value* and *Business value*. There was a significant and positive relationship ( $r = 0.553$ ;  $N = 265$ ;  $p < 0.001$ ) between the theme's customer value and brand connotation, as well as a significant and positive relationship ( $r = 0.655$ ;  $N = 265$ ;  $p < 0.001$ ) between the themes *Business value* and *Brand connotation*. These correlations were medium to strong. The results furthermore revealed that the relationships between *Marketing focus* and *Customer value* ( $r = 0.133$ ;  $N = 265$ ;  $p = .031$ ); the relationship between *Marketing focus* and *Business value* ( $r = 0.192$ ;  $N = 265$ ;  $p = .002$ ) as well as the relationship between *Marketing focus* and *Brand connotation* ( $r = 0.190$ ;  $N = 265$ ;  $p = .002$ ) were significant but weak.

## DISCUSSION OF RESULTS

Perception involves the interpretation of information, and such interpretation can be influenced by a variety of factors, including past experiences, beliefs, values and emotions. These factors shape a person's perception and impact the way in which s/he behaves (Witt, 2017). In other words, the way people see or perceive something, may have a significant impact on their actions. This gives rise to the question: *Does the owners and managers of SMEs' perceptions of branding affect the marketing focus of the enterprise?* The purpose of the investigation was to explore the relationship between the perceptions of branding and the marketing aims of the participating establishments.

In achieving the objective, the SMEs' owners and managers were asked to complete a questionnaire on their perceptions of branding, as well as the marketing focus of their respective establishments. As indicated in the findings, the majority of businesses engaged in marketing activities which mainly revolved around personal selling, and the use of business cards and leaflets. According to the findings, the marketing focus of the respondents were on a long-term branding strategy and reinforcing the distinctiveness of the product or service. Another finding is that marketing was deemed an integrated focus for all employees, meaning the establishments embraced marketing in a holistic manner, as a strategy for delivering a unified message across all the marketing channels which the brand (establishment) uses. Integrated marketing is an approach aimed at creating a unified and seamless experience for consumers to interact with the brand/enterprise, thus increasing brand awareness and loyalty (Adobe, 2020; Belch & Belch, 2021). An exploratory factor analysis on said items yielded a construct marketing focus aimed at establishing a branded enterprise.

The owners and managers of the participating SMEs shared their perceptions of branding, which can be summarized under three themes: customer value, business value, and brand connotation (the latter refers to how an established brand is perceived by consumers and the public in general).

To address the question: *Do the owners and managers of SMEs' perceptions of branding affect the marketing focus of the enterprise?*, the relationships between *Marketing focus* as dependent variable and *Customer value*; *Business value* and *Brand connotation* as independent variables were determined by means of a series of MLR analyses. As the findings revealed, the branding-related perceptions of the owners and managers of SMEs did not have a statistically significant effect on the marketing focus of the enterprise. However, the findings indicated a statistically significant, positive and strong correlation between the themes related to perception (*Customer value*; *Business value* and *Brand connotation*). However, the correlations between the marketing focus and the perception themes (*Customer value*; *Business value* and *Brand connotation*) were statistically significant, positive, but weak.

## CONCLUSION AND RECOMMENDATIONS

The owners and managers of the participating SMEs were aware of the value and benefits of having a branded enterprise. They believed their marketing focus was geared towards establishing a branded enterprise, yet their main marketing activities involved personal selling and the use of business cards and flyers. For that reason, it can be assumed that their marketing focus was more geared towards the survival of their enterprises. It is possible to deduce that these SMEs followed an economic approach to branding, which in all probability involves managing the brand via the marketing mix elements (4Ps): product, place, price and promotion, and how these factors can be manipulated to affect consumer brand choice.

In analyzing the marketing activities of SMEs, it appeared that the businesses in question lacked purposeful marketing. Arguably, the owners and managers of those SMEs lacked the skills and knowledge of how to establish a branded enterprise that will enhance profitability, growth and longevity. It is therefore recommended that SME owners and managers be schooled via, amongst others, short learning programs and workshops in branding and branding strategies that specifically focus on SMEs.

The research conducted was limited in the sense that it was exploratory in nature, and focused on a specific geographical area. The results can therefore not be generalized. Further research on the topic of SME branding and integrated marketing is therefore recommended.

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