

## Practising Customer Service by Trial and Error: An Investigation into the Extent and Nature of Customer Service Training/Education Received by Owners of Small Business Enterprises in Central Johannesburg

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### Abstract

*This paper looks at the extent and nature of customer service training received by owners of small business enterprises operating in central Johannesburg. Areas of the city covered in the study included Doornfontein, Jourbert Park and Hillbrow. The sample of small business owners who took part in the study consisted mainly of entrepreneurs in the retail of groceries, fast food, clothing and electrical gadgets. The survey method, using the questionnaire as a data gathering tool was used to collect the data. Semi-structured interviews were also used to follow-up on some of the issues that emerged from the responses to the questionnaire. It was established that most of the entrepreneurs had not received any formal training in such aspects of customer service as communication, hiring, training and retaining the best talent, creation of customer retention strategies, analysis of the business environment, creation of customer value and careful selection of pricing strategies, most of which are employed by established businesses. The entrepreneurs therefore gained some of these critical business skills by trial and error, from fellow entrepreneurs or in some cases, from family members such as parents. It was, however, also established that some of the entrepreneurs had received some form of formal training in some aspects of customer service through their own initiatives, those of the business associations that they belong to or those of government agencies under whose patronage they fall. All the entrepreneurs who took part in the study, however, still felt that more could still be done in terms of providing them with the training in customer service as it is critical for business success. Amongst other suggestions, the paper recommends the institutionalisation of training in customer service and other aspects of business such as finance, strategic planning and human resources management for entrepreneurs in central Johannesburg in a bid to improve the chances of their businesses' success in the face of stiff competition from the big and well-established competitors.*

**Keywords:** Customer, service, entrepreneur, entrepreneurship, business, learning, training, economy

### 1. Introduction

Business organisations on the South African economic landscape vary greatly in size from the multi-billion multinational companies in sectors such as mining and manufacturing to the very small sole traders operated from street corners or home backyards. Small-to-medium Enterprises (SMEs), which according to [www.info.gov.za](http://www.info.gov.za), contribute about 35% to the South African GDP, are a significant component of this landscape. Similar to the situation in a number of countries the world over, the SME sector in South Africa today faces a number of challenges. According to <http://smesinsouthafrica.blogspot.com> such challenges include globalisation, inability to pay competitive salaries, duplication of offerings to the market, competition from established businesses and lack of managerial capacity. The latter manifests itself in the inability by the owners of SMEs to put in place financial, marketing, human resources, strategic and in some cases, production and customer service plans that would give them a competitive advantage over other SMEs or established businesses. This is in keeping with Brink *et al's* (2003:4) view that while the causes of small business failure can either be external or internal, "...deficiencies in the internal environment are the major cause of SME failures, and revolve around management skills, financial knowledge, lack of expertise in functional areas such as marketing and human resource management." This is also confirmed by Pelsers's (2011) on the findings of a research by Njiro of the University of Johannesburg's Centre for Small Business Development involving SMES in the Johannesburg townships of Soweto, Alexandra Tembisa and Sebokeng in which she concluded that what separates successful, small township-based businesses from failed enterprises is not much different from anywhere else in South Africa. This, she concluded, includes good customer service (32%), competitive prices (20%), quality offerings (16%), good community relations and support (14%), satisfied clients (14%) and commitment or dedication to the business (10%).

A number of research studies have been carried out on the challenges faced by the SME sector in South Africa

(Brink, Cant and Ligthelm (2003), Sach (2006), van Wyk and Rossouw (2009), Nieman (2001), Hirschsohn (2008) and Friedrich, Glaub, Gramberg and Frese (2006). The majority of these studies have adopted a generic approach whereby all the challenges faced by entrepreneurs ranging from financing to lack of skills have been investigated. However, Nieman (2001) and Hirschson (2008) have focused specifically on the training of entrepreneurs but both these studies have been on the training of entrepreneurs in a variety of aspects of business.

Nieman (2001: 2) says, "...entrepreneurship and small enterprise training can be approached from different angles. The main areas, he says are business skills training, technical skills and entrepreneurial skills training. The current researcher decided to focus on the nature of training in customer service training received by entrepreneurs in South Africa after having realised the dearth of studies in this area. Due to time constraints, this study focused specifically on selected entrepreneurs running their businesses in Central Johannesburg.

## **2. Statement of the Problem**

As alluded to above, in addition to other requirements such as capital, government support and a conducive business environment, entrepreneurs need training in a number of aspects of business management in order for them to succeed. One such area is customer service. Customer service skills are essential for success in business because in the competitive world in which businesses, whether big or small operate today, none of them can survive without customers. Yet, also because of greater exposure, most of today's customers expect more than mere availability of products or services from the businesses that they patronise. They expect to get increased value for their money. This explains why most big and established businesses are investing heavily in the training of their employees in customer service. The challenge for most owners of SME's, though, seems to be capital to invest in customer service training for either themselves or their employees in the face of other needs such as stock, rentals, payment of utility bills and salaries which are usually deemed more of priorities. This gives rise to a situation whereby entrepreneurs and their employees practise customer service by trial and error, sometimes with results that bring them below optimum profitability. It therefore becomes necessary to investigate the extent and nature of the training in customer service received by entrepreneurs, especially in a city such as Johannesburg which is the hub of economic activity in South Africa, which itself has been, for a long time, the biggest economy on the African continent.

## **3. Research Questions**

The study sought to answer the following questions:

1. What is the nature of customer service training received by entrepreneurs in central Johannesburg?
2. What is the extent of such training for those who have received it?

## **4. Literature Review**

Insights from authorities on entrepreneurship education on one hand, and those on customer service on the other, are helpful in shedding light on the value of training of entrepreneurs in certain aspects of customer service.

### **4.1 Entrepreneurship education- a global perspective**

Isaacs, Visser, Friedrich and Brijjal (2007:614) define entrepreneurial education as, "...the purposeful intervention by an educator in the life of the learner to impart entrepreneurial qualities and skills to enable the learner to survive in the world of business." Alberti, Sciascia and Poli in Isaacs et al (ibid), define entrepreneurial education as, "...the structured formal conveyance of entrepreneurial competencies, which in turn refers to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth-oriented ventures." According to Kuratiko (2003), developments over the years make it clear that entrepreneurship or certain aspects of it can actually be taught. This is what has given rise to the paradigm shift away from the traditional view that entrepreneurs are born, not made. This perhaps explains why Drucker in Kuratiko (2003:12) argues, "The entrepreneurial mystique? It's not magic, it's not mysterious, and it has nothing to do with genes. It's a discipline. And like any discipline, it can be learned." According to Kuratiko (2003), while some researchers say entrepreneurship education dates to as far back as 1876, what can be recognisable as proper entrepreneurship education in business schools began in the 1970s. Initially such courses focused on all aspects of business administration but later the focus shifted to those factors that acted as barriers to entrepreneurial success. Then there was a shift to the skill building courses in negotiation, leadership, new product

development, creative thinking, sources of venture capital and idea production.

Currently, the focus of entrepreneurial education has moved to the importance of technology and the soft business skills which include customer service, human resource management and engendering of the realisation that entrepreneurship can actually be as good as big business. In keeping with the view that entrepreneurship can be taught and learnt, the Consortium for Entrepreneurship Education in Isaacs *et al* (2007) points out that entrepreneurial education is broader than business education and it is a lifelong process which consists of five stages. The first stage, called basics, introduces learners to the prerequisite basic skills for entrepreneurship. The second stage, competency, enables learners to discover their entrepreneurial competencies. The third stage, creating competencies, focuses on learners acquiring entrepreneurship competencies as well as how to create new businesses. At stage four, start-up, learners become self-employed and in the last stage, growth, they are supposed to be able to effectively solve business problems as well as expand existing operations.

#### 4.2 Entrepreneurship education models

Out of the acknowledgement that entrepreneurship can be formally learnt and taught arose the question as to how best this could be done. This in turn gave rise to entrepreneurship models two of which will be briefly discussed in this paper. The first of these is the entrepreneurship performance education model (van Vuuren and Nieman, 1999). This model focuses on elements that drive entrepreneurial performance. It was developed to guide entrepreneurship syllabi and curriculum development in institutions of higher learning. Being a direct linear model, it suggests that entrepreneurial performance is a function of motivation as well as entrepreneurial and business skills and can be depicted as:  $E/P=f[aM(bE/SxcB/S)]$ , where E/P is the entrepreneurial performance; M is the motivation; E/S is the entrepreneurial skills; B/S is the business skills; and a to c are constants. (Pretorius *et al* 2005). Education programmes for entrepreneurs are therefore designed to cover the three basic components of the model. Motivation is said to be a critical and integral part of all programmes because it accounts for behavioural tenets in an entrepreneur such as inner control, persistence, leadership, decisiveness, determination and guts. Components of entrepreneurial skill include creativity, risk-taking and the ability to identify opportunities. Business skills according to the E/P model comprise financial, marketing, operational, human resource, legal, communication, management and the ability to compile business plans. The E/P model, is thus the philosophical basis for both undergraduate and post-graduate degrees at some universities in South Africa. The model therefore has little room for the education of people such as the participants of this study who are already practising entrepreneurship but never received a formal post-school education in entrepreneurship or are out of a formal institution of higher learning. It, however, lays the foundation for students to engage in entrepreneurship after completing their studies.

Closely related to the E/P model is the Entrepreneurship education model (E/E model) (Pretorius 2000). In addition to considering the content of education programmes, this model also factors in the context in which these programmes are offered and the approaches used by the facilitators. Five factors necessary for entrepreneurial education to increase start-ups are identified. These are entrepreneurial success themes; business knowledge and skills; business plan utilisation; learning approaches; the facilitator and the programme context. The model considers the facilitator as the most critical factor as his or her knowledge, experience and methodology application influence the programme mix. He or she can also vary this mix as the programme progresses if need be. Unlike the E/P model which focuses mainly on educational programmes at an institution of higher learning, the E/E programme also has a measurement instrument that is used to measure entrepreneurial programmes which are currently running (Pretorius *et al* 2005). This last component of the E/E model would therefore render it applicable to this study's participants.

To these two models, Bolton and Thompson (2004) add the need for entrepreneurship education and training to focus on three activities, namely:

- Entrepreneurship as a subject, covering the areas from economic development to business plan preparation, with a major focus on the entrepreneur;
- entrepreneurship as an activity, with an approach about entrepreneurship, but also for entrepreneurs with the main focus on the preparation of a viable business plan; and
- entrepreneur enabling, which is concerned with the potential for entrepreneurs and how their talent can be identified and enabled.

Alberti *et al* (2004) further suggest that for it to be effective, entrepreneurship education should be characterised by a relationship between the goals of the entrepreneurship programme, the audiences to which the programme is delivered, the contents of the entrepreneurship courses or modules, the method of delivery or pedagogy, and finally, the assessment that will be used.

#### 4.3 Entrepreneurship education- a South African perspective

Different countries, especially in the developing world go through the process of establishing successful entrepreneurship differently. One key variable for the successful establishment of a culture of entrepreneurship in any country is the human capital base. In the view of Ventre, Urban and Rwiggen (2008), South Africa's human capital base for entrepreneurship has been consistently weak. This has given rise to the country having more necessity entrepreneurs, those driven by necessity, than opportunity entrepreneurs, those based on the emergence of new opportunities (Venter et al 2008). Isaacs *et al* (2007) argue that the key to successful establishment of a culture of entrepreneurship in South Africa is education. This, they say is because the school is one of the socialising agents with the greatest impact on the development of the youth. Nieman (2001), however, says entrepreneurship and small enterprise training in South Africa is fragmented with a proliferation of role players. These include government agencies, non-governmental organisations (NGO's), community based organisations, individual entrepreneurs, foreign donor agencies and tertiary institutions. According to Kalashe in Nieman (2003), by 1996, there were at least 9395 individual SMME support agencies in South Africa. Government agencies involved in entrepreneurial education include the Department of Trade and Industry through the Centre for Small Business Promotion. Nieman (2001) adds that the demand for entrepreneurship education and training has itself bred opportunities for some individuals and enterprises providing such education and training. The problem, though, according to Pretorius, Nieman and van Vuuren (2004) is that most people who attend entrepreneurial development courses are disappointed with the outcomes of the courses as most of them do not result in behavioural change. Pretorius and van Vuuren (2003) argue that this is because entrepreneurship is not part of the culture of the South African society. They therefore propose that entrepreneurship should be part and parcel of the school curriculum.

#### 4.4 Customer service

The terms customer service, customer relationship and customer care are often used inter-changeably. Though they have slightly different connotations, they are all premised on the intention by a business to ensure that its customers get maximum value from their relationship with it. The business therefore has to put in place systems, infrastructure and technology that make it possible for it to be able to systematically collect, analyse and use customer information for purposes of not just being able to meet, but even exceed, their expectations. This is what generates customer satisfaction which according to Lamb et al (2008: 5), "... is the feeling that a product has met or exceeded the customer's expectations..." Lamb et al (*ibid*) go on to say customer satisfaction, therefore, is "...a customer's response (a judgement) to a product or service in terms of the extent to which consumption meets their expectations."

#### 4.5 Possible components of customer service for entrepreneur training

As with other forms of training, customer service training for entrepreneurs can take the form of workshops, part-time class room-based lectures or on- the- job training. On the stages of entrepreneurial education suggested by Isaacs et al, (2007), customer service training can be placed at the fourth stage, the start-up stage as it is a result of the development of policies and procedures for a new or existing business. It can also be placed at the fifth stage, growth, if one considers that training in customer service can be used to solve problems effectively or to expand the existing business.

According to <http://www.learnmarketing.net> customer service can be categorised into three broad strategies, namely pre-transactional strategies, transactional strategies and post transactional strategies. The website says pre-transactional strategies are those strategies a business uses to get the customer into the store. Such strategies could involve the use of various promotional strategies such as offers to tempt customers. Examples could be the use of leaflets, mobile phone messages, internet advertisements as well as newspaper, radio and television advertisements. Transactional strategies, on the other hand, are those strategies that are used to influence the customer to make a purchase once he or she is inside the store. This entails the ability by salespeople to answer customer questions pertaining to the product uses, quality and durability. An easy purchase process to ensure the customer does not walk away is also an important aspect of transactional strategies. Post-transactional strategies, which are the last of the three categories, are those strategies that are employed after the customer has made a purchase. This could be in instances when the customer has a complaint about the product or when there is a need for a particular service to be rendered to the customer regarding his or her use of the product. Even in the absence of complaints by customers, a post-transactional could just be to phone the customer to establish the performance of a purchased product. This is intended to make the customer feel valued and therefore, in the long term, gain his or her loyalty. Customers could also be phoned to find out if they would like to extend their warranties or buy any complimentary products. The three broad types of

strategies of customer service are therefore about looking after the customer before, during and after the sale. Entrepreneur training in customer service should therefore focus on all three categories of strategies of customer service to avoid a situation whereby the entrepreneurs interact with their customers only when the customers walk into a business for a potential purchase.

Since the list of specific areas of customer service in which entrepreneurs can be trained is too long to be exhausted in a paper of this nature. The paper is therefore going to focus only on those areas which the researcher felt are of more critical importance. These are communication, differentiation and targeting, maintenance of a customer database and performance monitoring.

#### 4.6 *Communication*

While some of the definitions of communication focus on the process, others focus on product and others focus on the components of the process. For purposes of this paper I will make use of du Plessiss and Petersen's (2003:7) definition which says communication "... is a process in which a sender conveys a message in a chosen medium along a communication channel to a receiver, who interprets the message and responds to it." From this definition, it is evident that any entrepreneur, in his or her interaction with customers, needs to be able to identify who the sender of a message is, who the receiver is and to be sensitised to the need for appropriate choice of media and channels of communication as well as to the different ways in which a message can be interpreted and responded to by a customer. Since messages can be verbal and non-verbal, entrepreneurs also need to be trained on how to appropriately code messages for different audiences and contexts. Where they are going to use written messages to communicate with customers, the entrepreneurs need to be trained on the formalities of business writing.

Effective communication is also beneficial to a business of any size in terms of listening and responding to customer needs and complaints. This is especially so for small to medium enterprises whose success hinges on their ability to retain more than one individual customer unlike established businesses who can rely on individual customers who buy in bulk or alternatively enjoy economies of scale.. According to [http://www.entrepedia.org/wiki/Customer\\_Service](http://www.entrepedia.org/wiki/Customer_Service) listening to customers can help entrepreneurs to better their products or services and therefore improve their customer satisfaction rates and, in the long run, their profits. The implication therefore, is that entrepreneurs need training on how to put in place systems and infrastructure that ensures effectively listening to their customers. For example, if customers have complaints to make, does the business make it clear who they should see and is it clear within the business how such complaints will be handled?

An important aspect of communication is the means by which the message is sent. Entrepreneurs therefore need training on how to effectively construct their messages and carefully choose the media through which such messages are going to be communicated to their customers. According to [http://www.entrepedia.or/wiki/Customer\\_Service](http://www.entrepedia.or/wiki/Customer_Service), messages are more effectively communicated if the customers' own language is taken into consideration, imagery and colours are consistent with their culture. For an entrepreneur, running his or her business in the Johannesburg CBD where the majority of customers speak indigenous South African languages, learning some of these languages, even if at a rudimentary level therefore becomes an imperative. Careful choice of the medium of communication, helps to make the business venture personable and relatable to customers. If combined with a helpful attitude and the willingness to give customers something extra such as free information on how to use products goes a long way in impressing customers so much that they are likely to come back to for the same product or service. Chances are also that they will be able to market the enterprise to their acquaintances and friends thereby assisting in growing the enterprise's customer base.

#### 4.7 *Hiring, training and retaining the right talent*

To a large extent, businesses, whether big or small, established or new, thrive on the quality of employees that work for them. This is especially true of retail businesses such as the ones in the Johannesburg CBD. According to Lamb et al (2008: 21) this is because "In the customer's eyes, the employee *is* the firm" In other words, since it is the employees who come into contact with its customers, customers are likely to form an impression of the enterprise on the basis of the quality of service that they receive from the employees. Successful enterprises according to <http://www.bossart.com> therefore hire the right talent. Entrepreneurs therefore need to be trained on recruitment practices that ensure that they hire the right employees. Following the correct steps in the recruitment process itself such as assessing curriculum vitae, carrying out reference checks and general compliance with labour laws is something that entrepreneurs need to receive training in.

Once employed, employees need to be trained despite the qualifications and experience that they may have in

their work. Employee training has benefits to both the business and the employees themselves. While the employees gain skills and therefore become better at doing their work, the business benefits in that trained employees are more likely to serve customers better than their untrained counterparts. Entrepreneurs therefore need training on how to carry out training needs analysis, identify reputable training providers and, in the South African context, how to ensure conformity with legislation related to employee learning and training. According to Lamb et al (2008: 22), in the final analysis, well-trained employees can be a source of competitive advantage for any business.

The training of employees gives any business a competitive advantage because it results in the acquisition of skills which competitors may find difficult to replicate. It should therefore be a continuous process that is dependent on the mission and vision of the business as well as the dynamics of the environment in which it is operating. Such training according to Kuveya (2004) should aim at making customer service an integral part of the business; culture. Examples of areas that staff training should focus on include reliability, consistency, accuracy, politeness, efficiency, fairness, effective communication, teamwork and cleanliness. In addition to training therefore, the employees should be empowered to take ownership of the customer service policies in order to engender in them a spirit of cooperation and participation in serving customers to the best of their abilities (Kuveya 2004, Lamb et al 2008). This will, in the long term translate into profitability and success for the business. Yet for all this to happen, the entrepreneurs themselves, in the first place, need training that engenders in them an appreciation of the value of employee training.

Hiring and training of the right talent do not in themselves always ensure the sustainability of positive performance by the business. Such talent needs to be retained for purposes of continuity of good service to the customers. However, staff retention is only possible through incentives that are aimed at making them stay with the business. This is in keeping with a study Ying-Cheng et al (2010) which established that there was a positive correlation between employee dissatisfaction with conditions of service in a Chinese hotel group in the small to medium scale sector, and staff turn-over. Entrepreneurs therefore need training on motivational strategies aimed at curbing a high staff turn-over. Such strategies would include fair remuneration, a healthy working environment, both physically and socially and provision of other incentives that make employees feel that their services are valued by the enterprise.

#### 4.8 Marketing

Every business needs to attract customers to its products or services. This is done through the marketing of such products or services. According to Lorrette (2011) the heart of small business success lies in marketing. This is because it is through marketing that the business gets word out about its product, achieves higher sales, generates a good reputation for the company and engages in healthy competition all of which lead to a potential increase in profitability.

Key aspects that entrepreneur training in marketing could focus on include the marketing management philosophies, how to gain a competitive advantage, analysing the marketing environment, understanding consumer decision-making, carrying out marketing research, segmenting and targeting markets, types of products, marketing communication, the implementation of marketing communication mix strategies, pricing concepts and setting the right price and the development of strategic marketing plans. Focus on some or all of these aspects of marketing will go a long way in ensuring that entrepreneurs are able to create customer value which according to Cunduit and Gabbot in Gabbot (ed) (2004: 35) is, "...that which makes a thing esteemed ...useful or important." In other words, customer value manifests itself in the purchase decisions that customers make on the basis of their perceptions of what they benefit from the purchase of a particular product or patronisation of a particular service. It follows therefore that if an enterprise can offer superior value to its customers, it raises the probability of purchase, repeat purchase and even word-of-mouth recommendations. The corollary also generally holds true. Where customers do not see value in a product or service, they are unlikely to make a decision to pay for the product or service unless they have absolutely no choice.

According to Lamb et al (2008) there are six philosophies of marketing. These are the production, product, sales, consumer, societal and relationship marketing orientations. Awareness of the distinctions among the six marketing philosophies will therefore enable entrepreneurs to decide which philosophy to follow in a bid to deliver the best value to their customers in light of the product or service they have to offer.

Another aspect of marketing that entrepreneurs need training in is analysis of the business environment. This is because, businesses, whether small or big, do not exist in a vacuum. According to Lamb et al (2008) the business environment can be categorised into the internal and external environments. While the internal environment is internal to the business itself, the external environment is that which is found outside the business. A good understanding of the internal marketing environment is critical to the success of any business as it helps leaders within the business to improve on the marketing-related decisions which they directly have an influence on such as the size of the marketing team and that of the marketing budget. This in turn has a bearing on the quality of the product or service that the business offers to

its customers. The external environment, on the other hand, comprises such factors as demographic, political, social, technological and economic. Training in analysis of these factors is crucial for entrepreneurs as it enables them to put in place measures that mitigate the effects of such negative external environmental factors as recession, inflation, high interest rates and shortage of such key business inputs as fuel, and, for small businesses, foreign currency.

Entrepreneurs also need training in understanding consumer buying behaviour. This is because such an understanding enables a business to put in place systems and infrastructure that lead consumers to make purchases. According to Lamb *et al* (2008), the consumer decision-making process is made up of such steps as problem recognition, information search, evaluation of alternatives, purchase and post-purchase behaviour. Enabling entrepreneurs to take cognisance of these factors in their attempt to deliver value to their customers therefore becomes an imperative. Added to this should be training in the factors that influence consumer buying decisions. According to Lamb *et al* (2008) these can be categorised into two broad categories, namely, individual and social factors. While the individual factors include perception, motivation learning, values, attitudes and beliefs. The social factors include culture, sub-culture, reference groups, family and social class. An understanding of these factors is important for an entrepreneur as it enables him or her to determine what kind of product or service to offer to a particular customer. Religion as an aspect of culture, for example, bars certain groups from the consumption of pork and pork-related products. It would thus be a futile exercise for an entrepreneur to offer such products to a customer for whom the consumption of such products is taboo.

Most businesses, especially those that are located in the central business districts of major cities operate in a very competitive environment made up of both established concerns and fellow entrepreneurs. Inability to deal with this competition could see such businesses failing. Entrepreneurs therefore need training in how to deal with competition in a bid to assist them to offer better products or services than their competitors.

## 5. Methodology

A survey approach was used to gather data for this study. The entrepreneurs included in the survey were those running their businesses in the Johannesburg CBD. These were entrepreneurs in areas including retail of groceries, clothing, motor vehicle spares and fast food takeaways. The choice of enterprises in Central Johannesburg were selected for their proximity to the researcher's work station, the Doornfontein Campus of the University of Johannesburg.

A questionnaire divided into two sections was used as a tool for the collection of the data. The questionnaire was chosen as a tool of data collection because of the ease with which the researcher can use it to collect data from many participants. (Lamb *et al* 2008). The first section of the questionnaire requested socio-demographic information such as the, nationality, gender and age, level of education of the entrepreneur and ownership of the business. The second section of the business focused on the nature and extent of training in several aspects of customer service possibly received by the entrepreneur. Some of the questions in this part of the questionnaire, for example, focused on whether the entrepreneurs had received training in customer communication, marketing and human resource management amongst other customer service-related aspects of business management. The other questions focused on who the training had been received from as well as the duration and content of such training.

A total of 100 questionnaires were distributed. Analysis of the data was based on calculations of percentages of responses to each of the questions.

### 5.1 Response rate to questionnaire

90 of the questionnaires were returned, representing a 90% response rate to the questionnaire.

In addition to the questionnaire, semi-structured interviews were held with ten of the owners of small businesses in the area of focus. The reason for this was to gain an in-depth understanding of the problem being investigated through follow-up questions to some of the responses in the questionnaires completed by the participants. The interviews also helped with capturing feelings and attitudes which manifested themselves through non-verbal communication.

### 5.2 Presentation and analysis of results

Presentation and analysis of the results will be in terms of percentage responses to the questions in the questionnaire. The survey population displayed the following socio-demographic characteristics:

- 38.9% of them are grocery retail businesses
- 22.2% of them are fast food take-ways
- 22.2% of them are into the retail of electronic gadgets

- 11.1% of them are into clothing or footwear retail
- 5.6% of them are into other forms of business such as pharmacies, internet cafes and furniture retail
- Most of the businesses were sole ownership enterprises
- The majority of the businesses were owned/managed by foreigners of Asian origin, followed by foreign Africans with indigenous black South Africans forming the lowest number of owners/managed.

## 6. Findings

The table below shows the percentages of the participants who said they had received training in the various aspects of customer service in the questionnaire.

**Table 1**

Component of Customer Service	Frequency	%
Customer Service in general	10	11.1
Creating Customer value	0	0
Customer retention strategies	2	2.22
Communication Skills	21	23
Human Resources Management	16	17.8
Marketing in general	9	10
Marketing philosophies/approaches	0	0
Consumer buying decision-making	0	0
Analysis of competition	0	0
Pricing strategies	19	21.1
Other customer service-related training	5	5.6

## 7. Discussion of Findings

### 7.1 Training received

The percentages in the table above show that very few of the respondents had received training either in customer service in general or in the different aspects of the discipline. This is demonstrated by percentages as low as zero for such aspects of customer service as creating customer value, marketing philosophies, consumer buying decision-making and analysis of competition. At only 23%, communication skills was the aspect of customer service in which the participants said they had received training. At 21.1%, pricing strategies also had a comparatively high representation. These percentages painted a very gloomy picture for the amount of training in customer service received by the sample of participants chosen for this study.

Those participants who said they had taken part in customer service in general said they had covered such areas as communication with customers and how to handle customer complaints. Amongst the topics cited by those who reported that they had received some training in customer retention strategies were establishing strong social relationships with customers, and getting to know customers' favourite brands so as to ensure these brands always in stock. In follow-up interviews, this it was confirmed, would help to secure repeat purchases by the customers.

The participants who said they had received training in communication skills reported having learnt such aspects of communication skills as the rudiments of indigenous languages such as greetings and basic questions, the importance of being aware of the meaning of certain forms of non-verbal communication unique to South Africa, the importance of cheerful verbal communication with customers and how to handle communication with customers who might have complaints. Another aspect of communication which some of the participants reported to have learnt was the need to write some of their notices in indigenous African languages to cater for those customers who might not be literate in languages such as English and Afrikaans.

Topics such as recruitment, induction, labour relations, compensation and training were cited by those participants who said they had received some training in human resources management. Some, however, admitted that these topics had not been covered in depth but just enough to enable them to hire employees and get them to start working. In follow-up interviews most of these participants demonstrated little understanding of how effective human resources management can be a means by which to achieve excellent customer service.



Those participants who said they had received training in Marketing in general said this was in topics such as distinctions between marketing and closely related disciplines such as advertising and public relations. Some of the participants also said they had received training in marketing-related aspects of marketing such as arrangement of merchandise shop and the importance of making a variety of grocery products, for example, available to customers so that the customers do not have to move from one shop to the other to purchase the products that they need.

The participants who said they had received some training in pricing strategies reported having been exposed to such aspects of pricing as the objectives of pricing, and approaches to pricing. Most of the participants in this category reported using mark-up pricing as a method of pricing. This could be possibly because of their being in retail where this method is the most commonly used. This is keeping with Lamb et al (2008)'s contention that retailers and wholesalers generally use mark-up pricing to determine selling price because they do not directly incur production costs and so they do not have to analyse these costs before arriving at the prices of their goods.

Customer service related training which those participants who said they received training in the 'other' category included business management in general, importation and customs clearance regulations and financial accounting. Follow-up interviews revealed that participants felt that knowledge gained from general business management education would broaden their business management horizons for the ultimate benefit of their customers. Training in financial management was also said to be important as it would enable the enterprise to remain in sound financial shape. This would make the venture sustainable and therefore, in the final analysis, assure the customers of continued availability of goods. Training in importation and customs clearance regulations was mentioned by entrepreneurs of Asian origin who apparently source some of their products from their countries of origin. They therefore felt that knowledge gained from such training would enhance their understanding and application of the process of bringing quality goods from their countries of origin into South Africa for the benefit of their customers.

The benefits of courses attended given by those participants who said they had attended some training or acquired some knowledge in some aspects of customer service ranged from the ability to identify and satisfy customer needs to the realisation that the enterprise cannot make profits, let alone continue into the future, without customers. During follow-up interviews, though, it emerged that the feeling was that training/education in customer service or not, they would still be running their businesses as well as they were doing at the time of carrying out the research.

## 7.2 *Desired training*

100% of the respondents to the questionnaire answered 'yes' to the question pertaining to whether they would attend a customer service course if given a chance. Most of them repeated the courses listed in the questionnaire as the ones they would like to be included in such a course. The feeling amongst these participants was that exposure to such aspects of customer service would help them cater for the needs of their businesses better with the possibility of them realising greater profitability from such service to their customers.

## 7.3 *Training providers*

Most of the participants who said they had attended at least on course or form of training in customer service mentioned that they had done so in recent years such as 2010, 2009 and 2008. There were others, though, that said they gained knowledge of customer service or aspects related to it from their formal education back in the 1990's and, in two cases, 1980's. Institutions and organisations from which such education/training was received included schools, Further Education and Training colleges, and universities from which the participants concerned attained their formal education. Organisations such as Junior Achievement SA, the South African Institute of Entrepreneurship and Youth Development Network were mentioned as some of the providers of the training/education on customer service or customer service related training/education received by those participants who reported having attended some training or form of education in the discipline.

## 8. **Conclusion and Recommendations**

A look at Table 1 paints a very gloomy picture in terms of the extent of training/education in customer service received by entrepreneurs running their businesses in central Johannesburg. This is because, as shown in the table, overall, the percentages of participants who reported having attended some form of training in at least one aspect of customer service are very low. As shown in the table, none of the participants had attended any form of training covering such aspects of customer service as creating customer value, marketing philosophies and consumer buying decision-making.

The researcher's discussion with one of the participants yielded an interesting attitude on the part of the entrepreneur. "I don't really care if customers buy from me or the shop next door. If they come here and find my prices high and they then and go buy from next door, it doesn't really matter because I will still get another customer who will come and buy at my prices", he said. Evidently, this participant has very little appreciation of the importance of good customer service to his business. This explains why the high attrition rate amongst small businesses is often attributed to lack of knowledge of the basics of business management.

Follow-up interviews with some of the participants also revealed generally low levels of formal education amongst the participants. It would appear that for some of them this was actually the reason they were running these small businesses-possible cases of entrepreneurship driven by inability to secure formal employment because the individual concerned does not have the requisite skills for formal employment. While there is basically nothing wrong with such a scenario, the problem arises when the entrepreneur does not receive some form of training/education to enable him or her to run his or her enterprise in a way that makes the venture a sustainable one. In terms of customer service skills, for example, the entrepreneur is left to succeed by trial and error. This is what has seen a number of small businesses failing to flourish.

Looking at most of the participants' approach to customer service, it could also be concluded that most of the participants unknowingly partially use the sales orientation which according to Lamb et al (2008:10), "...is based on the idea that people will buy more goods and services if aggressive techniques are used, and that high sales volumes result in high profits." This is because for most of the participants, the intention seems to be just to sale as much of their products as possible. Yet perhaps, through training/education on customer attraction, retention and value creation strategies they could enhance their enterprises' performance.

Responses to questionnaire and to probing during follow-up interviews revealed willingness by most of the participants to attend customer service training courses. Some of them made enquiries on whether the researcher's University offered such courses.

On the basis of the findings of this study, the researcher makes the following recommendations:

- a government-led formal study of the customer service educational/ training requirements of the people running small business in and around Central Johannesburg. The study could also include other areas of business management such as financial management, strategic planning and human resources management. This would be in keeping with the E/E model's focus on entrepreneurial education for practising entrepreneurs.
- identification of organisations or educational institutions such as universities and FET colleges that could design curricula for such training/educational interventions. This will perhaps lead to what Kayne and Altman (2005) refer to as an appreciation that entrepreneurship is a valued way of earning a living as the tendency in South Africa, as indeed, in other parts of the world is still to look down on entrepreneurs as people who have failed in other areas of academic endeavour.
- running of such courses and the award of formal qualifications to those participants who will have successfully completed the training.
- continuous research on the training/educational needs of people running small enterprises in order to improve the quality of service they offer to their customers as well and with it, a possible improvement in the performance of their businesses in the face of stiff competition from the large and established businesses.

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