LIMPOPO PROVINCIAL GOVERNMENT
DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT and TOURISM

REPORT ON THE STATUS OF RURAL TRADE

WEDNESDAY, AUGUST 15, 2007

TABLE OF CONTENTS

LIST OF ACRONYMS AND ABBREVIATIONS

1. LEDET: Limpopo Department of Economic Development Environment and Tourism

2. LIBSA: Limpopo Business Support Agency

3. LimDev: Limpopo Development Agency

4. SEDA: Small Enterprises Development Agency

5. SMME: Small, Micro and Medium Scale Enterprises

6. YAC: Youth Advisory Centres

EXECUTIVE SUMMARY

Enshrined in the Provincial Growth and Development Strategy (PGDS) is the need to promote economic growth through SMME development. With 86% of Limpopo residents being reffered to as living in rural areas, rural SMMEs are therefore seen as an instrument of economic growth which promotes the narrowing of the socio-economic divide.

A study on the Status of Rural Trade was initiated by the Department of Economic Development, Environment and Tourism (LEDET) with the objective of establishing the current status of rural trade from a sustainability and viability perspective. Key to the study, was the need to uncover the challenges faced by SMMEs trading in rural areas, adequacy of service provision, sustainability of prices charged, types of goods sold service provided and whether businesses in the rural setting were benefiting from Government initiated support services. The study entailed an exploratory approach that looked at Government agencies, Consumers and rural SMMEs in order to unravel the Status of Rural Trade. One thousand two hundred and fifty consumers and one hundred and fifty SMMEs were interviewed from all the five districts in the Province. In addition four Government agencies were also interviewed inorder to gain insight into the quality and adequacy of service provision targetting rural SMMEs.

The study established that the majority of consumers classify themselves as urban shoppers when it comes to purchasing basic goods and services. The main reasons for urban shopping were narrowed down to perceived lower prices and better quality of goods and services found in urban areas than in rural areas. Because of very low household incomes coupled with large families, rural

consumers were highly sensitive to prices and as a result preferred shopping in urban areas where they perceived prices to be cheaper.

Consumers in most rural areas surveyed, also indicated that they frequent Clothing stores and Supermarkets. These services were not locally available and this was another reason why the respondents interviewed purchased in urban areas. The study also found out that Media , predominantly television and radio had a very high influence on shopping destination and with big advertising expenditures characterising urban shops, consumers were attracted of urban centers. It was observed during the research that rural clothing stores or supermarkets offered very limited services as compared to retail chains found in urban areas. It therefore means that Clothing stores and Supermarkets in rural areas would have to be sensitised to work closely together. A possible solution might be to bring these small businesses together as cooperatives through the formation of Industrial Parks in strategic places if these stores are to attract consumers like their urban counterparts.The cooperatives would also be able to assist the SMMEs to source their products collectively at competitive prices. Marketing of the Industrial Parks (through television and radio) rather than individual stores would achieve cost effective results.

The study also revealed that the majority of consumers in the rural area purchased from predominantly Asian–owned businesses. However , locally owned businesses were in the majority. Asian owned businesses were perceived to offer lower prices and as a result enjoyed a high clientele base from the price sensitive rural consumers.

Many rural businesses were confronted with a host of challenges. Lack of access to financial and non financial services was cited as the biggest challenge

facing rural businesses. Another challenge was lack of business skills and the inability to creatively deal with local as well as urban based competition.

Most businesses interviewed were operating as Sole Propreitorships, and were not accessing financial and non-financial services from Government agencies. Failure to access such support was attributed to lack of awareness and in some cases failure to register. As a result of lack of support most SMMEs succumbed to competition. It is therefore recommended that Government agencies review the current awareness campaigns targetted at rural SMMEs to ensure maximum impact and also encourage the rural businesses to be registered with Companies and Intellectuall Property Registration Office (CIPRO), South African Revenue Service (SARS) and other regulatory bodies in order to access business services that can empower them. The advantage of being registered is that such entities are recognised as formal entities and as such can benefit from the support of Government Agencies that are operating in the Province. Whilst there is no guarantee of support from potential financiers; entities that are fornally registered stand a better chance of accessing funding.

1. INTRODUCTION

Enshrined in the Limpopo Government Provincial Growth and Development Strategy (PGDS), are the following strategic objectives:

- Improve the quality of life of the Provincial Population using Spatial Rationale;

- Promote economic growth through competitive cluster formation and SMME development;

- Raise the institutional efficiency and effectiveness of government;

- Address unique priorities as they arise, such as BEE, Poverty reduction and HIV/AIDS, TB & Malaria;

- Regional social & economic integration towards achieving the objectives of NEPAD.

The government further has a mandate to narrow the socio-economic opportunity divide that was created under apartheid.

From the strategic objectives, it is also evident that the South African Government places an emphasis on the importance of Small, Micro and Medium Enterprises (SMMEs) in achieving economic growth. SMMEs are also viewed as a vehicle in further narrowing the income divide between the most developed and least developed Provinces and economic areas.

The Limpopo Provincial Government acknowledges that SMMEs coupled with a favourable trading environment are key economic drivers. The Provincial Government has further acknowledged that consumption is directly linked to business confidence.

According to the latest South African all media and products survey and a Stats SA publication (2006, STATISTICTS, S.A), 86% of Limpopo inhabitants reside in rural areas and a mere 14% in urban areas. Local Government therefore places emphasis on understanding the dynamics of rural trade from a business and consumer perspective so as to be in a better strategic planning position. Key to the promotion of rural trade is the need for effective policy formulation that can aid in narrowing the economic divide between the most developed and least developed geographical areas.

The Department of Economic Development, Environment and Tourism (LEDET) as part of its mandate have thereby commissioned a study on the Status of Rural Trade in the Province.

2. BACKGROUND TO THE PROBLEM

Whilst the Limpopo Provincial Government sees SMME formation, growth and development as an imperative, it is worrying to realize that rural SMMEs within the Province are losing customers to businesses within urban areas. It appears that businesses in rural settings are also being taken up by non-indigenous business people. Furthermore it is not categorically known as to what extent rural SMMEs are benefiting from government led initiatives and if business support services are adequately available for the benefit of SMMEs within the Province. The government would therefore want to be in a position to understand the dynamics and implications of the abovementioned occurrences in order to plan more effectively.

Against this background, the Limpopo Government through the Department of Economic Development, Environment and Tourism commissioned a study on the Status of rural trade in the Province.

A   meeting was held between LEDET and Turnaround Partners on the 12th of March 2007. The objective of the meeting was to refine the Terms of Reference and to finalise the project charter. A copy of the project charter is Appendix 1 of this report. The following project objectives were agreed upon:

- To ascertain the challenges being faced by SMMEs in the rural setting.

- To find out why rural consumers are choosing to shop in urban areas.

- To find out the level of service provision offered by SMMEs in rural areas.

- To ascertain the impact of non-locals taking up business within the rural environment.

- To find out the level and composition of competition faced by SMMEs in rural areas.

- To find out if products being sold, and prices being charged are sustainable in rural environments.

- To find out if SMMEs are benefiting from government support services, with a bias towards non-financial services aimed at enhancing business sustainability.

3. METHODOLOGY

The nature of the research objectives required a three-pronged approach to the research. Since there was no evidence pointing to research of this type having been conducted before, it was established that the approach would be exploratory consisting mainly of primary research and therefore employed the following methodologies:

- Survey of rural SMMEs. The SMMEs targeted consisted of formally operational service and retail businesses as identified, classified and confirmed with the aid of the Department. Non-operational businesses were not subjects for the research.

- Survey of rural consumer target groups.

- In-depth interviews with business Government agencies as discussed below.

3.1   RESEARCH TOOLS

3.1.1 SMMEs

Questionnaires were used as a tool of primary data collection. Due to the relatively large sample of 150 SMMEs, questionnaires were selected as the most efficient and effective method of collecting large amounts of data. To ensure effective statistical analysis of responses, the questionnaire was designed to capture 95% close-ended (predetermined multiple choice answers) and 5% open ended responses (own responses). Minimal use of open-ended questions was also enforced to minimize interviewee bias. The SMME questionnaire is attached as Appendix 2.

3.1.2 CONSUMERS

For consumer responses, questionnaires were used for primary data collection. The questionnaire type was 98% structured and 2% unstructured. Minimal use of open-ended questions was enforced to minimize interviewee bias and to cater for potentially overwhelming response clutter in a large sample size of 1250 respondents. The consumer questionnaire is attached as Appendix 3.

3.1.3 GOVERNMENT AGENCIES

Semi-structured In-depth interviews were used as sources of primary data collection. In- depth interviews are face to face discussions that are done with experts and primary stakeholders in a particular research area. With in-depth interviews, the discussion takes place at the respondent's preferred setting so as to ensure that they are as comfortable and relaxed as possible, to give meaningful and accurate insight about the topic. In this case four in-depth interviews were held with selected Government agencies after consultation with the Department. A copy of the in-depth interview guide is attached as Appendix 4.

3.1.4 FIELD WORK

The planning rationale for the field work focused on establishing extensive coverage of the research area and target population using minimal but effective resources.

A pilot study was launched prior to the actual research to give insight into how the rest of the survey would be conducted. Five Teams were systematically deployed into the five districts, and feedback from the different teams was compiled to come up with a uniform plan of action for the actual research. This was done to ensure maximum accuracy and integrity of final outcomes.

University students were recruited and requested to work in their rural areas of origin. This initiative was carried out to empower locals as well as cater for language and cultural differentials that could possibly complicate and invalidate the research.

A mapping of the exact rural clusters to be visited for the actual research was done during the pilot study with the assistance of municipal officers in the municipalities visited.

Whilst rural areas are characterised by a general deficiency of public infrastructure and service levels the incidence of this differs between areas. Assistance from municipal officers therefore proved to be very crucial in pointing out among other factors the development patterns of the rural areas within the various municipalities.

3.2   SAMPLING

The final research sample consisted of 1250 responses from consumers in rural areas, and 150 responses from SMMEs in areas of rural trade activity. Table 1 below shows the breakdown of the sample size by district.

Table 1: Breakdown of the Sample Size by District

District	SMMEs Sample Size	Consumer Sample Size
Vhembe	30	250
Mopani	30	250
Waterberg	30	250
Sekhukhune	30	250
Capricorn	30	250
Total	**150**	**1250**

3.2.1   CONSUMER SAMPLING

To determine the sample size for rural consumers, all the research constructs relevant to the study were identified. The population at large consisted of rural consumers, which account for 86% of the Limpopo population. Primary sampling was done in the following categories:

- Districts (all the districts in Limpopo formed part of the sample to cater for differences in economic imbalances and cultural dynamics that might influence consumer buying behaviour).

- Age-group (only decision making consumers aged 18+ were targeted)

- of Rural trade clusters (areas with similar trade situations were clustered and selection of actual area to be visited was done randomly)

  Having taken this into consideration the eligible respondents were selected randomly

3.2.2 SMME SAMPLING

SMME sampling was based on expert value judgment using non-probability quota sampling. It was not possible to arrive at a set figure for the number of SMMEs operating in the rural areas, but value judgment enhanced by the pilot study indicated that a sample size of 30 SMMEs per district would be more than representative taking into consideration that a clustering sampling approach was being used. Quota sampling is used to ensure that representative research quotas are captured. In this case it was used to ensure that the race of the business owner and service type was captured.

3.2.3 SERVICE PROVIDER SAMPLING

The research identified major Government agencies dealing in SMME business service provision in Limpopo Rural areas. The following institutions identified formed the service provider sample:

Table 2: Government Agencies

Institution	Service Description
Umsobomvu	Youth Business Development & Support
LIBSA	Business Support & Development
SEDA	Business Development
LimDev	Business Finance

3.3   RESOURCE MOBILISATION

A total of 15 field workers and 5 supervisors were recruited from the University of Limpopo and the University of Venda. These were trained over a period of 3 days. Training included research methodology, sampling procedures and research communication. Research assistants were then dispatched to different districts according to language and knowledge of the area under consideration. Research Managers from the Department of Economic Development, Environment and Tourism were assigned to the various districts to monitor the progress of the teams. Each team comprised of 3 field researchers, 1 supervisor and 1 Research Manager.

3.4   WORK DESCRIPTION

Table 3 below gives a description of the different duties carried out by the research team.

Table 3: Task Description

MANAGERS	SUPERVISORS	RESEARCHERS
• **Monitoring research**	• Planning daily work and scope • Quality & integrity checks • Conducting SMME research • Report on research findings	• Conducting consumer research • Daily reporting to supervisor

3.5 QUALITY CONTROL

The following precautions were taken to ensure data accuracy and reliability

- Assignment of Research Managers to monitor research;

- Rigorous training of field researchers;

- Spontaneous field work checks;

- Cleaning of data before analysis;

- Field quality and integrity checks by Supervisors;

- Involvement of Client at all key stages of the research;

- Data triangulation.

3.6   FIELD WORK

Fieldwork was launched on Tuesday the 27th of March and was completed on the 1st of April 2007. Conducting the research throughout the week, including the weekend ensured that consumers who would otherwise be omitted during the week would be covered as well.

A clustering sampling approach was used to identify rural areas that would be visited for the purpose of the research. This approach called for the division of the universe into groups and then selecting any number of these groups at random and enumerating their items completely.

The researchers were accommodated in the districts in which they were conducting research for the entire duration of the fieldwork to maximize productivity in the given number of days.

3.6.1 KEY POINTS OF INTEREST

- In all the areas that were visited, respondents were very receptive to interviewers, mainly because most of them were of the opinion that the government was attempting to uplift their areas. This could otherwise, have led to a certain element of interviewee bias as most respondents could have been too eager and thus answered the questionnaires with heightened expectations. Quality checks ensured that inconsistent responses were identified and excluded from analysis during the data capturing stage. Such responses were considered as being part of the non-response or spoiled sample.

- The level of economic development was different from one area to another, because some areas had better services than others. As a result, responses are bound to differ between areas.

4 FINDINGS

4.1 GOVERNMENT AGENCIES

In depth interviews were conducted with all the leading Government agencies that are active in the Province and the following sections presents the findings of the research.

4.1.1 LIBSA

LIBSA has a presence in the rural areas of Limpopo through its offices, which are located in the following areas:

- Giyani

- Thohoyandou

- Jane Furse

- Bushbuckridge

- Blouberg

- Lephalale

- Phalaborwa

- Maatla-ke Batho

LIBSA is also undertaking an initiative to have offices in all the municipalities in Limpopo. The organisation hopes to have this in place by the end of 2007. All of LIBSA's non-financial services are offered free of charge though business owners have to apply to benefit from such services.

The key interventions offered by LIBSA through all its offices include the following:

- Business Information
- Business Incubation
- Business training and development
- Co-operative development
- Business mentoring and counseling
- Collecting and disseminating tender information
- Assisting in completing tenders
- Assisting in compiling business plans and profiles
- Assisting in identifying business opportunities
- Facilitating linkages to business markets
- Facilitating access to finance.

According to LIBSA, the following services are sought by businesses in rural areas:

- Access to finance
- Business plans

LIBSA provides training workshops through its offices, which are located in the rural areas. It offers basic business training in the following fields:

- Bookkeeping
- Business management
- Financial management
- Project management
- Practical marketing
- Costing and pricing

LIBSA runs awareness campaigns targeted at rural areas through Talk Shows on

local radio stations like Thobela, Mungana Lonene and Phalaphala. The radio stations contribute immensely in the delivery of business related information and activities that LIBSA undertakes to assist entrepreneurs.

LIBSA also utilizes a range of information medium to disseminate information to its wide spectrum of its rural clientele. They have developed a brand booklet, co-operative booklet, quarterly newsletter, and monthly information periodical as a means to reach clients across the Limpopo Province and beyond. The brand booklets are written in indigenous languages spoken in the Province to ensure that they are well understood by some of the rural clients who cannot read or write English.

Key challenges that LIBSA has identified as being faced by rural businesses include the following:

- Lack of business skills.

- Lack of business motivation with a heavy reliance on grants by the entrepreneurs.

- Lack of transport and interest by businesses in rural areas to pool together for sourcing of inputs.

4.1.2 SEDA

SEDA has presence in rural areas through its offices which are located in every district. The organization offers the following services:

- Business planning

- Business management

- Access to finance

- Access to markets

- Government regulation

- Human resources

- VAT Registration

- National procurement

The organisation's target is to have a portfolio consisting of 20% medium size companies and 80% small to micro enterprises. According to SEDA the key interventions sought by businesses in rural areas are broken down as follows:

- Sixty percent (60%) seek access to finance.

- Forty percent (40%) seek access to markets, joint ventures, equipment and access to general business information.

SEDA stated that rural based entrepreneurs are not sure about the type of interventions that they really need, and therefore SEDA uses an "assessment-training –mentoring" model. By assessing the business requirements, they are then able to clearly establish the entrepreneur's business requirements.

SEDA requires entrepreneurs to pay 10-35% of service fee on targeted business initiatives. SEDA then subsidizes by paying the rest. SEDA out sources business support services to professionals.

The agency runs awareness campaigns in rural areas through local radio stations. According to SEDA, the impact of the awareness campaign has been positive, with 40-60 people attending its workshops, a marked increase from the 5-6 people before awareness campaigns were initiated. SEDA also hosts network sessions in rural areas twice every quarter to foster linkages. These network sessions are strictly by invitation.

SEDA has identified the following issues as challenges faced by SMMEs in the rural environment:

- Foreign individuals are overtaking locally owned rural businesses. Local businesses do not want to partner for product sourcing or other reasons. Foreign businesses collaborate to form sourcing cooperatives and other business linkages. SEDA stated that rural businesses were spoilt by apartheid and the prevalence of government support and that social security in rural areas is worsening the situation as entrepreneurs are finding more comfort in pursuing government grants than in seriously pursuing independent business initiatives.

- According to SEDA, transport is a problem for businesses in rural areas that usually need to source their stock from urban areas, which are far from where the business is located.

4.1.3 LIMDEV

LimDev has offices in the urban centres and none in the rural areas. The organization advances loans to approved businesses. Its mandate however, excludes most businesses in the rural areas as they have stringent lending criteria, which these businesses fail to meet. To access funding from LimDev, the

business must have a legal status and be registered with SARS and is required to submit a business plan and six months bank statements and should provide suitable collateral which excludes Life Policy. An application fee ranging between R500 to R5000 is payable once the loan is approved. LimDev finds it difficult to engage with small rural businesses as the cost of processing "small" loans usually outweighs the interest that is received on the loan. The major challenge according to LimDev is the failure by the SMMEs to repay the loans that they access.

LimDev's services are free of charge. However, businesses incur interest repayments once they are granted loans. The only interventions that LimDev offers that could be of interest to rural businesses are the provision of financial assistance through loans and provision of rental space to SMMEs through Industrial Parks.

LimDev does not provide any training, neither does it run awareness campaigns targeted at rural businesses.

4.1.4 UMSOBOMVU

Umsobomvu has a presence in rural areas through its Youth Advisory Centres (YACs), which are located in all the Limpopo districts as well as through its network of Government agencies, registered with Umsobomvu. Most Government agencies are however, located in the urban areas close to rural areas, with very few operating from the rural areas.

Umsobomvu charges clients a fee of R200 for all its business services. The R200 fee entitles clients to a subsidized voucher, which enables them to seek for services from Umsobomvu accredited service providers.

The key interventions offered by Umsobomvu include the following:

- Business development

- Tendering

- Business linkages

- Business support

- Training

- Business mentoring

- Incubation

- Loans

- Grants

- Youth advisory

According to Umsobomvu the key interventions sought by businesses in rural areas are:

- Business plans

- Business loans

- Business grants

Umsobomvu conducts workshops in rural areas through its YACs and also invites community leaders to these large gatherings so that they can participate in the workshops. The organisation has been undertaking awareness campaigns in the rural areas through hosting weekly talk shows on community radio. It also disseminates information by distributing pamphlets through the district satellite centres.

According to Umsobomvu the biggest challenges faced by businesses in rural areas is lack of information and transport to procure inputs.

4.2 ANALYSIS OF SERVICE PROVIDER FINDINGS

4.2.1 ACCESS TO SERVICES FOR RURAL SMMES

Proximity and access to services is a challenge for small businesses. This is more critical in rural areas where transport is a problem and entrepreneurs cannot spend time away from their businesses.

LIBSA and Umsobomvu have greater presence in rural areas with service centers located in Municipal rural settings. LIBSA's presence is through the offices located in strategic rural areas, whilst Umsobomvu's presence is through the Youth Advisory Centers. This makes their services visible, accessible and promotes ownership of these services by the rural communities in which they are based.

SEDA and LimDev have service centers located in the districts. Whilst these service centres are accessible to small rural entrepreneurs, very few of the entrepreneurs are aware of the services. Potential clients also do not have time to travel away from their businesses for long periods in order to obtain these services. This fact has been verified by the amount of traffic reported by the service providers at their offices. On the other hand LIBSA and Umsobomvu have recorded high business traffic at their service centers, and hence have opened more centers in rural areas to keep up with the demand. SEDA on the one hand, whilst reporting brisk business at its district offices, still lags behind LIBSA and Umsobomvu. LimDev on the other hand shuns business from rural areas because of their poor returns and therefore strategically limits its presence to districts.

4.2.2 SERVICE FEES FOR RURAL SMMES

SEDA, LimDev and Umsobomvu have a financial cost attached to their service provision. SEDA charges a fee of between 10-35% of service fee to clients, whilst Umsobomvu charges a R200 flat fee for all its services. LimDev on the other hand charges interest on loans that it furnishes. LIBSA is the only agency that provides its services free of charge.

Whilst LIBSA was the only service provider that provided statistics from its rural centers, it was clear from the interviews that levying service fees acts as a hindrance for rural businesses in seeking for services all other aspects held constant (proximity, awareness, range of services etc).

4.2.3 ADEQUACY OF SERVICE PROVISION FOR RURAL SMMES

It might appear as if there is a duplication of business services being offered by LIBSA, Umsobomvu and SEDA. Umsobomvu however, has a niche market in that it provides services to youth aged 18 to 35. LIBSA has managed to penetrate the rural market and has effectively accessed the Historically Disadvantaged Individual (HDI) communities due to its presence in the rural areas whilst SEDA tends to be targeting semi-developed to developed areas due to its location in the districts. The Government agencies are therefore catering for different markets, and their service can be deemed sufficient for each segment with Umsobomvu and LIBSA adequately catering for the rural market.

Though the services are only limited to the youth, Umsobomvu plays a greater role than the other Government agencies. Not only does the organisation offer non-financial services but it also offers loans and grants.

4.2.4 AWARENESS OF PRESENCE OF SERVICE PROVIDERS

All Government agencies with the exception of LimDev have awareness campaigns targeted at businesses in rural areas. Umsobomvu and LIBSA have targeted campaigns that make use of community radio stations that are directly owned by some of the rural communities. SEDA makes use of the local radio stations with provincial coverage, whilst LIMDEV does not run any awareness campaigns.

The use of community radio stations brings ownership to every community to which a campaign is targeted, whilst the local radio can be used to create provincial awareness. SEDA is still relatively unknown as it is still a new agency. It uses local appropriate stations in creating extensive coverage. All Government agencies with awareness campaigns have recorded improvement in business since they started. Respondents indicated that they were aware of Government agencies through the radio.

4.2.5 RURAL SMME BUSINESS CHALLENGES

The biggest challenges faced by rural SMMEs as indicated by the Government agencies were:

- Access to finance.

- Lack of business skills.

- Transport to source inputs.

- Social attitudes (Apathy amongst owners and not wanting to partner to procure inputs and reliance on government subsidies by individuals that makes business motivation minimal).

4.3   ANALYSIS OF CONSUMER RESPONSES

The following analysis was based on statistical inferences conducted on responses obtained from consumer research questionnaires. The analysis was broken down per district (five in all) under survey and gives data for individual municipalities and rural areas. The sample size for each district was 250

respondents. A total of 1250 consumers were surveyed in the whole of Limpopo Province.

4.3.1 ANALYSIS OF CONSUMER SPENDING POWER IN RURAL AREAS

In the absence of disposable income data, household income data can be useful to ascertain buying power. By analysing the income data and looking at the number of individuals in each household, one can ascertain the level of buying power and the likely demand elasticity to prices.

The following analysis looked at household incomes across rural areas surveyed. Cross tabulations of household income against household numbers are also analysed. The analysis also seeks to establish the influence of price, distance from service and quality on consumer purchasing patterns.

The data generated gives an indication of buying power, potential demand responsiveness to price changes and key purchasing behaviour influences.

 VHEMBE

Table 4 shows the consumer income data for Vhembe District. A detailed response breakdown for all rural areas visited is given. The data shows that the majority (88.4%) of respondents in Vhembe District had a monthly income of less than R1000, while 9.6% of respondents had a household income between R1000

and R5000 and 1.2% had an income of between R5001 and R10 000. Only 0.8% had a household income of more than R10 000 in Vhembe District.

Table 4: Consumer Incomes by Rural Areas in Vhembe District

Municipalities	Rural Area	Income			
		LESS R1000	R1000-R5 000	R5001-R10 000	R10000+
Thulamela	Tshitavha	57.9%	42%	-	-
	Tshikombani	90.9%	9%	-	-
	Tshidimbini	50.0%	50%	-	-
	Mhinga	87.5%	12.5%	-	-
	Makonde	87.5%	6.3%	-	-
	Ha-Makhuvha	100.0%	-	-	-
	Ha-Lambamani	79.4%	19.1%	1.6%	-
Mutale	Tshilamba	50%	50%	-	-
	Shakadza	70.6%	23.5%	5.9%	-
	Mufulwi	72.2%	22.2%	-	5.6%
	Matavhela	91.7%	8.3%	-	-
	Mafukani	60%	40%	-	-
Makhado	Vhulaudzi	100%	-	-	-
	Vhangani	87.5%	-	12.5%	-
	Tshimbupfe	93.8%	6.3%	-	-
	Mathothwe	100%	-	-	-
	Masia	81.8%	18.2%	-	-
	Mashau	100%	-	-	-

Malonga	100%	-	-	-
VHEMBE	**88.4%**	**9.6%**	**1.2%**	**0.8%**

Table 5 below is a cross-tabulation between household incomes and household size. It shows that the majority (66%) of households in Vhembe district consist of an average of three to eight individuals living on an income of less than R1000 per month.

Table 5: Income by Household Size in Vhembe District

Income	House Hold Size (People Living In Household)				
Rands	Less Than 2	3 to 5	6 to 8	8+	TOTALS
LESS 1000	12	84	80	29	205
	5%	34%	32%	12%	82%
1000-5000	0	23	12	5	40
	0%	9%	5%	2%	16.00%
5001-10000	0	1	2	0	3
	0%	0%	1%	0%	1.20%
10000+	0	1	0	1	2
	0%	0%	0%	0%	0.80%
VHEMBE	**12**	**109**	**94**	**35**	**250**
	5%	**44%**	**38%**	**14%**	

Table 6 shows how price, quality and distance influenced consumer purchasing decisions. The data shows that 72% of respondents, considered the price of goods and services before purchasing thus showing a link between household

incomes and purchasing influence. Because household incomes are generally low amongst Vhembe respondents, consumers in Vhembe tend to consider the prices of goods and services highly when making purchasing decisions. Consumers in Vhembe are price sensitive.

Distance was ranked third by an overwhelming majority of 79% of respondents, showing that consumers in Vhembe are generally unconcerned about distance in their quest for low prices, and could potentially travel far in search for low prices

Table 6 Ranking of Price Quality and Distance in Vhembe District

	Price	**Quality**	**Distance**
Rank 1	72.08%	25.48%	2.53%
Rank 2	26.5%	55.49%	17.92%
Rank 3	1.42%	19.03%	79.55%

WATERBERG

Table 7 shows that the majority (65.6%) of respondents in Waterberg have a household income of less than R1000. Mandela Extension 6 area recorded 83% of respondents with household incomes of between R1000 and R5000, showing moderate purchasing power amongst residents of this rural area. Other areas of moderate purchasing power were Sekgakgapeng in Mokopane, and Selokong and Mandela Extension 7 in Bela Bela.

Table 7: Consumer Incomes by Rural Areas in Waterberg District

Municipalities	Rural Area	Income		
		Less R1000	R1000-5000	R5001-10000
Mookgopong	Seedbed	50%	50%	-
	Pomolog	71%	28.6%	-
	Baraga	87%	12%	-
Mokopane	Sekgakgapeng	33%	67%	-
	Mosate	79%	7%	14%
	Ga-Madiba	50%	50%	-
Modimolle	Mabatlane	81%	18%	-
	Leseding Ext2	62%	38%	-
	Leseding Ext1	62%	38%	-
	Baipehing	100%	-	-
Bela Bela	Selokong	43%	57%	-
	Rapotokwane	72%	28%	-
	Radium/Masakane	100%		-
	Pienaarsrivier	70%	30%	-
	Mazakhela	50%	50%	-
	Mandela Ext7	37%	63%	-
	Mandela Ext6	16%	84%	-
	Mandela Ext5	66%	34%	-
	Mampatile	66%	34%	-
	Mabula	78%	22%	-
	Leseding	75%	25%	-
	WATERBERG	**65%**	**34%**	**1%**

Table 8 below shows that 46% of households in Waterberg constitute of three to five individuals with household incomes of less than R1000. A number of households (16%) fall within the R1000-R5000 household income bracket, showing moderate buying power for the district.

Table 8: Income by Household Size in Waterberg District

Income	House Hold Size				
	Less Than 2	3 to 5	6 to 8	8+	TOTALS
LESS 1000	15	75	52	22	164
	6%	30%	21%	9%	65.6%
1000-5000	10	39	30	5	84
	4%	16%	12%	2%	33.60%
5001-10000	0	1	1	0	2
	0%	0%	0%	0%	0.80%
WATERBERG	**25**	**115**	**83**	**27**	**250**
	10%	**46%**	**33%**	**11%**	

The data in table 9 shows that only 38% of respondents considered the price of goods and services before purchasing. On the other hand a significant number of respondents (43.60%) ranked quality as the number one influencing factor in shopping for goods and services.

The data also shows that consumers in Waterberg district were generally unconcerned by traveling long distances when acquiring goods and services. Distance was ranked third by the majority of respondents (70%), showing that

people in Waterberg can travel long distances when it comes to making purchasing decisions and are generally unconcerned about travelling far in their quest for quality goods and services.

Table 9: Ranking of Price, Quality And Distance in Waterberg District

	Price	Quality	Distance
Rank 1	38%	43.60%	18.40%
Rank 2	46.60%	42.40%	11.60%
Rank 3	15.60%	14%	70%

SEKHUKHUNE

Table 10 shows that 62% of respondents in Sekhukhune earned a household income of less than R1000, 32% between R1000 and R5000 and 6% between R5001 and R10 000.

The data shows that 25% of respondents in Apel, 20% of respondents in Gamashishane and 40% of respondents in Ribacross, had an income which fell in the R5 001 and R10 000 categories. This indicates that there is potentially high spending power in those areas.

Table 10: Consumer Incomes by Rural Areas in Sekhukhune District

Municipalities	Rural Area	Income		
		Less R1000	R1000-5000	R5001-10000
	Phokwane	57%	43%	-
	Jane Furse	44%	56%	-

	Glencowie	40%	60%	-
	Garantobeng	100%	-	-
	Gaphala	75%	25%	-
G Tubatse	Gamashishane	25%	50%	25%
	Thokwane	67%	33%	-
	Ribacross	60%	20%	20%
	Prekteseer	63%	38%	-
	Moroke	67%	22%	11%
	Bothasoek	100%	0%	-
	Monsterius	91%	9%	-
GroblersdaL	Lukau	60%	40%	-
	Jerusalem	64%	36%	-
	Moganyake	64%	27%	-
G Marblehall	Marulaneng	60%	40%	-
	Manapsane	75%	25%	-
	Mamphogo	60%	40%	-
	Mohlaletsi	75%	25%	-
	Mohlaba Cr	100%	-	-
	Ga-Seroka	65%	30%	5%
Fetakgomo	Ga-Nkoana	37%	53%	11%
	Ga-Nchabeleng	53%	35%	12%
	Apel	30%	30%	40%
	Tafelkop	63%	38%	-
EMotsaledi	Sphaku	86%	14%	-
	Mogaung	75%	25%	-
	SEKHUKHUNE	**62%**	**32%**	**6%**

Table 11 shows that 48% of respondents were from households of between three and eight individuals with incomes of below R1000. The table also shows that 29% of respondents were from households of between three and eight individuals with household incomes of between R1000 and R5000.

Six percent of respondents were from households with less than 8 individuals and with incomes of between R5001 and R10 000. These findings point to moderate buying power and high demand due to the large households.

Table 11: Income by Household Size in Sekhukhune District

Income	House Hold Size				
	Less Than 2	3 to 5	6 to 8	8+	Totals
LESS 1000	16	62	57	21	156
	6%	25%	23%	8%	62%
1000-5000	1	38	34	7	80
	0%	15%	14%	3%	32%
5001-10000	1	8	5	0	14
	0%	3%	3%	0%	6%
All Groups	18	108	96	28	250
	7%	43%	38%	11%	

Table 12 reveals that the majority (74%) of respondents in Sekhukhune rural areas ranked price as being the most important factor when making purchasing decisions. The table also shows that 54% of respondents ranked distance third, showing that the majority of people in Sekhukhune are relatively unconcerned about distance when making purchasing decisions, as long as the prices in their chosen destinations were low.

Table 12: Ranking of Price and Quality in Sekhukhune District

	Price	Quality	Distance
Rank 1	74%	20%	7%
Rank 2	23%	37%	39%
Rank 3	3%	43%	54%

MOPANI

Table 13 shows that 58% of respondents in Mopani District were from households with a monthly household income of less than R1000. The data also shows that 37% of the respondents in this district had a household income of between R1000 and R5000 per month. Only 5% of the respondents interviewed had a monthly income of between R5001 and R10 000. Rural areas of Zangoma, Rifara and Mokgoloboto in Greater Tzaneen have significant numbers of respondents in the R1000 to R5000 household income group at 67%, 100% and 67% respectively. This shows significant buying power amongst consumers in these rural areas.

Deocks, Metz in Maruleng, and Mokwasela in Greater Letaba also have significant number of respondents in the R5001 to R10 000 household income group, showing relatively high incomes in these rural areas, and potentially high buying power.

Table 13: Consumer Incomes by Rural Areas in Mopani District

Municipalities	Rural Area	Income			
		Less R1000	R1000-5000	R5001-10000	R10000+
Phalaborwa	Matiko-Xikaya	60%	40%	-	-
	Maseke	75%	25%	-	-
	Makhuxane	30%	70%	-	-
	Lulekani	53%	47%	-	-
	Benfarm	50%	50%	-	-
Maruleng	Metz	40%	20%	40%	-
	Makgaung	60%	40%	-	-
	Lorraine	33%	67%	-	-
	Gasekororo	60%	20%	20%	-
	Deocks	33%	22%	44%	-
G Tzaneen	Zangoma	33%	67%	-	-
	Sasekani	88%	13%	-	-
	Rifara	-	100%	-	-
	Petanenge	50%	50%	-	-
	Mokgoloboto	33%	67%	-	-
	Mohlaba Cr	53%	47%	-	-
	Mariveni	75%	25%	-	-
	Khujlwane	25%	75%	-	-
	Khopo	-	75%	25%	-
	Dan	82%	18%	-	-
G Letaba	Shotong	43%	43%	-	14%
	Mokwasela	50%	-	50%	-
	Modobung	-	100%	-	-

	Maphakati	57%	43%	-	-
	Iketleng	75%	25%	-	-
	Bodupe	67%	33%	-	-
G Giyani	Shamfana	40%	40%	20%	-
	Sekhunyani	67%	33%	-	-
	Rivala	25%	75%	-	-
	Nkuri	83%	17%	-	-
	Nkomo	100%	-	-	-
	Ngove	75%	25%	-	-
	Muyexe	88%	13%	-	-
	Mashishimane	75%	25%	-	-
	Kamninginisi	86%	14%	-	-
	Jim	100%	-	-	-
	Gandlanani	20%	80%	-	-
	MOPANI	**58%**	**37%**	**5%**	**0.3%**

Table 14 shows that 29% of respondents came from households with between six and eight individuals with incomes of less than R1000. A significant percentage (20%) of respondents came from households with a household size of between three to five individuals. Household incomes of these respondents were also between R1000 and R5000. The expected result would be high demand and moderate buying power.

Table 14: Income by Household Size in Mopani District

Income	House Hold Size				
	Less Than 2	3 to 5	6 to 8	8+	Totals
Less 1000	3	50	73	18	144
	1%	20%	29%	7%	57.60%
1000-5000	2	49	34	8	93
	1%	20%	14%	3%	37.20%
5001-10000	0	6	5	1	12
	0%	2%	2%	0%	4.80%
10000+	1	0	0	0	1
	0%	0%	0%	0%	0.40%
All Groups	6	105	112	27	250
	2%	42%	45%	11%	

Table 15 illustrates the ranking of price, quality and distance by respondents. A majority of respondents, (64%) ranked price as being the most influencing factor in making purchasing decisions.

Quality was ranked second by 58% of the respondents, indicating that it also had an influence in purchasing decisions but only after price. An overwhelming 92% of the respondents ranked Distance as the least important factor in making purchasing decisions. This shows that people in Mopani are generally not concerned about traveling long distances in search of favourable prices and quality.

Table 15: Ranking of Price, Quality and Distance In Mopani District

	Price	Quality	Distance
Rank 1	64%	35%	2%
Rank 2	35.60%	58%	6%
Rank 3	0.40%	7%	92%

CAPRICORN

Table 16 shows that 52% of respondents were from households with a monthly income of less than R1000. The data also shows that 39% of the respondents were from households with incomes between R1000 and R5000 and 9% from households between R5001 and R10 000. The district has a relatively high incidence of consumers within the R1000 to R5000 income bracket, reflecting potentially moderate buying power.

The rural areas of Mphahlele, Mamabolo and Makotse in Lepelle-Nkumpi and Ramakgapola, Naledi and Kalkspruit in Aganang each had over 50% of respondents stating that they had household incomes between R1000 and R5000.

Table 16: Consumer Incomes by Rural Areas in Capricorn District

Municipalities	Rural Area	Income		
		less R1000	R1000-5000	R5001-10000
Polokwane	Tshware	33%	44%	22%
	Moletji	71%	29%	-
	Molepo	58%	33%	-
	Garamakagapola	68%	32%	-
	Gamothapo	29%	43%	29%
Molemole	Mokomene	80%	15%	5%
	Botlokwa	41%	44%	15%
Lepelle-Nkumpi	Zebediala	71%	29%	-
	Mphahlele Motantanyane	78%	22%	-
	Mphahlele Maruleng	-	33%	67%
	Mphahlele Mamabolo	-	100%	-
	Mphahlele Makuvunu	50%	50%	-
	Mphahlele Dithabaneng	50%	25%	25%
	Mogotlane	85%	15%	-
	Makotse	29%	57%	14%
Aganang	Ramakgapola	33%	67%	-
	Naledi	44%	56%	-
	Mashashane	59%	29%	12%
	Maraba	44%	44%	11%
	Kalkspruit	20%	80%	-
	CAPRICORN	**52%**	**39%**	**9%**

Table 17 shows that 23.6% of respondents in Capricorn were from households with between three and five individuals and incomes of less than R1000. However, a significant number of respondents (21.6%) also reported coming from households with between three and five individuals and with household incomes between R1000 and R5000.

This district reflects relatively high household incomes with 8.8% of total respondents also stating that they had household incomes of between R5001 and R10000.

Table 17: Income by Household Size in Capricorn District

Income	House Hold Size				
	Less Than 2	3 to 5	6 to 8	8+	TOTALS
Less 1000	6	59	51	15	131
	2.4%	23.6%	20.4%	6%	52.4%
1000-5000	1	54	34	8	97
	0.4%	21.6%	13.6%	3.2%	38.8%
5001-10000	1	14	6	1	22
	0.4%	5.6%	2.4%	0.4%	8.8%
All Groups	8	127	91	24	250
	3.2%	50.8%	36.4%	9.6%	

Table 18 shows that 50% of respondents ranked Price as being the most important factor when making purchasing decisions while quality was ranked second. Distance was ranked as being the least important factor when making

purchasing decisions by 81% of individuals. The analysis shows that whilst Price is ranked first by half the respondents surveyed in this district, it is only of moderate significance. The data portrays a moderate responsiveness of demand to price differentials.

A high percentage of respondents ranked Distance as being the least important influencing factor on making purchasing decisions. This shows that people in Capricorn are relatively not concerned about distance in making purchasing decisions, and can potentially travel far in search for both price and quality.

Table 18: Ranking of Price Quality and Distance in Capricorn District

	Price	Quality	Distance
Rank 1	50%	40%	12%
Rank 2	48%	44%	7%
Rank 3	2%	16%	81%

4.3.2 ANALYSIS OF THE ROLE OF MEDIA IN INFLUENCING PURCHASING DECISIONS

Media plays a pivotal role in influencing consumer decisions throughout South Africa and rural areas are no exception. It was therefore important for the research to establish if media alone played a role in influencing where consumers acquired goods and services (i.e. between businesses in urban areas and businesses in rural areas), and if it did, what type(s) of media influenced the decision.

Businesses in rural areas are not expected to do much advertising using conventional media due to the high costs involved, whilst businesses in urban areas could be in a position to directly or indirectly target rural consumers through the mass marketing nature of conventional media types.

The analysis of the media in influencing purchasing decisions can also be beneficial to the government since the research identifies the most effective media types for rural consumers. The information can be used by Government to select media channels that are most effective in reaching rural consumers across Limpopo Province.

The following section presents findings on the role of the media in influencing consumer behaviour in the Province.

VHEMBE

INFLUENCE OF MEDIA

Respondents in Vhembe District were asked if media played a part in influencing where they obtained goods and services. Table 19 shows that 56.8% of respondents were of the opinion that media did not play a part in influencing where they obtained goods and services whilst 43.2% respondents were of the opinion that media did influence where they obtained goods and services.

Respondents in the rural municipality of Thulamela areas such as; Tshidimbini, Mhinga and Tshitavha were the most influenced by Media in obtaining goods and services. High percentages of respondents were observed in the rural areas of Tshitavha (68%), Tshidimbini (75%), Mhinga (75%) and Makonde (75%). This

indicates that the media played a significant role in influencing where they purchased goods and obtained services.

Table 19: Media Influence in Vhembe District

Municipalities	Rural Area	Media Influence	
		Yes	No
Thulamela	Tshitavha	68%	31.6%
	Tshikombani	36%	63.6%
	Tshidimbini	75%	25%
	Mhinga	75%	25%
	Makonde	75%	25%
	Ha-Makhuvha	54%	45%
	Ha-Lambamani	46%	54%
Mutale	Tshilamba	-	100%
	Shakadza	47%	52.9%
	Mufulwi	44%	55.7%
	Matavhela	50%	50%
	Mafukani	50%	50%
Makhado	Vhulaudzi	-	100%
	Vhangani	12.5%	87%
	Tshimbupfe	25%	75%
	Mathothwe	33.3%	66.7%
	Masia	27.3%	72.7%
	Mashau	5%	95%
	Malonga	40%	60%
	VHEMBE	**43.2%**	**56.8%**

TYPES OF MEDIA

Table 20 shows that 82% of respondents in Vhembe were influenced by Radio whilst 68% were influenced by television. Only 10% of the respondents interviewed were influenced by billboards. This has policy planning implications when deciding the most effective media for influencing consumer behaviour.

Table 20: Multiple Responses of Media Types in Vhembe District

Media Influence	Yes
Newspapers	62%
Magazines	52%
Television	68%
Radio	82%
Billboards	10%

WATERBERG

INFLUENCE OF MEDIA

Table 21 shows that 77.6% of respondents in Waterberg were of the opinion that media played a role in influencing where they obtained goods and services.

Rural areas in Bela Bela Municipality had a very high incidence of media influence with 100% of respondents in Mazakhela, Mandela Extension 5-7 and Mampatile indicating that media influenced where they obtained goods and services.

Table 21: Media Influence in Waterberg District

Municipalities	Rural Area	Media Influence	
		Yes	No
Mookgopong	Sedebe	100%	-
	Phomolong	71%	28%
	Boraba	100%	-
Mokopane	Sekgakgapeng	100%	-
	Mosate	78%	21%
	Ga-Madiba	50%	50%
Modimolle	Mabatlane	72%	27%
	Leseding Ext2	100%	-
	Leseding Ext1	100%	-
	Baipehing	33%	66%
Bela Bela	Selokong	65%	34%
	Rapotokwane	45%	54%
	Radium/Masakane	33%	66%
	Pienaarsrivier	90%	10%
	Mazakhela	100%	-
	Mandela Ext7	100%	-
	Mandela Ext6	100%	-
	Mandela Ext5	100%	-
	Mampatile	100%	-
	Mabula	64%	35%
	Leseding	100%	0%
	WATERBERG	**77.6%**	**22.4%**

TYPE OF MEDIA

Table 22 shows that 54% of respondents in Waterberg were mostly influenced by television in making consumer choices. Furthermore 40% of those interviewed indicated that they were influenced by newspapers whilst 30% were influenced by radio. The results thus show that Waterberg has a varied media influence between Newspapers, Television and Radio. Policy formulation should thus advocate the use of different media channels in Waterberg

Table 22: Multiple Response of Media Types in Waterberg District

Media Influence	Yes
Newspapers	40%
Magazines	6%
Television	54%
Radio	30%
Billboards	10%

SEKHUKHUNE

INFLUENCE OF MEDIA

Table 23 shows that 77% of respondents in Sekhukhune District indicated that the media influenced where they obtained goods and services. The data shows that for the majority of people in Sekhukhune the media played a big part in influencing where consumers purchased goods and obtained services.

Table 23: Media Influence in Sekhukhune District

	Rural Area	Media Influence	
Municipalities		Yes	No
G Tubatse	Phokwane	100%	-
	Jane Furse	100%	-
	Glencowie	80%	20%
	Garantobeng	83%	17%
	Gaphala	75%	25%
	Gamashishane	100%	-
	Thokwane	100%	-
	Ribacross	40%	60%
	Prekteseer	88%	13%
	Moroke	100%	-
	Bothasoek	86%	14%
Groblersdal	Monsterius	100%	-
	Lukau	90%	10%
	Jerusalem	100%	-
G Marblehall	Moganyake	91%	9%
	Marulaneng	100%	-
	Manapsane	100%	-
	Mamphogo	53%	47%
Fetakgomo	Mohlaletsi	33%	67%
	Mohlaba Cr	25%	75%
	Ga-Seroka	40%	60%
	Ga-Nkoana	79%	21%
	Ga-Nchabeleng	59%	41%
	Apel	100%	0

Emotsaledi	Tafelkop	63%	38%
	Sphaku	71%	29%
	Mogaung	75%	25%
	SEKHUKHUNE	**77%**	**23%**

TYPE OF MEDIA

Table 24 shows an analysis of the media types which influenced where respondents obtained goods and services. The data reveals that people in Sekhukhune are generally influenced more by radio than their counterparts in Waterberg. The data shows that 62% of respondents considered radio as a major influencing factor in acquiring goods and services. It should also be noted that 60% of the respondents stated that they were influenced by Television. Billboards, Newspapers and Magazines presented the least influence. This means that Television and Radio effectively influence consumer purchasing behaviour in Sekhukhune.

Table 24: Multiple Response Tables of Media Types in Sekhukhune District

Media Influence	Yes
Newspapers	19%
Magazines	14%
Television	60%
Radio	62%
Billboards	3%

MOPANI

INFLUENCE OF MEDIA

Table 25 illustrates that 76% of respondents in Mopani were generally influenced by the media in selecting where they obtained goods and services. Rural areas in Giyani, Maruleng and Phalaborwa generally had the greatest percentages of respondents indicating that the media played an influence in their shopping decisions. The results thus show that the media has great influence amongst rural consumers in Mopani.

Table 25: Media Influence in Mopani District

Municipalities	Rural Area	Media Influence	
		Yes	No
	Matiko-Xikaya	80%	20%
	Maseke	100%	-
Phalaborwa	Makhuxane	70%	30%
	Lulekani	74%	26%
	Benfarm	100%	
	Metz	80%	20%
	Makgaung	80%	20%
Maruleng	Lorraine	66%	34%
	Gasekororo	80%	20%
	Deocks	44%	56%
	Zangoma	33%	67%
	Sasekani	100%	-

G Tzaneen	Rifara	66%	34%
	Petanenge	75%	25%
	Mokgoloboto	66%	34%
	Mohlaba Cr	86%	14%
	Mariveni	100%	-
	Khujlwane	50%	50%
	Khopo	50%	50%
	Dan	72%	28%
G Letaba	Shotong	14%	86%
	Mokwasela	75%	25%
	Modobung	75%	25%
	Maphakati	71%	29%
	Iketleng	50%	50%
	Bodupe	33%	67%
G Giyani	Shamfana	60%	40%
	Sekhunyani	66%	34%
	Rivala	50%	50%
	Nkuri	100%	-
	Nkomo	100%	-
	Ngove	87%	13%
	Muyexe	100%	-
	Mashishimane	75%	25%
	Kamninginisi	100%	-
	Jim	100%	-
	Gandlanani	80%	20%
	MOPANI	**76%**	**24%**

Table 26 shows that 74.4% of respondents in Mopani District were influenced by radio in making purchasing decisions. Radio had the biggest influence (74.4%) on consumer choice of shopping destination. Television only influenced 47.6%, with newspapers, magazines and billboards capturing marginal influence. Only Radio has the highest impact in influencing consumer-shopping destination in rural Mopani.

Table 26: Multiple Response Tables of Media Types in Mopani District

Media Influence	Yes
Newspapers	17.8%
Magazines	5.0%
Television	47.6%
Radio	74.4%
Billboards	12.6%

CAPRICORN

INFLUENCE OF MEDIA

Table 27 shows that 60% of respondents in Capricorn District indicated that the media played a part in influencing where they obtained goods and services, Notably rural areas in Lepelle-Nkupi (with the exception of Zebediala) had considerably high percentages of respondents indicating that the media influenced where they purchased.

Table 27: Media Influence in Capricorn District

Municipalities	Rural Area	Media Influence	
		Yes	No
Polokwane	Tshware	66%	34%
	Moletji	71%	29%
	Molepo	33%	67%
	Garamakagapola	24%	76%
	Gamothapo	85%	15%
Molemole	Mokomene	35%	65%
	Botlokwa	64%	36%
Lepelle-Nkupi	Zebediala	28%	72%
	Mphahlele Motantanyane	55%	45%
	Mphahlele Maruleng	100%	-
	Mphahlele Mamabolo	100%	-
	Mphahlele Makuvunu	100%	-
	Mphahlele Dithabaneng	50%	50%
	Mogotlane	46%	54%
Aganang	Makotse	42%	58%
	Ramakgapola	33%	67%
	Naledi	68%	32%
	Mashashane	100%	-
	Maraba	88%	12%
	Kalkspruit	80%	20%
	CAPRICORN	**60%**	**40%**

TYPE OF MEDIA

Table 28 shows that 72% of respondents were influenced by television in making purchasing decisions. Radio had the second highest influence with 65% of respondents stating that most of their purchasing decisions were influenced by that particular media. Only 36% of respondents indicated that they were influenced by newspapers and 25% by billboards. The data shows a dispersed media influence across all media types.

Table 28: Multiple Response Table of Media Types in Capricorn District

Media Influence	Yes
Newspapers	36%
Magazines	15%
Television	72%
Radio	65%
Billboards	25%

4.3.3   ANALYSIS OF ADEQUACY OF SERVICE PROVISION

Respondents were also asked which services not available in their area they made frequent use of. Non-selection by a respondent would be indicative of the respondent either not making frequent use of the service or the service being available in the area. The information generated is critical in understanding the adequacy of service level provision from a demand perspective. The services that were contained in the questionnaire were selected after identification of key services found across all rural areas during the pilot study phase.

VHEMBE

Respondents were asked which services they made frequent use of, but were not available within their area. Table 29 and 30 show the responses across the different rural areas that were surveyed in Vhembe District.

The data shows that 89% of total respondents stated that they frequented clothing stores, because they did not have the services in their areas. This indicates a need for clothing stores in all rural areas surveyed in Vhembe. Other services that showed high levels of need amongst respondents but were not available in most rural areas were supermarkets with 87% of respondents indicating that they made frequent use of these. Butcheries were indicated by 57% of respondents and bakeries by 41% of respondents, financial services was selected by 45% of respondents and fruit and vegetable stores selected by 68% of respondents.

The most predominant shops and services types indicated as facing high demand but lacking adequate supply in Vhembe are therefore clothing stores, supermarkets and fruit and vegetable stores

Table 29: Services made frequently use of but not available in Vhembe District

Municipalities	Rural Area	Clothing	G /Dealer	Supermarket	Hair Salon	Tailor	Fast-food	Service Station
		YES	YES	YES	YES	YES	YES	YES
	Tshitavha	84%	%5	95%	11%	16%	37%	10%
	Tshikombani	100%	-	91%	9%	18%	18%	9%
	Tshidimbini	100%	-	100%	-	-	-	25%

Thulamela	Mhinga	88%	13%	88%	-	-	88%	-
	Makonde	81%	6%	100%	6%	-	94%	6%
	Ha-Makhuvha	100%	-	91%	9%	-	45%	-
	Ha-Lambamani	83%	3%	83%	8%	6%	19%	1%
	Tshilamba	100%	-	0%	-	-	-	-
	Shakadza	82%	6%	82%	6%	6%	-	-
Mutale	Mufulwi	83%	6%	78%	22%	6%	-	11%
	Matavhela	83%	8%	83%	17%	8%	92%	25%
	Mafukani	75%	-	0%	-	25%	25%	25%
	Vhulaudzi	100%	-	100%	-	-	-	-
	Vhangani	100%	100%	100%	13%	-	13%	-
	Tshimbupfe	94%	88%	81%	13%	6%	6%	6%
Makhado	Mathothwe	100%	-	100%	-	-	-	-
	Masia	100%	9%	100%	-	-	-	-
	Mashau	100%	10%	100%	-	-	-	-
	Malonga	100%	20%	100%	-	-	-	-
	VHEMBE	**89%**	**14%**	**87%**	**8%**	**6%**	**25%**	**5%**

Table 30: Services Made Frequent Use of, But Not Available in Vhembe District

Municipalities	Rural Area	Financial	Car Spares	Bakery	Bottle store	Phone shop	Butchery	Fruit & Veg
		YES	YES	YES	YES	YES	YES	YES
	Tshitavha	68%	11%	47%	16%	21%	68%	74%
	Tshikombani	55%	9%	82%	9%	-	55%	64%
	Tshidimbini	100%	-	25%	-	75%	25%	75%

Thulamela	Mhinga	38%	-	13%	25%	13%	38%	38%
	Makonde	69%	-	69%	19%	31%	75%	94%
	Ha-Makhuvha	64%	-	27%	-	9%	55%	91%
	Ha-Lambamani	56%	2%	29%	3%	27%	41%	57%
Mutale	Tshilamba	100%	-	-	-	-	-	-
	Shakadza	35%	-	6%	-	29%	18%	24%
	Mufulwi	39%	11%	17%	-	28%	39%	44%
	Matavhela	58%	17%	17%	-	25%	33%	42%
	Mafukani	100%	25%	25%	-	25%	25%	25%
Makhado	Vhulaudzi	-	-	100%	-	-	100%	100%
	Vhangani	13%	-	50%	-	-	63%	100%
	Tshimbupfe	6%	-	81%	6%	-	94%	100%
	Mathothwe	-	-	100%	-	-	100%	100%
	Masia	9%	9%	91%	-	-	91%	91%
	Mashau	20%	-	30%	-	-	100%	95%
	Malonga	20%	-	100%	-	-	100%	80%
	VHEMBE	**45%**	**4%**	**41%**	**5%**	**18%**	**57%**	**68%**

WATERBERG

The data in Tables 31and 32 shows that the majority (74%) of the respondents in Vhembe indicated that there is a general need for clothing stores in Waterberg. Furthermore 88% of the respondents indicated that there was a general need for supermarket services.

Table 31: Services Made Frequent Use of, But Not Available In Waterberg

Municipalities	Rural Area	Clothing	General Dealer	Supermarket	Salon	Tailor	Fast Food	Financial
		YES	YES	YES	YES	YES	YES	YES
Mookgopong	Sedebe	75%	-	100%	-	75%	25%	25%
	Phomolong	86%	-	93%	-	-	29%	7%
	Boraba	63%	6%	63%	6%	-	-	6%
Mokopane	Sekgakgapeng	67%	-	100%	-	71%	-	48%
	Mosate	86%	7%	93%	14%	-	-	43%
	Ga-Madiba	100%	-	100%	-	-	44%	-
Modimolle	Mabatlane	100%	36%	91%	-	5%	36%	9%
	Leseding Ext2	88%	13%	75%	13%	25%	13%	25%
	Leseding Ext1	100%	13%	75%	-	50%	-	-
	Baipehing	67%	8%	100%	-	8%	-	17%
Bela Bela	Selokong	100%	-	100%	9%	13%	39%	83%
	Rapotokwane	82%	-	100%	64%	9%	55%	18%
	Radium/ Masakane	56%	22%	89%	-	11%	-	-
	Pienaarsrivier	75%	15%	85%	-	-	-	-
	Mazakhela	25%	-	100%	-	50%	-	25%
	Mandela Ext7	38%	-	75%	-	75%	-	25%
	Mandela Ext6	33%	-	67%	-	50%	-	-
	Mandela Ext5	67%	-	100%	-	33%	-	17%
	Mampatile	-	17%	50%	-	33%	-	50%
	Mabula	79%	-	93%	43%	-	64%	79%
	Leseding	13%	-	38%	-	38%	-	75%
	WATERBERG	**74%**	**8%**	**88%**	**8%**	**20%**	**18%**	**28%**

Table 32 Services Made Frequent Use of But Not Available in Waterberg

Municipalities	Rural Area	Vehicle Spares	Butchery	Fruit & Veg	Bakery	Bottle Store	Phone Shop	Service Station
		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mookgopong	Sedebe	25%	-	-	-	-	-	25%
	Phomolong	-	7%	-	-	-	-	-
	Boraba	-	-	-	6%	-	6%	-
Mokopane	Sekgakgapeng	5%	-	33%	-	5%	-	-
	Mosate	-	-	14%	-	7%	-	-
	Ga-Madiba	-	-	-	-	-	-	13%
Modimolle	Mabatlane	5%	-	-	-	-	-	-
	Leseding Ext2	-	13%	13%	-	-	-	-
	Leseding Ext1	13%	-	13%	-	-	-	13%
	Baipehing	-	-	8%	8%	-	17%	-
Bela Bela	Selokong	9%	9%	9%	-	-	-	-
	Rapotokwane	9%	-	-	-	-	-	-
	Radium/Masakane	-	11%	-	-	-	-	-
	Pienaarsrivier	-	-	-	-	-	-	-
	Mazakhela	-	-	-	-	-	-	-
	Mandela Ext7	-	13%	-	-	-	-	-
	Mandela Ext6	17%	33%	17%	17%	-	-	17%
	Mandela Ext5	-	-	-	-	-	-	-
	Mampatile	17%	-	-	17%	-	-	50%
	Mabula	-	29%	14%	57%	7%	14%	7%
	Leseding	-	-	-	38%	-	-	63%
	WATERBERG	**4%**	**5%**	**7%**	**6%**	**1%**	**2%**	**6%**

SEKHUKHUNE

The data in Tables 33 and 34 shows that 54,8% of respondents in Sekhukhune District indicated that there was a general need for supermarkets whilst 51% of the respondents indicated that there was a general need for clothing stores. The data also shows that butchery services are needed by 52% of the respondents.

As can be derived from the study the rural areas of Garantobeng, Gaphala and Lukau have a general need for financial services whilst those of Manapsane and Prekteseer have a general need for bakeries. The rural areas of, service stations in Gaphala and Mogaung have a general need for service stations whilst those from Ribacross, Sphaku, Mogaung and Gaphala have a general need for general dealerships.

Table 33: Services Made Frequent Use of, But Not Available in Sekhukune District

Municipality	Rural Area	Clothing Store	General Dealer	Supermarket	Salon	Tailor	Fast-food/ Restaurant	Financial
		Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Phokwane	29%	-	29%	-	14%	14%	29%
	Jane Furse	78%	11%	56%	11%	-	11%	-
	Glencowie	60%	20%	60%	-	-	-	-
	Garantobeng	67%	17%	83%	17%	-	-	50%
	Gaphala	25%	75%	-	-	-	-	50%
G Tubatse	Gamashishane	25%	-	50%	-	-	13%	38%
	Thokwane	50%	-	100%	-	-	-	-
	Ribacross	40%	60%	40%	-	-	-	20%

	Prekteseer	25%	-	75%	-	-	-	13%
	Moroke	44%	-	100%	-	-	11%	-
	Bothasoek	100%	-	86%	-	-	-	-
Groblersdal	Monsterius	45%	18%	73%	-	-	-	45%
	Lukau	60%	20%	70%	-	-	-	60%
	Jerusalem	55%	9%	91%	-	-	-	36%
G Marblehall	Moganyake	64%	18%	82%	-	-	-	-
	Marulaneng	60%	20%	60%	20%	20%	-	-
	Manapsane	50%	13%	88%	-	-	-	-
	Mamphogo	60%	33%	67%	7%	-	13%	20%
Fetakgomo	Mohlaletsi	58%	8%	42%	8%	-	50%	17%
	Mohlaba Cr	50%	25%	50%	-	25%	-	-
	Ga-Seroka	35%	-	35%	10%	-	10%	5%
	Ga-Nkoana	21%	5%	11%	26%	21%	16%	21%
	Ga-Nchabeleng	29%	24%	18%	12%	6%	12%	29%
	Apel	100%	-	100%	-	-	10%	-
Emotsaledi	Tafelkop	-	75%	25%	13%	-	-	63%
	Sphaku	43%	57%	29%	14%	-	-	43%
	Mogaung	13%	75%	25%	13%	-	-	25%
	SEKHUKHUNE	**51%**	**18%**	**54.8%**	**7%**	**3%**	**8%**	**21%**

Table 34: Services Made Frequent Use of, But Not Available in Sekhukhune District

District	Rural Area	Vehicle Spares	Bakery	Phone shop	Butchery	Fruit & Veg	Service Station	Bottle Store
		Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Phokwane	-	-	-	14%	29%	14%	-
	Jane Furse	-	-	-	22%	-	-	-
	Glencowie	-	-	-	-	-	-	-

G Tubatse	Garantobeng	-	17%	17%	83%	83%	-	-
	Gaphala	-	-	-	-	-	100%	-
	Gamashishane	13%	13%	13%	25%	88%	-	-
	Thokwane	-	-	-	17%	-	-	-
	Ribacross	20%	-	40%	40%	-	60%	-
	Prekteseer	-	75%	-	100%	75%	-	-
	Moroke	-	11%	-	22%	-	-	-
	Bothasoek	-	71%	43%	86%	71%	14%	-
Groblersdal	Monsterius	-	73%	-	73%	82%	18%	-
	Lukau	-	-	-	40%	60%	-	-
	Jerusalem	-	82%	9%	91%	82%	18%	-
G Marblehall	Moganyake	-	-	-	18%	18%	-	-
	Marulaneng	-	40%	20%	80%	40%	20%	20%
	Manapsane	-	50%	-	100%	75%	-	-
	Mamphogo	7%	-	-	53%	-	-	7%
Fetakgomo	Mohlaletsi	-	-	-	75%	58%	-	-
	Mohlaba Cr	-	-	-	100%	75%	-	-
	Ga-Seroka	15%	-	-	55%	55%	10%	-
	Ga-Nkoana	21%	-	-	37%	26%	21%	-
	Ga-Nchabeleng	18%	-	-	38%	18%	6%	6%
	Apel	-	-	-	60%	30%	10%	-
EMotsaledi	Tafelkop	13%	13%	-	25%	-	75%	-
	Sphaku	-	-	14%	57%	14%	43%	14%
	Mogaung	-	13%	25%	100%	13%	75%	-
	SEKHUKHUNE	**5.6%**	**16%**	**5%**	**52%**	**37%**	**15%**	**2%**

MOPANI

Table 35 and 36 shows that consumers frequent supermarkets more than any other services in Mopani District. The tables show that 70% of respondents made frequent visits to supermarkets whilst 66% of respondents indicated that they made frequent use of clothing stores. The table also shows that 51% of respondents frequented financial services. The reasons behind these patterns are that these services are not available in their areas.

An assessment of the extent of service provision and demand in the rural areas was also carried out.

The data obtained indicates that Mopani generally has a high demand for clothing stores, supermarkets and financial services. These services are however, inadequately provided for or not available at all within the rural areas surveyed.

Table 35: Services Made Frequent Use of, But Not Available In Mopani District

District	Rural Area	Clothing	General Dealer	Supermarket	Salon	Tailor	Fast-food	Financial
		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Phalaborwa	Matiko-Xikaya	20%	20%	80%		-	20%	20%
	Maseke	50%	13%	-	13%	-	-	88%
	Makhuxane	60%	-	100%	10%	10%	-	30%
	Lulekani	40%	-	80%	13%	7%	-	33%
	Benfarm	88%	38%	38%	-	-	-	63%
Maruleng	Metz	80%	-	40%	-	20%	40%	40%
	Makgaung	80%	-	80%	-	-	20%	20%
	Lorraine	67%	-	83%	-	17%	17%	50%
	Gasekororo	50%	10%	70%	10%	10%	-	40%
	Deocks	56%	-	78%	11%	-	22%	44%
G Tzaneen	Zangoma	100%	-	100%	-	-	-	33%
	Sasekani	50%	-	75%	25%	-	-	88%
	Rifara	100%	-	67%	-	-	-	100%
	Petanenge	75%	-	100%	-	-	50%	50%
	Mokgoloboto	100%	-	100%	-	-	-	67%
	Mohlaba Cr	53%	7%	73%	13%	-	7%	60%
	Mariveni	100%	-	100%	-	-	-	50%
	Khujlwane	63%	-	100%	-	-	-	25%
	Khopo	100%	-	100%	-	-	25%	50%
	Dan	36%	-	91%	-	-	9%	36%
G Letaba	Shotong	100%	-	100%	-	-	14%	43%
	Mokwasela	75%	-	100%	-	-	75%	25%
	Modobung	100%	25%	50%	-	-	25%	50%
	Maphakati	86%	-	29%	-	-	43%	14%

	Iketleng	100%	-	75%	-	-	-	-
	Bodupe	100%	-	100%	-	-	-	67%
G Giyani	Shamfana	40%	20%	60%	20%	-	20%	40%
	Sekhunyani	67%	-	83%	17%	-	17%	83%
	Rivala	50%	-	100%	-	-	-	50%
	Nkuri	50%	8%	58%	-	-	-	67%
	Nkomo	50%	-	63%	-	-	-	88%
	Ngove	88%	-	38%	38%	-	13%	63%
	Muyexe	88%	-	25%	-	-	-	63%
	Mashishimane	88%	-	50%	-	-	-	75%
	Kamninginisi	86%	-	86%	-	-	-	57%
	Jim	33%	-	33%	-	-	17%	67%
	Gandlanani	80%	-	100%	-	-	20%	40%
	MOPANI	**66%**	**4%**	**70%**	**6%**	**2%**	**10%**	**51%**

Table 36: Services Made Frequent Use of, But Not Available In Mopani District

District	Rural Area	Vehicle Spares	Bakery	Bottle Store	Phone Shop	Service Station	Butchery	Fruit & Veg
		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Phalaborwa	Matiko-Xikaya		-	20%	-	-	20%	-
	Maseke	0%	13%	-	-	13%	13%	-
	Makhuxane	10%	-	10%	-	20%	30%	-
	Lulekani	7%	7%	7%	-	7%	7%	27%
	Benfarm	-	-	-	-	25%	13%	13%
Maruleng	Metz	-	80%	-	-	-	20%	-
	Makgaung	-	20%	-	-	-	40%	20%
	Lorraine		-	-	17%	-	-	33%
	Gasekororo	30%	20%	10%	-	10%	30%	50%
	Deocks	-	11%	-	-	-	56%	22%
G Tzaneen	Zangoma	-	-	-	-	-	100%	100%
	Sasekani	-	25%	-	-	-	13%	13%
	Rifara	-	-	-	-	-	100%	100%
	Petanenge	25%	50%	-	25%	-	75%	100%
	Mokgoloboto	-	-	-	-	-	67%	-
	Mohlaba Cr	-	13%	-	-	13%	20%	33%
	Mariveni	-	-	-	-	-	25%	50%
	Khujlwane	-	-	-	-	-	25%	13%
	Khopo	25%	-	-	-	25%	75%	75%
	Dan	-	27%	-	-	-	27%	36%
G Letaba	Shotong	-	-	-	-	14%	71%	29%
	Mokwasela	50%	-	-	-	-	75%	50%
	Modobung	25%	-	-	-	-	100%	25%

	Maphakati	-	-	-	-	-	86%	43%
	Iketleng	-	-	-	-	-	100%	75%
	Bodupe	-	-	-	-	-	100%	33%
G Giyani	Shamfana	20%	-	-	-	40%	-	-
	Sekhunyani	-	17%	-	-	-	67%	-
	Rivala	25%	-	-	-	25%	-	-
	Nkuri	-	-	-	-	8%	17%	-
	Nkomo	-	-	-	-	13%	-	-
	Ngove	-	50%	-	-	-	13%	25%
	Muyexe	-	-	-	-	-	-	-
	Mashishimane	-	13%	-	-	25%	13%	25%
	Kamninginisi	-	-	-	-	-	14%	-
	Jim	-	-	-	50%	-	-	-
	Gandlanani	-	20%	-	-	20%	40%	40%
	MOPANI	**5%**	**10%**	**2%**	**2%**	**8%**	**31%**	**24%**

CAPRICORN

Tables 37 and 38 represent data for the level of service provision from a demand perspective for the district of Capricorn. The data shows that 53% of respondents indicated that they made frequent use of bakeries, 66% butcheries and 69% fruit and vegetable shops because these services were not available within their areas. Assessment of the level of service provision and demand by rural areas was also carried out.

Table 37: Services Made Frequent Use of, But Not Available in Capricorn District

District	Rural Area	Clothing	General Dealer	Supermarket	Salon	Tailor	Fast-food	Financial
		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Polokwane	Tshware	-	-	44%	22%	-	22%	67%
	Moletji	100%	-	71%	-	-	29%	57%
	Molepo	83%	-	83%	17%	8%	--	75%
	Garamakagapola	76%	-	72%	24%	-	3%	16%
	Gamothapo	-	-	0%	14%	-	14%	71%
Molemole	Mokomene	100%	5%	60%	20%	20%	35%	75%
	Botlokwa	26%	-	6%	21%	-	-	38%
Lepelle-Nkumpi	Zebediala	36%	-	50%	43%	14%	29%	57%
	Mphahlele Motantanyane	89%	11%	78%	11%	-	11%	44%
	Mphahlele Maruleng	100%	-	100%	-	-	-	33%
	Mphahlele Mamabolo	-	-	-	-	-	100%	100%
	Mphahlele Makuvunu	50%	50%	50%	-	50%	-	50%
	Mphahlele Dithabaneng	100%	25%	100%	-	-	25%	50%
	Mogotlane	62%	-	38%	-	-	31%	15%
	Makotse	71%	29%	57%	-	-	14%	43%
Aganang	Ramakgapola	67%	-	67%	-	-	-	33%
	Naledi	81%	13%	100%	75%	13%	63%	56%
	Mashashane	-	-	-	24%	24%	18%	29%
	Maraba	-	-	-	56%	-	22%	56%

		Vehicle Spares	Bakery	Bottle store	Phone shop	Service Station	Butchery	Fruit& Veg
	Kalkspruit	-	-	-	40%	-	30%	80%
	CAPRICORN	**49%**	**4%**	**43%**	**24%**	**6%**	**22%**	**49%**

Table 38: **Services Made Frequent Use of, But Not Available in Capricorn District**

Municipality	Rural Area	Vehicle Spares	Bakery	Bottle store	Phone shop	Service Station	Butchery	Fruit& Veg
		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Polokwane	Tshware	-	44%	-	11%	56%	78%	67%
	Moletji	14%	71%	14%	-	29%	86%	57%
	Molepo	-	58%	-	17%	-	92%	42%
	Garamakagapola	-	60%	8%	-	-	68%	68%
	Gamothapo	-	86%	-	29%	57%	86%	100%
Molemole	Mokomene	5%	45%	15%	10%	15%	50%	85%
	Botlokwa	9%	32%	3%	3%	9%	29%	47%
Lepelle-Nkumpi	Zebediala	-	57%	14%	7%	21%	86%	86%
	Mphahlele Motantanyane	11%	22%	11%	-	-	100%	33%
	Mphahlele Maruleng	67%	33%	100%	-	67%	100%	0%
	Mphahlele Mamabolo	100%	100%	-	-	100%	100%	100%
	Mphahlele Makuvunu	-	100%	-	-	-	50%	100%
	Mphahlele Dithabaneng	-	50%	25%	-	50%	75%	50%
	Mogotlane	-	0%	-	-	15%	46%	46%
	Makotse	-	0%	-	-	43%	14%	43%

	Ramakgapola	-	33%	-	-	33%	33%	33%
	Naledi	31%	63%	31%	-	44%	81%	81%
Aganang	Mashashane	6%	100%	-	-	-	65%	100%
	Maraba	-	67%	11%	-	11%	100%	100%
	Kalkspruit	-	60%	-	-	-	80%	70%
	CAPRICORN	**6%**	**53%**	**9%**	**4%**	**19%**	**66%**	**69%**

4.3.4 ANALYSIS OF PRICE PERCEPTIONS OF GOODS AND SERVICES

Respondents were asked how they perceived the prices of goods and services charged by businesses locally (in their rural areas) in comparison to the prices of goods and services in urban areas.

Respondents in all the districts surveyed were generally sensitive to price and are willing to travel long distances to acquire goods and services. Perceptions of high local prices would be expected to bring about a desire to acquire these services in areas where prices would then be perceived to be cheaper.

An analysis of pricing perceptions was conducted for all districts by rural areas. Furthermore, an analysis was conducted to ascertain the resultant implication of high local price perceptions on the shopping destination for people to purchase basic goods and services.

Results obtained indicate the influence that prices have on shopping decisions made by rural consumers.

VHEMBE

Respondents were asked how they perceived the prices of goods and services charged by businesses in their area in comparison to the prices of goods and services in urban areas. Table 39 shows that only 21% of all respondents stated that they perceived prices in their area to be lower On the other hand 65% of the respondents stated that they perceived prices to be more expensive. Only 14% were of the opinion that prices were the same in urban and rural areas.

The general perception in Vhembe across all rural areas is that prices are lower in urban areas.

Table 39: Price Perceptions of Local Goods and Services

District	Rural Area	Price Perceptions		
		Cheaper	More Expensive	Same
Thulamela	Tshitavha	26%	63%	11%
	Tshikombani	27%	64%	9%
	Tshidimbini	-	100%	-
	Mhinga	38%	63%	
	Makonde	19%	75%	6%
	Ha-Makhuvha	27%	64%	9%
	Ha-Lambamani	30%	67%	3%
Mutale	Tshilamba	50%	-	50%
	Shakadza	29%	35%	35%
	Mufulwi	33%	67%	-
	Matavhela	-	92%	8%

	Mafukani	50%	25%	25%
	Vhulaudzi	-	100%	-
	Vhangani	-	25%	75%
	Tshimbupfe	-	69%	31%
Makhado	Mathothwe	-	100%	-
	Masia	-	82%	18%
	Mashau	10%	65%	25%
	Malonga	-	60%	40%
	VHEMBE	**21%**	**65%**	**14%**

Table 40 shows that an overall perception of high prices in the Vhembe rural areas brought about a desire by consumers to shop in urban areas. The data shows that 50% of respondents indicated that they purchased goods and obtained services in urban areas because they perceived local prices of goods to be more expensive than prices in urban areas.

Table 40 Price Perceptions Vs Shopping Destination

Perceive Prices	Conduct Shopping	Conduct Shopping	Row
	Locally	Urban	Totals
Cheaper	8%	12%	21%
More Expensive	14%	50%	65%
Same	6%	9%	14%
All Groups	28%	72%	

WATERBERG

Table 41 shows price perceptions by respondents in Waterberg District. The data shows that 5% of respondents indicated that they perceived prices to be cheaper locally whilst 90% believed that local prices were more expensive than urban prices. Only 5% of respondents stated that they perceived prices to be the same between their rural area and urban areas. This generally shows a very high perception of high prices for local goods and services as opposed to urban prices amongst the people of Waterberg district. This observation was noted amongst respondents in all rural areas surveyed.

Table 41: Price Perceptions of Goods and Services In Waterberg District

District	Rural Area	Perceive Prices		
		Cheaper	More Expensive	Same
Mookgopong	Sedebe	-	100%	-
	Phomolong	29%	64%	7%
	Boraba	-	100%	
Mokopane	Sekgakgapeng	-	100%	-
	Mosate	-	79%	21%
	Ga-Madiba	25%	75%	-
Modimolle	Mabatlane	5%	91%	5%
	Leseding Ext2	-	100%	-
	Leseding Ext1	-	100%	-
	Baipehing	-	83%	17%
	Selokong	-	100%	-
	Rapotokwane	-	91%	9%

	Radium/Masakane	11%	89%	-
	Pienaarsrivier	5%	80%	15%
	Mazakhela	-	100%	-
Bela Bela	Mandela Ext7	-	100%	-
	Mandela Ext6	-	100%	-
	Mandela Ext5	-	100%	-
	Mampatile	-	100%	-
	Mabula	7%	86%	7%
	Leseding	-	100%	-
	WATERBERG	**5%**	**90%**	**5%**

Table 42 shows that an overall perception of prices in Waterberg areas brought about a desire for people to conduct most of their shopping for basic goods and services in urban areas. The table shows that 63% of total respondents in this area indicated that preferred to shop in urban centers due to the fact that local prices were more expensive than urban areas.

Table 42: Pricing Perception vs. Shopping Destination in Sekhukhune District

Perceive Prices	Conduct Shopping	Conduct Shopping	
	Locally	Urban	Totals
Cheaper	9	3	12
	4%	1%	5%
More Expensive	69	157	226
	28%	63%	90%

Same	5	7	12
	2%	3%	5%
All Groups	83	167	250
	33%	67%	

SEKHUKHUNE

Table 43 shows the price perceptions by respondents in Sekhukhune district. The data shows that only 0.4% of respondents indicated that they perceived prices to be cheaper locally. On the other hand 82.4% contend that local prices were more expensive than in urban areas whilst 17.2% stated that they perceived prices to be the same between their rural area and urban areas. This generally shows a very high perception of high prices for local goods and services as opposed to urban prices amongst the people of Sekhukhune district. With the exception of Jane Furse, this observation was noted amongst respondents in all rural areas surveyed. A high percentage of respondents in Jane Furse were of the opinion that 72% that prices charged in rural and urban areas were the same.

Table 43: Price Perceptions of Local Goods and Services in Sekhukhune District

Municipality	Rural Area	Perceive Prices		
		Cheaper	More Expensive	Same
	Phokwane	-	71%	29%
	Jane Furse	-	22%	78%
	Glencowie	-	60%	40%

G Tubatse	Garantobeng	-	100%	-
	Gaphala	-	100%	-
	Gamashishane	-	100%	-
	Thokwane	17%	67%	17%
	Ribacross	-	100%	-
	Prekteseer	-	100%	-
	Moroke	-	89%	11%
	Bothasoek	-	100%	-
Groblersdal	Monsterius	-	100%	-
	Lukau	-	100%	-
	Jerusalem	-	100%	-
G Marblehall	Moganyake	-	100%	-
	Marulaneng	-	60%	40%
	Manapsane	-	100%	-
	Mamphogo	-	93%	7%
Fetakgomo	Mohlaletsi	-	92%	8%
	Mohlaba Cr	-	100%	-
	Ga-Seroka	-	50%	50%
	Ga-Nkoana	-	53%	47%
	Ga-Nchabeleng	-	65%	35%
	Apel	-	100%	-
E Motsaledi	Tafelkop	-	100%	-
	Sphaku	-	86%	14%
	Mogaung	-	100%	-
	SEKHUKHUNE	**0.4%**	**82.4%**	**17.2%**

Table 44 shows that an overall perception of high prices in the rural areas of Sekhukhune District Rural brought about a desire by people to procure goods and obtain services in urban areas. The data shows that 64% of total respondents indicated that local prices of goods were more expensive than those in urban areas. The respondents thus resorted to conducting most of their shopping for basic goods and services in urban areas.

Table 44: Pricing Perception Vs Shopping Destination in Sekhukhune District

Perceive Prices	Conduct Shopping	Conduct Shopping	Row
	Locally	Urban	Totals
Cheaper	1	-	1
	0.4%	-	0.4%
More Expensive	46	160	206
	18%	64%	82%
Same	34	9	43
	14%	4%	17%
All Groups	81	169	250
	32%	68%	

MOPANI
Table 45 shows the price perceptions by respondents in Mopani district. The data shows that 9% of the respondents indicated that they perceived prices to be cheaper locally whilst 88% perceived that local prices were more expensive. Only 3% of the respondents indicated that they perceived prices to be the same between their rural area and urban areas. This generally shows a very high

perception of high prices for local goods and services as opposed to urban prices amongst the people of Mopani district. This observation was noted amongst respondents in all rural areas surveyed with the exception of Matiko-Xikaya in Phalaborwa Municipality where up to 60% of respondents indicated that they were of the opinion that prices charged in their rural area were cheaper than in urban areas.

Table 45: Price Perceptions of Local Goods and Services in Mopani District

Municipality	Rural Area	Perceive Prices		
		Cheaper	More Expensive	Same
Phalaborwa	Matiko-Xikaya	60%	40%	-
	Maseke	-	100%	-
	Makhuxane	20%	80%	-
	Lulekani	34%	66%	-
	Benfarm	25%	75%	-
Maruleng	Metz	-	100%	-
	Makgaung	40%	60%	-
	Lorraine	17%	83%	-
	Gasekororo	30%	60%	10%
	Deocks	-	100%	-
G Tzaneen	Zangoma	-	100%	-
	Sasekani	-	100%	-
	Rifara	-	100%	-
	Petanenge	-	100%	-
	Mokgoloboto	-	100%	-
	Mohlaba Cr	-	100%	-
	Mariveni	-	100%	-

	Khujlwane	25%	62.5%	12.50%
	Khopo	25%	75%	-
	Dan	9%	91%	-
G Letaba	Shotong	-	100%	-
	Mokwasela	-	100%	-
	Modobung	-	100%	-
	Maphakati	-	100%	-
	Iketleng	-	100%	-
	Bodupe	-	100%	-
G Giyani	Shamfana	-	80%	20.00%
	Sekhunyani	-	100%	-
	Rivala	-	75%	25.00%
	Nkuri	-	100%	-
	Nkomo	-	100%	-
	Ngove	-	100%	-
	Muyexe	-	100%	-
	Mashishimane	-	100%	
	Kamninginisi	14.29%	71%	14.29%
	Jim	-	100%	-
	Gandlanani	-	60%	40.00%
	MOPANI	**9%**	**88%**	**3%**

Table 46 shows that an overall perception of high prices in Mopani rural areas resulted in consumers preferring to purchase goods and obtain services in urban areas. The data indicates that a majority (69%) of total respondents indicated that they perceived local prices of goods and services to be more expensive than

prices of goods and services in urban areas. They thus resorted to conducting most of their shopping for basic goods and services in urban areas.

Table 46: Pricing Perception vs. Shopping Destination in Mopani District

Perceive Prices	Conduct Shopping	Conduct Shopping	Row
	Locally	Urban	Totals
Cheaper	8	14	22
	3%	6%	9%
More Expensive	48	172	220
	19%	69%	88%
Same	2	6	8
	1%	2%	3%
All Groups	58	192	250
	23%	77%	

CAPRICORN

Table 47 shows the price perceptions by respondents in Capricorn. The data shows that 6% of respondents in Capricorn district indicated that they perceived prices to be cheaper locally. On the other hand 65% of the respondents interviewed were of the opinion that local prices were more expensive. The data also shows that 29% indicated that they perceived prices to be the same between their rural area and urban areas. This generally shows a moderately high perception of high prices for local goods and services as opposed to urban prices amongst consumers in Capricorn.

This high number of respondents indicating that they were of the opinion price for basic goods and services was the same in their rural area and in urban areas would translate into these consumers being indifferent to where they purchased goods and where they obtained services (all other things held constant, e.g. distance, availability of services and quality).

Table 47: Price Perceptions of Local Goods and Services In Capricorn District

Municipality	Rural Area	Perceive Prices		
		Cheaper	More Expensive	Same
Polokwane	Tshware	33.3%	33.3%	33.3%
	Moletji	-	57%	43%
	Molepo	-	83%	17%
	Garamakagapola	-	84%	16%
	Gamothapo	14%	86%	-
Molemole	Mokomene	-	70%	30%
	Botlokwa	14%	35%	50%
Lepelle-Nkumpi	Zebediala	-	79%	21%
	Mphahlele Motantanyane	-	100%	-
	Mphahlele Maruleng	-	67%	33%
	Mphahlele Mamabolo	-	100%	-
	Mphahlele Makuvunu	-	50%	50%
	Mphahlele Dithabaneng	-	75%	25%
	Mogotlane	-	85%	15%
	Makotse	-	86%	14%
	Ramakgapola	-	33%	67%
	Naledi	-	63%	37%

Aganang	Mashashane	-	59%	41%
	Maraba	11%	56%	33%
	Kalkspruit	10%	80%	10%
	CAPRICORN	**6%**	**65%**	**29%**

Table 48 shows that an overall perception of high prices in Capricorn rural areas brought about a desire by people to purchase goods and obtain services in urban areas. A majority (54%) of total respondents interviewed indicated that they perceived local prices to be more expensive in rural areas than in urban areas. These consumers thus resorted to purchasing most of their goods and services in urban areas.

The data also shows that out of the 29% of individuals who indicated that they perceived local and urban prices to be the same, 50% conducted most of their shopping for local goods and services locally.

Table 48: Pricing Perception vs. Shopping Destination

Perceive Prices	Conduct Shopping	Conduct Shopping	
	Locally	Urban	Totals
Cheaper	13	2	15
	5%	1%	6%
More Expensive	28	134	162
	11%	54%	65%
Same	37	36	73
	15%	14%	29%
All Groups	78	172	250
	31%	69%	

4.3.5 ANALYSIS OF SHOPPING CHOICES

The research also sought to understand where consumers obtained basic goods and services. The analysis was thus carried out for all rural areas. Further analysis was also done to reveal where "urban shoppers" conducted most of their shopping. The information is illustrated for all districts

VHEMBE

Table 49 shows that 71.6% of Vhembe respondents indicated that they did most of their shopping for basic goods and services in urban areas, whilst only 28.4% indicated that they conducted their shopping locally. This shows the high incidence of urban shopping amongst the rural residents of Vhembe.

Table 49: Choice of Shopping Destination in Vhembe District

Municipality	Rural Area	Conduct Shopping	
		Locally	Urban
	Tshitavha	26.3%	73.7%
	Tshikombani	18.2%	81.8%
	Tshidimbini	50%	50.0%
Thulamela	Mhinga	37.5%	62.5%
	Makonde	18.8%	81.3%
	Ha-Makhuvha	18.2%	81.8%
	Ha-Lambamani	25.4%	74.6%
	Tshilamba	50%	50.0%
	Shakadza	17.7%	82.4%

Mutale	Mufulwi	38.9%	61.1%
	Matavhela	25.%	75.0%
	Mafukani	-	100.0%
Makhado	Vhulaudzi	50%	50.0%
	Vhangani	25.0%	75.0%
	Tshimbupfe	37.5%	62.5%
	Mathothwe	0%	100.0%
	Masia	18.2%	81.8%
	Mashau	50%	50.0%
	Malonga	40%	60.0%
	VHEMBE	**28.4%**	**71.6%**

Table 50 shows that 62.8% of Vhembe respondents conducted their urban shopping in Thohoyandou thus showing that Thohoyandou is the urban shopping area of preference amongst rural dwellers in Vhembe. Rural residents of Vhembe predominantly shop from seven urban destinations.

Table 50: Choice of Urban Destination in Vhembe District

Area	Count	Percent
Makhado	15	6%
Giyani	3	1.2%
Thohoyandou	157	62.8%
Sibasa	1	0.4%
Malamulele	1	0.4%
Salema	1	0.4%
Tshilamba	1	0.4%
Local	71	28.4%

WATERBERG

Table 51 shows that 67% of Waterberg respondents purchase most of their goods and services in urban areas, whilst only 33% conduct their shopping locally. This shows a high incidence of urban shopping amongst the rural residents of Waterberg.

Rural areas of Phomolong (64%), Mabatlane (73%), Radium (78%), Mampatile (67%), Mabula (71%) and Leseding (63%) have the majority of consumers purchasing goods and services locally. This shows a high degree of local shopping amongst these rural areas.

Table 51: Choice of Shopping Destination in Waterberg District

Municipality	Rural Area	Conduct Shopping	
		LOCALLY	URBAN
Mookgopong	Sedebe	-	100%
	Phomolong	64%	36%
	Boraba	6%	94%
Mokopane	Sekgakgapeng	10%	90%
	Mosate	36%	64%
	Ga-Madiba	31%	69%
Modimolle	Mabatlane	73%	27%
	Leseding Ext2	50%	50%
	Leseding Ext1	38%	63%
	Baipehing	25%	75%
	Selokong	-	100%
	Rapotokwane	-	100%

	Radium/Masakane	78%	22%
	Pienaarsrivier	-	100%
	Mazakhela	50%	50%
Bela Bela	Mandela Ext7	63%	38%
	Mandela Ext6	-	100%
	Mandela Ext5	33%	67%
	Mampatile	67%	33%
	Mabula	71%	29%
	Leseding	63%	38%
	WATERBERG	**33%**	**67%**

Table 52 shows that 17.6% of respondents in Waterberg purchased goods and services in the urban area of Mokopane whilst 16.4% of respondents purchased goods and obtained services from Hammanskraal. Only 12.8% of respondents purchased goods and obtained services from Bela Bela. Rural residents of Waterberg acquired most of their goods and services from fourteen urban destinations.

Table 52: Choice of Urban Destination in Waterberg District

Area	Count	Percent
Polokwane	3	1.2%
Mokopane	44	17.6%
Bela Bela	32	12.8%
Hammanskraal	41	16.4%
Warmbath	2	0.8%
Johannesburg	2	0.8%
Pretoria	5	2.0%

Vaalwater	8	3.2%
Nylstroom	7	2.8%
Modille	1	0.4%
Mabatlane Town	1	0.4%
Naboomspruit	16	6.4%
Lephalale	4	1.6%
Modimole	1	0.4%
Local	83	33.2%

SEKHUKHUNE

Table 53 shows that 68% of respondents in Sekhukhune indicated that they purchased goods and obtained services in urban areas. The data also shows that 32% of the respondents interviewed indicated that they acquired most of their goods and services locally. This shows a high incidence of urban shopping amongst the residents of Sekhukhune.

The Rural areas of Phokwane Jane Furse, Garantobeng, Gaphala, Ga-Seroka and Ga-Nkoana each had 86%, 100%, 67%, 100%, 65% and 58% of respondents respectively stating that they did most of their shopping for basic goods and services locally. This shows a high incidence of local shopping for basic goods and services in these rural areas.

Table 53: Choice of Shopping Destination in Sekhukune District

Municipality	Rural Area	Conduct Shopping	
		Locally	Urban
G Tubatse	Phokwane	86%	14%
	Jane Furse	100%	-
	Glencowie	40%	60%
	Garantobeng	67%	33%
	Gaphala	100%	0%
	Gamashishane	50%	50%
	Thokwane	33%	67%
	Ribacross	-	100%
	Prekteseer	-	100%
	Moroke	-	100%
	Bothasoek	14%	86%
Groblersdal	Monsterius	-	100%
	Lukau	-	100%
	Jerusalem	-	100%
G Marblehall	Moganyake	9%	91%
	Marulaneng	20%	80%
	Manapsane	0%	100%
	Mamphogo	0%	100%
Fetakgomo	Mohlaletsi	50%	50%
	Mohlaba Cr	25%	75%
	Ga-Seroka	65%	35%
	Ga-Nkoana	58%	42%
	Ga-Nchabeleng	65%	35%

	Apel	30%	70%
E Motsaledi	Tafelkop	13%	88%
	Sphaku	14%	86%
	Mogaung	-	100%
	SEKHUKHUNE	**32%**	**68%**

Table 54 shows that 25% of respondents in Sekhukhune who purchased goods and services in urban areas did so in Groblersdal. Rural residents of Sekhukhune mainly acquired goods and services from four urban destinations which are Burgersfort, Groblersdal, Marblehall and Polokwane.

Table 54: Choice of Urban Destination in Sekhukhune

Area	Count	Percent
Polokwane	38	15%
Burgersfort	34	14%
Groblersdal	62	25%
Marblehall	34	14%
Local	82	33%

MOPANI

Table 55 shows that 77% of respondents in Mopani indicated that they purchased goods and obtained services for basic goods and services in urban areas, whilst only 23% purchased their goods locally. This shows a high incidence of rural consumers in Mopani District acquiring their goods and services in urban areas. On the other hand there was also a high incidence of rural shoppers. The data shows that 60% of the respondents in the rural areas of

Makgaung and 67% shoppers in Zangoma purchased goods and obtained services locally.

Table 55: Choice of Shopping Destination in Mopani

Municipality	Rural Area	Conduct Shopping	
		Locally	Urban
Phalaborwa	Matiko-Xikaya	20%	80%
	Maseke	13%	88%
	Makhuxane	10%	90%
	Lulekani	27%	73%
	Benfarm	25%	75%
Maruleng	Metz	20%	80%
	Makgaung	60%	40%
	Lorraine	50%	50%
	Gasekororo	40%	60%
	Deocks	33%	67%
G Tzaneen	Zangoma	67%	33%
	Sasekani	-	100%
	Rifara		100%
	Petanenge	25%	75%
	Mokgoloboto	-	100%
	Mohlaba Cr	13%	87%
	Mariveni	-	100%
	Khujlwane	-	100%
	Khopo	-	100%
	Dan	18%	82%
	Shotong	43%	57%

G Letaba	Mokwasela	50%	50%
	Modobung	-	100%
	Maphakati	29%	71%
	Iketleng	50%	50%
	Bodupe	33%	67%
G Giyani	Shamfana	20%	80%
	Sekhunyani	-	100%
	Rivala	50%	50%
	Nkuri	50%	50%
	Nkomo	-	100%
	Ngove	-	100%
	Muyexe	25%	75%
	Mashishimane	63%	38%
	Kamninginisi	14%	86%
	Jim	-	100%
	Gandlanani	20%	80%
	MOPANI	**23%**	**77%**

Table 56 shows that 38% of the respondents in Mopani District that purchased goods and obtained services did so in Tzaneen. The data also shows that 22.8% of respondents surveyed acquired goods and services in Giyani. Generally residents of Mopani mainly acquire goods and services from Tzaneen, Giyani, Phalaborwa, Hoedspruit, Gravelot and Greater Letaba.

Table 56: Choice of Urban Destination in Mopani District

Area	Count	Percent
Polokwane	1	0.4%
Tzaneen	95	38%
Giyani	57	22.8%
Phalaborwa	33	13.2%
Hoedspruit	3	1.2%
Gravelot	2	0.8%
Local	59	23.6%

CAPRICORN

Table 57 shows that 69% of respondents in Capricorn District indicated that they purchased goods and obtained services from urban areas. On the other hand 31% of the respondents indicated that they purchased most of their goods locally. This shows a high prevalence of urban shopping amongst the inhabitants of Capricorn.

 It should however be noted that 71% of respondents in Zebediala indicated that they purchased goods and obtained services for basic goods and services locally.

Table 57: Shopping Destination

Municipality	Rural Area	Conduct Shopping	
		Locally	Urban
Polokwane	Tshware	33.3%	66.7%
	Moletji	-	100%
	Molepo	16%	84%
	Garamakagapola	8%	92%
	Gamothapo	14%	86%
Molemole	Mokomene	40%	60%
	Botlokwa	47%	53%
Lepelle-Nkumpi	Zebediala	71%	29%
	Mphahlele Motantanyane	44%	56%
	Mphahlele Maruleng	-	100%
	Mphahlele Mamabolo	-	100%
	Mphahlele Makuvunu	50%	50%
	Mphahlele Dithabaneng	50%	50%
	Mogotlane	23%	77%
	Makotse	28%	72%
Aganang	Ramakgapola	33%	67%
	Naledi	18%	82%
	Mashashane	41%	59%
	Maraba	22%	78%
	Kalkspruit	20%	80%
	Capricorn	31%	69%

Table 58 shows that 60% of respondents in Capricorn District did their urban shopping for basic goods and services in Polokwane. Polokwane was the urban shopping destination of choice amongst the rural inhabitants of Capricorn District. Rural residents of Capricorn predominantly purchase goods and obtain services from six urban destinations

Table 58: Urban Destination

AREA	Count	Percent
Polokwane	150	60%
Burgerfort	2	0.8%
Lebowakgomo	10	4%
Mokopane	1	0.4%
Makhado	3	1.2%
Louis Trichardt	1	0.4%
Mankweng Shp Cnt	5	2%
Local	78	31.2%

4.3.6 ANALYSIS OF THE RACE OF BUSINESS OWNER FROM WHICH MOST RURAL SHOPPING IS CONDUCTED

In order to ascertain if local businesses were commercially benefiting from trade in rural areas, respondents who purchased goods and obtained services for basic goods and services were asked to state the race of the owners of the business which they did most of their rural shopping from. The resultant data reveals whether locals or non-locals dominated trade, and also shows the type and extent of competition for locally owned businesses.

By looking at the data from a consumer (demand) perspective (seeing where people conduct most of their shopping) rather than from a business (supply) angle (seeing how many shops are owned by particular groups), a clearer and unbiased perspective of business dominance by race can be gained. This also stems from the fact that trade in a competitive situation is stimulated by demand, rather than by supply.

Analysis was conducted for all the Districts and a race profile was done of the owners of businesses in Limpopo based on the rural areas surveyed.

VHEMBE

Table 59 shows that 48% of the respondents indicated that they purchased goods and obtained services for basic goods and services locally from Asian owned businesses. On the other hand 38% of respondents indicated that they acquired goods and services from African owned businesses.

Competition for African owned businesses comes predominantly from Asian owned businesses, who dominate rural trade in Vhembe.

Table 59: Racial Profile of Rural Shop Owners in Vhembe District

Municipality	Rural Area	Conduct Most Shopping Rural Shopping			
		African Local	White Owned	Asian	African Non-Local
Thulamela	Tshitavha	80%	-	20%	-
	Tshikombani	50%	-	50%	-
	Tshidimbini	100%	-	-	-
	Mhinga	67%	-	-	33%
	Makonde	67%	-	33%	-
	Ha-Makhuvha	-	-	100%	-
	Ha-Lambamani	63%	-	31%	6%
Mutale	Tshilamba	-	100%	-	-
	Shakadza	67%	33%	-	-
	Mufulwi	14%	57%	14%	14%
	Matavhela	67%	33%	-	-
	Mafukani	-	-	-	-
Makhado	Vhulaudzi	50%	-	50%	-
	Vhangani	-	-	100%	-
	Tshimbupfe	-	-	100%	-
	Mathothwe	-	-	-	-
	Masia	-	-	100%	-
	Mashau	-	-	100%	-
	Malonga	-	-	100%	-
	VHEMBE	**38%**	**10%**	**48%**	**4%**

WATERBERG

Table 60 shows that of the respondents who were interviewed 42.2% indicated that they purchased goods and obtained services   from Asian owned businesses. On the other hand the table shows that 27.7% of consumers acquired their goods and services from white owned businesses. Only 25.3% of respondents interviewed in Waterberg district acquired their goods and services from black owned businesses.

Table 60: Racial Profile of Rural Shop Owners in Waterberg District

Municipality	Rural Area	Most Shopping			
		African Local	White Owned	Asian	African Non-Local
Mookgopong	Sedebe	-		-	-
	Phomolong	-	55%	45%	-
	Boraba	-	100%	-	-
Mokopane	Sekgakgapeng	100%	-	-	-
	Mosate	80%	20%	-	-
	Ga-Madiba	-	-	100%	-
Modimolle	Mabatlane	-	-	100%	-
	Leseding Ext2	25%	75%	-	-
	Leseding Ext1	33%	-	-	67%
	Baipehing	66%	34%	-	-
	Selokong	-	-	-	-
	Rapotokwane	-	-	100%	-
	Radium/Masakane	15%	57%	28%	-
	Pienaarsrivier	-	-	-	-

		Conduct Most Shopping			
Bela Bela	Mazakhela	100%	-	-	-
	Mandela Ext7	80%	-	-	20%
	Mandela Ext6	-	-	-	-
	Mandela Ext5	50%	50%	-	-
	Mampatile	25%	75%	-	-
	Mabula	-	10%	80%	10%
	Leseding	40%	60%	-	-
	WATERBERG	**25.3%**	**27.7%**	**42.2%**	**4.8%**

SEKHUKHUNE

Table 61 shows that 51% of the respondents who were interviewed in Sekhukhune district indicated that they purchased goods and obtained services locally, from African owned businesses. On the other hand 37% of respondents interviewed indicated that they did their shopping for goods and services from white owned businesses. Only 11% of the respondents did their shopping from Asian owned businesses.

The results thus show that competition from black owned businesses comes predominantly from white owned businesses.

Table 61: Racial Profile of Rural Shop Owners in Sekhukhune District

Municipality	Rural Area	Conduct Most Shopping			
		African Local	White Owned	Asian	African Non Local
	Phokwane	67%	17%	17%	-
	Jane Furse	-	89%	11%	-
	Glencowie	50%	-	50%	-
	Garantobeng	20%	-	60%	20%

G Tubatse	Gaphala	100%	-	-	-
	Gamashishane	50%	25%	25%	-
	Thokwane	-	100%	-	-
	Ribacross	-	-	-	-
	Prekteseer	-	-	-	-
	Moroke	-	-	-	-
	Bothasoek	100%	-	-	-
Groblersdal	Monsterius	-	-	-	-
	Lukau	-	-	-	-
	Jerusalem	-	-	-	-
G Marblehall	Moganyake	-	-	100%	-
	Marulaneng	100%	-	-	-
	Manapsane	-	-	-	-
	Mamphogo	-	-	-	-
Fetakgomo	Mohlaletsi	50%	50%	-	-
	Mohlaba Cr	100%	-	-	-
	Ga-Seroka	54%	38%	8%	-
	Ga-Nkoana	73%	27%	-	-
	Ga-Nchabeleng	64%	36%	-	-
	Apel	25%	75%	-	-
Emotsaledi	Tafelkop	100%	-	-	-
	Sphaku	-	100%	-	-
	Mogaung	-	-	-	-
	SEKHUKHUNE	**51%**	**37%**	**11%**	**1%**

MOPANI

Table 62 shows that 78% of respondents interviewed in Mopani district did their shopping from Asian owned businesses. On the other hand 14% of the respondents indicated that they acquired their goods and services from African owned businesses. Only 5% of the respondents acquired goods and services from White owned businesses. The data thus shows that competition for African owned businesses is mainly from Asian owned businesses. High dominance of these Asian businesses was found in the Greater Tzaneen where all local respondents indicated that they acquired goods and services from Asian owned businesses.

Table 62: Racial Profile of Rural Shop Owners in Mopani District

Municipality	Rural Area	Most Shopping			
		African Local	White Owned	Asian	African Non-Local
Phalaborwa	Matiko-Xikaya	-	-	100%	-
	Maseke	-	100%	-	-
	Makhuxane	-	-	100%	-
	Lulekani	-	-	100%	-
	Benfarm	-	-	100%	-
Maruleng	Metz	100%	-	-	-
	Makgaung	67%	-	-	33%
	Lorraine	33%	-	67%	-
	Gasekororo	-	-	100%	-
	Deocks	-	-	67%	33%
	Zangoma	-	-	100%	-
	Sasekani	-	-	-	-

G Tzaneen	Rifara	-	-	-	-
	Petanenge	-	-	100%	-
	Mokgoloboto	-	-	-	-
	Mohlaba Cr	-	-	100%	-
	Mariveni	-	-	-	-
	Khujlwane	-	-	-	-
	Khopo	-	-	-	-
	Dan	-	-	100%	-
G Letaba	Shotong	-	-	100%	-
	Mokwasela	50%	-	50%	-
	Modobung	-	-	-	-
	Maphakati	-	-	100%	-
	Iketleng	-	-	100%	-
	Bodupe	-	-	100%	-
G Giyani	Shamfana	100%	-	-	-
	Sekhunyani	-	-	-	-
	Rivala	-	-	100%	-
	Nkuri	-	33%	67%	-
	Nkomo	-	-	-	-
	Ngove	-	-	-	-
	Muyexe	-	-	100%	-
	Mashishimane	-	-	100%	-
	Kamninginisi	100%	-	-	-
	Jim	-	-	-	-
	Gandlanani	100%	-	-	-
	MOPANI	**14%**	**5%**	**78%**	**3%**

CAPRICORN

Table 63 shows that 69% of the respondents interviewed indicated that they purchased goods and obtained services for basic goods and services from African Owned businesses.

The data shows that rural trade in Capricorn is dominated by locally owned businesses, with 69% of local shoppers buying from such businesses. On the other businesses owned by foreigners of African descent came a distant second with only 18% of rural shoppers buying from them. Only 13% of the respondents interviewed acquired their goods and services from white owned businesses. Asian Businesses were not popular with consumers in Capricorn district.

From the above analysis it is quite clear that that competition for local African owned businesses is not significant, but however emanates mainly from non-local African owned businesses. From a demand perspective, locally owned businesses dominate rural trade in Capricorn.

Table 63: Racial Profile of Rural Shop Owners in Capricorn District

Municipality	Rural Area	Most Shopping		
		African Local	Asian	African Non Local
Polokwane	Tshware	67%	33%	-
	Moletji	-		-
	Molepo	50%	-	50%
	Garamakagapola	-	-	100%
	Gamothapo	100%	-	-
Molemole	Mokomene	100%	-	-
	Botlokwa	31%	31%	38%
Lepelle-Nkumpi	Zebediala	100%	-	-
	Mphahlele Motantanyane	100%	-	-
	Mphahlele Maruleng	-	-	-
	Mphahlele Mamabolo	-	-	-
	Mphahlele Makuvunu	100%	-	-
	Mphahlele Dithabaneng	100%	-	-
	Mogotlane	-	-	100%
	Makotse	-	100%	-
	Ramakgapola	100%	-	-
	Naledi	100%	-	-

Aganang	Mashashane	100%	-	-
	Maraba	100%	-	-
	Kalkspruit	-	100%	-
	CAPRICORN	**69%**	**13%**	**18%**

4.4   ANALYSIS OF SMME DATA

The following data is as a result of statistical analysis conducted on responses obtained from the rural SMME research questionnaires. The sample size for each district was 30 businesses. A total of 150 businesses were surveyed throughout Limpopo Province

4.4.1   COMPOSITION OF BUSINESS OWNERSHIP

Business owners were asked about the business description of their operations. Data was generated to unravel the business ownership composition in the different districts.

Cross-tabulations were also conducted to ascertain the type of business ownership by the race of business owners. This information is useful in uncovering the ownership criteria for locally owned businesses as compared to other businesses operating in the rural areas of the Districts surveyed.

VHEMBE

Table 64 shows that in Vhembe 77% of all businesses surveyed were sole proprietors, 13% were partnerships and 7% were registered as Close Corporations. Only 3% were registered as Private Limited Companies.

Table 64: Type of Ownership in Vhembe District

Municipality	Area	Business Description			
		Sole Proprietor	Partnership	Cc	Pty
Makhado	Malonga	33%	33%		33%
	Masia Vhangani	100%	-	-	-
	Mbokota	100%	-	-	-
	Nzhelele	67%	-	33%	-
	Padzima	100%	-	-	-
	Tshipusani	-	100%	-	-
	Tshitungulwane	100%	-	-	-
	Vhangani	50%	-	50%	-
Mutale	Matavhela	100%	-	-	-
	Mufulwi	100%	-	-	-
	Hamakhuvha	71%	29%	-	-
Thulamela	Makonde	100%	-	-	-
	Tshitavha	100%	-	-	-
VHEMBE	All Groups	77%	13%	7%	3%

Table 65 is a table that represents business description by race of business owner. The table shows that 53% of businesses were owned by local Africans, 30% by Asians, 10% by non-local Africans and 7% by white entrepreneurs.

The table also shows that the locally owned businesses were predominantly sole proprietorships with 47% being locally owned sole proprietorship. Furthermore 4% of the businesses that were registered as CCs were owned by white entrepreneurs and Asian entrepreneurs accounted for 3% of all registered CCs

All the businesses registered as PTYs were white owned and this represented 3% of the sample in Vhembe District.

Table 65: Race of Owner Vs Type of Ownership in Vhembe District

Race Owner	Business Description				Row
	Sole Proprietor	Partnership	CC	PTY	Totals
White	-	-	4%	3%	7%
African local	47%	6%	-	-	53%
African non-local	3%	7%	-	-	10%
Asian	27%	-	3%	-	30%
All Groups	77%	13%	7%	3%	

WATERBERG

Table 66 shows that 70% of businesses surveyed in Waterberg were registered as sole proprietorships, whilst 30% were partnerships. The majority of businesses in all rural areas surveyed were registered as Sole Proprietorships.

Table 66: Type of Ownership in Waterberg District

Municipality	Area	Business Description	
		Sole Proprietor	Partnership
Bela Bela	Leseding	80%	20%
	Mandela Ext5	100%	-
Modimolle	Vaalwater Ext1	50%	50%
	Ga-Madiba	60%	40%
Mokopane	Sekgapeng	60%	40%
Mookgopong	Selebi	71%	29%
WATERBERG	All Groups	70%	30%

Table 67 shows a cross tabulation between race of business owners and the registration type of the business. The data shows that the majority of businesses were owned by local Africans and registered as sole proprietorships. Furthermore 33% of local business owners indicated that their businesses were sole proprietorships.

Table 67: Race of Owner vs. Type of Ownership in Waterberg District

Race Owner	Business Description		
	Sole Proprietor	Partnership	Total
African non local	3%	3%	7%
African local	33%	10%	43%
White	10%	7%	17%
Asian	23%	10%	33%
Total	70%	30%	

SEKHUKHUNE

Table 68 shows that 90% of all businesses in Sekhukhune were registered as sole proprietorships, 7% as partnerships and 3% as PTYs. All municipalities and rural areas had the majority of businesses registered as sole Proprietorships, reflecting a high incidence of sole traders in Sekhukhune District

Table 68: Type of Ownership in Sekhukhune District

Municipality	Area	Business Description		
		Sole Proprietor	Partnership	PTY
Emotsaeledi	Luckau	100%	-	-
	Mohau	100%	-	-
	Tafelkop	100%	-	-
Fetakgomo	Ganchabeleng	100%	-	-
	Mohlaletsi	100%	-	-
	Gankoana	100%	-	-
Makhudituma	Phokoane	100%	-	-
Greater Marblehall	Manapyane	66.67%	33.33%	-
Greater Tubatse	Moroke	100%	-	-
	Ribacross	100%	-	-
	Thokwane	66.67%	-	33.33%
Makhudituma	Gamarishane	100%	-	-
	Gaphahlaa	50%	50.00%	-
	Maphongo	100%	-	-
SEKHUKHUNE	All Groups	90%	7%	3%

Table 69 shows that 70% of businesses surveyed in Sekhukhune were locally owned and registered as sole proprietorships. A further 3% of businesses surveyed were locally owned and registered as PTYs.

Table 69: Race of Owner vs. Type of Ownership in Sekhukhune

Race Owner	Business Description			Row
	Sole Proprietor	Partnership	PTY	Totals
White	10%	3%	0%	13%
African local	70%	0%	3%	73%
African non-local	3%	0%	0%	3%
Asian	7%	3%	0%	10%
All Groups	90%	7%	3%	

MOPANI

Table 70 shows that 67% of businesses surveyed in Mopani were Sole Proprietorships, 20% were partnerships and 13% of businesses were registered as close corporations.

Table 70: Type of Ownership in Mopani

Municipality	Area	Business Description		
		Sole Proprietor	Partnership	CC
Giyani	Gandlanani	50%	0%	50%
	Rivala	100%	0%	0%
	Shamfana	67%	33%	0%

Letaba	Movubung	100%	0%	0%
	Shotong	50%	0%	50%
Maruleng	Deocks	50%	50%	0%
	Gasekororo	50%	0%	50%
	Lorraine	100%	0%	0%
Phalaborwa	Lulekani	33%	67%	0%
	Makhuxana	50%	50%	0%
	Matikoxikaya	100%	0%	0%
Tzaneen	Dan	67%	33%	0%
	Khujwane	100%	0%	0%
MOPANI	All Groups	67%	20%	13%

Table 71 shows that 47% of locally owned businesses in Mopani were sole proprietorships. The majority of businesses registered as CCs were Asian owned with 10% out of 13% of businesses registered as CCs in Mopani being Asian owned.

Table 71: Race of Owner vs. Type Of Ownership in Mopani District

Race Owner	Business Description			
	Sole Proprietor	Partnership	CC	Totals
White	0%	0%	3%	3%
Asian	13%	20%	10%	43%
African local	47%	0%	0%	47%

African non-local	7%	0%	0%	7%
All Groups	67%	20%	13%	

CAPRICORN

Table 72 shows that 77% of businesses surveyed in Capricorn were sole proprietorships whilst 17% of the businesses indicated that they were partnerships. Only 7% of the businesses indicated that they were registered as CCs. The data reflects a high incidence of sole proprietorships in Capricorn District.

Table 72: Type of Ownership in Capricorn District

Municipality	Area	Business Description		
		Sole Proprietor	Partnership	CC
Aganang	Kaikspruit	100%	-	-
Lepelle Nkumpi	Makotse	75%	-	25%
	Mogotlane	33%	67%	-
	Motantanyane	100%	-	-
Molemole	Mokomene	88%	-	13%
Polokwane	Molepo	86%	14%	-
CAPRICORN	All Groups	77%	17%	7%

Table 73 shows that the majority of Sole Proprietors were locally owned, with 50% of local businesses surveyed being sole proprietorships. All CCs registered

businesses were owned by Asians, with 7% of Asian business owners indicating that their businesses were registered as CCs.

Table 73: Race of Shop Owner Vs Type of Ownership in Capricorn District

Race Owner	Business Description			Row
	Sole Proprietor	Partnership	CC	Totals
African local	50%	10%	-	60%
African non-local	20%	-	-	20%
Asian	7%	7%	7%	20%
All Groups	77%	17%	7%	

4.4.2 DESCRIPTION OF BUSINESS SERVICE

The following analysis   illustrates the service descriptions of the businesses surveyed, and show a breakdown of the services offered in the five districts that were surveyed.

VHEMBE

Table 74 shows; a breakdown of services found in Vhembe. The data reveals that 20% of businesses surveyed were general dealerships making up the majority of businesses in Vhembe district. These are the majority of businesses in rural Vhembe. Supermarkets and Furniture shops made up 26% of rural businesses.

Table 74: Service Description in Vhembe

Service Description	Percentage
Clothing	3%
General Dealer	20%
(Limited Variety) Supermarket	13%
Salon	3%
Hardware	3%
Fastfood	10%
Vehicle Spares	3%
Bottle Store	7%
Phone Shop	3%
Butchery	10%
Fruit & Veg	10%
Furniture	13%

WATERBERG

Table 75 shows that 20% of businesses surveyed were general dealerships. These are the majority of businesses in Waterberg. Limited variety Supermarkets were the second most prominent businesses at 17% of businesses, whilst fruit and vegetable stores were the third most prominent businesses at 13% of businesses surveyed.

Table 75: Service Description in Waterberg

Business Description	Percentage
Clothing	8
General Dealer	20
(Limited Variety) Supermarket	17
Salon	3
Hardware	3
Fastfood	10
Vehicle Spares	4
Bottle Store	4
Phone Shop	7
Fruit & Veg	13
Other	10

SEKHUKHUNE

Table 76 shows that 53% of businesses in Sekhukhune were general dealerships and these constitute the majority of businesses in the district. The data also shows that supermarkets (limited variety) were the second most prominent rural businesses at 37% of businesses surveyed.

Table 76: Description of Services in Sekhukhune

Service Description	Percent
Clothing	3
General Dealer	53
(Limited Variety) Supermarket	37
Bottle Store	3
Butchery	4

MOPANI

Table 77 shows that 40% of businesses were General Dealers. These constitute the majority of businesses in Mopani. The data also shows that 20% of businesses in Mopani were salons.

Table 77: Description of Services in Mopani

Service Description	Percent
Clothing	3.3%
General Dealer	40%
Salon	20%
Hardware	3.3%
Tailor	3.3%
Fastfood	6.7%
Vehicle Spares	3.3%
Bottle Store	6.7%
Phone Shop	6.7%

Butchery	3.3%
Scrap Yard	3.3%

CAPRICORN

Table 78 shows that 40% of businesses were General Dealers, whilst 13% were Supermarkets. Stores comprised 10% of businesses surveyed.

Table 78: Description of Services in Capricorn

Service Description	Percent
Clothing	10
General Dealer	40
Supermarket	13
Hardware	3
Fastfood	7
Bakery	4
Bottle Store	13
Other	10

4.4.3 CHALLENGES FACED BY SMMES IN THE RURAL SETTING

Business owners were asked to indicate the challenges they faced. The following analysis outlines the nature and extent of challenges faced by rural businesses.

The data is broken down by municipalities and rural areas so as to provide more insight into challenges faced at the micro enterprise level.

VHEMBE

Table 79 shows that the predominant challenge indicated by businesses (70%) in Vhembe was the lack of non-financial support services that includes business mentorship and training.

In addition 63% of businesses surveyed indicated that the lack of financial support was a challenge, whilst 50% of businesses also indicated that the lack of adequate business skills was also a challenge.

It can therefore be concluded that the lack of non-financial and of financial support is a major hindrance to business growth in Vhembe District.

Table 79: Challenges Faced by Rural SMMEs in Vhembe District

Municipality	Area	Lack Of Infra Structure	Supply Chain	lack of financial support	Comp etition	Market Related	Lack Of Non Financial Support	Lack Of Busines s Skills
		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Makhado	Malonga	67%	67%	67%	-	-	100%	67%
	Masia Vhangani	100%	100%	100%	-	-	-	-
	Mbokota	-	-	-	-	-	-	-
	Nzhelele	67%	67%	100%	67%	33%	100%	33%
	Padzima	-	100%	100%	100%	-	-	-
	Tshipusani	-	-	100%	100%	-	-	-
	Tshitungulwane	-	-	100%		-	100%	100%
	Vhangani	100%	50%	100%	-	-	100%	100%
Mutale	Matavhela	33%	-	67%	67%	-	67%	-
	Mufulwi	-	-	-	100%	-	100%	100%
	Hamakhuvha	71%	71%	57%	71%	43%	86%	86%
Thulamela	Makonde	-	-	50%	25%	-	75%	25%
	Tshitavha	-	-	-	-	-	-	50%
VHEMBE	All Groups	43%	40%	63%	43%	13%	70%	50%

WATERBERG

Table 80 shows that 53% rural businesses in Waterberg indicated that their biggest challenge was the lack of financial support.

Table 80: Challenges Faced by Rural SMMEs in Waterberg District

Municipality	Area	Lack Of Adequate Infrastructure	Supply Chain	Lack Of Financial Support	Competition	Lack Of Non-Financial Support	Lack Of Business Skills
		Yes	Yes	Yes	Yes	Yes	Yes
Bela Bela	Leseding	-	-	80%	40%	-	-
	Mandela Ext5	-	50%	75%	25%	-	-
Modimolle	Vaalwater Ext1	100%	50%	100%	25%	-	-
Mokopane	Ga-Madiba	-	40%	20%	-	20%	20%
	Sekgapeng	20%	80%	20%	-	20%	20%
Mookgopong	Selebi	-	14%	43%	14%		14%
WATERBERG	All Groups	17%	37%	53%	17%	7%	10%

SEKHUKHUNE

Table 81 shows that 47% of businesses surveyed in Sekhukhune were of the opinion that the greatest challenge for them was competition whilst 40% of the businesses surveyed also indicated that lack of non-financial support services was a challenge.

It should also be noted that all businesses in Luckau indicated that crime was a challenge in conducting businesses effectively in the district.

Table 81: Challenges Faced by Rural SMMEs in Sekhukhune

Municipality	Area	Lack Infra Structure	Supply Chain	Lack Of Financial Support	Competition	Market Related	Lack Of Non-Financial Support	Lack Of Business Skills	Crime
		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
EMotsaeledi	Luckau	100%	-	-	100%	-	-	-	100%
	Mohau	-	-	-	100%	-	-	-	-
	Tafelkop	-	-	-	50%	-	50%	-	-
Fetakgomo	Ganchabeleg	-	-	-	100%	-	100%	-	-
	Mohlaletsi	-	-	-	-	-	100%	-	-
	Gankoana	-	-	33%	67%	-	-	-	33%
Makhudituma	Phokoane	-	-	0%	33%	-	-	-	-
Greater Marblehall	Manapyane	-	-	33%	33%	-	-	33%	-
Greater Tubatse	Moroke	-	-	67%	-	-	33%	33%	-
	Ribacross	-	-	-	-	-	100%	100%	-
	Thokwane	-	33%	-	33%	-	67%	33%	-
Makhudituma	Gamarishane	-	100%	-	100%	-	100%	100%	-
	Gaphahlaa	-	-	-	100%	-	100%	-	-
	Maphongo	-	-	-	100%	-	-	-	-
SEKHUKHUNE	All Groups	7%	17%	17%	47%	3%	40%	20%	7%

MOPANI

Table 82 shows that most businesses in Mopani did not indicate that they faced any business challenges however; all the businesses in Movubung indicated that they lacked business skills, whilst all businesses in Dan indicated that they faced competition.

Table 82: Challenges Faced By Rural SMMEs in Mopani

Municipality	Area	Infrastructure	Supply Chain	Lack Of Financial Support	Competition	Lack Of Non-Financial Support	Lack Of Business Skills
		Yes	Yes	Yes	Yes	Yes	Yes
Giyani	Gandlanani	-	-	50%	-	-	-
	Rivala	-	-	-	-	-	-
	Shamfana	-	33%	-	33%	-	-
Letaba	Movubung	-	-	-	-	-	100%
	Shotong	-	-	50%	-	-	50%
Maruleng	Deocks	-	50%	-	50%	-	-
	Gasekororo	25%	-	-	-	25%	-
	Lorraine	-	-	-	-	50%	-
Phalaborwa	Lulekani	-	33%	-	33%	-	-
	Makhuxana	50%	50%	-	50%	-	-
	Matikoxikaya	-	-	50%	-	-	-
Tzaneen	Dan	-	-	-	100%	-	-
	Khujwane	-	-	-	-	-	33%
MOPANI	All Groups	7%	13%	10%	23%	7%	10%

CAPRICORN

Table 83 shows that 53% of the businesses in Capricorn generally faced competition from urban owned businesses.

Table 83: Challenges Faced by Rural SMMEs in Capricorn

Municipality	Area	Lack Of Infra-Structure	Supply Chain	Lack Of Financial Support	Competition	Market Related	Lack Of Non-Financial Support	Lack Of Business Skills	CRIME
		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Aganang	Kaikspruit	-	-	-	75%	50%	25%	-	33%
Lepelle Nkumpi	Makotse	-	-	-	50%	25%	-	25%	-
	Mogotlane	-	-	33%	33%	33%	-	-	-
	Motantanyane	-	-	-	100%	-	-	-	-
Molemole	Mokomene	-	-	-	62%	-	12%	-	63%
Polokwane	Molepo	28.5%	14%	-	42%	-	14%	42%	14%
CAPRICORN	All Groups	**7%**	**3%**	**7%**	**53%**	**17%**	**10%**	**13%**	**2%**

4.4.4 ANALYSIS OF THE ADEQUACY AND AWARENESS OF GOVERNMENT SUPPORT SERVICES IN RURAL AREAS

Business owners were asked questions to ascertain awareness, exposure and extent of benefit from government initiated support services within their municipalities. The following section presents the findings.

VHEMBE

Respondents were asked if they thought that the Local Government was doing enough to support businesses in their District. Table 84 shows that 80% of respondents indicated that the Government was not doing enough, 17% of respondent were not sure whilst only 3% of respondents were of the view that the Government was doing enough.

Table 84: Perceptions about Local Government Business Support (Is Government Doing Enough?) in Vhembe District

Local Govt.	Percent
Yes	3%
No	80%
Not Sure	17%

Respondents were asked if they were aware of any financial or non-financial Government support initiatives in their district. Table 85 shows that 83.3% indicated that they were not aware, whilst 16.7% indicated that they were aware of government support initiatives targeted at SMMEs in their district. Of the 16.7%, 6.7% indicated that they were aware of LIBSA, whilst 10% indicated that they were aware of Umsobomvu**.**

Table 85: Awareness of Government Agencies in Vhembe District

Aware	Percent	LIBSA	Umsobomvu
Yes	16.7%	6.7%	10.0%
No	83.3%		

Respondents were also asked if they had ever benefited from any Government support initiatives. Table 86 shows that 97% of businesses had not benefited from government support initiatives, whilst only 3% had benefited from skills training.

Table 86: Benefit from Government Support Initiatives in Vhembe District

Benefited	Percent	Skills Training
Yes	3%	3%
No	97%	

WATERBERG

Table 87 shows that 66.7% of businesses in Waterberg were of the opinion that Government was not doing enough to help businesses in that district whilst 30% of businesses indicated that they were not sure if Government was doing enough. Only 3.3% were of the opinion that the Government was doing enough to help businesses.

Table 87: Perceptions about Local Government Business Support in Waterberg District

Is Government Doing Enough?	Percent
Yes	3.3%
No	66.7%
Not Sure	30%

Table 88 shows that 66.7% of businesses in Waterberg were not aware of any financial or non-financial government support initiatives targeted at SMMEs. The data shows that 16.7% of the respondents confirmed that they were aware of LIBSA whilst 10% of the respondents stated that they were aware of Umsobomvu. Only 6.7% of the respondents indicated that they were aware of Lim Dev.

Table 88: Awareness of Government Agencies in Waterberg District

Aware	Percent	LIBSA	Umsobomvu	Limdev
Yes	33.3%	16.7%	10%	6.7%
No	66.7%			

Table 89 shows that 70% of businesses in Waterberg had not benefited from Government SMME support initiatives whilst 30% of businesses indicated that they had benefited. Notably 20% stated that they had benefited from skills training whilst 10% stated that they had benefited from business loans.

Table 89: Benefit from Support Initiatives in Waterberg District

Benefited	Percent	Skills Training	Loan
Yes	30%	20%	10%
No	70%		

SEKHUKHUNE

Table 90 shows that 90% of businesses surveyed in Sekhukhune were of the opinion that the Government was not doing enough to support businesses in the district. Only 10% of businesses surveyed in the district contended that the Government was doing enough to support business initiatives.

Table 90: Perceptions about Local Government Business Support in Sekhukhune District

Is Government Doing Enough?	Percent
Yes	90
No	10

Table 91 shows that 60% of the businesses in Sekhukhune indicated that they were not aware of any Government initiated support services, whilst only 40% indicated that they were aware of SMME Government support initiatives. The data also shows that 26.7% of these indicated that they were aware of LIBSA whilst 23.3% indicated that they were aware of LIMDEV.

Table 91: Awareness of Government Agencies in Sekhukhune District

Aware	Percent	LIBSA	LimDev
Yes	40%	26.7%	23.3%
No	60%		

Table 92 shows that 90% of businesses in Sekhukhune indicated that they had not benefited from any SMME Government support initiatives, whilst 10% had benefited from Business Mentorship.

Table 92: Benefit from Business Support Initiatives in Sekhukhune District

Benefited	Percent	Business Mentorship
Yes	10%	10%
No	90	

MOPANI

Table 93 shows that 57% of businesses surveyed in Mopani indicated that the Government was not doing enough to support businesses in their district. Of the respondents surveyed, 30% indicated that they were not sure, whilst 13% indicated that the Government was doing enough to support businesses within Mopani.

Table 93: Perceptions of Local Government Business Support in Mopani District

Is Government Doing Enough?	Percent
Yes	a13%
No	57%
Not Sure	30%

Table 94 shows that 60% of businesses in Mopani were aware of Government initiated support services, whilst 40% were not aware. Out of the 60% who indicated that they were aware, 40% indicated that they were aware of LIBSA, 10% of Umsobomvu, and 10% of SEDA.

Table 94: Awareness of Government Agencies in Sekhukhune District

Aware Of Government Support Initiatives	Percent	LIBSA	Umsobomvu	SEDA
Yes	60	40%	10%	10%
No	40			

Table 95 shows that 80% of businesses had not benefited from any Government support services. Only 20% indicated that they had benefited from Government support initiatives with 13.3% indicating that they had benefited from tenders, whilst 6.7% indicated that they had benefited from business mentorship programmes.

Table 95: Benefit from Support Initiatives in Sekhukhune District

Benefited From Government Support	Percent	Tender	Mentorship
Yes	20	13.30%	6.70%
No	80		

CAPRICORN

Table 96 shows that 76.7% of businesses in Capricorn indicated that the Government was not doing enough to support businesses in that district. A significant 20% of businesses were not sure, whilst 3.3% were of the opinion that the Government was doing enough to support businesses in the district.

Table 96: Perceptions about Local Government Business Support in Capricorn District

Is Government Doing Enough?	Percent
Yes	3.3%
No	76.7%
Not Sure	20%

Table 97 shows that 73.3% of businesses in Capricorn indicated that they were not aware of any Government initiated support services in the district. The data however, shows that 26.7% indicated that they were aware of support initiatives, with 20% indicating that they were aware of LIBSA, and 6.7% indicating that they were aware of Umsobomvu.

Table 97: Awareness of Government Agencies in Capricorn District

Aware of Government Support Services	Percent	LIBSA	Umsobomvu
Yes	26.7	20%	6.7%
No	73.3		

Table 98 shows that 93.3% of businesses surveyed had never benefited from any Government support initiatives. Only 6.7% indicated that they had benefited from Government support services, with 3.3% indicating that they had benefited from tenders, and a further 3.3% from skills training.

Table 98: Benefit from Support Initiatives in Capricorn District

Benefited from Government Support	Percent	Tender	Skills Training
Yes	6.7%	3.3%	3.3%
NO	93.3%		

4.4.5 PROPOSED ACTIONS THAT GOVERNMENT SHOULD TAKE TO SUPPORT RURAL BUSINESSES

Respondents were asked to state what the Government should be doing in order to help their businesses develop. The following data indicates the results and interpretations obtained per districts surveyed.

VHEMBE

Table 99 shows that 53% of Businesses in Vhembe were of the opinion that the Government should be advancing loans to help develop businesses in the district, whilst 17% of business owners surveyed indicated that the Government should support business skills training.

Table 99: Suggestions of Government Action in Vhembe District

Intervention	Percent
Loans	53%
Training	17%
Grants For Diversification	3%
Give Tenders	3%
Workshops	7%
Loans	3%
Build Industrial Parks	7%
Remove Non-Local Business People	3%
Provide Markets	3%

WATERBERG

Table 100 shows that 37% of business owners in Waterberg indicated that the Government should advance loans to businesses to ensure their development. A significant 20% of respondents felt that the Government should subsidize businesses, whilst 17% felt that the Government should build infrastructure such as Industrial Parks to ensure that businesses in the district flourished.

Table 100: Suggestions of Government Action in Waterberg District

Intervention	Percent
Loans	37%
Training	7%
Assist With Equipment	3%
Provide Security	3%
Build Industrial Parks	17%
Subsidize	20%
Reduce Business Tax	7%
Remove Tax For SMMEs	3%
Grants	3%

SEKHUKHUNE

Table 101 shows that 33% of business owners in Sekhukhune were of the opinion that the Government should advance loans to ensure business development. The data also shows that 23% of the respondents stated that the Government should provide business grants, whilst 20% stated that the Government should provide business mentorship.

Table 101: Suggestions for Government Action in Sekhukhune District

Intervention	Percent
Loans	33%
Training	13%
Prevent Crime	7%
Mentorship	20%

Grants	23%
Government Tenders	3%

MOPANI

Table 102 shows that 33% of business owners in Mopani indicated that the Government should provide loans. The data also shows that 23% business indicated that the Government should provide mentorship whilst 20% indicated they should provide skills training to ensure business development in the district. A further 17% of business owners also stated that the government should build Industrial Parks.

Table 102: Suggestions for Government Action in Mopani District

Intervention	Percent
Loans	33%
Skills Training	20%
Provide Funding	3%
Mentorship	23%
Build Industrial Parks	17%
Grants	4%

CAPRICORN

Table 103 shows that 40% of business owners in Capricorn stated that the Government should provide training whilst 23% stated that the government should prevent crime.

The data also indicates that 23% of the respondents interviewed were of the opinion that the Government should provide Industrial Parks to ensure development of the businesses in the district.

Table 103: Suggestions for Government Action in Capricorn District

Intervention	Percent
Loans	10%
Training	40%
Industrial Parks	23%
Lower Tax	3%
Prevent Crime	23%

5   CONCLUSIONS

The following are conclusions that have been drawn from the research. They are structured to highlight the objectives of the research.

5.1   RURAL URBAN SHOPPING MIGRATION

Rural-Urban shopping migration is rife amongst rural residents in Limpopo with an average 70% of rural residents preferring to procure basic goods and services in urban areas. Reasons for rural urban shopping migration include prices of goods and services, media influence and adequacy of service provision.

Respondents in all the districts surveyed revealed a high element of demand elasticity to prices, mainly due to low household incomes and big household numbers. The majority of respondents in all the districts also indicated that they perceived the prices of goods and services in urban areas to be cheaper than local prices. As a result of low incomes and high perceptions of lower prices in urban areas, the majority of respondents prefer shopping in urban areas.

A survey on how respondents ranked prices in comparison to distance also revealed that consumers were willing to travel long distances in search for low prices.

The research concluded that the media influenced consumer shopping

destination with 67% of total respondents indicating that the media influenced their choice of shopping destination. Large urban businesses effectively used the media and were therefore able to target rural consumers, influencing their choice of shopping destinations for basic goods and services.

A majority (68%) of respondents across all the districts preferred to purchase from supermarkets, and indicated that these were not available in their rural areas. On the other hand the research revealed that there were considerable numbers of supermarkets (as indicated by shop owners), these were generally dismissed by rural consumers who preferred urban supermarkets with more variety.

5.2   CHALLENGES FACED BY SMMES IN THE RURAL SETTING

The research identified that the biggest challenge faced by rural SMMEs throughout Limpopo was the lack of access to finance. This challenge was however, as a result of several factors which will be discussed.

Causal factors identified included the lack of awareness about business support services that is available in the Province. The study established that whilst Umsobomvu and LimDev were in a position to provide finance, most rural SMME business owners were not aware about their services. Furthermore, a lack of adequate business skills inhibited the approval of loans as thorough assessment is conducted on the proposal before loan approval.

Proper business training and mentorship is therefore a prerequisite for access to finance for rural SMMEs. Whilst Umsobomvu, SEDA and LIBSA provided training and mentorship in rural areas and aggressively marketed themselves through local and community radio stations the study established that the level of awareness was still very low throughout the Province and therefore a number of SMMEs were not accessing the business support services.

The nature of business ownership also compounded the challenge of access to finance as an average 76% of businesses across Limpopo are Sole Proprietorships. Access to loans would be a problem unless the businesses were formally registered. Umsobomvu and LIBSA also request proof of business registration as a prerequisite to the provision of non-financial services.

It therefore means, that the majority of the rural SMMEs can only access finance in the form of personal loans for the business owners. However, this requires proof of steady income. Competition from other businesses and low disposable income amongst consumers resulted in low and inconsistent incomes for most SMME owners thereby reducing the prospects of accessing personal loans from financial institutions.

The study established that the lack of access to finance was presenting logistics problems for most SMMEs to source inputs, thereby making them vulnerable to organised competition that predominantly came from Asian owned businesses.

Government agencies indicated that increased competition was a result of apathy amongst business owners and a reliance on government subsidies (as

also indicated by the research with 11% of total businesses surveyed indicating that Government should provide grants or subsidize their businesses).

5.3 LEVEL OF SERVICE PROVISION IN RURAL AREAS.

An analysis of the demand side revealed that clothing stores and supermarkets offering a wide variety of goods and services are in high demand, and are the leading cause of rural-urban shopping migration.

An analysis of the supply side revealed that whilst clothing stores are available in all the districts surveyed, they are in short supply and possibly offered limited variety than that offered in urban areas. Supermarkets are also widely available, but offer low variety to such a degree that the majority of rural consumers do not identify them as supermarkets.

All the districts however, show a wide breadth of services that is considered sufficient to sustain rural trade, with the exception of financial services such as ATMS.

5.4 IMPACT OF NON-LOCALS TAKING UP BUSINESS IN RURAL AREAS.

Whilst the majority of businesses in Limpopo rural areas are owned by locals, consumers in Vhembe, Waterberg and Mopani conduct most of their shopping for basic goods and services from non-locally owned businesses, predominantly Asian owned businesses. Locals dominate rural trade in Sekhukhune and

Capricorn districts. The salient impact of this is high levels of competition for local business people, with many local entrepreneurs indicating off-hand that:

"We cannot compete with Asian Businesses, as they are able to offer lower prices, and offer more variety than we are able to".

This statement was confirmed by SEDA and LIBSA who indicated that most Asian run businesses group to source inputs from as far as Durban or Johannesburg at very low prices. They then rent local warehouses to stock the inputs. This method of operation minimizes costs and enables Asian owned businesses to offer low prices to consumers.

The Government agencies also emphasized that local business people were not keen to work together and would rather seek for personal loans to be self sufficient. Since loans are difficult to obtain local businesses are seeing themselves being overtaken by Asian owned businesses, as lowering prices for them would mean potentially running at a loss. Most local businesses did not have a choice but to continue offering high prices (and lose customers to Asian owned businesses) or close business as a result of the competition.

Rural consumers are mainly concerned about low prices of goods and services due to low household incomes and as a result welcome the cheaper prices offered by non-local entrepreneurs at the detriment of local shop owners.

5.5 LEVEL AND COMPOSITION OF COMPETITION FACED BY SMMEs IN RURAL AREAS

The research indicated that supermarkets consist of an average of 18% of all rural businesses in the Province. These supermarkets however, do not provide adequate variety, and are therefore not identified as supermarkets by consumers, resulting in most consumers resorting to shopping from supermarkets in urban areas.

The data therefore points to a very high level of competition for local supermarkets coming from urban supermarkets. Since supermarkets cater for a variety of basic goods and services, this implies a level of direct competition for all businesses that offer basic goods and services obtainable from urban supermarkets These services include Butcheries, Fast-food and Fruit and Vegetables stores.

5.6 SUSTAINABILITY OF PRODUCTS BEING SOLD AND PRICES BEING CHARGED IN RURAL AREAS

Rural areas in Limpopo are characterised by low household incomes. The ranking of price as the most influencing factor in making purchasing decisions shows that rural consumers are very price sensitive. When one looks at the percentage of people (from cross tabulations conducted) indicating that they perceived local prices as being more expensive, and conducted urban shopping, which is at 60% of the rural population, it is clear that there is a positive

correlation between high local prices and the decision by consumers to shop in urban areas for basic goods and services. The information therefore points to a lack of sustainability in the prices being charged in rural areas.

It should however, be noted that the high number of consumers who purchase goods and obtain services from non-local businesses do so as a result of the favourable prices that are charged by these businesses in comparison to locally owned businesses. The conclusion is therefore, that the prices being charged by local business owners are not sustainable.

5.7 OPPORTUNITIES THAT EXIST FOR SMMES WITHIN THE PROVINCE

A host of opportunities exist for SMMEs in the Province. These can be classified as business development opportunities and market opportunities.

Business development opportunities emanate from support services that are provided by Government agencies such as Umsobomvu, LIBSA and SEDA. A host of other service providers that assist SMMEs also exist. By accessing business support services offered by these institutions (of which most are for free, or offered at minimal cost), businesses can gain business skills and mentorship, leaving them in a position where they can effectively manage their businesses. These services are offered in most municipalities and are also advertised on local and community radio.

Market opportunities are business aligned opportunities that result from business opportunity gaps. There is a high local demand for Supermarkets and Clothing stores that offer a variety. These two services are also the ones predominantly sought by consumers that shop in urban areas. There is therefore a business and market opportunity for businesses who venture into these areas

5.8 ACCESS TO GOVERNMENT BUSINESS SUPPORT SERVICES

SMMEs are not benefiting from Government business support services. Whilst Umsobomvu, SEDA and LIBSA are aggressively advertising their services through local radio and community radio only an average of 35% of rural businesses are aware of Government initiated support services. Twenty three percent are aware of LIBSA, 8% of Umsobomvu, 2% of LimDev and 2% of SEDA.

A significant (58%) of businesses were of the opinion that the Government was not doing its best to support rural SMMEs and only 14% of all SMMEs surveyed indicated that they had benefited from Government initiated business support with 7% benefited from Mentorship, 4% from Training and 3% from Procurement. None of the businesses surveyed had ever been granted a loan, meaning that access to loans is difficult.

6 RECOMMENDATIONS

6.1 CHALLENGES FACED BY SMMEs IN THE RURAL SETTING.

The lack of access to finance has been highlighted one of the major challenge that is constraining rural SMMEs, this is being compounded by the fact that the SMMEs are not aware of the services of government agencies in the Province. It is therefore recommended that government agencies such as LIBSA, Umsobomvu, SEDA and LimDev conduct a campaign targeted at rural businesses about their services and also highlight to the SMMEs the importance and advantages of registering businesses as Close Corporations or as legal entities. The message in the advertising campaign should centre on the issue of access to finance and business support services.

By gaining access to business support services, once businesses are registered, they can then be able to gain valuable skills and business support which will assist to handle competition from non-locally owned businesses.

6.2 RURAL URBAN SHOPPING MIGRATION

Rural consumers are characterised by low incomes and will travel far in search for low prices. Prices being charged by local businesses are perceived to be too expensive, and a lesson can be learnt from Asian Businesses who have managed to penetrate rural trade through offering low prices. The partnering of businesses to source inputs entails changing the mindset, whilst the access to

finance and business support services (once businesses are registered as legal entities) can lead to lowering of costs which will result in lower prices for rural consumers.

Media influence from urban businesses cannot be avoided, however, local businesses can be taught to conduct their own cost-effective promotional campaigns by Government agencies. Umsobomvu provides subsidized marketing support, which can be accessed by legally registered businesses owned by entrepreneurs between the ages of 18 and 35. LIBSA provides marketing training for registered businesses for free and SEDA provides subsidized marketing training. It is recommended that Government agencies should conduct regular targeted workshops in the rural areas to communicate this information.

6.3   LEVEL OF SERVICE PROVISION OFFERED BY SMMEs IN RURAL   AREAS

The formation of clothing stores and Supermarkets that offer more variety should be encouraged through the offering of Grants or Business loans to registered identified businesses that already offer similar services in the rural areas.

6.4   NON LOCALS TAKING UP BUSINESS IN RURAL AREAS

Non-locals bring competition to locally owned businesses. This competition however, is beneficial to local consumers through offering low prices, and also

results in increased rural business activity as consumers substitute urban shopping for local shopping.

Competition in the long run will result in better goods and services being availed at reasonable prices, and will lead to developments in rural trade, so rather than hindering it, the Government should promote access to business support for local SMMES so that they can gain business skills and are able to compete rather than be edged out of business.

6.5   LEVEL AND COMPOSITION OF COMPETITION FACED BY SMMES IN RURAL AREAS

Competition for SMMEs in rural areas is mainly from businesses in urban areas, predominantly from clothing stores and supermarkets. As previously stated, the Government should provide grants or loans for registered businesses that are already involved in the provision of these services so that they can provide more variety.

Government agencies can then provide business training, mentorship and support to these businesses to enhance their marketing activities.

6.6   OPPORTUNITIES THAT EXIST FOR RURAL SMMES WITHIN THE PROVINCE

In order for rural businesses to access opportunities identified they need to be registered as legal entities. Currently Government agencies are aggressively

marketing and training businesses for tender opportunities and access to markets; however, these services are available for registered businesses.

The potential for SMMEs in rural areas is still relatively untapped as the majority of these businesses are operating without access to business support services and business loans. Once registered it is expected that the operating landscape will be more favourable for locally owned SMMEs.

Consideration should be given to organizing the SMMEs into cooperatives which will set up and operate as wholesalers.

6.7   ACCESS TO GOVERNMENT SUPPORT SERVICES

Access and benefit from Government support services is minimal because the majority of businesses operating in rural areas are not aware of such services. On the other hand it was noted that Government agencies were already marketing themselves aggressively in rural areas through local and community radio, however, awareness is still at very low levels.

It is recommended that the Government agencies should review their awareness campaign and ensure that it is effective and is able to reach the targeted audience.. The campaign should also highlight the advantages of registering businesses as CC, and also how one can go about registering their CC.

Once individuals register their businesses as entities they are expected to have more interest in the media campaigns that are run by the various Government agencies, and it is expected that they will actively seek for Government support services.

APPENDIX 1. PROJECT CHARTER

STATUS OF RURAL TRADE RESEARCH PROJECT

1.   INTRODUCTION

The Government of Limpopo, through the Department of Economic Development Environment and Tourism has commissioned this research. Specific instructions were to conduct a research to enable the government to understand the level of economic activity in rural area so as to better champion its provincial economic development mandate.

The Limpopo Provincial Government has realized the importance of SMMEs in achieving economic growth and prosperity and in further narrowing the income divide between the rural and urban areas in the Province. SMME formation and growth are therefore seen as an imperative by the Limpopo government. It is generally assumed that SMMEs in the rural areas within the Province are not competing favourably with their counterparts in the urban areas.

As such the Limpopo Department of Economic Development Environment and Tourism requested that a study be conducted to determine the status of trade in rural areas with the view of addressing the following issues:

- Challenges being faced by SMMEs, predominantly in the Rural environment

- Marginalisation of SMMEs from the Rural Areas

- Competitive forces being faced by SMMEs hindering them from growth

- Impact of Government Procurement Policy on SMMEs as intended prime benefactors

- Rural Consumer purchasing behaviour

The following sub-research areas were also identified for the purpose of this research and for the purpose of further amplifying and delivering the Department's mandate

1. Impact of SMMEs on job creation

2. Impact of SMMEs on provincial GDP

The Department of Economic Development Environment and Tourism in fulfillment of its mandate has commissioned this research on the status of Rural Trade to provide an insight into the

challenges being faced and also to determine the progress made by Government in support of the growth of this sector. The research will address the specific issues outlined herein

2   PROBLEM IDENTIFICATION

The Limpopo Provincial Government has realized the importance of SMMEs in achieving economic growth and prosperity and in further narrowing the income divide between the rural and urban areas in the Province. SMME formation and growth are therefore seen as an imperative by the Limpopo government. It is generally assumed that SMMEs in the rural areas within the Province are not competing favourably with their counterparts in the urban areas. It appears businesses in rural settings are also being taken up by non-indigenous business people, and the government would want to be in a position to understand the dynamics and implications of this occurrence in order to be in a better planning position.

Provincial Strategic Objectives

The Strategic Objectives of the Province, as enshrined in the Provincial Growth and Development Strategy (PGDS), are as follows:

Improve the quality of life of the Provincial Population using Spatial Rationale

Promote economic growth through competitive cluster formation and SMME development

Raise the institutional efficiency and effectiveness of government

Address unique priorities as they arise, such as BEE, Poverty reduction and HIV/AIDS, TB & Malaria

Regional social & economic integration towards achieving the objectives of NEPAD.

3. RESEARCH QUESTIONS

The following are the research questions that arise from the Terms of reference and Problem identification.

1. Why are consumers leaving their natural rural environments to go and shop in towns?

2.   Why are non-locals taking over businesses in rural areas and what has been the socio-economic impact of this?

3. What are the challenges that SMMEs in rural areas are facing?

4. Do SMMEs have adequate access to non-financial services?

5. What has been the impact of SMMEs on the provincial GDP if any?

6. Has the prevalence of SMMEs within provincial segments had any impact on job creation?

4. RESEARCH OBJECTIVES

The research questions have been communicated into clear delivery objectives that set the precedence of the scope of research that needs to be carried out.

To ascertain the challenges that are being faced by SMMEs in the rural setting.

To find out why rural consumers are choosing to shop in urban areas.

- To evaluate the adequacy of service provision offered by SMMEs in rural areas.

- To ascertain the impact of non-locals taking up business within the rural environment.

To find out the level and composition of competition being faced by SMMEs within the Rural areas.

To ascertain if prices being charged and products being sold are sustainable in Rural environments.

To ascertain the opportunities that exist for SMMEs within the Province.

To find out if SMMEs in the rural areas are benefiting from Government support services, with a bias towards the provision of non-financial services aimed at enhancing business sustainability.

5. RESEARCH METHODOLOGY

The Research Objectives call for a three pronged research approach:

Exploratory Research: - In gathering preliminary information to uncover the problems being faced by the SMMEs

Descriptive Research : - In describing the market setting, market potential and market challenges, including industry specific opportunities and challenges for SMMEs within the Geographic setting

Casual Research: - In defining the cause-and -effect relationships that might exist between SMME development and Economic development within the Province.

As such, the research will take a monitoring and evaluating paradigm with a view of identifying negative aspects that are impacting on SMME and Rural development and making recommendations with a further objective of overcoming these. The research also aims to identify positive factors with a view of maintaining or leveraging these in order to upscale development for the SMMEs and predominantly those operating in the rural areas where historically growth has been limited.

*MANPOWER RESOURCES

In order to conduct the research it is planned to deploy the following manpower resources:

5 Research assistants

10 Field Researchers

*SECONDARY RESEARCH

Certain secondary data might be obtainable from LIBSA in reviewed format.

Internal sources will be used for purpose of gathering of this data.

Internal

DTI

UMSOBOMVU

SEDA

LIBSA

NAFCOC

SACOB

SECTORAL GOVERNMENTAL DEPARTMENTS (e.g department of housing, health etc)

*PRIMARY RESEARCH

The second step of the research will be to conduct primary research. Primary research will call for more resources especially manpower resources, and it is at this stage where the need for research assistants becomes more pronounced. There is a need for relevant, accurate, current

and unbiased information; hence if field people are recruited at this stage, there will be a dire need to monitor them.

For the purpose of this research, Primary research will entail going into the field and conducting interviews with Consumers, selected owners of SMME, Municipalities, Service Providers and Government support Services including:

DTI

UMSOMBOVU

SEDA

LIBSA

NAFCOC

SACOB

LOCAL MUNICIPALITIES

Primary research will also call for Field Questionnaires that are going to target SMME clientele in order to uncover consumer behavioural issues, including price, convenience and types of services offered.

In certain instances, observations are also going to be made with the view of recording the types of products and services offered by SMMEs and Product bundling, predominantly in the rural areas with a view of cross-tabulating with information of consumer demand (which will have been sought through the questionnaires)

Primary Research Tools

Expert interviews

Observational Research

Questionnaires

SAMPLING

Questionnaires

For the purpose of the field survey +/-500 questionnaires are going to be apportioned to each District depending on population dynamics. Probability Sampling will be used along the constructs of Age, Gender and Income groups. These will be the main questionnaire constructs.

Expert Interviews SMMEs

Non- probability sampling will be used, Owners or Shop managers will be interviewed.

Expert Interviews Internal/Service Providers

Non-probability sampling will be used. Interviews will be requested with experts in the area being covered.

6.   *ASSUMPTIONS AND CONSTRAINTS*

The successful completion of this project is premised on the fundamental assumption of the availability of information and free access to the information. Basic information that is required for this project is as follows:

- LED and IDP for all the Districts.

- List of key stakeholders and their contact details.

It is further assumed that consultants will have easy and timely access to provincial officials, company executives and other stakeholders.

At this point in time, no major constraints in executing this project are envisaged.

7.   *RISKS*

The risks pertaining to the successful and timely completion of this project are as follows:

- Availability and timely access to information;

- Timely access to stakeholders; and

- Timely feedback on Progress Reports.

Field researchers will have to be monitored to ensure accuracy of data. Because questionnaires tend to be confidential, field workers tend to manipulate questionnaires to avoid the frustrations of looking for the right candidates to fill them out. A research assistant will have to be engaged to monitor and also conduct research.

8.   *QUALITY MANAGEMENT APPROACH*

The Team Leader shall be responsible for quality assurance, check each report/submission for accuracy and integrity.

9. WORK PLAN

The Work Plan is shown on Attachment 1.

10. TEAM CONTACT DIRECTORY

- Daniel Chiwandamira - Team Leader

  - Tel # 011 4679922

  - Fax 0866 197 401

  - Cell: 072 596 7003

  - e-mail: dpc@turnaroundpartners.co.za

- Farai Mbwanda

- Cell: +27842358155

- e-mail: fmbwanda@hotmail.com

APPENDIX 2: CONSUMER QUESTIONNAIRE

LIMPOPO CONSUMER SURVEY QUESTIONNAIRE

DISTRICT...………
………………..

MUNICIPALITY...…………
……………..

AREA…………………………………………………………………………………………
………

Hello, my name is ………………………………I am a field researcher conducting research on the state of trade in rural areas on behalf of the Limpopo Department of Economic Development and Tourism. Could you please spare 5 minutes of your time in completing this questionnaire!

SECTION A

DEMOGRAPHICAL INFORMATION

1. Age:

a) Below 20yrs of age ☐   b) 20 - 30 ☐   c) 30- 40 ☐
d) 40+ ☐

2. Gender? Male ☐   Female ☐

a) Male   b) Female

3. What is your monthly household income?

Please select by ticking the most appropriate selection

Less than R1000 a month	
R1000 - R5000	
R5001 - R10 000	
R10 000+	

4. What mode of transport do you use?

a) Public Transport   ☐   b) Personal Vehicle   ☐

5. How long have you been living in this area for?

a) Less than 2 yrs ☐   b) between 2 and 5yrs ☐   c) 5 - 10yrs ☐   d) more than 10 yrs ☐

6. How many people constitute of your household including yourself

a) 2 ☐   b) 3-5 ☐   c) 6-8 ☐   d) more than 8   ☐

7. What is your employment status?

a) Student ☐   b) Unemployed ☐   c) Employed ☐

SECTION B

GENERAL CONSUMER QUESTIONS

8. Please indicate (by ticking) the most appropriate response for the fields below

I purchase	Once a month	Twice a month	Three times	Four times or more
a) Groceries				

9. Please indicate (by ticking) the most appropriate response for the 3 fields below

I purchase	Once a month	Once a year	Once in 2 years	Once in 3years or more
a) Appliances				
b) Furniture				
c) Clothing				

10. Please rate in order of importance from 1st (most highly important) to 3rd (least important) which aspects you consider when making purchasing decisions.

Price	Product Quality	Distance

11. Please indicate (by ticking) the most appropriate response for the 4 fields below

How far would you travel to buy	Less than 2km	2 - 10km	10 - 20 km	More than 20km
a) Groceries				
b) Appliances				
c) Furniture				
d) Clothing				

12. Does Media play any part in influencing where you shop?

a) Yes ☐   b) No ☐

Please refer to question 12

13. If your answer to the previous question was yes, please indicate what type of media

Multiple response question,

Please indicate by ticking the most appropriate fields

Newspapers	
Magazines	
Television	
Radio	
Outdoor/Billboards	

14. Which are the services you make frequent use of but are not available within your area?

Multiple response question,

Please indicate by ticking the most appropriate fields

Clothing Store	
General Dealer	
Supermarket	
Salon	
Hardware	
Tailor	
Fast-food/Restaurant	
Financial Services/Banking	
Vehicle Spares	
Bakery	

Bottlestore	
Phone-shop	
Service Station	
Butchery	
Fruit & Vegetable	
Scrap Yard	
Other………………………..Please Specify	

15. How do you perceive the prices charged by shops in your area compared to those charged in urban areas?

a) Cheaper ☐   b) More expensive ☐   c) The same ☐

16. How do you perceive the quality of products sold in your area compared to that sold in urban areas?

a) Higher quality ☐   b) Lower quality ☐   c) Same Quality ☐

17. How much do you spend Monthly on basic groceries?

a) Less than R500 ☐   b) R500 - R1000 ☐   c) R1000 - R2000 ☐   d) More than R2000 ☐

18. Where do you conduct most of your shopping for basic goods and services?

a) Locally in my area ☐   b) In town or in an urban area ☐

If your answer to the above question was a), skip to section D(and do not complete section C), If your answer was b), please complete section C (and do not complete section D). Please do not complete both sections!

SECTION C

URBAN SHOPPERS

19. I prefer to purchase goods and services from urban areas due to the following factor(s)

Multiple response question,

Please indicate by ticking the most appropriate fields

More Services	
More Variety	
I do not like the local shop owners	
Better value of money	

I like to shop and look around	
Discounts	
Lower Prices	
Better Quality	
Other……………………….Please specify	

20. When do you conduct your shopping?

a) Weekends ☐   b) During the week ☐   c) week &
Weekends ☐

21. How would you classify the goods and services that you buy from urban areas?

a) Luxury Goods ☐   b) Normal Goods ☐

22. Do you ever buy any goods or services from local businesses?

a) Yes ☐   b) No ☐

Please refer to question 22

23. If your answer to question number 22 was yes, how would you classify the goods and services that you purchase from local businesses?

b) Basic goods ☐   c) Luxury goods ☐

24. Has your behavior of shopping from Urban areas been consistent or been influenced by certain circumstances over the past few years

a) Consistent ☐   b) influenced ☐

Please refer to question 24

25. If your answer to question 24 was **a) influenced**. Indicate which of the following factors have influenced your behavior

a) Personal circumstances ☐   b) circumstance relating to the shops ☐   c) Other………… ☐

26. What services that you find in the city, and are currently not in your area would you like to find there

Multiple response question,

Please indicate by ticking the most appropriate fields

Clothing Store	
General Dealer	
Supermarket	
Salon	
Hardware	
Tailor	
Fast-food/Restaurant	
Financial Services/Banking	
Vehicle Spares	
Bakery	
Bottlestore	
Phone-shop	
Service Station	
Butchery	
Fruit & Vegetable	
Scrap Yard	
Other…………………………..Please Specify	

Please refer to question 26

27. If these services were made available would you give them 1st preference over similar services found in urban areas?

a) Yes ☐   b) No ☐   c) not sure ☐

28. Where do you do your urban shopping?

....…………………………………………………………
……………

SECTION D

RURAL SHOPPERS

29. Do you ever travel to urban areas to purchase other goods and services?

a) Yes ☐   b) No ☐

Please refer to question 29

30. If your answer to 29 was yes, how would you classify the goods and services that you purchase?

a) Normal ☐   c) Luxury ☐

31. I prefer to purchase goods and services from rural areas due to the following factor(s)

Multiple response Question, Please indicate by ticking the most appropriate fields

Adequate Services	
Enough Variety (I can get everything i need here)	
I prefer the rural shops	
Better value of money	
I do not have to travel far	
Discounts	
Lower Prices	
Better Quality	

32. Which businesses do you do most of your shopping from?

a) African Owned ☐   b) White owned ☐   c) Asian Owned ☐   d) Chinese owned ☐

END

THANK YOU VERY MUCH FOR YOUR COOPERATION

APPENDIX 3: SMME BUSINESS OWNER QUESTIONNAIRE

LIMPOPO SMME BUSINESS OWNER SURVEY QUESTIONNAIRE

DISTRICT...………………………...

MUNICIPALITY...…………………………...

AREA…………………………………………………………………………………………………….

Hello, my name is …………………………….I am a field researcher conducting research on the state of trade in rural areas on behalf of the Limpopo Department of Economic Development and Tourism. Could you please spare 5 minutes of your time in completing this questionnaire!

SECTION A

DEMOGRAPHICAL INFORMATION

1. Race of Business Owner

a) Colored ☐   b) African local ☐   c) White ☐   d) African non-local ☐

e) Asian ☐

2. How long has this business been operational in the current location?

a) Less than 2 years ☐   b) 2- 5 years ☐   c) 5-10 years ☐   d) Over 10 years ☐

3. Age Owner:

a) Below 20yrs of age ☐   b) 20 - 30 ☐   c) 30- 40 ☐ d) 40+ ☐

4. Which description best fits your business?

Please answer by ticking the most appropriate selection

Sole proprietorship	
Partnership	
Closed Corporation	
Private Limited	

5. What services best describes your business?

Please select the most appropriate by ticking

Clothing store	
General Dealer	
Supermarket	
Salon	
Hardware	
Tailor	
Fast-food/Takeaway /Restaurant	
Banking/Financial Services	
Vehicle Spares	
Bakery	
Bottle store	
Phone shop	
Service Station	
Butchery	
Fruit & Vegetable	
Scrap Yards	
Other...........................……..Please specify	

6. How many people does the business employ?

a) 0-5 ☐   b) 6-10 ☐   c) 11-20 ☐   d) more than 20 ☐

7. What is the approximate annual turnover of your business?

a) R0- R500 000 ☐   b) R500 001 - R 1mil ☐   c) +R1.01mil - R 5mil ☐   d)
Over R5mil ☐

If over R5million please terminate interview

SECTION B

GENERAL QUESTIONS

8. Can you say that your business has experienced any growth since its establishment?

a) Yes ☐   b) no ☐

Please Refer to Question 8

9. Please explain your answer to Question 8 (why do you think it has grown or not grown?)

....……………

10. What attracted you to set up business in this area?

(Multiple response question, please select)

Abundance of customers/Demand	
Good Infrastructure (e.g. roads, electricity)	
Profit by other businesses in the area	
No competition from other businesses	
Other.........Please specify	

11. Where do you source your inputs/products?

a) Locally ☐   b) from another Provinces ☐   c) Imported ☐

12. In what areas do you feel lie the business strengths of the area?

(Multiple response question, please select by ticking)

High Consumer Disposable income	
Large Market	
Good infrastructure (roads, electricity	

etc)	
Government business support services	
Low rates (rent, water, electricity)	
Good business linkages (supply chain)	
Other…………………………specify	

13. What challenges do you think your business and other businesses in your area face?

(Multiple response question, please select by ticking)

Infrastructural	
Supply chain related	
Lack of Financial support & Infrastructure	
Technological	
Competition from big business	
Market related (insufficient market)	
Threat from new entrants	
Lack of non-financial business support services	
Lack of skills in managing a business	
Other…………………………Please specify	

14. As an entrepreneur do you feel other business opportunities exist for you to diversify into?

a) Yes ☐   b) no ☐   c) not sure ☐

Please refer to question 14

15. If your answer to question 14 was **yes**, please specify at least one business opportunity

……………………………………………………………………………………………………
…….

16. Do you feel the government is doing enough to support businesses in your Municipality/area?

a) Yes ☐   b) no ☐   c) not
sure ☐

17. Are you aware of any financial or non-financial government support initiatives targeted to SMMEs in your District?

a) Yes ☐   b) no ☐

18. Have you ever attempted to obtain financial or non-financial governmental assistance?

a) Yes ☐   b) no ☐

19. Have you benefited from any government initiated business support services?

a) Yes ☐   b) no ☐

Please state institution……………………………………………………

Please refer to question 19

20. If your answer to question 19 was yes, please indicate the type of initiative you benefited from

(Multiple Response question, please tick)

Government grants	
Government loan	
Skills training	
Business mentorship/coaching	
Government tender	
Other, Please specify..	

21. Do you feel that you are losing business to urban areas?

a) Yes ☐   b) no ☐   c) not sure ☐

22. What do you think the Government should do to help your business and other businesses in the area develop?

END

APPENDIX 4: SERVICE PROVIDER INTERVIEW GUIDE

TARGETED RECIPIENTS AT DISTRICT OR MUNICIPAL LEVEL

UMSOMBOVU

SEDA

LIBSA

LIMDEV

1. DO YOU HAVE ANY PRESENCE IN THE RURAL AREAS?

2. WHAT KEY INTERVENTIONS/SERVICES DO YOU OFFER IN THE RURAL AREAS?

3. WHAT KEY INTERVENTIONS/SERVICES ARE PREDOMINATELY SOUGHT BY BUSINESSES IN THE RURAL AREAS?

4. DO YOU PROVIDE ANY WORKSHOPS OR TRAINING IN THE RURAL AREAS?

5. WHAT CHALLENGES HAVE YOU IDENTIFIED AS BEING FACED BY BUSINESSES IN THE RURAL AREAS?

6. DO YOU RUN AWARENESS CAMPAIGNS AIMED AT TARGETING BUSINESSES IN THE RURAL AREAS