
A BUSINESS MODEL AMALGAMATION IN SOUTH AFRICA FOR INDIGENOUS AND IMMIGRANTS-OWNED ENTREPRENEUR: A SYNOPSIS

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ABSTRACT: *Studies have indicated that both the indigenous and immigrants-owned entrepreneurs in South Africa adopt different business models to run their business and by so doing one group may have perceived to perform more than the other. The fact that entrepreneurs aspire to grow their businesses, have given room for them to rely on using various components to grow their businesses. In the quest to succeed the immigrants' entrepreneurs seek various components to run their business which led them to outperform the indigenous entrepreneurs. The study employed a qualitative approach that includes purposive sampling, interview and thematic content analysis to justify the counterclaim on the various business models employed by the entrepreneurs and a number of factors emerged from the statistical approach conducted. The findings speak to the needs and expectations of the different business models employed by this different group. It was observed that certain business models are employed by the immigrants' entrepreneurs that enabled them outperform the indigenous entrepreneurs in South Africa such as lay-bye, giving goods on credit, up-to-date with customers' needs, need analysis, long hours of operation, discount prices, effective networking and many more. The study observed that the growth and advancement of entrepreneurs is dependent upon the business models that are employed by the entrepreneur to successful run a business. The study recommended among others that the government should as a matter of urgency create entrepreneur centers that can assist and support young and intending entrepreneurs at various communities; provide training intervention and sensitize the public.*

KEYWORDS – Immigrants, Indigenous, Entrepreneurship, Business model, South Africa

INTRODUCTION: South Africa economy has grown and developed into a much stronger, wealthier and better economy, yet it still faced with high entrepreneurial failure and unemployment. The failure rate of entrepreneur ranges between fifty percent and ninety-five percent within five years of operation, which clearly indicates a high failure rate of entrepreneurs (Willemse, 2010). Regardless of efforts being made by the entrepreneurs to reduce unemployment, it still remains high on 26.7% (Statistics South Africa, 2018). Basu (2011) recognized that immigrants have a high propensity towards entrepreneurship and as such contributes to economic development. They have become a source of human capital necessary to the development of an entrepreneurial activity for many countries (Schuetze & Antecol, 2006).

South Africa has become a primary destination and transit point for migrants from throughout the region as a consequence of long-standing patterns of labour migration, conflict and economic hardship in neighboring countries, and country's peace and prosperity (Khosa & Kalitanyi, 2014) The participation of immigrant entrepreneurs in South Africa has become a significant element in the changing economy and landscape of inner-city engagement in an entrepreneurial sector as well as reduction in the high rate of unemployment (Fatoki, 2014 and Kalitanyi & Visser, 2010). In the light of the discussions it is therefore necessary to establish the business models used by the different categories of entrepreneurs in Gauteng so as to inform policy makers and aspiring entrepreneurs on the essential of a successful business model.

Immigrants and indigenous entrepreneurs are actively engaged in the growing South African economy, however, some of these immigrants' entrepreneurs are believed to have some peculiar characteristics that enable them outperform the indigenous entrepreneurs. Chiloane, Tsoka & Mmako (2014) contend that the influx of foreign inhabitants led to increased competition and lowered prices that led to overall diminished profits for businesses owned by the local inhabitants. The immigrant entrepreneurs brought networking skills which led to the sprawling of more foreign owned informal businesses.

Liedeman, Charman, Piper & Petersen (2013) establish that the rapid growth of immigrant businesses rendered the local inhabitants powerless as they were unable to compete with the indigenous pricing models and skills thus leading to disintegration of local inhabitant small businesses. Ultimately, Liedeman et al., (2013) add that the business approach and scale of operations of immigrant entrepreneurs contrast markedly with the predominantly micro-or-small-scale, 'survivalist' business approach of most South African entrepreneurs. That is their change in ownership is a direct result of establishment process, labour and employment relations. They add that the role of social network, plays a key role in assisting a more competitive business model such as access to cheap labour, where businesses use their connection to run their business, group purchasing to secure discounts, strategic investment in geographical areas to start immigrants' strongholds, operational economies of scale, enforcement of contractual agreements by the network with clan elders overseeing business deals and facilitating micro-finance by organising investments and business partnerships (Liedeman et al., 2013). In addition, Steyn, Mataboge, De Wet & Zwane (2015) add that immigrant entrepreneurs are ironically the only class of entrepreneur that has proven themselves equal to many challenges. They keep transactional records, use financial information to plan their business, stay open for longer hours, priced their goods very carefully rather than imposing a universal mark-up and clinged on where other local business fails.

RESEARCH OBJECTIVES

The objective is:

- i) to determine the different business models employed by immigrant and indigenous entrepreneurs.
- ii) to determine the effect of business performances on the different types of business models employed by entrepreneurs

ENTREPRENEURIAL STATE IN SOUTH AFRICA

It has been recognized that entrepreneurial sector plays an important role in the socio-economic development of a country thus there is a need to support its development. Tengeh (2013) and SACOB (1999) opined that the growth and development of the entrepreneurial sector is of critical importance to South Africa's ability to address the serious problems of unemployment, income inequality, economic concentration, lack of international competitiveness and low economic growth which affects it. Historically, South Africa has experienced imbalances in the distribution and ownership of productive resources, economic downturn, and market mechanisms alone since the inception of democracy (Tengeh, 2013).

The Global Entrepreneurial Monitor Report states that the market forces have failed to address the concerns of the past and as such there is overwhelming need for government's direct involvement (Herrington, Kew & Kew, 2014). South African government sees the need to become committed in improving the entrepreneurship to address the social imbalances that face the country by creating enabling environment that fosters innovation, facilitate more productive economies and critically open up new and better job opportunities for all segments of the population (Herrington et al., 2014; Lloyd, 2002 and SACOB, 1999). The corporate sector fails to create jobs despite government intervention to increase its levels of staffing over last few years. It became clear that South Africa can no longer depend solely on large organizations' or government as job inventors (Herrington et al., 2014). Emphasis now shifted towards entrepreneurship for job creation. That is a situation where South Africans move away from the conception of seeking employment to one of creating employment for oneself and others.

THE IMMIGRANT AND INDIGENOUS ENTREPRENEUR

Immigrant entrepreneur is seen as people who migrated few decades ago to a new host country and end up starting a business Vinogradov (2008) argue that an immigrant entrepreneur is a business owner with foreign origin and involved in the act of economic innovation, organization creation and profit seeking in the market sector. Similarly, Azmat & Zutshi (2012) define this person as an individual who migrate to other countries but maintain concurrent business-related linkages with their home country as well as with their host country.

Indigenous entrepreneur is a person who has maintained their distinct linguistic, cultural and social/organisational characteristics (Frederick & Foley 2006). Spencer, Brueckner, Wise & Marika (2016) echo that indigenous entrepreneur plays an important part in the community life that can cultivate empowerment through economic activities. In this effect, an indigenous entrepreneur is a community-based entrepreneur that engages local people to work in their communities and, importantly, facilitate economic and social development of the community (Ratten & Dana, 2015). They use their culture to support the smooth running of entrepreneurial businesses in their community. Thus the essence of applying the cultural element is because they know and understand their people's need and try as much as possible to support them in various ways.

THE CONCEPT OF BUSINESS MODEL

Business models are unifying units of analysis to facilitate theoretical development in entrepreneurship bridging more traditional units of analysis such as businesses or network (Zott, Amit & Massa, 2009). The purpose of business model for an entrepreneur is defined by the manner at which the entrepreneur attracts customers and delivers value (Peric & Wise, 2015). Osterwalder, Pigneur & Tucci (2005) identified nine components that form the basis of the business model such as; customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnerships and cost structures. However, for the purpose of this study, it will be narrowed down to five because of the similarities identified in the business models elements. These include: value proposition/value creation, channel and customer relationship/customer satisfaction and relationship, customer segments and key partnership/communication process, revenue streams and cost structures/sustainable revenue, key resources and key activities/ key resources.

Value Creation: Values creation is the set of activities used by entrepreneurs in boosting the value appeal of their products (Isom & Jarczyk, 2009). It is actually the machinery used in achieving business goals and objectives. Its business value role is vital in creating and improving goods and services, developing market demand, meeting market expectations, and increasing shareholders' wealth (Isom & Jarczyk, 2009). Osterwalder & Pigneur (2009) identified certain components that bring about value creation; newness, performance, customization, getting the job done, price, design, brand/status, cost reduction, accessibility, convenience/usability and risk reduction.

Customer Satisfaction and Relationship: This is the principal tool used by entrepreneurs to assess the health relationships with their customers it is the attitude displayed by an entrepreneur in satisfying the needs of their customers which indicates how fulfilled the customer achieve from product or service. Rossomme (2003) referred to this as the customer's fulfillment response and this brings about business growth. In order to create a good customer satisfaction and relationship, the following elements are used; mass market, segmented, niche market, multi-sided platforms (or multi-sided markets), self-service, automated services, personal assistance, dedicated personal assistance, co-creation and communities (Osterwalder & Pigneur, 2009).

Communication Process: The process through which individuals are able to understand one another. Communication can have direct and indirect effects on team and organizational performance (Wok & Hashim, 2013). A good communication with the prospective customers brings about a healthy business environment. However, in order to create a conducive business environment, the following elements may be used; purchase, delivery, awareness, evaluation and after sales (Osterwalder & Pigneur, 2009).

Sustainable Revenue Cost: Revenue deals with monetary value in a business. In obtaining revenue, Osterwalder & Pigneur (2009) state that the cash an entrepreneur generates from each customer segment must be subtracted from revenues to create earnings. However, the following elements may assist the entrepreneur to generate revenues that will positively grow the business; subscription fees, licensing, assets sale, usage fee, lending/renting/leasing, brokerage fees and advertising. Thus in achieving a proper revenue streams different pricing mechanisms may be used; fixed list prices, bargaining, auctioning, market dependent, volume dependent or yield management (Osterwalder & Pigneur, 2009). Ultimately, revenue cost can be distinguished between two business model cost such as cost-driven and value-driven (Osterwalder & Pigneur, 2009).

Resources and Partnerships: Resources are something every entrepreneur requires that creates and offer a value proposition, reach markets, maintain relationships with customer segments, and earn revenues. It describes the most important assets required to make a business successful (Osterwalder & Pigneur, 2009). Resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by an entrepreneur that enables business to conceive of and implement strategies that improve its efficiency and effectiveness (Barney, 1991). Osterwalder & Pigneur (2009) identified components that lead to good business model key resources and partnership such as; physical, financial, human or intellectual, production, problem solving, platform/network, optimization and economy of scale, acquisition of particular resources and activities and reduction of risk and uncertainty.

RESEARCH METHODOLOGY

The research philosophy employed is interpretivism. Interpretivism usually seeks to understand a particular context, and the core belief of the interpretive paradigm which reality is socially constructed. The sampling method that aid in obtaining response was a purposive sampling, fifty-eight (58) entrepreneurs were interviewed in Gauteng province, (30) immigrants and (28) indigenous entrepreneurs. In the qualitative approach, face-to-face interviews were used to gather information on the business models used by the entrepreneurs. The respondents were asked verbal and non-verbal questions on a wide range of issues relating to their business attributes, practices and structures as well as business approaches and the analysis of data was carried out using thematic content analysis.

The population focuses on SMEs in Gauteng province in the retail, services, manufacturers and wholesalers' sectors. According to FinScope (2011), the overview of the nature of entrepreneurs in South Africa, means that a significant majority (78.8%) offered retail services while only (21.3%) provide services to their customers. According to the Small, Medium and Micro Enterprise Sector of South Africa (SEDA) (2016), the number of SMMEs amount to 2251 821, number of formal SMMEs 667 433 and number of informal SMMEs 1 497 860. Out of this number of SMMEs, 30.5% operate in Gauteng which is to say, 687 556 business owners operate in Gauteng. Therefore, the population of the study was 687 556 business owners who operate in both the retail and service sector of the SMEs.

RESULTS AND FINDINGS

Findings are presented according to the responses obtained from the coding system.

- **Table 1** represents the common business model themes obtained from both immigrants and indigenous entrepreneurs.
- **Table 2** represents the business model themes that are specific to immigrant's entrepreneurs
- **Table 3** represents the business model themes that are specific to indigenous entrepreneur. However, the differences in their responses are separated using the numbers from IMME01 to INDE58.

Table 1: Common themes identified from both immigrants and indigenous Entrepreneurs

Common Themes	Value Creation	Customer Satisfaction and Relationship	Communication process	Sustainable Revenue Costs	Key Resources
Description	Friendly, Setting good prices, Stock, Good quality and Communication	On time delivery, Good communication, Trust, Respect customers right and Humble/Honest	Good communication and Friendliness	Market value, Discount, Government determination (law) and Percentages	Personal savings

DISCUSSION FROM THE COMMON THEMES OBTAINED BY BOTH IMMIGRANTS AND INDIGENOUS ENTREPRENEURS

Value Creation: The findings of this study showed that immigrants and indigenous entrepreneurs achieve their business goals and objectives through various components such as, friendly, setting good prices, stocking goods, good quality and communication. Isom & Jarczky (2009) said that business value is vital in creating and improving goods and services, developing market demand, meeting market expectations and increasing shareholders' wealth. However, in achieving competitive advantages, the participants have this to say.

Friendly: The entrepreneurs agreed that being friendly in the business environment is absolutely necessary as it brings about value creation.

Setting good prices: This finding resonates with Obigbemi (2010) argument that pricing decision is a crucial decision every business establishment has to make, because this will eventually affect their business objectives, either directly or indirectly. According to Fatoki & Garwe (2010), pricing decisions have to be considered carefully in order to beat competition as well as achieve lucrative profit margins. Despite each business owners using different pricing strategies to bring value, it is important that entrepreneurs should consider cost minimization as well as profit maximisation when placing a price tag on the goods or services offered.

Stock: The preceding statement from the respondents indicates that stock is an important skill that entrepreneurs need to adopt. AsIkechukwu & PoweiDaubry (2012) established that stocks such as raw materials, parts, semi-finished goods, and finished goods are what a firm keeps in anticipation of demand for production purposes and/or to satisfy the needs of consumers.

Good quality: Good quality brings about customer loyalty. Mukherjee, Nath & Pal (2003) add that customer loyalty is a result of higher satisfaction derived from the quality of services or goods provided by the entrepreneur that leads towards stimulation of financial performance. Entrepreneurs must ensure they provide as much quality as possible so as to achieve value creation.

Communication: The overwhelming majority of entrepreneurs interviewed believed that having a good communication with their client is an important element to value creation. These statements show that most entrepreneurs communicate effectively with their clients. Poovalingam & Veerasamy (2007) established that no organisation can function properly or reach its goals without a good system of communication. Having a good communication with customers creates a good business atmosphere and enables the customers to ask questions when needed.

b) Customer satisfaction and relationship: Cengiz (2010) presume that customer satisfactions are those feelings of pleasure or disappointment, which a person experiences after “comparing a product’s perceived performance (or outcome) in relation to his expectations. It is essential for entrepreneurs to create satisfaction for their customer in order to attract new customers and to build strong relationships with existing ones (Kotler, 2003). From the interview conducted, the overwhelming majority of the entrepreneurs mentioned that the following components are used to create customer satisfaction and relationship; trust, on time delivery, respect customers right and humble. The following statements mirror their view:

c) Good communication: Their responses show that most entrepreneurs create an atmosphere that produced good and effective communication where customers can be free to request, ask questions and interact with the entrepreneur regarding their needs. The working technique in customer relationship management is the business attributes associated with interaction with customer during the sales and service delivery such as ensuring customer loyalty, excellent service delivery, and quality management (Wairimu & Esther, 2015).

Trust: Trust is a key construction in encouraging client retention and building successful relationships (Morgan & Hunt, 1994). However, entrepreneurs should ensure they build trust to bring about successful business transaction.

On time delivery: On time delivery leads to business growth. One of the elements of being a successful business owner is the ability to deliver goods on time, especially goods that are presumed a daily consumption.

Respect customer’s right: It is believed that customers are always right. This may be true for the entrepreneurs.

Humble: Business flourish more when entrepreneurs’ shows the art of being humble to customers, showing a kind of assistance to customers.

Communication process: Many entrepreneurs engage themselves in frequent interaction when attending to their customers by having good interaction and being friendly. A good customer relationship makes them always want to come back. Riches (1994) echoed that communication assists entrepreneurs to communicate their thoughts, feelings and desires. They use communication to know whether and how much they know about a product or service as well as communicate about happiness, uncertainty, delight and confidence of their business success (Riches, 1994).

d) Sustainable revenue and cost: Revenue cost elaborates the earnings a business gets by subtracting the costs from the revenue generated from each customer segments and where customers are generally considered the heart of the business, revenues are automatically linked to the arteries (Osterwalder & Pigneur, 2009). Thus entrepreneurs shared their views on

how revenue and cost assist their business such as through, market value/price, discount, government determination and percentages

Market value / prices: Business owners try as much as possible to make sure their prices are set according to the market value. Pricing mechanism is an important tool to match buyers to sellers of a product. It is linked to the price of the product on its expected demand and supply. Setting the price for a business product or service is one of the most essential decisions an entrepreneur faces, and one of the most difficult, due to the number of factors that must be considered such as demand, competitors, cost, political, environmental, legal and image-related issues (Hilton, 2005).

Discount: Entrepreneurs' uses discount to encourage their regular customers those who patronize them often. This is done to keep them close.

Government determination (law): The existence of government legislation limits contractual rights and economic participation for entrepreneur (Fatoki & Garwe, 2010). Government laws and other national business environment factors could be marshalled to influence the rates and types of entrepreneurship. It should create an enabling environment that reduces the barriers to market entry.

Percentages: Percentages help in price reduction of an item or services. Most entrepreneurs use percentage to fix their selling price and buying in large quantity enables the entrepreneurs' to use percentage to access how much they make from each product.

e) Key resources and partnership: Key resources are used to increase business wealth. The entrepreneurs identified personal savings as a key resources and partnership in a business.

Personal savings: Entrepreneurs require financial resources in order to start their business and to fund growth (Olawale & Garwe, 2010), without savings, it will be difficult for entrepreneurs to grow their business. However, there is need to always save for the growth and advancement of the business.

DISCUSSION ON BUSINESS MODEL THEMES THAT ARE SPECIFIC TO IMMIGRANT ENTREPRENEURS

The table below specifically relates to data obtained from the immigrant entrepreneurs. The analysis on the business models obtained is as follows:

Table 2: Results obtained from the immigrant entrepreneurs

Specific Themes	Value creation	Customer satisfaction and relationship	Communication process	Sustainable revenue costs	Key resources
Description	Lay bye, Give goods on credit, Create streams to entice customers and Up-to-date with customers' needs	Discount prices, Need analysis and Access to credit	Effective networking, Shared information and Offer help	Long hours of operation, Credit availability, Budget and Group purchasing power	Business permit, Contribution from country members and Networking

a) **Value creation:** The preceding statements from the respondents indicate that value creation takes into account the buyer's willingness to pay for a product and the supplier's opportunity cost for the resources in question (Grasl, 2008). The following viewpoint assists immigrants in creating value. Lay-by, giving goods on credit, create streams to entice customer and up-to-date with customer needs.

Lay-by: When the customer identifies the goods they intend to buy; they register the goods with certain percentage of money that is either allocated or recommended by the seller which indicates that the good/goods has been bought they then pay it off at a later stage before collection.

Giving goods on credit: This is the act of allowing customers to buy goods and pay at a later stage. Nonetheless many entrepreneurs implement this aspect differently; some require the customer to give collateral while others deal with it on trust base. In contrary to this, Adegun (2013) echoed that credit facilities are not available especially for potential entrepreneurs seeking to start their own business.

Create streams to entice customers: Entrepreneurs uses this when certain goods have long over stayed in their shop. Sales organised most times comes at the month end because it is believed that most buyers have money by the month end. The more sales they make the more product cost is covered.

Up-to-data with customer needs: Entrepreneurs take advantage of their competitors by bridging the gap between the business and their customers. Badenhorst-Weiss & Cillier (2014) emphasised that competitive advantage is the differentiating factor used by entrepreneurs that drives customers to buy from a specific business rather than from their competitors. Hence, the key to competitive business lies on the process of developing a unique competitive approach that creates value for customers which is difficult to duplicate.

b) **Customer satisfaction and relationships:** The following components were used by immigrants' entrepreneurs to satisfy their customers.

Discount prices: These findings resonate with Obigbemi (2010) argument that for an entrepreneur to compete favourably with its peer in the same industry, it must be able to meet the demand of the people, as well as set the right price for the product. Taking into account discount prices, entrepreneurs should allocate prices in such a way that it will not affect the main price of their product.

Need analysis: Each entrepreneur shows different categories of uniqueness by checking what is on trend and stock the shop. Knowing the needs of the customers make quicker turnover of market demand.

Access to credit: customers feel satisfied when they can access goods on credit and pay at a later day, entrepreneur who gives trusted customers' goods on credit tends to have more sales because customer relationship is maintained.

c) **Communication process:** Communication is the basis of every successful business in the world today. It assists entrepreneurs in influencing their customers to purchase their products and services (Standa, 2013). Immigrants' entrepreneur identified the following as business model components used; effective networking, share information and offer help.

Effective networking: Business network is an important aspect to entrepreneurship because entrepreneurs can directly reach people who are willing to support their new business

(Jenssen & Greve, 2002). Entrepreneurs provide a means to relate freely with one another, to share experiences and exchange knowledge Stephens (2013) contend that business networks are drawn from a variety of roles and backgrounds reflecting the variety of aids, advice and support that an entrepreneur requires as they look to grow their business. Olawale and Garwe (2010) agreed that networks increase a business legitimacy, which in turn positively influences the business access to external financing.

Share information: Agwa-Ejon & Emeti (2014) echo that information solutions can provide sufficient credit information and reduce risk for credit thus helping large lenders to lend money to SMMEs.

Offer help: Offering help to a customer who comes in to shop gives them a sense of belonging. Salutation to a customer makes him/her relax to shop.

d) Sustainable revenue costs: From the outcome of the interviewed, the following components assist in generating sustainable revenue for their business, long hours of operation, credit availability, budget and group purchasing power.

Long hours of operation: Immigrants see this as a way of generating more revenue. Supporting this is Liedeman et al., (2013) who attest to the belief that the immigrants open every day except Sundays, and are usually open for 13 to 14 hours a day. They contend that their shops can open as early as 7am in the morning and close very late between 9pm to 10pm. They do this in order to enable them satisfy their customers' needs and make more profit.

Credit availability: Availability of credit is made avail to customers who shop frequent because it looks like saving which when collected it will be used to stock up the shop. Customer relationship is sustained when goods are sold to be paid on a later day.

Budget: Entrepreneur attest that during business in South Africa is tasking because of the stiff economy therefore, each entrepreneur diverse means of meeting up with the economic challenges.

Group purchasing power: This process enables an entrepreneur to join resources together for the purpose of eliminating cost or saving. Liedeman et al., (2013) strongly believed that foreign business owners tend to pull together their family, clan members and friends by pooling their money in bulk, thus reducing the cost of the goods purchased, which in turn translates into comparative advantage over market competitors.

e) Key resources and partnership: The following components make up the key resources and partnership for immigrants' entrepreneurs, business permit, and contribution from country members and networking.

Business permit: According to the entrepreneurs, their business permit is one of the resources that enabled them start their business. Without a legal document, it will be difficult for them to register their business, engage in exporting and importing goods as well as comfortable transacting their business to satisfaction.

Contribution from associations/country members: Most of the entrepreneurs come to the country with nothing and finding out that they cannot be employed in any firm seek redress to their indigenous country union meeting for assistance to enable them start up a business.

Networking: Network is an essential component of a business and serves as resources for business growth. Krebs and Holley (2006) attest that network provides a revealing snapshot of a business ecosystem at a particular point in time. It is an excellent tool for visually tracking business ties and designing strategies to create new connection. Living in a foreign land is somehow demanding. Vissak & Zhang (2014), Saxenian (2002) and Sequeira, Carr & Rasheed (2009) state that, through the immigrant extensive networks, they can gain access to information, the pricing policies of the country, the best sectors to invest, dealing with public bureaucracies and possible obstacles in the various businesses and so on, that is necessary for discovering empty market niches. They further add that migration can be motivated not only by business reasons but that networks may help immigrants in discovering new market niches.

DISCUSSION ON BUSINESS MODELS SPECIFIC TO INDIGENOUS ENTREPRENEURS

The table below specifically relates to data obtained from the indigenous entrepreneurs. The analysis on the business models obtained is as follows:

Table 3: Results obtained from the indigenous entrepreneurs

Specific Themes	Sustainable revenue cost	Key resources
Description	Keep prices that I can compete with and from the quality of goods bought	Bank loan and Stokvel

a) Sustainable revenue cost: As with the immigrant's entrepreneur, the indigenous entrepreneurs also have other means of achieving sustainable revenue. From the data obtained, it was seen that indigenous entrepreneur keeps prices that they can compete as well as from the quantity of goods bought.

Keep prices that I can compete with: In stabilizing prices of products or services, Obigbemi (2010) and Lovelock & Wirtz (2011) established that the main approach to an effective pricing strategy is to manage revenues in such a way that it will support the business's profitability objectives.

From the quantity of good bought: Quality is the ability of an entrepreneur to utilize their resources to deliver the maximum level of service to their customer.

a) Key resources and partnership

Loan: Apart from the fact that many entrepreneurs do not have proper financial structure to support their businesses, indigenous entrepreneur save money to start and operate their business. These findings resonate with Klein's (2014) explanation that majority of entrepreneurs start their business with their savings and loans from friends and family. The lack of funding to start or sustain a business has become the principal challenges encountered by every entrepreneur.

Stokvel: Stokvel is a local way of generating and saving money. People who get involved in the stokvel assist themselves in supporting their business where there is no formal assistance to start or grow a business.

CONCLUSION AND RECOMMENDATIONS

This study examined the business models employed by the immigrants and indigenous entrepreneurs in South Africa that brings about business growth and performance. Evidence from the study revealed that immigrant's entrepreneurs and indigenous entrepreneurs use certain business models components to operate their business. However, the immigrants' entrepreneur significantly uses other business models component than the indigenous entrepreneurs to operate their business. The distinct difference between the two groups has resulted in the difference in growth and performance level, where immigrants' entrepreneurs uses models like lay bye, discount prices, networking, long hours of operations, streams to entice customers, group purchasing, and many more which impacts directly on their growth and performance measures. Majority of locals do not implement many of their practices like those models linked to value creation, customer satisfaction and relationship and communication process which means that their growth and performance level is seriously been limited to mere sustainability. Through this study, entrepreneurs will be able to create and capture values for their customers in that process their business will grow creating more job opportunity for people. However, to sustain its performance level, there is need to provide training intervention, sensitize the public, government must create entrepreneur centers that can assist and support young and intending entrepreneurs at various communities on modalities of creating and capturing value. Therefore, to maintain a good business, access to finance and support to indigenous entrepreneurs need to be explored and clear policy frameworks developed.

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