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Examining the effectiveness of Busines Management Strategies of Indigenous Small Scale Businesses.

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Abstract—Indigenous small-scale businesses, deeply rooted in local communities, play a crucial role in preserving traditions, generating employment, and contributing to sustainable development. While globally, small-scale businesses are vital economic contributors, challenges persist in their access to financial resources and effective business management strategies. In Zambia, despite the government's initiatives like the Citizens Economic Empowerment Commission and Rural Enterprise Development Program, these businesses face hurdles in accessing credit due to conventional lending models and a lack of collateral. The research examines the effectives of business management strategies of indigenous small-scale business. The study, guided by three specific objectives: to assess the effectiveness of marketing strategies in enhancing the market visibility and customer engagement, to investigate the credit facilities used and to examine the financial management practices adopted by these businesses in their day-to-day operations. The study adopts a qualitative approach. Purposeful sampling was carried out and targeted 35 small scale business and 15 consumers from Chainda. Findings reveals a diverse range of marketing strategies used by these businesses, including social media marketing, word of mouth/singing, fliers, discounts/promotions, and more. However, they face challenges such as budget constraints and adapting to digital platforms. Regarding credit facility usage, the research shed light on the financial resilience and resourcefulness of these businesses, they predominantly rely on a combination of personal savings, bank loans, support from friends and relatives, microfinance loans, and other innovative sources to fund their ventures. The demand for external financial assistance is substantial; however, numerous businesses encounter barriers in securing formal credit, including the lack of collateral and regulatory obstacles. On the other hand, financial management practices were recognized as essential by these businesses. They emphasize the need to control financial resources, diligently track expenditures, acquire and allocate funds wisely, and maintain proper financial records. Nevertheless, some decision-makers acknowledge a lack of comprehension of financial terms and basic financial knowledge. This highlights an area for improvement and education to empower these businesses in making sound financial decisions. This study offers insights and actionable recommendations for their sustainable growth. Implementing robust business planning, marketing strategies, and digital infrastructure is crucial for small-scale business success. Future research should explore diverse samples using varied methodologies. Government intervention is recommended to create a favorable financing platform with incentives for financial institutions, alongside financial education programs for small-scale business owners.

Keywords— *Indigenous small-scale businesses, Zambia, business management strategies, marketing, credit facilities, financial management.*

1.0 Introduction

1.1 Background

Indigenous small-scale businesses hold unique significance within local economies and communities, making it crucial to understand how their management practices impact their financial performance, sustainability, marketing effectiveness, and access to credit facilities. Peredo and Anderson (2006) define indigenous small-scale businesses as enterprises owned, operated, and managed by individuals or groups from local or native communities within a specific region or country. These businesses are deeply intertwined with the cultural, social, and economic fabric of their indigenous communities. They primarily focus on producing, selling, or providing goods and services on a smaller scale. Moreover, they serve as crucial pillars in preserving local traditions, generating employment opportunities, and contributing to the sustainable development of their communities, as Boateng (2017) affirms.

The historical roots of indigenous small-scale businesses can be traced back to ancient times when communities engaged in trade and commerce using traditional knowledge and skills. These businesses were founded upon principles of sustainability, reciprocity, and community support. They played a pivotal role in sustaining the livelihoods of indigenous peoples, as Peredo and Anderson (2006) emphasize.

Globally, small-scale businesses make substantial contributions to economic growth and development, serving as the driving force for both developing and developed economies. In developing countries, these businesses account for a remarkable 99% of all enterprises, underscoring their significance (Fjose & Green, 2010). For instance, in the United States (USA), SMEs constitute 52% of the private workforce and contribute 51% to the GDP (Longenecker, et al., 2012). In the United Kingdom (UK), they are responsible for 62% of total employment and 25% of GDP. Similar trends are observed in countries like Italy, France, and Germany, where SMEs play a significant role in employment and economic output (Burns, 2001). In China, SMEs employ 80% of the urban population and contribute 60% to the GDP. In South Africa, SMEs employ 54.5% of all formal private sector workers.

The Sub-Saharan African region stands out, with SMEs accounting for more than 95% of all businesses (Hatega, 2007). Their role in poverty reduction, GDP growth, and job creation is particularly crucial (Chu & Benzing, 2010). These businesses provide affordable goods and services, serving as a source of income and employment for a majority of the population (Kauffmann, 2006). Recent years have witnessed a growing acknowledgment of the importance of supporting indigenous entrepreneurship and developing business management strategies that consider the unique cultural and economic context of indigenous small-scale businesses (Skerratt, 2019).

In Zambia, small-scale businesses have become vital contributors to the economy. They supply goods and services, create employment, and serve as a significant source of income for the government and thousands of individuals. According to the International Trade Centre (ITC) Survey (2018), SMEs represent 70% of the country's GDP, provide employment for 88% of the workforce, and make up 97% of all businesses in the economy. The spectrum of business activities is diverse, ranging from barbershops, business centers, and construction to metal fabrication, wood processing, and restaurants, among various other endeavors. The role of small businesses in Zambia is undeniably substantial.

Zambia has a National SME Policy designed to facilitate SME growth and development by addressing aspects like access to finance, capacity building, and market access. However, one potential policy gap lies in the effective implementation and monitoring of SME support programs. It is crucial that policies are translated into action and progress is regularly evaluated. The SME Development Act of 2015 establishes a legal framework for SME promotion and development, outlining the roles and responsibilities of different stakeholders, including government agencies and financial institutions. Although various financial support programs have been implemented, such as the Citizens Economic Empowerment Commission (CEEC) and the Development Bank of Zambia (DBZ), many SMEs still encounter challenges in accessing affordable financing, including high-interest rates, collateral requirements, and a lack of credit history.

The Financial Sector Deepening (FSD) report (2017) observed and recognized economic roles that SMEs play in the economy, as they are economic drivers for employment, especially for those low-income earners, and they act as a route to financial inclusion. The report also indicated that SMEs account for 97 percent of all the business in Zambia. However, the report bemoans that 9/10 SMEs operate in the informal sector, and Nuwagaba (2015) has the same observation and argued that this arrangement makes it difficult for the government to support the sector. Due to the important roles that SMEs play in the economy, financial institutions have been encouraged to develop products and services that are affordable and that take into consideration the needs of SMEs, as they are main drivers of the economy (Gondwe, 2012).

In addition, government initiatives, such as the Citizens Economic Empowerment Commission (CEEC) and the Rural Enterprise Development Programme (REDP), have been implemented to support indigenous small-scale businesses in Zambia. These initiatives provide training, mentoring, and access to finance and other resources to help entrepreneurs start and grow their businesses. More so, Microfinance initiatives and community savings have gained traction in Zambia for supporting indigenous businesses (Nuwagaba, 2015). However, Access to credit is a common challenge for indigenous businesses, as conventional lending models may not align with their unique needs and circumstances, indigenous entrepreneurs often lack collateral to access credit facilities. They encounter challenges related to limited access to credit facilities, financial literacy barriers, and inadequate infrastructure.

On the other hand, Marketing and financial management stand as pivotal elements in the triumph and long-term viability of any business. Marketing functions as the driving force behind engaging customers and generating revenue, while financial management is instrumental in ensuring that these endeavors are not only sustainable but also profitable, all while staying in alignment with the broader goals of the business (Cueva & Arroyo, 2020). Both these facets are indispensable for the prosperity of small businesses navigating a fiercely competitive landscape. Indigenous businesses, whether local or global in their reach, are adept at employing strategies that resonate with their audiences while preserving their unique authenticity. However, it's important to acknowledge that many indigenous small-scale enterprises confront considerable challenges. These hurdles encompass restricted access to financial resources, a deficit in essential business acumen and financial management proficiency, as well as instances of discrimination (Luwa et al., 2020). They further emphasized that the inability to sustain their enterprises due to a lack of effective strategies is a leading cause for the demise of numerous small businesses within their initial five years of operation.

In the past, researchers have delved into the causes underpinning small-scale business failures. Nevertheless, the empirical data available on the efficacy of the business management strategies employed by small and medium-sized business proprietors to sustain their ventures remains limited (Bayani & Crisanto, 2017; Indounas & Arvaniti, 2015; Omri et al., 2015). The findings of this study will enhance business practice by providing small scale business owners with information on ways to improve their businesses. The results of this research will also fill the gap in the existing literature on small scale business management strategies.

1.2 Statement of the problem

In Zambia, small businesses often struggle to secure loans because indigenous entrepreneurs lack the necessary collateral and credit history. Masaka's (2022) study in Lusaka revealed that the main challenges for these businesses in accessing financial support from institutions are high interest rates and the requirement for collateral, hindering their expansion. Similarly, a 2007 World Bank survey on Enterprise Development in Zambia identified limited access to finance as a significant obstacle to investment and growth, with only 16% of firms having access to loans or credit from financial institutions (Gondwe, 2012). Furthermore, marketing practices among Zambian small-scale retailers are often outdated, with many resorting to pedestrian marketing methods like distributing flyers to commuters in traffic. This traditional approach, as highlighted by Hao (2021) is deemed ineffective in building strong customer relationships and ensuring satisfaction. Additionally, many indigenous entrepreneurs in Zambia lack formal business education and training, making it difficult for them to access essential resources and information needed to establish and expand their businesses. The country's high illiteracy rate, particularly among females (55.3% according to Room to Read in 2021), exacerbates this problem, as it hinders financial management skills such as record-keeping, budgeting, and understanding financial statements. More so reviewed literature indicate that no study has been conducted in Chainda of this nature. Given these challenges, there is a clear need for research on the effectiveness of business management strategies among indigenous small-scale businesses in Zambia, with a particular focus in Chainda area. This study aims to address the existing gap in the literature and assess its implications for these businesses.

1.3 General Objectives

The general objective of this project is to examine the effectiveness of business management strategies of indigenous small-scale businesses. Specific objectives include the following: To assess the effectiveness of marketing strategies in enhancing the market visibility and customer engagement of indigenous small-scale businesses, To investigate the credit facilities used by indigenous small-scale businesses. To examine the financial management practices adopted by indigenous small-scale businesses in their day-to-day operations

1.4 Theoretical framework

The Diffusion of Innovation, developed by Everett Rogers, explains how new ideas, products, or practices spread through a population. This theory classifies individuals into different categories based on their adoption behavior, which aligns well with assessing the effectiveness of marketing strategies in enhancing market visibility and customer engagement (Rogers, 2003). Here's how the theory can be applied:

In this context, the innovation refers to the marketing strategies being implemented by indigenous small-scale businesses. The theory identifies five stages of adoption: Knowledge, Persuasion, Decision, Implementation, and Confirmation. These stages correspond to how customers engage with marketing strategies. For example, effective marketing campaigns create awareness (knowledge stage), persuade customers (persuasion stage), and encourage them to make a purchase (decision stage). The theory categorizes individuals into innovators, early adopters, early majority, late majority, and laggards. Understanding these categories helps in assessing how different customer segments respond to marketing strategies.

For instance, innovators and early adopters might engage more readily with new marketing initiatives. The theory also emphasizes the role of communication channels in spreading innovations. For this research, it can guide the evaluation of which marketing channels (such as social media, word of mouth, traditional advertising) are most effective in enhancing market visibility and customer engagement. The theory discusses factors influencing the rate of adoption, such as perceived attributes of the innovation (marketing strategies), the relative advantage it offers, compatibility with existing practices, complexity, trialability, and observability. These factors were examined in the context of marketing strategies' impact on market visibility and engagement.

Credit Rationing. Theory, according to Stiglitz and Andrew (1981), the theory describes the behavior of lenders and borrowers in a market which is characterized in a credit market with excess demand and restricted supply of credit facilities. There are three main items which banks mainly consider with respect to the extension of credit to potential borrowers, interest rates, the amount of the loan, the collateral required or the "stake" which a bank demands from a potential borrower to invest some "skin in the game" (Stiglit & Andrew, 1981). Depending on what rate is set for loans, it may have an adverse selection of the borrower. Interest rates can be used as a screening mechanism which differs, depending on the risk level of a potential borrower. It is a common practice among banks to request a collateral for securing most loans. Therefore, this research was necessary because it has assisted in examining marketing strategies used by small and medium enterprises in Zambia, particularly those that operate in Chainda ward, in Lusaka Zambia.

The Resource-Based View theory suggests that a firm's competitive advantage and performance are influenced by its unique resources and capabilities (Boisot, 1998). In the context of indigenous small-scale businesses and their financial management practices, this theory offers valuable insights. RBV emphasizes that firms possess distinct resources and capabilities that can lead to a competitive advantage. In this research, financial management practices can be considered as one of these unique capabilities that contribute to operational efficiency and growth. RBV encourages the identification of core competencies and practices that differentiate a business. By exploring the financial practices commonly adopted by indigenous small-scale businesses, one can determine which practices are prevalent and contribute to their competitive advantage. Febrian (2021) further adds that RBV emphasizes that valuable resources and capabilities lead to operational efficiency. By analyzing how specific financial practices streamline processes, reduce costs, or enhance resource allocation, one can assess their impact on the operational efficiency of indigenous small-scale businesses. Furthermore, RBV suggests that resources and capabilities drive growth. Examining how certain financial management practices enable businesses to reinvest profits, access funding, or explore new opportunities can provide insights into their role in fostering growth. Additionally, RBV focuses on value creation. By linking financial practices to value creation mechanisms such as cost savings, revenue generation, risk mitigation, and strategic decision-making, one can establish their contribution to the overall performance of businesses

2.0 Literature Review

International studies on Small and Medium-Sized Enterprises (SMEs) underscore the pivotal role of marketing in enhancing market visibility and customer engagement. In the United Kingdom, Simpson et al. (2006) identified that SMEs often rely on personal networks and owner-managers' business approaches. They emphasized the superior performance of "Marketing Led" firms, highlighting the importance of a cohesive marketing strategy.

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Similarly, Ford (2000) in Singapore observed the influence of sophisticated marketing tools in an advanced consumer goods society. Yen and Chew (2011) explored competitive strategies in Chinese construction SMEs, shaped by environmental factors, while Hill (2001) delved into various facets of SME marketing activities.

Moving to India, Kumar et al. (2012) found that SMEs should concentrate on pricing, cost reduction, product differentiation, and selective positioning to compete effectively in a highly competitive market. Indonesian research by Agustian et al. (2019) compared native and non-native MSMEs, emphasizing proactive approaches, convenience, and promotion for competitiveness. In Nigeria, Kakale (2021) highlighted the crucial role of effective marketing strategies for small-scale enterprises' growth. Othmen's (2010) study in Sri Lanka revealed challenges in SMEs' awareness affecting marketing success, while Lekhanya and Mason (2014) in South Africa found limited use of marketing strategies in rural SMMEs due to lack of expertise.

The impact of technology on SMEs was explored by Chiware and Dick (2008), noting low technology adoption in small-scale businesses. Sun and Wang highlighted challenges in rural enterprises, emphasizing the transformative role of digitalization in marketing. Studies from various countries, including Finland, Nigeria, and South Africa, underscored the significance of digital marketing tools and social media for SMEs, with an emphasis on customer engagement, word-of-mouth marketing, and understanding customer preferences.

Transitioning to the Zambian context, a study by Katongo and Musawa (2022) during the Covid-19 pandemic revealed the prominence of digital marketing, particularly through platforms like Facebook, WhatsApp, and Instagram. This strategy had a positive impact on both large companies and SMEs, contributing to business growth. Challenges faced included high internet costs and poor speed. In Zambia, small-scale businesses also employed traditional marketing strategies such as word of mouth, community engagement, and local advertising. Despite limited access to financial resources and a perception of marketing activities as unnecessary costs, SMEs in Zambia recognize the importance of creative and cost-effective marketing strategies, including social media marketing, to generate revenue and compete effectively in the market.

From the above studies, international and Zambian studies collectively emphasize the critical role of tailored marketing approaches, effective use of digital tools, and a focus on customer satisfaction for the growth and competitiveness of SMEs in diverse and challenging environments.

Regarding access to credit facilities, in various african countries, including Nigeria, Uganda, Kenya, and Zimbabwe, access to credit is crucial for the survival and growth of Small and Medium Enterprises (SMEs). Microfinance institutions, government support, and community-based financing emerge as key sources of credit for these businesses. Additionally, alternative funding sources such as personal savings, peer-to-peer lending, and venture capital play a role in supporting SMEs. Trade credit, asset-based financing, and digital lending platforms are explored as diverse avenues for credit access (Caldwell & Mclntyre, 2016). However, challenges persist, including high-interest rates, stringent eligibility criteria, perceived risks, lack of assets for collateral, and information imbalances when seeking traditional bank loans (Servet, 2013).

Studies highlight the positive impact of microcredit on the manufacturing sector in Nigeria and underscore the contribution of bank credit facilities to the overall economy. Common challenges across these african countries include stringent collateral requirements, high-interest rates, and limited availability of medium to long-term financing (Smith, 2010). The studies emphasize the importance of strategic orientations, financial literacy, and entrepreneurial factors in SMEs' access to credit. Joint ventures are presented as a potential solution to enhance creditworthiness and provide long-term financing options for SMEs. The intricate relationship between economic growth, the financial sector, and credit access is explored, emphasizing the need to address regulatory frameworks for fostering overall economic development (Servet, 2013).

Transitioning to the Zambian context, studies within the country continue to underscore the challenges faced by SMEs in accessing finance. Limited access to credit facilities, high-interest rates, and the importance of collateral are key factors hindering the financial growth of indigenous businesses. Researchers emphasize the role of tailored lending approaches, regulatory improvements, and addressing systemic challenges to enhance financial access for SMEs in Zambia (Chilemo, 2021). These studies highlight the significance of both formal and informal sources of finance, emphasizing the need for a comprehensive approach to support the diverse needs of SMEs in the country (Chibbabuka, 2007). Addressing these challenges is seen as a crucial step toward fostering a more inclusive and supportive financial environment for indigenous businesses in Zambia.

With regards to financial management practice, various studies provide valuable insights into the financial management practices that contribute to the operational efficiency and growth of Small and Medium Enterprises (SMEs). In Sri Lanka, the critical role of effective financial management practices is emphasized, with a focus on financial reporting, working capital management, and investment decision-making. The positive impact of these practices on SME performance is underscored, highlighting their significance in navigating the competitive business environment (Rathnasiri, 2015). However, challenges such as inadequate record-keeping and limited awareness of effective financial practices persist. Bridging this gap is identified as crucial, necessitating targeted interventions, financial education, and collaborative efforts among policymakers, business support entities, and SME owners to empower sustained growth and resilience (Karunananda & Jayamaha 2011).

Further exploration of financial management practices in SMEs reveals the positive impact of double-entry accounting systems on business success. Challenges arising from inadequate record-keeping and inefficient use of accounting information are identified, alongside varying degrees of correlation between financial reporting practices and SME performance (Somathilake & Pathirawasam, 2020). The role of Accounting Information Systems (AIS) and Working Capital Management (WCM) is explored, with divergent findings suggesting the need for tailored interventions. The synthesis underscores the importance of addressing challenges and enhancing financial education to empower SMEs for sustained growth and resilience.

A collection of studies delves into the intricate relationship between financial management practices and SME performance. Positive impacts of effective Working Capital Management (WCM) on profitability are highlighted, accompanied by insights into challenges faced by SMEs, such as poor WCM practices and inadequate financial knowledge (Dumbu and Alexander, 2012) . The significance of financial literacy and education in addressing these challenges is emphasized, underscoring the importance of empowering SME owners and managers for sustained growth and success.

Transitioning to the Zambian context, the study by Chilala and Odek (2019) in Kafue District focuses on the effective financial management practices crucial for the sustainable growth of Small and Medium Poultry Enterprises (SMEs). Positive impacts on sustainable growth are observed when employing practices like cashflow management and fixed assets management. However, challenges in budgeting, attributed to fluctuating feed prices and currency exchange rates, highlight the need for industry-specific interventions. These findings offer valuable insights into the financial strategies and obstacles within the Zambian sector, guiding targeted support for SMEs to achieve sustainable growth (Chilala & Odek, 2019) . The studies collectively emphasize the importance of context-specific financial management practices and tailored interventions for SMEs to thrive in diverse and challenging environments.

3. RESEARCH METHODOLOGY

3.1. Research Design/Methods/Approach

This qualitative research study focused on indigenous small-scale businesses, employing a phenomenological approach to explore lived experiences, perceptions, and challenges related to management strategies. Utilizing a case study design, it aimed for in-depth examinations of specific businesses, allowing a holistic understanding of the complexities and effectiveness of strategies within their unique contexts. The cross-sectional research approach provided a snapshot of variables and relationships at a specific time, offering insights into the research phenomenon.

The study targeted small-scale businesses, traders, and consumers as respondents. Purposeful sampling was employed to select participants with unique characteristics relevant to the research question. A sample size of 50 respondents struck a balance between diversity and resource constraints, ensuring data saturation in understanding the effectiveness of management strategies within indigenous small-scale businesses. Altman (2003) maintains that by employing purposeful sampling, the researcher can ensure that their qualitative studies are focused, relevant, and yield valuable insights that contribute to the depth of understanding in the field.

Data collection methods included focus group discussions, observations, and face-to-face interviews. Triangulation, particularly methodological triangulation, enhanced the validity of findings by using multiple data sources and perspectives. Methodological triangulation strengthens the research findings by capturing a more comprehensive picture of the effectiveness of business management strategies (Creswell, 2014). Thematic analysis was employed for data analysis, identifying patterns and themes related to management strategy effectiveness.

4. RESULTS/FINDINGS

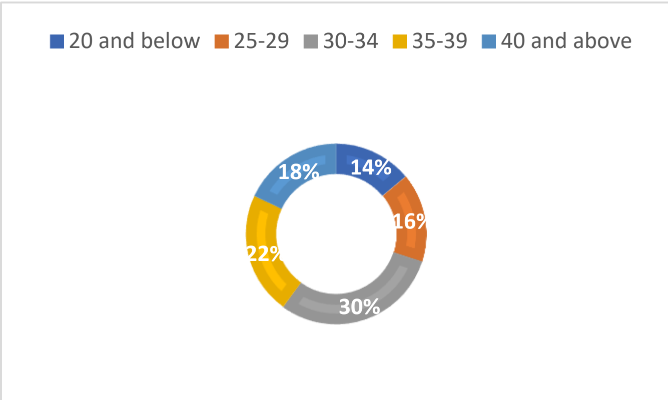

Figure 1.0: Age distribution of participants

In this study, it can be seen that the study's participant age distribution is diverse, with a significant concentration 30%) in the 30 to 34 age brackets. Notable proportions are observed in the 35 to 39, 22% and 40 years and above 18% groups. Younger individuals (20 and below) constitute 14%, and those aged 25 to 29 represent a moderate 16%.

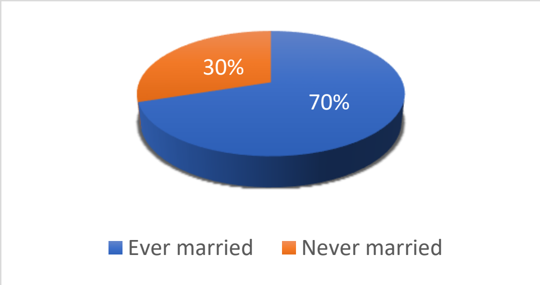

Figure 1.1: Marital status of the participants.

The study's participants exhibit diverse marital statuses, with a significant majority 70% having been married at some point. Meanwhile, 30% of participants report never having been married, forming a noteworthy but smaller portion.

Type of business	No	%
Mini marts	3	8.50%
Bakery	2	6%
Butchery	3	8.50%
Poultry	3	8.50%
Electronics and Accessories	3	8.50%
Thrift shop and boutique	3	8.50%
Auto shop and hardware	2	6%
Cosmetics shops	5	14%
Wholesale grocery shop	4	11%
Tailoring and design shop	2	6%
Pharmacy	2	6%
Vegetable and fruits stand	3	8.50%
Position held		
Owner	15	43%
Manager	5	14%
Sales personnel	15	43%

Table 1.0: Company profiles of study participants

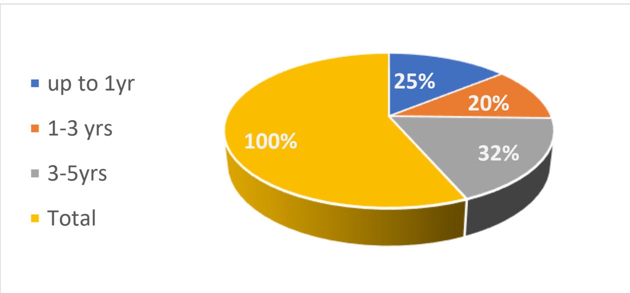

Figure 1.2: Distribution of years in business.

The figure illustrates the distribution of businesses based on their years of operation, with approximately 25% in their first year, signifying new ventures. About 20% have operated for 1 to 3 years, entering a more established phase. A significant portion (32%) falls within the 3 to 5 years' category, showcasing sustainability and adaptability. Businesses operating for more than 5 years constitute 23%, indicating well-established enterprises with considerable experience and likely a solid customer base.

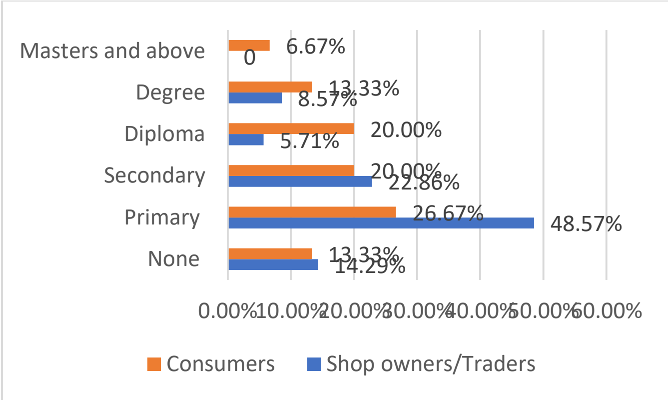

Figure 1.3: Level of education of both business shop owner/traders and consumers

The educational profile of shop owners/traders and consumers reveals distinct patterns. For shop owners/traders, a significant portion (48.57%) has completed primary education, with 22.86% holding a secondary education. Notably, 8.57% possess a degree, while none have a master's degree or above. Among consumers, primary and secondary education are prevalent, with 26.67% and 20.00%, respectively. Furthermore, 20.00% of consumers hold diplomas, and 13.33% have a degree. Interestingly, 6.67% of consumers have achieved a master's degree or higher. These findings highlight the prevalence of primary education among shop owners/traders and consumers, as well as the noteworthy presence of higher education qualifications, particularly among consumers.

a) Marketing strategies engaged by businesses to enhance their market visibility and engage customers.

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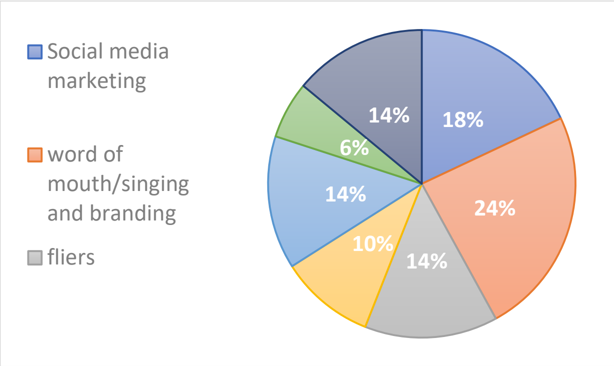

Figure 1.4: Marketing strategies engaged by businesses.

The figure outlines the marketing strategies employed by indigenous small-scale businesses. Social media marketing is utilized by 18%, while word of mouth/singing and branding, relying on positive customer experiences, represents 24% of businesses. Fliers, distributed physically, account for 14%. Other strategies include discounts/promotions (10%), content marketing (14%), community involvement/partnerships (6%), and the strategic consideration of shop location (14%)

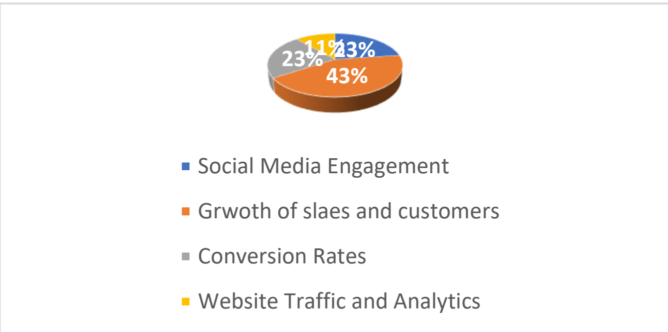

Figure 1.5: Measurements of marketing strategies

Small-scale businesses measure marketing success through key performance indicators (KPIs). Social media engagement, accounting for 23%, focuses on metrics like likes, comments, shares, and follower growth to gauge audience interaction. Growth of sales and customers (43%) is crucial, indicating effective attraction and conversion of prospects. Conversion rates (23%) assess the success of calls to action and user experience, while website traffic and analytics (11%) offer insights into online platform effectiveness and visitor engagement.

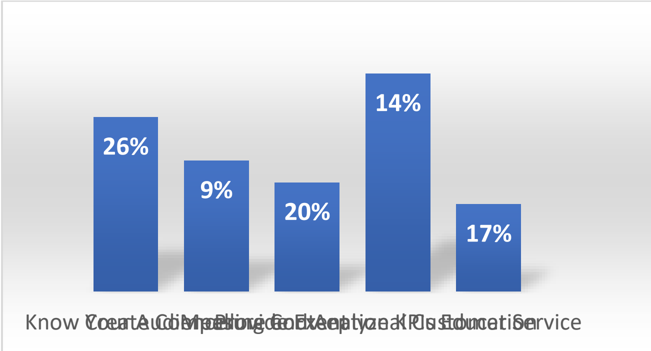

Figure 1.6: Challenges faced by businesses to effectively market their products.

Small-scale businesses face a multitude of challenges in executing effective marketing strategies, with budget constraints taking the lead at 26%. Scarce financial resources require these businesses to achieve impactful outcomes while judiciously managing their funds. Time and resource limitations, at 9%, add to the struggle as lean teams must balance core operations and marketing, necessitating efficient resource allocation. Competition and Saturation, accounting for 20%, intensify the difficulty of carving out a distinct identity in a crowded marketplace, demanding innovative strategies aligned with audience needs. Lack of Expertise, contributing 14%, poses a significant roadblock, emphasizing the need for small businesses to bridge the expertise gap for successful campaigns. Adapting to Digital Platforms, comprising 17%, highlights the challenge of navigating the dynamic digital landscape to stay relevant. Finally, Content Quality and Consistency, at 14%, underscore the vital task of crafting resonant content while managing the demand for regularity to build a loyal customer base. Balancing these factors is crucial for small businesses striving for success in a competitive environment.

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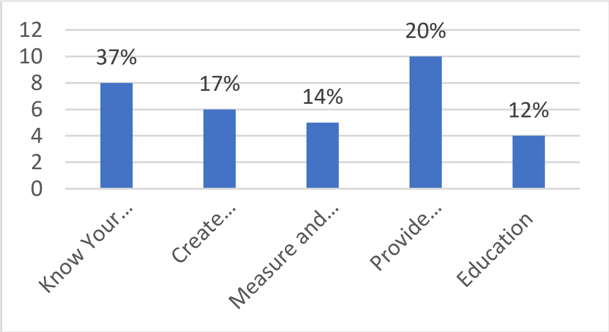

Figure 1.7: Changes made to the marketing strategies over time

The figure underscores critical elements for successful marketing strategies: Audience insights 37% guide tailored messaging and enhance brand loyalty, competitor analysis 17% drives innovation and customer base differentiation. Adapting to evolving trends 14% showcases business agility, while feedback from sales teams 20% aligns marketing efforts, leading to targeted campaigns. Leveraging technology advancements 12% optimizes data-driven decision-making, boosting customer engagement and conversions.

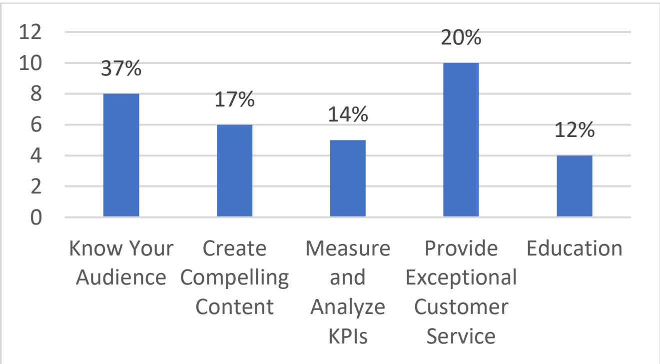

Figure 1.8: Suggestion to improve marketing strategies.

The figure underscores crucial elements for successful marketing strategies: Knowing Your Audience (37%) guides tailored efforts through deep understanding. Crafting Compelling Content (17%) builds connections with stories and emotions. Measuring and Analyzing KPIs (14%) informs data-driven decisions for effective marketing. Exceptional Customer Service (20%) fosters engaged customers and brand advocates. Education (12%) establishes brand authority beyond product knowledge.

b) Presentations of results on Credit facilities used by small scale businesses.

Understanding response	**% Distribution**
Savings	43%
Bank Loans	20%
Friends/Relatives	12%
Microfinance Loans	17%
other sources	9%

Table 1.1: Accessibility of credit loan

The table outlines key sources of finance for small-scale businesses in Zambia. Savings (43%) demonstrate entrepreneurs' commitment, while bank loans (20%) offer access to larger capital amounts. Friends/relatives contribute 12%, emphasizing trust and belief in the business. Microfinance loans (17%) support grassroots entrepreneurship, and other sources (9%) include grants and crowdfunding.

Applied for credit/loan from financial institutions vs. credit/loan granted by financial institution.				
Applied for Credit/Loan from financial institutions	yes	70%	No	30%
Credit/Loan granted by financial institution	Yes	45	No	55%

Table 1.2: Accessibility of credit loan

The presented table delves into the dynamics of small-scale businesses applying for credit/loans from

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financial institutions and the subsequent outcomes. Notably, 70% of entrepreneurs expressed a willingness to explore external financial assistance, highlighting a significant interest in securing funding for their ventures. However, 30% opted not to pursue credit/loans, potentially turning to alternative financing sources or delaying their financial plans. In terms of success, 45% of applicants were granted the requested financing, indicating a notable portion meeting creditworthiness criterion. Conversely, 55% faced rejections, suggesting factors like credit history or collateral availability influenced these outcomes. Overall, the data emphasizes the intricate nature of the credit application process, with diverse outcomes influenced by factors such as business health, risk assessments, and broader economic conditions. ***Table 1.3: Reasons why credit/loan is not given to businesses***.

Reason why loan/credit was not given	
Bad Credit or Lack of credit history	12%
Lack of Collateral	54%
Increased Regulation	14%
Less profit on smaller Loans	20%

The primary reasons for the non-approval of loans or credit for small-scale businesses include the lack of collateral (54%), hindering early-stage businesses. Lower profit margins on smaller loans (20%) discourage financial institutions due to potential servicing costs. Increased regulations (14%) result in stricter eligibility criteria, and bad credit or lack of credit history (12%) presents challenges in securing financing.

c) Presentation of results on the financial management practices

Understanding response	**%distribution**
To manage or control the finances	15.30%
To properly account for cash spent	8.50%
To acquire, control & utilize funds	24.60%
To operate business bank account	7.60%
To maintain proper financial records	38.10%
Don't know the meaning	5.90%

Table 1.4: Small scale business's understanding of financial management

The survey reveals that small-scale businesses prioritize financial management (15.30%) and transparent tracking of cash expenditures (8.50%). A substantial portion (24.60%) aims to acquire and utilize funds while maintaining control, demonstrating a comprehensive understanding of prudent financial practices. Recognition of the importance of a dedicated business bank account is noted by 7.60%. The majority (38.10%) emphasizes maintaining proper financial records, indicating awareness of organized documentation for taxation and reporting. A smaller percentage (5.90%) expresses a need for financial education, specifically in understanding certain financial terms.

Understanding response	**% Distr.**
Record cash receipts and payment	17%
Cash book records every activity	11%
Operate business bank account	19.50%
Pay expenses/debts without delay	14.40%
Maintain proper financial records	29.70%
I use personal experience/strategy	7.60%

Table 1.5: Existing financial management practices by small scale business

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The table highlights various financial practices among small-scale businesses. Specifically, 17% use cash receipt records, 11% maintain comprehensive cash book records, 19.50% manage a dedicated business bank account, 14.40% promptly settle expenses, and 29.70% prioritize maintaining accurate and organized financial records. Furthermore, 7.60% rely on personal experience and individual strategies.

Considerations/decisions involved	% Distribution
Identifying sources of finance	31.30%
Selecting wealth-enhancing sources	11.90%
Considering cost of capital	6.80%
Ownership (control) compromise	8.50%
Investment appraisal/resource allocation	14.40%
Financial planning (budgeting)	7.60%

Table 1.6: Small scale business's financial (management skills) decision-making

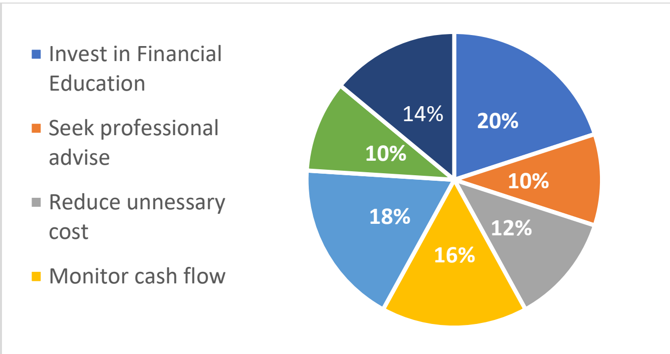
The table reveals key aspects of financial decision-making, with a focus on identifying suitable sources of finance (31.30%) and wealth enhancement (11.90%). Awareness of the cost of capital (6.80%) and the balance between ownership control and financial decisions (8.50%) is evident. Evaluating investments and resource allocation is emphasized (14.40%), while some (6.80%) take a flexible approach. Personal experience and strategies play a role (2.50%), and financial planning or budgeting is crucial (7.60%) for prudent resource management.

Table 1.7: Small scale business's main financial management challenge(s)

Considerations/decisions involved	% Distribution
Lack of basic working knowledge	16.10%
Unreliable economic trends	22.00%
Incapable to keep financial records	5.10%
Business volume uncertainties	16.90%
High operational costs of business	10.20%
High cost of capital(indiscriminate)	14.40%

Decision-makers consider various factors when evaluating funding sources. Lack of basic financial knowledge impacts source evaluation (16.10%). Economic trends significantly influence decisions (22.00%), emphasizing their role in funding options. The importance of maintaining accurate financial records is acknowledged (5.10%). Uncertainty in business volume (16.90%) and high operational costs (10.20%) are recognized as key considerations. The indiscriminate high cost of capital (14.40%) and friendliness of conditions (5.10%) associated with funding sources influence decisions. Lower profitability (10.20%) affects the feasibility and attractiveness of funding sources.

Figure 1.9: Suggestion to improve Financial Management practices.



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The figure emphasizes key recommendations for improving financial management practices. Prioritizing financial education (20%) promotes informed decision-making, while seeking professional advice (10%) from advisors aids in guidance. Reducing unnecessary costs (12%) allocates resources strategically, and monitoring cash flow (16%) ensures financial stability. Creating a detailed budget (18%) serves as a crucial financial roadmap, while maintaining a receipt book (10%) and thorough record-keeping (14%) support accurate financial tracking and health.

d) Consumers perceptions and experiences on the marketing strategies employed by smalls scale business.

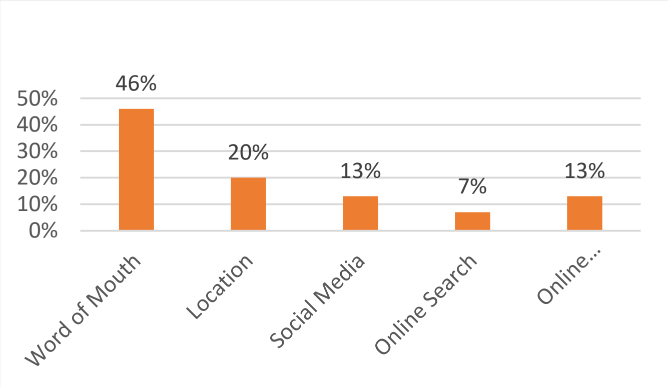

Figure 1.10: Consumers perceptions and experiences

Consumers primarily discover the product through word-of mouth (46%), highlighting the impact of personal connections and storytelling. Location plays a significant role (20%) as the setting becomes a storyteller, capturing attention. Social media (13%) and online advertising (13%) contribute to brand awareness in the digital realm, while online search (7%) reflects consumers exploring specific interests and discovering store names.

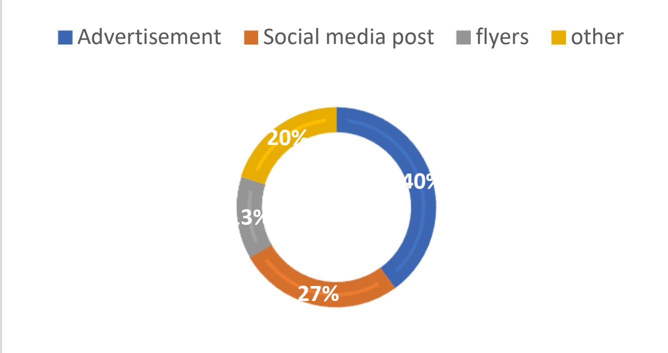

Figure 1.11: Frequently of accessibility of marketing materials

The digital landscape dominates with social media posts at 27%, offering personalized and interactive connections. Flyers hold a tangible presence at 13%, standing out in the physical realm. The remaining 20% in the "other" category reflects the diverse and multifaceted nature of marketing materials across various channels.

Table 1.8: The effectives of the marketing strategies

Effectiveness of marketing strategies used by small scale business	
Yes they are effective because of;	No, they are not because of;
Targeted Messaging (30%)	Limited Resources (55%)
Authenticity (25%)	Lack of Expertise (20%)
Storytelling (45%)	Visibility Challenges (25%)

Yes, small-scale businesses are effective in marketing due to targeted messaging (30%), authenticity (25%), and storytelling (45%). They tailor messages to their audience, radiate authenticity, and leverage powerful narratives for emotional connections. However, challenges like limited resources (55%), lack of expertise (20%), and visibility issues (25%) can hinder their marketing impact. The key lies in navigating strengths,

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overcoming challenges, and innovatively communicating their unique value to the intended audience.

Table 1.9: Marketing efforts that accurately represent the quality of their products/services.

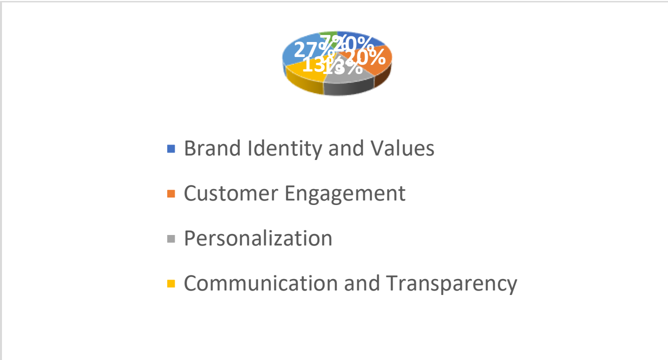
Marketing effort represent the quality of their products/services	
Yes they are effective because of;	No, they are not because of;
passion and dedication (45%)	Limited Resources (60%)
Authenticity (35%)	Inadequate expertise (20%)
Personal touch (20%)	Visibility cchallenges (20%)

Yes, small and medium-sized enterprises (SMEs) can accurately represent quality due to passion and dedication (45%), authenticity (35%), and a personal touch (20%) in their marketing. However, challenges such as resource limitations (60%), inadequate expertise (20%), and visibility issues (20%) might impact their ability to showcase quality, creating potential discrepancies between their offerings and consumer expectations.

Figure 1.12: Marketing strategies that consumers believe have significantly influenced their decision to visit or purchase.

The figure highlights key factors influencing purchase decisions. Positive reviews and testimonials (33%) build trust and confidence, offering insights into others' positive experiences. The ease of purchase (40%) is crucial, with a seamless process contributing to a positive overall experience. Social proof (27%), emphasizing the value of a product or service through metrics and endorsements, validates consumer decisions and alleviates concerns.

Figure 1.13: Suggested strategies to improve marketing



The figure highlights key elements of customer engagement: active listening and interactive content 20%, personalized offerings 13%, transparent communication 13%, leveraging feedback for improvement 27%, and maintaining consistency and reliability 7%. These components collectively form a comprehensive customer engagement strategy, fostering trust and enhancing the overall customer experience.

3.2 Background characteristics: below is the summary of the background characteristics

The study's participants exhibit diverse demographic characteristics. In terms of age distribution, there is a notable concentration in the 30 to 34 years age group 30%, with moderate representation in the 25 to 29 years range 16%. Marital status reveals that 70% of participants have been married, indicating a significant presence of individuals with marital experience. Regarding businesses, 25% are in their first year, 20% have been operating for 1 to 3 years, 32% for 3 to 5 years, and 23% for over 5 years, reflecting a mix of new ventures and well-established businesses. In terms of education, a majority of shop owners/traders have completed primary education 48.57%, while consumers show a prevalence of primary and secondary education. Notably, 13.33% of consumers have a master's degree or higher, indicating a presence of higher education qualifications.

3.3 Discussion and Implication of Findings

The findings pertaining to objective number one provide a comprehensive overview of the marketing strategies, challenges faced, and methods of measuring success among indigenous small-scale businesses in Zambia. These businesses employ a diverse array of marketing strategies, such as social media marketing, word of mouth/singing and branding, fliers, discounts/promotions, content marketing, community involvement and partnership, and location of shop. This diversity underscores the adaptive nature of these businesses, showcasing a willingness to explore multiple avenues to achieve marketing objectives. However, the study also reveals significant challenges encountered in implementing effective marketing strategies. Budget constraints, time and resource limitations, competition and market saturation, lack of expertise, adapting to digital platforms, and maintaining content quality and consistency emerge as formidable obstacles. These challenges highlight the complex operating environment for small-scale businesses, necessitating resourceful solutions and strategic planning to overcome these hurdles. In measuring success, small-scale businesses rely on key performance indicators (KPIs) such as Social Media Engagement, Growth of Sales and Customers, Conversion Rates, and Website Traffic and Analytics. These metrics serve as valuable tools for gauging market visibility and customer engagement. The study shows that businesses have been proactive in adapting to challenges over time, leveraging audience insights, competitor analysis, evolving trends, feedback from sales teams, and technological advancements to refine their marketing approaches. This adaptability underscores the resilience of small-scale businesses, showcasing their ability to navigate obstacles and evolve in response to changing circumstances. Suggestions for improvement based on these findings emphasize customer-centric approaches, data-driven decision-making, and continuous improvement. Recommendations include strategies like "Knowing Your Audience," "Creating Compelling Content," "Measuring and Analyzing KPIs," "Providing Exceptional Customer Service," and "Educating the Audience." These suggestions underscore the importance of customer focus, the use of data for decision-making, and the commitment to ongoing refinement of marketing strategies.

Moving on to objective number two, the study provides valuable insights into the credit facilities utilized by indigenous small-scale businesses in Zambia. The major sources of finance include personal savings (43%), bank loans (20%), support from friends/relatives (12%), microfinance loans (17%), and various other sources (9%), such as grants, subsidies, contributions from partners, and crowdfunding. This diverse range of financing options reflects the entrepreneurial spirit of business owners who seek innovative ways to secure funds. The accessibility of credit/loan is a significant aspect, with 70% of small-scale businesses expressing a willingness to explore external financial assistance. However, the study highlights a notable challenge in credit/loan approval, as 55% of applications were declined by financial institutions

This emphasizes the difficulties faced by these businesses in accessing formal credit, attributed to factors like the lack of collateral, lower profitability on smaller loans, increased regulations, and issues related to bad credit or lack of credit history. The implications of these findings suggest a need for policy considerations to address challenges in credit accessibility, particularly in terms of collateral requirements. Creating an environment conducive to microfinance institutions and alternative financing sources could support small businesses in overcoming these challenges.

Moving to objective number Three, the study sheds light on the financial management practices of indigenous small-scale businesses in Zambia. Notable percentages of respondents express a desire for financial control, emphasizing the importance of overseeing finances to make informed decisions and ensure stability. Tracking cash expenditures and maintaining proper financial records are also highlighted, demonstrating an awareness of the need for accurate accounting and transparency. The findings reveal that the majority of respondents recognize the paramount importance of identifying suitable sources of finance for their financial decision-making. This underscores the critical role of securing necessary funds to support various financial endeavors. Additionally, decision-makers emphasize factors such as wealth enhancement, cost of capital, the delicate balance between ownership control and seeking financial support, and the evaluation of investments and resource allocation. The recommendations for improvement include investing in financial education, seeking professional advice, reducing unnecessary costs, monitoring cash flow, creating a detailed budget, and maintaining thorough record-keeping. These suggestions align with the identified need for increased financial literacy, strategic financial planning, and efficient resource management

4.0 CONCLUSION

In conclusion, this research delves into the intricate dynamics of indigenous small-scale businesses in Zambia, providing invaluable insights into their marketing strategies, challenges faced, credit facilities, and financial management practices. The study reveals a commendable diversity in marketing approaches, showcasing a willingness among these businesses to explore various avenues to enhance market visibility and engage customers. Despite their resourcefulness, these businesses confront significant challenges, including budget constraints, time limitations, competition, and the evolving landscape of digital platforms, necessitating innovative solutions to thrive in a complex environment. The findings related to credit facilities shed light on the entrepreneurial commitment of these businesses, with personal savings emerging as a predominant source of finance. However, challenges in accessing formal credit are evident, particularly due to issues such as the lack of collateral, regulatory constraints, and credit history concerns. These challenges underline the need for targeted policy interventions to facilitate credit accessibility and support the growth of small-scale enterprises. On the financial management front, the research uncovers a commendable awareness among decision-makers about the importance of financial control, proper record-keeping, and strategic fund utilization. The recognition of factors such as wealth enhancement, cost of capital, and the delicate balance between ownership control and financial decisions reflects a nuanced understanding of financial nuances among these business owners. The identified insights and recommendations serve as valuable guideposts for policymakers, financial institutions, and the businesses themselves to collectively work towards creating an environment that fosters growth, innovation, and sustainability for these enterprises

5. ACKNOWLEDGMENTS

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