An Exploration of the Traits Responsible for the Success of Somali Small-Scale Entrepreneurs in South Africa

Beata Kilonzo & Ishmael Iwar
Institute for Rural Development, University of Venda, South Africa.

ABSTRACT
There have been considerable government investments in financial and non-financial support for local South African small and micro-enterprises, despite this, many struggle to stay afloat compared to their counterparts, like Somali entrepreneurs. This case study, therefore, sought to explore the fundamental tenets responsible for the success of Somali entrepreneurs in South Africa, seeking valuable insights to inform policies that can enhance the competitiveness of local SMEs. Utilising a qualitative research design and an exploratory approach, an in-depth understanding and contextual knowledge of the experiences and practices ofSomalian entrepreneurs were distilled. Data was collected using a semi-structured interview guide with a purposively selected sample of 23 experienced Somali entrepreneurs operating various small-scale businesses, across different sectors in Pretoria West. A thematic analysis, using Atlasti as a modelling tool, was utilised to identify recurring patterns and critical success factors underpinning the achievements of the entrepreneurs in the study area. Six themes emerged and in order of priority, were – preference for collaborative ventures, a sense of community, informal networks, adaptive spirit, resilience and customer-centred business orientation. By learning from the experiences of these Somali small-scale entrepreneurs, specific support measures can be developed to foster a more inclusive and robust entrepreneurial ecosystem in South Africa, ultimately, leading to greater enterprise efficacy.

Keywords: Entrepreneurial Orientation, Business Efficacy, Success Attributes, Immigrants, Communal Oriented Business

INTRODUCTION
The South African government is steadfast in its commitment to robustly invest in local entrepreneurship, particularly within the Small and Medium Scale Enterprises (SMEs) sector. The state recognizes the SMEs' potential to stimulate both job creation, income generation and economic advancement. Despite these substantial government commitments aimed at bolstering the endeavours of indigenous South African entrepreneurs, the actual performance of many of these enterprises falls below the expected threshold. A significant number of South African enterprises, constantly and prematurely exit the entrepreneurial landscape, while many of those that persist struggle to compete with their foreign counterparts, even when presented with equal market opportunities. This predicament raises pertinent questions regarding the underlying factors that contribute to this disparity, as well as the distinct attributes that foreign-owned enterprises, which manage to succeed within the country, possess. It is believed that a thorough examination of the strategies, tactics, and

3 Rens et al., “SMEs, Economic Growth, and Business Incubation Conundrum in South Africa: A Literature Appraisal.”
approaches employed by these foreign entrepreneurs, particularly focusing on those of Somali origin, could yield invaluable insights. These insights, in turn, hold the potential to help recalibrate existing strategies, infuse innovation, and reinvigorate the competitive landscape of South African SMEs, benefitting not only policymakers but also local business owners.

Gleaning insights from the experiences of successful Somali entrepreneurs, this research seeks to cultivate a more inclusive and robust entrepreneurial ecosystem in South Africa, thereby, ultimately fostering heightened economic growth and development. This study, therefore, involves a comprehensive exploration, delving into the fundamental elements that drive the success of foreign entrepreneurs, with specific attention on the Somali business community. The achievements of Somali small and medium-scale entrepreneurs, within the South African landscape, have been remarkable, highlighting their exceptional accomplishments and competitiveness. By extracting these essential insights, the study aims to contribute to the formulation of pertinent policy recommendations to bolster and enhance the competitive stance of local SMEs in South Africa. This enhancement is expected to catalyse economic growth while fostering a more dynamic and resilient entrepreneurial ecosystem. The outcomes of this research’s endeavour carry the promise of nurturing a sector of SMEs in South Africa that is not only more adept at navigating global competition but also aligns harmoniously with the overarching objectives of local and rural economic progress and sustainable development.

LITERATURE REVIEW

Immigrant entrepreneurship is a global phenomenon often necessitated by socio-economic and political issues faced by these operators in their countries of origin. In recent decades, Ramos-Escobar et al argue that the phenomenon has become more complex, multifaceted, and diverse and recent trends in South Africa parallel this international pattern. Research supports the notion that immigrants, particularly in developed nations, are increasingly drawn to entrepreneurial activities. The surge in global immigration has given rise to a growing number of foreign-owned enterprises, largely propelled by immigrants’ greater proclivity to initiate businesses, compared to their native counterparts. This entrepreneurial drive among immigrants is further catalysed by a number of push and pull factors including a flourishing informal economy landscape in the host country that provides fertile ground for immigrants to establish their businesses and the presence of discriminatory labour markets that hinder job visibility, resulting in higher unemployment rates among immigrants. This does not exempt migrant business owners’ motivation for self-employment and independence, as well as their foresight to spot business opportunities.

---


In South Africa, a similar narrative unfolds, where immigrants, including Somali nationals, have enthusiastically embraced entrepreneurship as a means of economic survival and prosperity.\textsuperscript{12} Partially, this pursuit is profoundly influenced by the country’s employment policies and the prevalence of xenophobic sentiments which hinder their integration into mainstream activities.\textsuperscript{13} For many immigrants, including Somali immigrants, securing meaningful employment opportunities in South Africa has proven elusive, therefore, entrepreneurship becomes a compelling and viable avenue for survival and economic sustenance, not only for resilient foreign-born entrepreneurs but also for the broader South African economy.

The transformative impact of Somali immigrants in South Africa is evident in the changing social and economic landscape of the suburbs such as Mayfair and Fordsburg in Johannesburg,\textsuperscript{14} Phoenix in Durban, and Bellville and Khayelitsha in Cape Town among other areas in the country where they have settled.\textsuperscript{15} Research indicates that these communities have become more diverse and economically vibrant.\textsuperscript{16} Somali immigrant entrepreneurs, mirroring their counterparts from other African nations, have demonstrated significant success in business ventures, making substantial contributions to South Africa’s job market, especially within these residential areas.\textsuperscript{17} This observation further reinforces the notion that immigrant entrepreneurs, particularly Somalis, are assets and primarily job creators rather than job takers as often insinuated by some natives.

Immigrant entrepreneurs, including Somali business proprietors, have increasingly found themselves being conspicuous targets for attacks, looting, and violence in recent years, despite their substantial economic contributions.\textsuperscript{18} The accomplishments realized by these immigrants have, at times, fostered sentiments of disenfranchisement and resentment among local populations, resulting in conflicts and the emergence of xenophobic inclinations.\textsuperscript{19} This has contributed significantly to the pervasive belief held by many South Africans that migrants are exerting dominance over the informal trading markets at the expense of native citizens. To address these multifaceted issues and promote inclusive economic growth, there is an urgent need to gain a clearer understanding of the driving forces underpinning immigrant entrepreneurship, with particular emphasis on Somali entrepreneurs. Consequently, this study endeavours to bridge this knowledge gap by providing invaluable insights into the pivotal factors contributing to the success of Somali small-scale entrepreneurs in South Africa. These insights, hopefully, would serve as a foundational basis for crafting well-informed policy interventions. While previous studies have undertaken efforts to delineate entrepreneurial success factors, this study not only delves comprehensively into these specific factors but also advances their significance within the broader discourse.\textsuperscript{20}

**METHODOLOGY**

A qualitative research design was employed, utilizing an exploratory approach to unravel answers to the main research question: “What can we learn from successful Somali small-scale entrepreneurs in South Africa?” The selection of a qualitative method was deemed necessary because it provides room for in-depth exploration of experiences, practices, and perspectives of participants. Semi-structured interviews were carried out with a purposive sample comprising 23 Somali entrepreneurs, 15 males and 11 females, who operate diverse small-scale businesses in Pretoria West. Their businesses comprise - grocery stores, clothing shops, electronic stores,

\textsuperscript{12} Fubah and Moos, “Immigrant Entrepreneurship in South Africa: A Review and Research Agenda.”


\textsuperscript{15} Angu, “Living on the Fringes of Life and Death: Somali Migrants, Risky Entrepreneurship and Xenophobia in Cape Town.”

\textsuperscript{16} B.S. Ibrahim, “Entrepreneurship Amongst Somali Migrants in South Africa” (University of the Witwatersrand, 2016).


\textsuperscript{18} Angu, “Living on the Fringes of Life and Death: Somali Migrants, Risky Entrepreneurship and Xenophobia in Cape Town.”


money transfer services, resale of home appliances, car dealerships, truck delivery services, cosmetics, jewellery shops and restaurants. The choice of this location was predicated on the substantial concentration of Somali households and businesses. Over the years, the western area of Pretoria in the Gauteng Province has witnessed a substantial influx of Somali settlers, characterized by a myriad of businesses they operate, rendering it an ideal locale for the study.

The interviews conducted aimed to capture valuable insights into the strategies and critical success factors propelling their businesses forward. Data collection, thus, was conducted through semi-structured interviews, with the sample size determined by data saturation to ensure comprehensive coverage of the topic. A minimum of three years of business experience in South Africa was a selection criteria to ensure that participants had insightful knowledge and relevant experience to contribute meaningfully to the study. The interviews which lasted for approximately 30 to 45 minutes per participant, were meticulously audio-recorded and subsequently transcribed for thorough analysis. The data collection was facilitated between August and September 2023. Throughout the research process, ethical guidelines were rigorously adhered to; for instance, informed consent was diligently obtained from all participants prior to data collection, and as a close-knit community, stringent measures were taken to safeguard their confidentiality throughout the stages of data collection, analysis, and reporting. A thematic analysis was performed on the collected, using Atlas-ti v8 to facilitate the identification of recurring themes, and critical success traits among the experiences shared by the participating Somali entrepreneurs. This process highlighted and elucidated the relevance of themes within the entrepreneurial landscape involving migrant operators, such as Somalians.

**FINDINGS AND DISCUSSIONS**

The study discerned several entrepreneurial traits exhibited by Somali entrepreneurs in Pretoria West, in South Africa, and expounded upon their functions and advantages. Somali entrepreneurs illustrated an adaptive spirit characterized by their capacity and willingness to adapt and evolve in response to shifting circumstances and challenges. This attribute proved particularly advantageous as it facilitated their comprehension of local dynamics, the identification of opportunities, and the adjustment of their business models to cater to local demand. Collaborative ventures were also pervasive among the entrepreneurs, with partnerships and cooperative efforts assuming a pivotal role in collective purchasing, procuring bulk supplies, showcasing products collectively, and conducting joint marketing campaigns – factors which ultimately broadened their audience reach. Additionally, a customer-centric orientation was observed, with a focus on prioritizing customer needs and preferences, resulting in enhanced customer loyalty, increased referrals, and the acquisition of valuable market insights. Informal networks were found to be indispensable, facilitating interactions concerning emerging trends, swift expansion of the customer base through referrals within the informal communities, resource mobilization, and the provision of emotional support. Resilience emerged as a prominent trait, empowering Somali entrepreneurs to persevere and surmount business-related challenges, ultimately bolstering their capacity to recover from setbacks. Lastly, a strong sense of community prevailed among these business operators, fostering the mobilization of business resources, encouraging apprenticeship and mentorship, and promoting partnerships as opposed to fostering competition. Table 1 illustrates the Somali entrepreneurs’ traits, definitions, and benefits.

**Table 1: Somali Entrepreneurial Success Traits**

<table>
<thead>
<tr>
<th>Entrepreneurial Trait</th>
<th>Definition</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptive spirit</td>
<td>The ability and willingness to adjust, evolve, and thrive in response to changing circumstances, challenges, or environments.</td>
<td>Assists in understanding local dynamics while identifying opportunities. Adjusting business models to meet local demands.</td>
</tr>
<tr>
<td>Collaborative Ventures</td>
<td>Partnerships or joint efforts between two or more operators, often with shared goals, resources, and responsibilities, to achieve mutual benefits or objectives.</td>
<td>Enables collective purchasing/bulk supplies. Supports joint marketing to draw a broader audience.</td>
</tr>
<tr>
<td>Customer-centric</td>
<td>A business approach that prioritizes meeting the needs and preferences of customers as the central focus of its operations and strategies.</td>
<td>Upscales customer loyalty and referrals. Establishes grounds to gather valuable market insights and stay competitive.</td>
</tr>
</tbody>
</table>
Informal networks

Social connections and relationships between individuals or groups that facilitate the exchange of information, resources, and support outside formal organizational structures.

Facilitates interactions about emerging trends and strategies. Builds customer-base more quickly through referrals within the informal community. Enhances resource mobilization from individuals or groups. Provides emotional support.

Resilience

The capacity to withstand and recover from adversity, maintaining or returning to a stable state of well-being.

Builds owners’ stamina to endure and overcome business-related obstacles. Boosts owners’ ability to bounce back from setbacks.

Sense of community

The feeling of belonging, mutual support, and shared identity among a group of people within a particular social or geographic context.

Enhances business resource mobilisation. Facilitates apprenticeship and mentorship. Promotes partnership as opposed to competition.

As illustrated in Table 2, a collaborative venture orientation emerged as a notable strength among Somali entrepreneurs, as articulated by 21 out of the 23 participants. Likewise, the sense of belonging to a community and informal networks garnered an equal level of recognition, acknowledged by 19 participants. Resilience, an adaptive spirit, and a customer-centric business orientation received fewer mentions, however, the overall count exhibited a positive skew.

Table 2: Grounded Somali Entrepreneurial Success Traits

<table>
<thead>
<tr>
<th>Entrepreneurial Trait</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative ventures</td>
<td>*****</td>
</tr>
<tr>
<td>Sense of community</td>
<td>*****</td>
</tr>
<tr>
<td>Informal networks</td>
<td>*****</td>
</tr>
<tr>
<td>Adaptive spirit</td>
<td>****</td>
</tr>
<tr>
<td>Resilience</td>
<td>*****</td>
</tr>
<tr>
<td>Customer-centric</td>
<td>****</td>
</tr>
</tbody>
</table>

Collaborative Ventures

Somali entrepreneurs actively engage in collaborations with their fellow entrepreneurs, particularly within their community, as they perceive that joint-marketing efforts expand their market reach and draw a broader audience. These collaborations manifest in various forms, such as pooling resources to collectively address common challenges and engaging in bulk purchasing to reduce individual costs and enhance their bargaining power with suppliers. This approach, therefore, offers opportunities for shared resources and group procurement, resulting in cost savings and heightened business efficiency. Additionally, a noteworthy practice among Somali entrepreneurs is their organization of monthly markets where community entrepreneurs can collectively showcase their products. This collaborative initiative not only enhances the visibility of individual businesses but also fosters a dynamic marketplace that attracts a diverse customer base, ultimately benefiting all participating Somali business people.

“We look for collaboration opportunities within our networks and joint ventures that can bring mutual benefits and enhance community involvement. My brother here and I, for instance, source some of our electronic products from other Somali entrepreneurs, enabling us to collectively negotiate better prices from suppliers. In most cases, we purchase products from suppliers and collect additional stock worth thousands of Rands without initial payment, sell in a few days and remit. So, the benefits of collaboration in our kind of business are massive” (Male, 25 years electronic dealer).

“Participating in networking events within your community is paramount as it builds a strong network that can open doors to new opportunities and relationships. Organizing [which we sometimes do] or attending community events, provides opportunities to connect with potential customers, collaborators, and mentors. We organise an in-house fashion show for our products every year. This not only attracted...
customers but also created a sense of community engagement and built a loyal customer base that supports our business consistently.” (Female, 31 years, fashion/decor designer).

Somali entrepreneurs indeed flourish within their close-knit communities, and their propensity for collaboration is emblematic of their business approach. This phenomenon is well-supported by the works of Abdi and Smith, who emphasize the pivotal role of cultural identity in forging connections and partnerships. Within the Somali diaspora in South Africa, a strong sense of community prevails, and this communal ethos extends to the realm of entrepreneurship. Collaborations are perceived as an avenue, not only to harness cost-saving advantages through resource pooling, but also to engage in knowledge exchange. This is particularly pertinent given the diverse skill sets and experiences within the Somali entrepreneurial community. The collaborative spirit manifests as a mechanism for addressing shared challenges and seizing collective opportunities. Osman and Ngapah further substantiate this argument by highlighting the resilience demonstrated by Somali entrepreneurs amidst adversities. Collaborative networks, both within and beyond the Somali community, therefore, serve as critical support systems, enabling entrepreneurs to weather challenges, collectively.

Collaborations among Somali entrepreneurs go beyond mere cost-savings and knowledge-exchange. They engender mutually beneficial partnerships that can lead to business growth and sustainability. Research by Ahmed and Du Plessis underscores the role of social networks in enhancing the business success of Somali entrepreneurs. These networks not only facilitate access to financial resources but also act as conduits for market expansion and customer acquisition. Somali entrepreneurs recognize that by collaborating, they can tap into each other's strengths, mitigate individual weaknesses, and create synergistic business opportunities. In this context, collaborations are pivotal, not only for the individual entrepreneur's growth but also for the broader economic impact as Somali entrepreneurs collectively contribute to the local economy. In conclusion, Somali entrepreneurs' proclivity for thriving through collaboration within close-knit communities is substantiated by scholarly research. Their approach results not only in cost-savings and knowledge-exchange but also the establishment of mutually beneficial partnerships that foster business growth and resilience in the face of challenges. This collaborative ethos demonstrates the significance of communal support-networks within the Somali entrepreneurial ecosystem and their multifaceted contributions to South Africa's business landscape.

Informal Networks
The data from this study underscores the invaluable role of co-ethnic business relations in Somalian’s business establishment and development as they place a significant emphasis on their informal networks. Informal networks refer to unofficial and often social connections and relationships between individuals or groups that facilitate the exchange of information, resources, and support outside formal organizational structures. This form of networking proves vital in business marketing and contributes significantly to the success of Somali entrepreneurs. Respondents constantly elucidated that they rely on word-of-mouth referrals and social connections to foster the growth of their businesses, demonstrating the importance of cultivating robust relationships within the community.

"My business, as well as those of other Somalis in South Africa, primarily thrives through extensive network-based opportunity exploration. Somali communities, regardless of their location, typically have designated congregational areas for both social and business interactions. These congregations play a crucial role in fostering dialogue among Somalis and facilitating the exchange of information regarding potential opportunities. My kind of business [Arabic cosmetics] often relies on word-of-mouth referrals and social connections to grow, highlighting the importance of building strong relationships within the community. Once one customer within a certain network is satisfied, he/she connects and refers many others within the network to my business, which is crucial for sustained success” (Male, 21-year-old cosmetics dealer).

22 Abdi and Smith, “The Role of Ethnicity and Culture in Business and Entrepreneurship: The Case of Somali Entrepreneurs in South Africa.”
24 Osman and Ngapah, “Entrepreneurship as Survival: The Case of Somali Entrepreneurs in South Africa.”
26 Ahmed and Du Plessis, “Role of Social Networks in the Business Success of Somali Entrepreneurs in South Africa.”
The quotation that co-ethnic business relations play a valuable role in the establishment and development of Somali entrepreneurs in Pretoria West is well-supported by Abdi and Smith who revealed the significance of cultural identity and community ties among Somali entrepreneurs, underlining that these connections often facilitate access to informal networks. These networks, based on shared ethnicity and cultural bonds, are crucial for word-of-mouth referrals and social connections that drive business marketing and success. Furthermore, these networks enable Somali entrepreneurs to tap into their community's social capital, which includes trust-based relationships that are instrumental in business growth.

“Within the Somali community, family networks and related extended networks serve as indispensable foundations for broader entrepreneurship endeavors. As a result, we try to get together often. Getting together provides a platform for forging agreements to embark on joint ventures in previously unexplored geographical areas. Besides the general gatherings where all Somalis in specific areas meet to discuss, there are disaggregated clusters limited to entrepreneurs with specific business traits. For instance, Somali entrepreneurs dealing with grocery stores have designated places and time to convene, and so do others… These gathering points also prove instrumental in sharing information regarding the prices of goods, enabling the possibility of joint bulk purchases. It tends to form organically and, at times, along ethnic lines” (Female, 37 years old, small-scale ceramics trader).

Osman and Ngapah reiterate the essential role of informal networks in the success of Somali entrepreneurs. These scholars note that these networks serve as sources of business referrals and provide emotional and practical support, particularly during challenging times. Similarly, this study revealed that Somali entrepreneurs in South Africa often rely on these networks to navigate the complexities of the business environment, further illustrating their essential role. Literature, therefore, aligns with this study’s assertion that informal networks, based on co-ethnic business relations, are vital for the establishment, growth, and success of Somali entrepreneurs in South Africa. These networks facilitate word-of-mouth referrals, social connections, and a sense of community that fosters resilience and prosperity.

**Sense of Community**

Somali business owners possess a robust sense of belonging to a community that facilitates entrepreneurial support among them, a phenomenon evident in several ways. Firstly, through various community networks, including religious and ethnic clusters, Somalis arriving in South Africa establish connections with potential business mentors, seek opportunities to partner with existing enterprises to gain practical market experience, and mobilize startup resources. Secondly, the Somali communities in South Africa frequently unite to offer mutual support to each other's businesses. This spirit of solidarity has proved invaluable in helping entrepreneurs overcome barriers and to nurture a profound sense of belonging - a crucial factor for success, especially in a foreign country.

“I would say my business’ survival, growth, and sustainability hinges on the benevolent gestures of other Somalis. When I came into the country [South Africa], I had nothing on me. It was in our place of worship that my people here raised a startup capital for my business within a week and attached me to Mr… [name withheld] for practical skills development. Owning two grocery shops and a warehouse, I started assisting him with his business to familiarise myself with the South African business environment before setting up mine. After three months, it was possible to set up my business, having understood the market dynamics. Through his networks, I was able to build a strong customer base, as well as source suppliers at more favourable rates through connections within the Somali community. It's been four years now, and I still go to him for any form of business-related support. During challenging times, like when foreign-owned stores in Pretoria faced burglary, fellow entrepreneurs within our ethnic network offered both financial and emotional support and practical advice on security measures” (Male, 28 years old, trader).

Community support, hence, plays a fundamental role in the entrepreneurial journey of Somali immigrants in South Africa, and this assertion is well-validated by scholarly research. Firstly, community networks, often established around shared religious and ethnic identities, serve as vital channels for support. These networks enable incoming Somalis to establish connections with potential business mentors who can

---

27 Abdi and Smith, “The Role of Ethnicity and Culture in Business and Entrepreneurship...”
28 Abdi and Smith, “The Role of Ethnicity and Culture in Business and Entrepreneurship...”
29 Osman and Ngepah, “Entrepreneurship as Survival: The Case of Somali Entrepreneurs in South Africa.”
30 Osman and Ngepah, “Entrepreneurship as Survival: The Case of Somali Entrepreneurs in South Africa.”
provide guidance and expertise, helping them navigate the complexities of entrepreneurship in South Africa.\textsuperscript{31} Furthermore, these networks facilitate opportunities for newcomers to align with existing enterprises, allowing them to gain firsthand market experience and access essential startup resources.\textsuperscript{32} Such support structures illustrate the crucial role of cultural identity and community ties in facilitating entrepreneurial success.

“I heavily rely on our [Somalis] robust ethnic networks, which not only provide me with essential support but also foster a strong sense of unity. When new arrivals land in South Africa, they receive valuable assistance from fellow members of this ethnic community, enabling a swift entry into the business landscape. People just contribute immediately to set him/her up to avoid the possibility of becoming a nonentity or liability to others. Within the first two months of my arrival, collectively, the Somali community gifted me a Toyota Etios to start a bolt business through which I could raise sufficient capital for my dream business. The fact that my establishment in South Africa resulted from people’s sweat and magnanimity, I strive for success and the need to reciprocate to the younger generation. This is just to emphasize that we place significant emphasis on our social capital, built through trust-based business networks, valuing them more than local or foreign networks. Beyond basic start-up support, we extend credit to one another and find the ability to source goods on credit from Somali-owned wholesalers highly advantageous. This level of solidarity is a prevalent characteristic among Somali migrant communities” (Male, 48 years old, truck logistics professional).

The sense of solidarity and mutual assistance within the Somali community in South Africa is a defining characteristic of their entrepreneurial journey. This communal support system, not only helps Somali entrepreneurs overcome barriers but also fosters a profound sense of belonging, which is particularly invaluable for immigrants navigating the challenges of a foreign country. As highlighted by Osman and Ngepah, this communal ethos is a source of resilience among Somali entrepreneurs.\textsuperscript{33} During times of adversity, such as xenophobic incidents or economic hardships, the community support system becomes a vital source of both emotional and practical assistance, enabling entrepreneurs to persevere and thrive in a challenging environment.\textsuperscript{34} Scholarly discourse, thus, also reinforces the multifaceted nature of community support within the Somali entrepreneurial ecosystem in South Africa, highlighting its significance in facilitating entrepreneurial success and resilience.

Adaptive Spirit

Somali entrepreneurs have shown a remarkable ability to adapt to new environments and markets. They are quick to identify opportunities and adjust their business models to meet local demands and this resourcefulness allows them to thrive even in challenging circumstances. This study’s participating entrepreneurs’ adaptability and resourcefulness offer valuable insights for others aiming to succeed in dynamic and competitive markets. Their ability to understand local dynamics, respond to trends, make efficient use of resources, diversify income streams, network effectively, and adapt to challenges, showcase a blueprint for business success. By incorporating these lessons, other entrepreneurs can enhance their chances of thriving, regardless of the challenges they encounter.

The entrepreneurial landscape varies, as do consumer preferences. Additionally, the world is continually evolving, necessitating a business approach that considers market complexities. Success in such an environment hinges on a business’s ability to respond swiftly and effectively to changing circumstances and market dynamics. To me, entrepreneurs must remain vigilant to emerging market issues, identify new opportunities, pivot their business strategies when required, and confront challenges with resilience and innovation. One of the traits that propel my entrepreneurial journey is my proficiency in adapting products, services, and operations to align with evolving customer needs and market trends. This adaptability not only sustains competitiveness but also enables me to seize fresh opportunities, ensuring long-term growth in the ever-evolving business landscape” (Female, 52 years old, boutique manager).

Like the current findings, other studies have cast a spotlight on the remarkable achievements and contributions of Somali entrepreneurs within the complex socio-economic context of South Africa. Ali and De La Rey delve into the dynamic strategies adopted by Somali entrepreneurs, highlighting their adaptability in

\textsuperscript{31} Abdi and Smith, “The Role of Ethnicity and Culture in Business and Entrepreneurship...”

\textsuperscript{32} Abdi and Smith, “The Role of Ethnicity and Culture in Business and Entrepreneurship...”

\textsuperscript{33} Osman and Ngepah, “Entrepreneurship as Survival: The Case of Somali Entrepreneurs in South Africa.”

\textsuperscript{34} Osman and Ngepah, “Entrepreneurship as Survival: The Case of Somali Entrepreneurs in South Africa.”
navigating diverse markets.\textsuperscript{35} This adaptability, often fuelled by the need to overcome linguistic and regulatory barriers, enables them to identify and seize opportunities swiftly.\textsuperscript{36} These findings also resonate with Abdi and Smith, who emphasize cultural identity as a strategic advantage.\textsuperscript{37} By drawing upon their cultural roots, Somali entrepreneurs effectively connect with both local and diaspora customers, giving them unique market positioning. The intersection of cultural identity and entrepreneurial drive emerges as a key theme, signifying their role in shaping business practices.

Resilience

Somali entrepreneurs demonstrate a profound sense of resilience, deeply ingrained in their entrepreneurial journey. This resilience is particularly evident in their ability to withstand and overcome adversity, especially during xenophobic attacks, lootings and destruction of their businesses. Like many other foreign groups in South Africa, Somali entrepreneurs have faced significant challenges, including xenophobia and violence against foreign-owned businesses in South Africa; despite these obstacles, they have displayed remarkable resilience, bouncing back from setbacks, and finding innovative ways to rebuild their businesses. This ability to persevere in the face of adversity is a testament to their determination and resourcefulness in business.

“The business I currently manage serves as my sole resource for sustainability, demanding my undivided time, energy, and attention. Throughout its journey, there have been both ups and downs, exemplified by a series of xenophobic attacks on foreign-owned stores, including my grocery and jewellery stores, however, I have strived relentlessly to persevere in the face of adversity. On certain occasions, I found myself starting the business from scratch after it had been looted to the ground. The thought of giving up simply does not resonate with me. Thanks to my ethnic people who would not give up supporting me. To mitigate potential future losses, I have diversified my business operations. In addition to selling jewellery and groceries, I have ventured into cultivating crops on my plot of land, with the intention of selling these products to retailers. This diversification strategy provides a degree of protection during xenophobic attacks, as the agricultural aspect of my business remains relatively unaffected” (Male, 61 years old, multi-sectored entrepreneur).

Resilience emerged as a critical dimension in the discourse surrounding Somali entrepreneurs, as also evidenced in Osman and Ngapha.\textsuperscript{38} These scholars shed light on the remarkable entrepreneurial resilience displayed by Somali entrepreneurs in South Africa, even in the face of xenophobic incidents and economic uncertainties. Osman and Ngapha highlight how this resilience, often nurtured by the support networks within the Somali community, mirrors the community-oriented ethos that prevails within the Somali diaspora.\textsuperscript{39} This resilience is not merely a product of individual determination but is deeply intertwined with the communal bonds that exist among Somali entrepreneurs.

The concept of community support as a catalyst for resilience was identified by Ahmed and Du Plessis, who focused on the crucial role of Somali networks in bolstering entrepreneurship.\textsuperscript{40} According to Ahmed and Du Plessis, these networks serve as channels for information sharing, resource mobilization, and collaborative problem-solving, ultimately contributing significantly to the success of Somali businesses.\textsuperscript{41} The resilience of Somali entrepreneurs, therefore, is not solely a matter of individual tenacity but is deeply connected to the supportive networks and community-oriented mindset that characterize their entrepreneurial ecosystem.

Customer-Centric Orientation

Somali entrepreneurs highly prioritize understanding their customers’ needs and preferences. This customer-centric approach involves tailoring products and services to suit a target audience, thereby fostering customer loyalty and encouraging repeat business. In the study area, one Somali restaurant owner attributes a significant portion of her success to this customer-focused orientation, which is evident in her loyal customer base and the resulting word-of-mouth referrals. Satisfied customers enthusiastically share their dining experiences with friends and family, leading to a consistent influx of new patrons. Similarly, another Somali entrepreneur who manages a grocery store actively engages with customers to gather valuable market insights. These


\textsuperscript{36} A. Ali and De La Rey, “The Role of Cultural Capital in Business Resilience: The Case of Somali Traders in South Africa.”

\textsuperscript{37} Abdi and Smith, “The Role of Ethnicity and Culture in Business and Entrepreneurship.”

\textsuperscript{38} Osman and Ngapha, “Entrepreneurship as Survival: The Case of Somali Entrepreneurs in South Africa.”

\textsuperscript{39} Osman and Ngapha, “Entrepreneurship as Survival: The Case of Somali Entrepreneurs in South Africa.”

\textsuperscript{40} Ahmed and Du Plessis, “Role of Social Networks in the Business Success of Somali Entrepreneurs in South Africa.”

\textsuperscript{41} Ahmed and Du Plessis, “Role of Social Networks in the Business Success of Somali Entrepreneurs in South Africa.”
conversations enable him to stay attuned to changing preferences and emerging trends, allowing him to adjust his inventory accordingly and maintain competitiveness in the market.

“One of my core strengths as an entrepreneur lies in my capacity to move beyond mere transactions when interacting with customers. I firmly believe that informal engagements with customers offer invaluable insights that inform critical business decisions. My approach centers on prioritizing the delivery of exceptional customer experiences, with the goal of not just achieving satisfaction but creating genuine delight. I recognize that content customers possess the potential to transform into influential brand advocates, expanding my business’s reach through positive word-of-mouth referrals. By nurturing these personal connections and ensuring that each customer interaction surpasses expectations, my aim is to not only cultivate a loyal customer base but also enhance my brand’s reputation and market presence.” (Female, 21 years old, restaurant manager).

Empirical evidence substantiates the assertion that Somali entrepreneurs in South Africa prioritize understanding their customers’ needs and preferences, through employing a customer-centric business approach to foster success. The customer-centric business orientation is rooted in their cultural identity of assisting one another. This is in line with Abdi and Smith who identified cultural identity as playing a significant role in shaping the business strategies of Somali entrepreneurs. They emphasize the urgency of recognizing the preferences and expectations of their customer base, often rooted in their cultural backgrounds. Somali entrepreneurs’ ability to tailor their products and services to align with customer preferences, not only builds strong customer loyalty but also creates repeat business. This customer-centric focus, therefore, not only enhances their competitive advantage but also demonstrates the value of cultural sensitivity in entrepreneurship. The relevance of understanding customer needs and preferences aligns with broader business literature that dwells on customer-centricity in achieving long-term success. Research by Kotler and Armstrong in the field of marketing, stresses the pivotal role of customer satisfaction and loyalty in sustaining business growth.

Somali entrepreneurs’ commitment to providing products and services that resonate with their target audience underpins this foundational marketing principle. By prioritizing customer satisfaction through a deep understanding of their clientele, Somali entrepreneurs exemplify a strategic approach that transcends cultural boundaries and resonates with the broader business community, thereby, showing the universality of customer-centricity in business success.

**RECOMMENDATIONS**

Based on the findings, it is recommended that there is a need to enhance the competitiveness of South African SMEs by paying attention to some of the traits identified such as engaging in collaborative ventures, use of informal networks and adopting a customer-centeredness in running their businesses among others. This may be done through targeted capacity development for SMEs and on-the-job training programmes to improve business viability and competitiveness. Additionally, it is recommended that a further study be carried out covering a more comprehensive range of contexts with a view to provide a more holistic knowledge of entrepreneurship throughout the country.

**CONCLUSION**

The study, through a rigorous qualitative analysis revealed six key themes or traits that emerged offering invaluable knowledge for entrepreneurs in South Africa to fortify their entrepreneurial pursuits. These are - collaborative ventures, informal networks, a sense of community, adaptive spirit, resilience and customer-centric orientation. The Somali entrepreneurs prominently exhibit a strong sense of belonging to a community, a character that enables collaboration to mobilize meager resources to collectively make bulk purchases of supplies; joint product showcasing and cooperative marketing efforts to attract a broader audience. Additionally, the collaborative practice helps the operators to form partnerships that help to collectively enhance competitiveness against external ventures, and access critical apprenticeships and mentorships to bolster business efficacy. The maintenance of a vibrant informal network within the Somali communities and beyond facilitates discussions about emerging trends and strategies, thereby assisting entrepreneurs in remaining

---

42 Abdi and Smith, “The Role of Ethnicity and Culture in Business and Entrepreneurship...”
competitive. Through informal networks, entrepreneurs rapidly build customer bases via referrals, mobilize resources from individuals or groups, and obtain essential emotional support in times of adversity. Additional noteworthy traits encompass an adaptive spirit, resilience, and centrality of the customer in their business. These enable the entrepreneurs to understand the local dynamics, identify opportunities, and adjust business models to meet the local demand. Resilience also helps them to bounce back after major adverse social and economic encounters and uncertainties.

This study significantly contributes to the comprehension of the success mechanisms employed by Somali entrepreneurs within the South African context. The implications of these findings extend to policy recommendations aimed at enhancing the competitiveness of local SMEs. By gleaning insights from the experiences of successful Somali entrepreneurs, this research sought to cultivate a more inclusive and robust entrepreneurial ecosystem in South Africa, ultimately fostering heightened economic growth and development. While these results hold promise for empowering local entrepreneurs in South Africa, there are certain limitations that exist within the current research that necessitate further exploration of the topic. Firstly, this study focuses on a specific geographical location, potentially limiting its ability to capture the full spectrum of experiences across the country. Future research endeavours should aim for more comprehensive coverage, encompassing a wider range of regions and urban contexts, in order to provide a more holistic understanding of Somali entrepreneurship throughout South Africa.

BIBLIOGRAPHY


Maduku, Harris, and Irrshad Kaseeram. “Success Indicators among Black Owned Informal Small Micro and

ABOUT AUTHORS
Beata Kilonzo is a Senior Lecturer, Institute for Rural Development University of Venda, South Africa.

Ishmael Iwara is a University of Venda-based researcher with an NRF South Africa Y-rating. He centres his emerging scholarship on entrepreneurship, economic development and sustainability. His academic journey includes post-doctoral fellowships from the University of KwaZulu-Natal, South Africa and Carleton University, Canada. Rooted in rural development, he holds a PhD and master’s from the University of Venda, specializing in entrepreneurship and economics. His other qualifications include B.A. Honours in African Studies and B.Sc. Honours in Economics. Dr. Iwara’s evolving research trajectory focuses on Afrocentric models for entrepreneurial development, business efficacy, finance, transformation in higher education and community livelihoods, showcasing his impactful scholarship in academia and sustainable economic growth.