



## **Spaza Shops in Townships and Rural Areas to Switch to Electronic Payment Method to Run the Business Successfully and Safe: Case Study Mkhuhlu Township, Bushbuckridge Municipality, Mpumalanga In South Africa**

**Hluphi Constance Mafuwane**

**Prof Mammo Muchie**

University of Technology Business school.

**Lohith Paripati**

Independent Researcher, USA.

**Pandi Kirupa Gopalakrishna Pandian**

Independent Researcher, USA.

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**Abstract :** *The purpose of this study was to investigate whether spaza shop (tuck shop) owners in South Africa utilise mobile communication technologies. Secondly, it evaluated opportunities created using mobile communication. Interviews were conducted with 110 small, micro- and medium enterprises (SMMEs) operating spaza business shops in Mkhuhlu and Calcutta in the Bushbuckridge Municipality in Mpumalanga. Police officers, residents of South Africa, Somalians and Indians were interviewed. Data were collected through self-completion questionnaires. Interviews were conducted in English as most of the races did not understand an African language. Findings more technical and Technological skills are needed for the township business owners. Safety and security must support SMMEs in townships by protecting their owners and their resources against criminals.*

**Keywords:** SMME, Technology, spaza, language, Mpumalanga

### **Introduction**

Running a shop or any kind of business these days requires certain technology. The use of mobile technology by small businesses improves how the business performs and increases its likelihood of success. The topic is useful and worth investigating as it forms part of the socio-economic impact on communities, the growth of South Africa 's GDP the risk of crime and



will add more knowledge to the readers and spaza shop owners in South Africa, particularly in Bushbuckridge municipality in the City of Mbombela. It has been noted that spaza shops alone contribute millions rands a year to the national fiscus. South Africa has various supermarket concepts namely chain supermarket concepts (e.g. Shoprite, Checkers, Pick 'n Pay, and Spar) and individual sole supermarket concepts for instance individual-owned supermarkets such as Spaza shops also known as tuck shops. Chain supermarkets are formal supermarkets mostly located in shopping malls and shopping complexes whereas spaza shops are mostly located within the townships.

Local and regional communities defined a spaza shop also known as (a tuckshop) as a small informal grocery shop that operates from residential premises in townships. According to a study conducted by (Chairmain, Petersen, and Piper ,2012), the word spaza was taken from Isizulu word meaning hidden. Internationally the spaza shops are known to be kiosks. Deployment of spaza shops in township provides convenient services to their customers in a better and more satisfaction manner (Gounaris et al., 2010.Hein. 2014. Shahid Iqbal, et al.,2017)

Ninety percent of the spaza is owned by Somalians and Indians while ten percent is owned by South Africans. It has been noted that the majority of South Africans are unskilled in running a business as compared to their Somalians and Indian counterparts, for instant most South African spaza shop owners have poor record-keeping skills, which often leads to business failure. To effectively manage a spaza shop requires applying management functions and some management skills. The implementation of simple systems can assist spaza shop owners to manage their businesses more effectively, and successfully

Since Covid 19 pandemic South Africa 's unemployment rate has increased to 32.5 percent. (South African Township Market,2021). This informal supermarket relies heavily on the cash payment method. Cash attracts criminals and ultimately leads to more death rate and crime in South Africa. The shooting and killings are increased in townships because the spaza shop owners are still using the cash payment system instead of switching to electronic payment method because they are avoiding the bank charges, interest rate, buying data, and airtime, and that they might lose customers due to electricity challenges experience in South Africa that affect the operation of their business as they solely rely on residents for business productivity.



A study conducted by (Herrington et al.,2016), mentioned that more work must be done to ensure Small-medium enterprises are capacitated to be successful. When comparing South Africa with other African continents, the country has a small weak business sector (Herrington et al.,2016). This might be because of several factors: Lack of support from government entities by not providing business skills affects the performance of the small medium enterprise (SMMEs), Debts, lack of Financial management skills, lack of skills to use technology, and knowledge to run a business. One of the main policies that the South African government adopted is economic policies which is one of the drivers of employment creation and poverty mitigation. (National Department of Economic Development, 2010). Policymakers are to promote business to ensure that it contributes to the growth of local economies and the entire growth of the South African economy

According to research conducted by (Matlala, 2014; Mason, 2013) stated that eight out of ten small-medium enterprise businesses in South Africa fail. The current paper examines how the use of mobile technology can improve and sustain the daily operations of spaza shops and explore the role played by technology in the success of small businesses in South Africa, and the shift from the traditional way of doing business.

Lack of technological use decreases the chances of vendor business growth in the township, streets, Fruit and Vegetable shops, and taverns as the majority of people now opted for mobile electronic payment as their best payment method due to the high rate of crime Such a device will assist the spaza shop owners to run a business successfully and eliminate crime and hostility. Regardless of limited systematic studies in this area, the current changing environment especially in the business sector industry requires spaza shop owners to advance their business with technology as it plays a crucial role, therefore the study aims at investigating the challenges that hinder the tuckshop owner not Adopting to card machine mobile communication technologies in South African Townships: Bushbuckridge Spaza shops case study.

With a good location, good marketing strategy, and a strong management system in place, one could turn a simple tuck shop into a lucrative business. It is important to make sure that as a business owner one is required to set up the right tools and licenses that govern such business, and that business owners know the ins and outs of running a business. Spaza shops are a great way to start a business and enter the world of entrepreneurship. The study will use the



questionnaire to investigate why spaza shop owners are not switching to the electronic payment method.

The informal supermarket (spaza shops) in Mkhuhlu Bushbuckridge municipality can be seen as an example of entrepreneurial activity offering an entry point to many that are excluded from mainstream economic activities. The majority of spaza shops in Bushbuckridge municipality were revived in 2010 after the world cup hosted in South Africa.

The study will investigate whether small business owners in South Africa have access to an electronic payment method to run their business. Does the use of mobile technology have a positive contribution to the potential success of small businesses lastly the study will assess if all spaza shop owners are aware of the electronic payment methods?

Spaza shops form the cornerstone of many township communities. This have been noticed during the pandemic when shops were closed and the government was promoting and encouraging people to buy convenient groceries from spaza shops. Many authors conducted studies about spaza shops in South Africa but no recent literature was conducted about switching from cash payment system to electronic payment method locally.

A spaza shop is one of the biggest township business trends. They're a major part of any township economy, providing essential goods to township residents. These township shops also form significant employment and income opportunities within townships. Small medium enterprise businesses are critically important they have the potential to unlock growth. According to the most recent data, in 2013 1.5 million people were running informal businesses in South Africa, Statistics South Africa (Stats SA).

There are several challenges faced by spaza shop owners. Spaza shops may present lucrative township business opportunities, but they also come with plenty of challenges. Running an informal shop can make it difficult for business owners to access seed capital or offer collateral for business funding. Finding the right location for a small tuck shop is also challenging, as retail infrastructure in townships is lacking. Spaza shop owners also can't always access bulk orders and take advantage of economies of scale, which results in a smaller profit margin. Of course, these shops are also in competition with the many larger retailers out there, who can offer a wider selection of products at lower prices. Due to the high rate of unemployment the rate of crime and hostility towards spaza owners rise. Keeping cash in a shop tempt people to commit a crime and sometimes people are killed by thugs who are looking for money. It is therefore important for spaza shop owners to ensure they advance their business with



Technology running their business. Most people who are killed or robbed are Somalians and Indians. The study concludes with a proposal of recommendations as to how the spaza owners can go about improving and getting more opportunities and implementing best business practices for their business and minimizing robbery and murder

### **Literature Review**

The literature was reviewed under the following headings: The regulations that governed Informal business in townships of Bushbuckridge Municipality in the City of Mbombela, South Africa, Skills development programme, gaps identified, Programmes initiated to assist the township business, Cash payment method, electronic payment method and the and the challenges faced by spaza shop entrepreneurs in townships of Bushbuckridge municipality.

The perception spaza shop is well defined as small grocery store, which is not formally registered and does not conform to any law as set by the local, provincial and national law government. According to the study conducted by (Liedeman *et al.*,2013) argued that these shops are working as a core incubator of entrepreneurship for many families in the township and have been passed from generation for many years.

A spaza shop may also be defined as a small to medium informal and semi-formal shop selling mainly food and household goods in the townships. They usually operate at home and form part of the residential dwelling. In many cases they are not attached to the main house of the family ([Marivate, 2014](#)).

Owing of spaza shops started by black South Africans they owned spaza shops as a means of supporting their families' socio-economic needs. Moreover, spaza shops are generally convenient due to their ability to be flexible to consumers in their areas (Ishengoma, 2006; Jere, 2014). Considering the fact that spaza shops normally operate until late into the evening, thus enabling local consumers to do their shopping at their own convenient times. Moloji (2014) states that spaza shops were started based on the segregation laws that black South African shop owners were subjected to under the apartheid government. The author further argues that their exploitation and the fact that black people were deprived of equal opportunities is compared to their white counterpart

According to study conducted by (Mini & Thankappana ,2017) stated that spaza shops in South Africa was estimated to 100 000 by 2012. This figure includes formal and informal spaza shops and the number has risen from 2012 to 2022 due to the high rate of unemployment (Stats



SA,2020). There are spaza shops that are expanding while some are closing down due to lack of support from government of small business and local people. It is important that local people and government support the spaza shops as they reduce the high rate of unemployment in the country.

Successful spaza shops are mostly for people who are from other countries like: India, Nigeria Zimbabwe etc, however the xenophobic attack affects their business and eventually the spazas collapses. The rising xenophobic attacks that take place whenever there are changes in businesses setups, as seen in Gauteng, and Kwa-Zulu Natal, and Cape Town in the last decade ([Moloi & Nkahlle 2014](#)). However, Moloi marvels about the magnitude of positive impact that a collaboration of spaza shops ownership between South Africans and the existing business owners can have. Cape Town is also one of the provinces where xenophobic attack is at rise in the township spaza. It is important to ensure that as black we show the spirit of Ubuntu to all African people and avoid the killing of one another. Business is all about competition and every entrepreneur must understand that. Running a business successfully require dedication and discipline for it to grow.

### **Skills Development (Mentoring, and coaching and Technology)**

Department of Economic Development, banks and other agencies like Small Enterprise Development Agency, SEFA and other entities that deals with business initiative programmes must support and give guidance to the Spaza shop owners on how to use technology to run their business for an example using electronic payment system than cash payment system as well as giving business skills to run small business. The growth of the South African economy is from the support of the informal and formal businesses that are run in townships. It is the responsibility of the ruling party African National Congress (ANC) together with the department of small business that they to support SMMEs in the country. Mentoring will increase growth, profit, business skills and marketing of business, it is the responsibility of every shop owner to ensure skills impacted are practically used to revive the business

### **Department of small business development in South Africa**

The government of South Africa has an initiative of supporting the Township and Rural Entrepreneurship, (TREP) the aim of the programme is mainly to create platform that provides business support infrastructure to township businesses owners and an environment where



entrepreneurship can grow their business. Second aim of the TREP is to change and integrate opportunities in townships and rural area into productive ventures. The main goal of TREP was to give support to township business infrastructure and regulatory environment to grow the entrepreneur's business. This programme is run from the Department of Small Business development, other than TREP there are other entities like Small Enterprise Development Agency (SEDA) and Small Enterprise Finance Agency (SEFA) that are meant to support small enterprises.

There are gaps within the TREP, SEDA and SEFA :(i) the programme seems to be not supporting all small enterprise or there is lack of information dissemination to the rural township because majority of black spaza shops are failing as a result of resources and infrastructures. ii) Inconsistency of pricing of products is still a serious challenge in most of the township spaza shop. iii) Regulations not adhered to by spaza shop owners. iii) People are still queuing in townships for bread or chips(fries) and for owner to ask for a change from next owner due to using cash payment method. This is because of the old method payment system that they are using.

Various authors(Fatoki & Rungani, 2015; Mthimkhulu & Aziakpono, 2015) argues that there are various reasons why most township businesses are failing in South Africa ,amongst other reasons are :lack of entrepreneur skills, bad planning location for business, business skills financial management skills .Crime and lack of Technology are the most contributing factors toward booming of spaza shops business in the townships .Stock theft and robbery, are top in the list of crime stats for South Africa for 2021/22 (Crime stats ,2022) .Through this report some of the incidents shows that this was affected by Traditional method of payments in spaza shops in Townships.

This reason raises concern because the Department of Police has a major role to play to ensure spaza shops are protected to run their small businesses effectively and efficiently without interruptions. Community forums and Police must work together to ensure the safety of all small enterprise in Townships. Collaboration between the business of small business and townships owner weather rural must be established and monitoring of such support must be done. Not every spaza shop owner knows how to switch from cash payment method to electronic payment system. There are small business owners with less knowledge of how to access funding or grant to grow their business



### **Technology and Business Skills training**

The range of training that includes all those skills required for a small business should be offered. This could be offered outside of business hours to those SMMEs who show a willingness to attend. Completion of these courses would count towards the performance of spaza shops. By working closely with government departments and local educational service providers training can be linked to business courses offered by further education and training colleges and other business institutions. According to the study conducted by (Rolfe, Ligthelm & Guimaraes, 2011) mentioned that many spaza shop owners lack necessary business skills or business experience to be competitive. The lack of skills and experience force most of the spaza shop owners to close the businesses because they don't have the knowledge to run the business. Bad location, poor customer service and financial management and business management also is another contributing factor of closing up of business in townships.

It has been found in several studies that many spaza shop owners do not possess the necessary business skills or entrepreneurial expertise to be competitive (Cant & Wiid, 2013, Ligthelm, 2012; Woodward, Rolfe, Ligthelm & Guimaraes, 2011). This lack of skills seems to be quite diverse issue, including the inexistence of business planning, bad choice of business location, poor customer service, lack of market analysis, non-existence of marketing and a complete absence of financial management (Franco & Haase, 2010; Khosa & Kalitanyi, 2014; Olawale & Meyer et al., 2018). Furthermore, a study in the Nelson Mandela Metropolitan Municipality identified gaps in the management of 60 spaza shops with purchasing, financial and information management functions as the worst areas (Perks, 2010).

### **Cash payment methods towards Customer service vs electronic method payments**

Technology has made life easier for everyone including business owners but spaza shop owners still opt for cash payment method regardless of its consequences like crime that they are facing. Since 2000 formal businesses like big supermarkets use technology to run and market their business without any hassle except in rural areas and township of Bushbuckridge while the rate of crime is high. What is interesting is spaza shop owners prefers to buy data to watch –tik tok videos and any other videos that does not add value to business than converting the data to market the business owners. Recently applications from the play store on any android device were introduced for customers to buy and pay online.





According to study conducted by Donner (2006) the author noted that business owners use mobile devices to execute their business with their customers and increase their existing customer networks. This study has not touched the issue of other challenges that business owners might face if not switching on electronic payment, therefore with this research such challenges like crime, long queue will be added as gaps and study will promote the use of electronic payment system to reduce crime and customers loss and declining of small enterprises in townships.

The business that makes use of mobile device for payment increase the level of satisfaction and lessens complaint from their clients and this improve customer service. Township owners who are married to cash payment must divorce the traditional cash payment system and get married to new electronical payment method to improve running of their business.

### **Productivity**

According to a study conducted by (Kosempel,2007.), capital productivity is improved by understanding technology. Only businesses that are supported with technology prove to be successful and sustainable. A business is successful when it is run by the owner with a vision. Three out of five spaza shops begged with technology show signs of growth in townships. Productivity must be motivated by the salary earned and skills received to perform the business. The study conducted by (Rolfe, et al.,2010) emphasised that the growth of the informal shops was eight times the development of formal shops in South Africa

### **The role played by culture in business**

Culture stabilises disparate efforts across the business, balancing out the thousands of behaviours that occur every day across your organisation, into one directive group effort. Culture delivers your brand promise. Spaza shops in local townships are desperate due to culture.

### **Packaging of groceries in local spaza**

There is a serious challenge with regards to the packaging store. Shop owners must package their products the way they will attract customers. Most of the local spazas are not hygienically clean some local spazas sell expired food. Stock must be registered in a computer and that will assist the owner if he is at a loss or making a profit if the record is being kept.



## **Products**

The product stands for what you have to offer to the customer and there are several things about the product you have to evaluate for a product to be best positioned for the target market. Adopt a market orientation rather than a product orientation. It is critical to be able to describe the product clearly and concisely and it is important to list how the product fits in with current product usage and customer activity. Spaza shop owners must ensure that the products are barcoded like any other shop and that can be done by using technology.

## **Policy for spaza shops in township**

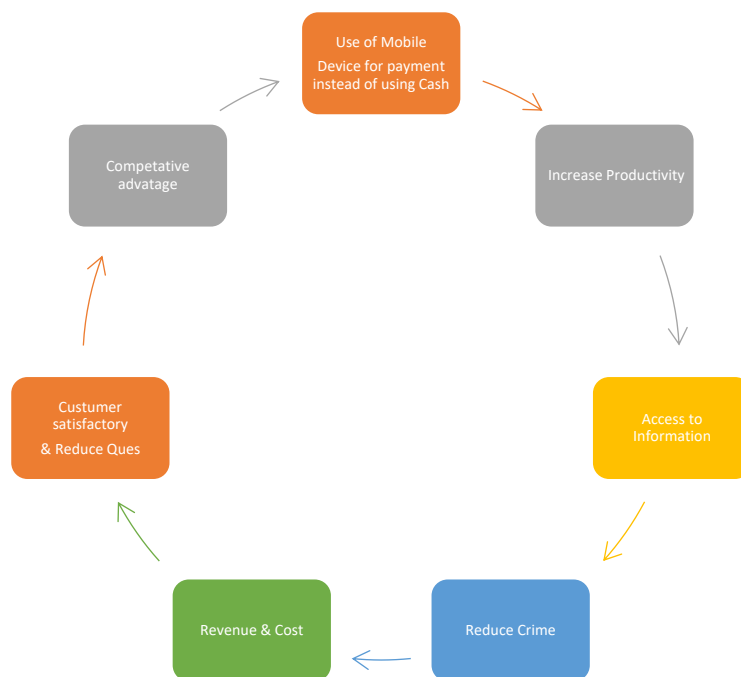
Thirdly if spaza shops are significant in the South African economic platform, there is need for clear policy guidelines to promote it. Both local and national governments should develop specific guidelines that take into considerations the needs, the nature, location and challenges faced by spaza owners. Infrastructural concerns should be addressed so as to facilitate clear developmental agendas in communities that have spaza shops.

The existence of a parallel container industry should be encouraged as a mechanism for standardizing and managing security concerns for spaza shops. Finally, the entire education system in South Africa, from primary to tertiary institutions except for a few papers negates the spaza shop phenomenon. Very few research articles on their operations can be seen in journals. The basic education and tertiary institutions do not teach these as forms of businesses yet estimate indicate that there are more than 100000 spaza shops in the entire country.

Living in informal settlement, rural areas and townships while other people have the privilege of residing in urban areas has shapes most gave lessons of most of South African particularly Africans (Blacks). There are good and bad things learn from apartheid. One of the examples is tuckshops which was formed during the apartheid era has cause most people to start the spaza shops in their township as convenient shop to buy urgent food closer to home rather than travelling to town, hence many will continue to live in such environments.

To date no study has been conducted to measure the current effects of spaza shops to the families of owners as well as to other community members. Such studies are important as they provide persuasive arguments to policy makers and educators to the role played by Spaza shops and the informal economy at large.

## **Technological Framework**



**Figure 1: Technological conceptual Model**

### Attributes that contributes towards township business failure

Lack of technology to run business, Crime, load shedding, limited infrastructure, and marketing are the contributing factors towards high failure rate of township business. Majority of spazas operate in one room rented place and this challenge affect the expansion of the business and thinking capacity of business owner. According to study conducted by (Webb, Morris & Pillay 2013) rubber stamp that external factors contribute towards high failure rate of business which include electricity , crime and lack of infrastructure. In conclusion for spaza to operate effectively and maximised the profit and productivity of the business it is important for business owners in townships to switch from cash payment method to electronic payment method, and therefore issue of crime, long ques and will be minimised.

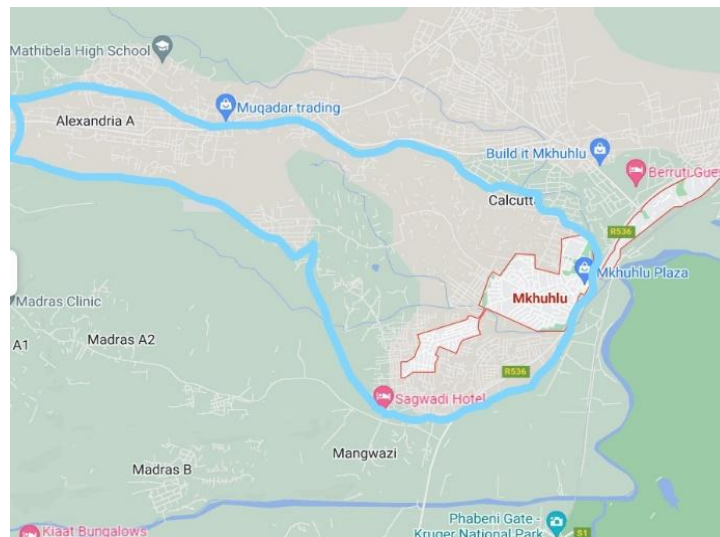
### Methodology

#### Study area.

The study was conducted at Mkhuhlu Township and Calcutta, GPS coordinates **Latitude-24.9777° or 24° 58' 40" south**. Mkhuhlu is a township situated on the banks of the Sabie River on the lands of Chief Mhaule. Mkhuhlu is a thriving, fast-growing town just outside the Kruger National Park. It has a population size of 35,864 (StatsSA,2021) There is an estimation of fifty-five (55) spaza shops around, and one shopping complex outside the township. Most of the



successful spaza shops are owned by Indians, Somalians and Ethiopians who rented building from community members, in order to conduct business. Lately crime rate at Mkhuhlu township is high due to the alarming rate of unemployment and illegal drug users. The high rate of crime affects the economy of the country.



The focus of this study was to establish an approach which will encourage the spaza shop owners in the townships to convert from cash payment method to electronic payment methods in their businesses to reduce the impact of crime and long queue by using electronic payment methods to run business safely and productively. A survey was conducted amongst spaza shop owners in the Mkhuhlu, Calcutta and Part of Marite in Bushbuckridge Municipality in City of Mbombela in the Mpumalanga province, South Africa. Cash payment methods need to be faced out as it increases the crime impact in spaza shops business entities. The study method applied qualitative method. In this light, spaza shop owners will be distributed with questionnaire which will be completed in English and Xitsonga language.

### **Study design**

The design of study was descriptive and cross-sectional (Hair, Black, Babin & Anderson, 2013). Data was collected only once during the course of study from a stratified random sample of size 110 respondents living Mkhuhlu Township Bushbuckridge and Mbombela in Mpumalanga Province. A qualitative methods of data collection and analysis were used in the



study. The key purpose of study was adoption of swiping machine mobile communication technologies in South Africa Municipality Townships: Spaza shops case study

### **Sampling Technique**

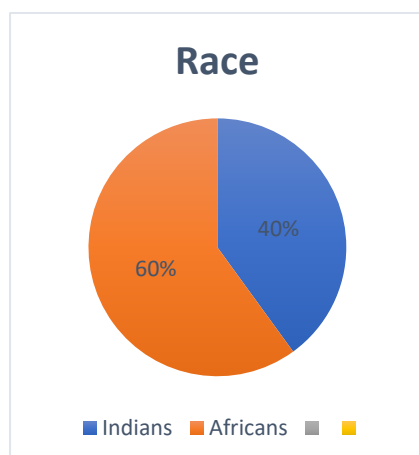
According to a census conducted by Statistics South Africa in 2011 (Statistics South Africa, 2012), the population size of Bushbuckridge was equal to 572, 027. The population size of Mbombela was equal to 588, 794. There are 110 spaza shops around Mkhuhlu & Calcutta. For this study, all available sample of spaza shop owners in Mkhuhlu and Calcutta were chosen from the township area in Bushbuckridge Municipality. For this study 110 questionnaires were received, and all were completed some in English and some in Xitsonga language by business entrepreneurs interviewed. A stratified random sample of size 110 was selected for the study. Stratified random samples of size 10 each was selected from Bushbuckridge and Mbombela with a view to collect data from a total of 110 residents of Mkhuhlu Township and surrounding

### **Results and Discussion**

This section deals with the interpretation of results that is guided by the positivism approach. Three sections will be presented: access to internet and network coverage, trading hours the demographic of business owners surveyed, Number of years business operating, and lastly the use of mobile technology

### **Demographic Overview (Race)**

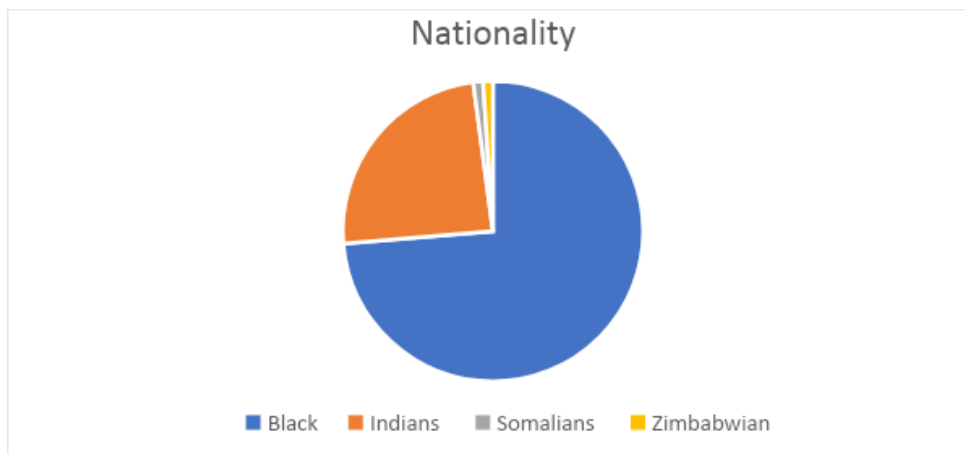
The majority of spaza shop owners who participated in the survey are males with 70% and 30% of them being females. This gap indicates that there is a need for intervention by the government and other entities to empower women in entrepreneurship.





**Figure 1:** This Pie chart show that majority of race who owns spaza shops in Bushbuckridge are Indian with 55% and 45% Africans (South Africans, Somalians, Nigerians and Zimbabweans

### Number of spaza shop owners in Mkhuhlu Bushbuckridge Municipality



**Figure 2:** Data showing spaza shop owners in Mkhuhlu

The majority of small business owners among those that participated in the survey are males with 56% and 44% are females. More than 70% of spaza shops are not owned by People from outside South Africa. Indians owned spaza shop stand at 70 % 24 % south Africans, 4 % Somalians and 1% Nigerian and 1% Zimbabweans. According to statistics in Africa, the largest group of immigrants are Indians followed by Somalians, Pakistanis, Ethiopians and Zimbabweans

### Access to Internet

The respondent reported that there is network coverage (MTN, Vodacom, Cell C and Telkom) in the area where they operate their spaza shops. Ninety percent report (90%) of spaza owners highlighted that data is expensive and eliminate them to switch to electronic payment while the other 10 % of spaza owners highlighted that data is not an issue to adopt the electronic payment method. and highlighted that network is a challenge when there is no electricity, the business will be implicated. In other areas like Calcutta the network covering become a problem.



**Number of years Spaza shops in Operations and security**

Items	Foreign shop entrepreneurs mean	South African shop entrepreneurs mean
Start-up capital	R1000-15000	R500-00-R600.00
Age of business owner	40 -45 years	35-50 years
Employees	1 person	4 people
Number of shops with alarm system and Insurance	40 % with alarm system and Insurance	All spaza shops has no arm response and Insurance cover for spazas
Trading Hours	7h00	5h30
Number of years spaza shop operating	3 years	10 years

Table 1: A comparison of local and foreign spaza shops owner relative to age, number of employees, start-up capital and age of the business.

Foreign spaza shops are likely to appoint more employees they prefer working as a family, unlike South African spaza shops. Foreign spaza shop owners employ local people to work with, most appoint females to assist in cleaning and cooking and interpreting of African dominant language. Foreigners have more start-up capital not because they have money but the loan from other business owners and pay back the loan when the business is up and running. Foreigners can appoint more personnel for the long term than local people.

**Number of Spaza shops using cash and Number of shops switch to electronic payment methods**

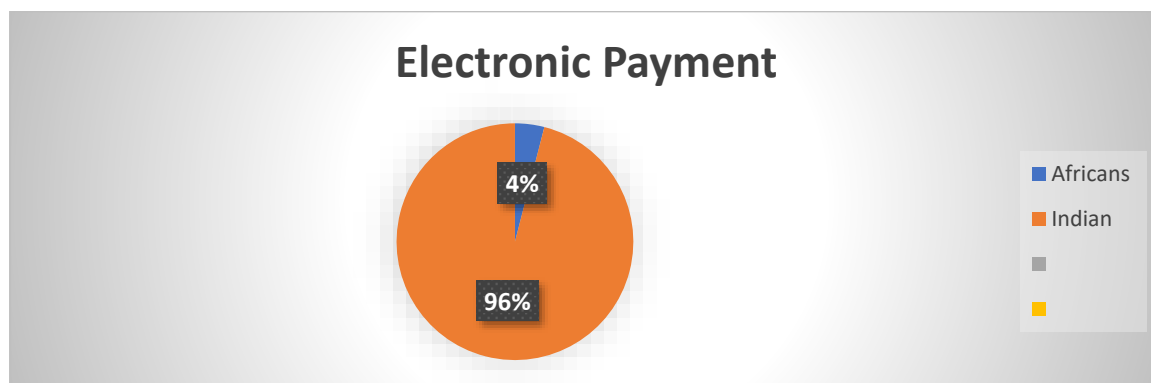




Figure 3: Shows the comparison in percentage of owners that are using the electronic payment method and those that use cash payment

About 96% of spaza shop owned by Indians use electronic swiping machines and only 4% Africans use electronic payment method. During the interviews most shops that are using the swiping machine their sales have increased by 2% as compared to the cash payment method. Their financial reports are accurate, and the bank charges are R49 per month.

#### **Awareness of business Technology**

Respondents reported that Ninety percent (90%) of spaza shop owners are aware of mobile technology, but they are scared to use it because it is not safe, while 10% of respondents reported that they are not educated therefore they cannot use technology they prefer using cash method. During the survey he have observed that Ninety percent (90 %) of people who know technology are Indians, Somalians, Ethiopians, Zimbabweans and South Africans Since all have use smartphones. The 10% who reported that they cannot use technology on their phone or swiping machines use smartphone without internet just to be able to communicate with their friends and family.

#### **Findings**

From the findings people who normally buy at spazas are unemployed, school children and pensioners are the once who supports their businesses by buying cash payment system. Furthermore, respondents stated that when they use cash there are no implications of charges unlike when they use the machine while some of the respondents reported that the reason why they still cater cash is because people are not using cards.

Some respondents reported that they are looking at switching to swiping machine and some prefers transfers to their account or cash send although there are implications that people will reverse their money after receiving the good and they are untraceable after. Some respondents reported that their businesses are insured, and they closed at seven (7) and there are some spaza shop owners whose businesses are not insured and trade till late depending on customers.

Respondents from spaza owners highlighted that data is expensive to do business online while the other 10 % of spaza owners said data is not an issue. The network is not an issue because there is Vodacom and MTN coverage. Load shedding and electricity hike also affect their business operations if they switch on to swiping machines

#### **Barriers to implement the technological electronic payment system**





The issue of load shedding has serious impact towards small business using the electronic payment .Lack of support from the government that support small business ,access to information about technology .Lack of business and technological skills is also a barrier .The only way to solve problem of cash payment method will be to ensure small entrepreneurs receive information about the goods of using electronic payment which will increase their productivity and reduce time and lost of customers and increase the revenue .The study is encouraging spaza shops owners in township to switch to use of electronic payment method technology as a way to minimised crime in South Africa municipality townships

### **Conclusion and Recommendations**

This study has demonstrated that spaza shop owners are being robbed and kept hostile because most owners are still using the old pay system rather than adopting the technological ways of using mobile apps to do their business in townships. Electronic payment system can also give access to cash for those in need of cash at the charge of one percent (1%). There is a need for training on electronic payment applications on how it works on the phone as some of the spaza shop owners are clueless. For spaza shops to operate formally government must support the small-medium business with funding so that the owners must increase the employment in south Africa and crime will be reduced. Spaza shop owners must move away from the old way of using cash in their business as this increases crime and robbery and killing of innocent people. Government must collaborate with network providers to subsidise the spaza shop owners with data and training so that the owners can be able to use mobile technology to run their business safely.

Spaza shop owners must also install security devices and insurance to protect their businesses. It is also advisable that the spaza shops owners legalised their informal business so that they can receive proper support from government entities.

Government entities must capacitate the spaza shop on how to run their business using mobile applications. Mpumalanga is a tourist area and most international use cards to pay their bills, therefore, there is a need for all spaza shops to practice their businesses using electronic payment system if they need support from tourist. There must be continuous patrol by police to ensure that spaza shops and owners are protected against crime and robbery at night and during the day.

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