

DETERMINING THE E-BUSINESS OR ONLINE TOOLS USED BY SMALL BUSINESSES IN THE RETAIL CLOTHING AND TEXTILE INDUSTRY IN CAPE TOWN

Nina Afonge Ngwah, University of the Western Cape
Micheal Twum-Darko, University of the Western Cape

ABSTRACT

The use of e-business and online tools by African immigrants in Cape Town South Africa with businesses in the clothing and textile retail industry. Considering the use of e-business and online tools is an important part of business in this era of the 4th industrial revolution, this is a good platform to explore. This research is exploratory in nature and the data was sourced from active African immigrant small business owners and managers through a qualitative approach. A random sample was conducted identifying 15 small businesses in the retail clothing and textile industry. The results indicated African immigrants were aware of e-business and online tools used to enhance businesses but a handful of them had the perception that these e-business and online tools are expensive therefore cannot be used except with a very huge capital. To aid in bringing the small business owners to having a different view about using of e-business and online tools, it was recommended that they create online presence which will help drive traffic to their websites (Richards & Morse, (2012), social media pages and other online activities. In addition, community engagement should be created which will make a solid relationship with shoppers building loyalty and encouraging repeated purchasing with powerful tools such as e-tailing of special offers.

Keywords: E-Business, E-Tools, Retail Clothing Industry, African Immigrants, African Immigrant Owned Businesses.

INTRODUCTION

Small and medium enterprises have increasingly relied on the internet to become dynamic especially with the Covid19 Pandemic. This has led to the global trend of economic liberation (Gangadhar & Shaikh, 2020). The use of electronic business and online tools has added a great value and high profitability to business owners (Phillippi, 2018). Most small businesses have incorporated electronic business (Guo et al., 2020) into their business processes in order to speed up activities and transactions (Philip, 1998). This has created great competitive advantage of businesses that incorporate e-businesses and e-tools into businesses worldwide (King, 2004).

E-business processes and online tools have a vital role in the facilitating information exchange, payments and even goods and services (Rogerson, 2000). The proper use of e-business and e-tools by African immigrants (Alam, 2011) in small businesses can propel productivity and competitive advantage while presenting a great opportunity for small businesses (Klein, 2016).

LITERATURE REVIEW

Kasasbeh (2017), the adoption of e-business by African immigrants has been discovered to be slow and most small businesses did not provide online processing systems. Drawing from Gaile-Sarkane trying to differentiate between e-business and e-commerce (Alawneh & Hanna, 2009).

E-Business Implication for African Immigrant Small Businesses

Zaied & Nasser (2012) studied the adoption of e-business in Egypt by African immigrants and discovered that most of the small businesses did not provide online processing systems but used the general stage of e-business (Tengeh, 2013). Heeks (2015) agrees with Nasser & Zaired's findings: his study was conducted in Nigeria on African women and their use of ICT and e-business tools for their small businesses (Sandelowski, 1995). Al-Rodhan (2015). The study indicates that 95% of interviewees were using e-business tools for the general stage; characterised by communication with the intention to buy or sell products and the use of software packages such as word processing and book-keeping (Saunders, 2009). Kalitanyi & Visser (2010), the study did not find any advanced e-business activities among the African women who participated in the study (Anderson, 2010).

E-business and E-Commerce

Gaile-Sarkane (2006) differentiated e-business from e-commerce; stating that e-business involves models and different methods of doing business, including e-commerce. Gaile-Sarkane (ibid.) identifies the components of e-business as e-commerce, customer relations management, and supply chain management (Alhojailan, 2012), resource planning and business intelligence. Heeks (2015) defines e-business as the use of electronic means to conduct business both internally and externally (Jamshed, 2014), with the advantage of increasing profits, efficiency, information handling, and chain improvement and competitive advantage (Goldkuhl, 2019; Tengeh, 2012).

Drawing upon the work of Choshin & Ghaffari (2017), it is apparent that e-business is essential. The fundamental need of a business consists of cost, quality and profitability. E-business is a business model (Tchamyu, 2017; Tsumake, 2018) which utilizes a business plan while accommodating business issues in relation to e-commerce (Miller et al., 2001). Many companies use e-business to increase procurement efficiency and collaboration with suppliers (Anwar, & Daniel, 2017).

E-Business Impact

Innovation in business is important as e-business sets in, regardless of the company or business (Bailey, 2014). Menon et al. (2016), there is no doubt that e-business adds value to business processes; especially value-chain processes in the exchange of goods, money, services and information (Baroudi & Orlikowski, 1988). The fundamental purpose of a small business is to satisfy the needs of customers (Jahanshahi et al., 2013), that is, demand and supply. In recent times, interaction between small businesses and customers has led to improved delivery process (Scotland, 2012). Interaction between both parties, small businesses and customers, has

improved the way small businesses relate to their customers (Fohitung et al., 2012; Whiting, 2017).

Level of Adoption and Utilisation of E-business by other Small Businesses

Drawing upon the research of Mitrovic et al. (2013), it is clear that E-business varies with different types of organisations and enterprises, depending on the size, age, location and knowledge base while big businesses engage (Fatoki, 2014) in e-business based on their financial volume and or human capital Slater (1997), high ICT equipment and highly sophisticated systems. Small enterprises focus only on a small portion of e-business or do business solely on the internet (Elo & Kyngäs, 2008; Yu & Cooper, 1983).

Davison & Smyrniotis (2017) In agreement with Hassen & Svensson (2014), there are several theories that portray why a business will take up e-business and what level of e-business the enterprise is willing to adopt (Seda, 2016). These models are the Adoption Ladder Model and the Transporter Model (Tchamyoun, 2017). In view of Taylor & Murphy (2004), the Model one “adoption ladder model” is about the adoption and utilisation of e-business over the years while making a profit and developing the business to attain its goals (Dlodlo, 2010; Zimmer, 2006).

Levy & Powell (2003) emphasize the “transporter” model; that it is mostly used for small businesses due to their nature and how valuable their owners perceive the usage of internet to be, alongside the growth of their businesses with the use of e-business (Demuijnck & Ngnodjom, 2013).

RESEARCH DESIGN AND METHODOLOGY

The nature of this study was based on qualitative paradigm. Interviews were conducted whereby 15 (Marshall, 1996) African immigrants who own or manage small businesses in the retail clothing and textile industry in Cape Town metropole (Maga, 2014) were interviewed to get a better understanding of the research problem (Bianchi, Glavas & Mathews, 2017). The outcome of the interviews, discussions and themes were categorised and coded which then informed the interview questions and the sampling (David, 2008). The population targeted comprised of African immigrant small business owners and managers living in South Africa (Malterud, 2001), particularly in Cape Town metropole including both females and males (Lave & Marc, 1993). Looking at figure1 below, random sampling technique (Cisneros Puebla, 2002).

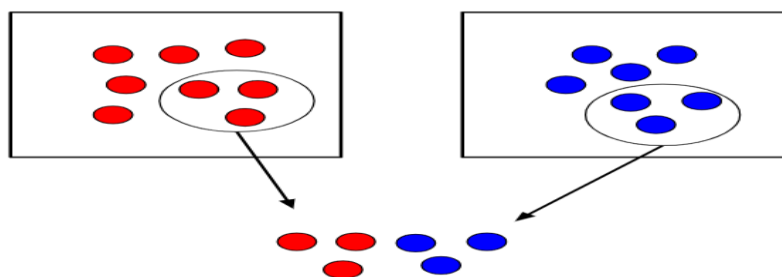


FIGURE 1
RANDOM SAMPLING

Brzozowska (2015) After the collection of data, the method used to analyse the data by coding which consisted of themes which included an inductive process. The sampling process of this study took into consideration all the list of items or material in the selected population (Chitura, et al., 1970). The study targeted African immigrants who owned or managed small businesses in the retail clothing industry in the Cape Metropole (Triangulation, 2014) (Olatunji, 2015).

Drawing from Maxwell (1996), it's imperative that the research findings indicated that thematic analysis that was conducted whereby all cross references between the data was identified to create themes (Caidi, 2010).

RESULTS AND DISCUSSIONS

The data was analysed in respect to the research questions and themes obtained from the literature and other themes which emerge during the interviews. Thematic analysis was used to categorise the themes identified which informed the findings and interpretation to define the general framework.

RECOMMENDATIONS

Small businesses in the retail clothing industry should consider designing a structured e-business framework in line with the firm's business strategy. African immigrants in the retail clothing industry should endeavour to invest in training small business owners, managers and entrepreneurs in an attempt to provide them with skills and other challenges raised in this study. The training events could be based on the importance of having a guideline for e-business and online tools, the 4IR and new cyber security management strategies which can be placed within small businesses and SME's.

The use of e-business and online tools is considered important for small businesses. Adopting and using these online tools increases awareness of accessible opportunities available.

In order for African immigrants in the retail clothing industry to facilitate the smooth adoption of e-business and online tools, the following guidelines could be useful and considered.

Create an Online Presence

In order for a small business to be successful, they need to have an online presence which could help drive traffic to their websites, social media pages and other online activities. In effect tools such as contests, give-aways, coupons and partnerships affiliated to groups or persons. This could drive a lot of leads and consumers to the small business.

Ordering and Fulfilment

Retail small businesses should have an attractive and easy to use interface for shoppers to view items and place orders. Techniques such as shopping chart technology are a basic requirement for retailers which can considerably increase order size. In addition, the small business must ensure that the customer is satisfied with timely and undamaged items as orders were placed.

Payment Processing

Most Africans have trust issues and so do not really like doing online payments. African Immigrant small businesses should endeavour to verify and transfer funds from the shopper's card, checking accounts and ATM cards. The small businesses must make sure that approvals are quick so as to expedite shipment of orders as quickly as possible and be able to get paid.

CONCLUSION

Finally, it is evident that most of the small businesses are not aware of e-business and online tools and guidelines that can be implemented into their firms or businesses. This might be as a result of not having experience, awareness and lack of knowledge among small business owners. Nevertheless, some retail clothing African immigrant business owners or managers made use of e-business and online tools and techniques which were deemed to be effective in enhancing and optimising their profit margins. The identified barriers to the use of e-business and online tools were mostly attributed to financial constraints, lack of knowledge, skills, and infrastructure. The businesses do not take into consideration the benefits of using e-business and online tools. They often use the small size of the organisation as an excuse for not using e-business. The progress and growth of a business can easily be reached with record keeping of e-business and online tools. This results in a gap in the profit optimisation of the small businesses which the African immigrants do not pay attention to.

REFERENCES

- Alam, A., Zaheer, A., & India, G.N.U. (2011). Potential benefits of e-business on economy and infrastructural development. In *Proceedings of the 2011 International Conference on Industrial Engineering and Operations Management Kuala Lumpur, Malaysia*.
- Alawneh, A.A., & Hanna, S. (2009). An exploratory study of the drivers of e-business value creation in the Jordanian banking sector. In *Proceedings of Third International Symposium on Innovation in Information Communication Technology (ISIICT 2009)* (pp. 149-164).
- Alhojailan, M.I. (2012). Thematic analysis: a critical review of its process and evaluation. *West East Journal of Social Sciences*, 1(1), 39-47.
- Al-Rodhan, N. (2015). The moral code: How to teach robots right and wrong. Retrieved from: [Retrieved from: https://www.foreignaffairs.com/articles/2015-08-12/moral-code](https://www.foreignaffairs.com/articles/2015-08-12/moral-code).
- Anderson, C. (2010). Presenting and evaluating qualitative research. *American Journal of Pharmaceutical Education*, 74(8).
- Anwar, M.N., & Daniel, E.M. (2017). Ethnic entrepreneurs and online home-based businesses: An exploratory study. *Journal of Global Entrepreneurship Research*, 7(1), 1-21.
- Bailey, L.F. (2014). The origin and success of qualitative research. *International Journal of Market Research*, 56(2), 167-184.
- Baroudi, J.J., & Orlikowski, W.J. (1988). A short-form measure of user information satisfaction: A psychometric evaluation and notes on use. *Journal of Management Information Systems*, 4(4), 44-59.
- Bi, R., Davison, R.M., & Smyrnios, K.X. (2017). E-business and Fast Growth SMEs. *Small Business Economics*, 48(3), 559-576.
- Bianchi, C., Glavas, C., & Mathews, S. (2017). SME international performance in Latin America: The role of entrepreneurial and technological capabilities. *Journal of Small Business and Enterprise Development*.
- Brzozowska, A., & Bubel, D. (2015). E-Business as a new trend in the economy. *Procedia Computer Science*, 65, 1095-1104.
- Caidi, N., Allard, D., & Quirke, L. (2010). Information practices of immigrants. *Annual Review of Information Science and Technology*, 44(1), 491-531.

- Chitura, T., Mupemhi, S., Dube, T., & Bolongkikit, J. (1970). Barriers to electronic commerce adoption in small and medium enterprises: A Critical Literature Review. *The Journal of Internet Banking and Commerce*, 13(2), 1-13.
- Choshin, M., & Ghaffari, A. (2017). An investigation of the impact of effective factors on the success of E-Commerce in small-and medium-sized companies. *Computers in Human Behavior*, 66, 67-74.
- Cisneros Puebla, C.A. (2002). Review Note: Adrian Holliday (2001). Doing And Writing Qualitative Research [18 Paragraphs]. In *Forum Qualitative Sozialforschung/Forum: Qualitative Social Research [On-line Journal]* (Vol. 3, No. 4, pp. 4-02).
- David, C., & Geoffrey, L. (2008). Research Methods: A concise introduction to research in management and business consultancy.
- Demuijnck, G., & Ngnodjom, H. (2013). Responsibility and informal CSR in formal Cameroonian SMEs. *Journal of Business Ethics*, 112(4), 653-665.
- Dlodlo, N., & Dhurup, M. (2010). Barriers to e-marketing adoption among small and medium enterprises (SMEs) in the Vaal Triangle. *Acta Commercii*, 10(1), 164-180.
- Elo, S., & Kynäs, H. (2008). The qualitative content analysis process. *Journal Of Advanced Nursing*, 62(1), 107-115.
- Erumi-Esin, R., & Heeks, R. (2015). E-Business adoption and use among African women-owned Smes: An Analytical Study in Nigeria. In *Proceedings of the Seventh International Conference On Information and Communication Technologies and Development* (pp. 1-10).
- Fatoki, O. (2014). Immigrant entrepreneurship in South Africa: Current literature and research opportunities. *Journal of Social Sciences*, 40(1), 1-7.
- Fohtung, N.G., Fohtung, M.E.F., Fongwa, S., & Stanley, E.A. (2012). Investment climate reforms and the development of Smes: A Comparative Analysis Of South Africa, Cameroon And Nigeria.
- Gaile-Sarkane, E. (2006). On evaluation of information flow efficiency in E-Business. *Vadyba/Management*, (1), 10.
- Gangadhar, V.R., & Shaikh, A. (2020). Small and medium enterprises and cloud technology—challenges and opportunities during COVID19. *International Research Journal On Advanced Science Hub*, 2, 32-38.
- Goldkuhl, G. (2019). The generation of qualitative data in information systems research: The diversity of empirical research methods. *Communications of the Association For Information Systems*, 44, 572-599.
- Guo, H., Yang, Z., Huang, R., & Guo, A. (2020). The digitalization and public crisis responses of small and medium enterprises: Implications From A Covid-19 Survey. *Frontiers of Business Research in China*, 14(1), 1-25.
- Hassen, Y.A., & Svensson, A. (2014). The role of E-commerce for the growth of small enterprises in Ethiopia. *The Electronic Journal of Information Systems in Developing Countries*, 65(1), 1-20.
- Jahanshahi, A.A., Zhang, S.X., & Brem, A. (2013). E-commerce for SMEs: Empirical insights from three Countries. *Journal of Small Business and Enterprise Development*.
- Jamshed, S. (2014). Qualitative research method-interviewing and observation. *Journal of Basic and Clinical Pharmacy*, 5(4), 87.
- Kalitanyi, V., & Visser, K. (2010). African immigrants in South Africa: Job Takers Or Job Creators? *South African Journal of Economic and Management Sciences*, 13(4), 376-390.
- Kasasbeh, E.A., Harada, Y., & Noor, I.M. (2017). Developing a conceptual model for the relationship between human resource management, E-Business Strategies and Competitive Advantage. *The Journal of Internet Banking and Commerce*, 22(1).
- King, N. (2004). Using templates in the thematic analysis of texts in cassell cm, Editor; & Symon G., Editor.(Eds.), *Essential Guide To Qualitative Methods In Organizational Research* (Pp. 256–270).
- Klein, R. (2016). Old theory and new technology information technology's impact on transaction Cost Economics.
- Lave, C.A., & March, J.G. (1993). *An Introduction to Models In The Social Sciences*. University Press Of America.
- Levy, M., Loebbecke, C., & Powell, P. (2003). SMEs, Co-Opetition and knowledge sharing: The Role of Information Systems. *European Journal of Information Systems*, 12(1), 3-17.
- Maga, M.F.A., Kamdjoug, J.R.K., Wamba, S.F., & Tcheuffa, P.C.N. (2019). Factors affecting adoption and use of e-learning by business employees in cameroon. In *World Conference on Information Systems and Technologies* (pp. 216-226). Springer, Cham.
- Malterud, K. (2001). Qualitative Research: Standards, Challenges, And Guidelines. *The Lancet*, 358(9280), 483-488.
- Marshall, M.N. (1996). Sampling For Qualitative Research. *Family Practice*, 13(6), 522-526.
- Maxwell, J.A. (2012). *Qualitative research design: An interactive approach*. Sage publications.

- Menon, R.V., Sigurdsson, V., Larsen, N.M., Fagerstrøm, A., & Foxall, G.R. (2016). Consumer attention to price in social commerce: Eye tracking patterns in retail clothing. *Journal of Business Research*, 69(11), 5008-5013.
- Miller, T., Nelson, M.L., Shen, S.Y., & Shaw, M.J. (2001). E-Business management models: A Services Perspective and Case Studies. *Urbana*, 51, 61801.
- Mitrovic, Z., Sharif, M., Taylor, W., & Wesso, H. (2012). Systemic Approach to E-Skilling in South Africa. *Issues In Informing Science And Information Technology*, 9, 041-061.
- Mitrovic, Z., Taylor, W., Sharif, M., Claassen, W., & Wesso, H. (2013). E-Social astuteness skills for ict-supported equitable prosperity and a capable developmental state in South Africa. *International Journal of Education and Development using ICT*, 9(3).
- Olatunji, O.S. (2015). The impact of information communication technology on small and medium scale enterprises productivity in Nigeria.
- Philip, L.J. (1998). Combining quantitative and qualitative approaches to social research in human Geography An Impossible Mixture? *Environment and Planning A*, 30(2), 261-276.
- Phillippi, J., & Lauderdale, J. (2018). A guide to field notes for qualitative research: Context and conversation. *Qualitative Health Research*, 28(3), 381-388.
- Richards, L., & Morse, J.M. (2012). *Readme First for A User's Guide To Qualitative Methods*. Sage.
- Rogerson, C.M. (2000). Successful SMEs in South Africa: The case of clothing producers in the Witwatersrand. *Development Southern Africa*, 17(5), 687-716.
- Rubin, H.J., & Rubin, I.S. (2011). *Qualitative Interviewing: The Art of Hearing Data*. Sage.
- Sandelowski, M. (1995). Qualitative Analysis: What it is and how to begin. *Research in Nursing & Health*, 18(4), 371-375.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research Methods for Business Students*. Pearson education.
- Scotland, J. (2012). Exploring the philosophical underpinnings of research: relating ontology and epistemology to the methodology and methods of the scientific, interpretive, and critical research paradigms. *English Language Teaching*, 5(9), 9-16.
- Seda. (2016). The small, medium and micro enterprise sector of South Africa. *Bereau for Economic Research*, 1, 1-35.
- Slater, S.F. (1997). Developing a Customer value-based theory of the firm. *Journal the Academy of Marketing Science*, 25(2), 162-167.
- Taylor, M., & Murphy, A. (2004). SMEs and E - Business. *Journal of Small Business and Enterprise Development*.
- Tchamyoun, V.S. (2017). The role of knowledge economy in African Business. *Journal of the Knowledge Economy*, 8(4), 1189-1228.
- Tengeh, R., Ballard, H.H., & Slabbert, A.D. (2012). Do immigrant-owned business grow financially? an empirical study of african immigrant-owned businesses in Cape Town Metropolitan Area of South Africa. *African Journal Of Business Management*.
- Tengeh, R.K. (2013). A business survival framework for african immigrant-owned businesses in the cape town metropolitan area of South Africa. *Mediterranean Journal of Social Sciences*, 4(13), 247-247.
- Triangulation, D.S. (2014). The use of triangulation in qualitative research. *In Oncol Nurs Forum*, 41(5), 545-547.
- Tsumake, M., & Kyobe, M. (2018). E-Business Value in Small And Medium-Sized Enterprises In Southern Africa: A Quantitative Content Analysis of Websites.
- Whiting, R.H., Hansen, P., & Sen, A. (2017). A tool for measuring smes' reputation, engagement and goodwill: A new zealand exploratory study. *Journal of Intellectual Capital*.
- Yu, J., & Cooper, H. (1983). A quantitative review of research design effects on response rates to Questionnaires. *Journal of Marketing Research*, 20(1), 36-44.
- Zaied, A.N.H. (2012). Barriers to E-Commerce adoption in Egyptian SMEs. *International Journal of Information Engineering and Electronic Business*, 4(3), 9.
- Zimmer, L. (2006). Qualitative Meta Synthesis: A Question of Dialoguing With Texts. *Journal Of Advanced Nursing*, 53(3), 311-318.

Received: 09-May-2022, Manuscript No. AEJ-22-10845; **Editor assigned:** 11-May-2022, PreQC No. AEJ-22-10845(PQ); **Reviewed:** 20-May-2022, QC No. AEJ-22-10845; **Revised:** 23-May-2022, Manuscript No. AEJ-22-10845(R); **Published:** 27-May-2022