

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

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## 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

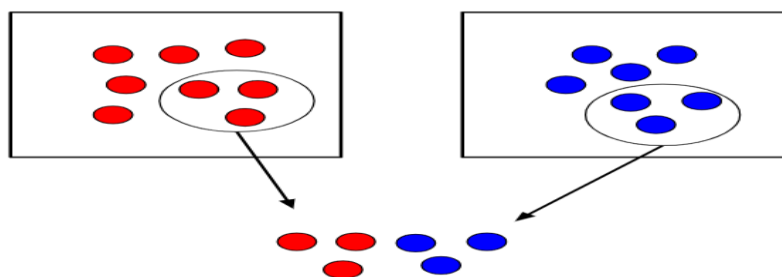
Drawing upon the research of Mitrovic et al. (2013), it is clear that E-business varies with different types of organisations and enterprises, depending on the size, age, location and knowledge base while big businesses engage (Fatoki, 2014) in e-business based on their financial volume and or human 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.

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